

Financial Statements
March 31, 2008



ITAÚSA

ITAÚSA INVESTIMENTOS ITAÚ S.A.

MANAGEMENT REPORT – 1ST QUARTER OF 2008

To our Stockholders:

We present the Management Report and financial statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the period from January to March 2008, prepared in accordance with the regulations established by the Brazilian Corporate Law and the Brazilian Securities and Exchange Commission (CVM). These financial statements have been approved by the Fiscal Council.

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

	<i>R\$ Million</i>					
	Parent company		Minority interest		Group	
	1st Q/08	1st Q/07	1st Q/08	1st Q/07	1st Q/08	1st Q/07
Net income	704	1,063	1,204	1,108	1,907	2,171
Recurring net income (Note 20c)	993	1,026	1,168	1,108	2,160	2,135
Stockholders' equity	15,792	13,625	18,334	15,278	34,126	28,902
Annualized return on average equity (%)	17.9%	32.1%	26.3%	29.9%	22.4%	30.9%
Annualized recurring return on average equity (%)	25.2%	31.0%	25.5%	29.9%	25.4%	30.4%
Interest on capital/dividends	313	269	401	340	714	609

MAIN FINANCIAL INDICATORS

	03/31/2008	03/31/2007	Change %
Net income per thousand shares – in R\$			
Net income of parent company	200.68	334.66	(40.0)
Recurring net income of parent company	282.99	323.23	(12.4)
Recurring net income of parent company (without considering the bonus of shares)	311.16	323.23	(3.7)
Book value of parent company	4,502.82	4,290.47	4.9
Price per common share (1)	17,226.67	13,167.37	30.8
Price per preferred share (1)	10,477.00	11,141.36	(6.0)
Market capitalization (2) – in millions of R\$	45,821	37,832	21.1

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

(2) Calculated on the basis of the average quotation of shares during the month of March of each year.

The recurring net income of the parent company Itaúsa reached R\$ 993 million in the first quarter of 2008, with annualized return on average equity of 25.2%. The non-recurring income items is mainly represented by the effect of the acquisition of treasury shares by the subsidiary company Banco Itaú Holding, which, in the period, acquired own shares in the amount of R\$ 1,010 million, with an impact of a loss of R\$ 311 million in non-operating equity in earnings in Itaúsa (without a cash disbursement in the parent company), increasing the equity interest in this subsidiary company from 44.76% in December 2007 to 45.16% in March 2008.

The recurring net income per thousand shares reached R\$ 282.99 and its book value R\$ 4,502.82, leading Itaúsa to achieve a market capitalization of R\$ 45,821 million by the end of the first quarter.

MAIN INDICATORS OF THE COMPANIES CONTROLLED BY ITAÚSA

R\$ million

	January to March	FINANCIAL SERVICES AREA	INDUSTRIAL AREA			CONSOLIDATED/ GROUP (1)
		Banco Itaú Holding Financeira S.A. Consolidated	Duratex S.A.	Itautec S.A.	Elekeiroz S.A.	
Total assets	2008	327,624	2,750	1,058	657	332,861
	2007	257,850	2,393	880	587	262,803
Operating revenue (2)	2008	17,610	428	403	229	18,646
	2007	12,184	357	355	213	13,178
Net income	2008	2,043	79	12	22	1,907
	2007	1,902	75	52	14	2,171
Stockholders' equity	2008	29,267	1,579	435	414	34,126
	2007	24,971	1,470	401	349	28,902
Annualized return on average equity (%) (3)	2008	28.1%	20.2%	11.3%	22.2%	22.4%
	2007	31.3%	20.8%	55.0%	16.0%	30.9%
Internal fund generation (4)	2008	4,085	99	19	40	3,901
	2007	3,624	104	71	24	3,945

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

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

- Banco Itaú Holding Financeira S.A.: totality of Income from financial operations, Income from services rendered, Income from insurance, pension plan and capitalization premiums and other Operating income; and
- Duratex S.A., Itautec S.A. and Elekeiroz S.A.: Net revenue from sales of products and/or services.

(3) Represents the ratio of net income for the period to the average equity ((Dec+Mar)/2) multiplied by 4.

(4) Includes funds from operations:

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

FINANCIAL SERVICES AREA

Banco Itaú Holding Financeira

Itaú Holding has achieved good results throughout its history, which confirms the sustainability of its operations and the consistency of its strategic decisions.

In April 2008 we highlight the restructuring of the Bank's organization chart, which improves Itaú's conditions to successfully face future challenges. The important changes which were made will give rise to better conditions for the decision-making process, by giving to Itaú's leaders more space and opportunities to conduct the Bank's business. Concomitantly, the activities of Risk Control and Finances, Audit, Internal Controls and Compliance will be more clearly defined and strengthened, thus providing a management model with autonomy for the development of business. The Risk and Capital Management Committee and the Accounting Policies Committee were set up within this context.

The restructuring was determined based on the vision that it is important to strengthen the Bank to continue its development in the coming years and it will be fully implemented alongside Itaú's culture and ethical and social values.

The main results of Itaú Holding for the first quarter of 2008 are as follows.

Consolidated net income for the first quarter totaled R\$ 2,043 million, with annualized return of 28.1% on average equity. Excluding the quarter's non-recurring effects of R\$ 65 million, the recurring net income totaled R\$ 1,979 million, with annualized return of 27.2%. Stockholders' equity totaled R\$ 29,267 million at the end of March 2008, an increase of 17.2% as compared to March 2007. The Basel ratio was 16.6% at the end of March 2008.

Itaú Holding's consolidated assets totaled R\$ 327,624 million, a 27.1% increase as compared to March 2007. The loan portfolio, including endorsements and sureties, grew 36.2%, totaling R\$ 137,691 million at the end of the quarter. In Brazil, the increase in the non-mandatory loans to individuals segment was 38.0% as compared to March 2007, reaching R\$ 57,907 million, and in the very small, small and middle market company segment, the increase was 49.9% as compared to March 2007, totaling R\$ 25,236 million.

Consumer credit operations, associated with the Taíí brand, accounted for R\$ 4,319 million of the loan portfolio, an increase of 33.3% as compared to the same period in 2007. Itaú Holding maintained the leadership in the credit card market, having ended the quarter with over 15 million cards, accounting for billings of R\$ 10.9 billion.

Total free, raised and managed own assets totaled R\$ 506,517 million, an increase of 23.6% as compared to March 2007. Noteworthy is the increase of 22.1% in savings deposits, totaling R\$ 28,388 million at the end of the quarter.

Insurance, pension plan and capitalization operations reached R\$ 802 million in premiums earned. Technical provisions for insurance and pension plan totaled R\$ 24,007 million. Provisions for capitalization totaled R\$ 1,127 million at the end of March 2008. Funding from the sale of Pension Plans and VGBL reached R\$ 1,551 million for the quarter, an increase of 30.6% as compared to the same period of 2007.

In the investment banking segment, Banco Itaú BBA participated in debenture and promissory note operations totaling R\$ 1.6 billion and securitization operations totaling R\$ 600 million. In the National Association of Investment Banks (ANBID) ranking, divulged based on operations up to March 2008, Banco Itaú BBA maintained the first position in the distribution of fixed-income and securitization operations, with market shares of 50% and 45%, respectively. In equity markets, Banco Itaú BBA was the coordinator and bookrunner of subsequent public offerings in the amount of R\$ 1.2 billion. In the corporate banking segment, Banco Itaú BBA's loan operations, including endorsements and sureties, increased 6.5% for the quarter. Derivative operations increased 13% as compared to the average volume in the previous quarter.

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

- Best Managed Company in Latin America – Banking and Financial Sector – for the 2nd time in a row – Euromoney Magazine;
- Best Retail Bank in Latin America in the analysis of the last 20 years - Latin Finance Magazine;
- Private Banking Survey 2008 – 2nd best Private Bank in Latin America and 15th best Bank in the global ranking; ranked 1st in the following categories: offshore, real estate investment, fixed income portfolio management and net-worth services for super affluent clients – Euromoney Magazine;

- Ranking of 500 largest institutions in the global financial sector - 53th position in the general ranking - The Banker/Brand Finance Magazine; and
- "Gazeta Investe" Ranking – Best Manager of Short-term Funds and Best Manager of Fixed-income Funds - Itaú Personalité - Gazeta Mercantil;

The following subsequent events are noteworthy:

. Resolutions of the A/ESM of April 23, 2008

At the A/ESM held on April 23, 2008, the stockholders resolved, among other issues, to approve the issue of 310.7 million common shares and 294.0 million preferred shares, which will be assigned to stockholders on a non-onerous basis as a bonus, in the proportion of one new share the every four shares of the same type. Monthly dividends will remain at R\$ 0.012 per share, so that the amounts monthly paid to stockholders will be increased by 25%, after including the bonus shares in the shareholding position. 10.3 million common shares and 15.0 million preferred shares, all book-entry, issued by the Company itself and held in treasury were cancelled, with no reduction in the capital stock.

Following Ms. Maria de Lourdes Egydio Villela's request to retire from her term of office, and Mr. Geraldo José Carbone's assumption of an executive position in Banco Itaú, the stockholders formalized their non return to office as Board Members through a resolution and elected the stockholder Ricardo Villela Marino to be a member of Itaú Holding's Board of Directors.

. Acquisition of Unión Capital

In April 2008, Banco Itaú announced an agreement for the acquisition of 100% of the shares of Unión Capital, a private pension company which manages a pension fund in Uruguay. The fund has 162,000 clients and managed assets of approximately US\$ 634 million, representing approximately 20% of the pension funds assets in Uruguay. This transaction is pending approval by the related regulatory bodies.

. Standard & Poor's Rating Upgrade

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

Itaúsa Europa Investimentos

Itaúsa Europa Investimentos, the holding company that concentrates the Group's banking investments in Europe, recorded net income of € 7.9 million in the first quarter of 2008. Total assets reached € 4.3 billion in March 2008, an increase of 32.8% as compared to March 2007. This increase has mainly resulted from the acquisition of the private banking operations of Latin American customers from BankBoston and ABN Amro in the end of the first half.

Banco Itaú Europa's consolidated net income reached € 8.1 million. Banking product amounted to € 34.9 million, 56.4% above the amount recorded in the first quarter of 2007, which shows, in addition to the stable contribution of financial margin, an outstanding performance in the capital markets, treasury and international private banking areas, and of the interest held in Banco BPI.

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

In the composition of Itaú Europa's consolidated assets totaling € 4.3 billion, noteworthy are the credits to businesses that reached € 1.9 billion, mainly comprised by structured loans, mostly associated with the financing of Brazilian exports.

In 2007, the international private banking activity underwent an important development with the acquisition of new business units and client portfolios. With this expansion, Itaú Europa's private banking business is now present in Miami and Nassau. This restructuring resulted in a significant increase in Itaú Europa's managed assets, which exceeded US\$ 6.6 billion at the end of March 2008, as well as in the strengthening of funds raised from client deposits that reached US\$ 2.3 billion at the end of the quarter.

Banco BPI, S.A., an associated company in which the Itaú Group holds an 18.3% interest, of which 51% is held by Itaú Europa, recorded in March 2008 total consolidated assets of € 39.3 billion, stockholders' equity of € 1.4 billion and net income of € 75.3 million.

INDUSTRIAL AREA

Duratex

The civil construction sector, driven by the increase in income, employment and credit availability, has substantially contributed to the good results achieved by Duratex in the period. The growing number of real estate properties reaching the finishing stage has improved the sale of finishing products such as the metal and porcelain fixtures of Deca and the floors of Durafloor.

Duratex's results for the period reflect the favorable economic scenario for the sectors in which it operates. Gross revenue reached R\$ 571.7 million, an increase of 20% in relation to the sales recorded in the first quarter of 2007. Exports totaled US\$ 14.1 million and net revenues amounted to R\$ 428.3 million, in line with the growth in gross sales. The operating cash generation, measured by EBITDA, totaled R\$ 127.9 million, 6% greater than in 2007 and equivalent to an EBITDA margin of 30%. The increase in electric energy and resin costs caused a reduction in gross margin, which reached 40% in the first quarter of 2008, as compared to 45% in the same period of 2007. However, the renegotiation of long-term contracts will enable the company to reduce these costs considerably. Operating expenses totaled R\$ 64.0 million, a reduction in relation to net revenue, from 18% in the first quarter of 2007 to 15% in 2008. Net income grew 6%, totaling R\$ 78.8 million.

At the end of March, Duratex's net debt corresponded to R\$ 88.8 million, equivalent to 0.17 of the annualized EBITDA for the period, thus evidencing low leverage and great capacity to fund its investments.

In the Wood Division, coated products increased their share in the mix of shipments. Exports totaled US\$ 11.3 million, of which fiberboard panels accounted for 97%. The net revenue grew 16%, reaching R\$ 281.3 million. The gross margin totaled 39%. EBITDA reached R\$ 84.8 million in the period, equivalent to an EBITDA margin of 30%.

Deca Division's performance reflects the good moment of the construction sector, evidenced by the increase of 22% in the volume shipped of finishing products with higher added value. In this context, the quarter was highly positive for Deca, as net revenue grew 29%, reaching R\$ 147.0 million. EBITDA posted a strong growth, reaching R\$ 43.1 million, equivalent to an EBITDA margin of 29%, as compared to 24% in 2007. Exports reached US\$ 2.8 million, mainly represented by porcelain products for the "life style" segment.

Giving continuity to the expansion plan, announced in 2007 and expected to be completed in 2009, Duratex invested R\$ 100.2 million in the period to acquire permanent assets. We highlight the construction of the building for new manufacturing line of MDF panels, the completion of the building for the new low-pressure coating line and the start-up of equipment assembly, the expansion of sanitary metal fixtures in the industrial district of Jundiaí, São Paulo, and the acquisition of land and planting of forests to support the expansion of the MDF capacity. Two important strategic investments were approved: the expansion in the capacity of laminated floor production that will allow it to use part of the new MDF capacity, together with the strong growth of civil construction in this segment, and the verticalization of the production of resins used in the manufacturing of panels, with economy of scale from the MDF expansion.

Subsequent events:

In April 2008, Duratex acquired all capital quotas of Ideal Standard do Brasil, a company that has plants for manufacturing sanitary porcelain fixtures in Jundiaí, State of São Paulo, and Queimados, State of Rio de Janeiro; this acquisition did not include these company's brands. The total investment amounts to R\$ 60 million, taking into consideration the amounts related to acquisition, working capital and adjustments necessary to be made in the following two years.

In May 2008, Duratex announced a plan for the investment of R\$ 1 billion over the following seven years according to the IT2 Project, which consists of investments for the implementation of a new Medium Density Particleboard (MDP) line, a low-pressure coating line, and a resin plant that will enable a substantial reduction in the cost of this important input.

Itautec

Gross revenue from sales and services grew 12.6%, reaching R\$ 443.1 million at the end of the first quarter of 2008, as a result of the improvement in the sale of IT products and the expansion in the revenue from the service area. Sales to the foreign market, in addition to Brazilian exports, represented 26.6% of the total

consolidated. Gross income reached R\$ 77.0 million, a growth of 12.9% in relation to the first quarter of 2007, resulting in a gross margin of 19.1%.

EBITDA amounted to R\$ 21.0 million, resulting in an EBITDA margin of 5.2% and accumulated operating cash generation of R\$ 6.1 million. Net income for the first quarter of 2008 amounted to R\$ 12.1 million. In March, Itaútec received the last installment related to the sale of its last real estate located in Manaus, earning net income of R\$ 3.8 million, resulting in a recurring net income for the quarter of R\$ 8.3 million. At the end of the quarter, total assets reached R\$ 1,058.0 million, whereas the stockholders' equity amounted to R\$ 435.2 million.

We highlight the sale of 108.1 thousand personal computers and servers in the period, 57.0% above the volume sold in the same period of the previous year, with an outstanding sales performance of notebooks, which grew for the fifth consecutive quarter, reaching 40.0 thousand units. This performance is a result of the company's strategy towards the offer of products with higher added value to the retail segment, which accounted for 70% of the notebook sales.

The gross revenue from service was 12.8% above that earned in the same period of the previous year and equivalent to 28.6% of the total revenue of the company in Brazil.

The distribution operations of the Tallard subsidiaries represented 24.5% of the total consolidated revenue of the Itaútec Group for the period, of which we highlight the performance of the subsidiaries located in Miami and Mexico, which accounted for 32.5% and 31.6% of the revenue, respectively. Itaútec established in Colombia another Tallard subsidiary. The Company started to sell new product lines such as NetApp and Extreme, and is preparing the start of the service operations of Apple in the second quarter of 2008.

Elekeiroz S.A.

The domestic production of chemical products fell 0.9%, despite the growth of 3.3% in apparent consumption. This difference was supplied by imports, raising by 59% this specific deficit, which reached US\$ 4 billion in the quarter. The margins of the chemical sector were pushed by the petrochemical naphtha price, which average increase was 56%.

Elekeiroz's total sales reached 124.5 thousand tons, an increase of 8% over the same period of 2007.

The favorable conditions in the domestic market caused domestic sales to grow 18%, reaching 113.4 thousand tons; however, exports drop by 42%, to 11.1 thousand tons, due to the continued appreciation of the Real and to the immediate recoverability difficulties of tax on goods and services (ICMS) in the State of Bahia.

Elekeiroz achieved gross and net revenues that were 10% and 8% higher, totaling R\$ 286.7 million and R\$ 228.9 million, respectively. Elekeiroz's operating income totaled R\$ 33.4 million and the net income totaled R\$ 22.4 million, 78% and 64% respectively above the amount achieved in the first quarter of 2007. EBITDA, which reached R\$ 41.3 million, grew 43% while the EBITDA margin was 18% (13.5% in 2007).

The investments in the period of R\$ 8 million were directed to programs for increasing productivity, reducing operating costs and increasing the production capacity.

HUMAN CAPITAL MANAGEMENT

Itaúsa and its subsidiaries have over 79 thousand employees as of March 31, 2008. In the quarter, they invested R\$ 16 million in education, training and development programs. Compensation of personnel, plus charges and benefits, totaled R\$ 1,358 million. Welfare benefits granted to employees and their dependants totaled R\$ 219 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.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

In the first quarter of 2008, Itaúsa companies invested R\$ 24 million in social and cultural projects.

Among the actions promoted by Banco Itaú, the following are noteworthy: the launch of the "Prêmio Itaú de Finanças Sustentáveis (Itaú's Sustainable Finance Award), developed in partnership with Instituto Ethos and Sustainability, an English NGO (non-governmental organization), aimed at stimulating the production of papers and news reports on Sustainable Finance; and the partnership with the Abril Group in the Victor Civita Square project, which will transform a degraded area into a complex for public use through actions aimed at contributing to the environmental education.

Banco Itaú and Banco Itaú BBA held in March the 1st debate of the 2008 cycle of Diálogos Itaú de Sustentabilidade (Itaú's Dialogue on Sustainability) on the theme "Carbon Credit Market": scenarios, trends and challenges" in São Paulo with the participation of approximately 150 people.

Itaú Cultural, with the "Navega São Paulo Escolas - De Olho No Tietê" (Keeping an Eye on the Tietê River), implements environmental awareness and cultural inclusion programs involving the public in general and 8,000 teachers and students of state schools of the São Paulo metropolitan region, through synergy with the program of the Navega São Paulo NGO, which supports the State of São Paulo Education Department in the "De Olho No Tietê" project.

Duratex's, in turn, invested R\$ 3.4 million in actions focused on the environment, among which we highlight the treatment of effluents, collection of residues and maintenance of forest areas. And Itaútec launched the Recyclables Collection Program in its office buildings, with the purpose of promoting the employees' environmental awareness.

In the quarter, Elekeiroz was granted by the State of São Paulo's Environmental Agency (Cetesb) the renewal of its Operation License for all activities carried out in the Várzea Paulista plant in the State of São Paulo. In relation to social and environmental responsibilities, the company invested in the period R\$ 2.9 million. The company gave continuity to several programs exclusively focused on the promotion of environmental sustainability, affirming the commitment of its direct collaborators as well as that of its areas of operations involving the governmental and private sectors.

In the social area, noteworthy is the adoption by the Ministry of Education of the "Escrevendo o Futuro" (Writing the Future) Program, which is now converted into the Brazilian Portuguese Language Olympiad, developed by Fundação Itaú Social, with the technical coordination of Cenpec - the Research Center on Education, Culture and Community Action. It is open for the participation of all public elementary and high schools in Brazil. Over 200,000 applications were received from teachers, 54,600 schools, in 4,457 municipalities of 27 States.

With the purpose of promoting the social development of its employees, Itaútec ran the Easter Solidarity Campaign for the third consecutive year, to collect Easter eggs which were donated to day care centers in the cities of São Bernardo do Campo, Suzano, Jundiaí, Belo Horizonte and Rio de Janeiro. On this theme, the company also set up the "Goodwill Stand" to sell Easter products, with a portion of the income earned being donated to a charity institution.

In the cultural area, Itaú Cultural promoted the "Futuro do Presente" ("Future of the Present") exhibition, which was visited by over 56,000 people. The expansion of "Enciclopédia Itaú Cultural de Teatro" (Itaú Cultural Theater Encyclopedia) was marked by the exclusive performance of the "Vestido de Noiva" (Wedding Dress) play by the "Os Satyros" theater group. The Itaú Cultural Observatory has expanded its content by mapping the academic institutions that address cultural management and policies. The São Paulo Museum of Art (MASP) has opened the exhibition "Estratégias para Entrar e Sair da Modernidade " (Strategies to Get In and Out of Modernity.) With respect to Visual Arts and Education of the "Rumos" (Directions) Itaú Cultural 2008-2009 program, their related calls for participation were released. Lectures of "Rumos Artes Visuais" (Visual Arts Directions) were given in Belém (PA), Manaus (AM), Rio Branco (AC), Boa Vista (RR), Brasília (DF) and Cuiabá (MT). The Subtle Violence exhibition was opened at the Montevideo Museum of Visual Arts, in Uruguay. TV programs started to be broadcasted in Angola and Japan and in 28 domestic channels. Up to the closing of this report, the "Quase Líquido" (Almost Liquid) and "H₂Olhos" (H₂Optic) exhibitions were visited by 20,000 people.

Independent Auditors – CVM Instruction No. 381

. Procedures adopted by the Company

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

During the period from January to March 2008, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

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

- February 28, 2008 – Agreement for using an electronic library of international accounting standards – Itaú Holding – Brazil (PWC)
- March 28, 2008 - Engagement letter for the provision of services – Agreement for the provision of consulting services related to labor taxes and international risk assessment – London Branch - Banco Itaú Europa (PWC)

. Summary of the Independent Auditors' justification - PricewaterhouseCoopers

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

ACKNOWLEDGEMENTS

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

(Approved at the Board of Directors' Meeting of May 12, 2008).

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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

Members

ALBERTO SOZIN FURUGUEM

MARCOS DE ANDRADE REIS VILLELA

(*) *Investor Relations Director*

ITAÚSA EUROPA - INVESTIMENTOS SGPS LDA.

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CARLOS DA CAMARA PESTANA
HENRI PENCHAS
JOSÉ CARLOS MORAES ABREU
JOSÉ FRANCISCO CLARO
MARIA DE LOURDES EGYDIO VILLELA
OLAVO EGYDIO SETUBAL
PAULO SETUBAL
ROBERTO EGYDIO SETUBAL

BANCO ITAÚ EUROPA S.A.

BOARD OF DIRECTORS

Chairman

ROBERTO EGYDIO SETUBAL

Vice Chairman

CARLOS DA CAMARA PESTANA

Directors

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

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ALMIR VIGNOTO

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FISCAL COUNCIL

President

JOSÉ MATA SOUSA MENDES

Members

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

DURATEX S.A.

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Vice Chairmen

LAERTE SETUBAL FILHO
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Directors

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JAIR RIBEIRO DA SILVA NETO
JAIRO CUPERTINO
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OLAVO EGYDIO SETUBAL JÚNIOR

FISCAL COUNCIL

President

PAULO RICARDO MORAES AMARAL

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EXECUTIVE BOARD

Chief Executive Officer

PAULO SETUBAL

Executive Managing Vice Presidents

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

Executive Directors

ENRIQUE JUDAS MANUBENS
MÁRIO COLOMBELLI FILHO

Managing Directors

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

DISCLOSURE COMMITTEE

Members

PAULO SETUBAL
PLINIO DO AMARAL PINHEIRO
RAUL PENTEADO

(*) *Investor Relations Director*

ITAUTEC S.A. - GRUPO ITAUTEC

BOARD OF DIRECTORS

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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 Presidents

CLÁUDIO VITA FILHO
RAUL PENTEADO
RICARDO EGYDIO SETUBAL (*)

Executive Director

WILTON RUAS DA SILVA

DISCLOSURE COMMITTEE

Members

RICARDO EGYDIO SETUBAL
PAULO SETUBAL
GUILHERME ARCHER DE CASTILHO
RAUL PENTEADO

(*) *Investor Relations Director*

ELEKEIROZ S.A.

BOARD OF DIRECTORS

Chairman

OLAVO EGYDIO SETUBAL

Vice Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

Directors

CESAR CALVO HUIDOBRO
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	03/31/2008	03/31/2007
Current assets	256,039,542	206,948,983
Cash and cash equivalents	5,252,096	4,854,692
Interbank investments (Notes 4a and 5)	54,685,152	40,227,327
Securities and derivative financial instruments (Notes 4b, 4c and 6)	63,221,531	53,616,096
Securities	37,086,382	32,611,087
Derivative financial instruments	3,173,639	2,900,236
Assets guaranteeing technical provision – PGBL/VGBL fund quotas (Note 11b)	19,854,053	15,362,898
Assets guaranteeing technical provision – other securities (Note 11b)	3,107,457	2,741,875
Interbank account of subsidiaries	20,170,057	16,713,371
Loan, lease and other credit operations (Note 7)	76,389,346	55,299,023
Operations without credit granting characteristics (Note 4d)	81,146,973	59,842,252
(Allowance for loan losses) (Note 4e)	(4,757,627)	(4,543,229)
Inventories (Notes 4f and 8)	712,562	533,507
Products	707,063	523,849
Real estate	5,499	9,658
Other receivables	33,223,302	34,344,297
Foreign exchange portfolio (Note 9)	22,165,265	23,157,002
Deferred tax assets (Note 14b I)	2,733,506	2,946,645
Sundry (Note 13a)	8,419,550	8,343,967
(Allowance for loan losses)	(95,019)	(103,317)
Other assets (Note 4g and 13b)	292,504	322,913
Prepaid expenses (Notes 4h and 13c)	2,092,992	1,037,757
Non-current assets	76,821,089	55,854,216
Long-term receivables	71,241,105	50,520,353
Interbank investments (Notes 4a and 5)	1,807,580	1,679,020
Securities and derivative financial instruments (Notes 4b, 4c and 6)	10,191,139	10,086,241
Securities	8,377,737	8,235,356
Derivative financial instruments	1,256,311	1,027,124
Assets guaranteeing technical provision – other securities (Note 11b)	557,091	823,761
Interbank account of subsidiaries	396,041	383,461
Loan, lease and other credit operations (Note 7)	41,123,627	28,267,151
Operations with credit granting characteristics (Note 4d)	44,513,079	31,337,839
(Allowance for loan losses) (Note 4e)	(3,389,452)	(3,070,688)
Other receivables	15,164,291	9,405,738
Foreign exchange portfolio (Note 9)	3,654,159	-
Deferred tax assets (Note 14b I)	4,610,114	3,923,263
Sundry (Note 13a)	6,900,018	5,482,475
Other assets (Note 4g and 13b)	13,974	6,006
Prepaid expenses (Notes 4h and 13c)	2,544,453	692,736
Permanent assets	5,579,984	5,333,863
Investments (Notes 4i and 15a II)	1,285,847	1,168,695
Investments in affiliates	995,973	864,773
Other investments	289,874	303,922
Fixed assets (Notes 4j and 15b)	3,469,314	3,586,679
Fixed assets for own use	8,393,136	8,446,581
Leased properties	84,071	106,422
Forest reserves	142,117	113,078
(Accumulated depreciation)	(5,150,010)	(5,079,402)
Intangible (Note 15b)	7,282	11,241
Deferred charges (Notes 4k and 15b)	817,541	567,248
Organization and expansion expenditures	1,286,337	1,335,909
(Accumulated amortization)	(468,796)	(768,661)
TOTAL ASSETS	332,860,631	262,803,199

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED BALANCE SHEET

(In thousands of reais)

LIABILITIES	03/31/2008	03/31/2007
Current liabilities	189,386,290	159,278,923
Funds raised by subsidiaries (Notes 4a and 10)	134,938,433	106,795,707
Foreign currency	10,300,867	5,931,528
Local currency	70,309,481	63,846,863
Money market	54,328,085	37,017,316
Subordinated debt (Note 10)	636,343	1,353,952
Derivative financial instruments (Notes 4c and 6b)	2,770,134	2,512,759
Borrowings (Note 4a)	550,628	306,401
Foreign currency	225,282	153,491
Local currency	325,346	152,910
Statutory and social contributions	1,438,758	1,331,564
Tax and social security contributions (Note 14c)	2,393,915	1,700,804
Other liabilities	38,618,701	38,129,374
Foreign exchange portfolio (Note 9)	22,414,826	23,473,537
Credit card operations	7,150,738	6,022,236
Securitization of foreign payment orders (Note 10)	206,039	157,384
Sundry (Note 13d)	8,847,098	8,476,217
Interbank account of subsidiaries	6,371,661	4,268,029
Technical provisions for insurance, pension plan and capitalization (Notes 4I and 11a)	1,667,717	2,880,333
Non-current liabilities	109,227,317	74,500,143
Long-term liabilities	109,227,317	74,500,143
Funds raised by subsidiaries (Notes 4a and 10)	55,029,855	37,430,483
Foreign currency	5,537,577	4,938,588
Local currency	18,381,823	9,734,988
Money market	31,110,455	22,756,907
Subordinated debt (Note 10)	11,734,782	8,171,196
Derivative financial instruments (Notes 4c and 6b)	1,649,132	827,254
Borrowings (Note 4a)	533,013	320,401
Foreign currency	213,596	141,717
Local currency	319,417	178,684
Tax and social security contributions (Note 14c)	9,326,573	6,662,516
Other liabilities	7,488,342	3,837,958
Foreign exchange portfolio (Note 9)	3,551,349	-
Securitization of foreign payment orders (Note 10)	820,111	1,198,894
Sundry (Note 13d)	3,116,882	2,639,064
Technical provisions for insurance, pension plan and capitalization (Notes 4I and 11a)	23,465,620	17,250,335
Deferred income (Note 4o)	121,170	121,658
Minority interest (Note 20d)	18,333,539	15,277,523
Stockholders' equity of the parent company (Note 16)	15,792,315	13,624,952
Capital	7,500,000	5,200,000
Capital reserves	27,576	26,824
Revaluation reserves	30,591	40,845
Revenue reserves	8,501,643	8,396,654
Adjustment to market value – securities and derivative financial instruments (Notes 4b, 4c and 6a)	(34,373)	111,072
(-) Treasury shares	(233,122)	(150,443)
Stockholders' equity of the Itaúsa Group	34,125,854	28,902,475
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	332,860,631	262,803,199

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

(In thousands of reais)

	01/01 to 03/31/2008	01/01 to 03/31/2007
OPERATING REVENUES	18,645,821	13,178,066
Sales of products and services	3,493,653	3,264,112
Insurance, pension plan and capitalization	2,542,961	2,087,859
Financial	7,986,096	5,325,803
Financial income from insurance, pension plan and capitalization operations (Note 11c)	578,630	537,815
Securities	3,793,908	1,727,650
Equity in earnings of affiliates (Note 15a II)	87,232	32,431
Other operating revenues (Note 13e)	163,341	202,396
OPERATING EXPENSES	(15,666,666)	(9,894,422)
Cost of products and services	(748,541)	(641,309)
Insurance, pension plan and capitalization	(2,224,511)	(1,775,219)
Equity	(1,734,879)	(1,447,777)
Administrative	(2,819,478)	(2,578,042)
Management fees	(63,826)	(41,150)
Financial	(6,437,048)	(1,906,460)
Financial expenses on technical provisions for pension plan and capitalization (Note 11c)	(416,874)	(434,087)
Other operating expenses (Note 13 f)	(1,221,509)	(1,070,378)
OPERATING INCOME	2,979,155	3,283,644
NON-OPERATING INCOME (Note 13g)	(127,643)	106,779
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	2,851,512	3,390,423
INCOME TAX AND SOCIAL CONTRIBUTION (Notes 4n and 14a I)	(717,500)	(1,065,145)
Due on operations for the period	(881,981)	(1,155,239)
Related to temporary differences	164,481	90,094
PROFIT SHARING	(226,600)	(154,453)
Employees – Law No. 10,101 of 12/19/2000	(174,630)	(121,490)
Officers – Statutory – Law No. 6,404 of 12/15/1976	(51,970)	(32,963)
NET INCOME OF THE GROUP	1,907,412	2,170,825
MINORITY INTEREST IN SUBSIDIARIES (Note 20d)	(1,203,571)	(1,108,054)
NET INCOME OF PARENT COMPANY	703,841	1,062,771
NUMBER OF OUTSTANDING SHARES – in thousands	3,507,209	3,175,632
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	200.68	334.66
BOOK VALUE OF PARENT COMPANY PER THOUSAND SHARES – R\$	4,502.82	4,290.47
EXCLUSION OF NONRECURRING EFFECTS (Note 20c)	288,660	(36,314)
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	992,501	1,026,457
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	282.99	323.23
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES (WITHOUT BONUS EFFECTS) - R\$	311.16	323.23

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

(In thousands of reais)

	01/01 to 03/31/2008	01/01 to 03/31/2007
A – FINANCIAL RESOURCES WERE PROVIDED BY	18,308,597	10,935,746
NET INCOME FOR THE PERIOD	703,841	1,062,771
Items not representing changes in net working capital		
Minority interest	1,203,571	1,108,054
Depreciation and amortization	162,858	196,182
Equity in the earnings of subsidiaries, net of received dividends	(80,450)	(32,431)
Other	(2,933)	(1,371)
ADJUSTED NET INCOME	1,986,887	2,333,205
THIRD-PARTY'S RESOURCES	16,321,710	8,602,541
Increase in long-term liabilities	17,006,498	7,499,920
Cost of disposed permanent assets	37,061	35,813
Cost of investment disposals	1,087	501
Elimination of investments included in consolidation for the period	-	963,467
Change in deferred income	3,798	(3,281)
Change in minority interest, net	(726,734)	106,121
B – FINANCIAL RESOURCES WERE USED FOR	9,013,635	13,911,859
Increase in long-term receivables	7,857,094	12,918,699
Adjustment to market value – securities and derivatives – subsidiary and affiliated companies	(21,295)	(3,128)
Purchased properties and other fixed assets	182,709	233,740
Investments in the period	9,100	61,419
Increase in deferred assets	69,673	66,977
Purchase of treasury shares	202,620	25,498
Dividends paid to minority stockholders	400,708	339,668
Dividends proposed	313,026	268,986
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	9,294,962	(2,976,113)
INCREASE (DECREASE) IN NET WORKING CAPITAL	9,294,962	(2,976,113)
At the beginning of the period	57,358,290	50,646,173
Current assets	231,122,582	170,708,888
Current liabilities	173,764,292	120,062,715
At the end of the period	66,653,252	47,670,060
Current assets	256,039,542	206,948,983
Current liabilities	189,386,290	159,278,923

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

ASSETS	03/31/2008	03/31/2007
Current assets	870,053	1,031,654
Cash and cash equivalents	27	23
Securities (Notes 4b and 6a)	188,177	546,955
Deferred tax assets (Note 14b I)	220,315	76,711
Other sundry receivables (Note 13a)	461,534	407,965
Non-current assets	17,316,950	14,938,067
Long-term receivables	31,721	19,951
Securities (Notes 4b and 6a)	33	33
Deferred tax assets (Note 14b I)	585	537
Other sundry receivables (Note 13a)	31,103	19,381
Permanent assets	17,285,229	14,918,116
Investments		
Investments in subsidiaries (Note 15a I)	17,273,295	14,905,408
Other investments	4,105	4,190
Fixed assets (Note 15b)	7,829	8,518
TOTAL ASSETS	18,187,003	15,969,721
LIABILITIES		
Current liabilities	866,593	736,498
Dividends/interest on capital payable	660,722	668,921
Tax and social security contributions	185,038	64,240
Other liabilities	20,833	3,337
Non-current liabilities	14,535	15,561
Long-term liabilities – tax and social security contributions	14,535	15,561
Stockholders' equity (Note 16)	17,305,875	15,217,662
Capital	7,500,000	5,200,000
Capital reserves	27,576	26,824
Revaluation reserves	30,591	40,845
Revenue reserves	10,015,203	9,989,364
Adjustment to market value – securities (Notes 4b, 4c and 6a)	(34,373)	111,072
(-) Treasury shares	(233,122)	(150,443)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	18,187,003	15,969,721

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

	01/01 to 03/31/2008	01/01 to 03/31/2007
OPERATING REVENUES	965,438	959,032
Securities	(30,703)	71,287
Equity in earnings of subsidiaries (Note 15a l)	995,947	886,347
Other operating revenues	194	1,398
OPERATING EXPENSES	(83,484)	(14,803)
Equity	(228)	(219)
Administrative	(6,350)	(4,898)
Management fees	(1,966)	(1,397)
Other operating expenses (Note 13 f)	(74,940)	(8,289)
OPERATING INCOME	881,954	944,229
NON-OPERATING INCOME (Note 13g)	(312,050)	5,625
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	569,904	949,854
INCOME TAX AND SOCIAL CONTRIBUTION (Note 4n)	86,804	43,463
Due on operations for the period	(116,160)	(59,633)
Related to temporary differences	202,964	103,096
PROFIT SHARING	(1,738)	(1,174)
Officers – Statutory – Law No. 6,404 of 12/15/1976	(1,738)	(1,174)
NET INCOME	654,970	992,143
NUMBER OF OUTSTANDING SHARES – in thousands (Note 16a)	3,507,209	3,175,632
NET INCOME PER THOUSAND SHARES – R\$	186.75	312.42
BOOK VALUE PER THOUSAND SHARES – R\$	4,934.37	4,792.01
EXCLUSION OF NONRECURRING EFFECTS (Note 20c)	283,218	(36,314)
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	938,188	955,829
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	267.50	300.99
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES (WITHOUT BONUS EFFECTS) - R\$	294.14	300.99

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

(In thousands of reais)

	Capital	Capital reserves			Revaluation reserves	Revenue reserves			Adjustment to market value - securities/ derivatives	Treasury shares	Retained earnings	Total
		Monetary adjustment Law No. 8,200	Premium on subscription of shares	Options for tax incentives		Legal	Unrealized profits	Statutory				
At December 31, 2006	5,200,000	25,013	182	1,629	43,318	872,249	239,650	8,151,835	96,691	(124,945)	-	14,505,622
Change in adjustment to market value - subsidiaries	-	-	-	-	-	-	-	-	14,381	-	-	14,381
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(25,498)	-	(25,498)
Reversal/Realization of reserves	-	-	-	-	(2,473)	-	-	-	-	-	2,473	-
Net income for the period	-	-	-	-	-	-	-	-	-	-	992,143	992,143
Appropriations:												
Legal reserve	-	-	-	-	-	49,607	-	-	-	-	(49,607)	-
Statutory reserve	-	-	-	-	-	-	-	676,023	-	-	(676,023)	-
Dividend	-	-	-	-	-	-	-	-	-	-	(46,639)	(46,639)
Interest on capital	-	-	-	-	-	-	-	-	-	-	(222,347)	(222,347)
At March 31, 2007	5,200,000	25,013	182	1,629	40,845	921,856	239,650	8,827,858	111,072	(150,443)	-	15,217,662
At December 31, 2007	7,500,000	25,013	934	1,629	30,720	1,066,628	-	8,606,502	37,317	(30,502)	-	17,238,241
Change in adjustment to market value - subsidiaries	-	-	-	-	-	-	-	-	(71,690)	-	-	(71,690)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(202,620)	-	(202,620)
Reversal/Realization of reserves	-	-	-	-	(129)	-	-	-	-	-	129	-
Reversal of prior year's interest on capital	-	-	-	-	-	-	-	1,937	-	-	-	1,937
Net income for the period	-	-	-	-	-	-	-	-	-	-	654,970	654,970
Appropriations:												
Legal reserve	-	-	-	-	-	32,748	-	-	-	-	(32,748)	-
Statutory reserve	-	-	-	-	-	-	-	307,388	-	-	(307,388)	-
Dividend	-	-	-	-	-	-	-	-	-	-	(54,346)	(54,346)
Interest on capital	-	-	-	-	-	-	-	-	-	-	(260,617)	(260,617)
At March 31, 2008	7,500,000	25,013	934	1,629	30,591	1,099,376	-	8,915,827	(34,373)	(233,122)	-	17,305,875

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

(In thousands of reais)

	01/01 to 03/31/2008	01/01 to 03/31/2007
A – FINANCIAL RESOURCES WERE PROVIDED BY	301,351	376,792
NET INCOME FOR THE PERIOD	654,970	992,143
Items not representing changes in net working capital		
Depreciation and amortization	228	219
Equity in the earnings of subsidiaries, net of received dividends	(358,852)	(624,886)
Provision for losses	16	(66)
Amortization of goodwill	4,386	1,572
ADJUSTED NET INCOME	300,748	368,982
THIRD-PARTY'S RESOURCES	603	7,810
Increase in long-term liabilities	603	-
Decrease in long-term receivables	-	7,810
B – FINANCIAL RESOURCES WERE USED FOR	599,334	298,879
Increase in long-term receivables	6,989	-
Purchased properties and other fixed assets	152	5
Investments in the period	76,547	-
Purchase of treasury shares	202,620	25,498
Proposed interest on capital and dividends	313,026	268,986
Decrease in long-term liabilities	-	4,390
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	(297,983)	77,913
INCREASE (DECREASE) IN NET WORKING CAPITAL	(297,983)	77,913
At the beginning of the period	301,443	217,243
Current assets	1,408,440	1,374,222
Current liabilities	1,106,997	1,156,979
At the end of the period	3,460	295,156
Current assets	870,053	1,031,654
Current liabilities	866,593	736,498

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
NOTES TO THE FINANCIAL STATEMENTS
FROM JANUARY 1 TO MARCH 31, 2008 AND 2007

(In thousands of reais)

NOTE 1 - OPERATIONS

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

NOTE 2 – PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of ITAÚSA and of its subsidiaries (ITAÚSA CONSOLIDATED) have been prepared in accordance with accounting principles established by the Brazilian Corporate Law and instructions issued by the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (BACEN), the National Monetary Council (CMN) and 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 order to enable the proper analysis of the net income, the heading “Net income without the nonrecurring effects” is presented below the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of the nonrecurring effects” (Note 20c).

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

NOTE 3 – CONSOLIDATED FINANCIAL STATEMENTS

Intercompany transactions and balances and results have been eliminated on consolidation. The investments held by consolidated companies in Exclusive Investment Funds are consolidated. The investments in these fund portfolios are classified by type of transaction and were distributed by type of security, in the same categories in which these securities had been originally allocated. The effects of the Foreign Exchange Variation on investments abroad are classified in the Statement of Income accounts, according to the nature of the corresponding balance sheet accounts.

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

In ITAÚSA, goodwill recorded in subsidiaries, mainly originated from the acquisition of BankBoston (BKB) operations in Brazil, Chile and Uruguay, of BankBoston International (BBI) and BankBoston Trust Company Limited (BBT), 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 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 (%)	
			03/31/2008	03/31/2007
FINANCIAL SERVICES AREA				
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, Ltda		Portugal	45.16	44.55
Banco Fiat S.A.		Brazil	45.16	44.55
Banco Itaú BBA S.A.		Brazil	43.24	42.65
Banco Itaú Buen Ayre S.A.		Argentina	45.14	44.55
Banco Itaú Cartões S.A.	(1)	Brazil	-	44.55
Banco Itaú Chile S.A.		Chile	45.16	44.55
Banco Itaú Europa Luxembourg S.A.		Luxembourg	89.27	89.12
Banco Itaú Europa, S.A.		Portugal	89.29	89.17
Banco Itaú Holding Financeira S.A.	(2)	Brazil	45.16	44.55
Banco Itaú S.A.		Brazil	45.16	44.55
Banco Itaú Uruguay S.A.		Uruguay	45.16	44.55
Banco ItauBank S.A.		Brazil	45.16	44.55
Banco Itaucard S.A.		Brazil	45.16	44.55
Banco Itaucard Financiamentos S.A.		Brazil	45.16	44.55
Banco Itauleasing S.A.	(3)	Brazil	45.16	44.55
BIU Participações S.A.	(4)(5)	Brazil	18.82	-
Cia. Itaú de Capitalização		Brazil	45.16	44.54
FAI - Financeira Americanas Itaú S.A Crédito, Financiamento e Investimento	(4)	Brazil	22.58	22.27
Fiat Administradora de Consórcios Ltda		Brazil	45.16	44.54
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(6)	Brazil	22.58	22.27
Itaú Administradora de Consórcios Ltda		Brazil	45.16	44.55
Itaú Bank, Ltd	(7)	Cayman Islands	45.16	44.55
Itaú Corretora de Valores S.A.		Brazil	45.16	44.55
Itaú Seguros S.A.		Brazil	45.16	44.55
Itaú Vida e Previdência S.A.		Brazil	45.16	44.55
Itaú XL Seguros Corporativos S.A.	(6)	Brazil	22.58	22.27
ItauBank Leasing S.A. Arrendamento Mercantil		Brazil	45.16	44.55
Itaúsa Export S.A.		Brazil	87.81	87.67
Oca Casa Financiera S.A.		Uruguay	45.16	44.55
Orbitall Serviços e Processamento de Informações Comerciais S.A.		Brazil	45.16	44.55
Redecard S.A.	(2)(4)	Brazil	10.48	14.23
Serasa S.A.		Brazil	-	14.50
INDUSTRIAL AREA				
Duratex S.A.	(2)	Brazil	41.51	41.25
Elekeiroz S.A.	(2)	Brazil	96.46	96.49
Itaúsa Empreendimentos S.A.		Brazil	99.96	99.95
Itaútec S.A.	(2)	Brazil	94.01	94.01

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

(2) Listed company.

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

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

(5) Company incorporated on June 27, 2007, the capital of which was paid in with the transfer of shares of Serasa S.A., represented by remaining interest of 10.29%.

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

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

NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

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

b) Securities

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

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

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

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

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

III- The effects of the procedures described in item II above, in the Financial Services subsidiaries of ITAÚSA, recorded under stockholders' equity or the statement of income, were 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 No. 3,082, of January 30, 2002. Transactions involving financial instruments, carried out upon the client's request, for their own account, or which do not comply with the hedging criteria (mainly derivatives used to manage the overall risk exposure) are stated at market value, including realized and unrealized gains and losses, which are recorded directly in the statements of income.

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

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

- d) Loan, Lease and Other Credit Operations (Operations with credit granting characteristics)** – These transactions are recorded at present value and calculated “pro rata die” based on the variation of the contracted index, and are recorded on the accrual basis until the 60th day overdue in financial companies. After the 60th day, income is recognized upon the effective receipt of installments. Credit card operations include receivables arising from the purchases made by cardholders. The funds related to these amounts are recorded in Other Liabilities – Credit Card Operations.
- e) Allowance for Loan Losses** - The balance of the allowance for loan losses was recorded based on the credit risk analysis, at an amount considered sufficient to cover loan losses. according to the rules determined by CMN Resolution No. 2,682 of December 21, 1999, among which are:
- Provisions are recorded from the date loans are granted, based on the client’s risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
 - Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.
- f) Inventories** - These are valued at the average acquisition or production cost, which is lower than replacement costs or realizable values and, when applicable, decreased by the provision for obsolescence. Imports in transit are stated at the accumulated cost of each import.
- g) Other assets** - These assets are mainly comprised by assets held for sale relating to real estate available for sale, own real estate not in use or real estate received as payment in kind, which are adjusted to market value by recognizing a provision, according to current regulations.
- h) Prepaid expenses** – These refer to expenditures which will benefit future periods.
- i) Investments** - In subsidiary and affiliated companies, investments are accounted for under the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into Reais. Other investments are recorded at cost, restated up to December 31, 1995, and adjusted to market value by setting up a provision in accordance with current standards.
- j) Fixed assets** - These assets are stated at cost of acquisition or construction, less accumulated depreciation, restated up to December 31, 1995. For insurance, pension plan and capitalization operations, property and equipment are adjusted to market value based on appraisal reports.

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

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

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

- k) Deferred charges** - Deferred organization and expansion expenditures mainly represent leasehold improvements and acquisition of software, and acquisition of customer portfolios, which are amortized in periods from five to ten years.
- l) Technical Provisions of Insurance, Pension Plan and Capitalization** – provisions are recognized according to the technical notes approved by SUSEP and criteria established by CNSP Resolution No. 162 of December 26, 2006 and the amendments introduced by CNSP Resolution No. 181, of December 19, 2007.

I- Insurance:

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

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

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

III- Capitalization:

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

m) Contingent Assets and Liabilities and Legal Liabilities – Tax and Social Security: assessed, recognized and disclosed according to the provisions set forth in CVM Resolution No. 489 of October 3, 2005.

I- Contingent Assets and Liabilities:

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

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

Escrow deposits are restated in accordance with the current legislation.

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

II- Legal Liabilities – Tax and Social Security

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

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

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

Income tax	15.00%
Additional income tax	10.00%
Social contribution (1)	9.00%
PIS (2)	1.65%
COFINS (2)	7.60%
ISS	up to 5.00%

(1) As from May 1, 2008, for financial subsidiaries and similar companies, the tax rate will be 15%, pursuant to Provisional Measure No. 413, of January 3, 2008.

(2) For non-financial subsidiaries that do not fall into the non-cumulative calculative system, the PIS rate is 1.65% and Cofins rate is 7.6%.

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:

	03/31/2008	03/31/2007
Money market	42,435,967	29,979,946
Funded position (*)	13,093,854	12,338,257
Financed position	29,243,207	17,641,689
With free movement	243,685	3,502,294
Without free movement	28,999,522	14,139,395
Short position	98,906	-
Money market – Assets Guaranteeing Technical Provisions - SUSEP	1,169,881	805,894
Interbank deposits	12,886,884	11,120,507
TOTAL	56,492,732	41,906,347

(*) Includes R\$ 7,853,172 (R\$ 5,297,429 at 03/31/2007) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the Brazilian Mercantile and Futures Exchange (BM&F) and the Central Bank of Brazil (BACEN).

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

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

a) Summary

Description	Cost	Adjustment to market value with impact on		Market value	
		Results	Stockholders' equity	03/31/2008	03/31/2007
Itaúsa and Industrial Area					
Securities	1,053,550	-	-	1,053,550	1,030,422
Derivative financial instruments	(42,455)	(2,851)	-	(45,306)	12,638
Subtotal	1,011,095	(2,851)	-	1,008,244	1,043,060
Financial Services Area (1)					
Trading securities (2)	46,001,623	(48,239)	-	45,953,384	39,833,649
Available-for-sale securities	20,584,803	-	21,768	20,606,571	17,372,764
Held-to-maturity securities (3)	1,369,215	-	-	1,369,215	1,538,142
Derivative financial instruments	4,128,304	346,952	-	4,475,256	3,914,722
Subtotal	72,083,945	298,713	21,768	72,404,426	62,659,277
Deferred taxes			(15,701)		
Adjustments of securities reclassified in prior years to the held-to-maturity category			21,059		
Adjustment of securities of unconsolidated affiliates			(46,365)		
Total adjustment to market value			(19,239)		
Total securities and derivative financial instruments (Assets)	73,095,040	295,862		73,412,670	63,702,337
Derivative Financial Instruments – Itaúsa and Industrial Area	(92,109)	(1,299)		(93,408)	(7,744)
Derivative Financial Instruments – Financial Area	(4,339,503)	13,645		(4,325,858)	(3,332,269)
Total Securities and Derivative Financial Instruments (Liabilities)	(4,431,612)	12,346		(4,419,266)	(3,340,013)
Minority interest			(15,134)		
Amount separately disclosed in Stockholders' equity of ITAÚSA			(34,373)		

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

(2) Includes portfolios of PGBL and VGBL plan securities, in the amount of R\$ 19,854,053 (R\$ 15,362,898 at 03/31/2007), the ownership and embedded risks of which belong to clients, and recorded as marketable securities in compliance with SUSEP requirements, with contra-entry to liabilities, in Technical Provision for Pension Plans.

(3) Securities classified under this category, if stated at market value, would present a positive adjustment of R\$ 204,874 (positive adjustment of R\$ 194,802 at 03/31/2007).

At ITAÚSA, the amount of R\$ 188,210 (R\$ 546,988 at 03/31/2007) is basically composed of Quotas of Investment Funds.

b) Derivative financial instruments

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

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

The main risk factors of the derivatives, assumed at March 31, 2008, were related to the foreign exchange rate, interest rate, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by the infrastructure of sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even under highly volatile situations.

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

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

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

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

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

The 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		
	03/31/2008	03/31/2007	03/31/2008	03/31/2008	03/31/2008	03/31/2007	
	Futures contracts	109,156,047	295,278,907	(27,096)	1,813	(25,283)	(57,506)
Purchase commitments	46,352,080	143,871,196	12,797	(1,377)	11,420	29,740	
Commitments to sell	62,803,967	151,407,711	(39,893)	3,190	(36,703)	(87,246)	
Swap contracts			(331,778)	359,925	28,147	312,754	
Asset position	50,582,432	63,839,671	1,596,318	383,628	1,979,946	1,221,423	
Liability position	50,914,210	63,670,087	(1,928,096)	(23,703)	(1,951,799)	(908,669)	
Option contracts	108,751,804	142,597,139	(285,596)	(50,391)	(335,987)	139,192	
Purchase commitments - long position	17,590,437	66,764,028	151,185	(23,033)	128,152	142,281	
Commitments to sell - long position	25,235,515	18,406,564	332,186	(31,816)	300,370	378,615	
Purchase commitments - short position	46,604,950	39,088,550	(676,233)	14,709	(661,524)	(201,187)	
Commitments to sell - short position	19,320,902	18,337,997	(92,734)	(10,251)	(102,985)	(180,517)	
Forward contracts			897,779	41	897,820	550,788	
Purchase receivable			133,269	-	133,269	50,037	
Purchase payable			(133,332)	60	(133,272)	(53,741)	
Sales receivable			1,113,793	(19)	1,113,774	632,063	
Sales deliverable			(215,951)	-	(215,951)	(77,571)	
Other derivative financial instruments	44,568,217	30,433,688	(599,072)	45,059	(554,013)	(357,881)	
Asset position	26,007,440	15,370,641	759,098	15,341	774,439	1,502,941	
Liability position	18,560,777	15,063,047	(1,358,170)	29,718	(1,328,452)	(1,860,822)	
		ASSETS	4,085,849	344,101	4,429,950	3,927,360	
		LIABILITIES	(4,431,612)	12,346	(4,419,266)	(3,340,013)	
		TOTAL	(345,763)	356,447	10,684	587,347	
Derivative contracts mature as follows (in days):							
	Clearing	0 - 30	31 - 180	181 - 365	Over 365	03/31/2008	03/31/2007
	Futures	18,477,331	30,815,185	38,459,814	21,403,717	109,156,047	295,278,907
	Swaps	7,412,363	12,251,648	11,046,926	18,275,177	48,986,114	62,908,408
	Options	10,757,836	60,505,596	30,536,841	6,951,531	108,751,804	142,597,139
	Other	9,199,002	18,285,588	9,725,384	7,358,243	44,568,217	30,433,688

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

	03/31/2008				TOTAL	03/31/2007
	Futures	Swaps	Options	Other		
BM&F/Bovespa	104,342,326	10,497,097	99,799,889	6,684,246	221,323,558	322,112,230
Over-the-counter market	4,813,721	38,489,017	8,951,915	37,883,971	90,138,624	209,105,912
Financial institutions	4,813,721	9,962,906	7,311,282	26,595,240	48,683,149	168,240,928
Companies	-	27,593,958	1,640,633	10,695,843	39,930,434	39,821,005
Individuals	-	932,153	-	592,888	1,525,041	1,043,979
Total	109,156,047	48,986,114	108,751,804	44,568,217	311,462,182	531,218,142
Total 03/31/2007	295,278,907	62,908,408	142,597,139	30,433,688	531,218,142	

Credit derivatives

	Credit risk amount		Effect on the calculation of the required net equity	
	03/31/2008	03/31/2007	03/31/2008	03/31/2007
Transferred	(3,626,620)	(1,701,282)	(398,928)	(187,141)
Credit swaps whose underlying assets are:				
Securities	(3,626,620)	(1,475,175)	(398,928)	(162,269)
Derivatives with companies	-	(59,880)	-	(6,587)
Total return rate swaps whose underlying assets are:				
Securities	-	(153,780)	-	(16,916)
Derivatives with companies	-	(12,447)	-	(1,369)
Received	2,138,850	4,409,260	46,708	147,660
Credit swaps whose underlying assets are:				
Securities	1,739,676	4,289,260	39,558	134,460
Derivatives with companies	-	120,000	-	13,200
Loan operations	65,000	-	7,150	-
Total return rate swaps whose underlying assets are:				
Securities	334,174	-	-	-
Derivatives with companies	-	-	-	-
Total	(1,487,770)	2,707,978	(352,220)	(39,481)

The market value of the credit derivative operations, described above, recorded in assets total R\$ 21,703 (R\$ 47,607 at 03/31/2007) and in liabilities totals R\$ 31,828 (R\$ 61,745 at 03/31/2007). During the period, there was no occurrence of credit event as provided for in the agreements.

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

a) Summary

I- By type of operations

	03/31/2008	03/31/2007
Loan operations	80,030,346	62,923,332
Lease operations	32,308,677	18,012,132
Credit card operations	11,163,975	8,845,195
Advances on exchange contracts (1)	2,044,816	1,209,194
Other sundry receivables (2)	112,238	190,238
Total	125,660,052	91,180,091
Endorsements and sureties (3)	12,467,907	10,403,005
Total with endorsements and sureties	138,127,959	101,583,096

(1) Includes Advances on Exchange Contracts and Income Receivable from Advances Granted, reclassified from Other Liabilities/Other Receivables - 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

	03/31/2008	%	03/31/2007	%
Public sector	887,200	0.7	879,157	0.9
Private sector	124,772,852	99.3	90,300,934	99.1
Companies	60,260,066	48.0	42,931,912	47.1
Individuals	64,512,786	51.3	47,369,022	52.0
Total	125,660,052	100.0	91,180,091	100.0

b) Allowance for loan losses

	01/01 to 03/31/2008	01/01 to 03/31/2007
Opening balance	(7,925,660)	(7,430,684)
Balance arising from the acquisition of BKB operations in Chile and Uruguay on 12/31/2006	-	(131,077)
Net increase for the period	(1,845,151)	(1,500,188)
Write-off	1,623,732	1,448,032
Closing balance	(8,147,079)	(7,613,917)
Specific allowance (1)	(3,604,336)	(3,497,889)
Generic allowance (2)	(2,392,743)	(2,365,791)
Additional allowance (3)	(2,150,000)	(1,750,237)

(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\$ 342,563 (R\$ 262,124 at 03/31/2007) as it does not consider the option established by article 5 of CMN Resolution No. 2682, of 12/21/1999, amended by article 2 of CMN Resolution No. 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 March 31, 2008, the balance of the allowance for loan losses in relation to the credit portfolio is equivalent to 6.5% (8.4% at 03/31/2007).

c) Recovery and renegotiation of credits

I- Composition of the result of allowance for loan losses

	01/01 to 03/31/2008	01/01 to 03/31/2007
Net increase for the period	(1,845,151)	(1,500,188)
Recoveries	246,716	238,140
Result of allowance for loan losses	(1,598,435)	(1,262,048)

II- Renegotiated credits

	03/31/2008	03/31/2007
Renegotiated credits	2,862,365	3,161,087
Allowance for loan losses	(1,443,184)	(1,771,669)
(%)	50.4	56.0

NOTE 8 - INVENTORIES

	03/31/2008	03/31/2007
Products	707,063	523,849
Raw material	318,303	223,572
Work in process	50,183	40,131
Finished products	282,873	201,472
Storeroom	55,704	58,674
Real estate	5,499	9,658
Total	712,562	533,507

NOTE 9 - FOREIGN EXCHANGE PORTFOLIO

	03/31/2008	03/31/2007
ASSETS – OTHER RECEIVABLES	25,819,424	23,157,002
Exchange purchase pending settlement – foreign currency	13,594,210	11,503,502
Bills of exchange and term documents – foreign currency	488	237
Exchange sale rights – local currency	12,471,365	11,896,750
(-) Advances received – local currency	(246,639)	(243,487)
LIABILITIES – OTHER LIABILITIES (Note 2)	25,966,175	23,473,537
Exchange sales pending settlement – foreign currency	12,442,375	10,601,191
Liabilities from purchase of foreign currency – local currency	13,519,617	12,870,068
Other	4,183	2,278
MEMORANDUM ACCOUNTS	323,431	360,478
Outstanding import credits – foreign currency	290,085	275,663
Confirmed export credits – foreign currency	33,346	84,815

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

	03/31/2008	03/31/2007
Foreign currency	15,838,444	10,870,116
Funds from acceptance and issuance of securities	3,554,251	3,913,370
Borrowings and onlending (1)	12,284,193	6,956,746
Local currency	88,691,304	73,581,851
Deposits	78,390,271	64,401,067
Funds from acceptance and issuance of securities	3,623,220	3,917,578
Borrowings and onlending	6,677,813	5,263,206
Securitization of foreign payment orders (2)	1,026,150	1,356,278
Deposits received under securities repurchase agreements	85,438,540	59,774,223
Own portfolio	56,380,221	42,275,528
Third-party portfolio	28,954,511	14,098,158
Free portfolio	103,808	3,400,537
Subordinated debt	12,371,125	9,525,148
CDB	10,939,979	7,199,627
Debentures	604,279	603,862
Euronotes	826,867	915,410
Redeemable preferred shares	-	806,249
Redeemable preferred shares (3)	687,595	-
Total	204,053,158	155,107,616

(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**

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	03/31/2008	03/31/2007	03/31/2008	03/31/2007	03/31/2008	03/31/2007	03/31/2008	03/31/2007
Mathematical provision of benefits to be granted and benefits granted	6,692	6,815	21,337,429	16,664,743	-	-	21,344,121	16,671,558
Unearned premiums	835,348	786,635	287,037	262,324	-	-	1,122,385	1,048,959
Mathematical provision for redemptions	-	-	-	-	1,074,681	1,047,963	1,074,681	1,047,963
Raffle contingency	-	-	-	-	43,544	58,151	43,544	58,151
Unsettled claims	547,683	432,532	92,031	61,320	-	-	639,714	493,852
Financial surplus	1,849	-	321,407	303,670	-	-	323,256	303,670
IBNR	188,087	191,122	30,002	25,796	-	-	218,089	216,918
Financial variation	-	-	96,807	86,286	-	-	96,807	86,286
Premium deficiency	77,892	70,144	14,265	11,318	-	-	92,157	81,462
Health care (1)	44,068	47,024	-	-	-	-	44,068	47,024
Other	33,824	23,120	14,265	11,318	-	-	48,089	34,438
Insufficient contribution	-	-	63,710	56,408	-	-	63,710	56,408
Other (2)	18,550	4,033	87,776	52,388	8,547	9,020	114,873	65,441
TOTAL	1,676,101	1,491,281	22,330,464	17,524,253	1,126,772	1,115,134	25,133,337	20,130,668

(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 provision 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), sufficient to cover deficits until the termination of the plans in 2099.

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

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

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

b) Assets Guaranteeing Technical Provisions - SUSEP

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	03/31/2008	03/31/2007	03/31/2008	03/31/2007	03/31/2008	03/31/2007	03/31/2008	03/31/2007
Interbank investments – Money market	393,324	234,052	305,344	270,510	471,213	301,332	1,169,881	805,894
Securities and derivative financial instruments	1,037,709	1,003,182	21,805,853	17,092,164	675,039	833,188	23,518,601	18,928,534
PGBL/VGBL fund quotas (1)	-	-	19,854,053	15,362,898	-	-	19,854,053	15,362,898
Other	1,037,709	1,003,182	1,951,800	1,729,266	675,039	833,188	3,664,548	3,565,636
Government	372,628	370,556	687,412	757,996	20,330	147,633	1,080,370	1,276,185
Private	665,081	632,626	1,264,388	971,270	654,709	685,555	2,584,178	2,289,451
Credit rights (2)	238,756	247,974	241,613	200,370	-	-	480,369	448,344
TOTAL	1,669,789	1,485,208	22,352,810	17,563,044	1,146,252	1,134,520	25,168,851	20,182,772

(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 03/31/2008	01/01 to 03/31/2007	01/01 to 03/31/2008	01/01 to 03/31/2007	01/01 to 03/31/2008	01/01 to 03/31/2007	01/01 to 03/31/2008	01/01 to 03/31/2007
Income from financial operations	34,422	41,428	117,675	43,036	9,659	19,264	161,756	103,728
Financial income from insurance, pension plan and capitalization	34,500	41,489	516,820	456,617	27,310	39,709	578,630	537,815
Financial expenses on technical provisions for insurance, pension plan and capitalization	(78)	(61)	(399,145)	(413,581)	(17,651)	(20,445)	(416,874)	(434,087)
Results of operations from insurance, pension plan and capitalization	153,135	156,255	100,117	95,348	65,198	61,037	318,450	312,640
Premiums and contributions	569,891	547,512	1,708,585	1,313,380	234,056	197,037	2,512,532	2,057,929
Changes in technical provisions	13,219	(9,091)	(1,073,074)	(633,412)	(161,752)	(129,450)	(1,221,607)	(771,953)
Expenses for claims	(335,583)	(296,917)	(52,391)	(33,993)	-	-	(387,974)	(330,910)
Selling expenses	(87,928)	(84,343)	(7,048)	(6,372)	(630)	(545)	(95,606)	(91,260)
Expenses for benefits and redemptions	(268)	-	(474,517)	(542,033)	(6,333)	(5,070)	(481,118)	(547,103)
Other income and expenses	(6,196)	(906)	(1,438)	(2,222)	(143)	(935)	(7,777)	(4,063)
TOTAL	187,557	197,683	217,792	138,384	74,857	80,301	480,206	416,368

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

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

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

b) **Contingent Liabilities:**

- **Calculation criteria:**

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

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

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

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

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

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

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

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

Change in provision for contingent liabilities	01/01 to 03/31/2008					01/01 to
	Civil	Labor	Tax and social security	Other	Total	03/31/2007
Opening balance	1,287,912	1,792,744	583,369	97,489	3,761,514	3,002,516
(-) Contingencies guaranteed by indemnity clauses (Note 4m I)	(44,633)	(563,683)	(10,174)	-	(618,490)	(578,233)
Subtotal	1,243,279	1,229,061	573,195	97,489	3,143,024	2,424,283
Changes in the period reflected in results	<u>189,115</u>	<u>116,050</u>	<u>52,054</u>	<u>(198)</u>	<u>357,021</u>	<u>213,131</u>
Restatements/Charges	-	-	9,995	-	9,995	6,397
Increase	189,115	116,050	53,537	-	358,702	234,794
Write-offs through reversal	-	-	(11,478)	(198)	(11,676)	(28,060)
Payments	(132,187)	(68,569)	(2,506)	-	(203,262)	(141,957)
Subtotal	1,300,207	1,276,542	622,743	97,291	3,296,783	2,495,457
(+) Contingencies guaranteed by indemnity clauses (Note 4m I)	121,843	552,666	10,438	-	684,947	718,055
Closing balance (Note 13d)	1,422,050	1,829,208	633,181	97,291	3,981,730	3,213,512
Escrow deposits at 03/31/2008 (Note 13a)	529,742	858,290	314,118	-	1,702,150	
Escrow deposits at 03/31/2007 (Note 13a)	423,995	724,009	513,152	-	1,661,156	

- **Contingencies classified as possible:** not recognized in the accounting books and comprise Civil Lawsuits amounting to R\$ 183,112 and Tax and Social Security Lawsuits amounting to R\$ 1,953,229. The principal characteristics of these lawsuits are described below:
 - CPMF (Tax on Bank Account Outflows) in Customer Operations – R\$ 431,755: 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.
 - IRPJ/CSLL (Income Tax/Social Contribution) on disposal of investments – R\$ 377,545: refers to tax assessment notice issued due to tax effects on disposal of investments. Awaiting Court's decision.
 - IRPJ/PDD (Income Tax/Allowance for Loan Losses) – R\$ 155,851: Reject the Regulatory Instruction (IN) No. 80/93, which reduced the percentage from 1.5% to 0.5% for realization of the Allowance for Loan Losses in base year 1993, calculated by adopting the IN No. 76/87 and the CMN Resolution No. 1,748, of August 31, 1990. The bank makes allegations about the impossibility of applying the rule to events occurred in the fiscal year when it was enacted (principle of anteriority). A suspension was awarded for the bank's appeal, however, the judgment by the Federal Regional Court of the 3rd Region is pending.
 - CPMF – Transfer of Securities - R\$ 148,642: refers to tax assessment notice issued for collection of deferred tax asset related to CPMF on payment of liabilities arising from transfer of securities. A decision from the Taxpayers' Council is pending.
 - ISS – Banking Institutions – R\$ 134,579: refers to tax assessments notices issued by municipalities for collection of ISS on amounts recorded in several accounts, on the grounds of being service revenue. An administrative final decision or tax foreclosure is pending.
 - Apportionment of Net Assets by Book Value – R\$ 120,764: refers to the tax assessment notice issued due to the deduction of capital loss computed in the winding-up and liquidation of investments. Awaiting Court's decision.

The amount of R\$ 1,224,965 (R\$ 1,019,779 at 03/31/2007) related to Securities, the amount of R\$ 1.670.565 (R\$ 551,699 at 03/31/2007) (Note 13a) of deposits, as well as Permanent Assets in the amount of R\$ 996,999 (R\$ 1,034,290 at 03/31/2007), according to Article 32 of Law No. 10,522/02, are pledged in guarantee of voluntary appeals related to lawsuits involving contingent liabilities. As a result of the Unconstitutionality Lawsuit No. 1976, the Federal Supreme Court ruled unconstitutional the requirement of guarantees for considering voluntary appeals on April 10, 2007. The company is requesting the cancellation of the pledging of guarantees to the Federal Revenue Service.

The Receivables balance arising from reimbursements of contingencies totals R\$ 874,389 (R\$ 911,766 at 03/31/2007) (Note 13a), basically represented by the guarantee in the Banerj privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition from losses on Civil, Labor and Tax Contingencies.

c) Legal liabilities - Tax and Social Security

Change in legal liabilities	01/01 to 03/31/2008	01/01 to 03/31/2007
Opening balance	5,661,768	4,054,382
Changes in the period reflected in results	<u>280,662</u>	<u>339,279</u>
Charges on taxes	91,551	76,918
Net increase	254,500	274,803
Write-offs through reversal (Note 13e)	(65,389)	(12,442)
Payments	(39,081)	(1,795)
Closing balance (Note 14c)	5,903,349	4,391,866
Probability of loss		
Probable	1,167,210	1,103,524
Possible	346,290	333,577
Remote	4,389,849	2,954,765
Change in escrow deposits	01/01 to 03/31/2008	01/01 to 03/31/2007
Opening balance	3,062,934	2,407,101
Appropriation of income	54,478	47,949
Changes in the period	<u>251,953</u>	<u>83,089</u>
Deposited	251,953	86,594
Withdrawals	-	(3,505)
Closing balance (Note 13a)	3,369,365	2,538,139

The main natures of processes are described as follows:

- PIS and COFINS X Law No. 9,718/98 – R\$ 2,401,883 – Assert the right of paying contributions to PIS and COFINS on revenue, not adopting the provisions of Article 3, paragraph 1, of Law No. 9,718/98, which established the inappropriate extension of the calculation bases of these contributions. The corresponding escrow deposit totals R\$ 506,670.
- IRPJ and CSLL X Profit earned Abroad – R\$ 805,081. Aimed at rejecting the requirement set forth by Regulatory Instruction No. 213/02, in view of its illegality, determining the inclusion of equity in earnings in the calculation of taxable income and the CSLL calculation basis, including that from disposal of investment abroad. The corresponding escrow deposit totals R\$ 464,371.
- CPMF (Tax on Bank Account Outflows) – Leasing companies – R\$ 619,603 – Aimed at giving the treatment granted to financial institutions to leasing companies as to zero rate of CPMF (Article 8, item 3, of Law No. 9,311/96). The corresponding escrow deposit totals R\$ 522,680.
- PIS X Constitutional Amendments Nos. 10/96 and 17/97 – R\$ 359,034 – Aimed at rejecting the levy of PIS over the period from January 1, 1996 to February 28, 1997, based on principles of anteriority over 90 days and non-retroactivity of Constitutional Amendments Nos. 10/96 and 17/97, and nonexistence of legislation for this period. Successively, aimed at paying PIS over the mentioned period based on Supplementary Law No. 7/70. The corresponding escrow deposit totals R\$ 146,780.
- CSLL X Equality – R\$ 261,046 – Assert the right of paying CSLL at 8%, applicable to companies in general, according to the heading of Article 19 of Law No. 9,249/95, rejecting the provisions of paragraph 1 therein, which sets forth a differentiated rate (18%) for financial institutions, in view of the infraction to the principle of equality. The corresponding escrow deposit totals R\$ 146,780.
- INSS X Supplementary Law No. 84/96 and Additional rate of 2.5% – R\$ 217,033 – Aimed at rejecting the levy of social security contribution at 15%, as well as an additional rate of 2.5%, on compensation paid to service providers that are individuals and managers, set forth by Supplementary Law No. 84/96, in view of its unconstitutionality, as this contribution has the same taxable year and income tax calculation basis, going against the provisions of Articles 153, item III, 154, item I, 156, item III and 195, paragraph 4, of Federal Constitution. The corresponding escrow deposit totals R\$ 172,081.

According to the opinion of the legal advisors, ITAÚSA and its subsidiary companies are not involved in any other administrative proceedings or lawsuits that may significantly affect the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized through the adoption of statistical models for claims involving small amounts and separate analysis by internal and external legal advisors of other cases, showed that the amounts provided for are sufficient, according to the CVM Resolution No. 489 of October 3, 2005.

NOTE 13 - BREAKDOWN OF ACCOUNTS

a) Other Sundry Receivables

	03/31/2008	03/31/2007
Escrow deposits for provisions for contingent liabilities (Note 12b)	<u>3,372,715</u>	<u>2,212,855</u>
Contingencies classified as probable	1,702,150	1,661,156
Contingencies classified as possible	1,670,565	551,699
Escrow deposits for legal liabilities – tax and social security (Note 12c)	3,369,365	2,538,139
Negotiation and intermediation of securities	1,002,462	2,008,388
Taxes and contributions for offset	1,618,098	1,300,251
Social contribution for offset – Provisional Measure No. 2,158 of August 24, 2001 (Note 14b I)	919,708	988,450
Receivables from reimbursement of contingent liabilities (Note 12b)	874,389	911,766
Income receivable	902,402	837,676
Insurance premium receivable	789,155	746,504
Trade notes receivable	787,802	666,320
Escrow deposits for foreign fund raising program	399,406	481,517
Receivables – sale of Credicard brand (1)	227,283	266,452
Tax incentive options	107,354	136,658
Sundry debtors	<u>633,495</u>	<u>550,242</u>
Domestic	346,240	342,768
Foreign (2)	287,255	207,474
Other (3)	315,934	181,224
Total	<u>15,319,568</u>	<u>13,826,442</u>

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

(2) Includes the amount of R\$ 95,837 received in April 2008 related to the sale of shares of Visa Inc..

(3) Includes the acquisition, at a public bidding, carried out by Banco Itaú in April 2007, of rights held by the Government of the State of Goiás, on the receipt of funds and royalties from Itaipu Binacional, in the amount of R\$ 118,659.

At ITAÚSA, basically comprise Income Receivable of R\$ 313,971 (R\$ 249,339 at 03/31/2007) and Taxes and Contributions for Offset of R\$ 147,324 (R\$ 153,983 at 03/31/2007).

b) Other Assets

	03/31/2008	03/31/2007
Assets not for own use	360,701	394,100
(-) Valuation allowance	(54,517)	(65,484)
Other	294	303
Total	306,478	328,919

c) Prepaid expenses

	03/31/2008	03/31/2007
Technical cooperation agreement (1)	2,095,714	924,021
Association for the Promotion and Provision of Financial and Real Estate Products (2)	305,000	-
Commissions	<u>1,929,095</u>	<u>536,147</u>
Related to insurance and pension plan	149,148	163,232
Related to vehicle financing (3)	1,744,487	328,543
Other	35,460	44,372
Advertising	126,480	103,292
Other	181,156	167,033
TOTAL	4,637,445	1,730,493

(1) Basically refers to the amounts spent to acquire rights to credit payrolls and perform tax collections for Municipal and State Governments. As of December 31, 2007, the balance basically comprises the agreements entered into with the State Governments of Rio de Janeiro, Goiás and Minas Gerais, and the Municipal Government of São Paulo.

(2) Refers to the agreements signed with the companies LPS Brasil – Consultoria de Imóveis S.A. and Dafra da Amazonia Indústria e Comércio de Motocicletas Ltda.

(3) 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

	03/31/2008	03/31/2007
Provision for contingent liabilities (Note 12b)	3,981,730	3,213,512
Collection and payment of taxes and contributions	2,660,985	2,203,355
Negotiation and intermediation of securities	1,745,109	2,370,021
Personnel provision	564,182	554,867
Suppliers	233,349	171,860
Sundry creditors	<u>1,645,459</u>	<u>1,578,304</u>
Domestic	1,414,825	1,410,156
Foreign	230,634	168,148
Liabilities related to insurance companies	192,745	189,488
Liabilities for official agreements and rendering of payment services	252,585	84,949
Provisions and sundry creditors	<u>687,836</u>	<u>748,925</u>
Total	<u>11,963,980</u>	<u>11,115,281</u>

e) Other operating revenues

	01/01 to 03/31/2008	01/01 to 03/31/2007
Reversal of operating provisions	74,097	27,523
Legal liabilities – tax and social security (Note 12c)	65,389	12,442
Other	8,708	15,081
Recovery of charges and expenses	32,757	20,533
Equity in subsidiaries, not arising from net income	-	32,214
Other	56,487	122,126
Total	163,341	202,396

f) Other operating expenses

	01/01 to 03/31/2008	01/01 to 03/31/2007
Tax expenses (Note 14a II)	(585,465)	(613,270)
Provisions for contingencies (Note 12b)	(240,971)	(113,136)
Civil (*)	(189,115)	(113,097)
Tax and social security	(52,054)	(2,524)
Other	198	2,485
Equity in subsidiaries, not arising from net income	(9,319)	-
Operating expenses from industrial companies	(86,420)	(68,662)
Selling - Credit cards	(127,111)	(101,185)
Claims	(58,910)	(39,054)
Other	(113,313)	(135,071)
Total	(1,221,509)	(1,070,378)

(*) From January 1 to March 31, 2008, includes the provision for economic plans amounting to R\$ 83,734.

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 70,251 (R\$ 6,065 from 01/01 to 03/31/2007).

g) Non-operating income

	01/01 to 03/31/2008	01/01 to 03/31/2007
Income from sale of investments (*)	172,658	94,481
(Provision)/reversal of non-operating provisions	4,316	(3,231)
Non-operating equity in earnings	(312,798)	6,694
Capital gains/(losses) and Other	8,181	8,835
Total	(127,643)	106,779

(*) From January 01 to March 31, 2008, is basically composed of R\$ 182,013 arising from gain on disposal of investments in MasterCard Inc. and Visa Inc., in the amounts of R\$ 82,964 and R\$ 99,049, respectively.

At ITAÚSA, consist of non-operating equity in earnings.

NOTE 14 - TAXES

a) Composition of expenses for taxes and contributions

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

Due on Operations for the Period	01/01 to 03/31/2008	01/01 to 03/31/2007
Income before income tax and social contribution	2,851,512	3,390,423
Charges (Income Tax and Social Contribution) at the rates of 25% and 9% (Note 4n), respectively	(969,514)	(1,152,744)
Increase/Decrease to Income Tax and Social Contribution charges arising from:		
Permanent (additions) exclusions	73,234	60,162
Investments in affiliates	29,659	11,027
Foreign exchange variation on investments abroad	(26,371)	(114,491)
Interest on capital	121,471	92,540
Dividends, interest on external debt bonds and tax incentives	77,690	43,163
Gains (losses) on equity interests	(106,484)	3,041
Other	(22,731)	24,882
Temporary (additions) exclusion	316,686	42,215
Allowance for loan losses	(107,360)	(209,304)
Excess (insufficiency) of depreciation of leased assets	577,295	369,549
Adjustment to market value of trading securities and derivative financial instruments, and adjustments from operations in futures markets	28,930	(72,635)
Interest on capital	(117,387)	(7,801)
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	(51,293)	(77,706)
Realization (amortization) of goodwill on purchase of investments	61,988	61,913
Other non-deductible provisions	(75,487)	(21,801)
(Increase) Offset of income tax and social contribution los carryforwards	(302,387)	(104,872)
Expenses for income tax and social contribution	(881,981)	(1,155,239)
Related to temporary differences		
Increase (reversal) for the period	(14,807)	70,375
Prior periods increase (reversal)	179,288	19,719
Income (expenses) from deferred taxes	164,481	90,094
Total income tax and social contribution	(717,500)	(1,065,145)

II) Composition of tax expenses:

	01/01 to 03/31/2008			01/01 to 03/31/2007		
	On sales of products and services (1)	On other revenues (Note 13f)	Total	On sales of products and services (1)	On other revenues (Note 13f)	Total
PIS and COFINS	(81,762)	(467,145)	(548,907)	(70,639)	(426,983)	(497,622)
ISS	(4,551)	(69,974)	(74,525)	(3,673)	(74,344)	(78,017)
IPI	(44,345)	-	(44,345)	(38,686)	-	(38,686)
ICMS	(100,602)	-	(100,602)	(83,097)	-	(83,097)
CPMF (2)	-	-	-	-	(76,122)	(76,122)
Other	(10,599)	(48,346)	(58,945)	(8,858)	(35,821)	(44,679)
Total (Note 4n)	(241,859)	(585,465)	(827,324)	(204,953)	(613,270)	(818,223)

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

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

At ITAÚSA, tax expenses basically comprise PIS in the amount of R\$ 12,530 (R\$ 568 from 01/01 to 03/31/2007) and COFINS in the amount of R\$ 57,713 (R\$ 2,616 from 01/01 to 03/31/2007).

III – Tax Effects on Foreign Exchange Management of Investments Abroad

In order to minimize the effects on income in connection with the foreign exchange variation on investments abroad, net of respective tax effects, ITAÚSA and ITAÚ HOLDING carry out derivative transactions in foreign currency (hedge), as mentioned in Note 20b.

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

b) Deferred tax assets

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

	12/31/2007	Realization / Reversal	Increase	03/31/2008	03/31/2007
Reflected in income and expense accounts	6,489,125	(605,455)	1,445,981	7,329,651	6,869,908
Related to income tax and social contribution loss carryforwards	506,712	(36,843)	327,757	797,626	667,590
Temporary differences:	<u>5,982,413</u>	<u>(568,612)</u>	<u>1,118,224</u>	<u>6,532,025</u>	<u>6,202,318</u>
Allowance for loan losses	2,558,152	(251,935)	451,254	2,757,471	2,591,073
Provision for interest on capital	-	-	219,300	219,300	447,811
Legal liabilities – tax and social security	721,046	(23,641)	44,041	741,446	484,227
Provision for contingent liabilities	<u>890,061</u>	<u>(73,694)</u>	<u>129,795</u>	<u>946,162</u>	<u>693,385</u>
Civil	408,459	(44,953)	64,041	427,547	269,584
Labor	301,106	(26,777)	38,438	312,767	264,090
Tax and social security	180,496	(1,964)	27,316	205,848	159,711
Adjustments from operations in futures market	26,986	-	39,966	66,952	15,198
Allowance for real estate	29,440	(3,940)	2,003	27,503	31,710
Goodwill on purchase of investments	1,090,563	(60,754)	-	1,029,809	1,252,628
Provision for corporate restructuring	-	-	-	-	31,312
Other	666,165	(154,648)	231,865	743,382	654,974
Reflected in stockholders' equity accounts - Adjustment to market value of available-for-sale securities	3,344	-	10,625	13,969	-
Total deferred tax assets	6,492,469	(605,455)	1,456,606	7,343,620	6,869,908
Social Contribution for Offset arising from Option foreseen in article 8 of Provisional Measure No. 2,158-35 of August 24, 2001.	925,687	(5,979)	-	919,708	988,450

At ITAÚSA, deferred tax assets amount to R\$ 220,900 (R\$ 77,248 at 03/31/2007) and at is basically represented by interest on capital, the expectation of realization of which is up to 5 years.

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

	12/31/2007	Realization/ Reversal	Increase	03/31/2008	03/31/2007
Reflected in income and expense accounts	4,149,779	(9,415)	670,643	4,811,007	2,812,977
Depreciation in excess - lease	3,554,767	-	577,781	4,132,548	2,258,158
Taxation on results abroad – capital gains	65,560	(6,826)	-	58,734	50,975
Adjustment from operations in futures market	65,987	(793)	7,018	72,212	172,559
Adjustment to market value of trading securities and derivative financial instruments	117,579	-	58,623	176,202	87,088
Restatement of escrow deposits related to legal and contingent liabilities	211,408	-	25,166	236,574	155,822
Income on sale of permanent asset items and rights	73,476	(254)	-	73,222	70,266
Other	61,002	(1,542)	2,055	61,515	18,109
Reflected in stockholders' equity accounts - Adjustment to market value of available-for-sale securities	35,716	(6,005)	-	29,711	79,563
Total	4,185,495	(15,420)	670,643	4,840,718	2,892,540

At ITAÚSA, Provision for Deferred Tax and Contributions amounts to R\$ 2,005 (R\$ 2,374 at 03/31/2007) and is represented basically by taxes levied on restatement of escrow deposits.

III) The estimate of realization and present value of Deferred Tax Assets and Social Contribution for Offset, arising from Provisional Measure No. 2,158-35 of 08/24/2001, and from Provision for Deferred Income Tax and Social Contribution existing at March 31, 2008, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies are:

Realization year	Deferred tax assets			Social contribution for offset	Provision for deferred income Tax and social contribution	Net Deferred Taxes
	Temporary differences	Income tax and social contribution loss	Total			
2008	1,833,275	615,248	2,448,523	136,309	(593,563)	1,991,269
2009	1,235,573	173,885	1,409,458	244,254	(746,698)	907,014
2010	1,269,540	2,853	1,272,393	199,817	(952,362)	519,848
2011	797,283	2,649	799,932	103,945	(976,107)	(72,230)
2012	583,933	2,991	586,924	45,265	(1,124,727)	(492,538)
After 2012	826,390	-	826,390	190,118	(447,260)	569,248
Total	6,545,994	797,626	7,343,620	919,708	(4,840,718)	3,422,610
Present value (*)	5,852,995	755,187	6,608,182	810,072	(4,224,929)	3,193,325

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

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

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

IV- Unrecorded deferred tax assets amount to R\$ 359,154 (R\$ 479,917 at 03/31/2007).

As of March 31, 2008 there were no unrecorded deferred tax assets at ITAÚSA.

c) Taxes and social security contributions

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

	03/31/2008	03/31/2007
Taxes and contributions on income payable	504,300	631,929
Taxes and contributions payable	472,121	446,985
Provision for deferred income tax and social contribution	4,840,718	2,892,540
Legal liabilities – tax and social security (Note 12c)	5,903,349	4,391,866
Total	11,720,488	8,363,320

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:

	03/31/2008	03/31/2007
Taxes paid or provided	2,184,259	2,244,464
Taxes withheld and collected from clients	998,186	1,699,179
Total	3,182,445	3,943,643

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

Companies	Balances at 12/31/2007 (a)	Subscription/ Acquisition/ Sales	Receipt / Provision of dividends and interest on capital (b)	Equity in earnings of subsidiaries	Adjustment to marketable securities of subsidiaries	Amortization of goodwill	Balances at 03/31/2008 (a)	Balances at 03/31/2007 (a)	Equity in earnings of subsidiaries 01/01 to 03/31/2007
Banco Itaú Holding Financeira S.A.	14,375,873	9,118	(316,988)	546,686 (c)	(34,504)	(3,990)	14,576,195	12,631,139	783,475 (c)
Itaucorp S.A.	768,057	-	-	25,209	-	-	793,266	676,942	31,968 (c)
Itaúsa Export S.A.	670,579	67,429	-	58,596	(31,577)	(149)	764,878	574,019	(740)
Duratex S.A.	456,740	-	(7,710)	21,281 (c)	-	(246)	470,065	436,110	24,358 (c)
Itautec S.A.	304,606	-	68	12,604	-	(1)	317,277	287,469	45,912
Eleupart Participações e Administração S.A.	161,977	-	-	7,716	-	-	169,693	140,855	6,525
Itaúsa Europa - Investimentos, SGPS, LDA.	128,739	-	-	10,425 (d)	(5,609)	-	133,555	109,044	856 (d)
Ith Zux Cayman Company Ltd.	29,513	-	-	(212) (d)	-	-	29,301	34,255	(1,330) (d)
Elekeiroz S.A.	11,594	-	-	846	-	-	12,440	9,990	595
Other subsidiaries	6,294	-	-	331	-	-	6,625	5,585	334
GRAND TOTAL	16,913,972	76,547	(324,630)	683,482	(71,690)	(4,386)	17,273,295	14,905,408	891,953

(a) Includes total goodwill/negative goodwill expenses of R\$ 153,029 at 12/31/2007 and R\$ 154,622 at 03/31/2008 (R\$ 55,033 at 03/31/2007).

(b) Income receivable includes dividends and interest on capital receivable amounting to R\$ 313,970 (R\$ 249,339 at 03/31/2007).

(c) Includes non-operating expense arising from change in interest R\$ 312,465 at 03/31/2008 (revenue of R\$ 5,606 at 01/01 to 03/31/2007).

(d) Includes total foreign exchange revenue of R\$ 8,159 (expense of R\$ 5,525 at 03/31/2007).

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity in voting capital (%)	Equity in capital (%)
				Common	Preferred		
Banco Itaú Holding Financeira S.A.	14,254,213	31,892,569	1,906,228	1,073,180,930	56,060	86.36	45.16
Itaucorp S.A.	318,502	807,594	25,205	12,241,502	3,935,980	99.94	99.96
Itaúsa Export S.A.	745,923	1,133,149	75,344	18,994,166,559	191,631,144	80.00	77.77
Duratex S.A.	943,626	1,578,712	78,778	32,005,853	6,098,671	59.76	29.56
Itautec S.A.	196,410	435,171	12,093	10,366,478	-	88.97	88.97
Eleupart Participações e Administração S.A.	219,890	504,712	23,058	252,930,540	-	33.46	33.46
Itaúsa Europa - Investimentos, SGPS, LDA.	855,145	1,275,185	14,667	1 (*)	-	12.14	12.14
Ith Zux Cayman Company Ltd.	61,218	40,366	296	35,000,000	-	100.00	100.00
Elekeiroz S.A.	220,000	413,925	22,370	559,180	631,430	3.85	3.78

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

II - Composition of investments

	03/31/2008	03/31/2007
Investments in affiliates	995,973	864,773
BPI - SGPS S.A.	746,204	736,377
Allianz Seguros S.A. (current corporate name of AGF Brasil Seguros S.A.)	130,068	120,219
Delle Holding S.A.	20,471	5,777
Serasa S.A.	97,235	-
Other	1,995	2,400
Other investments	289,874	303,922
Investments through tax incentives	106,880	110,010
Equity securities	12,925	90,970
Shares and quotas	98,980	25,704
Other	154,753	166,358
Allowance for losses	(83,664)	(89,120)
TOTAL	1,285,847	1,168,695

III – Composition of equity in earnings of affiliates

	01/01 to 03/31/2008	01/01 to 03/31/2007
Equity in earnings of affiliates	43,155	52,434
Foreign exchange variation on investments	44,077	(20,003)
TOTAL	87,232	32,431

b) Fixed assets, intangible and deferred charges

	03/31/2008			03/31/2007		
	Cost	Accumulated depreciation/ amortization/ depletion	Net	Cost	Accumulated depreciation/ amortization/ depletion	Net
Fixed assets	8,619,324	(5,150,010)	3,469,314	8,666,081	(5,079,402)	3,586,679
Own fixed assets	8,393,136	(5,142,975)	3,250,161	8,446,581	(5,075,278)	3,371,303
Real estate	3,102,119	(1,384,927)	1,717,192	3,249,428	(1,370,310)	1,879,118
Land	1,016,580	-	1,016,580	962,434	-	962,434
Buildings	2,085,539	(1,384,927)	700,612	2,286,994	(1,370,310)	916,684
Other	5,291,017	(3,758,048)	1,532,969	5,197,153	(3,704,968)	1,492,185
Installations	372,525	(241,135)	131,390	359,214	(238,518)	120,696
Furniture and equipment	1,957,269	(1,058,727)	898,542	1,925,423	(1,041,726)	883,697
EDP systems	2,632,299	(2,235,025)	397,274	2,594,862	(2,224,482)	370,380
Other (Communication, security and transportation)	328,924	(223,161)	105,763	317,654	(200,242)	117,412
Leased fixed assets	84,071	(7,035)	77,036	106,422	(4,124)	102,298
Real estate - Buildings	65,518	-	65,518	87,869	-	87,869
Furniture and equipment	18,553	(7,035)	11,518	18,553	(4,124)	14,429
Forest reserves	142,117	-	142,117	113,078	-	113,078
Intangible	9,695	(2,413)	7,282	12,992	(1,751)	11,241
Deferred charges	1,286,337	(468,796)	817,541	1,335,909	(768,661)	567,248
Leasehold improvements	535,802	(186,301)	349,501	441,302	(132,819)	308,483
Expenditures on acquisition of software	351,913	(170,261)	181,652	487,492	(271,760)	215,732
Other deferred expenditures	398,622	(112,234)	286,388	407,115	(364,082)	43,033

In ITAÚSA, Fixed Assets are basically composed of Buildings R\$ 5,259 (R\$ 5,665 at 03/31/2007).

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

Capital 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 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 during the period:

	NUMBER			Total value
	Common	Preferred	Total	
Shares of capital stock at 12/31/2007 (1)	1,344,649,428	2,184,260,053	3,528,909,481	
Treasury shares at 03/31/2007 (2)	-	2,500,000	2,500,000	(30,502)
Purchases of shares	-	19,200,000	19,200,000	(202,620)
Treasury shares at 03/31/2008 (2)	-	21,700,000	21,700,000	(233,122)
Outstanding shares at 03/31/2008	1,344,649,428	2,162,560,053	3,507,209,481	
Outstanding shares at 03/31/2007	1,210,037,200	1,965,594,795	3,175,631,995	

(1) Comprises 317,563, 200 bonus shares approved at the A/ESM of April 27, 2007.

(2) Own shares purchased under the authorization of the Board of Directors, to be held in Treasury for subsequent cancellation.

Subsequent event

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

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

As a result of these increases, capital was increased to R\$ 10,000,000, comprising 3,885,885,269 book-entry shares with no par value, of which 1,491,119,451 are common and 2,394,765,818 are preferred shares.

b) Dividends

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

As approved at the Board of Directors meeting on April 10, 2008, Itaúsa stockholders (individuals and companies) who received 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 1, 2008 dividends at the declared amount of R\$ 0.014, an increase of approximately 28%.

I – Calculation

Net income	654,970	
Adjustments		
(-) Legal reserve	(32,748)	
Dividend calculation basis	622,222	
Dividends/Interest on capital payable	275,870	44.34%

II - Provision of Interest on Capital and Dividends

	Gross	WTS	Net
Provided	314,963	(39,093)	275,870
Interest on Capital	260,617	(39,093)	221,524
Dividends - 1 quarterly installment of R\$ 0.014 per share to be paid in July 2008	54,346	-	54,346
Total at 03/31/2008 - R\$ 0.0810 per share (*)	314,963	(39,093)	275,870
Total at 03/31/2007 - R\$ 0.0667 per share	268,986	(33,352)	235,634

(*) Provision based on the shareholding position expected for June 2008 due to the share bonus and call for capital subscription resolved in the A/ESM of April 29, 2008.

c) Revenue reserves

	03/31/2008	03/31/2007
Revenue reserves	10,015,203	9,989,364
Legal	1,099,376	921,856
Unrealized profits	-	239,650
Statutory reserve	<u>8,915,827</u>	<u>8,827,858</u>
Dividends equalization (1)	4,278,339	4,153,038
Working capital increase (2)	2,212,685	1,917,883
Increase in capital of investees (3)	<u>2,424,803</u>	<u>2,756,937</u>

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

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

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

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

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

	Net income		Stockholders' equity	
	01/01 to 03/31/2008	01/01 to 03/31/2007	03/31/2008	03/31/2007
ITAÚSA	654,970	992,143	17,305,875	15,217,662
Amortization of goodwill	76,690	99,439	(1,968,125)	(2,145,422)
Deferred tax assets	(27,819)	(28,811)	454,565	552,712
ITAÚSA CONSOLIDATED	703,841	1,062,771	15,792,315	13,624,952

NOTE 17 – RELATED PARTIES

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

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

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanco, Fundação Itaúsa Industrial, FUNBEP – Fundo de Pensão Multipatrocinado and Caixa de Previdência dos Funcionários do BEG (PREBEG), closed-end private pension entities, that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries, as described in Note 19a; and
- Fundação Itaú Social and Instituto Itaú Cultural (IIC), entities sponsored by 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\$ 72 (R\$ 635 from January 1 to March 31, 2007) and to IIC of R\$ 7,540 (R\$ 7,000 from January 1 to March 31, 2007).

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

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

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

	03/31/2008	03/31/2007
Duratex S.A.	171,875	99,134
Elekeiroz S.A.	70,634	91,411
Itautec S.A.	172,771	36,108
Total	415,280	226,653

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) (*)			
	03/31/2008	03/31/2007	03/31/2008	03/31/2007	Results		Stockholders' equity	
					03/31/2008	03/31/2007	03/31/2008	03/31/2007
Interbank investments	56,492,732	41,906,347	56,496,676	41,937,078	3,944	30,731	3,944	30,731
Securities and derivative financial instruments	73,412,670	63,702,337	73,617,544	63,897,139	247,701	426,327	204,874	194,802
Adjustment of available-for-sale securities					21,768	205,400	-	-
Adjustment of held-to-maturity securities					225,933	220,927	204,874	194,802
Loan and lease operations	117,512,973	83,566,174	117,645,534	83,761,962	132,561	195,788	132,561	195,788
Investment in affiliated companies								
Bolsa de Mercadorias & Futuros - BM&F S.A.	20,777	-	332,709	-	311,932	-	311,932	-
Bovespa Holding S.A.	58,784	-	671,116	-	612,332	-	612,332	-
BPI	746,204	736,377	1,286,213	2,381,327	540,009	1,644,950	540,009	1,644,950
Redecard	185,204	-	4,559,516	-	4,374,312	-	4,374,312	-
Serasa	99,017	-	369,664	-	270,647	-	270,647	-
Visa Inc.	18	-	82,649	-	82,631	-	82,631	-
Funds raised by subsidiaries	189,968,288	144,226,190	189,959,554	144,237,920	8,734	(11,730)	8,734	(11,730)
Securitization of foreign payment orders	1,026,150	1,356,278	1,014,704	1,380,570	11,446	(24,292)	11,446	(24,292)
Subordinated debt and redeemable preferred shares (Note 10)	13,058,720	9,525,148	13,122,047	9,629,758	(63,327)	(104,610)	(63,327)	(104,610)
Treasury shares	2,342,312	1,162,707	2,996,255	1,709,051	663,555	532,670	653,943	546,344
Total unrealized					7,196,477	2,689,834	7,144,038	2,471,983

(*) Does not include the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 3,824,678 (R\$ 1,117,284 at 03/31/2007) in results and R\$ 4,170,140 (R\$ 1,284,281 at 03/31/2007) in stockholders' equity.

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

- Interbank investments, bank deposit certificates and mortgage notes, the last two included in Securities, were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities published in the Gazeta Mercantil newspaper on April 1, 2008 for floating-rate securities.
- Government securities, included in Securities, were determined based on rates obtained in the market and validated through the comparison with information provided by the National Association of Open Market Institutions (ANDIMA). For the companies of the Financial and Insurance Areas, they are recorded on their market value, according to rules established by BACEN Circular Letters Nos. 3068 and 3082 of November 8, 2001 and January 30, 2002, respectively, and SUSEP Circular Letter No. 295, of June 14, 2005, except when classified as held to maturity.
- Shares of listed companies, when included in Securities, are valued according to the average quotation available on the last trading session of the month or, if this is not available, according to the most recent quotation on prior trading sessions, published in the daily bulletin of each Stock Exchange.
- Loans with maturity over 90 days, when available, were calculated based on their net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of hedges as well (swap contracts).
- Investments in affiliated companies - in BPI, Redecard S.A., Bovespa Holding S.A., Bolsa de Mercadorias & Futuros – BM&F S.A. and Visa Inc. are determined based on stock market quotations, and in Serasa S.A. are determined based on the last transaction prices.
- Time and interbank deposits and funds from acceptance and issuance of securities, when available, were calculated based on their present value determined by future cash flows discounted at future market interest rates and swap market rates for fixed-rate securities, and for floating-rate securities, market interest rates for fixed-rate securities published in the Gazeta Mercantil newspaper on April 1, 2008. The effects of hedges (swap contracts) are also taken into account.
- Securitization of foreign payment orders, based on the net present value of the future cash flows estimated as from the interest curves of the indexation market places, net of the interest rates practiced in the market on the balance sheet date, considering the credit risk of the issuer, calculated based on the market price of other securities issued by the same.
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the interest rates practiced in the market on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation market places.
- Derivatives related to swaps contracted to hedge the remaining assets/liabilities, based on notional amounts of each of the contract parameters (part and counterpart), restated up to the maturity dates and discounted at present value using the futures market interest rates, in compliance with the characteristics of each contract.
- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.

NOTE 19 - BENEFITS TO EMPLOYEES

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

a) Supplementary retirement benefits:

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

Entity	Benefit plan
Fundação Itaúbanco	Supplementary Retirement Plan - PAC (1)
	Franprev Benefit Plan - PBF (1)
	002 Benefit Plan – PB002 (1)
	Itaulam Basic Plan - PBI (1)
	Itaulam Supplementary Plan - PSI (2)
Fundação Bemgeprev	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV) (1)
Fundação Itaúsa Industrial	Defined Contribution Plan - PAI-CD (3)
	Defined Benefit Plan - BD (1) (4)
Funbep Fundo de Pensão Multipatrocinado	Funbep I Benefit Plan (1)
	Funbep II Benefit Plan (2)
Caixa de Previdência dos Funcionários do Banco Beg - Prebeg	Prebeg Benefit Plan (1)
Citiprevi - Entidade Fechada de Previdência Complementar (Orbitall/Credicard Itaú)	Credicard Retirement Plan (1)
	Credicard Supplementary Retirement Plan (2)
Itaubank Sociedade de Previdência Privada	Itaubank 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-Itautec 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\$ 11,351 (R\$ 10,894 from January 1 to March 31, 2007). The contribution rate increases based on the participant's salary.

b) Post-employment benefits:

ITAÚSA and/or its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance obligations according to the acquisition agreements signed by ITAÚ, under the terms and conditions established, in which health plans are totally or partially sponsored for retired workers and beneficiaries. During the period, the contributions made totaled R\$ 1,362 (R\$ 1,834 from January 1 to March 31, 2007). The contribution rate increases based on the beneficiary's age.

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

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

	03/31/2008	03/31/2007
Net assets of the plans	12,931,170	11,174,701
Actuarial liabilities	(9,726,473)	(9,048,043)
Surplus (*)	3,204,697	2,126,658

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

In addition to the reserves recorded by the plans, the sponsors record provisions in the amount of R\$ 27,419 (R\$ 29,108 at March 31, 2007) to cover possible actuarial liabilities.

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

	01/01 to 03/31/2008			01/01 to 03/31/2007		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value – beginning of the period						
	12,767,343	(9,540,927)	3,226,416	10,768,519	(8,672,398)	2,096,121
Adjustments in the period (1)	-	-	-	-	(196,995)	(196,995)
Expected return on assets/ Cost of current service + Interest	388,445	(293,399)	95,046	327,298	(278,529)	48,769
Benefits paid	(107,853)	107,853	-	(99,879)	99,879	-
Contributions of sponsors/participants	15,840	-	15,840	14,319	-	14,319
Gains/(losses) in the period (2)	(132,605)	-	(132,605)	164,444	-	164,444
Present value – end of the period	12,931,170	(9,726,473)	3,204,697	11,174,701	(9,048,043)	2,126,658

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

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

e) Main assumptions used in actuarial valuation

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

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

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

(3) The mortality tables adopted correspond to those disclosed by SOA – “Society of Actuaries”, the North-American Entity which corresponds to IBA – Brazilian Institute of Actuarial Science, which reflects a 10% increase in the probabilities of survival as compared to the respective basic tables. At March 31, 2007, the AT-83 table was

(4) At March 31, 2007 the company adopted the GAM-83 and added 1/3 of the difference in the expectation of survival between this and the AT-83 table.

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

NOTE 20 – ADDITIONAL INFORMATION**a) Insured assets**

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

b) Foreign currencies

The balances in reais linked to foreign currency were:

	03/31/2008	03/31/2007
Permanent foreign investments	11,282,256	10,119,620
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(19,275,179)	(16,358,952)
Net foreign exchange position	(7,992,923)	(6,239,332)

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

c) Nonrecurring results

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

	ITAÚSA		ITAÚSA CONSOLIDATED	
	01/01 to 03/31/2008	01/01 to 03/31/2007	01/01 to 03/31/2008	01/01 to 03/31/2007
Net income	654,970	992,143	703,841	1,062,771
Nonrecurring effects	283,218	(36,314)	288,660	(36,314)
Goodwill on purchase of Itaú Holding's shares	-	-	5,442	-
Purchase of treasury shares - Duratex S.A.	1,760	38	1,760	38
Purchase of treasury shares - ITAÚ HOLDING (*)	310,705	-	310,705	-
Recognition of provision for economic plans	24,855	-	24,855	-
Sale of 50% of Camargo Correa Desenvolvimento Imobiliário S.A.'s shares	-	(15,904)	-	(15,904)
Sale of shares (Note 13g)	(54,102)	-	(54,102)	-
Mastercard Inc.	(24,580)	-	(24,580)	-
Visa Inc.	(29,522)	-	(29,522)	-
Sale of real estate Tatuapé - Itaotec S.A.	-	(20,448)	-	(20,448)
Recurring net income	938,188	955,829	992,501	1,026,457

(*) The effect of the acquisition of treasury shares by the subsidiary company Banco Itaú Holding, which, in the period, acquired own shares in the amount of R\$ 1,010 million, with an impact of a loss of R\$ 311 million in non-operating equity in earnings in Itaúsa (without a cash disbursement in the parent company), increasing the equity interest in this subsidiary company from 44.76% in December 2007 to 45.16% in March 2008.

d) Minority interest in subsidiaries

	Stockholders' equity		Result	
	03/31/2008	03/31/2007	01/01 to 03/31/2008	01/01 to 03/31/2007
Banco Itaú Holding Financeira S.A.	16,051,139	13,848,820	(1,134,935)	(1,051,253)
Duratex S.A.	918,584	859,008	(45,932)	(43,373)
Itaú Bank, Ltd (1)	687,595	-	-	-
Itaú BBA Participações S.A.	246,024	212,635	(13,921)	(7,869)
Itaú XL Seguros Corporativos S.A.	105,435	97,995	(3,488)	(3,833)
Miravalles Empreendimentos e Participações S.A. (2)	92,006	55,856	(1,106)	6,225
Três "B" Empreendimentos e Participações Ltda. (3)	64,567	59,703	(17)	(2,588)
Itaú Gestão de Ativos S.A. (4)	61,343	60,266	(395)	(661)
Itautec S.A.	26,061	23,950	(724)	(3,095)
Investimentos Bemge S.A. (5)	16,079	15,432	(187)	(324)
Elekeiroz S.A.	13,815	10,439	(829)	(484)
Kinea Investimentos Ltda. (6)	2,263	-	(98)	-
Other	48,628	33,419	(1,939)	(799)
Total	18,333,539	15,277,523	(1,203,571)	(1,108,054)

(1) Represented by redeemable preferred shares.

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

- up to March 31, 2007, recorded as Other liabilities - Subordinated debt (Note 10).

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

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

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

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

(6) Indirect subsidiary of Banco ItaúBank S.A..

e) Law No. 11,638

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

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

Among the major amendments set forth by this law, ITAUSA already adopts the presentation of the Statements of Cash Flows and Added Value (Note 20f), and the criteria for classification and valuation of financial instruments at market price for financial and equivalent companies (Notes 4b II, 4c and 6).

We highlight below the major amendments awaiting regulation:

- Fixed assets will now include assets arising from operations that transfer to the company any benefits, risks and controls of these assets, and deferred charges will now include preoperating expenses and restructuring expenses;
- Creation of subgroup "Asset valuation adjustments" in Stockholders' equity, with the purpose of recording the contra-entry to the exchange variation of statutory investments abroad when the functional currency of the investee is different from that of the parent company, and classifying any contra-entries to increases or decreases in the amounts assigned to asset and liability elements, in view of its valuation at market price;
- The revaluation reserve balances recognized up to the effectiveness of Law No. 11,638, of 2007, including revaluation reserves in subsidiary and affiliated companies arising from the adoption of the equity method, may be kept in these respective accounts up to their effective realization or until they are reversed. ITAUSA will define its option by the submission of the second Quarterly Information (ITR) for the fiscal year 2008.
- Adjustment to present value of long-term financial assets and liabilities, with the short-term financial assets and liabilities being adjusted when any significant effect arises;
- Periodic analysis of recoverability of amounts recorded in fixed assets, intangible assets and deferred charges;
- In take-over, merger and spin-off operations, carried out between independent parties and related to the effective transfer of control, the assets and liabilities of the company to be taken over or arising from the merger or spin-off will be recorded at their market value;

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

f) Statement of Cash Flows

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

I - Statement of Cash Flow - ITAÚSA CONSOLIDATED

	01/01 to 03/31/2008	01/01 to 03/31/2007
Adjusted net income	3,920,120	4,196,882
Net income	703,841	1,062,771
Adjusted net income	3,216,279	3,134,111
Adjustment to market value of securities in derivative financial instruments (assets/liabilities)	(95,043)	(128,287)
Allowance for loan losses	1,845,151	1,500,188
Results from operations with subordinated debt	369,234	54,698
Results from securitization of foreign payment orders	1,562	(41,244)
Change in technical provisions for insurance, pension plan and capitalization	1,221,607	771,953
Depreciation and amortization	162,858	196,182
Adjustment to legal liabilities - tax and social security	(64,850)	206,446
Adjustment to provision for contingent liabilities	365,849	(171,431)
Deferred taxes	(164,481)	(90,094)
Equity in earnings of affiliates	(87,232)	(32,431)
Income from available-for-sale securities	(1,330,139)	(212,649)
Income from held-to-maturity securities	(34,023)	(7,843)
(Income) loss from disposal of assets (Note 13g)	(182,013)	-
Minority interest	1,203,571	1,108,054
Other	4,228	(19,431)
Changes in assets and liabilities	1,497,855	(2,920,801)
(Increase) Decrease in interbank investments	395,961	(9,179,115)
(Increase) Decrease in securities and derivative financial instruments (assets/liabilities)	(6,620,528)	(10,734,896)
(Increase) Decrease in interbank accounts of subsidiaries	1,676,916	573,737
(Increase) Decrease in loan, lease and other credit operations	(11,735,837)	(1,231,713)
(Increase) Decrease in inventories	(36,147)	(51,203)
(Increase) Decrease in other receivables and assets	(1,066,282)	(1,345,075)
(Increase) Decrease in foreign exchange operations	(1,003)	64,946
(Increase) Decrease in prepaid expenses	(320,422)	(348,349)
(Increase) Decrease in funds obtained by subsidiaries - foreign currency	1,312,129	(6,252,424)
(Increase) Decrease in funds obtained by subsidiaries - local currency	(3,488,883)	3,871,953
(Increase) Decrease in funds obtained by subsidiaries - money market	20,748,953	19,639,464
(Increase) Decrease in borrowings - foreign currency	18,514	(8,874)
(Increase) Decrease in borrowings - local currency	102,780	(26,684)
(Increase) Decrease in credit card operations	(1,555,064)	(855,474)
(Increase) Decrease in securitization of foreign payment orders	(84,987)	(134,194)
(Increase) Decrease in technical provisions for insurance, pension plan and capitalization	79,631	322,264
(Increase) Decrease in taxes and social contributions payable and other liabilities	2,068,326	2,778,117
(Increase) Decrease in deferred income	3,798	(3,281)
OPERATING ACTIVITIES – Net cash provided by (used in)	5,417,975	1,276,081
Interest on capital / dividends received from affiliated companies	6,782	-
Funds from interest received and redemption of available-for-sale securities	1,559,363	2,334,901
Funds from interest received and redemption of held-to-maturity securities	96,864	75,162
Disposal of investments	183,100	501
Disposal of fixed assets	29,935	35,813
Purchase of available-for-sale securities	(4,006,733)	(5,787,088)
Purchase of held-to-maturity securities	-	(42)
Purchase of investments	(9,100)	(32,127)
Purchase of fixed assets and forest reserves	(182,709)	(163,652)
Deferred charges	(69,673)	(36,427)
INVESTMENT ACTIVITIES – Net cash provided by (used in)	(2,392,171)	(3,572,959)
Increase (Decrease) in subordinated debt	606,362	4,904,060
Change in minority interest	(676,422)	102,442
Interest on capital paid to minority stockholders	(1,226,026)	(885,870)
Purchase of own shares	(202,620)	(25,498)
Interest on capital paid	(733,581)	(675,901)
FINANCING ACTIVITIES – Net cash provided by (used in)	(2,232,287)	3,419,233
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS, NET	793,517	1,122,355
At the beginning of the period	4,458,579	3,732,337
At the end of the period	5,252,096	4,854,692

II - Statement of cash flows - ITAÚSA

	01/01 to 03/31/2008	01/01 to 03/31/2007
Adjusted net income	(23,882)	101,915
Net income	654,970	992,143
Adjustment to net income:	(678,852)	(890,228)
Amortization of goodwill	4,386	1,572
Equity in earnings of subsidiary and affiliated companies	(683,482)	(891,953)
(Reversal) Provision for losses	16	(66)
Depreciation and amortization	228	219
Changes in assets and liabilities	46,743	(149,999)
(Increase) Decrease in securities and derivative financial instruments	125,037	(63,979)
(Increase) Decrease in sundry receivables and other assets	(257,112)	(68,064)
(Decrease) Increase in provisions and accounts payable and other liabilities	178,818	(17,956)
OPERATING ACTIVITIES – Net cash provided by (used in)	22,861	(48,084)
Purchase of investments	(76,547)	-
Purchase of fixed assets	(152)	(5)
Interest on capital/Dividends received	987,987	749,484
INVESTMENT ACTIVITIES – Net cash provided by (used in)	911,288	749,479
Purchase of treasury shares	(202,620)	(25,498)
Interest on capital paid	(731,644)	(675,901)
FINANCING ACTIVITIES – Net cash provided by (used in)	(934,264)	(701,399)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(115)	(4)
At the beginning of the period	142	27
At the end of the period	27	23

III- STATEMENT OF ADDED VALUE - ITAÚSA CONSOLIDATED

	01/01 to 03/31/2008	Share %	01/01 to 03/31/2007	Share %
Sale of products and services net of cost of materials, third-party services and others (a)	2,976,353	-	2,789,493	-
Income from financial operations (b)	3,906,893	-	3,992,296	-
Result from operations with insurance, pension plan and capitalization (c)	318,450	-	312,640	-
Other operating income (expenses) (d)	(1,985,012)	-	(1,590,359)	-
Added value (e = a + b + c + d)	5,216,684	-	5,504,070	-
Compensation of employees (f) (*)	1,738,716	33.3	1,432,606	26.0
Payment of taxes and contributions (g)	1,547,469	29.7	1,881,479	34.2
Payment of debts (h)	23,087	0.4	19,160	0.3
Amount distributed to stockholders (i)	713,734	13.7	608,654	11.1
Reinvestment of profits (j)	1,193,678	22.9	1,562,171	28.4
Distribution of added value (k = f + g + h + i + j)	5,216,684	100.0	5,504,070	100.0

(*) Does not include social security contributions.

REPORT OF INDEPENDENT AUDITORS ON THE SPECIAL REVIEW

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

1. We have performed a special review of the accompanying quarterly information of Itaúsa - Investimentos Itaú S.A. (Company and consolidated) for the quarter ended March 31, 2008 consisting of the balance sheet, the statement of income and the accompanying notes, all prepared under the responsibility of the Company's management. Our responsibility is to issue a report, without expressing an opinion on such quarterly information. The quarterly information of the controlled companies Banco Itaú Holding Financeira S.A., Itaúsa Export S.A., Itaúsa Europa – Investimentos, SGPS Ltda., Duratex S.A., and Itautec S.A. for the quarter ended March 31, 2008, whose amounts were the basis for the valuation under the equity method and consolidation (note 15a), was reviewed by other independent auditors, whose report thereon was unqualified. Our report on the special review, regarding the carrying value of these investments, is exclusively based on the reports of these other independent auditors.
2. Our review was carried out in accordance with specific standards established by IBRACON – Brazilian Institute of Independent Auditors in conjunction with CFC – Federal Accounting Council and mainly comprised: a) inquiry of and discussion with the managers responsible for the accounting, financial and operating areas as to the main criteria adopted in preparing the Quarterly Information and b) review of the information and subsequent events that have or may have material effects on the financial situation and operations of the Company.
3. Based on our special review and on the other independent auditors' reports, we are not aware of any material changes which should be made to the Quarterly Information referred to in paragraph 1 for it to be in conformity with the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information, including CVM Instruction No. 469/08 and Communication No. 16.669 issued by the Central Bank of Brazil – Bacen.
4. As mentioned in note 20e, on December 28, 2007 Law No. 11.638 was enacted to come into effect from January 1, 2008. This law has modified and revoked provisions and introduced new ones into Law No. 6.404/76 (Stock Corporation Act) , causing changes in Brazilian accounting practices. Although the Law has already come into effect, some of the changes introduced by it depend on regulation by regulatory agencies to be fully implemented by the companies. Therefore, CVM set forth on Instruction No. 469/08 that during the transition companies are not obliged to apply all provisions of Law No. 11.638/07 to prepare the Quarterly Information. Accordingly, the accounting information included in the Quarterly Information – ITR of the quarter ended March 31, 2008 were prepared in accordance with CVM's specific instructions, which do not include all changes in accounting practices introduced by Law No. 11.638/07 and Communication No. 16.669 issued by the Central Bank of Brazil – Bacen, which has released companies from applying the accounting provisions introduced by the Law for the preparation of interim financial statements during 2008.
5. The balance sheet as of December 31, 2007, presented for comparative purposes, was audited by us, and our report thereon, dated February 18, 2008, was unqualified. The statement of income for the quarter ended March 31, 2007, presented for comparative purposes, was reviewed by us, and our special review report thereon, dated May 14, 2007, was unqualified.
6. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, May 12, 2008

Orlando Octávio de Freitas Júnior
Engagement Partner
BDO Trevisan Auditores Independentes

Report of Independent Accountants on Limited Reviews

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

- 1 We have carried out limited reviews of the accompanying balance sheets of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and Itaúsa - Investimentos Itaú S.A. and subsidiaries (consolidated) as of March 31, 2008 and 2007, of the related statements of income, of consolidated and individual changes in financial position and of changes in stockholders' equity of the parent company for the quarters then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements.
- 2 Our reviews were carried out in conformity with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON) in conjunction with the Federal Accounting Council (CFC) and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the financial statements and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.
- 3 Based on our limited reviews, we are not aware of any material modifications that should be made to the financial statements referred to above in order that they be stated in accordance with the Brazilian Securities Commission (CVM) regulations, including Instruction 469/08 and, with respect to the financial institution subsidiaries, in accordance with Communication 16669 of the Brazilian Central Bank, which waived the application of the accounting provisions introduced by Law 11638/07 for the preparation of interim accounting information for 2008.
- 4 As mentioned in Note 20 (e), Law No. 11638 was enacted on December 28, 2007 and is effective as from January 1, 2008. This law amended, revoked and introduced new provisions to Law No. 6404/76 (Brazilian Corporation Law) and changed the accounting practices adopted in Brazil. Although the mentioned law is already effective, the main changes introduced by it depend on regulations to be issued by the regulatory agencies for them to be implemented by the companies. Accordingly, during this phase of transition, the CVM, through its Instruction 469/08, did not require the implementation of all the provisions of Law 11638/07 in the preparation of the Quarterly Information (ITR). Accordingly, the accounting information of Itaúsa and of other investments in non-financial companies recorded on the equity method at March 31, 2008 does not include all the changes in accounting practices introduced by Law 11638/07.
- 5 In addition, Itaúsa has investments amounting to R\$14,576,195 thousand in Banco Itaú Holding Financeira S.A., recorded on the equity method at March 31, 2008, subject to the rules of the Brazilian Central Bank (BACEN). BACEN, through its Communication No. 16669 of March 20, 2008, waived the application of the provisions of Law 11638/07 in the preparation of interim accounting information of financial institutions for 2008. Therefore, the financial statements of the subsidiary Banco Itaú Holding Financeira S.A. at March 31, 2008, which are the basis for recording Itaúsa's investment in and equity in the earnings of that subsidiary as well as the consolidation of that subsidiary, have been prepared in accordance with specific BACEN instructions and do not include the changes in accounting practices introduced by Law 11638/07.

São Paulo, May 12, 2008

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ - 61.532.644/0001-15

Publicly-held company

NIRE. 35300022220

OPINION OF THE FISCAL COUNCIL

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

São Paulo, May 12, 2008.

JOSÉ MARCOS KONDER COMPARATO
President

ARTEMIO BERTHOLINI
Member

PAULO RICARDO MORAES AMARAL
Member