



Complete Financial Statements
June 30, 2007

ITAÚSA

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

MANAGEMENT REPORT – 1ST HALF OF 2007

To our Stockholders:

We present our Management Report and financial statements of Itaúsa - Investimentos Itaú S.A. and its subsidiaries for the first half of 2007, 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.

The Economic Environment

In the first half, the economy showed significant and steady growth. Inflation stood at low levels, 3.7% in the twelve-month period ended June; as a result, the Central Bank was able to continue making the monetary policy more flexible. In December 2006, the basic interest rate - Selic – was 13.25% p.a.. During the first half, the Central Bank cut the Selic by 1.25% to 12% p.a. in June. The fall in real interest rates and the expansion in loan operations have greatly stimulated consumption and investments. In the first quarter, GDP grew 4.3% as compared to the same period in 2006. In this year, the growth rate shall continue to be strong, reaching approximately 4.6%.

ECONOMIC PERFORMANCE

The main financial indicators of the results of Itaúsa and its subsidiaries for the quarters are as follows:

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

	<i>R\$ thousand</i>					
	Parent company		Minority interest		Group	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Net income	1,922,707	1,647,338	2,333,102	1,588,338	4,255,809	3,235,676
Stockholders' equity	14,562,500	10,869,129	16,931,767	10,287,867	31,494,267	21,156,996
Return on average equity	28.12	31.98	30.03	32.72	29.14	32.34
Dividends/interest on capital	477,266	560,594	648,127	511,733	1,125,393	1,072,327

MAIN FINANCIAL INDICATORS

	06/30/2007	06/30/2006	Change %
Results per thousand shares- in R\$			
Net income (1)	544.84	516.42	5.50
Book value (1)	4,126.63	3,407.35	21.11
Price per common share (ON) (2)	18,640.50	9,513.33	95.94
Price per preferred share (PN) (2)	12,063.00	8,300.95	45.32
Market capitalization (3) – in thousands of R\$	51,413,667	27,946,259	83.97

(1) Not taking into consideration the share bonus of 10% (Note 16a) approved at the Annual and Extraordinary Shareholders' Meeting held on April 27, 2007, net income per thousand shares would amount to R\$598.72, whereas the book value per thousand shares would amount to R\$4,534.70, corresponding to increases of 15.94% to 33.09%, respectively, on prior period's amounts.

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

(3) Calculated on the basis of the average quotation of shares during the month of June of each year.

MAIN INDICATORS OF THE COMPANIES CONTROLLED BY ITAÚSA

R\$ thousand

	1st half	FINANCIAL SERVICES AREA	INDUSTRIAL AREA			CONSOLIDATED/ GROUP (1)
		Banco Itaú Holding Financeira S.A. Consolidated	Duratex S.A.	Itautec S.A.	Elekeiroz S.A.	
Total assets	2007	255,417,704	2,480,439	832,977	628,656	260,234,418
	2006	172,412,770	2,260,073	840,362	555,875	176,998,999
Operating revenue (2)	2007	25,085,409	781,742	697,432	423,356	27,189,013
	2006	21,426,567	678,659	591,800	320,307	23,166,006
Net income for the first half	2007	4,016,474	152,258	62,393	27,553	4,255,809
	2006	2,958,277	90,588	13,918	(2,653)	3,235,676
Stockholders' equity	2007	26,545,950	1,467,153	401,459	356,591	31,494,267
	2006	17,555,022	1,294,504	322,493	316,448	21,156,996
Annualized return (net income/stockholders' equity) % (3)	2007	32.10%	21.09%	32.49%	15.91%	29.14%
	2006	35.69%	15.86%	8.74%	-1.67%	32.34%
Internal fund generation (4)	2007	7,788,834	202,341	89,541	46,103	8,133,879
	2006	6,176,193	131,936	37,509	11,497	6,540,792

(1) Data related to consolidated/group are net of consolidation eliminations and unrealized income from intercompany transactions.

(2) Operating Revenue by area of operation was obtained as follows:

- Banco Itaú Holding Financeira S.A.: totality of Income from financial operations, Income from services rendered, Income from Insurance, Capitalization and Pension Plans premiums and other Operating Income;
- Duratex S.A., Itautec S.A. and Elekeiroz S.A.: taking into consideration Net revenue from sales of products and/or services.

(3) Represents the ratio between net income for the 1 st half and average equity ((Dec + Mar + Jun)/3), multiplied by 2.

(4) Covers resources arising from operations:

- plus expenses for allowance for loan losses;
- excluding changes in mathematical provisions for capitalization and pension plan and including the changes in unsettled claims, credits and debits from insurance operations and deferred selling expenses from insurance, pension plan and capitalization.

FINANCIAL SERVICES AREA

Banco Itaú Holding Financeira

Along all of its history, Itaú Holding has been obtaining good results, proving the sustainability of its operations and the consistency of its strategic decisions.

In this half, we highlight the following initiatives:

- The official opening of Itaú in Chile and Uruguay on March 5 and 26, respectively, determining the effective startup of Itaú Holding operations in both countries, with all BankBoston branches being converted into Banco Itaú branches. Itaú Holding and Itaúsa started the process for acquiring BankBoston's operations in Chile and Uruguay from Bank of America Corporation in 2006. In April we opened a new branch in Santiago, Chile, and as a reflection of the ready acceptance of the Itaú brand by the local market, a record number of current accounts was opened in the second quarter of 2007, resulting in the growth of 4.3% in the client base.
- On May 31, 2007 the acquisition of BankBoston International (BBI), with head offices in Miami, and BankBoston Trust Company Limited (BBT), with head offices in Nassau, by Banco Itaú Europa and its subsidiary Banco Itaú Europa Luxembourg was concluded. The operation includes managed financial assets of approximately US\$ 3.2 billion and around 5,500 private banking clients in Latin America. The goodwill related to the acquisition amounted to R\$ 96 million, which was fully amortized in the Itaú Holding's consolidated financial statements for June 30, 2007.
- On June 8, 2007, the acquisition of the international private banking assets of Latin American customers of the Miami and Montevideo branches of ABN Amro Bank N.V. was concluded. The acquisition comprised assets under management of approximately US\$ 3.0 billion, registered in the United States, Switzerland and Luxembourg. As from the second quarter of 2007, these assets started to be recorded by Banco Itaú

Europa. This operation consolidated the positions of Itaú Holding and Banco Itaú Europa as one of the leading private banking institutions in Latin America.

- On June 26, a stock purchase agreement and other covenants were executed with Experian Brasil Aquisições Ltda. (Experian), the Brazilian subsidiary of Experian Solutions, Inc., by which Itaú Holding sold to Experian 832,176 shares issued by Serasa S.A. (Serasa). The income from the disposal amounted to R\$ 485 million (after taxes). Itaú Holding still participates in the management of Serasa, having 10.29% of its total capital stock and the right to appoint one member to its Board of Directors.

In April, the Moody's rating agency upgraded the BFSR rating of Banco Itaú and Banco Itaú BBA by two notches from C to B-, maintaining them at the highest level awarded to Brazilian banks.

In May, Standard & Poor's and Fitch Ratings, the two largest international risk-rating agencies, upgraded the ratings of Itaú Holding, Banco Itaú and Banco Itaú BBA to investment grade. With this upgrade, the foreign securities issued by these Banks appreciated due to their perceived soundness and good risk performance. We can also highlight that in September 2006, Moody's rated Itaú Holding, through its Cayman branch, as investment grade for its long-term securities in foreign currency, which was the first time a Brazilian bank received such a rating.

In the first half, consolidated net income totaled R\$ 4,016 million, with an annualized return of 32.1% on average equity. Itaú Holding paid or provided for its own taxes and contributions in the amount of R\$ 4,052 million.

Stockholders' equity totaled R\$ 26,546 million at the end of the first half, an increase of 51.2% as compared to the same period of 2006. The referential equity used for purposes of calculating operating limits reached R\$ 34,956 million.

Itaú Holding's consolidated assets totaled R\$ 255,418 million, a 48.1% increase as compared to June 2006. The loan portfolio, including endorsements and sureties, grew 40.2 % as compared to the same period of 2006, totaling R\$ 104,821 million. Excluding the mandatory loans and those from Argentina, Chile and Uruguay, the credit to individuals portfolio increased 32.9%, reaching R\$ 45,035 million, and the very small, small and middle market company segment posted 59.7% growth as compared to June 2006, totaling R\$ 21,255 million.

Total free, raised and managed own assets increased 47.0% as compared to June 2006, totaling R\$ 419,745 million. Savings deposits increased 24.7%, reaching R\$ 24,075 million.

Consumer credit operations associated with the Taií brand totaled R\$ 3,845 million in the loan portfolio and had 6.3 million clients at the end of the first half.

Vehicle loans totaled R\$ 22,282 million at the end of June 2007, representing an increase of 58.6% as compared to the same period of 2006.

Real estate financing in Brazil reached R\$ 2,476 million, representing an increase of 30.2% as compared to the first half of 2006. Banco Itaú stands out among the top three private lending institutions, accounting for 20% of market share. In this half, the Bank launched a new credit facility with reduced interest rates over the payment term. As a result, Banco Itaú is the only private institution that provides three types of loans for real estate worth up to R\$ 120 thousand.

Banco Itaú maintained its leadership position in the credit card market, reaching 13.6 million cards issued at June 30, and billings totaling R\$ 19.2 billion at the semester.

Itaú Seguros and its subsidiaries reached R\$ 1,348 million in premiums earned for the first half, representing a 4.8% increase as compared to the same period of 2006; we highlight the revenue from premiums issued in life insurance that amounted to R\$ 251 million, a 13.7% increase as compared to the same period of the prior year. Technical provisions of Insurance and Pension Plan totaled R\$ 20,405 million. Technical provisions of capitalization amounted to R\$ 1,105 million at the end of the period. Funds raised from the sale of Pension Plan and VGBL products reached R\$ 2,634 million in the first half of 2007, representing an increase of 40.0% as compared to the same period of 2006.

In the first half, Itaú Corretora's financial operations at Bovespa amounted to R\$ 46 billion, an increase of 64% as compared to the same period of 2006. In this same period, its financial operations at the Brazilian Mercantile & Futures Exchange (BM&F) amounted to approximately 7 million contracts, a growth of 39% as compared to the same period of 2006. In the Home Broker market, Itaútrade negotiated R\$ 4 billion, an increase of 33% as compared to the same period of 2006. In the international debt market, it negotiated US\$ 13.4 billion in the first half.

In the investment banking segment, Banco Itaú BBA carried out debenture and promissory notes operations totaling R\$ 3.2 billion and Credit Rights Investment Funds (FDIC) totaling R\$ 1.6 billion. In the National Association of Investment Banks (ANBID) ranking of June 2007, Banco Itaú BBA ranked first in origination of debt securities. In the capital markets, Banco Itaú BBA was the coordinator and bookrunner of initial public offerings that totaled R\$ 2.9 billion and of subsequent public offerings that amounted to R\$ 2.2 billion. In the Anbid ranking of June 2007, Itaú BBA ranked fourth in origination. We also highlight the growth rates of 22% in the volume of funds raised from customers in the local market as compared to the first quarter of 2007 and of 130% in average funding as compared to the same period of 2006.

Subsequent Event

At the beginning of July 2007, the Initial Public Offering of Redecard, a company that captures and transmits information on Mastercard's credit and debit card transactions, was carried out.

This offering raised the largest amount of funds at the São Paulo Stock Exchange (Bovespa) since the reinvigoration of the market for primary offerings in 2004. Funds raised exceeded R\$ 4 billion. Consequently, Itaú decreased its participation from 31.94% to 23.21% in the total capital of the company.

The operation will impact the result of the third quarter of 2007 by approximately R\$ 1.0 billion (after taxes).

Itaúsa Europa Investimentos

Itaúsa Europa Investimentos, the holding company that concentrates Itaúsa's banking investments in Europe, recorded net income of € 27.7 million in the first half of 2007, in line with the same period of 2006. Total assets reached € 4.7 billion, an increase of 61.1% as compared to the same period of 2006. This increase is mainly related to the acquisition of the private banking operations of Latin American customers of Bank of America and ABN Amro.

Consolidated net income reached € 28.0 million. Banking product amounted to € 49.9 million, a growth of 11.6% as compared to the first half of 2006, showing a stable contribution from the financial margin and outstanding performance in the capital markets, treasury and international private banking areas, and from the interest held in Banco BPI. The consolidated return on average equity reached 13.1%, the efficiency ratio having reached 36.9% at the semester.

The Bank's investment grade status (Baa1 by Moody's and BBB+ by Fitch Ratings) has significantly contributed to the diversification of sources of funds.

Banco Itaú Europa's consolidated assets totaled € 4.7 billion, of which we highlight credit to companies that totaled € 1.6 billion, mostly comprised by structured loans for financing Brazilian exports.

With the expansion of its international private banking operations, Itaú Europa is now also present in Miami and Nassau. Such expansion contributed to the increase in assets under management which exceeded US\$ 8.9 billion at the end of this half.

Banco BPI, S.A., an associated company in which the Itaú Group holds a 17.6% interest, 51% of which is held by Itaú Europa, reported total consolidated assets of € 38.9 billion, stockholders' equity of € 1,731.3 million and net income of € 193.1 million in June 2007.

INDUSTRIAL AREA

Duratex

The company proceeded with its Investment Plan by investing R\$ 112.9 million in this half to expand the production capacity in the MDF (Medium Density Fiberboard), sanitary porcelain and metal fixtures sectors, so as to increase the competitive edge. Noteworthy in this period are: the advance of R\$ 30.6 million for acquisition of the main press to manufacture MDF panels, the only such model in the world due to its extension and production capacity, which will provide 800.000 m³/year; the acquisition of 5,159 hectares of land and the planting of forests in order to support the announced expanded capacity; and acquisition of robot systems for refinement and polishing, automated low-pressure casting system, and machining centers, among others, for expansion of the production capacity of Deca.

It should be emphasized that Circularization Letters were accepted by BNDES, aiming at obtaining financing for the MDF and Deca Expansion Projects.

Gross revenue increased 17% as compared to that recorded in the first half of 2006, totaling R\$ 1,041.9 million. Net revenue totaled R\$ 781.7 million, a 15% increase in performance over the same period of 2006, and exports totaled US\$ 27.2 million.

Operating cash generation measured by EBITDA improved substantially, growing 33% in relation to the same period of 2006, totaling R\$ 268.2 million, corresponding to an EBITDA margin of 34% compared to 30% in 2006. Net income totaled R\$ 152.3 million, 68% higher than the first quarter of 2006, representing annualized return on equity of 22%.

The performance of the Wood Division reflects the good times experienced by the furniture sector. In this environment, net revenue grew 14% in relation to the same period of 2006, totaling R\$ 523.9 million, and exports totaled US\$ 22.8 million, with fiberboard panels representing 89% of this total. Gross profit grew 26%, increasing gross margin to 48% compared to 43% in the same period of 2006. EBITDA totaled R\$ 199.6 million, a growth of 32% compared to 2006, corresponding to an EBITDA margin of 38%, higher than the 33% seen in 2006.

At Deca Division, a significant increase in the volume of finishing products shipped was noted, as a consequence of a larger share in sales of items offered to this competitive segment. Thus, net revenue grew 18% in relation to that of 2006, totaling R\$ 257.8 million, and exports totaled US\$ 4.4 million, with sanitary porcelain fixtures representing 80% of this total. The improvement in sales mix also triggered the increase in gross margin from 39% to 41%, since costs remained unchanged in the period. EBITDA amounted to R\$ 68.6 million, 36% higher than in the same period of 2006, and EBITDA margin totaled 27% in the period, as compared to 23% in the first half of 2006.

Itautec

In the first half, Itautec's consolidated net income amounted to R\$ 62.4 million, of which R\$ 38.7 million refers to the sale of 50% of ownership interest in Camargo Corrêa Desenvolvimento Imobiliário S.A. (CCDI) and the sale of a real estate property in the district of Tatuapé, in São Paulo. Recurring net income amounted to R\$ 23.7 million, an increase of 70.5% as compared to the first half of 2006, representing an annualized return of 13.1% on adjusted average net equity for the first half.

In Thousands of Reais	1st half of 2007	1st half of 2006
Net income	62,393	13,918
Non-recurring result	(38,668)	-
- Sale of real state in Tatuapé	(16,917)	-
- Sale of CCDI shares	(21,751)	-
Recurring net income	23,725	13,918

Itautec's consolidated gross revenue from sales and services totaled R\$ 777.8 million, an increase of 16.5% as compared to the same period of 2006. EBITDA totaled R\$ 59.9 million, 53.7% higher than in the same period of 2006, and net indebtedness at the end of the half was R\$ 11.5 million, representing 9.6% of annualized EBITDA.

The Solution and Automation area, focused on Business and Process Management, has already carried out operations in a number of market segments, such as outsourcing and IT infrastructure services, in addition to services for digital inclusion in self-service terminals.

Itautec's foreign subsidiaries conducted Outsourcing and Bank Automation businesses in Paraguay, Mexico, Nigeria and Portugal and Outsourcing and Commercial Automation Businesses in Spain.

The distribution operations of Itec and Tallard subsidiaries represented 24.4% of Itautec's total consolidated revenue, amounting to R\$ 189.4 million.

Itautec, in line with its strategic planning, invested R\$ 58.1 million in the period, of which R\$ 25.5 million in technology development, R\$ 25.0 million in fixed assets, especially the expansion and remodeling of the new Industrial Unit in Jundiaí, the start-up of which will be in the second half of 2007, and R\$ 7.6 million in lease of equipment to clients.

Subsequent Event

On July 18, 2007, Itaútec entered into a loan agreement with the Brazilian Social and Economic Development Bank (BNDES) in the total amount of R\$ 142.6 million. The agreement comprises projects for the Company's expansion to foreign markets, modernization and transfer of production lines to the Industrial District of Jundiaí, increase of installed capacity and working capital associated with expansion, as well as investments in research and development of cutting-edge products and ongoing improvement of products and processes.

Elekeiroz

In this half, the remarkable performance of the Chinese economy continued exerting strong pressure on the demand for petrochemical products, enabling the continuity of favorable prices and margins, even with petrochemical naphtha prices being 11% higher than in the same period of 2006.

In the half, the volume shipped of 251 thousand tons was 20% higher than that of the same period of 2006. Exports were the greatest highlight of the period, with an 85% growth and volume of 36 thousand tons.

The international scenario, which remained favorable to the petrochemical industry, together with the actions implemented by the company to increase productivity and reduce operating costs, enabled the recovery of the average unit contribution margin, with increases of 160% in exported organic products and, in the domestic market, 56% in organic and 73% in inorganic products.

Investments in the period totaled R\$ 19 million, with priority on the increase in productivity and reduction of operating costs. Accordingly, these investments were focused on fine technical adjustments in the main equipment, installation of a number of production lines, development of new and more sophisticated mathematical models to control industrial operations, replacement of equipment, such as those in the sulphuric acid and phthalic-anhydride plants; these actions are reflected in the achieved results.

In May, due to the ISO 9001:2000 certification of the 2-ethyl hexanoic acid plant, all Elekeiroz plants are operating under these strict quality standards.

Gross and net revenues in this half totaled R\$ 520.3 and R\$ 423.4 million, respectively, with increases of 29% and 32%. Operating income, after equity in subsidiaries and amortization of goodwill, totaled R\$ 37.7 million, and net income was R\$ 27.6 million, after provisions for taxes and profit sharing.

EBITDA of R\$ 58.6 million grew 307%, with EBITDA margin of 14%. The annualized return on equity for this half was 15.91%.

SUSTAINABILITY

Social and Cultural Investments

In this half, R\$ 54 million were invested in social and cultural projects. Additionally, the Itaú Holding donated R\$ 50 million to Fundação Itaú Social, strengthening its equity and ability to generate funding for its projects.

Fundação Itaú Social and the Ministry of Education (MEC) signed a protocol for the use of the methodology adopted by the "Escrevendo o Futuro" (writing the future) program in the creation of the Brazilian Portuguese Language Olympiad. Through the PIC Esperança and PIC Itaú Criança Capitalization Plans, approximately R\$ 2.2 million were passed onto the K-12 education programs developed by Unicef and Fundação Itaú Social. We also highlight the 7th edition of the Itaú-Unicef Award, which received entries from more than 1,500 projects; the partnerships entered into with 9 municipal departments of education for training 380 multiplication agents who will work as teachers in the municipalities; the expansion of their "Itaú Solidário" (solidary Itaú) and "Itaú Voluntário" (voluntary Itaú) programs; the continuation of the first class of the "Jovens Urbanos" (urban youth) program in Rio de Janeiro and the third class in São Paulo.

Instituto Itaú Cultural celebrated its 20th anniversary by holding an exhibition on its history. It also launched its new website in June, which became a platform for reflection and announcement of the Institute's activities. Moreover, it was awarded the ISO 9001:2000 for the process of disclosing its program of activities. In this half, the headquarters of Instituto Itaú Cultural in São Paulo was visited by over 121,000 people. The "Rumos"

(directions) Program celebrated 10 years, having held 9 national editions and four new calls for participation - Music, Literature, Cultural Journalism and Research in Cultural Management. The "Itaú Contemporâneo" (contemporary Itaú) exhibit, which showed 127 works of art of the Itaú Group collection, marked the official release of the book "Coleção Itaú Contemporâneo".

The Environment

Elekeiroz is committed to the Responsible Care program of the Brazilian Chemical Industry Association (ABIQUM), representing it at FIESP in the Task Force on Water Resources, because it recognizes that its sustainability depends on environmental issues such as safe operations and transportation of hazardous products, occupational health, recycling of materials and reduction of consumption of scarce resources such as water, electric energy and fossil fuels. In this half, it continued the programs conducted by its internal commissions on Water Conservation (CIEA), Energy Conservation (CIEE), and Recycling of Materials. We highlight that on May 19 Elekeiroz celebrated 1,000 days without accident-related absences in the Várzea Paulista plant.

In March 2007, a compounded pre-reactor system and its accessories (pumps, collectors, filters, condensers, distillation columns) were completed and started operation; in addition, it also implemented a big-bag handling system and solid raw material feeding station, to allow for the use of recycled PET in its polyester resins, as an effective contribution to material recycling and reduction of environmental pollution.

Since 2005, Itaotec, through the "Consumo Consciente" (conscious consumption) Program, has been developing and implementing environmental programs for employees, their families and communities. The part of the program focused on paper use at the beginning of the year, is a continuous program and encourages the reduction of paper use and its replacement with recycled paper. In addition, Itaotec celebrated the Environment Week with the theme of Global Warming, taking various actions, such as the following: giving information and tips on reduction of CO₂ emission; providing a stand for Instituto Papel Solidário; and screening "An Inconvenient Truth", a documentary on global warming and the planet's future produced by Al Gore, former US vice-president; among other activities.

On June 11, Itaotec received honorable mention from the FIESP award in the category of environmental merit, having ranked second with its ATMCX3 project on Reduction of Substances Harmful to the Environment in automation and IT equipment.

In Duratex, investments related to the environment totaled R\$ 5.7 million, a 24% increase as compared to 2006. It also created, within its Committees on Excellence, the Committee on Social and Environmental Sustainability, which will be responsible for the creation, divulgation and follow up of the implementation of policies aimed at supporting its long-term operations.

Continuing its sequence of debates, intensified with the presence of Al Gore in Brazil, Itaú Holding held "Diálogos Itaú de Sustentabilidade" (Itaú's dialogues about sustainability). The first event of 2007, on the theme "Mudanças Climáticas: o papel das empresas" (climate change: the role of companies), was attended by clients, suppliers, employees and community leaders.

Human Capital Management

Itaúsa companies employed over 75,000 people at the end of June. In this half, it invested R\$ 37 million in education, training and development programs. Personnel compensation, including charges and benefits, totaled R\$ 2,510 million. Welfare benefits granted to employees and their dependents totaled R\$ 408 million and comprise supplementary pension plan, food, health and dental care, social services, scholarships, entertainment, sports and cultural activities, loans at subsidized interest rates, insurance, transportation vouchers, donations and special grants, among others.

INDEPENDENT AUDITORS – CVM INSTRUCTION No. 381

Procedures adopted by the Company

The policy adopted by Itaúsa, its subsidiaries and parent company, 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, 2007, 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:

- January 25, 2007 – Advisory services agreement for preparation of monthly/annual report for reimbursement of 2007 Value-Added Tax (IVA) – Banco Itaú Europa Luxembourg;
- March 8, 2007 – Agreement for using an electronic library of international accounting standards – Itaú Holding – Brazil;
- March 27, 2007 – Advisory services agreement in order to resolve specific issues regarding accounting issues – Banco Itaú Europa;
- March 27, 2007 – Advisory services agreement in order to resolve specific issues regarding accounting and tax treatment – Banco Itaú Europa; and
- May 25, 2007 – Service agreement related to US GAAP course – Banco Itaú S.A.– Brazil.

Independent Auditors' Justification - PricewaterhouseCoopers

The provision of the above described professional services not related to the external audit does not affect the independence or the objectivity of the external audit of the parent company 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 for their support and trust that we seek to repay by providing differentiated results. We thank the clients of our companies for their loyalty and we reaffirm our commitment to provide quality products and services. We express our special thanks to our employees for their work and effort, which have provided the sustainable growth of our business.

(Approved at the Meeting of the Board of Directors held on August 13, 2007).

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

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WAGNER ROBERTO PUGLIESE**INTERNATIONAL ADVISORY BOARD**ROBERTO EGYDIO SETUBAL
ARTUR EDUARDO BROCHADO DOS SANTOS SILVA
CARLOS DA CAMARA PESTANA
FERNÃO CARLOS BOTELHO BRACHER
HENRI PENCHAS
JOSÉ CARLOS MORAES ABREU
MARIA DE LOURDES EGYDIO VILLELA
ROBERTO TEIXEIRA DA COSTA
RUBENS ANTONIO BARBOSA
SERGIO SILVA DE FREITAS(*) *Investor Relations Director***ADVISORY BOARD**

FERNANDO DE ALMEIDA NOBRE NETO

LICIO MEIRELES FERREIRA
LUIZ EDUARDO CAMPELLO**NOMINATION AND COMPENSATION COMMITTEE****President**

OLAVO EGYDIO SETUBAL

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

CARLOS DA CAMARA PESTANA

MembersALCIDES LOPES TÁPIAS
GUSTAVO JORGE LABOISSIERE LOYOLA
TEREZA CRISTINA GROSSI TOGNI**DISCLOSURE AND TRADING COMMITTEE**ALFREDO EGYDIO SETUBAL
ALCIDES LOPES TÁPIAS
ALFREDO EGYDIO ARRUDA VILLELA FILHO
ANTONIO CARLOS BARBOSA DE OLIVEIRA
ANTONIO JACINTO MATIAS
HENRI PENCHAS
MARIA ELIZABETE VILAÇA LOPES AMARO
ROBERTO TEIXEIRA DA COSTA
SILVIO APARECIDO DE CARVALHO
TEREZA CRISTINA GROSSI TOGNI**FISCAL COUNCIL****President**

IRAN SIQUEIRA LIMA

MembersALBERTO SOZIN FURUGUEM
MARCOS DE ANDRADE REIS VILLELA

ITAÚSA EUROPA - INVESTIMENTOS SGPS LDA.

MANAGING BOARD

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

BANCO ITAÚ EUROPA S.A.

BOARD OF DIRECTORS

Chairman

ROBERTO EGYDIO SETUBAL

Vice Chairman

CARLOS DA CAMARA PESTANA

Board Members

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

EXECUTIVE COMMISSION OF THE BOARD OF DIRECTORS

President

ALMIR VIGNOTO

Board Members

JOSÉ FRANCISCO CLARO
JORGE ALBERTO O. V. JARDIM GONÇALVES
JEAN MARTIN SIGRIST JÚNIOR
ROBERTO MASSARU NISHIKAWA

FISCAL COUNCIL

President

JOSÉ MATA SOUSA MENDES

Members

JOÃO MANUEL RICARDO CATARINO
PRICEWATERHOUSECOOPERS & ASSOCIADOS, SOCIEDADE
DE REVISORES OFICIAIS DE CONTAS, LDA.

DURATEX S.A.

BOARD OF DIRECTORS

Chairman

OLAVO EGYDIO SETUBAL

Vice Chairmen

LAERTE SETUBAL FILHO
MARIA DE LOURDES EGYDIO VILLELA
PAULO SETUBAL

Directors

ALFREDO EGYDIO ARRUDA VILLELA FILHO
JAIR RIBEIRO DA SILVA NETO
JAIRO CUPERTINO
JOSÉ CARLOS MORAES ABREU
OLAVO EGYDIO SETUBAL JÚNIOR

FISCAL COUNCIL

President

PAULO RICARDO MORAES AMARAL

Members

IRAN SIQUEIRA LIMA
MÁRCIO LUCIANO MANCINI

EXECUTIVE BOARD

Chief Executive Officer

PAULO SETUBAL

Executive Managing Vice Presidents

GUILHERME ARCHER DE CASTILHO
PLINIO DO AMARAL PINHEIRO (*)
RAUL PENTEADO

Executive Directors

CARLOS ALBERTO TENÓRIO NOBRE
ENRIQUE JUDAS MANUBENS
MÁRIO COLOMBELLI FILHO

Managing Directors

ALEXANDRE COELHO NETO DO NASCIMENTO
ANTONIO JOAQUIM DE OLIVEIRA
ANTONIO MASSINELLI
FLÁVIO DIAS SOARES

DISCLOSURE COMMITTEE

Members

PAULO SETUBAL
PLINIO DO AMARAL PINHEIRO
RAUL PENTEADO

(*) *Investor Relations Director*

ITAUTEC S.A. - GRUPO ITAUTEC

BOARD OF DIRECTORS

Chairman

OLAVO EGYDIO SETUBAL

Vice Chairman

JOSÉ CARLOS MORAES ABREU

Directors

ALFREDO EGYDIO ARRUDA VILLELA FILHO
JAIRO CUPERTINO
PAULO SETUBAL
RENATO ROBERTO CUOCO
RICARDO EGYDIO SETUBAL

EXECUTIVE BOARD

Chief Executive Officer

PAULO SETUBAL

General Manager

GUILHERME ARCHER DE CASTILHO

Executive Managing Vice President

CLÁUDIO VITA FILHO
RAUL PENTEADO
RICARDO EGYDIO SETUBAL (*)

Executive Director

WILTON RUAS DA SILVA

DISCLOSURE COMMITTEE

Members

RICARDO EGYDIO SETUBAL
PAULO SETUBAL
GUILHERME ARCHER DE CASTILHO
RAUL PENTEADO

(*) *Investor Relations Director*

ELEKEIROZ S.A.

BOARD OF DIRECTORS

Chairman

OLAVO EGYDIO SETUBAL

Vice Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

Directors

CESAR CALVO HUIDOBRO
RAUL PENTEADO
REINALDO RUBBI

EXECUTIVE BOARD

Chief Executive Officer

PAULO SETUBAL

General Manager

REINALDO RUBBI (*)

Directors

CARLOS CALVO SANZ
RICARDO JOSÉ BARALDI

DISCLOSURE COMMITTEE

Members

REINALDO RUBBI
PAULO SETUBAL

(*) *Investor Relations Director*

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED BALANCE SHEET

(In thousands of Reais)

ASSETS	06/30/2007	06/30/2006
Current assets	203,575,937	135,955,660
Cash and cash equivalents	4,549,285	2,515,625
Interbank investments (Notes 4a and 5)	37,137,215	26,526,514
Securities and derivative financial instruments (Notes 4b, 4c and 6)	54,254,199	29,510,731
Securities	31,235,308	12,245,780
Derivative Financial Instruments	3,415,539	2,794,952
Assets guaranteeing technical provision – PGBL/VGBL fund quotas (Note 11b)	16,641,184	11,901,538
Assets guaranteeing technical provision – other securities (Note 11b)	2,962,168	2,568,461
Interbank accounts of subsidiaries	16,509,924	13,431,105
Loan, lease and other credit operations (Note 7)	58,232,593	41,728,051
Operations with credit granting characteristics (Note 4d)	62,671,561	44,689,375
(-) Allowance for loan losses (Note 4e)	(4,438,968)	(2,961,324)
Inventories (Notes 4f and 8)	561,264	498,083
Products	551,764	489,964
Real estate	9,500	8,119
Other receivables	30,459,560	20,863,274
Foreign exchange portfolio (Note 9)	19,035,769	12,083,916
Deferred tax assets (Note 14b I)	3,058,874	2,820,860
Sundry (Note 13a)	8,467,276	6,048,475
(-) Allowance for loan losses	(102,359)	(89,977)
Other assets (Notes 4g and 13b)	316,768	282,014
Prepaid expenses (Notes 4h and 13c)	1,555,129	600,263
Non-current assets	56,658,481	41,043,339
Long-term receivables	51,296,653	36,463,590
Interbank investments (Notes 4a and 5)	1,670,568	1,281,151
Securities and derivative financial instruments (Notes 4b, 4c and 6)	8,738,256	8,481,626
Securities	6,953,396	6,823,481
Derivative financial instruments	1,148,303	684,177
Assets guaranteeing technical provision – other securities (Note 11b)	636,557	973,968
Interbank accounts of subsidiaries	394,706	369,718
Loan, lease and other credit operations (Note 7)	29,401,209	20,045,665
Operations with credit granting characteristics (Note 4d)	32,875,911	22,693,125
(-) Allowance for loan losses (Note 4e)	(3,474,702)	(2,647,460)
Other receivables	9,754,299	5,502,444
Deferred tax assets (Note 14b I)	4,121,689	1,631,265
Sundry (Note 13a)	5,632,610	3,871,179
Other assets (Notes 4g and 13b)	4,934	-
Prepaid expenses (Notes 4h and 13c)	1,332,681	782,986
Permanent assets	5,361,828	4,579,749
Investments (Notes 4i and 15a II)	1,148,485	886,209
Investments in affiliates	856,736	686,201
Other investments	291,749	200,008
Fixed assets (Notes 4j and 15b)	3,380,702	3,340,377
Fixed assets for own use	8,236,265	7,997,958
Leased properties	93,812	109,200
Forest reserves	118,123	103,257
(Accumulated depreciation)	(5,067,498)	(4,870,038)
Intangible (Note 15b)	9,837	7,561
Deferred charges (Notes 4k and 15b)	822,804	345,602
Organization and expansion expenditures	1,630,888	902,650
(Accumulated amortization)	(808,084)	(557,048)
TOTAL ASSETS	260,234,418	176,998,999

ITAÚSA - INVESTIMENTOS ITAÚ S.A. CONSOLIDATED BALANCE SHEET

(In thousands of Reais)

LIABILITIES	06/30/2007	06/30/2006
Current liabilities	147,976,024	100,352,120
Funds raised by subsidiaries (Notes 4a and 10)	99,603,528	66,039,754
Foreign currency	7,484,270	3,289,420
Local currency	65,863,331	49,325,290
Money market	26,255,927	13,425,044
Subordinated debt (Note 10)	1,394,799	67,064
Derivative financial instruments (Notes 4c and 6b)	2,859,136	1,978,028
Borrowings (Note 4a)	251,714	332,910
Foreign currency	87,307	175,605
Local currency	164,407	157,305
Statutory and social contributions	1,637,832	1,429,169
Tax and social security contributions (Note 14c I)	1,797,147	1,862,875
Other liabilities	33,633,419	22,893,947
Foreign exchange portfolio (Note 9)	19,316,807	12,308,208
Credit card operations	6,314,069	4,847,966
Securitization of foreign payment orders (Note 10)	166,895	186,668
Sundry (Note 13d)	7,835,648	5,551,105
Interbank accounts of subsidiaries	4,091,304	2,964,282
Technical provisions for insurance, pension plan and capitalization (Notes 4I and 11a)	2,707,145	2,784,091
Non-current liabilities	80,646,294	55,377,588
Long-term liabilities	80,646,294	55,377,588
Funds raised by subsidiaries (Notes 4a and 10)	39,532,056	29,117,535
Foreign currency	4,183,336	4,090,961
Local currency	11,670,794	10,868,617
Money market	23,677,926	14,157,957
Subordinated debt (Note 10)	9,230,335	4,467,797
Derivative financial instruments (Notes 4c and 6b)	1,290,642	525,507
Borrowings (Note 4a)	334,877	351,065
Foreign currency	160,818	153,016
Local currency	174,059	198,049
Tax and social security contributions (Note 14c I)	7,662,127	4,535,062
Other liabilities	3,793,625	2,755,412
Securitization of foreign payment orders (Note 10)	1,126,383	994,228
Sundry (Note 13d)	2,667,242	1,761,184
Technical provisions for insurance, pension plan and capitalization (Notes 4I and 11a)	18,802,632	13,625,210
Deferred income (Note 4o)	117,833	112,295
Minority interest	16,931,767	10,287,867
Stockholders' equity of the parent company (Note 16)	14,562,500	10,869,129
Capital	7,500,000	5,200,000
Capital reserves	27,576	26,824
Revaluation reserves	40,597	43,776
Revenue reserves	6,901,730	5,501,039
Adjustment to market value – securities and derivatives	92,597	97,490
Stockholders' equity of the Itaúsa Group	31,494,267	21,156,996
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	260,234,418	176,998,999

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

(In thousands of Reais)

	01/01 to 06/30/2007	01/01 to 06/30/2006
OPERATING REVENUES	27,189,013	23,166,006
Sales of products and services	6,773,381	5,745,533
Insurance, pension plan and capitalization	4,445,967	3,649,095
Financial	10,588,352	8,388,946
Insurance, pension plan and capitalization (Note 11c)	1,136,834	1,010,637
Securities	3,923,915	3,852,370
Equity in earnings of affiliates	49,212	97,988
Other operating revenues (Note 13e)	271,352	421,437
OPERATING EXPENSES	(21,089,691)	(18,259,063)
Cost of products and services	(1,307,981)	(1,132,728)
Insurance, pension plan and capitalization	(3,844,848)	(3,131,497)
Equity	(3,289,797)	(2,819,845)
Administrative	(5,255,180)	(4,309,671)
Management fees	(104,032)	(123,153)
Financial	(3,994,407)	(3,943,574)
Financial expenses on technical provisions for pension plan and capitalization (Note 11c)	(919,745)	(833,214)
Other operating expenses (Note 13f)	(2,373,701)	(1,965,381)
OPERATING INCOME	6,099,322	4,906,943
NON-OPERATING INCOME (Note 13g)	906,949	138,775
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	7,006,271	5,045,718
INCOME TAX AND SOCIAL CONTRIBUTION (Notes 4n and 14a I)	(2,436,557)	(1,521,678)
Due on Operations for the Period	(2,348,529)	(1,553,625)
Related to temporary differences	(88,028)	31,947
PROFIT SHARING	(313,905)	(288,364)
Employees – Law 10,101 of 12/19/2000	(254,000)	(193,037)
Officers - Statutory - Law 6,404 of 12/15/1976	(59,905)	(95,327)
NET INCOME RELATING TO MINORITY INTEREST IN SUBSIDIARIES	(2,333,102)	(1,588,338)
NET INCOME OF PARENT COMPANY	1,922,707	1,647,338
Net income relating to minority interest in subsidiaries	2,333,102	1,588,338
NET INCOME OF THE ITAÚSA GROUP	4,255,809	3,235,676
NUMBER OF OUTSTANDING SHARES – in thousands	3,528,909	3,189,903
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	544.84	516.42
BOOK VALUE OF PARENT COMPANY PER THOUSAND SHARES – R\$	4,126.63	3,407.35

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

(In thousands of Reais)

	01/01 to 06/30/2007	01/01 to 06/30/2006
A – FINANCIAL RESOURCES WERE PROVIDED BY	20,775,498	9,734,676
NET INCOME FOR THE YEAR	1,922,707	1,647,338
Items not representing changes in net working capital		
Minority interest	2,333,102	1,588,338
Depreciation and amortization	396,873	326,060
Equity in the earnings of subsidiaries, net of received dividends	11,266	(52,876)
Changes in provisions	43,639	-
Other	(7,547)	223
ADJUSTED NET INCOME	4,700,040	3,509,083
STOCKHOLDERS' RESOURCES	300,752	100,182
Capital increase	300,000	100,000
Premium on subscription of shares	752	182
THIRD PARTIES' RESOURCES	15,774,706	6,125,411
Increase in long-term liabilities	13,646,071	5,907,595
Cost of disposed permanent assets	324,163	15,995
Cost of investment disposals	4,335	5,210
Elimination of investments included in consolidation for the period	963,467	-
Change in deferred income	(7,106)	(4,157)
Changes in minority interest, net	843,776	200,768
B – FINANCIAL RESOURCES WERE USED FOR	15,821,758	3,583,819
Increase in long-term receivables	13,694,999	1,994,302
Adjustment to market value – securities and derivatives - subsidiary and affiliated companies	28,806	68,833
Purchased properties and other fixed assets	467,774	322,228
Investments in the period	63,442	72,132
Increase in deferred assets	415,846	53,997
Purchase of treasury shares	25,498	-
Dividends paid to minority stockholders	648,127	511,733
Dividends proposed	477,266	560,594
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	4,953,740	6,150,857
INCREASE (DECREASE) IN NET WORKING CAPITAL	4,953,740	6,150,857
At the beginning of the year	50,646,173	29,452,683
Current assets	170,708,888	117,440,972
Current liabilities	120,062,715	87,988,289
At the end of the year	55,599,913	35,603,540
Current assets	203,575,937	135,955,660
Current liabilities	147,976,024	100,352,120

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**BALANCE SHEET***(In thousands of Reais)*

ASSETS	06/30/2007	06/30/2006
Current assets	1,027,755	1,097,422
Cash and cash equivalents	39	12
Securities (Note 6a)	432,288	541,565
Deferred tax assets	57,427	128
Other sundry receivables (Note 13a)	538,001	555,717
Non-current assets	15,679,249	11,265,753
Long-term receivables	27,393	14,683
Securities (Note 6a)	33	32
Other sundry receivables (Note 13a)	27,360	14,651
Permanent assets	15,651,856	11,251,070
Investments		
Investments in subsidiaries (Note 15a I)	15,639,375	11,237,777
Other investments	4,159	4,129
Fixed assets (Note 15b)	8,322	9,164
TOTAL ASSETS	16,707,004	12,363,175
LIABILITIES		
Current liabilities	491,893	642,336
Dividends / interest on capital payable	480,509	563,160
Tax and social security contributions	4,491	75,461
Other liabilities (Note 13d)	6,893	3,715
Non-current liabilities	16,123	12,419
Long-term liabilities – Tax and social security contributions	16,123	12,419
Stockholders' equity (Note 16)	16,198,988	11,708,420
Capital (Note 16a)	7,500,000	5,200,000
Capital reserves	27,576	26,824
Revaluation reserves	40,597	43,776
Revenue reserves (Note 16c)	8,538,218	6,340,330
Adjustment to market value - securities (Notes 4b, 4c and 6a)	92,597	97,490
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	16,707,004	12,363,175

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

	01/01 to 06/30/2007	01/01 to 06/30/2006
OPERATING REVENUES	1,934,480	1,975,955
Securities	154,624	118,647
Equity in earnings of subsidiaries (Note 15a I)	1,777,891	1,855,946
Other operating revenues (Note 13e)	1,965	1,362
OPERATING EXPENSES	(28,605)	(59,824)
Equity	(438)	(440)
Administrative	(10,791)	(13,431)
Management fees	(3,233)	(2,714)
Other operating expenses (Note 13f)	(14,143)	(43,239)
OPERATING INCOME	1,905,875	1,916,131
NON-OPERATING INCOME (Note 13g)	(4,921)	71,295
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	1,900,954	1,987,426
INCOME TAX AND SOCIAL CONTRIBUTION (Notes 4n and 14a I)	(2,181)	20,960
Due on operations for the period	(31,052)	(146,265)
Related to temporary differences	28,871	167,225
PROFIT SHARING	(2,915)	(2,050)
Officers - Statutory - Law 6,404 of 12/15/1976	(2,915)	(2,050)
NET INCOME	1,895,858	2,006,336
NUMBER OF OUTSTANDING SHARES - in thousands (Note 16a)	3,528,909	3,189,903
NET INCOME PER THOUSAND SHARES – R\$	537.24	628.96
BOOK VALUE PER THOUSAND SHARES – R\$	4,590.37	3,670.46

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

(In thousands of Reais)

	Capital	Capital reserves			Revaluation reserves	Revenue reserves			Adjustment to market value - securities/ derivatives	Treasury shares	Retained earnings	Total
		Monetary correction Law 8,200	Premium on subscription of shares	Options for tax incentives		Legal	Unrealized profits	Statutory				
At December 31, 2005	5,000,000	25,013	1,781	1,629	49,392	588,815	-	4,852,810	148,887	(434,191)	-	10,234,136
Change in adjustment to market value - subsidiaries	-	-	-	-	-	-	-	(20,243)	(51,397)	-	-	(71,640)
Subscription of shares	100,000	-	-	-	-	-	-	-	-	-	-	100,000
Premium on issuance of shares	-	-	182	-	-	-	-	-	-	-	-	182
Capital increase with reserves	100,000	-	(1,781)	-	-	-	-	(98,219)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	(434,191)	-	434,191	-	-
Reversal/realization of reserves	-	-	-	-	(5,616)	-	-	-	-	-	5,616	-
Appropriations:												
Net income for the period	-	-	-	-	-	-	-	-	-	-	2,006,336	2,006,336
Legal reserve	-	-	-	-	-	100,317	-	-	-	-	(100,317)	-
Statutory reserve	-	-	-	-	-	-	-	1,351,041	-	-	(1,351,041)	-
Interest on capital	-	-	-	-	-	-	-	-	-	-	(560,594)	(560,594)
At June 30, 2006	5,200,000	25,013	182	1,629	43,776	689,132	-	5,651,198	97,490	-	-	11,708,420
At December 31, 2006	5,200,000	25,013	182	1,629	43,318	872,249	239,650	8,151,835	96,691	(124,945)	-	14,505,622
Change in adjustment to market value - subsidiaries	-	-	-	-	-	-	-	-	(4,094)	-	3,614	(480)
Subscription of shares	300,000	-	-	-	-	-	-	-	-	-	-	300,000
Premium on issuance of shares	-	-	752	-	-	-	-	-	-	-	-	752
Capital increase with reserves	2,000,000	-	-	-	-	-	-	(2,000,000)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	(150,443)	-	150,443	-	-
Reversal/realization of reserves	-	-	-	-	(2,721)	-	-	-	-	-	2,721	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(25,498)	-	(25,498)
Net income for the period	-	-	-	-	-	-	-	-	-	-	1,895,858	1,895,858
Appropriations:												
Legal reserve	-	-	-	-	-	94,793	-	-	-	-	(94,793)	-
Statutory reserve	-	-	-	-	-	-	-	1,330,134	-	-	(1,330,134)	-
Dividends	-	-	-	-	-	-	-	-	-	-	(297,266)	(297,266)
Interest on capital	-	-	-	-	-	-	-	-	-	-	(180,000)	(180,000)
At June 30, 2007	7,500,000	25,013	934	1,629	40,597	967,042	239,650	7,331,526	92,597	-	-	16,198,988

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

(In thousands of Reais)

	01/01 to 06/30/2007	01/01 to 06/30/2006
A – FINANCIAL RESOURCES WERE PROVIDED BY	947,137	748,910
NET INCOME FOR THE PERIOD	1,895,858	2,006,336
Items not representing movement of net working capital		
Depreciation and amortization	438	440
Equity in the earnings of subsidiaries, net of received dividends	(1,254,695)	(1,404,483)
Allowance for losses	(35)	(6)
Amortization of goodwill	4,451	3,077
ADJUSTED NET INCOME	646,017	605,364
STOCKHOLDERS' RESOURCES	300,752	100,182
Capital increase	300,000	100,000
Premium on subscription of shares	752	182
THIRD PARTIES' RESOURCES	368	43,364
Increase in long-term liabilities	-	3,665
Cost of investment disposals	-	39,699
Decrease in long-term receivables	368	-
B – FINANCIAL RESOURCES WERE USED FOR	628,518	637,271
Increase in long-term receivables	-	3,763
Purchased properties and other fixed assets	27	1
Investments in the period	121,898	72,913
Purchase of treasury shares	25,498	-
Proposed dividends and interest on capital	477,266	560,594
Decrease in long-term liabilities	3,829	-
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	318,619	111,639
INCREASE (DECREASE) IN NET WORKING CAPITAL	318,619	111,639
At the beginning of the period	217,243	343,447
Current assets	1,374,222	1,211,452
Current liabilities	1,156,979	868,005
At the end of the period	535,862	455,086
Current assets	1,027,755	1,097,422
Current liabilities	491,893	642,336

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
NOTES TO THE FINANCIAL STATEMENTS
FROM JANUARY 1 TO JUNE 30, 2007 AND 2006

(In thousands of Reais)

NOTE 1 - OPERATIONS

ITAÚSA - Investimentos Itaú S.A. (ITAÚSA) has as main objective supporting the companies in which capital it holds 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 its position in the capital market and related activities or subsidiaries of interest of the mentioned companies, except for those restricted to financial institutions.

NOTE 2 – PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of ITAÚSA and of its subsidiaries (ITAÚSA CONSOLIDATED) have been prepared in accordance with accounting principles established by the Brazilian Corporate Law and 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.

In the preparation of the financial statements, the Company made the changes provided for by the CVM Resolution 488 of October 3, 2005.

On May 1 and August 8, 2006, Banco Itaú Holding Financeira S.A. (ITAÚ HOLDING) and Bank of America Corporation (BAC) entered into agreements for the acquisition, by ITAÚ HOLDING, of the operations of BankBoston (BKB) and subsidiary companies in Brazil, Chile and Uruguay. On August 22, 2006 the operation was approved by BACEN and, at the ESM held on August 25, 2006, its implementation was approved as from September 1, 2006, and its company name was changed to Banco ItaúBank S.A. On February 1, 2007, February 7, 2007 and March 12, 2007, the Chile and Uruguay operations were approved by BACEN, the Superintendency of Banks and Financial Institutions of Chile (SBIF) and by the Uruguayan authorities, respectively, and therefore they started being included in the consolidation process on March 31, 2007.

On May 31, 2007 the acquisitions of BAC subsidiary companies, BankBoston International (BBI) and BankBoston Trust Company Limited (BBT), by ITAÚSA subsidiary companies, Banco Itaú Europa S.A. and Banco Itaú Europa Luxembourg S.A., were concluded. The related goodwill amounting to R\$ 95,665 was fully amortized in the consolidated financial statements (Note 13f).

On June 28, 2007, ITAU HOLDING disposed of 22.33% of the interest it held in the capital stock of Serasa S.A., comprising 832,176 shares, to Experian Brasil Aquisições Ltda., and the remaining indirect interest of 10.29% was no longer consolidated as from that date (Note 15 a II). Income before taxes amounted to R\$ 735,507 (Note 13g).

The receivables, arising from purchases made by card holders, are included in Loan, Lease and Other Credit Card Operations. The resources related to these amounts are included in Other Liabilities – Credit Card Operations. Lease Operations are presented, at present value, in the Balance Sheet, and related income and expenses, which represent the financial result of these operations, are presented, grouped together, under loan, lease and other credit operations in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign Exchange Portfolio. The foreign exchange result is presented on an adjusted basis, with the reclassification of expenses and income, in order to represent exclusively the impact of variations and differences of rates on the balance sheet accounts denominated in foreign currencies.

NOTE 3 – CONSOLIDATED FINANCIAL STATEMENTS

Intercompany transactions and balances and results have been eliminated on consolidation. The investments held by consolidated companies in Exclusive Investment Funds are consolidated. The investments in these fund portfolios are classified by type of transaction and were segregated by type of security, in the same categories in which these securities had been originally allocated. Deferred taxes related to adjustments to market value of trading securities, derivative financial instruments (assets/liabilities) and available-for-sale securities, including the additional provision, are presented in the Balance Sheet at their related net amounts (Note 14b II). The effects of the Foreign Exchange Variation on investments abroad are classified in the Statement of Income accounts, according to the nature of the corresponding balance sheet accounts.

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

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

In ITAÚSA CONSOLIDATED, this goodwill was fully amortized in the years when these investments occurred in order to: a) permit better comparability with previous periods' consolidated financial statements; and b) permit measuring Net Income and Stockholders' Equity based on conservative criteria.

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

	Incorporation country	Interest (%)	
		06/30/2007	06/30/2006
FINANCIAL SERVICES AREA			
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, LDA	Portugal	44.64	48.24
Banco Fiat S.A.	Brazil	44.64	48.24
Banco Itaú BBA S.A.	Brazil	42.74	46.19
Banco Itaú Buen Ayre S.A.	Argentina	44.64	48.24
Banco Itaú Cartões S.A.	Brazil	44.64	48.24
Banco Itaú Chile (Note 2)	Chile	44.64	-
Banco Itaú Europa Luxembourg S.A.	Luxembourg	89.17	89.84
Banco Itaú Europa, S.A.	Portugal	89.19	89.89
Banco Itaú Holding Financeira S.A.	(1) Brazil	44.64	48.24
Banco Itaú S.A.	Brazil	44.64	48.24
Banco Itaú Uruguay S.A. (Note 2)	Uruguay	44.64	-
Banco ItauBank S.A. (Note 2)	Brazil	44.64	-
Banco Itaucard S.A.	Brazil	44.64	48.24
Banco Itaucred Financiamentos S.A.	Brazil	44.64	48.24
BIU Participações S.A.	(2)(3) Brazil	18.60	-
Cia. Itaú de Capitalização	Brazil	44.64	48.24
Cia. Itauleasing de Arrendamento Mercantil	Brazil	44.64	48.24
FAI - Financeira Americanas Itaú S.A Crédito, Financiamento e Investimento	(2) Brazil	22.32	24.12
Fiat Administradora de Consórcios Ltda	Brazil	44.64	48.24
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(4) Brazil	22.32	24.12
Itaú Administradora de Consórcios Ltda	Brazil	44.64	48.24
Itaú Bank, Ltd	Cayman Islands	44.64	48.24
Itaú Corretora de Valores S.A.	Brazil	44.64	48.24
Itaú Seguros S.A.	Brazil	44.64	48.24
Itaú Vida e Previdência S.A.	Brazil	44.64	48.24
Itaú XL Seguros Corporativos S.A.	(4) Brazil	22.32	-
ItauBank Leasing S.A. Arrendamento Mercantil (Note 2)	Brazil	44.64	-
Itaúsa Export S.A.	Brazil	87.70	88.50
Oca Casa Financiera S.A. (Note 2)	Uruguay	44.64	-
Orbitall Serviços e Processamento de Informações Comerciais S.A.	Brazil	44.64	48.24
Redecard S.A.	(2) Brazil	14.26	15.41
Serasa S.A.	(5) Brazil	-	15.62
INDUSTRIAL AREA			
Duratex S.A.	(1) Brazil	41.60	41.55
Elekeiroz S.A.	(1) Brazil	96.47	96.49
Itaúsa Empreendimentos S.A.	Brazil	99.96	99.95
Itautec S.A.	(1) Brazil	94.01	93.96

(1) Listed company.

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

(3) Company incorporated on June 27, 2007, the capital of which was paid in with the transfer of shares of Serasa S.A. (Note 2).

(4) Company with shared control, fully included in consolidation, as authorized by CVM, in view of the business management by ITAÚ HOLDING.

(5) Note 2.

NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

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

b) Securities

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

II- In financial subsidiaries, insurance, pension plan and capitalization companies and their subsidiaries (Financial Services Area), recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to BACEN Circular Letter 3,068, of November 8, 2001 and SUSEP Circular Letter 314, of December 27, 2005. They are classified in the following categories:

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

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

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

III- The effects of the procedures described in item 2 above, in the Financial Services subsidiaries of ITAÚSA, 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.

c) Derivative financial instruments - These are classified on the date of their acquisition, according to management's intention of using them either as a hedge or not, according to BACEN Circular Letter 3,082, of January 30, 2002. Transactions involving financial instruments, carried out upon the client's request, for their own account, or which do not comply with 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, 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)** - 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.
- e) Allowance for loan losses** - The balance of the allowance for loan losses was recorded based on the credit risk analysis, at an amount considered sufficient to cover loan losses according to the rules determined by BACEN Resolution 2,682 of December 21, 1999, among which are:
- Provisions are recorded from the date loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
 - Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.
- f) Inventories** - These are valued at the average acquisition or production cost, which is lower than replacement costs or realizable values and, when applicable, decreased by the provision for obsolescence. Imports in transit are stated at the accumulated cost of each import.
- g) Other assets** - These assets are mainly comprised by assets held for sale relating to real estate available for sale, own real estate not in use or real estate received as payment in kind, which are adjusted to market value by recognizing a provision, according to current regulations.
- h) Prepaid expenses** – These refer to expenditures which will benefit future periods.
- i) Investments** - In subsidiary and affiliated companies, investments are accounted for under the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into reais. Other investments are recorded at cost, restated up to December 31, 1995, and adjusted to market value by setting up a provision in accordance with current standards.
- j) Fixed assets** - These assets are stated at cost of acquisition or construction, less accumulated depreciation, restated up to December 31, 1995. For insurance, private pension and capitalization operations, property and equipment are adjusted to market value based on appraisal reports.

In the Financial Area, with respect to operating leases, leased assets are stated at cost of acquisition less accumulated depreciation. The depreciation of leased assets is recognized under the straight-line method, based on their usual useful lives, taking into account that the useful life shall be decreased by 30% should it meet the conditions provided for by Ordinance No. 113 of February 26, 1988 issued by the Ministry of Finance. Receivables are recorded in leases receivable at the contractual amount, with a 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 corrected cost, and for the Financial Area companies, assets/equipment with residual value up to R\$ 3 are fully depreciated. Depreciation is calculated at the following annual rates:

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

- k) Deferred charges** - Deferred organization and expansion expenditures mainly represent leasehold improvements and acquisition of software, and acquisition of customer portfolios, which are amortized in periods from five to ten years.
- l) Technical provisions of insurance, pension plan and capitalization** – provisions are recognized according to the technical notes approved by SUSEP and criteria established by CNSP Resolution 162 of December 26, 2006

I - Insurance:

- Provision for unearned premiums – recognized to determine unearned premiums relating to the risk coverage period;
- Provision for premium deficiency – recognized in case of insufficient Provision for unearned premiums;
- Provision for unearned premiums of current risks not yet issued – calculated based on technical studies;
- Provision for unsettled claims – recognized based on claims of loss in an amount sufficient to cover future commitments; and
- 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.

In order to calculate the amount of provision for claims under litigation, the experts and legal advisors carry out appraisals based on the amount insured and on technical regulations, taking into account the probability of unfavorable result to the insurance company.

II - Pension plan and individual life insurance with living benefit:

Correspond to liabilities assumed such as retirement plans, disability, pension and annuity.

- Provision for unsettled benefits and redemptions and/or Other unsettled amounts – refer to amounts still not settled up to the balance sheet date;
- Provision for events incurred but not reported (IBNR) – recognized for the estimated amount of events occurred but not reported;
- Mathematical provisions for benefits granted and benefits to be granted – correspond to commitments assumed with participants, but for which benefits are not yet due, and to those receiving the benefits;
- Provision for insufficient contribution – recognized in case of insufficient mathematical provisions.

III - Capitalization:

- Mathematical provision for redemptions – represents capitalization certificates received to be redeemed;
- Provision for raffles – calculated according to definition in technical note;
- Provision for raffles payable – set up by raffles of certificates already held;
- Provision for contingencies – recognized for the application of the contingency rate on the collected amount.

m) Contingent assets and liabilities and Legal liabilities – Tax and social security: evaluated, recognized and disclosed according to the provisions set forth in CVM Resolution 489 of October 3, 2005.

I- Contingent assets and liabilities

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

- Contingent assets: not recognized, except upon evidence ensuring a high reliability level of realization, usually represented by claims awarded a final and unappealable judgment and confirmation of the recoverability of the claim through receipt of amounts or offset against another liability.
- Contingent liabilities: basically arise from administrative proceedings and lawsuits, inherent in the normal course of business, filed by third parties, former employees and governmental bodies, in connection with civil, labor, tax and social security lawsuits and other risks. These contingencies are calculated based on conservative practices, being usually recorded based on the opinion of legal advisors and considering the probability that financial resources shall be required for settling the obligation, the amount of which may be estimated with sufficient certainty. Contingencies are classified either as probable, for which provisions are recognized; possible, which are disclosed but not recognized; or remote, for which recognition or disclosure are not required. Any contingent amounts are measured through the use of models and criteria which allow their adequate measurement, in spite of the uncertainty of their term and amounts.

Escrow deposits are restated in accordance with the current legislation.

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

II- Legal liabilities – Tax and social security

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

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

- n) Taxes** - These provisions are calculated according to current legislation at the rates shown below, for effects of the related calculation bases.

Income tax	15.00%
Additional income tax	10.00%
Social contribution	9.00%
PIS (*)	1.65%
COFINS (*)	7.60%
ISS	up to 5.00%
CPMF	0.38%

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

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

NOTE 5 - INTERBANK INVESTMENTS

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

	06/30/2007	06/30/2006
Money market	23,760,056	18,299,429
Funded position (*)	13,793,036	9,989,376
Financed position	9,902,583	8,310,053
With free movement	71,617	3,157,891
Without free movement	9,830,966	5,152,162
Short position	64,437	-
Money market – Assets Guaranteeing Technical Provisions - SUSEP	824,172	560,676
Interbank deposits	14,223,555	8,947,560
TOTAL	38,807,783	27,807,665

(*) Includes R\$ 4,782,240 (R\$ 6,524,361 at 06/30/2006) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the Brazilian Mercantile and Futures Exchange (BM&F).

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

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

a) Summary

Description	Cost	Provision for adjustment to market value with impact on		Market value	
		Result	Stockholders' equity	06/30/2007	06/30/2006
Itaúsa and Industrial Area					
Securities	934,276	-	-	934,276	974,481
Derivative financial instruments (assets)	18,212	(557)	-	17,655	-
Subtotal	952,488	(557)	-	951,931	974,481
Financial Services Area (1)					
Trading securities (2)	37,529,587	128,096	-	37,657,683	20,245,425
Available-for-sale securities	18,221,014	-	127,336	18,348,350	11,830,787
Held-to-maturity securities (3)	1,488,304	-	-	1,488,304	1,642,535
Derivative financial instruments (assets)	4,088,522	457,665	-	4,546,187	3,479,129
Subtotal	61,327,427	585,761	127,336	62,040,524	37,197,876
Deferred taxes			(57,082)		
Adjustment of securities reclassified to held-to-maturity category			24,575		
Adjustment of securities of unconsolidated affiliates			46,618		
Total adjustment to market value			141,447		
Additional provision (exceeding minimum required)				-	(180,000)
Total Securities and Derivative Financial Instruments (Assets)	62,279,916	585,204		62,992,455	37,992,357
Derivative Financial Instruments – Itaúsa and Industrial Area	15,129	(5,038)		10,091	3,230
Derivative Financial Instruments – Financial Area	(3,759,788)	(400,081)		(4,159,869)	(2,506,765)
Total Securities and Derivative Financial Instruments (Liabilities)	(3,744,659)	(405,119)		(4,149,778)	(2,503,535)
Minority interest			(48,850)	-	-
Amount separately disclosed in Stockholders' equity of ITAÚSA			92,597		

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

(2) Includes portfolios of PGBL and VGBL plan securities, in the amount of R\$ 16,641,184 (R\$ 11,901,538 at 06/30/2006) whose ownership and embedded risks belong to clients, and recorded as marketable securities in compliance with SUSEP requirements, with contra-entry to liabilities, in Technical Provision for Pension Plans.

(3) Securities classified under this category, if stated at market value, would present a positive adjustment of R\$ 219,845 (positive adjustment in the amount of R\$ 125,788 at 06/30/2006).

At ITAÚSA, the amount of R\$ 432,321 (R\$ 541,597 at 06/30/2006) is basically composed of Quotas of Investment Funds.

b) Derivative Financial Instruments

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

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

The main risk factors of the derivatives, assumed at June 30, 2007, were related to the foreign exchange rate, interest rate, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by the infrastructure of sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even under highly volatile situations.

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

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

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

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

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

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

	MEMORANDUM ACCOUNT NOTIONAL AMOUNT		BALANCE SHEET ACCOUNT RECEIVABLE / (RECEIVED) (PAYABLE)/ PAID	ADJUSTMENT TO MARKET VALUE	MARKET VALUE	
	06/30/2007	06/30/2006	06/30/2007	06/30/2007	06/30/2007	06/30/2006
Futures contracts	207,355,599	174,512,728	(43,174)	(5,146)	(48,320)	14,660
Purchase commitments	138,544,766	90,528,603	8,486	9,799	18,285	49,488
Commitments to sell	68,810,833	83,984,125	(51,660)	(14,945)	(66,605)	(34,828)
Swap contracts			32,438	83,695	116,133	608,164
Asset position	48,232,389	44,271,795	1,162,802	388,185	1,550,987	1,495,617
Liability position	48,199,951	43,664,208	(1,130,364)	(304,490)	(1,434,854)	(887,453)
Option contracts	169,005,316	104,980,310	144,864	20,507	165,371	130,566
Purchase commitments – long position	57,715,225	9,920,477	295,104	(58,696)	236,408	30,414
Commitments to sell – long position	16,121,440	37,822,600	314,486	100,737	415,223	244,703
Purchase commitments – short position	76,879,970	38,533,907	(360,733)	66,106	(294,627)	(78,900)
Commitments to sell – short position	18,288,681	18,703,326	(103,993)	(87,640)	(191,633)	(65,651)
Forward contracts			776,082	(32)	776,050	271,671
Purchase receivable			126,241	-	126,241	-
Purchase payable			(126,752)	51	(126,701)	-
Sales receivable			1,161,997	(108)	1,161,889	271,671
Sales deliverable			(385,404)	25	(385,379)	-
Other derivative financial instruments	35,175,703	17,438,248	(548,135)	(47,035)	(595,170)	(49,467)
Asset position	16,947,651	8,133,658	1,046,104	26,990	1,073,094	1,387,236
Liability position	18,228,052	9,304,590	(1,594,239)	(74,025)	(1,668,264)	(1,436,703)
			ASSETS	457,108	4,563,842	3,479,129
			LIABILITIES	(405,119)	(4,149,778)	(2,503,535)
			TOTAL	51,989	414,064	975,594

Derivative contracts mature as follows (in days):

Clearing	0 - 30	31 - 180	181 -365	Over 365	06/30/2007	06/30/2006
Futures	14,052,505	101,311,177	61,273,573	30,718,344	207,355,599	174,512,728
Swaps	5,558,387	13,313,508	12,270,735	15,926,957	47,069,587	43,002,105
Options	27,500,491	36,738,680	86,356,690	18,409,455	169,005,316	104,980,310
Other	6,463,236	8,175,526	8,704,702	11,832,239	35,175,703	17,438,248

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:

	06/30/2007				Total	06/30/2006
	Futures	Swaps	Options	Other		
BM&F/Bovespa	122,258,920	9,018,484	124,969,132	4,413,016	260,659,552	202,158,932
Over-the-counter market	85,096,679	38,051,103	44,036,184	30,762,687	197,946,653	137,774,459
Financial institutions	85,096,679	15,332,128	42,861,394	22,689,972	165,980,173	107,177,048
Companies	-	21,526,402	1,174,790	8,063,403	30,764,595	29,616,162
Individuals	-	1,192,573	-	9,312	1,201,885	981,249
Total	207,355,599	47,069,587	169,005,316	35,175,703	458,606,205	339,933,391
Total 06/30/2006	174,512,728	43,002,105	104,980,310	17,438,248	339,933,391	

Credit derivatives

	Credit risk amount		Effect on the calculation of the required net equity	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Transferred	(3,947,605)	(278,648)	(434,237)	(30,651)
Credit swaps whose underlying assets are:				
Securities	(3,724,970)	(278,648)	(409,747)	(30,651)
Derivatives with companies	(70,022)	-	(7,702)	-
Credit swaps whose underlying assets are:				
Securities	(144,465)	-	(15,891)	-
Derivatives with companies	(8,148)	-	(896)	-
Received	4,227,118	1,087,373	152,828	35,425
Credit swaps whose underlying assets are:				
Securities	4,087,118	967,873	137,428	22,280
Derivatives with companies	140,000	119,500	15,400	13,145
Total	279,513	808,725	(281,409)	4,774

The market value of the credit derivative operations described above, recorded in assets, totals R\$ 47,101 (R\$ 7,095 at 06/30/2006), and in liabilities, R\$ 102,950 (R\$ 6,625 at 06/30/2006). During the period, there was no occurrence of a credit event as provided for in the agreements.

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

a) Summary

I- By type of operations

	06/30/2007	06/30/2006
Loan operations	64,272,903	47,338,062
Lease operations	20,641,549	11,212,589
Credit card operations	9,365,978	7,482,286
Advances on exchange contracts (1)	1,065,438	1,237,205
Other sundry receivables (2)	201,604	112,358
Total	95,547,472	67,382,500
Endorsements and sureties (3)	9,755,397	7,941,910
Total with endorsements and sureties	105,302,869	75,324,410

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

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

(3) Recorded in Memorandum Accounts.

II - By business sector

	06/30/2007	%	06/30/2006	%
Public sector	822,517	0.9	1,246,305	1.8
Private sector	94,724,955	99.1	66,136,195	98.2
Companies	44,272,999	46.3	30,435,249	45.2
Individuals	50,451,956	52.8	35,700,946	53.0
Total	95,547,472	100.0	67,382,500	100.0

b) Allowance for loan losses

	01/01 to 06/30/2007	01/01 to 06/30/2006
Opening balance	(7,430,684)	(4,107,176)
Balance arising from the acquisition of BKB operations in Chile and Uruguay	(131,077)	-
Net increase for the period	(3,372,176)	(2,883,672)
Write-off	3,020,267	1,382,064
Closing balance	(7,913,670)	(5,608,784)
Specific allowance (1)	(3,487,420)	(2,241,724)
Generic allowance (2)	(2,276,250)	(1,767,060)
Additional allowance (3)	(2,150,000)	(1,600,000)

(1) Operations with overdue installments for more than 14 days or with debtors in bankruptcy or in process of bankruptcy.

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

(3) Refers to the provision in excess of the minimum required, recorded based on conservative criteria adopted by management in accordance with good banking practice, in order to cover any unexpected losses resulting from a strong reversal of the economic cycle, quantified based on historical data considering loan portfolios in cases of economic crisis.

Note: The specific and generic allowances reflect the effects of the supplementary allowance totaling R\$ 251,909 (R\$ 268,963 at 06/30/2006) as it does not consider the option established by article 5 of CMN Resolution 2682, of 12/21/1999, amended by article 2 of CMN Resolution 2697, of 02/24/2000, that the loan transactions with clients whose total liability is below R\$ 50 could be determined based only on the overdue amounts.

At June 30, 2007, the balance of the allowance for loan losses in relation to the credit portfolio is equivalent to 8.3% (8.3% at 06/30/2006).

c) Recovery and renegotiation of credits

I – Composition of the result of allowance for loan losses

	01/01 to 06/30/2007	01/01 to 06/30/2006
Net increase for the period	(3,372,176)	(2,883,672)
Recoveries	497,639	375,753
Result of allowance for loan losses	(2,874,537)	(2,507,919)

II – Renegotiated credits

	06/30/2007	06/30/2006
Renegotiated credits	3,272,490	2,004,079
Allowance for loan losses	(1,844,102)	(968,344)
(%)	56.4	48.3

NOTE 8 - INVENTORIES

	06/30/2007	06/30/2006
Products	551,764	489,964
Raw material	247,978	217,159
Work in process	45,936	33,027
Finished products	200,837	181,085
Storeroom	57,013	58,693
Real estate	9,500	8,119
Total	561,264	498,083

NOTE 9 – FOREIGN EXCHANGE PORTFOLIO

	06/30/2007	06/30/2006
ASSETS – OTHER RECEIVABLES	19,035,769	12,083,916
Exchange purchase pending settlement – foreign currency	9,900,110	6,633,766
Bills of exchange and term documents – foreign currency	590	5,356
Exchange sale rights – local currency	9,391,393	5,585,887
(-) Advances received – local currency	(256,324)	(141,093)
LIABILITIES – OTHER LIABILITIES (Note 2)	19,316,807	12,308,208
Exchange sales pending settlement – foreign currency	9,357,217	5,482,515
Liabilities from purchase of foreign currency – local currency	9,956,646	6,823,539
Other	2,944	2,154
MEMORANDUM ACCOUNTS	620,979	90,252
Outstanding import credits – foreign currency	518,658	62,367
Confirmed export credits – foreign currency	102,321	27,885

**NOTE 10 – FUNDS RAISED BY SUBSIDIARIES AND BORROWINGS AND ONLENDINGS
– FINANCIAL SERVICES AREA**

	06/30/2007	06/30/2006
Foreign currency	11,667,606	7,380,381
Funds from acceptance and issuance of securities	3,990,166	3,577,677
Borrowings and onlendings (1)	7,677,440	3,802,704
Local currency	77,534,125	60,193,907
Deposits	68,133,082	52,856,615
Funds from acceptance and issuance of securities	3,908,464	3,213,478
Borrowings and onlendings	5,492,579	4,123,814
Securitization of foreign payment orders (2)	1,293,278	1,180,896
Deposits received under securities repurchase agreements	49,933,853	27,583,001
Own portfolio	40,006,981	19,042,127
Third-party portfolio	9,859,816	5,570,877
Free portfolio	67,056	2,969,997
Subordinated debt	10,625,134	4,534,861
Certificate of deposits	9,188,747	2,045,444
Debentures	623,025	627,987
Euronotes	813,362	997,009
Redeemable preferred shares	-	864,421
Redeemable preferred shares (3)	769,817	-
Total	151,823,813	100,873,046

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

(2) Recorded in Other Liabilities;

(3) Redeemable preferred shares are classified in the balance sheet in Minority Interest as from June 2007.

NOTE 11 - INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS

a) Composition of the Technical Provisions

	06/30/2007	06/30/2006
Insurance	1,523,907	1,355,383
Unearned premiums	802,890	724,272
Unsettled claims	479,300	359,316
IBNR	161,086	197,621
Premium deficiency - Others	24,840	16,230
Premium deficiency - Health care (1)	44,035	47,799
Mathematical provision for benefits to be granted	6,372	6,636
Mathematical provision for benefits granted	400	511
Financial surplus	1,764	1,206
Unsettled benefits	486	438
Redemption and other unresolved amounts	1,349	1,354
Other administrative provisions - DPVAT	1,385	-
Life Insurance and Pension Plan	18,880,832	13,981,825
Unearned premiums	266,328	249,124
Unsettled claims	74,113	36,097
IBNR	25,681	49,306
Mathematical provision for benefits to be granted	17,853,831	13,107,781
Mathematical provision for benefits granted	113,845	93,249
Financial surplus	326,127	266,522
Financial variation	86,191	82,570
Risk variation	30,854	22,520
Insufficient contribution (2)	58,136	44,063
Redemption and other unresolved amounts	26,161	15,878
Premium deficiency	11,984	8,504
Unexpired risks	1,362	1,339
Unsettled benefits	1,992	1,430
Administrative	3,532	3,442
Other administrative provisions - DPVAT	695	-
Capitalization	1,105,038	1,072,093
Mathematical provision for redemptions	1,038,461	991,912
Contingencies	57,956	68,940
Raffles pending / payable	8,621	11,241
TOTAL	21,509,777	16,409,301

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

In compliance with USGAAP standards, the provisions recorded in the financial statements filed with the SEC (Securities and Exchange Commission) were conservatively estimated at R\$ 582,194 at 12/31/2006 (R\$ 614,109 at 12/31/2005), enough to cover deficits until the termination of the plans in 2099.

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

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

(2) Recorded based on actuarial valuation considering future plan obligations.

b) Assets Guaranteeing Technical Provisions - SUSEP

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Interbank investments - Money market	266,253	116,564	196,447	252,025	361,472	192,087	824,172	560,676
Securities and derivative financial instruments	975,127	988,693	18,502,034	13,557,925	762,748	897,349	20,239,909	15,443,967
PGBL/VGBL fund quotas (1)	-	-	16,641,184	11,901,538	-	-	16,641,184	11,901,538
Other securities	975,127	988,693	1,860,850	1,656,387	762,748	897,349	3,598,725	3,542,429
Government	287,031	249,373	759,206	684,955	12,280	134,220	1,058,517	1,068,548
Private	688,096	739,320	1,101,644	971,432	750,468	763,129	2,540,208	2,473,881
Credit rights (2)	261,548	244,574	202,718	190,148	-	-	464,266	434,722
TOTAL	1,502,928	1,349,831	18,901,199	14,000,098	1,124,220	1,089,436	21,528,347	16,439,365

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

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

c) Results of Operations

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	01/01 to 06/30/2007	01/01 to 06/30/2006	01/01 to 06/30/2007	01/01 to 06/30/2006	01/01 to 06/30/2007	01/01 to 06/30/2006	01/01 to 06/30/2007	01/01 to 06/30/2006
Income from financial operations	89,269	72,230	79,860	60,993	47,960	44,200	217,089	177,423
Financial income from insurance, pension plan and capitalization operations	89,422	72,431	959,242	859,505	88,170	78,701	1,136,834	1,010,637
Financial expenses from insurance, pension plan and capitalization operations	(153)	(201)	(879,382)	(798,512)	(40,210)	(34,501)	(919,745)	(833,214)
Results of operations from insurance, pension plan and capitalization	295,041	251,654	190,685	158,291	115,393	107,653	601,119	517,598
Premiums and contributions	1,114,439	1,066,476	2,885,063	2,101,531	388,554	413,118	4,388,056	3,581,125
Changes in technical provisions	(25,243)	(41,090)	(1,503,801)	(920,172)	(259,345)	(290,423)	(1,788,389)	(1,251,685)
Expenses for claims	(608,825)	(602,570)	(78,320)	(68,930)	-	-	(687,145)	(671,500)
Selling expenses	(177,426)	(195,267)	(14,675)	(13,429)	(703)	-	(192,804)	(208,696)
Expenses for benefits and redemptions	(779)	-	(1,097,419)	(936,754)	(10,838)	(13,100)	(1,109,036)	(949,854)
Other income and expenses	(7,125)	24,105	(163)	(3,955)	(2,275)	(1,942)	(9,563)	18,208
TOTAL	384,310	323,884	270,545	219,284	163,353	151,853	818,208	695,021

NOTE 12 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES - TAX AND SOCIAL SECURITY

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

a) **Contingent Assets:** there are no contingent assets recorded.

b) **Contingent Liabilities:**

- **Calculation criteria:**

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

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

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

Labor lawsuits: these are calculated upon judicial notification and adjusted monthly by the moving average of payment of lawsuits closed in the last 12 months plus the average cost of fees paid for lawsuits related to claims considered similar and usual and adjusted to the execution amount (indisputable amount) when it is in the stage of being a final and unappealable decision.

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

Other risks: quantified mainly based on the assessment of credit risk on joint obligations.

- **Contingencies classified as probable:** are recognized in the accounting books and comprise Civil Lawsuits demanding compensation for property damage and pain and suffering, such as protest of bills, return of checks, and inclusion of information in the credit protection registry, most of these actions being filed in the Small Claims Court and therefore limited to 40 minimum monthly wages; Labor Claims seeking the recovery of alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowance, pension plan supplement and other; Tax and Social Security mainly represented by lawsuits and administrative proceedings involving federal and municipal taxes; and Other Risks represented basically by the joint liability 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 06/30/2007					01/01 to 06/30/2006
	Civil	Labor	Tax and social security	Other	Total	Total
Opening balance	828,231	1,568,929	516,038	89,318	3,002,516	2,246,778
Write-off due to the split off of Credicard on 04/30/2006	-	-	-	-	-	(164,648)
(-) Contingencies guaranteed by indemnity clauses (Note 4m I)	(20,289)	(550,896)	(7,048)	-	(578,233)	-
Subtotal	807,942	1,018,033	508,990	89,318	2,424,283	2,082,130
Change in the period reflected in results	319,181	186,845	58,701	14,280	579,007	384,397
Restatements/Charges	-	-	18,525	-	18,525	34,487
Increase	319,181	186,845	66,823	14,280	587,129	427,351
Write-off through reversal	-	-	(26,647)	-	(26,647)	(77,441)
Payments	(178,818)	(90,412)	(4,800)	-	(274,030)	(237,367)
Subtotal	948,305	1,114,466	562,891	103,598	2,729,260	2,229,160
(+) Contingencies guaranteed by indemnity clauses (Note 4m I)	37,278	550,405	125,797	-	713,480	-
Closing balance (Note 13d)	985,583	1,664,871	688,688	103,598	3,442,740	2,229,160
Closing balance at 06/30/2006 (Note 13d)	772,247	972,704	387,452	96,757	2,229,160	
Escrow deposits at 06/30/2007 (Note 13a)	466,024	791,688	332,625	-	1,590,337	
Escrow deposits at 06/30/2006 (Note 13a)	299,774	606,739	193,782	-	1,100,295	

- **Contingencies classified as possible:** not recognized in the accounting books and comprise Civil Lawsuits amounting to R\$ 119,500 and Tax and Social Security Lawsuits amounting to R\$ 1,685,070. The principal characteristics of these lawsuits are described below:
 - CPMF (Tax on Bank Account Outflows) in Customer Operations – R\$ 397,944: refers to tax assessment notices issued for collection of deferred tax asset related to CPMF on operations carried out with customers. The decision from the Taxpayers' Council or the Superior Chamber of Tax Appeals of the Ministry of Finance is pending.
 - IR (Income Tax)/ CS (Social Contribution) on disposal of investments: R\$ 356,072: Refers to tax assessment notice issued due to tax effects on disposal of investments. The lower court's decision is pending.
 - IR (Income Tax) / Allowance for Loan Losses – R\$ 152,202: calculated by adopting the Regulatory Instruction (IN) 76/87 and the CMN Resolution 1,748/90, thus rejecting the IN 80/93, which reduced the percentage from 1.5% to 0.5% for realization of the Allowance for Loan Losses in base year 1993. The bank is questioning the impossibility of applying the rule to events occurred in the fiscal year when it was enacted (principle of anteriority). A suspension was awarded for the bank's appeal, however, the judgment by the Federal Regional Court of the 3rd Region is pending.
 - CPMF – Transfer of Securities– R\$ 140,365: refers to tax assessment notices issued for collection of tax credit related to CPMF on payment of liabilities arising from transfer of securities. A decision from the Taxpayers' Council is pending.
 - ISS – Banking Institutions – R\$ 120,042: refers to tax assessment notices issued by municipalities for collection of ISS on amounts recorded in several accounts, on the grounds of being service revenue. An administrative final decision or tax foreclosure is pending.
 - Apportionment of Net Assets by Book Value – R\$ 116,908: refers to the tax assessment notice issued due to the deduction of capital loss computed in the winding-up and liquidation of investments. A notice on the decision from the appellate court is pending.

The amount of R\$ 1,095,908 (R\$ 149,919 at 06/30/2006) related to Securities, the amount of R\$ 811.509 (R\$ 327,508 at 06/30/2006) (Note 13a) of deposits, as well as Permanent Assets in the amount of R\$ 1,040,967 (R\$ 698,244 at 06/30/2006), according to article 32 of Law 10,522/02, are pledged in guarantee of voluntary appeals related to contingent liabilities lawsuits.

The Receivables balance arising from reimbursements of contingent liabilities already settled totals R\$ 908,549 (R\$ 59,517 at 06/30/2006), basically represented by the guarantee in the Banerj privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition of Civil, Commercial, Labor and Tax Contingencies.

c) Legal Liabilities – Tax and Social Security: recognized at the full amount being questioned totaling:

Probability of loss	06/30/2007	06/30/2006
Probable	1,113,702	1,236,801
Possible	337,223	321,959
Remote	3,360,751	1,511,329
Total (*)	4,811,676	3,070,089

() Changes in these provisions and respective deposits are shown in Note 14c II.*

As from March 31, 2006, the income arising from the restatement of escrow deposits and the expenses on restatement of the corresponding liabilities started being recognized on the accrual basis, which gave rise to additions to net income after tax of R\$ 47,811.

According to the opinion of the legal advisors, ITAÚSA and its subsidiary companies are not involved in any administrative proceedings or lawsuits that may significantly affect the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized through the adoption of statistical models for claims involving small amounts and separate analysis by internal and external legal advisors of other cases, showed that the amounts provided for are sufficient, according to the CVM Resolution 489 of October 3, 2005.

NOTE 13 – BREAKDOWN OF ACCOUNTS

a) Other Sundry Receivables

	06/30/2007	06/30/2006
Escrow deposits for provisions for contingent liabilities (Note 12b)	2,401,846	1,427,803
Contingencies classified as probable	1,590,337	1,100,295
Contingencies classified as possible	811,509	327,508
Escrow deposits for legal liabilities – Tax and Social Security (Note 14c II)	2,771,535	2,147,561
Negotiation and intermediation of securities	1,715,769	768,283
Taxes and contributions for offset	1,172,015	1,281,961
Social contribution to offset – Provisional Measure 2,158 of August 24, 2001 (Note 14b I)	944,501	1,072,720
Receivables from reimbursement of contingent liabilities (Note 12b)	908,549	59,517
Income receivable	874,342	657,153
Insurance premium receivable	774,309	727,670
Trade notes receivable	695,118	703,461
Escrow deposits for foreign fund raising program	542,513	401,449
Receivables – sale of Credicard brand (1)	250,306	-
Tax incentive options	149,415	99,086
Sundry debtors	538,238	423,411
Domestic	287,242	339,070
Foreign	250,996	84,341
Other (2)	361,430	149,579
Total	14,099,886	9,919,654

(1) Refers to the exclusive right exercised by Citibank to use the Credicard brand as from January 1, 2009 (disclosed in Material Fact by ITAÚ HOLDING on 12/06/2006).

(2) Includes the acquisition, at a public bidding, carried out by Banco Itaú, of rights held by the Government of the State of Goiás, on the receipt of funds and royalties from Itaipu Binacional, in the amount of R\$ 138,795.

At ITAÚSA, basically comprise Income Receivable of R\$ 453,665 (R\$ 408,483 at 06/30/2006) and Taxes and Contributions for Offset of R\$ 82,348 (R\$ 145,314 at 06/30/2006).

b) Other Assets

	06/30/2007	06/30/2006
Assets not for own use	384,314	372,133
(-) Valuation allowance	(62,865)	(90,863)
Other	253	744
Total	321,702	282,014

c) Prepaid expenses

	06/30/2007	06/30/2006
Technical cooperation agreement (1)	1,780,442	999,310
Commissions	<u>872,020</u>	<u>190,840</u>
Related to insurance and pension plan	159,681	152,248
Related to vehicle financing (2)	674,902	-
Other	37,437	38,592
Advertising	83,916	82,310
Other	151,432	110,789
TOTAL	2,887,810	1,383,249

(1) Basically refers to the amounts spent to acquire rights to credit payrolls and perform tax collections for Municipal and State Governments. As of June 30, 2007, the balance basically comprises the amount of R\$ 323,000 (R\$ 425,000 at June 30, 2006) related to the agreement entered into on September 16, 2005 with the Municipal Government of São Paulo and R\$ 1,140,039 (R\$ 308,801 at June 30, 2006) related to the agreements entered into with the State Governments of Rio de Janeiro, Minas Gerais and Goiás. Up to December 31, 2011 the agreements with State Governments of Rio de Janeiro and Goiás were amended, with expenditures of R\$ 750,000 and R\$ 178,000, respectively, paid in the 2nd quarter of 2007.

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

d) Other Sundry Liabilities

	06/30/2007	06/30/2006
Provision for contingent liabilities (Note 12b)	3,442,740	2,229,160
Collection and payment of taxes	1,852,288	1,267,578
Negotiation and intermediation of securities	1,747,436	851,221
Personnel provision	647,866	610,901
Suppliers	187,639	170,233
Sundry creditors	<u>1,660,973</u>	<u>1,127,358</u>
Domestic	1,489,452	1,023,770
Foreign	171,521	103,588
Liabilities related to insurance companies	202,892	197,326
Liabilities for official agreements and rendering of payment services	89,939	209,334
Provisions and sundry creditors	671,117	649,178
Total	<u>10,502,890</u>	<u>7,312,289</u>

e) Other Operating Revenues

	01/01 to 06/30/2007	01/01 to 06/30/2006
Reversal of operating provisions	23,029	199,947
Legal liabilities – Tax and social security (Note 14c II)	2,538	110,094
Provision for contingencies – other (Note 12b)	-	77,441
Other	20,491	12,412
Recovery of charges and expenses	44,282	49,090
Equity in subsidiaries, not derived from net income	30,456	50,169
Other	173,585	122,231
Total	271,352	421,437

f) Other Operating Expenses

	01/01 to 06/30/2007	01/01 to 06/30/2006
Tax expenses (Note 14a II)	(1,231,131)	(1,051,374)
Provisions for contingencies (Note 12b)	(392,162)	(226,720)
Civil	(319,181)	(164,587)
Tax and social security	(58,701)	(46,829)
Other	(14,280)	(15,304)
Amortization of goodwill (*)	(191,478)	(117,546)
Operating expenses from industrial companies	(139,281)	(130,837)
Selling - Credit cards	(167,781)	(145,122)
Claims	(77,167)	(96,150)
Other	(174,701)	(197,632)
Total	(2,373,701)	(1,965,381)

(*) From 01/01 to 06/30/2007 refers basically to acquisition of subsidiaries of BAC - BankBoston International and BankBoston Trust Company Limited and acquisition of shares of ITAÚ HOLDING. From 01/01 to 06/30/2006 refers basically to acquisition of shares of BPI.

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 8,507 (R\$ 39,678 at 06/30/2006).

g) Non-operating Income

	01/01 to 06/30/2007	01/01 to 06/30/2006
Income from sale of investments (*)	902,840	115,696
(Provision)/reversal of non-operating provisions	13,460	4,240
Non-operating equity result	(11,840)	15,890
Capital gains/(losses) and Other	2,489	2,949
Total	906,949	138,775

(*) From 01/01 to 06/30/2007 is basically composed of R\$ 114,321, arising from gain from sale of former head office of Banco ItauBank S.A. and R\$ 735,507 related to gain from partial disposal of investment in Serasa S.A. (Note 2). From 01/01 to 06/30/2006 refers to effects of the Block Trade operation of the subsidiary Duratex S.A..

NOTE 14 - TAXES

a) Composition of expenses for taxes and contributions

l) We show below the Income tax and Social Contribution due on operations for the period and on temporary differences arising from additions and exclusions:

Due on Operations for the Period	01/01 to 06/30/2007	01/01 to 06/30/2006
Income before income tax and social contribution	7,006,271	5,045,718
Charges (Income Tax and Social Contribution) at the rates of 25% and 9% (Note 4n), respectively	(2,382,132)	(1,715,544)
Increase/Decrease to Income Tax and Social Contribution charges arising from:		
Permanent (Additions) Exclusions	(55,129)	230,341
Investments in affiliates	16,732	33,316
Foreign exchange variation on investments abroad	(279,736)	(149,024)
Interest on capital	84,267	331,618
Dividends, interest on external debt bonds and tax incentives	117,399	27,951
Gains (Losses) on equity interests	(3,362)	8,565
Other	9,571	(22,085)
Temporary (Additions) Exclusions	293,697	42,282
Allowance for loan losses	(499,958)	(392,157)
Excess (insufficiency) of depreciation of leased assets	744,279	477,385
Adjustment to market value of trading securities and derivative financial instruments, and adjustments from operations in futures markets	(122,072)	130,758
Interest on capital	201,173	(136,590)
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	(179,627)	(5,398)
Other non-deductible provisions	149,902	(31,716)
(Increase) Offset of tax losses/negative social contribution basis	(204,965)	(110,704)
Expenses for Income Tax and Social Contribution	(2,348,529)	(1,553,625)
Related to temporary differences		
Increase (reversal) for the period	(77,164)	66,596
Prior periods increase (reversal)	(10,864)	(34,649)
Income (expenses) from deferred taxes	(88,028)	31,947
Total income tax and social contribution	(2,436,557)	(1,521,678)

II) Composition of tax expenses:

	01/01 to 06/30/2007			01/01 to 06/30/2006		
	On sales of Products and Services (*)	On Other Revenues (Note 13f)	Total	On sales of Products and Services (*)	On Other Revenues (Note 13f)	Total
PIS and COFINS	(150,156)	(876,716)	(1,026,872)	(135,003)	(752,179)	(887,182)
ISS	(8,028)	(143,820)	(151,848)	(7,158)	(149,815)	(156,973)
IPI	(84,417)	-	(84,417)	(71,885)	-	(71,885)
ICMS	(177,960)	-	(177,960)	(156,746)	-	(156,746)
CPMF	-	(132,557)	(132,557)	-	(103,771)	(103,771)
Other	(17,370)	(78,038)	(95,408)	(5,393)	(45,609)	(51,002)
Total (Note 4n)	(437,931)	(1,231,131)	(1,669,062)	(376,185)	(1,051,374)	(1,427,559)

(*) These taxes have been deducted within the Sales of Products and Services line.

At ITAÚSA, tax expenses basically comprises PIS in the amount of R\$ 883 (R\$ 6,362 from 01/01 to 06/30/2006) and COFINS in the amount of R\$ 4,068 (R\$ 29,550 from 01/01 to 06/30/2006).

III – Tax Effects on Foreign Exchange Management of Investments Abroad

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

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

b) Deferred tax assets

I- The deferred tax asset balance, segregated based on its origin (income tax and social contribution), is shown as follows:

	12/31/2006	Acquisition of BKB Chile/Uruguay	Realization / Reversal	Increase	06/30/2007	06/30/2006
Related to income tax and social contribution loss carryforwards	541,513	5,652	(100,317)	296,011	742,859	694,231
Temporary differences:	5,923,877	29,729	(1,107,044)	1,591,142	6,437,704	3,757,894
Allowance for loan losses	2,353,420	14,521	(222,351)	741,616	2,887,206	1,772,151
Provision for interest on capital	502,830	-	(318,200)	92,939	277,569	348,941
Legal liabilities – tax and social security	421,551	-	(2,822)	187,737	606,466	326,086
Provision for contingent liabilities	<u>659,321</u>	-	<u>(111,267)</u>	<u>149,288</u>	<u>697,342</u>	<u>577,025</u>
Civil	257,835	-	(47,628)	87,866	298,073	295,210
Labor	251,739	-	(44,147)	61,422	269,014	234,588
Tax and social security	149,747	-	(19,492)	-	130,255	47,227
Allowance for real estate	23,598	-	(3,899)	11,318	31,017	30,434
Goodwill on purchase of investments	1,315,046	-	(133,858)	9,325	1,190,513	-
Provision for corporate restructuring	36,187	-	(29,387)	-	6,800	-
Other non-deductible provisions	611,924	15,208	(285,260)	398,919	740,791	703,257
Total deferred tax assets	6,465,390	35,381	(1,207,361)	1,887,153	7,180,563	4,452,125
Social Contribution for Offset arising from Option foreseen in article 8 of Provisional Measure 2,158-35 of August 24, 2001.	1,020,648	-	(76,147)	-	944,501	1,072,720

At ITAÚ HOLDING, deferred tax assets amount to R\$ 61,217 (R\$ 203 at 06/30/2006) and are basically represented by interest on capital, the expectation of realization of which is up to 1 year.

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

	12/31/2006	Acquisition of BKB Chile/Uruguay	Realization / Reversal	Increase	06/30/2007	06/30/2006
Reflected in income and expense accounts	2,513,359	3,496	(207,912)	920,570	3,229,513	1,962,355
Excess of depreciation - lease	1,888,678	-	-	762,038	2,650,716	1,443,129
Taxation on results abroad – capital gains	52,513	-	-	7,329	59,842	52,467
Adjustment from operations in futures market	284,374	-	(140,593)	585	144,366	319,687
Adjustment to market value of trading securities and derivative financial instruments	-	-	-	69,198	69,198	-
Restatement of escrow deposits related to legal and contingent liabilities	138,541	-	(5,976)	43,810	176,375	105,677
Income on sale of permanent asset items and rights	73,252	-	(541)	-	72,711	-
Other	76,001	3,496	(60,802)	37,610	56,305	41,395
Reflected in stockholders' equity accounts - Adjustment to market value of available-for-sale securities (Note 3)	66,360	-	(9,278)	-	57,082	31,696
Total	2,579,719	3,496	(217,190)	920,570	3,286,595	1,994,051

At ITAÚSA, Provision for Deferred Tax and Contributions amounts to R\$ 3,863 (R\$ 29,135 at 06/30/2006) and is represented basically by Taxes Levied on Restatement of Escrow Deposits.

III) The estimate of realization and present value of deferred tax assets and social contribution for offset, arising from Provisional Measure 2158-35 of 08/24/2001, and from the Provision for Deferred Income Tax and Social Contribution existing at June 30, 2007, 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 Loss and Negative Basis	Total			
2007	1,999,062	388,327	2,387,389	27,399	(240,132)	2,174,656
2008	1,156,144	350,226	1,506,370	249,695	(643,427)	1,112,638
2009	1,048,022	1,435	1,049,457	281,120	(580,964)	749,613
2010	909,697	1,333	911,030	275,943	(609,372)	577,601
2011	471,056	1,538	472,594	110,344	(605,747)	(22,809)
After 2012	853,723	-	853,723	-	(606,953)	246,770
Total	6,437,704	742,859	7,180,563	944,501	(3,286,595)	4,838,469
Present value (*)	5,795,547	710,458	6,506,005	844,256	(2,852,134)	4,498,127

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

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

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

IV - Unrecorded deferred tax assets amount to R\$ 478,701 (R\$ 503,982 at 06/30/2006).

On June 30, 2007 there were no unrecorded deferred tax assets at ITAÚSA.

c) Taxes and Social Security Contributions:

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

	06/30/2007	06/30/2006
Taxes and contributions on income payable	1,049,123	1,021,328
Taxes and contributions payable	311,880	312,469
Provision for deferred income tax and social contribution	3,286,595	1,994,051
Legal liabilities – tax and social security	4,811,676	3,070,089
Total	9,459,274	6,397,937

II- Legal Liabilities – Tax and Social Security and related Escrow Deposits

Change in Legal Liabilities	01/01 to 06/30/2007	01/01 to 06/30/2006
Opening balance (*)	4,054,382	2,636,820
Changes in the period reflected in results	<u>763,660</u>	<u>434,342</u>
Charges on taxes	164,341	392,412
Net increase	601,857	152,024
Write-offs through reversal	(2,538)	(110,094)
Payments	(6,366)	(1,073)
Closing balance	4,811,676	3,070,089

(*) The amounts related to Tax and Social Security Contingencies were reclassified to comply with the requirements of CVM Resolution 489 of 10/03/2005 (Note 20).

Change in Escrow Deposits	01/01 to 06/30/2007	01/01 to 06/30/2006
Opening balance	2,407,101	1,659,515
Appropriation of income	104,379	445,024
Change in the period	<u>260,055</u>	<u>43,022</u>
Deposited	266,573	51,534
Withdrawals	(3,533)	(6,513)
Conversion into income	(2,985)	(1,999)
Closing balance (Note 13a)	2,771,535	2,147,561

d) Taxes paid or provided for and withheld from clients

We show below the amount of taxes paid or provided for, basically levied on income, revenue and payroll and the amount withheld and collected from clients levied directly on financial operations:

	06/30/2007	06/30/2006
Taxes paid or provided for	4,598,394	3,357,107
Taxes withheld and collected from clients	4,066,903	3,598,804
Total	8,665,297	6,955,911

NOTE 15 – PERMANENT ASSETS**a) Investments****I – Interest in subsidiaries - ITAÚSA**

Companies	Balances at 12/31/2006 (a)	Subscription/ Acquisition/ Sales	Receipt / Provision of dividends and Interest on capital (b)	Equity in earnings of subsidiaries	Adjustment to marketable securities of subsidiaries	Amortization of goodwill	Balances at 06/30/2007 (a)	Balances at 06/30/2006 (a)	Equity in earnings of subsidiaries 01/01 to 06/30/2006
Banco Itaú Holding Financeira S.A.	12,097,143	121,899	(491,939)	1,625,114 (c)	(9,020)	(3,657)	13,339,540	9,222,372	1,708,108 (c)
Itaucorp S.A.	644,974			71,162 (c)			716,136	605,002	76,159 (c)
Itaúsa Export S.A.	572,068		(87)	(16,193)	7,252	(300)	562,740	525,039	43,069
Duratex S.A.	419,741		(15,569)	35,065 (c)		(492)	438,745	384,422	23,526 (c)
Itautec S.A.	241,558		(9,330)	47,233		(2)	279,459	228,342	16,387
Elekpart Participações e Administração S.A.	134,330			12,486			146,816	126,237	2,228
Itaúsa Europa - Investimentos, SGPS, LDA.	107,667			(1,001) (d)	1,288		107,954	96,391	10,539 (d)
Ith Zux Cayman Company Ltd.	35,585			(3,526) (d)			32,059	34,942	(2,636) (d)
Elekeiroz S.A.	9,395		(286)	1,164			10,273	8,755	(45)
Other subsidiaries	5,251			402			5,653	6,275	(3,529)
GRAND TOTAL	14,267,712	121,899	(517,211)	1,771,906	(480)	(4,451)	15,639,375	11,237,777	1,873,806

(a) Includes total goodwill/negative goodwill, being: R\$ 56,605 at 12/31/2006, R\$ 135,269 at 06/30/2007 (R\$ 57,100 at 06/30/2006).

(b) Income receivable includes dividends and interest on capital receivable amounting to R\$ 453,665 (R\$ 408,568 at 06/30/2006);

(c) Includes non-operating expense arising from change in interest, being: R\$ 5,985 at 06/30/2007 and revenue of R\$ 17,860 at 06/30/2006.

(d) Includes total foreign exchange expenses of R\$ 14,083 (R\$ 3,701 at 06/30/2006).

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity in voting capital (%)	Equity in capital (%)
				Common	Preferred		
Banco Itaú Holding Financeira S.A.	14,254,213	29,540,366	3,639,781	536,008,360	28,030	86.26	44.64
Itaucorp S.A.	318,500	730,474	71,126	12,241,340	3,935,980	99.94	99.96
Itaúsa Export S.A.	508,552	872,665	(20,820)	14,702,122,576	148,328,939	80.00	77.77
Duratex S.A.	943,626	1,467,153	152,258	32,005,853	6,098,671	59.76	29.63
Itautec S.A.	196,410	401,459	62,393	10,366,478	-	88.98	88.98
Elekpart Participações e Administração S.A.	220,453	437,463	37,408	252,930,540	-	33.38	33.38
Itaúsa Europa - Investimentos, SGPS, LDA.	638,183	1,064,250	69,340	29,708,318	-	12.14	12.14
Ith Zux Cayman Company Ltd.	67,417	43,124	1,095	35,000,000	-	100.00	100.00
Elekeiroz S.A.	220,000	356,591	27,553	11,183,657	12,628,787	3.85	3.78

II - Composition of investments

	06/30/2007	06/30/2006
Investments in affiliates	856,736	686,201
Banco BPI S.A.	711,095	577,709
AGF Brasil Seguros S.A.	118,394	105,901
Other	27,247	2,591
Other investments	291,749	200,008
Investments through tax incentives	107,479	107,719
Equity securities	98,582	54,684
Shares and quotas	25,675	24,781
Other	140,877	114,011
Allowance for losses	(80,864)	(101,187)
TOTAL	1,148,485	886,209

III – Composition of equity in earnings of affiliates

	01/01 to 06/30/2007	01/01 to 06/30/2006
Equity in earnings of affiliates	101,591	98,147
Foreign exchange variation on investments	(52,379)	(159)
TOTAL	49,212	97,988

b) Fixed Assets, Intangible and Deferred Charges

	06/30/2007			06/30/2006		
	Cost	Accumulated depreciation/ amortization/ depletion	Net	Cost	Accumulated depreciation/ amortization/ depletion	Net
Fixed assets	8,448,200	(5,067,498)	3,380,702	8,210,415	(4,870,038)	3,340,377
Own fixed assets	8,236,265	(5,062,647)	3,173,618	7,997,958	(4,823,042)	3,174,916
Real estate	2,995,288	(1,340,370)	1,654,918	2,853,899	(1,221,819)	1,632,080
Land	952,563	-	952,563	881,527	-	881,527
Buildings	2,042,725	(1,340,370)	702,355	1,972,372	(1,221,819)	750,553
Other	5,240,977	(3,722,277)	1,518,700	5,144,059	(3,601,223)	1,542,836
Installations	297,272	(203,440)	93,832	297,588	(209,511)	88,077
Furniture and equipment	1,957,100	(1,067,266)	889,834	1,836,793	(985,871)	850,922
EDP systems	2,636,430	(2,250,330)	386,100	2,664,221	(2,244,383)	419,838
Other (Communication, security and transportation)	350,175	(201,241)	148,934	345,457	(161,458)	183,999
Leased fixed assets	93,812	(4,851)	88,961	109,200	(46,996)	62,204
Real estate	75,259	-	75,259	90,648	(45,055)	45,593
Buildings	75,259	-	75,259	90,648	(45,055)	45,593
Furniture and equipment	18,553	(4,851)	13,702	18,552	(1,941)	16,611
Forest reserves	118,123	-	118,123	103,257	-	103,257
Intangible	11,445	(1,608)	9,837	16,546	(8,985)	7,561
Deferred charges	1,630,888	(808,084)	822,804	902,650	(557,048)	345,602
Leasehold improvements	467,460	(146,893)	320,567	289,585	(98,908)	190,677
Expenditures on acquisition of software	458,522	(290,767)	167,755	230,101	(121,960)	108,141
Other deferred expenditures	704,906	(370,424)	334,482	382,964	(336,180)	46,784

(*) Basically includes the amount paid to ABN AMRO Bank N.V. for the acquisition of the international private banking assets of Latin American customers served by its Miami and Montevideo branches.

In ITAÚSA, Fixed Assets are basically composed of Buildings - R\$ 5,545 (R\$ 6,080 on 06/30/2006).

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

At the Annual and Extraordinary Shareholders' Meeting held on April 27, 2007, the following proposals of the Board of Directors were approved:

- Cancellation of 14,271,000 preferred book-entry shares held in treasury, without capital decrease, through the incorporation of R\$ 150,443 recorded in Revenue Reserves – Working Capital Increase.
- Capital increase through capitalization of Revenue Reserves in the amount of R\$ 2,000,000, with the issuance of 317,563,200 new book-entry shares, as bonus (10%), with no par value, 121,003,720 of which are common and 196,559,480 are preferred shares.
- Capital increase with subscription of shares in the amount of R\$ 300,000, with the issuance of 35,714,286 new book-entry shares, with no par value, 13,608,508 of which are common and 22,105,778 are preferred shares, and the subscribed shares may be paid up by offsetting the already declared interest on capital, with settlement by June 8, 2007. Capital increase was approved by ESM of June 29, 2007.

As a result of these increases, capital of ITAÚSA amounts to R\$ 7,500,000 and comprises 3,528,909,481 book-entry shares with no par value, of which 1,344,649,428 are common shares and 2,184,260,053 are preferred shares without voting rights, but with the following advantages:

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

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

	NUMBER		
	Common	Preferred	Total
Shares of capital stock at 12/31/2006	1,210,037,200	1,979,865,795	3,189,902,995
Cancellation of shares – ASM/ESM of 04/27/2007	-	(14,271,000)	(14,271,000)
Treasury shares at 06/30/2007	-	-	-
Capital increase – ASM/ESM of 04/27/2007	134,612,228	218,665,258	353,277,486
Share bonus (10%)	121,003,720	196,559,480	317,563,200
Subscription of shares (approved by ESM of 06/29/2007)	13,608,508	22,105,778	35,714,286
Outstanding shares at 06/30/2007	1,344,649,428	2,184,260,053	3,528,909,481
Outstanding shares at 06/30/2006	1,210,037,200	1,979,865,795	3,189,902,995

We detail below the costs of shares repurchased in the period as well as the average cost of treasury shares and their market price at 03/31/2007 and 12/31/2006:

b) Dividends

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

According approved at the Board of Directors meeting on June 20, 2007, Itaúsa stockholders (individuals and companies) who should receive interest on capital of R\$ 0.012 per share (net of R\$ 0.0102 per share, in view of the deduction of 15% of withholding income tax), will receive on July 2, 2007 dividends at the declared amount of R\$ 0.012, an increase of approximately 18%.

I- Calculation

Net income	1,895,858	
Adjustments		
(-) Legal reserve	(94,793)	
Dividend calculation basis	1,801,065	
Dividends/Interest on capital payable	450,266	25,00%

II - Provision of Interest on Capital and Dividends

	Gross	WTS	Net
Provided			
Interest on capital			
Additional of R\$ 51.00 per share to be paid on 08/27/2007	180,000	(27,000)	153,000
Dividend			
1 quarterly installment of R\$ 12.00 per share to be paid on 07/02/2007	42,347	-	42,347
1 quarterly installment of R\$ 12.00 per share to be paid on October 2007	42,347	-	42,347
Provided for to be declared	212,572	-	212,572
Total at 06/30/2007 – R\$ 0.1276 net per share	477,266	(27,000)	450,266
Total at 06/30/2006 – R\$ 0.1494 net per share	560,594	(84,089)	476,505

c) Revenue reserves

	06/30/2007	06/30/2006
Revenue reserves	8,538,218	6,340,330
Legal	967,042	689,132
Unrealized profits	239,650	-
Statutory reserve	7,331,526	5,651,198
Dividends Equalization (1)	3,482,025	2,562,258
Working capital increase (2)	1,897,490	1,283,531
Increase in capital of investees (3)	1,952,011	1,805,409

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

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

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

d) Reconciliation of Net Income and Stockholders' Equity between ITAÚSA AND ITAÚSA Consolidated

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

	Net income		Stockholders' equity	
	01/01 to 06/30/2007	01/01 to 06/30/2006	06/30/2007	06/30/2006
ITAÚSA	1,895,858	2,006,336	16,198,988	11,708,420
Amortization of goodwill	74,705	(80,958)	(2,170,155)	(920,000)
Deferred tax assets	(47,856)	(278,040)	533,667	80,829
Unrealized income (loss)	-	-	-	(120)
ITAÚSA CONSOLIDATED	1,922,707	1,647,338	14,562,500	10,869,129

NOTE 17 – RELATED PARTIES

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

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

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanco, Fundação Itaúsa Industrial, FUNBEP – Fundo de Pensão Multipatrocinado and Caixa de Previdência dos Funcionários do Banco BEG (PREBEG), closed-end private pension funds that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries, as described in Note 19a; and
- Fundação Itaú Social and Instituto Itaú Cultural – IIC, entities sponsored by Banco Itaú Holding Financeira S.A. and subsidiaries to act in their respective areas of interest. During the period, the consolidated companies made donations to Fundação Itaú Social of R\$ 51,305 (R\$ 1,088 from 01/01 to 06/30/2006) and to IIC of R\$ 15,000 (R\$ 9,500 from 01/01 to 06/30/2006).

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

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

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

	06/30/2007	06/30/2006
Duratex S.A.	98,165	125,275
Elekeiroz S.A.	104,885	73,613
Itautec S.A.	35,359	54,803
Total	238,409	253,691

NOTE 18 – FINANCIAL INSTRUMENTS - MARKET VALUE

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

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

	Book value		Market		Unrealized income (loss) (*)			
					Results		Stockholders' equity	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Interbank investments	38,807,783	27,807,665	38,839,909	27,821,894	32,126	14,229	32,126	14,229
Securities and derivative financial instruments	62,992,455	37,992,357	63,212,300	38,298,145	<u>371,756</u>	<u>555,463</u>	<u>219,845</u>	<u>305,788</u>
Additional provision (exceeding minimum required)					-	180,000	-	180,000
Adjustment of available-for-sale securities					127,336	220,176	-	-
Adjustment of held-to-maturity securities					244,420	155,287	219,845	125,788
Loan and lease operations	87,633,802	61,773,716	87,926,556	61,805,017	292,754	31,301	292,754	31,301
Investment in Banco BPI S.A.	711,095	577,709	2,294,790	2,186,886	1,583,695	1,609,177	1,583,695	1,609,177
Funds raised by subsidiaries	139,135,584	95,157,289	139,144,511	95,165,776	(8,927)	(8,487)	(8,927)	(8,487)
Securitization of foreign payment orders	1,293,278	1,180,896	1,306,309	1,170,406	(13,031)	10,490	(13,031)	10,490
Subordinated debt and redeemable preferred shares (Note 10)	11,394,951	4,534,861	11,529,282	4,495,066	(134,331)	39,795	(134,331)	39,795
Treasury shares	1,022,615	1,125,424	1,891,913	1,538,515	869,298	413,091	869,298	413,091
Total unrealized					2,993,340	2,665,059	2,841,429	2,415,384

(*) Does not include the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 1,299,140 (R\$ 1,037,664 at 06/30/2006) in results and R\$ 1,663,159 (R\$ 1,122,199 at 06/30/2006) in stockholders' equity.

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

- Interbank deposits, bank deposits certificates and mortgage notes, the last two included in Securities, were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities published in the Gazeta Mercantil newspaper on July 2, 2007 for floating-rate securities.
- Government securities, included in Securities, were determined based on rates obtained in the market and validated through the comparison with information provided by the National Association of Open Market Institutions (ANDIMA). For the companies of the Financial and Insurance Areas, they are recorded based on their market value, according to rules established by BACEN Circular Letters 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, and SUSEP Circular Letter 295, of June 14, 2005, except when classified as held to maturity.
- Shares of listed companies, when included in Securities, are valued according to the average quotation available on the last trading session of the month or, if this is not available, according to the most recent quotation on prior trading sessions, published in the daily bulletin of each Stock Exchange.
- Loans with maturity over 90 days, when available, were calculated based on their net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of hedges as well (swap contracts).
- Investments in foreign affiliated companies (Banco BPI S.A.) are determined based on stock market quotations, book value per share and auction quotations.
- Time and interbank deposits and funds from acceptance and issuance of securities, when available, were calculated based on their present value determined by future cash flows discounted at future market interest rates and swap market rates for fixed-rate securities, and for floating-rate securities, market interest rates for fixed-rate securities published in the Gazeta Mercantil newspaper on July 2, 2007. The effects of hedges (swap contracts) are also taken into account.
- Securitization of foreign payment orders, based on the net present value of the future cash flows estimated as from the interest curves of the indexation marketplaces, net of the interest rates practiced in the market on the balance sheet date, considering the credit risk of the issuer, calculated based on the market price of other securities issued by the same.
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the interest rates practiced in the market on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation marketplaces.
- Derivatives related to swaps contracted to hedge the remaining assets/liabilities, based on notional amounts of each of the contract parameters (part and counterpart), restated up to the maturity dates and discounted at present value using the futures market interest rates, in compliance with the characteristics of each contract.
- Treasury shares are valued according to the average quotation available on the last trading session of the month or, if this is not available, according to the most recent quotation on prior trading sessions, published in the daily bulletin of each Stock Exchange.

NOTE 19 – BENEFITS TO EMPLOYEES

Under the terms of CVM Resolution 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)
	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV)(1)
	Itaulam Basic Plan – PBI (1)
Fundação Itaúsa Industrial	Itaulam Supplementary Plan – PSI (2)
	Defined Benefit Plan – PAI-CD (3)
Funbep Fundo de Pensão Multipatrocinado	Defined Benefit Plan – BD (1) (4)
	Funbep I Benefit Plan (1)
Caixa de Previdência dos Funcionários do Banco Beg - Prebeg	Funbep II Benefit Plan (2)
Citiprevi - Entidade Fechada de Previdência Complementar (Orbitall/Credicard Itaú)	Prebeg Benefit Plan (1)
	Credicard Retirement Plan (1)
Itaúbank Sociedade de Previdência Privada	Credicard Supplementary Retirement Plan (2)
	Itaúbank Retirement Plan (3)

(1) *Defined benefit plan*

(2) *Variable contribution plan*

(3) *Defined contribution plan*

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

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

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

During the period, the contributions paid totaled R\$ 20,942 (R\$ 13,685 from January 1 to June 30, 2006). The contribution rate increases based on the participant's salary.

b) Post-employment benefits:

ITAÚSA and or its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance of obligations according to the acquisition agreements signed by ITAÚ, under the terms and conditions established, in which health plans are totally or partially sponsored for former workers and beneficiaries. During the period, the contributions made totaled R\$ 3,545 (R\$ 4,592 from January 1 to June 30, 2006). The contribution rate increases based on the beneficiary's age.

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

The net assets and actuarial liabilities, which consider the actuarial obligations, calculated in conformity with the criteria established by CVM Resolution 371 of December 31, 2000, are summarized below.

	06/30/2007	06/30/2006
Net assets of the plans	12,263,153	9,879,464
Actuarial liabilities	(9,225,205)	(8,425,776)
Surplus (*)	3,037,948	1,453,688

() According to paragraph 49g of the attachment to CVM Resolution 371/2000 of December 31, 2000, the net surplus was not recognized.*

In addition to the reserves recorded by the plans, the sponsors record provisions in the amount of R\$ 28,720 (R\$ 30,420 at June 30, 2006) to cover possible actuarial liabilities.

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

	01/01 to 06/30/2007			01/01 to 06/30/2006		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value - beginning of the period	10,768,519	(8,672,398)	2,096,121	9,327,392	(8,128,429)	1,198,963
Adjustments in the period (1)	-	(196,995)	(196,995)	-	-	-
Expected return on assets/ Cost of current service + interest	654,715	(556,928)	97,787	570,670	(511,198)	59,472
Benefits paid	(201,116)	201,116	-	(193,888)	193,888	-
Contributions of sponsors/participants	28,472	-	28,472	32,414	-	32,414
Gains (losses) in the period (2)/(3)	1,012,563	-	1,012,563	142,876	19,963	162,839
Present value - end of the period	12,263,153	(9,225,205)	3,037,948	9,879,464	(8,425,776)	1,453,688

(1) Corresponds to the change in the mortality table from GAM-83 to AT-83.

(2) The gains in assets correspond to the earnings obtained above the expected return rate on assets assumption.

(3) Gains on actuarial liabilities refer to the revision of future contributions.

e) Main assumptions used in actuarial valuation

	Financial Services Area (1)	Industrial Area (2)
Discount rate	10.24% p.a.	9.73% p.a.
Expected return rate on assets	12.32% p.a.	12.20% p.a.
Mortality table	AT-83 (3)	AT-83 (4)
Turnover	Itaú Experience 2003/2004	Towers Experience
Future salary growth	7.12% p.a.	7.64% p.a.
Growth of the pension fund and social security benefits	4.00% p.a.	4.50% p.a.
Inflation	4.00% p.a.	4.50% p.a.
Actuarial method	Projected Unit Credit (5)	Projected Unit Credit (5)

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

(2) Corresponds to assumptions adopted by the Defined Benefit Plan managed by Fundação Itaúsa Industrial.

(3) At June 30, 2006 the GAM-83 table was adopted.

(4) At December 31, 2006, the adopted mortality table changed to GAM 83, resulting in a difference of 1/3 in the life expectancy of this table as compared to the AT-83 table.

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

NOTE 20 – RECLASSIFICATION FOR COMPARISON PURPOSES

We reclassified some balances as of June 30, 2006, for comparison purposes, in view of the regrouping of the headings, in the Balance Sheet, of Intangible Assets from Fixed Assets and Deferred Charges so as to comply with CVM Resolution 488 of October 3, 2005; and of Tax Contingencies from Liabilities – Tax and Social Security to Other Sundry Liabilities, so as to comply with CVM Resolution 489 of October 3, 2005.

	Prior balances	Reclassification	Current balances
PERMANENT ASSETS	3,481,083	-	3,481,083
FIXED ASSETS	3,133,585	(5,665)	3,127,920
Fixed assets for own use	8,010,418	(12,460)	7,997,958
(Accumulated depreciation)	(4,876,833)	6,795	(4,870,038)
INTANGIBLE ASSETS	-	7,561	7,561
DEFERRED CHARGES	347,498	(1,896)	345,602
Organization and expansion expenditures	906,736	(4,086)	902,650
(Accumulated amortization)	(559,238)	2,190	(557,048)
TOTAL ASSETS	176,998,999	-	176,998,999
TAX AND SOCIAL SECURITY CONTRIBUTIONS	6,295,676	102,261	6,397,937
OTHER LIABILITIES	25,751,620	(102,261)	25,649,359
Sundry	7,414,550	(102,261)	7,312,289
TOTAL LIABILITIES	176,998,999	-	176,998,999

NOTE 21 – ADDITIONAL INFORMATION**a) Insured assets**

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

b) Foreign currencies

The balances in reais linked to foreign currency were:

	06/30/2007	06/30/2006
Permanent foreign investments	9,644,294	6,545,355
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(15,567,749)	(11,814,637)
Net foreign exchange position	(5,923,455)	(5,269,282)

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

c) Non-recurring results

In order to allow the appropriate analysis of the financial statements for the period, we present the following main non-recurring effects, net of respective tax effects:

	Parent company	Minority interest	Group
Goodwill on purchase of Itaú Holding's shares (Note 13f)	-75635	-	-75635
Goodwill of BBI and BBT (Notes 2 and 13f)	-84425	-10559	-94984
Sale of Serasa's shares (Notes 2 and 13g)	216702	268732	485434
Additional allowance for loan losses	-117852	-146148	-264000
Sale of real estate - Itaúbank (Note 13g)	33682	41770	75452
Adjustment to BBA's memorandum account	-36578	-45360	-81938
Purchase of treasury shares - Duratex	-12137	-	-12137
Sale of Tatuapé's site	20448	1303	21751
Sale of 50% of Camargo Correa Desenvolvimento Imobiliário S.A.'s shares	15904	1013	16917
TOTAL	-39891	110751	70860

d) Statement of Cash Flows

I – ITAÚSA CONSOLIDATED

	01/01 to 06/30/2007	01/01 to 06/30/2006
Adjusted net income	9,252,956	7,156,676
Net income	1,922,707	1,647,338
Adjustment to net income:	7,330,249	5,509,338
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	(26,030)	27,258
Allowance for loan losses	3,372,176	2,884,060
Results from subordinated debt	272,643	130,450
Results from securitization of foreign payment orders	(112,373)	(66,930)
Change in technical provision for insurance, pension plan and capitalization	1,788,389	1,251,685
Depreciation and amortization	396,873	326,060
Adjustment to legal liabilities – tax and social security	389,875	(51,087)
Adjustment to provision for contingent liabilities	145,732	(2,921)
Deferred taxes	88,028	(31,947)
Equity in earnings of affiliates	(49,212)	(97,988)
Income from available-for-sale securities	(365,340)	(412,288)
Income from held-to-maturity securities	6,754	(12,632)
Income (loss) from disposal of fixed assets (Note 13g)	(114,321)	-
(Gain) loss from disposal of investments (Note 13g)	(735,507)	-
Minority interest	2,333,102	1,588,338
Other	(60,540)	(22,720)
Changes in assets and liabilities	(20,926,106)	(12,766,646)
(Increase) Decrease in interbank investments	(6,080,551)	(4,891,905)
(Increase) Decrease in securities and derivative financial instruments (assets/liabilities)	(8,372,660)	(3,219,130)
(Increase) Decrease in interbank accounts of subsidiaries	589,214	1,827,488
(Increase) Decrease in loan, lease and other credit operations	(7,171,329)	(8,128,544)
(Increase) Decrease in inventories	(78,960)	(40,237)
(Increase) Decrease in other receivables and assets	(1,899,500)	(755,734)
(Increase) Decrease in foreign exchange operations	29,449	103,774
(Increase) Decrease in prepaid expenses	(1,505,666)	68,506
(Decrease) Increase in technical provisions for insurance, pension plan and capitalization	684,937	518,082
(Decrease) Increase in taxes and social contributions payable and other liabilities	2,886,066	1,755,211
(Decrease) Increase in deferred income	(7,106)	(4,157)
OPERATING ACTIVITIES – Net cash provided by/ (used in)	(11,673,150)	(5,609,970)
Interest on capital / dividends received from affiliates	60,478	45,112
Funds from interest received and sale redemption of available-for-sale securities	6,417,232	6,253,206
Funds from interest received and redemption of held-to-maturity securities	110,361	313,456
Sale of investments	739,842	5,210
Disposal of fixed assets	438,484	15,995
Purchase of available-for-sale securities	(10,751,362)	(7,076,668)
Purchase of held-to-maturity securities	-	(10,073)
Purchase of investments	(34,150)	(72,132)
Purchase of fixed assets and forest reserves	(397,686)	(322,228)
Deferred charges	(385,296)	(53,997)
Changes in minority interest	64,713	201,625
INVESTMENT ACTIVITIES – Net cash provided by/ (used in)	(3,737,384)	(700,494)
Increase (Decrease) in funds obtained by subsidiaries – foreign currency	(5,454,934)	(1,048,809)
Increase (Decrease) in funds obtained by subsidiaries – local currency	7,824,227	4,058,133
Increase (Decrease) in funds obtained by subsidiaries – open market	9,799,094	5,554,723
Increase (Decrease) in borrowings – foreign currency	(55,957)	47,188
Increase (Decrease) in borrowings – local currency	(19,812)	14,093
Increase (Decrease) in credit card operations	(563,641)	(456,045)
Increase (Decrease) in securitization of foreign payment orders	(126,065)	(37,509)
Increase (Decrease) in subordinated debt	6,555,918	(180,010)
Interest on capital paid to minority stockholders	(934,322)	(711,485)
Subscription of shares	300,000	100,000
Premium on subscription of shares	752	182
Purchase of own shares	(25,498)	-
Interest on capital paid	(1,072,280)	(708,250)
FINANCING ACTIVITIES – Net cash provided by (used in)	16,227,482	6,632,211
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS, NET	816,948	321,747
At the beginning of the period	3,732,337	2,193,878
At the end of the period	4,549,285	2,515,625

II - ITAÚSA

	01/01 to 06/30/2007	01/01 to 06/30/2006
Adjusted net income	128,806	136,041
Net income	1,895,858	2,006,336
Adjustment to net income:	(1,767,052)	(1,870,295)
Amortization of goodwill	4,451	3,077
Equity in earnings of subsidiary and affiliated companies	(1,771,906)	(1,873,806)
(Reversal) Provision for losses	(35)	(6)
Depreciation and amortization	438	440
Changes in assets and liabilities	(6,113)	(175,752)
(Increase) Decrease in securities and derivative financial instruments	50,688	(156,948)
(Increase) Decrease in sundry receivables and other assets	17,099	55,544
(Decrease) Increase in provisions and accounts payable and other liabilities	(73,900)	(74,348)
OPERATING ACTIVITIES – Net cash provided by/ (used in)	122,693	(39,711)
Sale of investments	-	39,699
Purchase of investments	(121,898)	(72,913)
Purchase of fixed assets	(27)	(1)
Interest on capital/Dividends received	796,270	680,878
INVESTMENT ACTIVITIES – Net cash provided by/ (used in)	674,345	647,663
Premium on subscription of shares	752	182
Capital increase	300,000	100,000
Purchase of treasury shares	(25,498)	-
Interest on capital paid	(1,072,280)	(708,250)
FINANCING ACTIVITIES – Net cash provided by/ (used in)	(797,026)	(608,068)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	12	(116)
At the beginning of the period	27	128
At the end of the period	39	12

e) Statement of added value

	01/01 to 06/30/2007	Share %	01/01 to 06/30/2006	Share %
Sale of products and services net of cost of materials, third-party services and others (a)	5,878,590	-	4,948,513	-
Income from financial operations (b)	7,873,826	-	6,000,525	-
Result from operations with insurance, pension plan and capitalization (c)	601,119	-	517,598	-
Other operating income/ (expenses) (d)	(2,979,490)	-	(2,653,790)	-
Added value (e = a + b + c + d)	11,374,045	-	8,812,846	-
Compensation of employees (f) (*)	2,960,356	26.0	2,538,036	28.8
Payment of taxes and contributions (g)	4,122,898	36.2	2,975,155	33.8
Payment of debts (h)	34,983	0.3	63,979	0.7
Amount distributed to stockholders (i)	1,125,393	9.9	1,072,327	12.2
Reinvestment of profits (j)	3,130,416	27.5	2,163,349	24.5
Distribution of added value (k = f + g + h + i + j)	11,374,045	100.0	8,812,846	100.0

(*) Does not include social security contributions.

REPORT OF INDEPENDENT AUDITORS ON THE SPECIAL REVIEW

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

1. We have carried out a special accounting review of the Quarterly Information of Itaúsa – Investimentos Itaú S.A. (parent company and consolidated) for the quarter ended June 30, 2007, comprising the balance sheet and statement of income, all prepared under the responsibility of the Company's Management. Our responsibility is to issue a report, without expressing an opinion, on this quarterly information. The quarterly information of the subsidiary companies Banco Itaú Holding Financeira S.A., Itaúsa Export S.A., Itaúsa Europa – Investimentos, SGPS Ltda., Duratex S.A., and Itautec S.A., for the quarter ended June 30, 2007, which values were the basis for the valuation under the equity method and consolidation (note 15a), was reviewed by other independent auditors. Our report on the special review, as regards the value of these investments, is exclusively based on the reports of these other independent auditors.
2. Our review was carried out in accordance with specific standards established by IBRACON – Brazilian Institute of Independent Auditors in conjunction with CFC – Federal Accounting Council and mainly comprised: (a) inquiry of and discussion with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the quarterly information and (b) review of relevant information and subsequent events which have, or could have, significant effects on the Company's financial position and operations.
3. Based on our special review and on the other independent auditors' reports, we are not aware on any material changes which should be made to the Quarterly Information referred to in paragraph 1, for it to be stated in conformity with the Brazilian accounting practices specifically applicable to the preparation of Quarterly Information (ITR) and consistent with the standards of the CVM – Brazilian Securities Commission.
4. The balance sheet as of June 30, 2006 and the respective statement of income for the quarter then ended, presented for comparative purposes, were reviewed by us, whose special review report thereon, dated August 4, 2006 was unqualified.

São Paulo, August 13, 2007

Orlando Octavio de Freitas Jr.
Accountant-Partner
CRC 1SP178871/O-4
BDO Trevisan Auditores Independentes
CRC 2SP013439/O-5

Report of Independent Accountants on Limited Reviews

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

- 1 We have carried out limited reviews of the financial statements of Itaúsa – Investimentos Itaú S.A. (“the Company”) and the consolidated financial statements of Itaúsa – Investimentos Itaú S.A. and its subsidiary companies for the six-month periods ended June 30, 2007 and 2006, consisting of the balance sheets and the corresponding statements of income and of changes in financial position, and the statement of changes in stockholders’ equity of the Company. This financial information is the responsibility of the Company’s management.
- 2 Our reviews were performed 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 subsidiary companies with regard to the main criteria adopted for the preparation of 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 subsidiary companies.
- 3 Based on our limited reviews, we are not aware of any material modifications which should be made to the financial statements reviewed by us in order for them to be in compliance with accounting practices adopted in Brazil.

São Paulo, August 13, 2007

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ - 61.532.644/0001-15

Publicly-held company

INDUSTRIAL AREA. 35300022220

OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of **ITAÚSA – INVESTIMENTOS ITAÚ S.A.**, having perused the management report and financial statements for the period from January to June 2007, have verified the accuracy of all items examined, understanding them to adequately reflect the company's capital structure, financial position and the activities conducted during the period, recommending that they be approved by the company's Board of Directors.

São Paulo, August 13, 2007.

JOSÉ MARCOS KONDER COMPARATO
President

ARTEMIO BERTHOLINI
Member

PAULO RICARDO MORAES AMARAL
Member