

EX-99.3 4 ex99-3_120706.htm ANNOUNCEMENT TO THE MARKET
BANCO ITAÚ HOLDING FINANCEIRA S.A.

CNPJ. 60.872.504/0001-23

A Publicly Listed Company

NIRE 35300010230

Authorized Capital: up to 2,000,000,000 shares
 Subscribed and Paid-in Capital: R\$ 12,881,120,000.00 – 1,201,459,384 shares

**MEETING OF THE BOARD OF DIRECTORS
OF DECEMBER 7, 2006**

On December 7, 2006 at 3:00 p.m., the Board of Directors of **BANCO ITAÚ HOLDING FINANCEIRA S.A.** met at its head office, with the legal quorum being present, under the presidency of the Vice President Dr. José Carlos Moraes Abreu, in view of Dr. Olavo Egydio Setubal justified absence, with members of the company's Fiscal Council pursuant to Paragraph 3, Article 163 of Law 6,404/76 also present, with the purpose of examining the proposal for convening the General Stockholders' Meeting, to be held on December 26, 2006 at 3:00 p.m., for deliberating on the following

“PROPOSAL OF THE BOARD OF DIRECTORS

Stockholders,

The Board of Directors of **BANCO ITAÚ HOLDING FINANCEIRA S.A.** (“ITAÚ”), in continuation of the process of corporate reorganization broadly disclosed to the Market, which is related to the Agreements signed with the **Bank of America Corporation** (“BAC”) on May 1, 2006 and August 8, 2006, such process involving, now, the acquisition of the operations of **BankBoston** in Uruguay, with the payment through delivery of book entry shares of ITAÚ, deems it appropriate to submit for consideration and resolution by the General Meeting, subject to the approval by both Central Bank of Brazil and Central Bank of Uruguay, the following proposal:

I — INCORPORATION OF SHARES

To incorporate the totality of the shares representing the capital stock of the corporations, **BankBoston Uruguay S.A., Casa Financiera S.A., OCA S.A. and Boston Directo S.A.**, located in Montevideo, Uruguay, converting the said corporations into its wholly-owned subsidiaries, thus hereby approving:

- a) the below transcribed “Justification and Protocol”;
- b) the ratification of the appointment of the appraising company Hirashima & Associados – Consultoria em Transações e Reestruturações Societárias Ltda., bearer of CNPJ 05.534.178/0001-36, which has accepted the task and, in anticipation, has prepared the appraisal reports upon which the incorporation of shares shall be based; such selected company has no conflict or community of interests, present or potential, with the holding company of the corporation, or with its minority stockholders, or regarding the other corporations involved and their respective partners, or regarding the operation itself;
- c) such appraisal reports, made available to the stockholders, the reading of which is intended to be waived, shall be attached to the minutes of the Meeting and shall constitute a part thereof:

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**‘JUSTIFICATION AND PROTOCOL FOR INCORPORATION OF THE SHARES
 OF BANKBOSTON URUGUAY S.A., OCA CASA FINANCIERA S.A., OCA S.A. AND
 BOSTON DIRECTO S.A. BY BANCO ITAÚ HOLDING FINANCEIRA S.A.**

BANCO ITAÚ HOLDING FINANCEIRA S.A., with its head office in São Paulo (SP), at Praça Alfredo Egydio de Souza Aranha, 100 – Torre Itáúsa, bearer of CNPJ 60.872.504/0001-23, hereinafter denominated “ITAÚ”; **BANKBOSTON URUGUAY S.A.**, with its head office at Calle Zabala, 1463 – Montevideo — Uruguay, hereinafter denominated “BKB URUGUAY”; **OCA CASA FINANCIERA S.A.**, with its head office at Calle Germán Barbato, 1398, Oficina 101 – Montevideo — Uruguay, hereinafter denominated “FINANCIERA”; **OCA S.A.**, with its head office at Calle Colonia, 1424

– Montevideo — Uruguay, hereinafter denominated “OCA”; and **BOSTON DIRECTO S.A.**, with its head office at Calle Solano García, 2404 – Montevideo — Uruguay, hereinafter denominated “BOSTON DIRECTO”, by their legal undersigned representatives, hereby agree to submit to their stockholders the incorporation, by ITAÚ, of the totality of shares representing the capital stock of the reminder corporations, converting the said corporations into its wholly-owned subsidiaries, in accordance with the following points:

- a) the incorporation of shares arises from negotiations, out of which the acquisition of the operations of BANKBOSTON, in Uruguay, pursuant to agreements dated May 1 2006 and August 8, 2006 , and constitutes an instrument of payment of the purchase price of the acquired stakes, pursuant to the dispositions of such agreements, which is considered to be a great opportunity to increase the activities in international markets, bringing advantages that shall add value to the stockholders;
- b) the incorporation of the shares shall be made in the amounts of R\$ 146,307,255.00, R\$ 22,722,705.00, R\$ 40,076,285.00 and R\$ 191,755.00, respectively, taking into consideration the evaluation following market value of the shares of BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO, made by the specialized company Hirashima & Associados – Consultoria em Transações e Reestruturações Societárias Ltda., previously hired by the Board of Executive Officers of ITAÚ, subject to ratification by the General Stockholders’ Meeting;
- c) as a result thereof, ITAÚ shall issue 3,130,392 new book entry common shares, with no par value, being 2,188,263 shares allocated to the stockholders of BKB URUGUAY, 339,855 shares allocated to the stockholders of FINANCIERA, 599,406 shares allocated to the stockholders of OCA and 2,868 shares allocated to the stockholder of BOSTON DIRECTO, the current stockholders of ITAÚ not being entitled to preferential right to subscribe such shares, pursuant to the provisions of Paragraph 1, Article 252 of Law 6,404/76;
- d) the new shares of ITAÚ shall be fully subscribed and paid-in through allotment to ITAÚ of the totality of the shares representing the capital stock of the corporations BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO;
- e) thus, the stockholders of the corporations BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO shall thus have their shareholding stakes proportionally replaced by shares issued by ITAÚ, taking into consideration, in the ratio of replacement, the weighted average price of the preferred shares of ITAÚ in trades carried out in the São Paulo Stock Exchange, within the period from February 21, 2006 to April 24, 2006, and the economic value of the

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shares of the corporations, in accordance with the appraisal reports prepared by the specialized company Hirashima & Associados – Consultoria em Transações e Reestruturações Societárias Ltda.;

- f) the new shares of ITAÚ, allocated to the stockholders of the corporations BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO, shall be entitled to full proceeds that shall be declared as of the date of the General Meeting that resolves such incorporation of shares;
- g) the capital stock of ITAÚ shall be increased by R\$ 209,298,000.00, consequently being represented by 1,204,589,776 book entry shares, with no par value;
- h) the caption sentence to Article 3 of ITAÚ’s corporate bylaws shall be changed to register the new capital stock and the quantity of shares it represents;
- i) the variation in the net worth of BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO verified between the date of the balance serving as base (April 30, 2006) for the incorporation of the shares and the date of the Meetings approving this Protocol, shall be booked by ITAÚ to the year-end results, as equity equivalence result;
- j) the stockholders of the corporations ITAÚ, BKB URUGUAY, FINANCIERA, OCA and BOSTON DIRECTO, with rights to dissent from the resolutions of the Meetings, shall be assured to reimbursement of their shares according to the law; for the stockholders of ITAÚ, withdrawal rights shall be limited to those holders of common shares, who may exercise such rights based upon the share position on the day immediately prior to the first publication of the relevant notice convening the Meeting, as per unit value of R\$ 14.87, which is equivalent to the equity value on December 31, 2005;
- k) the cost planned for the making of the operation, in addition to the cost related to the corporate legal acts, shall be limited basically to the costs with external advisors, experts and auditors, estimated in R\$ 1,000,000.00 (one million

Reais);

- l) the operation shall be submitted for approval by the Central Bank of Brazil and the Central Bank of Uruguay;
- m) this and any other documentation related to the incorporation shall be held at the disposal of the stockholders of the corporations involved herein at the head office of such corporations.

Sao Paulo-SP, December 7, 2006. (Signed) BANCO ITAÚ HOLDING FINANCEIRA S.A., BANKBOSTON URUGUAY S.A., OCA CASA FINANCIERA S.A., OCA S.A. and BOSTON DIRECTO S.A.’

II — CHANGES TO BYLAWS

As a result of the aforesaid item, to change the wording of the caption sentence to Article 3 of the bylaws, in order to register the new breakdown of the capital stock.

Finalizing, the Board of Directors proposes the publication of minutes of the Meeting with the exclusion of the names of the stockholders present, as permitted under Paragraph 2, of Article 130, of Law 6,404/76.

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This is the proposal we submit to the examination of the stockholders. São Paulo-SP, December 7, 2006. (signed) José Carlos Moraes Abreu, Alfredo Egydio Arruda Villela Filho and Roberto Egydio Setubal —Vice-Chairmen; Alcides Lopes Tápías, Fernão Carlos Botelho Bracher, Geraldo José Carbone, Gustavo Jorge Laboissiere Loyola, Henri Penchas, Maria de Lourdes Egydio Villela, Roberto Teixeira da Costa, Sergio Silva de Freitas and Tereza Cristina Grossi Togni – Directors.”

Subsequently, the Chairman notified the meeting that the Fiscal Council, pursuant to Sub Section III to Article 163, of Law 6.404/76, expressed its opinion regarding the proposal for the incorporation of the shares of the BANKBOSTON URUGUAY S.A., OCA CASA FINANCIERA S.A., OCA S.A. and BOSTON DIRECTO S.A. and issued the following opinion, recorded in the appropriate register:

“OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of **BANCO ITAÚ HOLDING FINANCEIRA S.A.** have examined the Proposal of the Board of Directors dated today, regarding the following matters: a) incorporation of the shares of **BANKBOSTON URUGUAY S.A., OCA CASA FINANCIERA S.A., OCA S.A. and BOSTON DIRECTO S.A.**, converting them into its wholly owned subsidiaries; b) the consequent increase in the capital stock by R\$ 209,298,000.00, through the issue of 3,130,392 new book entry shares, with no par value, which shall be subscribed in the name of the stockholders of **BANKBOSTON URUGUAY S.A., OCA CASA FINANCIERA S.A., OCA S.A. and BOSTON DIRECTO S.A.**, in replacement of their extinguished rights. The effective members understanding that the Proposal is fully justified, do hereby declare their agreement that the said proposal be submitted for the examination of the General Stockholders’ Meeting. São Paulo-SP, December 7, 2006. (signed) Iran Siqueira Lima, Alberto Sozin Furuguem and Fernando Alves de Almeida.”

Having been examined and discussed, the Proposal of the Board of Directors was unanimously approved, the publication of the convening notice of the aforementioned General Meeting being authorized.

With no further issue, the Chairman requested the record of these minutes, which, after being read and approved, were signed by all members present and the meeting was then closed. São Paulo-SP, December 7, 2006. (signed) José Carlos Moraes Abreu, Alfredo Egydio Arruda Villela Filho and Roberto Egydio Setubal — Vice-Chairmen; Alcides Lopes Tápías, Fernão Carlos Botelho Bracher, Geraldo José Carbone, Gustavo Jorge Laboissiere Loyola, Henri Penchas, Maria de Lourdes Egydio Villela, Roberto Teixeira da Costa, Sergio Silva de Freitas and Tereza Cristina Grossi Togni – Directors.

ALFREDO EGYDIO SETUBAL
Investor Relations Officer

