



Banco Itaú Holding Financeira S.A.

Management Discussion and Analysis

First Quarter of 2008

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The operations of FAI – Financeira Americanas Itaú are consolidated in the Itaucred segment in proportion to our 50% percentage holding in its capital.

The tables in this report show the figures in millions. Variations, however, are calculated in units

Future expectations arising from the reading of this analysis should take into consideration the risks and uncertainties that involve any activities and that are outside the control of the companies of the conglomerate (political and economic changes, volatility in interest and foreign exchange rates, technological changes, inflation, financial disintermediation, competitive pressures on products and prices, and changes in tax legislation).

Executive Summary First Quarter of 2008

Highlights - Managerial Criteria

R\$ Million (except where indicated)

| Statements of Income | 1st Q/08 | 4th Q/07 | 1st Q/07 |
|---|-----------|-----------|-----------|
| Net Income - Parent Company | 2,043 | 2,029 | 1,902 |
| Recurring Net Income | 1,979 | 1,789 | 1,902 |
| Managerial Financial Margin (1) | 5,535 | 5,298 | 4,984 |
| Income per Share (R\$) | | | |
| Consolidated Net Income per share (2) | 0.86 | 0.85 | 0.79 |
| Consolidated Recurring Net Income per share (2) | 0.83 | 0.75 | 0.79 |
| Number of Outstanding Shares - in thousands (3) | 2,376,520 | 2,397,051 | 2,399,583 |
| Book Value per share (2) | 12.31 | 12.09 | 10.41 |
| Dividends/JCP net of taxes (4) (R\$ Million) | 613 | 768 | 571 |
| Dividends/JCP net of taxes (4) per share | 0.26 | 0.32 | 0.24 |
| Market Capitalization (5) (R\$ Million) | 93,944 | 110,888 | 86,277 |
| Market Capitalization (5) (US\$ Million) | 53,710 | 62,602 | 42,078 |
| Performance Ratios (%) | | | |
| Return on Average Equity - Annualized (6) | 28.1% | 28.5% | 31.3% |
| Recurring Return on Average Equity Annualized (6) | 27.2% | 25.1% | 31.3% |
| Return on Average Assets - Annualized (6) | 2.6% | 2.7% | 3.3% |
| Recurring Return on Average Assets - Annualized (6) | 2.5% | 2.4% | 3.3% |
| Solvency Ratio (BIS Ratio) | 16.6% | 17.9% | 16.5% |
| Annualized Net Interest Margin (7) | 11.0% | 11.1% | 12.5% |
| Nonperforming Loans Index (NPL) (8) | 4.3% | 4.4% | 5.0% |
| Provision for Loan Losses/Nonperforming Loans | 149% | 157% | 166% |
| Efficiency Ratio | 43.3% | 47.7% | 44.1% |

| Balance Sheet | Mar 31, 08 | Dec 31, 07 | Mar 31, 07 |
|--|------------|------------|------------|
| Total Assets | 327,624 | 294,876 | 257,850 |
| Credit Operations | 125,660 | 115,548 | 91,180 |
| Sureties, Endorsements and Guarantees | 12,031 | 12,041 | 9,890 |
| Total Deposits | 78,445 | 81,592 | 64,466 |
| Securities Repurchase Agreements - Own Issue | 50,025 | 41,140 | 35,067 |
| Stockholders' Equity of Parent Company | 29,267 | 28,969 | 24,971 |

| Relevant Data | Mar 31, 08 | Dec 31, 07 | Mar 31, 07 |
|-----------------------------------|------------|------------|------------|
| Assets Under Management (AUM) | 221,467 | 217,377 | 186,271 |
| Employees (Individuals) | 66,442 | 65,089 | 62,421 |
| Active Customers (Million) | 13.6 | 13.4 | 13.1 |
| Products/Customer (Units) | 5.1 | 5.1 | 5.1 |
| Branches (Units) | 2,782 | 2,764 | 2,637 |
| CSBs (Units) | 751 | 764 | 749 |
| Automated Teller Machines (Units) | 23,874 | 23,739 | 23,101 |
| Taii Stores | 738 | 766 | 838 |
| FIC Self Service Kiosks | 338 | 315 | - |

(1) Described on page 5.

(2) Calculated considering the weighted average number of shares outstanding.

(3) The number of shares outstanding was adjusted to reflect the stock split that occurred in October 2007.

(4) JCP- interest on own capital. Amounts paid/provisioned (Note 15 - bll to the Financial Statements).

(5) Calculated based on the average quotation of preferred shares on the last trading day in the period.

(6) Annualized Return was calculated by dividing Net Income of the parent company by the Average Stockholders' Equity of the parent company/Average Assets. The quotient of this division was multiplied by the number of periods of the year to derive the annualized index.

(7) Does not include Treasury.

(8) The balance of transactions more than 60 days overdue divided by Overdue Loans.

Main Market Shares as of Mar/08

| | |
|--------------------------|-------|
| Asset Management | 15.3% |
| Automobile Finance (*) | 25.9% |
| Credit Cards | 22.3% |
| Deposits (**) | 13.6% |
| Insurance Premiums (***) | 11.1% |
| Private Pension Plans | 17.2% |

(*) In February 2008.

(**) In December 2007

(***) In the period of March 2007 to February 2008.

Sources: Bacen, Susep, Anbid, Abel, Federal Revenue and Abecs.

Note: The Insurance Premiums market share includes VGBL and health insurance.

Macroeconomic Indices

| | Mar 31,08 | Dec31,07 | Mar 31,07 |
|--|-----------|----------|-----------|
| EMBI Brazil Risk | 259 | 233 | 167 |
| CDI (In the Quarter) | 2.6% | 2.6% | 3.0% |
| Dollar Exchange Rate (Var. in the Quarter) | -1.3% | -3.7% | -4.1% |
| Dollar Exchange Rate (Quotation in R\$) | 1.7491 | 1.7713 | 2.0504 |
| IGP-M (In the Quarter) | 2.4% | 3.5% | 1.1% |
| Savings (TR + 6% p.a.) | 1.7% | 1.7% | 2.0% |

Managerial Statement of Income

During the first quarter of 2008, the following non-recurring events impacted net income: (i) disposal of the investment in Mastercard, (ii) disposal of the investment in VISA, and (iii) setting up of a provision for losses arising from economic stabilization plans implemented during the 1980's.

The table below shows the reconciliation of net income of R\$ 2,043 million and recurring net income of R\$ 1,979 million, disregarding the impacts associated with non-recurring events in the first quarter of 2008. The reconciliation with the fourth quarter of 2007 is also presented.

R\$ Million

| | 1st Q/08 | 4th Q/07 | 1st Q/07 |
|---|--------------|--------------|--------------|
| Net Income | 2,043 | 2,029 | 1,902 |
| Non-interest Expenses | 84 | 102 | - |
| Amortization of goodwill (*) | - | 29 | - |
| Economic Plans provision | 84 | 73 | - |
| Non Operating Results | (182) | (475) | - |
| Gain on Sale of Mastercard shares | (83) | - | - |
| Gain on Sale of VISA shares | (99) | - | - |
| Gain on Sale of BOVESPA shares | - | (248) | - |
| Gain on Sale of BM&F shares | - | (227) | - |
| Income Tax and Social Contribution | 33 | 134 | - |
| Tax effects on non-recurring effects | 33 | 134 | - |
| Minority Interests | - | (1) | - |
| Amortization of goodwill (*) | - | (1) | - |
| Recurring Net Income | 1,979 | 1,789 | 1,902 |

(*) Refers to the goodwill on the Delle Holding acquisition in the fourth quarter of 2007.

Managerial Statement of Income

The Management Discussion and Analysis Report is based on the Managerial Statement of Income, which arises from reclassifications made in the accounting statement of income. Details of such reclassifications can be found in the reports for June 2005 to March 2006.

In the first quarter of 2008, we introduced changes in the presentation of managerial income. **The managerial financial margin has been subdivided into two groups: managerial financial margin on transactions carried out with customers, and managerial financial margin on transactions carried out with the market in general.** The margin on transactions carried out with customers primarily comprises banking transactions that involve our relationship with customers, through the offer of financial products and services. The margin on transactions carried out with the market relates to all other transactions performed on the

financial market, including treasury and margin from management of foreign exchange risk from investments, which are detailed elsewhere in this report.

Furthermore, the financial margin now includes the tax benefit obtained from sovereign bonds issued by Austria, Denmark, Spain, Korea and Norway. It should be noted, however, that this adjustment was not made to the managerial statement of income for the fourth quarter of 2007, presented herein, in the amount of R\$ 76 million.

We believe that these changes will promote a better understanding of the components of our net income. It should also be noted that during the first quarter of 2008 the real appreciated 1.3% against the dollar, while in the fourth quarter it appreciated by 3.7%. The real depreciated 5.8% against the euro and appreciated 0.6% in the previous quarter.

Managerial Statement of Income

Managerial Adjustments Made:

Adjustment 1: Exclusion of Distribution of Exchange Variation from Investments Abroad.

Adjustment 2: Tax Effect of Hedge of Investments Abroad and Sovereign Bonds.

R\$ Million

| 1st Quarter/08 | Banco Itaú Holding | | | | |
|--|--------------------|-----------------------|------------------------|--------------|----------------|
| | Accounting | Non-recurring effects | Managerial Adjustments | | Managerial |
| | | | Adjustment 1 | Adjustment 2 | |
| Managerial Financial Margin | 5,527 | - | (8) | 17 | 5,535 |
| • Financial Margin with Customers | 5,058 | - | - | - | 5,058 |
| • Financial Margin with Market | 469 | - | (8) | 17 | 478 |
| Result from Loan Losses | (1,598) | - | 15 | - | (1,583) |
| Provision for Loan and Lease Losses | (1,845) | - | 15 | - | (1,830) |
| Recovery of Credits Written Off as Losses | 247 | - | - | - | 247 |
| Net Result from Financial Operations | 3,928 | - | 8 | 17 | 3,953 |
| Other Operating Income/(Expenses) | (1,000) | 84 | (25) | 6 | (935) |
| Banking Service Fees | 2,503 | - | (2) | - | 2,501 |
| Result from Op. of Insurance, Pension Plans and Capitalization | 318 | - | - | - | 318 |
| Non-interest Expenses | (3,597) | 84 | 29 | - | (3,484) |
| Tax Expenses for ISS, PIS and Cofins | (466) | - | - | 6 | (460) |
| Equity in the Earnings of Associated Companies | 87 | - | (44) | - | 43 |
| Other Operating Income | 155 | - | (8) | - | 147 |
| Operating Income | 2,929 | 84 | (18) | 23 | 3,017 |
| Non-operating Income | 180 | (182) | (0) | - | (3) |
| Income before Tax and Profit Sharing | 3,108 | (98) | (18) | 23 | 3,014 |
| Income Tax and Social Contribution | (763) | 33 | 5 | (23) | (747) |
| Profit Sharing | (215) | - | - | - | (215) |
| Minority Interests | (87) | - | 13 | - | (74) |
| Net Income | 2,043 | (65) | - | (0) | 1,979 |

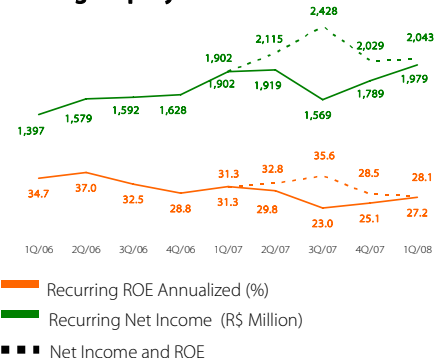
R\$ Million

| 4th Quarter/07 | Banco Itaú Holding | | | | |
|--|--------------------|-----------------------|------------------------|--------------|----------------|
| | Accounting | Non-recurring effects | Managerial Adjustments | | Managerial |
| | | | Adjustment 1 | Adjustment 2 | |
| Managerial Financial Margin | 5,424 | - | 21 | (148) | 5,298 |
| • Financial Margin with Customers | 4,731 | - | - | - | 4,731 |
| • Financial Margin with Market | 694 | - | 21 | (148) | 566 |
| Result from Loan Losses | (1,294) | - | (1) | - | (1,295) |
| Provision for Loan and Lease Losses | (1,564) | - | (1) | - | (1,565) |
| Recovery of Credits Written Off as Losses | 270 | - | - | - | 270 |
| Net Result from Financial Operations | 4,130 | - | 20 | (148) | 4,002 |
| Other Operating Income/(Expenses) | (1,195) | 102 | 6 | 19 | (1,068) |
| Banking Service Fees | 2,674 | - | (1) | - | 2,673 |
| Result from Op. of Insurance, Pension Plans and Capitalization | 308 | - | - | - | 308 |
| Non-interest Expenses | (3,847) | 102 | 3 | - | (3,742) |
| Tax Expenses for ISS, PIS and Cofins | (604) | - | 1 | 19 | (585) |
| Equity in the Earnings of Associated Companies | 131 | - | 4 | - | 134 |
| Other Operating Income | 144 | - | - | - | 144 |
| Operating Income | 2,935 | 102 | 27 | (130) | 2,935 |
| Non-operating Income | 460 | (475) | 1 | - | (15) |
| Income before Tax and Profit Sharing | 3,396 | (374) | 28 | (130) | 2,920 |
| Income Tax and Social Contribution | (1,143) | 134 | (1) | 130 | (880) |
| Profit Sharing | (190) | - | - | - | (190) |
| Minority Interests | (34) | (1) | (26) | - | (61) |
| Net Income | 2,029 | (241) | - | - | 1,789 |

Executive Summary

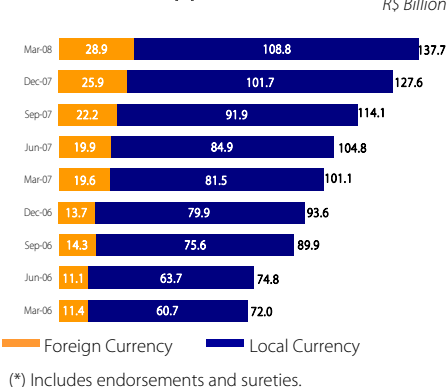
First Quarter of 2008

Net Income and Annualized Return on Average Equity



Our consolidated net income for the first quarter of 2008 totaled R\$ 2,043 million. During the period, the recurring consolidated net income amounted to R\$ 1,979 million, or a 10.6% increase compared to the last quarter of the prior year. The parent company stockholders' equity reached R\$ 29,267 million at March 31, 2008, giving rise to an annualized recurring return on average net equity of 27.2% in the first quarter of 2008.

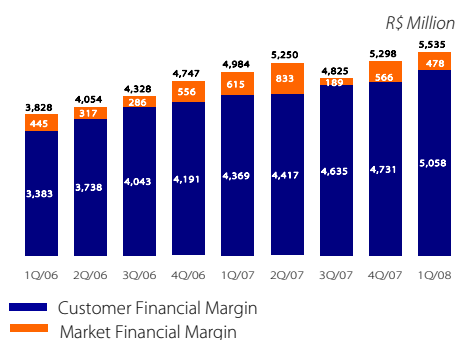
Loan Portfolio (*)



| | R\$ Million | | | Variation (%) | |
|-------------------------|----------------|----------------|----------------|---------------|---------------|
| | Mar 31,08 | Dec 31,07 | Mar 31,07 | Mar/08-Dec/07 | Mar/08-Mar/07 |
| Individuals | 57,907 | 54,416 | 41,972 | 6.4% | 38.0% |
| Credit Card | 10,463 | 10,925 | 8,501 | -4.2% | 23.1% |
| Personal Loans | 14,717 | 13,881 | 13,641 | 6.0% | 7.9% |
| Vehicles | 32,727 | 29,611 | 19,830 | 10.5% | 65.0% |
| Businesses | 62,616 | 57,524 | 46,618 | 8.9% | 34.3% |
| Corporate | 37,380 | 35,755 | 29,786 | 4.5% | 25.5% |
| Small and middle market | 25,236 | 21,769 | 16,833 | 15.9% | 49.9% |
| Directed Loans | 6,771 | 6,335 | 5,650 | 6.9% | 19.8% |
| Rural Loans | 3,896 | 3,654 | 3,254 | 6.6% | 19.7% |
| Mortgage Loans | 2,875 | 2,682 | 2,396 | 7.2% | 20.0% |
| Argentina/Chile/Uruguay | 10,397 | 9,314 | 6,830 | 11.6% | 52.2% |
| Total | 137,691 | 127,589 | 101,071 | 7.9% | 36.2% |

The balance of our loan and financing portfolio, including sureties and endorsements, totaled R\$ 137,691 million in the first quarter of 2008, representing a 7.9% rise compared to the last quarter of 2007. During the quarter, loan and financing transactions with micro, small and mid-size companies stood out, increasing by 15.9% from the last quarter of 2007. Credit transactions carried out by our foreign units (Argentina, Chile and Uruguay) also increased significantly by 11.6%, driven by loans to companies. The vehicle portfolio maintained a significant growth rate and increased by 10.5% compared to the prior quarter. Credit card transactions, however, declined by 4.2%, following the high activity period seen in the latter part of the year.

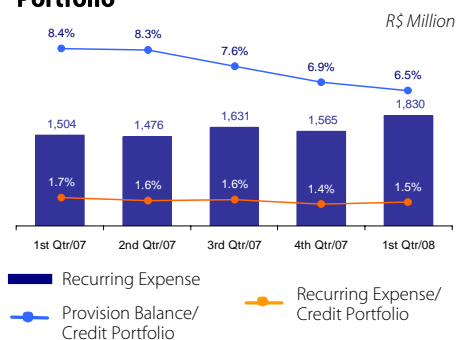
Managerial Financial Margin



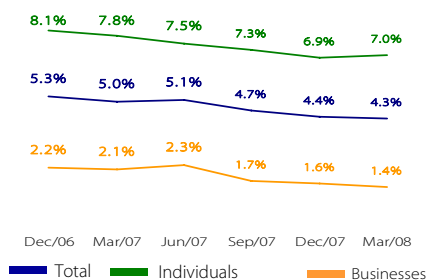
Our managerial financial margin stood at R\$ 5,535 million, a 4.5% increase from the prior quarter. The managerial financial margin on customer transactions grew by 6.9% compared to the last quarter of 2007, amounting to R\$ 5,058 million. Such increase is essentially associated with the expansion in the volume of loan and financing transactions. The managerial financial margin on market transactions declined by 15.7% quarter-on-quarter, chiefly because of lower gains on prefixed financial instruments.

Executive Summary First Quarter of 2008

Provision for Loan Losses and Credit Portfolio

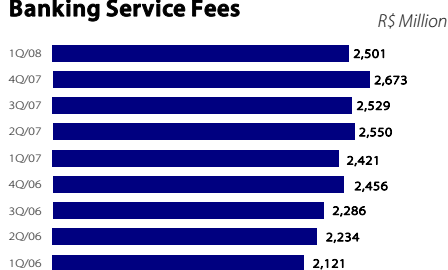


NPL Ratio(*) - Individuals x Businesses (%)

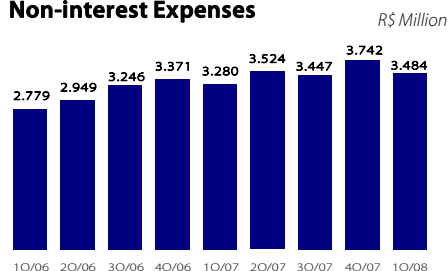


(*) Nonperforming Loans: Loan transactions overdue more than 60 days.

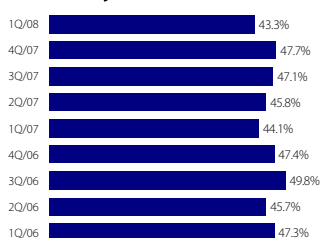
Banking Service Fees



Non-interest Expenses

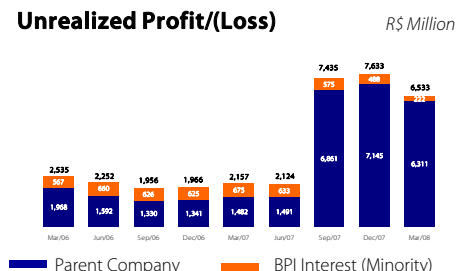


Efficiency Ratio (%) (*)



(*) The criteria for calculating the efficiency ratio are detailed on page 19.

Unrealized Profit/(Loss)



In the first quarter of 2008, expenses for the provision for doubtful loans increased by 16.9%, in particular as a result of the growth in the credit portfolio. It should be stressed, however, that the ratio of the provision for doubtful loans to the total balance of the credit portfolio has remained constant, as shown in the chart on the side. The nonperforming loan ratio improved when compared to the prior period, standing at 4.3%. The corporate portfolio ratio improved 20 basis points compared to the prior quarter, while the individuals' portfolio ratio had an increase of 10 basis points in its delinquency.

Banking fee revenues declined by 6.4% quarter-on-quarter. These revenues were impacted by the fee reduction campaign during the period, aiming at enhancing customers' loyalty. Accordingly, a decrease was seen in revenues from fees relating to current account, credit transactions and sureties provided. Other factors driving the decrease in service fees were the reduced volume of public offerings of shares and the lower volume of investment banking activities. On the other hand, revenues from tax collection services increased, as payments of IPVA, IPTU and DPVAT taxes are usually concentrated in the first quarter of the year.

In the first quarter of the year, non-interest expenses were down 6.9% from fourth quarter of 2007. However, we believe that this is a periodic seasonal reduction and that in forthcoming periods non-interest expenses will be back to levels seen in prior quarters. Personnel expenses decreased by 6.6% quarter-on-quarter, as in the period the amount of provisions for labor claims was lower than in the last quarter of the previous year. Additionally, we did not sustain the same level of costs with advertising, promotion and publication. Expenses associated with CPMF and other taxes also declined, primarily because of the extinguishment of CPMF. The combination of all these positive factors drivers led our efficiency ratio to reach the outstanding level of 43.3% in the first quarter of 2008, but the level of 45.0% should be expected for forthcoming quarters.

In the first quarter of 2008, unrealized net income/(loss) declined by R\$ 1,100 million compared to the fourth quarter of 2007, reaching R\$ 6,533 million. The main driver of such decrease was the reduction in the market value of shares in Bovespa, BM&F and Banco BPI, which in turn was due to the volatility in the equity markets. The balance of the provision in excess of the minimum required to cover possible loan losses remained unaltered, totaling R\$ 2,150 million. It should be noted that this provision is not considered in the determination of unrealized net income/(loss).

Consolidated Pro Forma Balance Sheet

R\$ Million

| ASSETS | Mar 31,08 | Dec 31,07 | Mar 31,07 | Variation | |
|---|----------------|----------------|----------------|-------------------|-------------------|
| | | | | Mar/08- Dec/07 | Mar/08- Mar/07 |
| Current and Long-Term Assets | 323,756 | 290,980 | 254,062 | 11.3% | 27.4% |
| Cash and Cash Equivalents | 5,194 | 4,288 | 4,509 | 21.1% | 15.2% |
| Short Term Interbank Deposits | 56,381 | 56,785 | 41,771 | -0.7% | 35.0% |
| Securities and Derivative Instruments | 72,404 | 61,338 | 62,659 | 18.0% | 15.6% |
| Interbank and Interbranch Accounts | 20,566 | 17,727 | 17,097 | 16.0% | 20.3% |
| Loans, Leasing Operations and Other Credits | 125,660 | 115,548 | 91,180 | 8.8% | 37.8% |
| (Allowance for Loan Losses) | (8,147) | (7,926) | (7,614) | 2.8% | 7.0% |
| Other Assets | 51,697 | 43,220 | 44,460 | 19.6% | 16.3% |
| Foreign Exchange Portfolio | 25,819 | 18,770 | 23,157 | 37.6% | 11.5% |
| Others | 25,878 | 24,450 | 21,303 | 5.8% | 21.5% |
| Permanent Assets | 3,869 | 3,896 | 3,788 | -0.7% | 2.1% |
| Investments | 1,253 | 1,260 | 1,135 | -0.5% | 10.4% |
| Fixed Assets | 1,855 | 1,898 | 2,142 | -2.2% | -13.4% |
| Deferred Changes | 760 | 739 | 511 | 2.9% | 48.7% |
| TOTAL ASSETS | 327,624 | 294,876 | 257,850 | 11.1% | 27.1% |

R\$ Million

| LIABILITIES | Mar 31,08 | Dec 31,07 | Mar 31,07 | Variation | |
|--|----------------|----------------|----------------|-------------------|-------------------|
| | | | | Mar/08- Dec/07 | Mar/08- Mar/07 |
| Current and Long-Term Liabilities | 296,066 | 263,713 | 231,495 | 12.3% | 27.9% |
| Deposits | 78,445 | 81,592 | 64,466 | -3.9% | 21.7% |
| Demand Deposits | 19,847 | 28,134 | 17,970 | -29.5% | 10.4% |
| Savings Accounts | 28,388 | 27,990 | 23,242 | 1.4% | 22.1% |
| Interbank Deposits | 1,576 | 1,616 | 2,307 | -2.5% | -31.7% |
| Time Deposits | 28,634 | 23,852 | 20,948 | 20.0% | 36.7% |
| Funds Received under Securities Repurchase Agreements | 85,692 | 64,733 | 59,774 | 32.4% | 43.4% |
| Funds from Acceptances and Issue of Securities | 7,177 | 8,371 | 7,831 | -14.3% | -8.3% |
| Interbank and Interbranch Accounts | 6,372 | 1,856 | 4,268 | 243.3% | 49.3% |
| Borrowings and On-lendings | 18,962 | 16,800 | 12,220 | 12.9% | 55.2% |
| Derivative Financial Instruments | 4,326 | 3,857 | 3,332 | 12.1% | 29.8% |
| Technical Provisions for Insurance, Pension Plans and Cap. | 25,133 | 23,832 | 20,131 | 5.5% | 24.9% |
| Other Liabilities | 69,959 | 62,671 | 59,473 | 11.6% | 17.6% |
| Foreign Exchange Portfolio | 25,966 | 18,918 | 23,474 | 37.3% | 10.6% |
| Subordinated Debt | 12,371 | 11,375 | 9,525 | 8.8% | 29.9% |
| Others | 31,621 | 32,378 | 26,474 | -2.3% | 19.4% |
| Deferred Income | 74 | 74 | 78 | 0.7% | -4.9% |
| Minority Interest in subsidiaries | 2,218 | 2,121 | 1,306 | 4.6% | 69.8% |
| Stockholders' Equity of Parent Company | 29,267 | 28,969 | 24,971 | 1.0% | 17.2% |
| TOTAL LIABILITIES | 327,624 | 294,876 | 257,850 | 11.1% | 27.1% |
| Deposits | 78,445 | 81,592 | 64,466 | -3.9% | 21.7% |
| Assets Under Management (AUM) | 221,467 | 217,377 | 186,271 | 1.9% | 18.9% |
| Total Deposits + Assets Under Management (AUM) | 299,912 | 298,969 | 250,737 | 0.3% | 19.6% |

Consolidated Pro Forma Statement of Income

R\$ Million

| | Variation | | | | | | |
|---|----------------|----------------|----------------|-----------------------|---------------|-----------------------|---------------|
| | 1st Q/08 | 4th Q/07 | 1st Q/07 | 1st Q/08- 4th Q/07 | % | 1st Q/08- 1st Q/07 | % |
| Managerial Financial Margin | 5,535 | 5,298 | 4,984 | 238 | 4.5% | 552 | 11.1% |
| • Financial Margin with Customers | 5,058 | 4,731 | 4,369 | 327 | 6.9% | 689 | 15.8% |
| • Financial Margin with Market | 478 | 566 | 615 | (89) | -15.7% | (137) | -22.3% |
| Result from Loan Losses | (1,583) | (1,295) | (1,266) | (288) | 22.2% | (317) | 25.1% |
| Provision for Loan and Lease Losses | (1,830) | (1,565) | (1,504) | (265) | 16.9% | (326) | 21.7% |
| Recovery of Credits Written Off as Losses | 247 | 270 | 238 | (23) | -8.5% | 9 | 3.6% |
| Net Result from Financial Operations | 3,953 | 4,002 | 3,718 | (50) | -1.2% | 234 | 6.3% |
| Other Operating Income (Expenses) | (935) | (1,068) | (773) | 133 | -12.4% | (162) | 20.9% |
| Banking Service Fees | 2,501 | 2,673 | 2,421 | (172) | -6.4% | 80 | 3.3% |
| Result from Operations of Insurance, Pension Plans and Cap. | 318 | 308 | 313 | 10 | 3.4% | 6 | 1.8% |
| Non-interest Expenses | (3,484) | (3,742) | (3,280) | 258 | -6.9% | (204) | 6.2% |
| Tax Expenses for ISS, PIS and Cofins | (460) | (585) | (472) | 124 | -21.3% | 11 | -2.4% |
| Equity in the Earnings of Associated Companies | 43 | 134 | 52 | (91) | -67.9% | (9) | -17.7% |
| Other Operating Income | 147 | 144 | 192 | 3 | 2.0% | (45) | -23.6% |
| Operating Income | 3,017 | 2,935 | 2,945 | 83 | 2.8% | 73 | 2.5% |
| Non-operating Income | (3) | (15) | 26 | 12 | -80.0% | (29) | -111.3% |
| Income before Tax and Profit Sharing | 3,014 | 2,920 | 2,970 | 94 | 3.2% | 44 | 1.5% |
| Income Tax and Social Contribution | (747) | (880) | (887) | 133 | -15.1% | 140 | -15.8% |
| Profit Sharing | (215) | (190) | (145) | (25) | 13.0% | (69) | 47.7% |
| Minority Interests | (74) | (61) | (36) | (13) | 21.9% | (38) | 105.1% |
| Recurring Net Income | 1,979 | 1,789 | 1,902 | 190 | 10.6% | 77 | 4.0% |
| Number of shares outstanding - in thousands (*) | 2,376,520 | 2,397,051 | 2,399,583 | | | | |
| Book value per share - R\$ (*) | 12.31 | 12.09 | 10.41 | | | | |
| Net Income per share - R\$ (*) | 0.83 | 0.75 | 0.79 | | | | |

(*) Adjusted to reflect the stock split in Oct./07.

Executive Summary

First Quarter of 2008

Results by Segment

Itaubanco

In the first quarter of 2008, Itaubanco's net income reached R\$ 1,100 million, corresponding to a 6.1% increase compared to the prior quarter. The impact in the managerial financial margin is mainly attributable to the reduction in the financial margin on market transactions, which posted lower gains from fixed-rate financial instruments. These effects were partly offset by the exposition in the credit portfolio resulting in a higher financial margin with customers. Expenses associated with the assumption of credit risk grew mostly on account of the expansion in the credit portfolio. Banking service fees were impacted by the reduced revenues from brokerage and securities placement, resulting from the lower volume of public offerings of shares, as well as the strategic decision to lower fees, and partly offset by increased revenues from tax collection services. Similarly, non-interest expenses had a seasonal decline in line with the decrease in labor provisions and advertising expenses. We also had the extinguishment of CPMF, among other drivers. The decrease in Income Tax and Social Contribution on Net Income expenses is attributable to the fact that, in the first quarter, we used the Interest on Own Capital to remunerate our stockholders, thus giving rise to a tax benefit.

Itaú BBA

Itaú BBA's net income added up to R\$ 368 million in the first quarter of 2008, a 35.2% growth compared to the prior quarter. During the period, the managerial financial margin reached R\$ 696 million, increasing by 32.2% from the previous quarter. The managerial financial margin on customer transactions grew by 58.5%, primarily driven by the increased volume of structured transactions. The financial margin on market transactions, amounting to R\$ 128 million, is attributable to the impact of asset prices influenced by the international financial crisis and to a more conservative management of proprietary positions. The result of doubtful loans was a provision expense of R\$ 25 million in the first quarter, chiefly on account of risk rating reassessments of R\$ 46 million, partly offset by the recovery of credits previously written-off as losses, in the amount of R\$ 21 million. Banking service fees totaled R\$ 137 million in the first quarter of 2008, a 36.6% decline from the prior quarter, essentially driven by decreased revenues from investment banking transactions. Non-interest expenses added up to R\$ 237 million, in line with the prior quarter.

Itaucred

Net income of the Itaucred segment reached R\$ 380 million in the first quarter of 2008, a 9.8% increase compared to the prior quarter. The expansion in the credit portfolio, in particular in vehicle financing transactions, prompted a 5.9% growth in the managerial financial margin. On the other hand, expenses associated with the assumption of credit risk rose by 13.8%. Banking service fees were impacted by lower charges on early settlement of contracts. The reduction in non-interest expenses is attributable to lower labor provision and advertising expenses, as well as decreased tax expenses. The Itaucred segment credit portfolio amounted to R\$ 43,704 million, representing a 7.1% increase quarter-on-quarter.

Corporation

Corporation results are essentially associated with financial income from the investment of our excess capital. In the first quarter of 2008, Corporate results reached R\$ 131 million, virtually unaltered compared to net income for the last quarter of 2007.

Executive Summary

First Quarter of 2008

The pro forma financial statements of Itaúbanco, Itaú BBA, Itaucred and Corporation presented below are based on managerial information and adequately reflect the performance of the different business units of the conglomerate. Variations in the statements of income of Itaú's segments between the first quarter of 2008 and the fourth quarter of 2007 are set out below.

Pro Forma Statement of Income by Segment

R\$ Million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---|--------------|--------------|------------|--------------|
| Itaúbanco | | | | |
| Managerial Financial Margin | 3,256 | 3,258 | (3) | -0.1% |
| • Financial Margin with Customers | 2,906 | 2,860 | 46 | 1.6% |
| • Financial Margin with Market | 350 | 398 | (48) | -12.1% |
| Result from Loan Losses | (963) | (746) | (217) | 29.1% |
| Banking Service Fees | 1,919 | 1,977 | (58) | -2.9% |
| Non-interest Expenses ¹ | (2,673) | (2,855) | 182 | -6.4% |
| Income Tax and Social Contribution | (407) | (586) | 180 | -30.7% |
| Other ² | (32) | (11) | (21) | 199.2% |
| Recurring Net Income of Itaúbanco (A) | 1,100 | 1,036 | 63 | 6.1% |
| Itaú BBA | | | | |
| Managerial Financial Margin | 696 | 526 | 169 | 32.2% |
| • Financial Margin with Customers | 568 | 358 | 210 | 58.5% |
| • Financial Margin with Market | 128 | 168 | (40) | -23.9% |
| Result from Loan Losses | (25) | (27) | 1 | -5.4% |
| Banking Service Fees | 137 | 216 | (79) | -36.6% |
| Non-interest Expenses ¹ | (237) | (234) | (2) | 1.1% |
| Income Tax and Social Contribution | (153) | (82) | (71) | 87.0% |
| Other ² | (50) | (128) | 77 | -60.7% |
| Recurring Net Income of Itaú BBA (B) | 368 | 272 | 96 | 35.2% |
| Itaucred | | | | |
| Managerial Financial Margin | 1,370 | 1,294 | 76 | 5.9% |
| Result from Loan Losses | (595) | (523) | (72) | 13.8% |
| Banking Service Fees | 447 | 486 | (39) | -8.0% |
| Non-interest Expenses ¹ | (564) | (633) | 69 | -10.9% |
| Income Tax and Social Contribution | (172) | (188) | 16 | -8.6% |
| Other ² | (106) | (90) | (16) | 17.8% |
| Recurring Net Income of Itaucred (C) | 380 | 346 | 34 | 9.8% |
| Corporation | | | | |
| Managerial Financial Margin | 212 | 218 | (6) | -2.8% |
| Non-interest Expenses ¹ | (11) | (26) | 15 | -56.6% |
| Income Tax and Social Contribution | (15) | (24) | 8 | -34.9% |
| Other ³ | (55) | (35) | (20) | 57.2% |
| Recurring Net Income of Corporation (D) | 131 | 134 | (3) | -2.2% |
| RECURRING NET INCOME OF ITAÚ (A) + (B) + (C) + (D) | 1,979 | 1,789 | 190 | 10.6% |

(1) Includes Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes, and Other Operating Expenses.

(2) Includes the Income from Insurance, Pension Plan and Capitalization Operations, Tax Expenses – ISS, PIS and COFINS, Other Operating Revenues, Non-Operating Income, and Profit Sharing.

(3) Includes Tax Expenses – ISS, PIS and Cofins, Equity in the Earnings of Associated Companies, Other Operating Revenues, Non-Operating Income, Profit Sharing and Minority Interests in Subsidiary Companies.



Banco Itaú Holding Financeira S.A.

Analysis of the Consolidated Net Income

Analysis of the Consolidated Net Income

Managerial Financial Margin

During the first quarter of 2008, a change was introduced in the presentation of our managerial financial margin. Two separate groups were established: managerial financial margin on customer transactions, and managerial financial margin on market transactions. The margin on customer transactions basically comprises banking transactions which involve our relationship with customers, through the offer of financial products and services. The margin on market transactions relate to all other transactions carried out on the financial market. We have broken down the financial margin on market transactions into two separate components, to enable a more detailed analysis. The components are the financial margin on treasury transactions, and the financial margin on management of exchange risk of investments abroad. During the quarter, the managerial financial margin reached R\$ 5,535 million, or a R\$ 238 million change compared to the last quarter of 2007.

Managerial Financial Margin

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|--|--------------|--------------|-------------|---------------|
| | | | Balance | % |
| Customers | 5,058 | 4,731 | 327 | 6.9% |
| Market | 478 | 566 | (89) | -15.7% |
| Treasury | 217 | 313 | (96) | -30.6% |
| Management of Foreign Exchange Risk from Investments | 261 | 254 | 7 | 2.7% |
| Total | 5,535 | 5,298 | 238 | 4.5% |

The drivers of such change are discussed below.

Transactions carried out with customers

The financial margin on transactions with customers added up to R\$ 5,058 million, which is equal to a 6.9% increase compared with the last quarter of 2007. To enable a more detailed analysis of the financial margin on transactions carried out with customers, we will divide it into two separate components: the financial margin on transactions that are sensitive to interest rate changes, and the financial margin on transactions that are sensitive to spread changes.

Financial Margin on Interest Rate Change-Sensitive Customer Transactions

The determination of the portion of the financial margin on transactions that are sensitive to changes in interest rates considers the amount obtained by adding up customers' non-interest bearing funds (demand deposits, floatings, etc.) and the working capital (stockholders' equity less permanent assets and tax credits – which also bear no financial costs), less assets that do not give rise to financial income (compulsory deposits, contingent assets, etc.) This portion is attributed an opportunity rate (CDI).

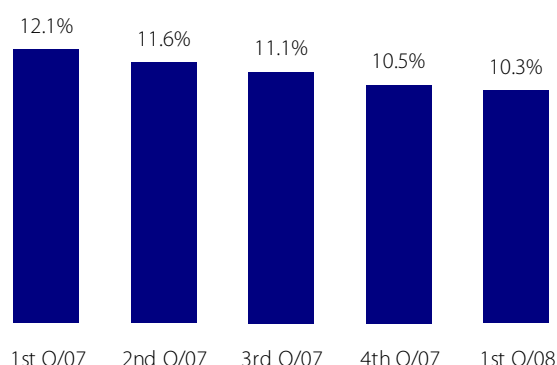
In the first quarter of 2008, the average balance of transactions that are sensitive to interest rate changes declined by 1.9%, primarily as a result of the decrease in the average balance of demand deposits, which was impacted by a seasonal factor - the stronger level of economic activity in the last quarter of the year translates into higher deposits. Furthermore, the interest rate reached 10.3% in the first quarter of 2008, against 10.5% in the prior quarter. Accordingly, the financial margin on transactions that are sensitive to interest changes declined by R\$ 33 million quarter-on-quarter.

Banking Transactions Sensitive to Variations in Interest Rate

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|------------------|----------|----------|-----------|-----------|
| | | | Balance | % |
| Average Balance | 32,201 | 32,827 | (626) | -1.9% |
| Financial Margin | 830 | 862 | (33) | -3.8% |
| Annualized Rate | 10.3% | 10.5% | | -0.2 p.p. |

Annualized Rate of Banking Transactions Sensitive to Variations in Interest Rate



Financial Margin on Spread-Sensitive Customer Transactions

The determination of this portion of the financial margin takes into account both funds obtained from customers – savings deposits, time deposits, etc., the remuneration of which corresponds to a financial expense – and the investment of these funds in a number of assets – credit transactions, financial investments, etc., the remuneration of which represents a financial income. The financial margin on spread-sensitive transaction is the difference between the financial income from these assets and the financial expense associated with funding.

In the first quarter of 2008, the average balance of spread-sensitive transactions increased by 10.3%, primarily due to the expansion in loan and financial

Analysis of the Consolidated Net Income

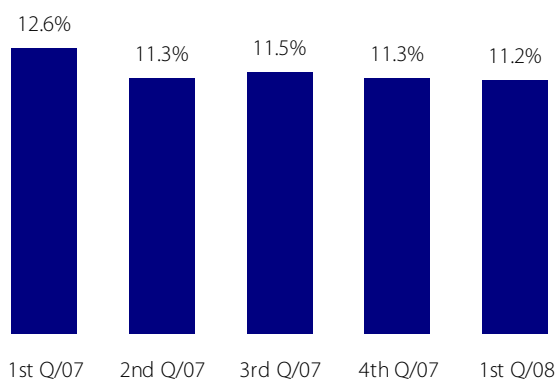
Managerial Financial Margin

transactions. On account of such expansion, the annualized rate of spread-sensitive transactions carried out with customers remained virtually stable, at 11.2% in the first quarter of 2008 and 11.3% in the fourth quarter of the prior year.

Banking Transactions Sensitive to Spreads R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|------------------|----------|----------|-----------|-----------|
| | | | Balance | % |
| Average Balance | 151,194 | 137,022 | 14,172 | 10.3% |
| Financial Margin | 4,228 | 3,869 | 359 | 9.3% |
| Annualized Rate | 11.2% | 11.3% | | -0.1 p.p. |

Annualized Rate of Banking Transactions Sensitive to Spreads



Market Financial Margin R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|--------------------------------|------------|------------|-------------|---------------|
| | | | Balance | % |
| Treasury | 217 | 313 | (96) | -30.6% |
| Management of Foreign | | | | |
| Exchange Risk from Investments | 261 | 254 | 7 | 2.7% |
| Total | 478 | 566 | (89) | -15.7% |

Market Transactions

The financial margin of transactions carried out on the market reached R\$ 478 million, equal to a 15.7% decline from the fourth quarter of 2007.

Financial Margin on Treasury Transactions

This comprises income from trading of financial assets through proprietary desks, management of currency, rates and other risk factor management, arbitrage opportunities in the foreign and domestic markets, and marking-to-market of financial assets. It also includes the financial margin on insurance, private pension plan and capitalization transactions. The treasury margin decline seen in the quarter is attributable to lower gains from prefixed financial instruments.

Financial Margin on Exchange Risk Management of Investments Abroad

The financial margin on exchange risk management of investments abroad is also influenced by changes in interest rates. In the first quarter of 2008, the financial margin on exchange risk management of investments abroad totaled R\$ 261 million, a 2.7% increase quarter-on-quarter, chiefly because of the capital increase of R\$ 1,104 million in our foreign investments.

Managerial Financial Margin of Exchange Risk of Investments Abroad R\$ million

| | 1st Q/08 | | | | 4th Q/07 | | | |
|---|-----------------|-----------------------|-------------|---------------------|-----------------|-----------------------|--------------|---------------------|
| | Initial Balance | Result Gross of Taxes | Tax Effects | Result Net of Taxes | Initial Balance | Result Gross of Taxes | Tax Effects | Result Net of Taxes |
| Capital Investments Abroad (A) | 10,176 | | | | 8,546 | | | |
| Exchange Variation on Investments Abroad (B) | | (82) | | (82) | | (252) | | (252) |
| Effect of exchange risk management of investments abroad (C) = (D) + (E) | | 391 | (48) | 343 | | 653 | (148) | 505 |
| Assets Position in DI (D) | 10,176 | 261 | | 261 | 8,546 | 254 | | 254 |
| Liabilities Position in Foreign Currency (E) | (16,170) | 130 | (48) | 82 | (13,580) | 400 | (148) | 252 |
| Managerial Financial Margin of Exchange Risk of Investments Abroad (F) = (B) + (C) | | 309 | (48) | 261 | | 402 | (148) | 254 |

○ Hedging impact neutralizing the exchange rate volatility.

Analysis of the Consolidated Net Income

Managerial Financial Margin

As a result of the expansion in our loan and financing portfolio, the net interest margin (annualized rate of the managerial financial margin, disregarding the treasury financial margin) reached 11.0% in the period, corresponding to a 0.1 percentage point. The table below shows the impact from a hypothetical variation in the

benchmark interest rate by one hundred basis points. In such context, provided that the asset volume and mix remain constant, the financial margin on transactions that are sensitive to changes in the benchmark interest rate would decline by R\$ 81 million, in the quarter,

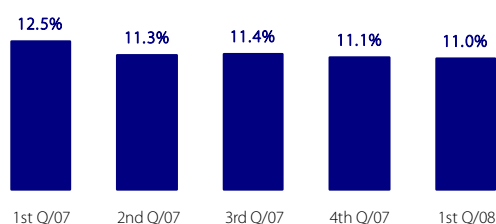
Analysis of the Managerial Financial Margin

R\$ million

| | 1st Q/08 | | | 4th Q/07 | | | 1st Q/07 | | |
|--|-----------------|------------------|--------------|-----------------|------------------|--------------|-----------------|------------------|--------------|
| | Average Balance | Financial Margin | Rate (p.y.) | Average Balance | Financial Margin | Rate (p.y.) | Average Balance | Financial Margin | Rate (p.y.) |
| Demand Deposits + Floatings | 29,103 | | | 30,800 | | | 23,398 | | |
| (-) Compulsory Deposits | (10,796) | | | (10,857) | | | (8,340) | | |
| Contingent Liabilities (-) Contingent Assets | 602 | | | 1,478 | | | 947 | | |
| Tax and Social Security Liabilities (-) Deposits in guarantee | 7,808 | | | 6,674 | | | 5,380 | | |
| (-) Tax Credits | (7,601) | | | (7,666) | | | (7,527) | | |
| Working Capital (Equity + Minority Interests - Permanent Assets - Capital Allocated to Treasury) | 13,083 | | | 12,398 | | | 9,791 | | |
| Interest Rate Sensitive Banking Transactions (A) | 32,201 | 830 | 10.3% | 32,827 | 862 | 10.5% | 23,649 | 716 | 12.1% |
| | Average Balance | Financial Margin | Rate (p.y.) | Average Balance | Financial Margin | Rate (p.y.) | Average Balance | Financial Margin | Rate (p.y.) |
| Cash and Cash Equivalents + Interbank Deposits + Securities (*) | 30,423 | | | 28,839 | | | 28,462 | | |
| Interbank and Interbranch Accounts | 8,351 | | | 6,693 | | | 7,997 | | |
| Loans, Leasing and Other Credits | 120,604 | | | 109,690 | | | 87,664 | | |
| (Allowance for Loan Losses) | (8,036) | | | (7,884) | | | (7,522) | | |
| Net Foreign Exchange Portfolio (Asset/Liability) | (147) | | | (316) | | | (284) | | |
| Spread Sensitive Banking Transactions (B) | 151,194 | 4,228 | 11.2% | 137,022 | 3,869 | 11.3% | 116,317 | 3,653 | 12.6% |
| Banking Operations (C = A+B) | 183,395 | 5,058 | 11.0% | 169,849 | 4,731 | 11.1% | 139,967 | 4,369 | 12.5% |
| Management of Exchange Risk of Investments Abroad (D) | 10,113 | 261 | 10.3% | 9,660 | 254 | 10.5% | 8,184 | 248 | 12.1% |
| Net Interest Margin (E = C+D) | 193,508 | 5,318 | 11.0% | 179,509 | 4,985 | 11.1% | 148,151 | 4,617 | 12.5% |
| Provision for Loan and Lease Losses (F) | | (1,830) | | | (1,565) | | | (1,504) | |
| Recovery of Credits Written Off as Losses (G) | | 247 | | | 270 | | | 238 | |
| Net Interest Margin after Provision for Credit Risk (H = E+F+G) | 193,508 | 3,736 | 7.7% | 179,509 | 3,690 | 8.2% | 148,151 | 3,351 | 9.0% |
| Treasury Financial Margin (I) | | 217 | | | 313 | | | 367 | |
| Net Result from Financial Operations (J = H+I) | | 3,953 | | | 4,002 | | | 3,718 | |

(*) Cash and Cash Equivalents + Interbank Deposits + Securities (-) Interbank Deposits related to Repurchase Liability (-) Derivative financial instruments (-) Banking Transactions Sensitive to Variations in Interest Rate (-) Investments Abroad.

Net Interest Margin (NIM)



The table below shows the impact from a hypothetical variation in the benchmark interest rate by one hundred basis points. In such context, provided that the asset volume and mix remain constant, the financial margin on transactions that are sensitive to changes in the benchmark interest rate would decline by R\$ 81 million, in the quarter, corresponding to R\$ 322 million in the year.

R\$ 32,201 million X 1% = R\$ 322 million per year
or
R\$ 81 million per quarter

Analysis of the Consolidated Net Income

Results from Loan and Lease Losses

Expenses for Provision for Loan Losses and Recovery of Credits Written-off as Losses

R\$ million

| | 1st Q/08 | | | 4th Q/07 | | |
|------------------------------------|---------------------------|-------------------|----------------|---------------------------|-------------------|----------------|
| | Provision for Loan Losses | Credit Recoveries | Total | Provision for Loan Losses | Credit Recoveries | Total |
| Itaubanco | (1,103) | 140 | (963) | (927) | 181 | (746) |
| Banking | (983) | 121 | (862) | (806) | 163 | (643) |
| Credit Cards - Account Holders | (120) | 19 | (101) | (121) | 18 | (103) |
| Itaú BBA | (46) | 21 | (25) | (31) | 4 | (27) |
| Itaucred | (681) | 86 | (595) | (607) | 84 | (523) |
| Vehicles | (374) | 43 | (331) | (305) | 45 | (259) |
| Credit Cards - Non-Account Holders | (159) | 20 | (139) | (155) | 17 | (139) |
| Taíí + Payroll Credit | (148) | 23 | (125) | (147) | 22 | (124) |
| Total | (1,830) | 247 | (1,583) | (1,565) | 270 | (1,295) |

The provision for loan losses added up to R\$ 1,830 million, representing a 16.9% increase compared to the last quarter of 2007. The expansion in our credit portfolio over the past quarters required an increase in the provision for loan losses. With respect to credit pools, we note that, in the first quarter of 2008, transactions more than fifteen days overdue as a share of the total credit portfolio were 1.6%, the same level seen in the third quarter of 2007, and 20 basis points above the ratio in the fourth quarter of 2007.

The analysis by subsegments shows that the increase in the provision for doubtful loans in the first quarter of 2008 is essentially concentrated in the Itaucred – Vehicles and Itaubanco – Banking subsegments,

business lines with a strong expansion in the credit portfolio, through vehicle financing transactions and financing to micro, small and mid-sized companies. At Itaú BBA, the increased provision for doubtful loans is due to reassessments of risk ratings.

During the period, the nonperforming loan ratio stood at 4.3%, declining by 10 basis points from the prior quarter. The ratio for individual customers was 7.0%, against 6.9% in the previous quarter, while the ratio for corporate customers was 1.4%, compared to 1.6% in the prior period. In the quarter, the provision in excess of the minimum required by banking authorities remained stable, totaling R\$ 2,150 million.

Nonperforming Loans

R\$ million

| | Mar 31, 08 | Dec 31, 07 | Sep 30, 07 |
|-------------------------------|------------|------------|------------|
| Total Nonperforming Loans (a) | 5,452 | 5,055 | 4,870 |
| Credit Portfolio (b) | 125,660 | 115,548 | 103,832 |
| NPL Ratio [(a) / (b)] x 100 | 4.3% | 4.4% | 4.7% |

(a) Loans overdue for more than 60 days and without generation of revenues on the accrual basis.

(b) Endorsements and sureties not included.

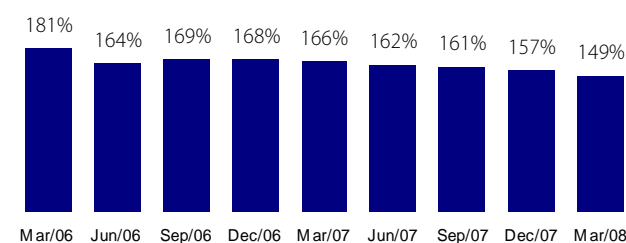
Overdue Loans

R\$ million

| | Mar 31, 08 | Dec 31, 07 | Sep 30, 07 |
|-------------------------------|------------|------------|------------|
| Overdue Loans (a) | 9,679 | 8,664 | 8,215 |
| Provision for Loan Losses (b) | (8,147) | (7,926) | (7,842) |
| Difference (b-a) | (1,531) | (739) | (373) |

Nonperforming loans are credit transactions having at least one installment more than 15 days overdue, irrespective of collateral provided.

Coverage Ratio



The coverage ratio is derived by dividing the balance of the provision for doubtful loans by the balance of transactions more than 60 days overdue. The ratio stood at 149% in the first quarter of 2008. The change in the mix of our credit portfolio, with the expansion in the volume of vehicle financing transactions – where collateral is provided – has helped to reduce our coverage ratio.

Analysis of the Consolidated Net Income

Banking Service Fees

R\$ million

| | 1st Q/08 | 4th Q/07 | 1st Q/07 | Variation | | | | |
|---|--------------|--------------|--------------|---------------------|--------------|---------------------|-------------|--------|
| | | | | 1st Q/08 - 4th Q/07 | | 1st Q/08 - 1st Q/07 | | |
| Asset Management | 482 | 498 | 482 | (16) | -3.1% | (0) | 0.0% | |
| Current Account Services | B | 336 | 352 | 405 | (16) | -4.5% | (69) | -17.0% |
| Loan Operations and Guarantees Provided | 616 | 648 | 498 | (32) | -4.9% | 119 | 23.8% | |
| Collection Services | 244 | 214 | 222 | 30 | 14.0% | 21 | 9.6% | |
| Credit Cards | 601 | 600 | 576 | 2 | 0.3% | 25 | 4.4% | |
| Other | 221 | 361 | 238 | (140) | -38.9% | (17) | -7.1% | |
| Total | 2,501 | 2,673 | 2,421 | (172) | -6.4% | 80 | 3.3% | |

Revenues from banking services were down 6.4% from the fourth quarter of 2007.

The main drivers of this decrease were:

Asset Management

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---------------------------|------------|------------|-------------|------|
| Funds Management Fees | A | 472 | 487 | (15) |
| Consortia Management Fees | | 10 | 11 | (1) |
| Total | 482 | 498 | (16) | |

A) Reduction driven by the lower number of business days;

Current Account Services

B) Impact of the fee reduction campaign associated with the policy to enhance customers' loyalty;

Loan Operations and Guarantees Provided

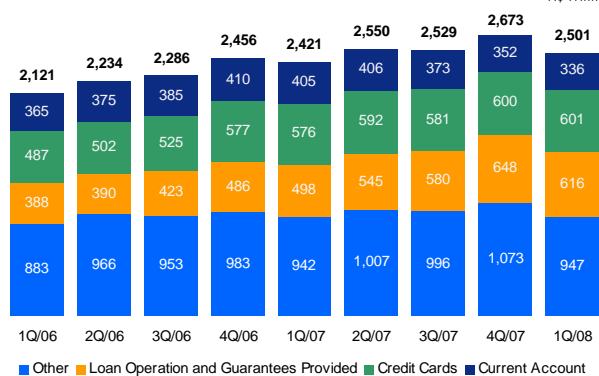
R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---------------------|------------|------------|-------------|------|
| Loan Operations | C | 573 | 612 | (39) |
| Guarantees Provided | | 43 | 36 | 8 |
| Total | 616 | 648 | (32) | |

C) Effect of lower revenues from early settlement fees and credit opening rate;

Banking Service Fees

R\$ million



Note: Other - Asset Management, Collection Services and Other.

Collection Services

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---|------------|------------|-----------|----|
| Collection Fees | 128 | 130 | (1) | |
| Interbank Charges (Securities, Checks and Wire) | 59 | 60 | (2) | |
| Collection Services | D | 57 | 24 | 33 |
| Total | 244 | 214 | 30 | |

D) 137.1% increase arising from the higher volume of collection of taxes such as IPVA, IPTU and DPVAT;

Other

R\$ million

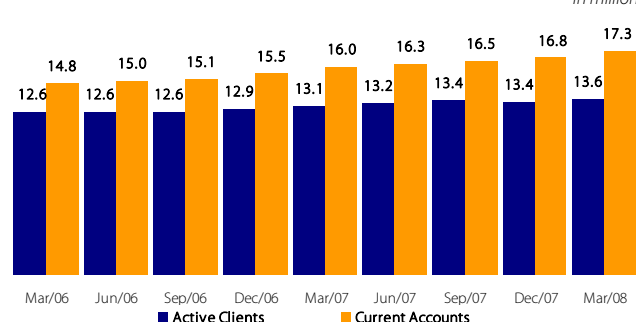
| | 1st Q/08 | 4th Q/07 | Variation | |
|--|------------|------------|--------------|------|
| Foreign Exchange Services | 14 | 14 | 0 | |
| Income from Brokerage and Securities Placement | E | 76 | 132 | (56) |
| Income from Consultation to Serasa | 1 | 1 | 0 | |
| Income from Custody Services and Management of Portfolio | 34 | 33 | 0 | |
| Income from Economic and Financial Advisory | F | 21 | 90 | (69) |
| Other Services | 74 | 90 | (16) | |
| Total | 221 | 361 | (140) | |

E) Reduction in the volume of public offerings of shares; and

F) Lower volume of Investment Banking services.

Number of Active Clients (*) and Current Accounts

In million



(*) Conceptually, a client (represented by a CPF/CNPJ number) is considered active when performing one or more transactions in a current account in the last six months or having an average account balance not null.

Analysis of the Consolidated Net Income

Non-interest Expenses

R\$ million

| | 1stQ/08 | 4thQ/07 | 1stQ/07 | Variation | | | |
|------------------------------------|----------------|----------------|----------------|-------------------|-------------------|--------------|-------------|
| | | | | 1stQ/08 - 4thQ/07 | 1stQ/08 - 1stQ/07 | | |
| Personnel Expenses | (1,454) | (1,557) | (1,252) | 103 | -6.6% | (202) | 16.1% |
| Other Administrative Expenses | (1,558) | (1,701) | (1,539) | 143 | -8.4% | (19) | 1.2% |
| Other Operating Expenses | (426) | (359) | (377) | (67) | 18.7% | (49) | 13.0% |
| Tax Expenses | (46) | (125) | (111) | 79 | -63.1% | 65 | -58.6% |
| Total Non-interest Expenses | (3,484) | (3,742) | (3,280) | 258 | -6.9% | (204) | 6.2% |

In the first quarter of 2008, non-interest expenses decreased by 6.9%, as a result of lower Personnel Expenses, Other Administrative Expenses and Tax Expenses, compared to the last quarter of 2007.

Personnel Expenses

R\$ million

| | 1stQ/08 | 4thQ/07 | Variation |
|--------------------------------|----------------|----------------|------------|
| Compensation | (839) | (840) | 1 |
| Charges | (247) | (259) | 12 |
| Welfare Benefits | (206) | (214) | 9 |
| Training | (16) | (22) | 7 |
| Severance Pay and Labor Claims | A (147) | (221) | 74 |
| Total | (1,454) | (1,557) | 103 |

Personnel Expenses were down 6.6% from the prior quarter. In particular:

A) During the period, the restatement of the provision for claims under way was below the fourth quarter of 2007. Also, the number of new claims filed decreased, thus impacting the provision amount.

Other Administrative Expenses

R\$ million

| | 1stQ/08 | 4thQ/07 | Variation |
|--|----------------|----------------|------------|
| Data Processing and Telecommunication | B (417) | (391) | (26) |
| Depreciation and Amortization | (139) | (160) | 21 |
| Facilities | (227) | (230) | 3 |
| Third-Party Services | C (286) | (325) | 39 |
| Financial System Service | (132) | (149) | 17 |
| Advertising, Promotions and Publications | D (91) | (160) | 68 |
| Transportation | (64) | (68) | 3 |
| Materials | (47) | (51) | 4 |
| Security | (60) | (53) | (7) |
| Legal | (9) | (8) | (0) |
| Travel | (17) | (21) | 4 |
| Others | (69) | (86) | 17 |
| Total | (1,558) | (1,701) | 143 |

Other Administrative Expenses declined by 8.4%, mainly due to:

B) Increased mailing expenses as a result of income tax statements sent. Telephone and system development expenses also helped to increase data processing and telecommunication expenses.

C) Lower consulting expenses during the first quarter of 2008.

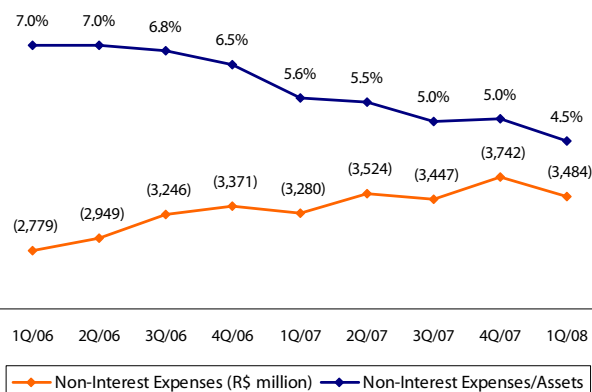
D) Reduced number of advertising campaigns, in particular credit card, deposits and institutional campaigns.

Other Operating Expenses

R\$ million

| | 1stQ/08 | 4thQ/07 | Variation |
|-----------------------------|--------------|--------------|-------------|
| Provision for contingencies | (145) | (111) | (34) |
| Tax and Social Security | (39) | (20) | (19) |
| Civil Lawsuits | (105) | (93) | (13) |
| Others | (0) | 2 | (3) |
| Selling - Credit Cards | (134) | (135) | 1 |
| Claims | (59) | (64) | 5 |
| Others | (88) | (49) | (39) |
| Total | (426) | (359) | (67) |

Performance on Non-Interest Expenses and Non-Interest Expenses over Assets index (*)



(*) Division of Non-Interest Expenses by the arithmetic average of total assets for the two past quarters (annualized).

Analysis of the Consolidated Net Income

Tax Expenses for CPMF and Other Taxes

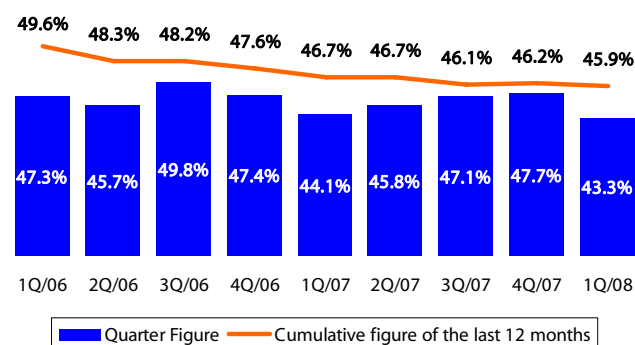
| R\$ million | | | | |
|--------------|---|-------------|--------------|-----------|
| | | 1stQ/08 | 4thQ/07 | Variation |
| CPMF | E | (1) | (55) | 54 |
| Other taxes | F | (45) | (69) | 24 |
| Total | | (46) | (125) | 79 |

During the quarter, these expenses declined by 63.1%, driven by:

- E) Extinguishment of CPMF (Provisional Contribution on Financial Transactions) effective on January 1, 2008. The amount of R\$ 1 million in the first quarter of the year relates to payments made in the first week of 2008 for transactions carried out in the last days of 2007.
- F) IPVA expenses for repossessed vehicles under leasing transactions decreased quarter-on-quarter.

Efficiency Ratio (*)

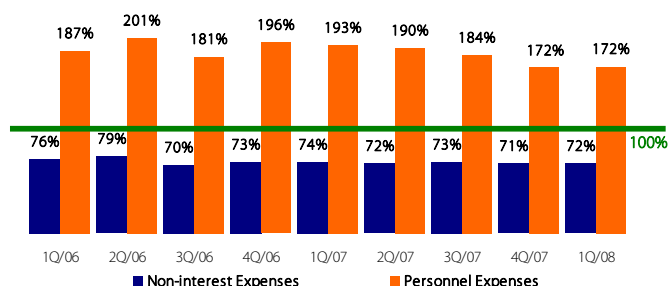
During the quarter, the efficiency ratio reached the level of 43.3%. Such improvement is attributable in part to lower Non-Interest Expenses. The accumulated ratio for the past 12 months was approximately 46%, evidencing our cost management, an important driver of our sustainable growth.



$$\text{Efficiency Ratio} = \frac{\text{Non-Interest Expenses (Personnel Expenses + Other Administrative Expenses + Other Operating Expenses + Tax Expenses for CPMF and Other Taxes)}}{\text{(Managerial Financial Margin + Banking Service Fees + Operating Result of Insurance, Capitalization and Pension Plans + Other Operating Income + Tax Expenses for PIS/COFINS/ISS)}}$$

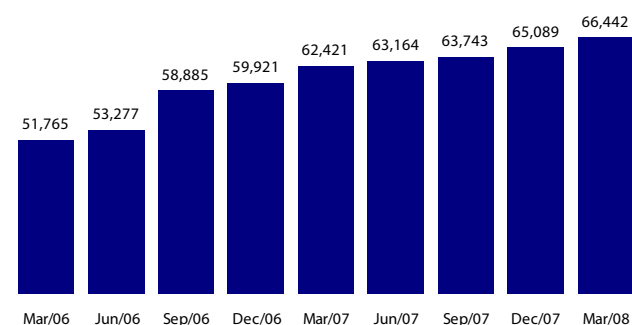
Coverage Ratio of Non-Interest Expenses (*)

The coverage ratio remained at the same level for the two past quarters, showing that income and expenses have followed similar paths.



(*) Calculated by dividing Banking Service Fees by Personnel Expenses and Non-Interest Expenses (Personnel Expenses, Other Administrative Expenses, Other Operating Expenses and Tax Expenses for CPMF and Other Taxes).

Number of Employees (*)



(*) - Includes BkB employees as from Sep/06.
 - Includes Chile and Uruguay employees as from Mar/07.
 - Does not include 2,126 employees of companies consolidated on a 50% basis.

Volume of Self-Service Transactions

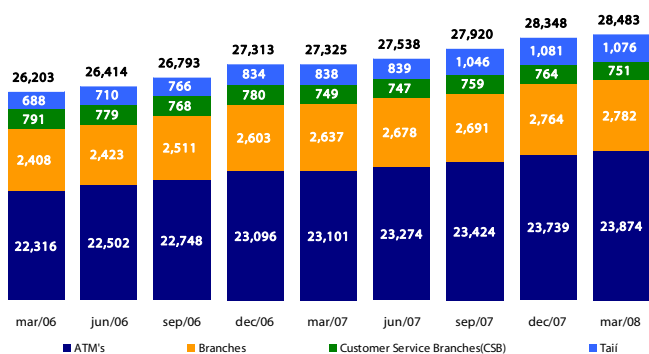
(Quantity in million)

| Period | ATM | | Contact Centers | | | | | Total |
|---------|-------------------|-------------|----------------------------|----------------------------|------------------------|-----------------------|-----------------------------|-------|
| | Usual Transaction | Warning (*) | Automated Programmed Debit | Interactive Voice Response | Customer Service Agent | Home & Office Banking | Purchases using Debit Cards | |
| 2002 | 946 | 192 | 284 | 179 | 52 | 344 | 89 | 2,086 |
| 2003 | 1,033 | 586 | 302 | 188 | 53 | 440 | 121 | 2,723 |
| 2004 | 1,074 | 692 | 322 | 170 | 48 | 525 | 158 | 2,987 |
| 2005 | 1,108 | 656 | 375 | 173 | 67 | 646 | 203 | 3,228 |
| 2006 | 1,141 | 602 | 394 | 167 | 57 | 744 | 239 | 3,343 |
| 2007 | 1,181 | 549 | 399 | 158 | 62 | 867 | 281 | 3,497 |
| 1stQ/07 | 300 | 142 | 100 | 40 | 15 | 206 | 63 | 867 |
| 2ndQ/07 | 287 | 141 | 99 | 39 | 15 | 216 | 66 | 862 |
| 3rdQ/07 | 288 | 132 | 100 | 39 | 16 | 218 | 70 | 863 |
| 4thQ/07 | 305 | 134 | 100 | 40 | 16 | 228 | 82 | 905 |
| 2008 | 315 | 137 | 98 | 39 | 16 | 245 | 78 | 927 |
| 1stQ/08 | 315 | 137 | 98 | 39 | 16 | 245 | 78 | 927 |

(*) Transaction through warning screen on ATM.

Analysis of the Consolidated Net Income

History of Numbers of Points of Service (*)

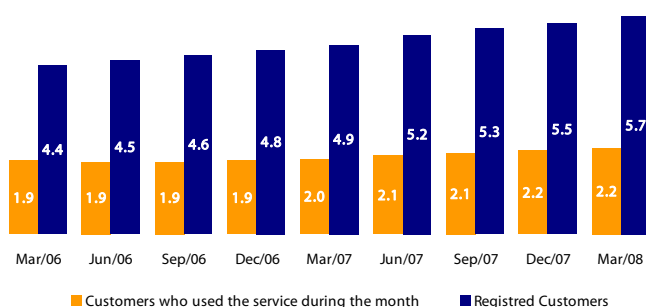


(*) Includes Banco Itaú Buen Ayre and Banco Itaú BBA. As from Sep/06, considers BkB information and as from Mar/07, Chile and Uruguay companies.

During the quarter, 18 new branches were opened. Additionally, 135 new ATMs were added to our network.

Internet Banking Clients

In millions



Over the past twelve months, 700 thousand new Internet Banking users were added to our customer base. This reflects the positive reaction of our customers to the technological solutions offered, coupled with our efforts in the commercial area.

Tax Expenses for ISS, PIS and Cofins

In the first quarter of 2008, tax expenses declined by 21.3% from the prior quarter, chiefly because of higher PIS and Cofins taxes levied on income from Interest on Own Capital distributed by conglomerate companies in that period.

Income Tax and Social Contribution

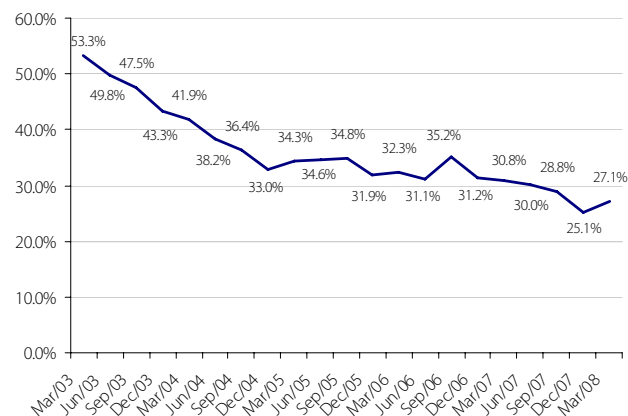
Income Tax and Social Contribution on Net Income expenses in the first quarter of 2008 declined by 15.1% compared to the fourth quarter of 2007, primarily on account of the deduction for Interest on Own Capital during the quarter, virtually absent in the previous quarter, as the tax limit had been exceeded in the third quarter of 2007.

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation |
|---|----------------|----------------|--------------|
| Result before Income Tax (IR) and Social Contribution (CSLL) | 3,108 | 3,396 | (287) |
| (+) Result from non-recurring events (see page 5) | (98) | (374) | 275 |
| (=) Recurring Result before IR and CSLL | 3,010 | 3,022 | (12) |
| Income Tax and Social Contribution at the rates of 25% and 9% respectively (A) | (1,023) | (1,027) | 4 |
| (Inclusions) Exclusions and Other (B) | 294 | 19 | 275 |
| Exchange Variation on Investments Abroad | (24) | (100) | 76 |
| Interest on Own Capital | 194 | 4 | 190 |
| Dividends, Interest on External Debt Bonds and Tax Incentives | 74 | 89 | (15) |
| Other | 49 | 26 | 23 |
| Subtotal (C) = (A) + (B) | (729) | (1,008) | 279 |
| Exclusion of Exchange Variation and Tax Effects on Hedges of Investments Abroad (D) | (18) | 128 | (146) |
| Income Tax and Social Contribution (C)+(D) | (747) | (880) | 133 |

Tax credits as a percentage of stockholders' equity in the first quarter of 2008 were 27.1%, an increase from the prior quarter.

Deferred Tax Assets / Stockholders' Equity (%)





Banco Itaú Holding Financeira S.A.

Pro Forma Financial Statements

Pro Forma Financial Statements by Segment

Allocated Capital

The pro forma financial information takes into account the impacts associated with the allocation of capital. To this end, adjustments were made to the financial statements, based on a proprietary model that considers the credit, market and operating risks, as well as the regulatory framework and the level of fixed asset formation.

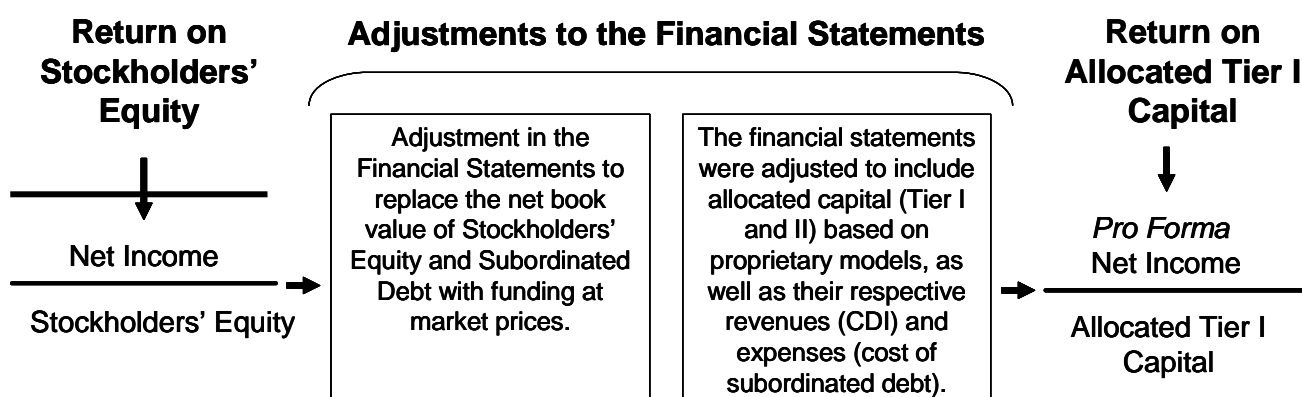
We then determine Risk-Adjusted Return on Capital (Raroc), an operating performance indicator consistently adjusted to the capital required to support the risk of asset and liability positions taken.

Adjustments made to the balance sheet and the statement of income for the period are based on the business units' managerial information.

The Corporation column shows the results associated with excess capital and subordinated debt. It also shows the equity in the earnings of companies not pertaining to any one segment, as well as the adjustment for Minority Interests in Subsidiaries.

Income Tax and Social Contribution on Net Income effects on the payment of Interest on Own Capital for each segment were reversed and subsequently reallocated to the individual segments in proportion to the amount of Tier I capital, while the financial statements were adjusted in order to replace net book value with market level funding. The financial statements were then adjusted to include revenues associated with the allocated capital. Finally, the cost of subordinated debt and related remuneration at market prices were allocated to the segments on a pro rata basis, in accordance with Tier I allocated capital.

The diagram below shows the changes introduced in the financial statements to reflect the impacts of capital allocation.



Pro Forma Financial Statements per Segment

The *pro forma* financial statements of Itaúbanco, Itaú BBA and Itaúcred presented below are based on managerial models, to better reflect the performance of the business units.

On March 31, 2008

R\$ million

| ASSETS | Banco Itaú Holding | | | | |
|--|--------------------|----------------|---------------|---------------|----------------|
| | Itaúbanco | Itaú BBA | Itaúcred | Corporation | Itaú |
| Current and Long-Term Assets | 267,816 | 116,018 | 43,495 | 9,761 | 323,756 |
| Cash and Cash Equivalents | 4,261 | 933 | - | - | 5,194 |
| Short-term Interbank Deposits | 107,295 | 51,666 | - | - | 56,381 |
| Short-term Interbank Deposits in the Market | 52,741 | 5,917 | - | - | 56,381 |
| Short-term Interbank Deposits in the Intercompany* | 54,554 | 45,749 | - | - | - |
| Securities | 45,415 | 20,363 | - | 9,133 | 72,404 |
| Interbank and Interbranch Accounts | 20,528 | 66 | - | - | 20,566 |
| Loans | 51,080 | 30,877 | 43,704 | - | 125,660 |
| (Allowance for Loan Losses) | (4,838) | (417) | (2,891) | - | (8,147) |
| Other Assets | 44,076 | 12,531 | 2,682 | 628 | 51,697 |
| Foreign Exchange Portfolio | 22,471 | 10,894 | - | - | 25,819 |
| Others | 21,605 | 1,637 | 2,682 | 628 | 25,878 |
| Permanent Assets | 2,631 | 140 | 124 | 974 | 3,869 |
| TOTAL ASSETS | 270,447 | 116,158 | 43,619 | 10,735 | 327,624 |

| LIABILITIES | Banco Itaú Holding | | | | |
|---|--------------------|----------------|---------------|---------------|----------------|
| | Itaúbanco | Itaú BBA | Itaúcred | Corporation | Itaú |
| Current and Long-Term Liabilities | 257,340 | 110,492 | 39,555 | 2,012 | 296,066 |
| Deposits | 103,123 | 62,878 | 8 | - | 78,445 |
| Deposits with Clients | 72,191 | 8,324 | 8 | - | 78,445 |
| Deposits with Intercompany* | 30,932 | 54,554 | - | - | - |
| Securities Repurchase Agreements | 51,843 | 14,608 | 34,257 | - | 85,692 |
| Securities Repurchase Agreements in the Market | 37,027 | 14,458 | 34,257 | - | 85,692 |
| Securities Repurchase Agreements in the Intercompany* | 14,817 | 150 | - | - | - |
| Funds from Acceptances and Issue of Securities | 6,685 | 1,171 | - | - | 7,177 |
| Interbank and Interbranch Accounts | 4,936 | 1,464 | 0 | - | 6,372 |
| Borrowings and On-Lendings | 5,945 | 12,763 | 254 | - | 18,962 |
| Derivative Financial Instruments | 2,967 | 2,987 | - | - | 4,326 |
| Other Liabilities | 56,709 | 14,621 | 5,036 | 2,012 | 69,959 |
| Foreign Exchange Portfolio | 22,849 | 10,663 | - | - | 25,966 |
| Others | 33,860 | 3,958 | 5,036 | 2,012 | 43,993 |
| Technical Provisions of Insurance, Capitalization and Pension Plans | 25,133 | - | - | - | 25,133 |
| Deferred Income | 52 | 22 | - | - | 74 |
| Minority Interest in Subsidiaries | - | - | - | 2,218 | 2,218 |
| Allocated Capital Tier I | 13,055 | 5,643 | 4,064 | 6,505 | 29,267 |
| TOTAL LIABILITIES | 270,447 | 116,158 | 43,619 | 10,735 | 327,624 |

*The Intercompany were eliminated in the Consolidated.

NB: The Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

Pro Forma Financial Statement by Segment

R\$ million

| 1st Quarter/08 | Banco Itaú Holding | | | | |
|---|--------------------|--------------|--------------|-------------|----------------|
| | Itaúbanco | Itaú BBA | Itaúcred | Corporation | Itaú |
| Managerial Financial Margin | 3,256 | 696 | 1,370 | 212 | 5,535 |
| • Financial Margin with Customers | 2,906 | 568 | 1,370 | 212 | 5,058 |
| • Financial Margin with Market | 350 | 128 | - | - | 478 |
| Result from Loan Losses | (963) | (25) | (595) | - | (1,583) |
| Provision for Loan and Lease Losses | (1,103) | (46) | (681) | - | (1,830) |
| Recovery of Credits Written Off as Losses | 140 | 21 | 86 | - | 247 |
| Net Result from Financial Operations | 2,293 | 671 | 775 | 212 | 3,953 |
| Other Operating Income / (Expenses) | (607) | (128) | (207) | 8 | (935) |
| Banking Service Fees | 1,919 | 137 | 447 | - | 2,501 |
| Operating Result of Insurance, Pension Plans and Capitalization | 298 | 0 | 20 | - | 318 |
| Non-interest Expenses | (2,673) | (237) | (564) | (11) | (3,484) |
| Tax Expenses for ISS, PIS and Cofins | (281) | (45) | (117) | (16) | (460) |
| Equity in the Earnings of Associated Companies | - | (1) | - | 44 | 43 |
| Other Operating Income | 130 | 18 | 8 | (8) | 147 |
| Operating Income | 1,686 | 543 | 568 | 220 | 3,017 |
| Non-operating Income | (2) | (1) | (0) | 0 | (3) |
| Income Before Tax and Profit Sharing | 1,684 | 542 | 568 | 221 | 3,014 |
| Income Tax and Social Contribution | (407) | (153) | (172) | (15) | (747) |
| Profit Sharing | (178) | (21) | (16) | - | (215) |
| Minority Interests | - | - | - | (74) | (74) |
| Recurring Net Income | 1,100 | 368 | 380 | 131 | 1,979 |
| (RAROC) - Return on Average Tier I Allocated Capital | 34.0% | 26.5% | 39.0% | 7.8% | 27.2% |
| Efficiency Ratio | 50.2% | 29.4% | 32.7% | 6.0% | 43.3% |

NB: Non-interest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

Pro Forma Financial Statements by Segment

On December 31, 2007

R\$ million

| ASSETS | Banco Itaú Holding | | | | |
|--|--------------------|----------------|---------------|---------------|----------------|
| | Itaubanco | Itaú BBA | Itaucred | Corporation | Itaú |
| Current and Long-Term Assets | 239,899 | 108,515 | 40,457 | 11,533 | 290,980 |
| Cash and Cash Equivalents | 4,059 | 230 | - | 0 | 4,288 |
| Short-term Interbank Deposits | 100,384 | 52,234 | - | 856 | 56,785 |
| Short-term Interbank Deposits in the Market | 48,748 | 7,994 | - | 856 | 56,785 |
| Short-term Interbank Deposits in the Intercompany* | 51,636 | 44,240 | - | - | - |
| Securities | 37,776 | 17,519 | - | 8,855 | 61,338 |
| Interbank and Interbranch Accounts | 17,694 | 66 | - | 0 | 17,727 |
| Loans | 46,511 | 28,236 | 40,802 | - | 115,548 |
| (Allowance for Loan Losses) | (4,770) | (393) | (2,763) | - | (7,926) |
| Other Assets | 38,246 | 10,622 | 2,419 | 1,821 | 43,220 |
| Foreign Exchange Portfolio | 18,038 | 9,120 | - | - | 18,770 |
| Others | 20,208 | 1,502 | 2,419 | 1,821 | 24,450 |
| Permanent Assets | 2,646 | 137 | 127 | 986 | 3,896 |
| TOTAL ASSETS | 242,545 | 108,652 | 40,584 | 12,519 | 294,876 |

| LIABILITIES | Banco Itaú Holding | | | | |
|---|--------------------|----------------|---------------|---------------|----------------|
| | Itaubanco | Itaú BBA | Itaucred | Corporation | Itaú |
| Current and Long-Term Liabilities | 229,716 | 103,149 | 36,859 | 3,412 | 263,713 |
| Deposits | 103,311 | 61,351 | 8 | - | 81,592 |
| Deposits with Clients | 72,467 | 9,715 | 8 | - | 81,592 |
| Deposits with Intercompany* | 30,845 | 51,636 | - | - | - |
| Securities Repurchase Agreements | 34,772 | 11,997 | 31,463 | - | 64,733 |
| Securities Repurchase Agreements in the Market | 21,376 | 11,997 | 31,463 | - | 64,733 |
| Securities Repurchase Agreements in the Intercompany* | 13,396 | - | - | - | - |
| Funds from Acceptances and Issue of Securities | 7,784 | 1,242 | - | - | 8,371 |
| Interbank and Interbranch Accounts | 351 | 1,537 | 0 | - | 1,856 |
| Borrowings and On-Lendings | 5,850 | 10,905 | 242 | - | 16,800 |
| Derivative Financial Instruments | 2,792 | 3,137 | - | 1 | 3,857 |
| Other Liabilities | 51,023 | 12,980 | 5,146 | 3,411 | 62,671 |
| Foreign Exchange Portfolio | 18,109 | 9,197 | - | - | 18,918 |
| Others | 32,914 | 3,783 | 5,146 | 3,411 | 43,754 |
| Technical Provisions of Insurance, Capitalization and Pension Plans | 23,832 | - | - | - | 23,832 |
| Deferred Income | 45 | 29 | - | - | 74 |
| Minority Interest in Subsidiaries | - | - | - | 2,121 | 2,121 |
| Allocated Capital Tier I | 12,784 | 5,474 | 3,725 | 6,987 | 28,969 |
| TOTAL LIABILITIES | 242,545 | 108,652 | 40,584 | 12,519 | 294,876 |

*The Intercompany were eliminated in the Consolidated.

NB: The Consolidated figures do not represent the sum of the parts, because there are transactions between the companies that were eliminated only in the Consolidated figures.

Pro Forma Financial Statement by Segment

R\$ million

| 4th Quarter/07 | Banco Itaú Holding | | | | |
|---|--------------------|--------------|--------------|--------------|----------------|
| | Itaubanco | Itaú BBA | Itaucred | Corporation | Itaú |
| Managerial Financial Margin | 3,258 | 526 | 1,294 | 218 | 5,298 |
| • Financial Margin with Customers | 2,860 | 358 | 1,294 | 218 | 4,731 |
| • Financial Margin with Market | 398 | 168 | - | - | 566 |
| Result from Loan Losses | (746) | (27) | (523) | - | (1,295) |
| Provision for Loan and Lease Losses | (927) | (31) | (607) | - | (1,565) |
| Recovery of Credits Written Off as Losses | 181 | 4 | 84 | - | 270 |
| Net Result from Financial Operations | 2,512 | 500 | 772 | 218 | 4,002 |
| Other Operating Income / (Expenses) | (748) | (102) | (218) | 0 | (1,068) |
| Banking Service Fees | 1,977 | 216 | 486 | 0 | 2,673 |
| Operating Result of Insurance, Pension Plans and Capitalization | 291 | (0) | 18 | - | 308 |
| Non-interest Expenses | (2,855) | (234) | (633) | (26) | (3,742) |
| Tax Expenses for ISS, PIS and Cofins | (312) | (48) | (117) | (108) | (585) |
| Equity in the Earnings of Associated Companies | - | 6 | - | 128 | 134 |
| Other Operating Income | 152 | (41) | 28 | 6 | 144 |
| Operating Income | 1,764 | 398 | 553 | 219 | 2,935 |
| Non-operating Income | (18) | 4 | (0) | 0 | (15) |
| Income Before Tax and Profit Sharing | 1,746 | 402 | 553 | 219 | 2,920 |
| Income Tax and Social Contribution | (586) | (82) | (188) | (24) | (880) |
| Profit Sharing | (123) | (48) | (19) | 0 | (190) |
| Minority Interests | - | - | - | (61) | (61) |
| Recurring Net Income | 1,036 | 272 | 346 | 134 | 1,789 |
| (RAROC) - Return on Average Tier I Allocated Capital | 30.8% | 18.3% | 39.3% | 9.6% | 25.1% |
| Efficiency Ratio | 53.2% | 35.9% | 37.0% | 22.2% | 47.7% |

NB: Non-interest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

Pro Forma Financial Statements by Subsegment

The *pro forma* financial statements of the sub-segments: Branch Banking; Credit Cards – Account Holders; Insurance, Pension Plans and Capitalization; and Fund Management and Managed Portfolios presented below were adjusted so as to evidence the impacts associated with the allocation of capital in each of those subsegments .

On March 31, 2008

R\$ million

| ASSETS | Itaúbanco | | | |
|-------------------------------------|----------------|--------------------------------|---|----------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Consolidated |
| Current and Long-Term Assets | 230,648 | 8,564 | 28,604 | 267,816 |
| Cash and Cash Equivalents | 4,093 | 132 | 36 | 4,261 |
| Short-term Interbank Deposits | 106,897 | 398 | - | 107,295 |
| Securities | 19,040 | 159 | 26,217 | 45,415 |
| Interbank and Interbranch Accounts | 20,528 | - | - | 20,528 |
| Loans | 45,488 | 5,592 | - | 51,080 |
| (Allowance for Loan Losses) | (4,357) | (481) | - | (4,838) |
| Other Assets | 38,961 | 2,764 | 2,351 | 44,076 |
| Permanent Assets | 2,396 | 49 | 186 | 2,631 |
| TOTAL ASSETS | 233,045 | 8,612 | 28,790 | 270,447 |

R\$ Million

| LIABILITIES | Itaúbanco | | | |
|---|----------------|--------------------------------|---|----------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Consolidated |
| Current and Long-Term Liabilities | 222,487 | 7,995 | 26,858 | 257,340 |
| Deposits | 103,123 | - | - | 103,123 |
| Securities Repurchase Agreements | 51,843 | - | - | 51,843 |
| Funds from Acceptances and Issue of Securities | 6,685 | - | - | 6,685 |
| Interbank and Interbranch Accounts | 4,936 | - | - | 4,936 |
| Borrowings and On-Lendings | 5,862 | 83 | - | 5,945 |
| Derivative Financial Instruments | 2,966 | - | 1 | 2,967 |
| Other Liabilities | 47,072 | 7,912 | 1,724 | 56,709 |
| Technical Provisions of Insurance, Pension Plans and Capitalization | - | - | 25,133 | 25,133 |
| Deferred Income | 49 | 2 | 0 | 52 |
| Minority Interest in Subsidiaries | - | - | - | - |
| Allocated Capital Tier I | 10,508 | 615 | 1,932 | 13,055 |
| TOTAL LIABILITIES | 233,045 | 8,612 | 28,790 | 270,447 |

Consolidated Pro Forma Financial Statement by Subsegment

R\$ million

| 1st Quarter/08 | Itaúbanco | | | | Consolidated |
|---|----------------|--------------------------------|---|---|--------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Investment Funds and Managed Portfolios | |
| Managerial Financial Margin | 2,816 | 321 | 118 | - | 3,256 |
| • Financial Margin with Customers | 2,488 | 321 | 97 | - | 2,906 |
| • Financial Margin with Market | 329 | - | 21 | - | 350 |
| Result from Loan Losses | (862) | (101) | - | - | (963) |
| Provision for Loan and Lease Losses | (983) | (120) | - | - | (1,103) |
| Recovery of Credits Written Off as Losses | 121 | 19 | - | - | 140 |
| Net Result from Financial Operations | 1,955 | 220 | 118 | - | 2,293 |
| Other Operating Income/(Expenses) | (875) | 25 | 141 | 102 | (607) |
| Banking Service Fees | 943 | 394 | 77 | 504 | 1,919 |
| Transfer to Banking | 202 | - | - | (202) | - |
| Operating Result of Insurance, Pension Plans and Capitalization | 20 | 10 | 268 | - | 298 |
| Non-interest Expenses | (1,968) | (352) | (181) | (172) | (2,673) |
| Tax Expenses for ISS, PIS and Cofins | (172) | (47) | (34) | (28) | (281) |
| Other Operating Income | 100 | 20 | 10 | - | 130 |
| Operating Income | 1,080 | 245 | 259 | 102 | 1,686 |
| Non-operating Income | (9) | - | 7 | - | (2) |
| Income Before Tax and Profit Sharing | 1,071 | 245 | 266 | 102 | 1,684 |
| Income Tax and Social Contribution | (212) | (80) | (80) | (35) | (407) |
| Profit Sharing | (118) | (10) | (3) | (46) | (178) |
| Recurring Net Income | 741 | 155 | 182 | 21 | 1,100 |
| (RAROC) - Return on Average Tier I Allocated Capital | 28.5% | 96.3% | 38.6% | - | 34.0% |
| Efficiency Ratio | 50.3% | 50.4% | 41.1% | - | 50.2% |

NB: Non-interest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

Pro Forma Financial Statements by Subsegment

On December 31, 2007

R\$ million

| ASSETS | Itaubanco | | | |
|-------------------------------------|----------------|-----------------------------------|--|----------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Consolidated |
| Current and Long-Term Assets | 203,490 | 9,058 | 27,351 | 239,899 |
| Cash and Cash Equivalents | 3,848 | 137 | 73 | 4,059 |
| Short-term Interbank Deposits | 99,992 | 392 | - | 100,384 |
| Securities | 12,278 | 455 | 25,042 | 37,776 |
| Interbank and Interbranch Accounts | 17,694 | - | - | 17,694 |
| Loans | 40,563 | 5,948 | - | 46,511 |
| (Allowance for Loan Losses) | (4,202) | (568) | - | (4,770) |
| Other Assets | 33,317 | 2,693 | 2,236 | 38,246 |
| Permanent Assets | 2,403 | 51 | 193 | 2,646 |
| TOTAL ASSETS | 205,892 | 9,109 | 27,543 | 242,545 |

R\$ million

| LIABILITIES | Itaubanco | | | |
|---|----------------|-----------------------------------|--|----------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Consolidated |
| Current and Long-Term Liabilities | 195,601 | 8,420 | 25,696 | 229,716 |
| Deposits | 103,311 | - | - | 103,311 |
| Securities Repurchase Agreements | 34,772 | - | - | 34,772 |
| Funds from Acceptances and Issue of Securities | 7,784 | - | - | 7,784 |
| Interbank and Interbranch Accounts | 351 | - | - | 351 |
| Borrowings and On-Lendings | 5,766 | 84 | - | 5,850 |
| Derivative Financial Instruments | 2,792 | - | - | 2,792 |
| Other Liabilities | 40,824 | 8,336 | 1,863 | 51,023 |
| Technical Provisions of Insurance, Pension Plans and Capitalization | - | - | 23,832 | 23,832 |
| Deferred Income | 29 | 16 | - | 45 |
| Minority Interest in Subsidiaries | - | - | - | - |
| Allocated Capital Tier I | 10,263 | 673 | 1,848 | 12,784 |
| TOTAL LIABILITIES | 205,892 | 9,109 | 27,543 | 242,545 |

Consolidated Pro Forma Financial Statement by Subsegment

R\$ Million

| 4th Quarter/07 | Itaubanco | | | | Consolidated |
|---|----------------|-----------------------------------|--|--|--------------|
| | Branch Banking | Credit Cards - Account Holders | Insurance, Pension Plans and Capitalization | Investment Funds and Managed Portfolios | |
| Managerial Financial Margin | 2,853 | 309 | 96 | - | 3,258 |
| • Financial Margin with Customers | 2,455 | 309 | 96 | - | 2,860 |
| • Financial Margin with Market | 398 | - | - | - | 398 |
| Result from Loan Losses | (643) | (103) | - | - | (746) |
| Provision for Loan and Lease Losses | (806) | (121) | - | - | (927) |
| Recovery of Credits Written Off as Losses | 163 | 18 | - | - | 181 |
| Net Result from Financial Operations | 2,210 | 206 | 96 | - | 2,512 |
| Other Operating Income/(Expenses) | (1,029) | 13 | 152 | 116 | (748) |
| Banking Service Fees | 931 | 393 | 81 | 572 | 1,977 |
| Transfer to Banking | 228 | - | - | (228) | - |
| Operating Result of Insurance, Pension Plans and Capitalization | 6 | 10 | 275 | - | 291 |
| Non-interest Expenses | (2,124) | (359) | (178) | (194) | (2,855) |
| Tax Expenses for ISS, PIS and Cofins | (201) | (48) | (28) | (34) | (312) |
| Other Operating Income | 131 | 18 | 2 | - | 152 |
| Operating Income | 1,181 | 219 | 249 | 116 | 1,764 |
| Non-operating Income | (24) | (0) | 7 | - | (18) |
| Income Before Tax and Profit Sharing | 1,157 | 219 | 255 | 116 | 1,746 |
| Income Tax and Social Contribution | (389) | (72) | (86) | (39) | (586) |
| Profit Sharing | (72) | (7) | (5) | (39) | (123) |
| Recurring Net Income | 695 | 140 | 164 | 37 | 1,036 |
| (RAROC) - Return on Average Tier I Allocated Capital | 25.3% | 86.1% | 36.2% | - | 30.8% |
| Efficiency Ratio | 53.8% | 52.7% | 41.7% | - | 53.2% |

NB: Non-interest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

Itaubanco - Branch Banking

The income statement of Itaubanco's Branch Banking sub-segment is based on the *pro forma* financial statements of Banco Itaú.

R\$ million

| Itaubanco - Branch Banking | | 1st Q/08 | 4th Q/07 | Variation | |
|---|----------|--------------|----------------|--------------|---------------|
| Managerial Financial Margin | A | 2,816 | 2,853 | (37) | -1.3% |
| • Financial Margin with Customers | | 2,488 | 2,455 | 32 | 1.3% |
| • Financial Margin with Market | | 329 | 398 | (69) | -17.4% |
| Result from Loan Losses | | (862) | (643) | (219) | 34.0% |
| Provision for Loan and Lease Losses | B | (983) | (806) | (177) | 21.9% |
| Recovery of Credits Written Off as Losses | | 121 | 163 | (42) | -25.8% |
| Net Result from Financial Operations | | 1,955 | 2,210 | (256) | -11.6% |
| Other Operating Income/(Expenses) | | (875) | (1,029) | 154 | -15.0% |
| Banking Service Fees | | 1,145 | 1,160 | (15) | -1.3% |
| Operating Result of Insurance, Pension Plans and Capitalization | | 20 | 6 | 15 | 259.7% |
| Non-interest Expenses | C | (1,968) | (2,124) | 156 | -7.3% |
| Tax Expenses for ISS, PIS and Cofins | | (172) | (201) | 30 | -14.7% |
| Other Operating Income | | 100 | 131 | (31) | -23.7% |
| Operating Income | | 1,080 | 1,181 | (101) | -8.6% |
| Non-operating Income | | (9) | (24) | 16 | -64.0% |
| Income Before Tax and Profit Sharing | | 1,071 | 1,157 | (86) | -7.4% |
| Income Tax and Social Contribution | D | (212) | (389) | 177 | -45.5% |
| Profit Sharing | | (118) | (72) | (45) | 63.0% |
| Recurring Net Income | | 741 | 695 | 46 | 6.6% |

NB: Non-interest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

The Banking subsegment net income totaled R\$741 million in the first quarter of 2008, a 6.6% increase from the prior quarter. The main drivers of this result include:

- A) The managerial financial margin was impacted by a reduction in financial margin on market transactions, basically as a result of lower gains from fixed financial instruments. This was offset in part by improved results from the expansion in the credit portfolio, which increased the financial margin with customers.
- B) Expenses relating to the provision for doubtful accounts increased on account of the expanded credit portfolio.
- C) Drivers of decreased non-interest expenses include, among others, lower expenses with labor provisions, advertising and taxes (due to the extinguishment of CPMF).
- D) Income tax and social contribution on net income expenses were reduced in the first quarter of 2008 as the Bank resumed profit distributions in the form of Interest of Own Capital, a vehicle that provides for tax benefits.

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---|------------|------------|-------------|---------------|
| | | | Balance | % |
| Treasury | 159 | 214 | (55) | -25.8% |
| Management of Foreign Exchange Risk from Investments Abroad | 170 | 184 | (14) | -7.7% |
| Financial Margin on Market Transactions | 329 | 398 | (69) | -17.4% |

Itaubanco - Credit Cards - Account Holders

The *pro forma* financial statements below were prepared based on Itaú internal management information and are intended to report the performance of the businesses connected with the Credit Cards of current account customers, including Itaucard, Orbitall and Redecard.

R\$ million

| Itaubanco - Credit Cards - Account Holders | | 1st Q/08 | 4th Q/07 | Variation | |
|--|---|----------|----------|-----------|-------|
| Managerial Financial Margin | A | 321 | 309 | 13 | 4.1% |
| Result from Loan Losses | | (101) | (103) | 2 | -1.8% |
| Provision for Loan Losses | | (120) | (121) | 1 | -0.9% |
| Recovery of Credits Written Off as Losses | | 19 | 18 | 1 | 4.4% |
| Net Result from Financial Operations | | 220 | 206 | 14 | 7.0% |
| Other Operating Income/(Expenses) | | 25 | 13 | 12 | 86.7% |
| Banking Service Fees | | 394 | 393 | 1 | 0.3% |
| Result from Op. of Insurance, Pension Plans and Capitalization | | 10 | 10 | 1 | 7.1% |
| Noninterest Expenses | B | (352) | (359) | 7 | -2.0% |
| Tax Expenses for ISS, PIS and Cofins | | (47) | (48) | 1 | -1.1% |
| Other Operating Income | | 20 | 18 | 2 | 11.1% |
| Operating Income | | 245 | 219 | 26 | 11.8% |
| Non-Operating Income | | - | (0) | 0 | - |
| Income Before Tax and Profit Sharing | | 245 | 219 | 26 | 12.0% |
| Income Tax and Social Contribution | | (80) | (72) | (8) | 11.2% |
| Profit Sharing | | (10) | (7) | (3) | 45.1% |
| Recurring Net Income | | 155 | 140 | 15 | 10.7% |

NB: Noninterest Expenses item is made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes and Other Operating Expenses.

The Credit Card – Account Holders subsegment net income reached R\$ 155 million in the first quarter of 2008, a 10.7% increase compared to the prior quarter, chiefly due to the following items:

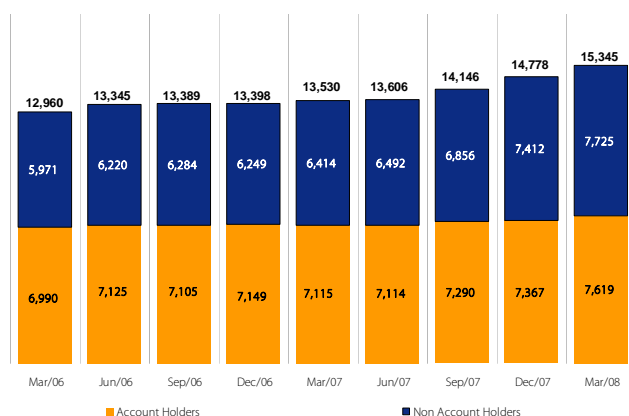
- A) Higher level of financing to credit card holders, and higher revenues from prepayments to retailers; and
- B) Absence of advertising, telemarketing and mail expenses usually seen in the fourth quarter of the year.

In March 2008, active accounts (accounts that received invoices) represented 74.8% of total accounts. Of this amount, 83.9% carried out transactions in the last month, with an average activity of R\$ 1,417.13 per account in the quarter.

Transactions carried out by account holders in the period totaled R\$ 5,761 million, representing a 8.8% decrease from the prior quarter when, for seasonal reasons, the transaction amount was significantly higher.

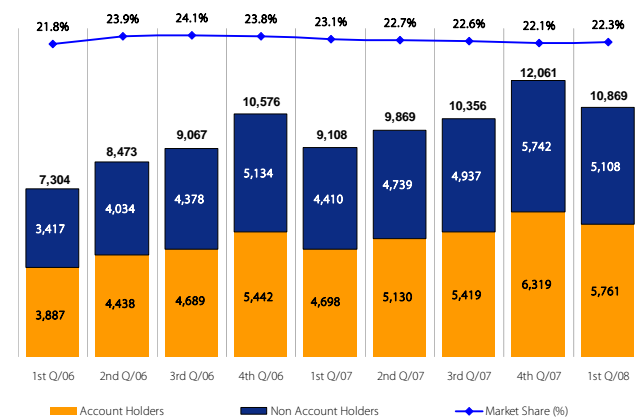
Quantity of Credit Cards

In thousands



Amount of Transactions

R\$ million



The market share of the amount of transactions was computed based on total market figures provided by Associação Brasileira das Empresas de Cartões de Crédito e Serviços – Abecs (Brazilian Association of Credit Card and Service Companies).

Itaubanco - Insurance, Pension Plans and Capitalization

The *pro forma* financial statements below were prepared based on Itaú internal and management information and are intended to identify the performance of the insurance-related businesses.

On March 31, 2008

R\$ million

| ASSETS | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|-------------------------------------|--------------|------------------------|----------------|---------------|
| Current and Long-Term Assets | 3,242 | 24,100 | 1,281 | 28,604 |
| Cash and Cash Equivalents | 15 | 19 | 2 | 36 |
| Securities | 1,256 | 23,699 | 1,262 | 26,217 |
| Other Assets | 1,970 | 382 | 17 | 2,351 |
| Permanent Assets | 140 | 5 | 49 | 186 |
| TOTAL ASSETS | 3,382 | 24,105 | 1,330 | 28,790 |

R\$ million

| LIABILITIES | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|---|--------------|------------------------|----------------|---------------|
| Current and Long-Term Liabilities | 2,847 | 22,805 | 1,233 | 26,858 |
| Technical Provisions - Insurance | 1,676 | 409 | - | 2,085 |
| Technical Provisions - Pension Plans and VGBL | - | 21,922 | - | 21,922 |
| Technical Provisions - Capitalization | - | - | 1,135 | 1,127 |
| Other Liabilities | 1,171 | 474 | 99 | 1,724 |
| Allocated Capital Tier I | 535 | 1,300 | 97 | 1,932 |
| TOTAL LIABILITIES | 3,382 | 24,105 | 1,330 | 28,790 |

Statement of Income

R\$ million

| 1st Quarter/08 | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|--|--------------|------------------------|----------------|----------------|
| Revenues from Insurance, Pension Plans and Capitalization | 570 | 1,709 | 238 | 2,513 |
| Retained Insurance Premiums (a) | 570 | 158 | - | 728 |
| Revenues from Pension Plans (b) | - | 1,551 | - | 1,551 |
| Revenues from Capitalization (c) | - | - | 238 | 234 |
| Changes in Technical Reserves | 13 | (1,073) | (171) | (1,228) |
| Insurance (d) | 13 | (17) | - | (4) |
| Pension Plans (e) | - | (1,057) | - | (1,057) |
| Capitalization (f) | - | - | (171) | (168) |
| Pension Plan Benefits and Withdrawals (g) | - | (475) | - | (475) |
| Earned Premiums (h=a+d) | 583 | 141 | - | 724 |
| Result of Pension Plans and Capitalization (i=b+c+e+f+g) | - | 20 | 67 | 86 |
| Retained Claims (j) | (332) | (51) | - | (384) |
| Selling Expenses (k) | (127) | (15) | (4) | (146) |
| Other Operating Income/(Expenses) of Insurance Operations (l) | (10) | (3) | (0) | (12) |
| Underwriting Margin (m=h+j+k+l) | 114 | 71 | - | 185 |
| Result from Insurance, Pension Plans and Capitalization (n=i+m) | 114 | 91 | 63 | 268 |
| Managerial Financial Margin | 54 | 52 | 13 | 118 |
| Service Fees | - | 78 | - | 77 |
| Non-interest Expenses | (88) | (51) | (42) | (181) |
| Tax Expenses for ISS, PIS and Cofins | (19) | (11) | (4) | (34) |
| Other Operating Income | 12 | (2) | 0 | 10 |
| Operating Income | 72 | 156 | 30 | 259 |
| Non-operating Income | 5 | 0 | 2 | 7 |
| Income Before Income Tax and Social Contribution | 77 | 156 | 32 | 266 |
| Income Tax/Social Contribution | (23) | (46) | (11) | (80) |
| Profit Sharing | (2) | (1) | - | (3) |
| Recurring Net Income | 51 | 109 | 22 | 182 |
| (RAROC) - Return on Average Tier I Allocated Capital | 38.7% | 34.6% | 90.0% | 38.6% |
| Efficiency Ratio | 54.9% | 24.8% | 57.9% | 41.1% |

NB: The Consolidated figure does not represent the sum of the parts because certain intercompany transactions were eliminated only at the Consolidated level.

The information on VGBL was classified together with the pension plan products.

Non-interest Expenses comprise Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes, and Other Operating Expenses.

The insurance subsegment includes 100% of Itaú XL. The Underwriting Margin refers to the insurance business.

Itaubanco - Insurance, Pension Plans and Capitalization

On December 31, 2007

R\$ million

| ASSETS | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|-------------------------------------|--------------|------------------------|----------------|---------------|
| Current and Long-Term Assets | 3,374 | 22,712 | 1,352 | 27,351 |
| Cash and Cash Equivalents | 31 | 25 | 16 | 73 |
| Securities | 1,391 | 22,349 | 1,308 | 25,042 |
| Other Assets | 1,951 | 339 | 27 | 2,236 |
| Permanent Assets | 146 | 5 | 49 | 193 |
| TOTAL ASSETS | 3,520 | 22,718 | 1,401 | 27,543 |

R\$ million

| LIABILITIES | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|---|--------------|------------------------|----------------|---------------|
| Current and Long-Term Liabilities | 2,993 | 21,495 | 1,303 | 25,696 |
| Technical Provisions - Insurance | 1,642 | 375 | - | 2,016 |
| Technical Provisions - Pension Plans and VGBl | - | 20,688 | - | 20,689 |
| Technical Provisions - Capitalization | - | - | 1,135 | 1,127 |
| Other Liabilities | 1,350 | 433 | 169 | 1,863 |
| Allocated Capital Tier I | 528 | 1,222 | 98 | 1,848 |
| TOTAL LIABILITIES | 3,520 | 22,718 | 1,401 | 27,543 |

Statement of Income

R\$ million

| 4th Quarter/07 | Insurance | Life and Pension Plans | Capitalization | Consolidated |
|--|--------------|------------------------|----------------|----------------|
| Revenues from Insurance, Pension Plans and Capitalization | 587 | 1,695 | 256 | 2,534 |
| Retained Insurance Premiums (a) | 587 | 129 | - | 716 |
| Revenues from Pension Plans (b) | - | 1,566 | - | 1,566 |
| Revenues from Capitalization (c) | - | - | 256 | 252 |
| Changes in Technical Reserves | (30) | (883) | (172) | (1,081) |
| Insurance (d) | (30) | (1) | - | (31) |
| Pension Plans (e) | - | (882) | - | (882) |
| Capitalization (f) | - | - | (172) | (169) |
| Pension Plan Benefits and Withdrawals (g) | - | (656) | - | (656) |
| Earned Premiums (h=a+d) | 557 | 128 | - | 685 |
| Result of Pension Plans and Capitalization (i=b+c+e+f+g) | - | 29 | 85 | 112 |
| Retained Claims (j) | (318) | (49) | - | (369) |
| Selling Expenses (k) | (131) | (15) | (3) | (148) |
| Other Operating Income/(Expenses) of Insurance Operations (l) | (4) | (1) | (1) | (4) |
| Underwriting Margin (m=h+j+k+l) | 105 | 63 | - | 168 |
| Result from Insurance, Pension Plans and Capitalization (n=i+m) | 105 | 91 | 81 | 275 |
| Managerial Financial Margin | 32 | 56 | 9 | 96 |
| Service Fees | - | 82 | - | 81 |
| Non-interest Expenses | (84) | (59) | (35) | (178) |
| Tax Expenses for ISS, PIS and Cofins | (15) | (10) | (5) | (28) |
| Other Operating Income | 2 | 0 | 0 | 2 |
| Operating Income | 40 | 160 | 51 | 249 |
| Non-operating Income | 5 | 0 | 2 | 7 |
| Income Before Income Tax and Social Contribution | 44 | 160 | 53 | 255 |
| Income Tax/Social Contribution | (15) | (54) | (18) | (86) |
| Profit Sharing | (4) | (1) | - | (5) |
| Recurring Net Income | 25 | 105 | 35 | 164 |
| (RAROC) - Return on Average Tier I Allocated Capital | 18.9% | 35.5% | 144.4% | 36.2% |
| Efficiency Ratio | 68.1% | 26.9% | 41.0% | 41.7% |

NB: The Consolidated figure does not represent the sum of the parts because certain intercompany transactions were eliminated only at the Consolidated level.

The information on VGBl was classified together with the pension plan products.

Non-interest Expenses comprise Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes, and Other Operating Expenses.

The insurance subsegment includes 100% of Itaú XL. The Underwriting Margin refers to the insurance business.

Itaubanco - Insurance, Pension Plans and Capitalization

Insurance

The Underwriting Margin increased by 8.9%, due to the better performance of high risk products, the claim rate of which declined compared to the prior quarter. Such growth was mainly driven by the following products: Transportation, Commercial Vehicles, and DPVAT.

The Managerial Financial Margin grew by R\$ 22 million, primarily due to interest and monetary restatement of tax credits (R\$ 13 million), and secondarily on account of IRB dividends received in the amount of R\$ 4 million.

The positive change of R\$ 10 million in Other Operating Income is attributable to the R\$ 9 million restatement of tax credits.

Life and Pension Plan

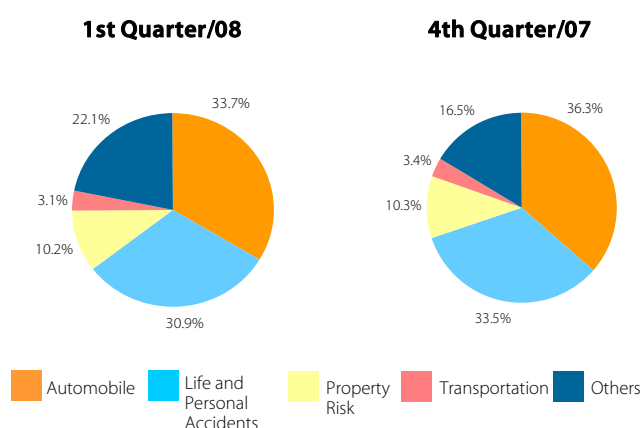
The *pro forma* net income of the life and pension plan subsegment grew by 3.6% compared to the prior quarter. Retained Insurance Premiums increased by 22.5%, as a result of the seasonal effect of DPVAT, the product which accounts for the higher volume of revenues in the first quarter of the year.

Revenues from pension plan cancellation fees, recognized in Other Insurance Operating Income/ (Expenses), are no longer charged, in accordance with Susep Circular Letter 358, of December 28, 2007. This gave rise to a decrease in revenue of R\$ 2 million in this line.

Capitalization

The *pro forma* net income of the capitalization subsegment totaled R\$ 22 million in the period. When compared to the prior quarter, such income declined, as the volume of revenues was not as high as in December 2007, when sales campaigns were run.

Composition of earned premiums

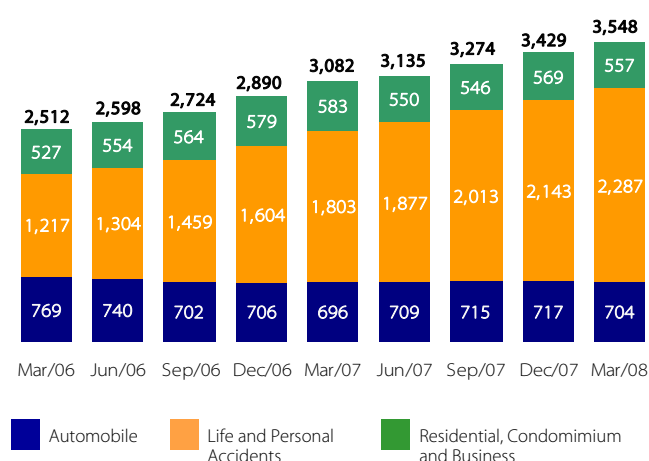


NB: Insurance charts do not include the Itaúseg Saúde companies and include the Life line of Itaú Vida e Previdência S.A.

As shown in the above charts, "Other products", which include DPVAT insurance, increased their share by 5.6 p.p. The DPVAT insurance product follows a seasonal performance and its highest contribution is seen in the first quarter of the year.

Number of Policies - Mass products

In thousands

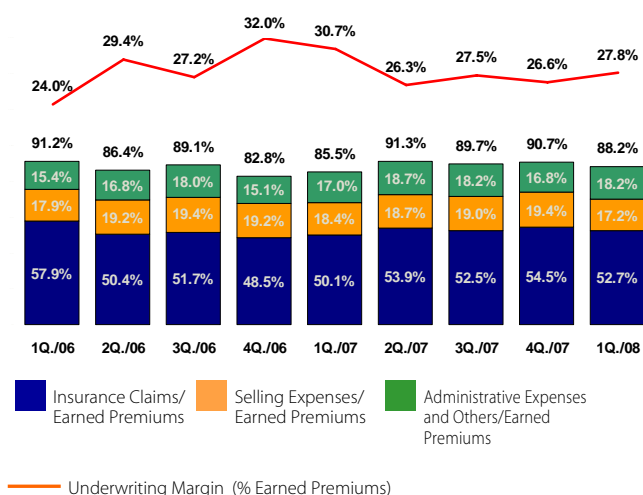


Itaubanco - Insurance, Pension Plans and Capitalization

Combined Ratio

The combined ratio, which shows the operating cost efficiency in relation to income from premiums earned, increased by 2.5 p.p. quarter-on-quarter.

Combined Ratio and Underwriting Margin

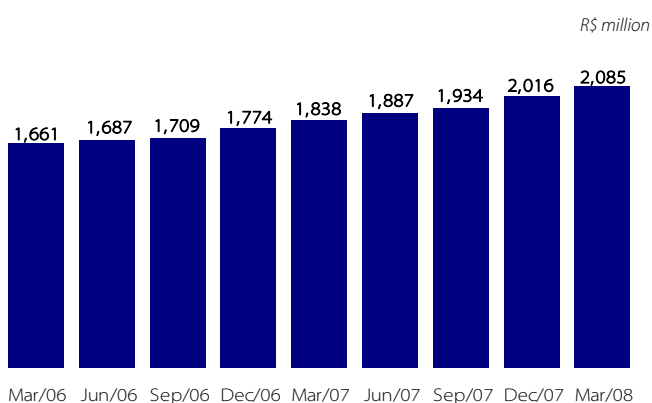


As from the previous quarter, additional information on Underwriting Margin as a percentage of Earned Premiums is presented, so as to highlight the relationship between the combined ratio and the segment operating performance.

NB: The chart does not include the Itaú Saúde company and includes the Life line of Itaú Vida e Previdência S.A. The results from *Proteção Cartão* are not included in the calculation of the combined ratio.

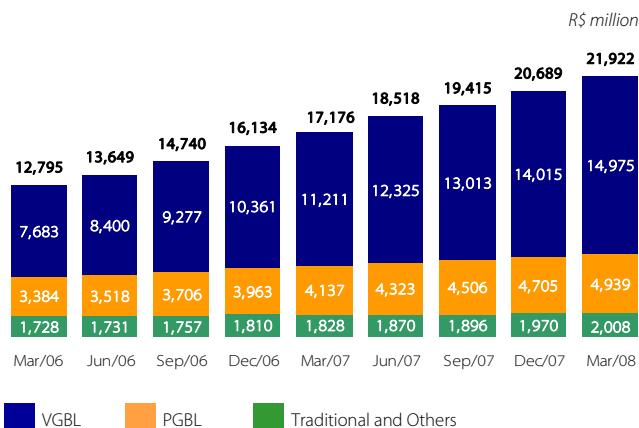
Insurance Technical Provisions

At March 31, 2008, technical provisions amounted to R\$ 2,085 million, a 3.4% growth in the quarter.



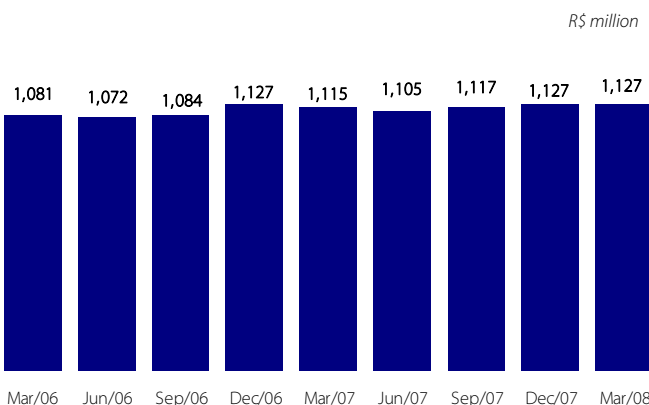
Pension Plan Technical Provisions

At March 31, 2008, technical provisions added up to R\$ 21,922 million, a 6.0% increase compared to the prior quarter.

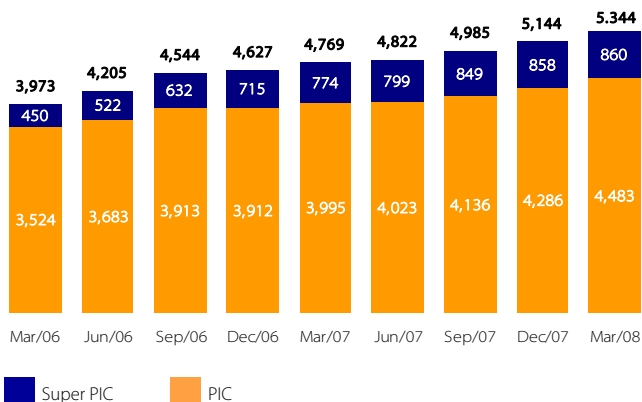


Capitalization Technical Provisions

At March 31, 2008, technical provisions remained stable, at R\$ 1,127 million in the quarter.



Number of Capitalization Bonds - PIC



During the quarter, this portfolio comprised 5.3 million active bonds, growing by 3.9% compared to the prior quarter.

Itaubanco - Investment Funds and Managed Portfolio

The *pro forma* financial statements shown below are based on management information generated by in-house models, so as to more accurately reflect the performance of the Fund Management area.

R\$ million

| Itaubanco - Investment Funds and Managed Portfolios | 1st Q/08 | 4th Q/07 | Variation | |
|---|--------------|--------------|-------------|---------------|
| Banking Service Fees | 504 | 572 | (68) | -11.9% |
| Mutual Fund Management Fees (*) | 395 | 407 | (12) | -2.9% |
| Brokerage Services and Placement of Securities | 76 | 132 | (56) | -42.7% |
| Custody Services and Managed Portfolios | 34 | 33 | 0 | 1.2% |
| Transfer to Banking | (202) | (228) | 27 | -11.7% |
| Non-interest Expenses | (172) | (194) | 22 | -11.4% |
| Tax Expenses for ISS, PIS and Cofins | (28) | (34) | 6 | -16.5% |
| Income before Tax and Profit Sharing | 102 | 116 | (13) | -11.6% |
| Income Tax and Social Contribution | (35) | (39) | 5 | -11.6% |
| Profit Sharing | (46) | (39) | (7) | 18.1% |
| Recurring Net Income | 21 | 37 | (16) | -43.3% |

(*) Does not include income from Pension Plans Fund Management.

Note: The Non-interest Expenses are made up of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Others and Other Operating Expenses.

In the first quarter of 2008, net income from investment funds and managed portfolios amounted to R\$ 21 million.

During the period, revenues from brokerage services and placement of securities decreased by 42.7% compared to the prior quarter, as a result of the reduced volume of public offerings of shares. Also, revenues from fund management declined by 2.9%, essentially driven by the lower number of business days in the first quarter than in the prior quarter. The decreased market share over the past quarters parallels the migration of customers' funds to savings deposits, CDBs and committed operations. The market share of time deposits and committed operations significantly increased over recent months, from 9.7% in January 2007 to 12.4% in January 2008 to face loans growth.

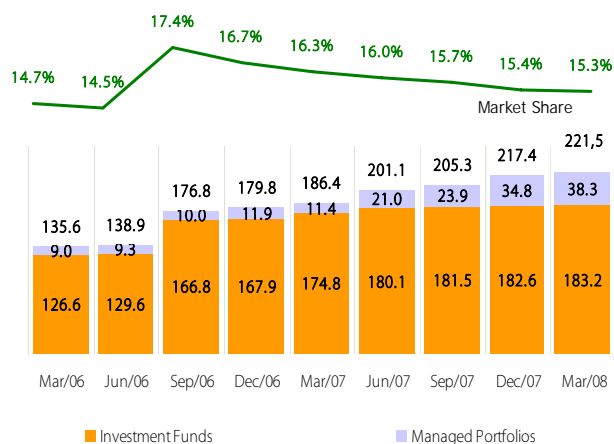
Itaú Corretora

In the first quarter of 2008, Itaú Corretora, whose management is independent from the fund management activities, handled contracts worth R\$ 29,159 million on Bovespa, corresponding to a 51.2% growth from the same period of 2007. Contracts handled on BM&F amounted to 2.8 million, 3.1% more than in the prior quarter.

Itaú Corretora acted as coordinator of Redecard's follow-on offer, for the aggregate amount of R\$ 1.2 billion.

Assets Under Management (AUM)

R\$ billion



Market Share - Source: ANBID/Ranking Global

Itaú Corretora, through its Home Broker – www.itaubroker.com.br – was responsible for a volume of trading of R\$ 3,481 million, growing by 110.7% and 3.6% from the first quarter and fourth quarter of 2007, respectively.

Itaú BBA

The *pro forma* income statement of Itaú BBA is presented below.

R\$ million

| Itaú BBA | 1st Q/08 | 4th Q/07 | Variation | |
|--|--------------|--------------|-------------|---------------|
| Managerial Financial Margin | 696 | 526 | 169 | 32.2% |
| • Financial Margin with Customers | 568 | 358 | 210 | 58.5% |
| • Financial Margin with Market | 128 | 168 | (40) | -23.9% |
| Result from Loan Losses | (25) | (27) | 1 | -5.4% |
| Provision for Loan and Lease Losses | (46) | (31) | (15) | 49.3% |
| Recovery of Credits Written Off as Losses | 21 | 4 | 17 | 406.3% |
| Net Result from Financial Operations | 671 | 500 | 171 | 34.2% |
| Other Operating Income/(Expenses) | (128) | (102) | (26) | 25.9% |
| Banking Service Fees | 137 | 216 | (79) | -36.6% |
| Non-interest Expenses | (237) | (234) | (2) | 1.1% |
| Tax Expenses for ISS, PIS and Cofins | (45) | (48) | 3 | -5.8% |
| Equity in the Earnings of Associated Companies | (1) | 6 | (7) | -110.7% |
| Other Operating Income | 18 | (41) | 59 | -143.5% |
| Operating Income | 543 | 398 | 145 | 36.3% |
| Non-operating Income | (1) | 4 | (4) | -122.0% |
| Income before Tax and Profit Sharing | 542 | 402 | 140 | 34.9% |
| Income Tax and Social Contribution | (153) | (82) | (71) | 87.0% |
| Profit Sharing | (21) | (48) | 27 | -55.9% |
| Recurring Net Income | 368 | 272 | 96 | 35.2% |

Note: The item Non-Interest Expenses is composed of Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and other taxes and Other Operating Expenses.

In the first quarter of 2008, the financial margin totaled R\$ 696 million, corresponding to a 32.2% increase compared to R\$ 526 million in the prior quarter.

The financial margin on customer transactions was R\$ 568 million, a 58.5% increase essentially driven by the increased volume of structured transactions.

The financial margin on market transactions totaled R\$ 128 million, a 23.9% decline compared to the prior quarter. For treasury transactions, the R\$ 37 million result reflects the impact on asset's prices of the international financial crisis and a more conservative management of proprietary positions. The financial margin of management of exchange risk of investments abroad corresponds to the remuneration of these investments at the CDI rate and the result of R\$ 91 million arises from the US\$ 500 million capital increase which took place in January.

The outstanding quality level of the credit portfolio is to be highlighted, with 99% of credits having been ascribed "AA", "A" and "B" risk levels, pursuant to the criteria set forth in Resolution 2.682 of the National Monetary Council. The results from doubtful loans were a provision expense of R\$ 25 million in the first quarter, chiefly due to risk re-ratings in the amount of R\$ 46 million, partly offset by recoveries of credits previously written-off as losses in the amount of R\$ 21 million.

Net result from financial intermediation totaled R\$ 671 million, or a 34.2% increase compared to the prior quarter.

Banking service fees added up to R\$ 137 million in the first quarter of 2008, declining by 36.6% from the previous quarter, primarily as a result of lower revenues from investment banking transactions.

Non-interest expenses amounted to R\$ 237 million, in line with prior quarter figures.

As a result of the above mentioned items, Itaú BBA's *pro forma* net income amounted to R\$ 368 million in the first quarter, a 35.2% growth from the prior quarter, corresponding to an annualized return on average allocated capital (tier 1) of 26.5% in the period.

R\$ million

| | 1st Q/08 | 4th Q/07 | Variation | |
|---|------------|------------|-------------|---------------|
| | | | Balance | % |
| Treasury | 37 | 99 | (61) | -62.1% |
| Management of Foreign Exchange Risk from Investments Abroad | 91 | 70 | 21 | 30.2% |
| Financial Margin on Market Transactions | 128 | 168 | (40) | -23.9% |

Itaucred

The *pro forma* financial statements of Itaucred are presented below, based on managerial information provided by proprietary models, in order to more accurately reflect the performance of the business units.

On March 31, 2008

R\$ million

| ASSETS | Itaucred | | | |
|-------------------------------------|---------------|--|-------------------|---------------|
| | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
| Current and Long-Term Assets | 35,656 | 3,965 | 3,874 | 43,495 |
| Loans | 35,204 | 4,181 | 4,319 | 43,704 |
| (Allowance for Loan Losses) | (1,820) | (417) | (655) | (2,891) |
| Other Assets | 2,271 | 201 | 210 | 2,682 |
| Permanent Assets | 59 | 0 | 65 | 124 |
| TOTAL ASSETS | 35,715 | 3,965 | 3,938 | 43,619 |

R\$ million

| LIABILITIES | Itaucred | | | |
|--|---------------|--|-------------------|---------------|
| | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
| Current and Long-Term Liabilities | 32,924 | 3,350 | 3,281 | 39,555 |
| Deposits | 8 | - | - | 8 |
| Securities Repurchase Agreements | 31,439 | 502 | 2,316 | 34,257 |
| Borrowings and On-Lendings | 254 | - | 0 | 254 |
| Other Liabilities | 1,223 | 2,847 | 966 | 5,036 |
| Allocated Capital Tier I | 2,791 | 616 | 657 | 4,064 |
| Allocated Capital Tier I of Minority Interests | - | - | 154 | 154 |
| Allocated Capital Tier I of Parent Company | 2,791 | 616 | 503 | 3,910 |
| TOTAL LIABILITIES | 35,715 | 3,965 | 3,938 | 43,619 |

Statement of Income

R\$ million

| 1st Quarter/08 | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
|---|--------------|--|-------------------|--------------|
| Managerial Financial Margin | 784 | 353 | 233 | 1,370 |
| Result from Loan Losses | (331) | (139) | (125) | (595) |
| Provision for Loan and Lease Losses | (374) | (159) | (148) | (681) |
| Recovery of Credits Written Off as Losses | 43 | 20 | 23 | 86 |
| Net Result from Financial Operations | 453 | 214 | 108 | 775 |
| Other Operating Income/(Expenses) | (40) | (63) | (104) | (207) |
| Banking Service Fees | 230 | 155 | 62 | 447 |
| Operating Result of Insurance, Pension Plans and Capitalization | 7 | 13 | 0 | 20 |
| Non-interest Expenses | (210) | (209) | (145) | (564) |
| Tax Expenses for ISS, PIS and Cofins | (67) | (27) | (23) | (117) |
| Other Operating Income | 0 | 4 | 3 | 8 |
| Operating Income | 413 | 151 | 4 | 568 |
| Non-operating Income | (0) | - | (0) | (0) |
| Income Before Tax and Profit Sharing | 413 | 151 | 4 | 568 |
| Income Tax and Social Contribution | (126) | (48) | 2 | (172) |
| Profit Sharing | (7) | (4) | (5) | (16) |
| Recurring Net Income | 280 | 99 | 1 | 380 |
| Recurring Net Income of Minority Interests | - | - | 4 | 4 |
| Recurring Net Income of Parent Company | 280 | 99 | (3) | 376 |
| (RAROC) - Return on Average Tier I Allocated Capital | 42.1% | 64.5% | 0.7% | 39.0% |
| Efficiency Ratio | 22.0% | 41.9% | 52.9% | 32.7% |

Note: Non-interest Expenses comprises Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes, and Other Operating Expenses.

On December 31, 2007

R\$ million

| ASSETS | Itaucred | | | |
|-------------------------------------|---------------|--|-------------------|---------------|
| | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
| Current and Long-Term Assets | 32,277 | 4,115 | 4,065 | 40,457 |
| Loans | 31,961 | 4,347 | 4,493 | 40,802 |
| (Allowance for Loan Losses) | (1,699) | (410) | (655) | (2,763) |
| Other Assets | 2,014 | 177 | 228 | 2,419 |
| Permanent Assets | 60 | 0 | 67 | 127 |
| TOTAL ASSETS | 32,336 | 4,115 | 4,132 | 40,584 |

R\$ million

| LIABILITIES | Itaucred | | | |
|--|---------------|--|-------------------|---------------|
| | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
| Current and Long-Term Liabilities | 29,802 | 3,508 | 3,549 | 36,859 |
| Deposits | 8 | - | - | 8 |
| Securities Repurchase Agreements | 28,363 | 629 | 2,471 | 31,463 |
| Borrowings and On-Lendings | 242 | - | 0 | 242 |
| Other Liabilities | 1,189 | 2,878 | 1,078 | 5,146 |
| Allocated Capital Tier I | 2,534 | 608 | 583 | 3,725 |
| Allocated Capital Tier I of Minority Interests | - | - | 146 | 146 |
| Allocated Capital Tier I of Parent Company | 2,534 | 608 | 437 | 3,578 |
| TOTAL LIABILITIES | 32,336 | 4,115 | 4,132 | 40,584 |

Statement of Income

R\$ million

| 4th Quarter/07 | Vehicles | Credit Cards - Non-Account Holders | Taif + Payroll | Itaucred |
|---|--------------|--|-------------------|--------------|
| Managerial Financial Margin | 716 | 344 | 234 | 1,294 |
| Result from Loan Losses | (259) | (139) | (124) | (523) |
| Provision for Loan and Lease Losses | (305) | (155) | (147) | (607) |
| Recovery of Credits Written Off as Losses | 45 | 17 | 22 | 84 |
| Net Result from Financial Operations | 457 | 206 | 110 | 772 |
| Other Operating Income/(Expenses) | (7) | (94) | (117) | (218) |
| Banking Service Fees | 273 | 156 | 56 | 486 |
| Operating Result of Insurance, Pension Plans and Capitalization | 5 | 14 | (1) | 18 |
| Non-interest Expenses | (241) | (239) | (153) | (633) |
| Tax Expenses for ISS, PIS and Cofins | (69) | (25) | (23) | (117) |
| Other Operating Income | 25 | 0 | 4 | 28 |
| Operating Income | 449 | 112 | (8) | 553 |
| Non-operating Income | (0) | - | (0) | (0) |
| Income Before Tax and Profit Sharing | 449 | 112 | (8) | 553 |
| Income Tax and Social Contribution | (153) | (38) | 3 | (188) |
| Profit Sharing | (10) | (3) | (6) | (19) |
| Recurring Net Income | 286 | 71 | (11) | 346 |
| Recurring Net Income of Minority Interests | - | - | (0) | (0) |
| Recurring Net Income of Parent Company | 286 | 71 | (11) | 346 |
| (RAROC) - Return on Average Tier I Allocated Capital | 47.9% | 49.0% | -8.0% | 39.3% |
| Efficiency Ratio | 25.4% | 48.8% | 56.7% | 37.0% |

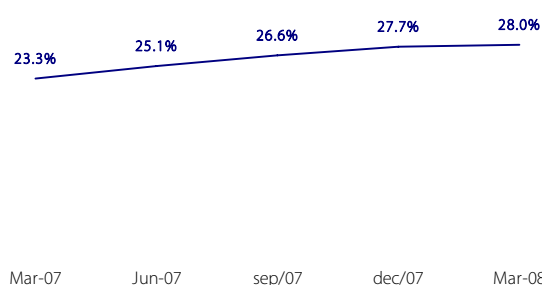
Note: Non-interest Expenses comprises Personnel Expenses, Other Administrative Expenses, Tax Expenses for CPMF and Other Taxes, and Other Operating Expenses.

Itaucred

Vehicles

In the first quarter of 2008, as a result of a 10.1% increase in the volume of vehicle financing and leasing transactions, the managerial financial margin of the Itaucred subsegment grew by 9.5% compared to the prior quarter, reaching R\$ 784 million. The expense for the provision for doubtful loans increased by R\$ 69 million when compared to the fourth quarter of 2007. The reduction of fees revenues for early settlement of contracts brought about a R\$ 43 million decline in revenues from banking services compared to the fourth quarter of 2007.

Itaucred Vehicles Share on Consolidated Credit Portfolio



Credit Cards – Non-Account Holders

The Credit Cards – Non-Account Holders subsegment posted net income of R\$ 99 million in the first quarter of 2008, up 38.7% from the prior quarter. The main changes were:

- A) Increased managerial financial margin, arising mainly from the higher level of financing to credit card holders;
- B) Lower non-interest expenses, as advertising, telemarketing and mail costs are usually higher in the fourth quarter of the year; and
- C) Incentives granted by banners and capitalization companies, recorded in other operating income.

Taif

Taif, which is Itaú's consumer credit segment, comprises the operations of Financeira Itaú (FIT), 100% owned by Itaú; and Financeira Itaú CBD (FIC) and Financeira Americanas Itaú (FAI), in which Itaú's share represents 50%.

Taif's credit portfolio, excluding payroll credit, totaled R\$ 1,944 million in March 2008, remaining virtually unaltered compared to December 2007. The customer base reached 6.4 million, a 4.7% growth from the fourth quarter of 2007.

Financeira Itaú (FIT)

The network of Taif's own stores closed the month of March 2008 with 258 stores. In the first quarter of 2008, the focus was to increase the product portfolio and activate the customer base. The portfolio volume totaled R\$ 511 million, growing by 11.4% when compared to the prior quarter.

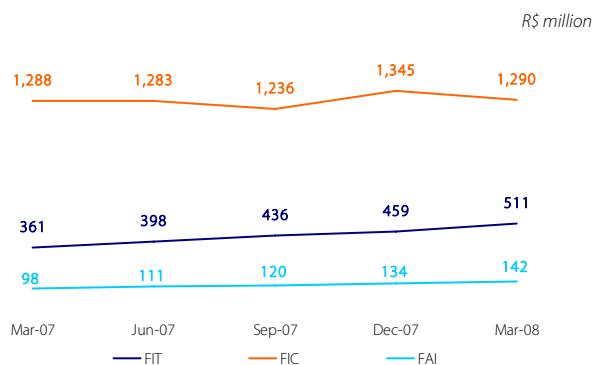
Financeira Itaú CBD (FIC)

As had been announced when the partnership with the Pão de Açúcar Group was formed, Financeira Itaú CBD (FIC), in its third year of operations, reached a consistent break-even, considering that the venture recorded profits for the fifth consecutive month. The product portfolio totaled R\$ 1,290 million in March 2008, declining by 4.1% from the prior quarter, as a result of the seasonal factors seen at the end of the year.

Financeira Americanas Itaú (FAI)

In March 2008, FAI's customer base increased by 13.3% quarter-on-quarter, to reach 1.2 million accounts. The credit portfolio amounted to R\$ 142 million, corresponding to 50% of the total volume, as the consolidation of FAI operations in the Itaucred segment is proportionate to Itaú's shareholding. Lojas Americanas and Americanas Express points-of-sale added up to 278 stores in the first quarter of 2008.

Taif - Credit Portfolio



Taif + Payroll - Recurring Net Income/(Loss)

| | R\$ million | | |
|------------------------|-------------|-------------|-----------|
| | 1st Q/08 | 4th Q/07 | Variation |
| FIT | (13) | (14) | 1 |
| FIC | 9 | (1) | 9 |
| FAI | (8) | (9) | 0 |
| Subtotal - Taif | (13) | (23) | 11 |
| Payroll | 14 | 12 | 1 |
| Total | 1 | (11) | 12 |



Banco Itaú Holding Financeira S.A.

Consolidated Balance Sheet

Consolidated Balance Sheet

Securities Portfolio

History of Securities Portfolio

R\$ million

| | Mar 31, 08 | % | Dec 31, 07 | % | Mar 31, 07 | % | Variation (%) | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | | Mar/08-Dec/07 | Mar/08-Mar/07 |
| Public Securities - Domestic | 21,037 | 29.1% | 14,569 | 23.8% | 16,484 | 26.3% | 44.4% | 27.6% |
| Public Securities - Foreign | 12,128 | 16.8% | 11,083 | 18.1% | 11,158 | 17.8% | 9.4% | 8.7% |
| Total Public Securities | 33,165 | 45.8% | 25,652 | 41.8% | 27,642 | 44.1% | 29.3% | 20.0% |
| Private Securities | 14,910 | 20.6% | 12,901 | 21.0% | 15,739 | 25.1% | 15.6% | -5.3% |
| PGBL/VGBL Fund Quotas | 19,854 | 27.4% | 18,664 | 30.4% | 15,363 | 24.5% | 6.4% | 29.2% |
| Derivative Financial Instruments | 4,475 | 6.2% | 4,120 | 6.7% | 3,915 | 6.2% | 8.6% | 14.3% |
| Total Securities | 72,404 | 100.0% | 61,338 | 100.0% | 62,659 | 100.0% | 18.0% | 15.6% |

In the first quarter of 2008, the balance of the securities portfolio reached R\$ 72,404 million, growing by 18.0% from the prior quarter. The

increase of 44.4% in the volume of public securities – Brazil was the main driver of the higher portfolio balance.

Private Securities Portfolio and Credit Portfolio

At March 31, 2008, the total balance of private securities and credit portfolio amounted to R\$

152,601 million, up 8.6% quarter-on-quarter.

Funds Intended for the economic agents

R\$ million

| Risk Level | Mar 31, 08 | | | | | |
|----------------------------------|---------------|---------------|---------------|--------------|---------------|----------------|
| | AA | A | B | C | D-H | Total |
| Euro Bonds and Similar | 3,548 | 283 | 105 | 15 | - | 3,951 |
| Certificates of Deposit | 1,786 | 94 | - | - | - | 1,880 |
| Debentures | 2,089 | 747 | 1 | - | - | 2,836 |
| Shares of Public Companies | 903 | 13 | 13 | - | 27 | 956 |
| Promissory Notes | 967 | 263 | 367 | - | - | 1,598 |
| Other | 1,036 | 2,378 | 245 | 27 | 3 | 3,689 |
| Subtotal | 10,329 | 3,777 | 731 | 42 | 30 | 14,910 |
| Credit Operations ^(*) | 27,788 | 65,694 | 26,013 | 6,937 | 11,259 | 137,691 |
| Total | 38,117 | 69,471 | 26,744 | 6,979 | 11,289 | 152,601 |
| % of Total | 25.0% | 45.5% | 17.5% | 4.6% | 7.4% | 100.0% |

(*) Endorsements and Sureties included.

R\$ million

| Risk Level | Dec 31, 07 | | | | | |
|----------------------------------|---------------|---------------|---------------|--------------|---------------|----------------|
| | AA | A | B | C | D-H | Total |
| Euro Bonds and Similar | 3,222 | 396 | 148 | 14 | - | 3,780 |
| Certificates of Deposit | 1,668 | 124 | 0 | - | - | 1,792 |
| Debentures | 1,437 | 1,290 | 1 | - | - | 2,728 |
| Shares of Public Companies | 850 | 27 | 23 | - | 47 | 947 |
| Promissory Notes | - | - | 358 | - | - | 358 |
| Other | 1,068 | 2,143 | 62 | 21 | 2 | 3,296 |
| Subtotal | 8,245 | 3,980 | 592 | 35 | 49 | 12,901 |
| Credit Operations ^(*) | 27,025 | 60,105 | 24,503 | 5,315 | 10,642 | 127,589 |
| Total | 35,270 | 64,085 | 25,095 | 5,350 | 10,691 | 140,491 |
| % of Total | 25.1% | 45.6% | 17.9% | 3.8% | 7.6% | 100.0% |

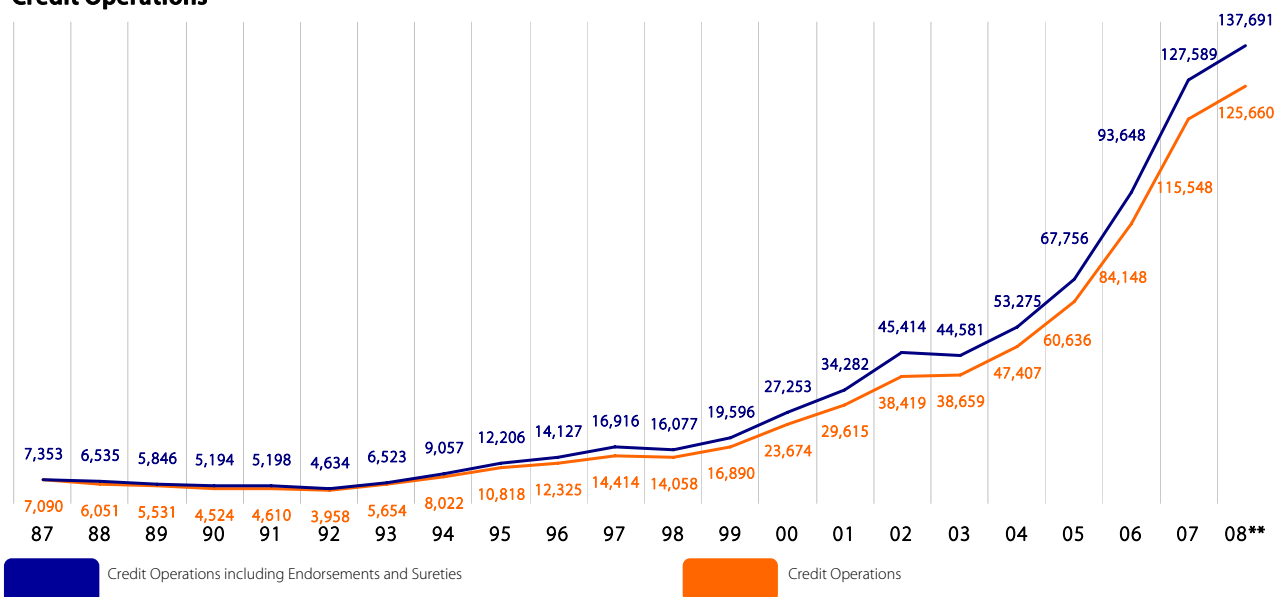
(*) Endorsements and Sureties included.

Credit Portfolio

We present below the evolution of our credit portfolio for each year since 1987.

Credit Operations

R\$ million (*)



(*) In constant currency as of December 31, 1995 up to that date; in nominal amounts thereafter. (**) In March 31, 2008.

Consolidated Balance Sheet

The loan portfolio, both for individuals and companies, increased during the first quarter of 2008. Noteworthy in the individuals portfolio were vehicle financing transactions. The volume of credit linked to foreign currencies grew by 10.7% during the period, to reach 20.8% of the portfolio at the end of March 2008. The share of loans rated "AA" to "C" increased by 0.1 percentage point in the quarter and now represents 91.8% of the total portfolio. In March 2008, the Food and Beverages industry showed the highest

concentration of risk, accounting for 4.6% of the total portfolio. The industries which posted the most significant growth in the quarter were: Finance with R\$ 782 million increase, Food and Beverages with R\$ 603 million increase, Telecommunications with R\$ 490 million increase, and Agribusiness with R\$ 479 million increase. In the first quarter of 2008, the 100 largest debtors in the credit portfolio declined to 16.2% from 17.2% in the last quarter of 2007.

Credit Portfolio Development Consolidated by Client Type and Currency

R\$ million

| Local Currency | | | | Variation | | | |
|----------------------------------|----------------|----------------|---------------|-----------------|--------------|-----------------|--------------|
| | Mar/08 | Dec/07 | Mar/07 | Mar/08 - Dec/07 | | Mar/08 - Mar/07 | |
| | Balance | Balance | Balance | Balance | % | Balance | % |
| Individuals | 57,869 | 54,375 | 41,934 | 3,494 | 6.4% | 15,935 | 38.0% |
| Credit Card | 10,463 | 10,925 | 8,501 | (462) | -4.2% | 1,962 | 23.1% |
| Personal Loans | 14,679 | 13,839 | 13,603 | 840 | 6.1% | 1,076 | 7.9% |
| Vehicles | 32,727 | 29,611 | 19,830 | 3,116 | 10.5% | 12,897 | 65.0% |
| Businesses | 44,427 | 41,021 | 33,894 | 3,406 | 8.3% | 10,533 | 31.1% |
| Corporate | 22,994 | 22,421 | 19,259 | 573 | 2.6% | 3,736 | 19.4% |
| Small and Medium-Sized Companies | 21,432 | 18,599 | 14,635 | 2,833 | 15.2% | 6,798 | 46.4% |
| Mandatory Loans | 6,767 | 6,332 | 5,650 | 435 | 6.9% | 1,117 | 19.8% |
| Rural Loans | 3,892 | 3,650 | 3,254 | 242 | 6.6% | 638 | 19.6% |
| Mortgage Loans | 2,875 | 2,682 | 2,396 | 194 | 7.2% | 480 | 20.0% |
| Argentina/Chile/Uruguay | - | - | - | - | - | - | - |
| Total | 109,063 | 101,728 | 81,478 | 7,336 | 7.2% | 27,586 | 33.9% |
| Foreign Currency | | | | | | | |
| Individuals | 37 | 41 | 38 | (4) | -9.2% | (1) | -1.4% |
| Credit Card | - | - | - | - | - | - | - |
| Personal Loans | 37 | 41 | 38 | (4) | -9.2% | (1) | -1.4% |
| Vehicles | - | - | - | - | - | - | - |
| Businesses | 18,189 | 16,503 | 12,725 | 1,686 | 10.2% | 5,465 | 42.9% |
| Corporate | 14,386 | 13,334 | 10,527 | 1,052 | 7.9% | 3,859 | 36.7% |
| Small and Medium-Sized Companies | 3,803 | 3,169 | 2,198 | 634 | 20.0% | 1,606 | 73.1% |
| Mandatory Loans | 4 | 4 | - | 0 | - | 4 | - |
| Rural Loans | 4 | 4 | - | 0 | - | 4 | - |
| Mortgage Loans | - | - | - | - | - | - | - |
| Argentina/Chile/Uruguay | 10,397 | 9,314 | 6,830 | 1,083 | 11.6% | 3,566 | 52.2% |
| Total | 28,627 | 25,862 | 19,593 | 2,766 | 10.7% | 9,034 | 46.1% |

Note: Includes endorsements and sureties. Vehicle financing transactions where the assignor is co-obligor were reclassified to the "Large Corporation" group.

Consolidated Credit Portfolio by Client Type and Risk Level

R\$ million

| Mar 31, 08 | AA | A | B | C | D | E | F | G | H | Total |
|----------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|------------|--------------|----------------|
| Individuals | 0 | 35,762 | 10,591 | 2,936 | 3,042 | 1,500 | 1,138 | 516 | 2,422 | 57,907 |
| Credit Card | 0 | 2,514 | 5,129 | 896 | 875 | 326 | 160 | 108 | 457 | 10,463 |
| Personal Loans | 0 | 4,819 | 3,798 | 957 | 1,745 | 929 | 798 | 277 | 1,393 | 14,717 |
| Vehicles | - | 28,429 | 1,664 | 1,083 | 423 | 246 | 181 | 131 | 572 | 32,727 |
| Businesses | 21,922 | 22,417 | 13,883 | 2,343 | 817 | 456 | 150 | 101 | 527 | 62,616 |
| Corporate | 18,814 | 14,451 | 3,903 | 87 | 51 | 19 | 8 | 8 | 40 | 37,380 |
| Small and Medium-Sized Companies | 3,109 | 7,966 | 9,980 | 2,256 | 766 | 437 | 142 | 93 | 487 | 25,236 |
| Mandatory Loans | 1,790 | 3,352 | 1,041 | 189 | 103 | 181 | 35 | 18 | 62 | 6,771 |
| Argentina/Chile/Uruguay | 4,076 | 4,163 | 499 | 1,469 | 84 | 39 | 10 | 10 | 48 | 10,397 |
| Total | 27,788 | 65,694 | 26,013 | 6,937 | 4,046 | 2,176 | 1,334 | 645 | 3,059 | 137,691 |

Consolidated Balance Sheet

Quality of Credit Assets

A new chart is presented below, including a set of performance indicators associated with the quality of our credit assets. Overall, the fast portfolio growth has not affected the quality of assets.

Asset Quality Credit

R\$ million

| | 1st Q./08 | 4th Q./07 |
|--|-----------|-----------|
| Loans | 125,660 | 115,548 |
| Loans E-to-H | 7,207 | 7,191 |
| NPL (+60 days) | 5,452 | 5,055 |
| Provision Balance | 8,147 | 7,926 |
| Exceeding Provisions | 2,150 | 2,150 |
| Charge-offs | 1,624 | 1,480 |
| Recoveries | 247 | 270 |
| Expenses with Provisions for Loan Losses | 1,830 | 1,565 |
| Loans E-to-H / Loans | 5.7% | 6.2% |
| NPL / Loans | 4.3% | 4.4% |
| Provision Balance / NPL | 149% | 157% |
| Provision Balance / Loans E-to-H | 113% | 110% |
| Provision Balance / Loans | 6.5% | 6.9% |
| Exceeding Provisions / Loans | 1.7% | 1.9% |
| Charge-offs / Avg. Loans | 1.3% | 1.3% |
| Charge-offs / Avg. Loans E-to-H | 22.6% | 20.3% |
| Expenses with Provision / Avg. Loans | 1.5% | 1.4% |
| Result from Loan Losses / Avg. Loans | 1.3% | 1.2% |

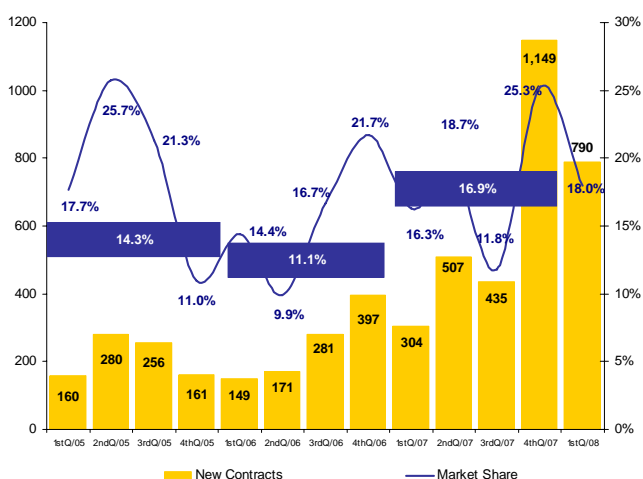
Note: Endorsements and Sureties not included.

Real Estate Credit

The real estate credit portfolio totaled R\$ 2,875 million in the first quarter of 2008. During the period, the volume of new real estate financing to individuals reached R\$ 294 million, a 103% increase from the first quarter of 2007. For the corporate segment, total contracts amounted to R\$ 487 million, equal to a 202% growth compared to the same period of the previous year.

Real Estate Portfolio

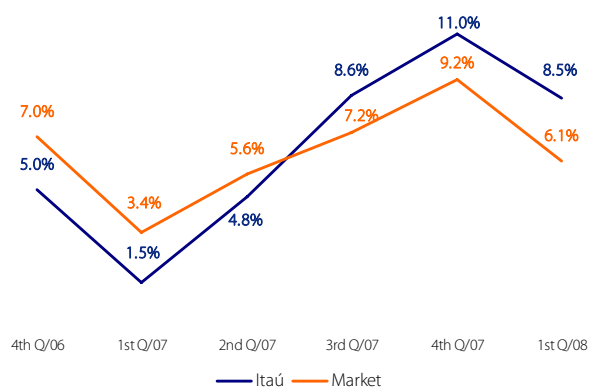
R\$ million



Credit Portfolio Growth

Our credit portfolio growth has outperformed the market, as shown in the chart below.

Quarterly Growth of Credit Portfolio - Itaú vs Market



Note: Does not include sureties and endorsements. Do not consider the Argentina, Chile and Uruguay operations.

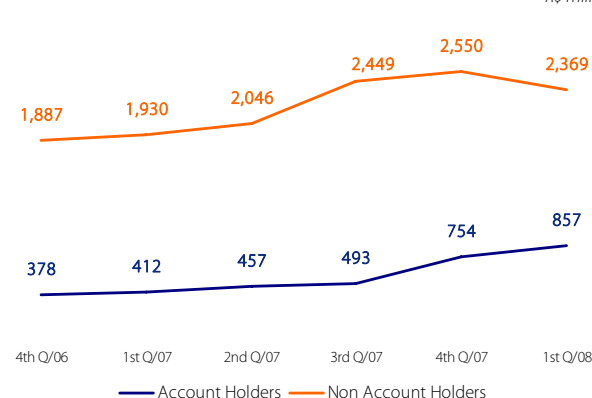
Source: Brazilian Central Bank

Payroll-linked Credit

Our payroll-linked portfolio totaled R\$ 3,226 million at March 31, 2008, representing a 2.3% decline from the prior quarter. The portfolio comprised by transactions with current account holders increased by 13.7% in the period, to reach R\$ 857 million, while the balance of payroll-linked credit transactions with non-account holders decreased by 7.1% compared to the fourth quarter of 2007, chiefly as a result of the termination of our agreement with BMG for the acquisition of new payroll-linked credit transactions.

Payroll Credit

R\$ million

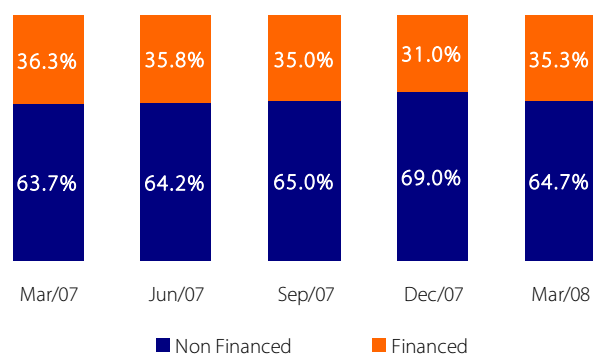


Consolidated Balance Sheet

Credit Card

The chart on the side shows the breakdown of our credit card portfolio in financed and non-financed portions. Emphasis should be given to the growth of the financed portion during the first quarter of 2008, with positive impacts on the segment managerial financial margin.

Credit Card Portfolio



Funding

During the first quarter of 2008, funds obtained grew 4.0% from the prior quarter. During the period, funds obtained in the open market – own securities – increased by 21.6%. Such increase was partly offset by reductions in the balance of deposits, which were impacted by a 29.5% decline in demand deposits, following the seasonal growth typical of the fourth quarter of the year. With the growth in credit transactions, we are taking advantage of our large customer base to intensify our funding. Accordingly,

within a 1-year horizon, total deposits increased by 21.7%, while time deposits grew by an impressive 36.7%.

The funding profile is closely related to liquidity management, where:

- A) Cash flow is managed so that funds obtained from **customers** support their credit transactions;
- B) With the higher demand for credit assets, Itaú meets its marginal funding needs through funds obtained in the **market**.

Funding Balance

R\$ million

| | Mar 31, 08 | % | Dec31, 07 | % | Mar 31, 07 | % | Variation (%) | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|
| | | | | | | | Mar/08-Dec/07 | Mar/08-Mar/07 |
| Demand deposits | 19,847 | 13.9% | 28,134 | 20.5% | 17,970 | 15.9% | -29.5% | 10.4% |
| Savings deposits | 28,388 | 19.9% | 27,990 | 20.4% | 23,242 | 20.6% | 1.4% | 22.1% |
| Interbank deposits | 1,576 | 1.1% | 1,616 | 1.2% | 2,307 | 2.0% | -2.5% | -31.7% |
| Time deposits | 28,634 | 20.1% | 23,852 | 17.4% | 20,948 | 18.6% | 20.0% | 36.7% |
| Subtotal | 78,445 | 55.0% | 81,592 | 59.5% | 64,466 | 57.2% | -3.9% | 21.7% |
| Securities Repurchase Agreements - Own Issue | 50,025 | 35.1% | 41,140 | 30.0% | 35,067 | 31.1% | 21.6% | 42.7% |
| Funds from Acceptances and Issue of Securities | 7,177 | 5.0% | 8,371 | 6.1% | 7,831 | 6.9% | -14.3% | -8.3% |
| On-lendings | 7,076 | 5.0% | 6,117 | 4.5% | 5,348 | 4.7% | 15.7% | 32.3% |
| Total | 142,723 | 100.0% | 137,221 | 100.0% | 112,713 | 100.0% | 4.0% | 26.6% |

Stockholders' Equity

The Bank's stockholders' equity totaled R\$ 29,267 million as of March 31, 2008, increasing by 1.0% from the last quarter of the prior year. The Basel ratio stood at 16.6% in March 2008, a significant reduction compared to 17.9% in the fourth quarter of 2007, mainly attributable to the repurchase of shares

carried out in the period. Finally, if changes in the weighting of certain assets and determination of the benchmark equity introduced by the Central Bank to take effect as from July 1, 2008, were considered, the ratio would be 17.0%.

Balance Sheet by Currency (*)

The Balance Sheet by Currency shows the balances linked to the local and foreign currencies. At March 31, 2008, the net foreign exchange position, including investments abroad and disregarding the portion of minority interests, was a liability totaling US\$ 4,264 million. It should be pointed out that the gap management policy adopted by the Bank takes into consideration the tax effects on this position. As

the profits from exchange rate variation on investments abroad are not taxed, we have set up a hedge (a liability in foreign exchange derivatives) for a sufficient amount, so that the total foreign exchange exposure, net of tax effects, is virtually nil and consistent with our strategy of low exposure to risk.

R\$ million

| Assets | Mar 31,08 | | | | | Dec 31,07 |
|---|----------------|--------------------|----------------|------------------|-----------------|-------------------------------------|
| | Consolidated | Business in Brazil | | | Business Abroad | Business in Brazil Foreign Currency |
| | | Total | Local Currency | Foreign Currency | | |
| Cash and Cash Equivalents | 5,194 | 3,501 | 2,952 | 550 | 1,709 | 319 |
| Short Term Interbank Deposits | 56,381 | 48,725 | 48,700 | 25 | 11,154 | 1,694 |
| Securities | 72,404 | 63,696 | 62,678 | 1,017 | 15,966 | 383 |
| Loans | 125,660 | 107,808 | 100,890 | 6,918 | 20,828 | 6,496 |
| (Allowance for Loan Losses) | (8,147) | (7,876) | (7,876) | 0 | (271) | 0 |
| Other Assets | 72,263 | 73,935 | 56,168 | 17,767 | 2,132 | 11,374 |
| Foreign Exchange Portfolio | 25,819 | 29,412 | 12,083 | 17,329 | 0 | 11,034 |
| Other | 46,444 | 44,523 | 44,085 | 438 | 2,132 | 340 |
| Permanent Assets | 3,869 | 13,734 | 2,634 | 11,100 | 1,228 | 10,046 |
| TOTAL ASSETS | 327,624 | 303,524 | 266,146 | 37,378 | 52,744 | 30,312 |
| DERIVATIVES - PURCHASED POSITIONS | | | | | | |
| Futures | | | | 15,519 | | 15,184 |
| Options | | | | 13,429 | | 5,110 |
| Swaps | | | | 11,254 | | 12,296 |
| Other | | | | 8,403 | | 6,190 |
| TOTAL ASSETS AFTER ADJUSTMENTS (a) | | | | 85,982 | | 69,094 |

| Liabilities | Mar 31,08 | | | | | Dec 31,07 |
|---|----------------|--------------------|----------------|------------------|-----------------|-------------------------------------|
| | Consolidated | Business in Brazil | | | Business Abroad | Business in Brazil Foreign Currency |
| | | Total | Local Currency | Foreign Currency | | |
| Deposits | 78,445 | 58,971 | 58,938 | 33 | 19,572 | 39 |
| Funds Received under Securities Repurchase Agreements | 85,692 | 83,926 | 83,926 | 0 | 1,768 | 0 |
| Funds from Acceptances and Issue of Securities | 7,177 | 9,900 | 3,145 | 6,755 | 4,300 | 6,739 |
| Borrowings and On-Lendings | 18,962 | 13,839 | 5,850 | 7,988 | 10,867 | 7,409 |
| Derivative Financial Instruments | 4,326 | 3,146 | 3,146 | 0 | 1,229 | 0 |
| Other Liabilities | 76,330 | 77,773 | 60,375 | 17,398 | 3,871 | 11,245 |
| Foreign Exchange Portfolio | 25,966 | 29,338 | 13,373 | 15,966 | 0 | 9,695 |
| Other | 50,364 | 48,435 | 47,002 | 1,433 | 3,871 | 1,550 |
| Technical Provisions of Insurance, Pension Plans and Capitalization | 25,133 | 25,133 | 25,133 | 0 | 0 | 0 |
| Deferred Income | 74 | 60 | 60 | 0 | 14 | 0 |
| Minority Interest in Subsidiaries | 2,218 | 1,508 | 1,508 | 0 | 22 | 0 |
| Stockholders' Equity | 29,267 | 29,267 | 29,267 | 0 | 11,100 | 0 |
| TOTAL LIABILITIES | 327,624 | 303,524 | 271,349 | 32,175 | 52,744 | 25,432 |
| DERIVATIVES - SOLD POSITIONS | | | | | | |
| Futures | | | | 23,522 | | 22,793 |
| Options | | | | 14,008 | | 5,074 |
| Swaps | | | | 18,543 | | 17,416 |
| Other | | | | 4,322 | | 3,273 |
| TOTAL LIABILITIES AFTER ADJUSTMENTS (b) | | | | 92,570 | | 73,988 |
| Foreign Exchange Position (c = a - b) | | | | (6,588) | | (4,895) |
| Foreign Exchange Position of Minority Stockholders (d) | | | | (871) | | (844) |
| Net Foreign Exchange Position after Minority Stockholders (c + d) R\$ | | | | (7,459) | | (5,739) |
| Net Foreign Exchange Position after Minority Stockholders (c + d) US\$ | | | | (4,264) | | (3,240) |

(*) Excludes transactions between local and foreign business.



Banco Itaú Holding Financeira S.A.

Activities Abroad
Value at Risk
Ownership Structure
Performance in the Stock Market



Activities Abroad

Financial Statements

Below we present the financial statements of our main units abroad.

On March 31, 2008

R\$ million

| ASSETS | Consolidated Itaú Europa | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|-------------------------------------|-----------------------------|------------------------------|-----------------------|-------------------------|
| Current and Long Term Assets | 10,758 | 2,040 | 9,791 | 2,156 |
| Cash and Cash Equivalents | 183 | 96 | 258 | 322 |
| Short Term Interbank Deposits | 4,354 | 199 | 154 | 526 |
| Securities | 1,681 | 85 | 1,638 | 104 |
| Loans | 4,378 | 1,367 | 7,305 | 1,137 |
| (Allowance for Loan Losses) | (37) | (30) | (106) | (66) |
| Other Credits | 120 | 114 | 273 | 129 |
| Other Assets | 79 | 209 | 270 | 4 |
| Permanent Assets | 628 | 42 | 147 | 22 |
| Investments | 386 | 6 | 1 | 0 |
| Fixed Assets | 12 | 36 | 97 | 20 |
| Deferred Changes | 231 | - | 49 | 2 |
| TOTAL ASSETS | 11,386 | 2,082 | 9,938 | 2,177 |

| LIABILITIES | Consolidated Itaú Europa | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|--|-----------------------------|------------------------------|-----------------------|-------------------------|
| Current and Long Term Liabilities | 10,266 | 1,903 | 8,902 | 1,947 |
| Deposits | 6,342 | 1,675 | 5,990 | 1,606 |
| Deposits Received under Securities Repurchase Agreements | 171 | - | 265 | - |
| Funds from Acceptances and Issue of Securities | 2,151 | - | 985 | - |
| Borrowings and On-lendings | 955 | 86 | 872 | 10 |
| Derivative Financial Instruments | 108 | - | 303 | - |
| Other Liabilities | 540 | 142 | 488 | 330 |
| Deferred Income | 9 | - | 0 | - |
| Minority Interest in subsidiaries | 0 | - | 0 | 0 |
| Stockholders' Equity of Parent Company | 1,110 | 179 | 1,035 | 230 |
| TOTAL LIABILITIES | 11,386 | 2,082 | 9,938 | 2,177 |

Statement of Income

R\$ million

| 1st Quarter/08 | Consolidated Itaú Europa | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|--|-----------------------------|------------------------------|-----------------------|-------------------------|
| Financial Margin | 45 | 29 | 107 | 27 |
| Result from Loan Losses | (4) | (2) | (28) | (3) |
| Provision for Loan and Lease Losses | (4) | (2) | (31) | (4) |
| Recovery of Credits Written Off as Losses | - | 0 | 4 | 1 |
| Net Result from Financial Operations | 41 | 27 | 80 | 24 |
| Other Operating Income/(Expenses) | (20) | (28) | (46) | (25) |
| Banking Service Fees | 36 | 17 | 20 | 33 |
| Non-interest Expenses | (81) | (46) | (70) | (64) |
| Equity in the Earnings of Associated Companies | 9 | 1 | 0 | - |
| Other Operating Income | 17 | - | 4 | 6 |
| Operating Income | 21 | (1) | 34 | (1) |
| Non-operating Income | - | 1 | 2 | 0 |
| Income before Tax and Profit Sharing | 21 | 0 | 36 | (1) |
| Income Tax and Social Contribution | (4) | - | (5) | (1) |
| Profit Sharing | (2) | - | - | - |
| Minority Interests | 0 | - | (0) | 0 |
| Recurring Net Income | 14 | 0 | 30 | (2) |
| Return on Equity - Annualized (%py) | 5.1% | 0.3% | 13.3% | -3.0% |
| Efficiency Ratio | 83.3% | 99.9% | 53.3% | 96.0% |

Note: From the first quarter of 2008 we are including the following companies in the Europe Consolidated: Itaú Europa-Investimentos SGPS, Itaú Portugal-SGPS, Itaú Europa-SGPS, IPI-Itaú Portugal Investimentos SGPA Lda., BIEL Holdings AG and Itaú Europa Luxembourg Advisory Holding Company S.A.

Europe (Lisbon, London and Luxembourg)

We are active in foreign trade, placement of euronotes, offer of more sophisticated financial instruments (Structured Notes), and private banking.

The change in net income is chiefly due to the reversal of provisions for payment of income tax in the prior quarter and increase in non-interest expenses, partly offset by a higher financial margin driven by the increased balance of the credit portfolio, giving rise to higher interest income.

Argentina

Our consolidated assets grew by R\$ 145 million (7.5%) in the quarter, mostly because corporate customers increased their demand for credit transactions and time deposits. The customer base expanded with the addition of approximately 2 thousand new current accounts.

The above changes made a positive contribution to increases in the financial margin and banking service fees, offset by higher non-interest expenses arising from increased personnel expenses under the workers' union agreement, and payment of bonuses.

Activities Abroad

On December 31, 2007

R\$ million

| ASSETS | Consolidated Banco Itaú Europa S.A. | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|-------------------------------------|--|------------------------------|-----------------------|-------------------------|
| Current and Long Term Assets | 10,439 | 1,897 | 8,082 | 1,965 |
| Cash and Cash Equivalents | 285 | 68 | 181 | 291 |
| Short Term Interbank Deposits | 5,031 | 174 | 30 | 466 |
| Securities | 1,588 | 89 | 1,073 | 65 |
| Loans | 3,398 | 1,259 | 6,396 | 1,107 |
| (Allowance for Loan Losses) | (31) | (28) | (88) | (62) |
| Other Credits | 110 | 89 | 261 | 89 |
| Other Assets | 59 | 244 | 230 | 9 |
| Permanent Assets | 850 | 41 | 137 | 20 |
| Investments | 596 | 5 | 1 | 0 |
| Fixed Assets | 11 | 35 | 94 | 19 |
| Deferred Changes | 243 | - | 42 | 2 |
| TOTAL ASSETS | 11,289 | 1,937 | 8,219 | 1,985 |

| LIABILITIES | Consolidated Banco Itaú Europa S.A. | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|--|--|------------------------------|-----------------------|-------------------------|
| Current and Long Term Liabilities | 10,172 | 1,756 | 7,427 | 1,767 |
| Deposits | 6,212 | 1,601 | 5,213 | 1,418 |
| Deposits Received under Securities Repurchase Agreements | 160 | - | 194 | - |
| Funds from Acceptances and Issue of Securities | 2,050 | - | 907 | - |
| Borrowings and On-lendings | 1,002 | 63 | 711 | 6 |
| Derivative Financial Instruments | 64 | - | 127 | - |
| Other Liabilities | 683 | 92 | 274 | 343 |
| Deferred Income | 8 | - | 0 | - |
| Minority Interest in subsidiaries | 0 | - | 0 | 0 |
| Stockholders' Equity of Parent Company | 1,109 | 182 | 792 | 218 |
| TOTAL LIABILITIES | 11,289 | 1,937 | 8,219 | 1,985 |

Statement of Income

R\$ million

| 4th Quarter/07 | Consolidated Banco Itaú Europa S.A. | Banco Itaú Buen Ayre S.A. | Consolidated Chile | Consolidated Uruguay |
|--|--|------------------------------|-----------------------|-------------------------|
| Financial Margin | 36 | 27 | 80 | 26 |
| Result from Loan Losses | (5) | (2) | (15) | (3) |
| Provision for Loan and Lease Losses | (5) | (2) | (18) | (5) |
| Recovery of Credits Written Off as Losses | - | (0) | 4 | 2 |
| Net Result from Financial Operations | 31 | 24 | 65 | 23 |
| Other Operating Income/(Expenses) | (5) | (24) | (42) | (21) |
| Banking Service Fees | 33 | 15 | 18 | 38 |
| Non-interest Expenses | (68) | (40) | (63) | (69) |
| Equity in the Earnings of Associated Companies | 14 | 0 | 0 | - |
| Other Operating Income | 17 | (0) | 3 | 10 |
| Operating Income | 27 | (0) | 23 | 2 |
| Non-operating Income | 0 | 1 | 4 | 0 |
| Income before Tax and Profit Sharing | 27 | 1 | 27 | 2 |
| Income Tax and Social Contribution | 9 | - | (4) | (2) |
| Profit Sharing | (3) | - | - | - |
| Minority Interests | (0) | - | (0) | (0) |
| Recurring Net Income | 32 | 1 | 23 | 0 |
| Return on Equity - Annualized (%py) | 11.7% | 1.8% | 11.6% | 0.3% |
| Efficiency Ratio | 79.7% | 95.6% | 62.4% | 92.9% |

Chile

Our consolidated assets grew by R\$ 1,719 million (20.9%), primarily driven by the increased demand for real estate financing and foreign trade financing, both offset by increased time deposits.

We also highlight the increase of 2 thousand new current accounts.

The growth in net income is essentially attributable to the R\$ 909 million (14.2%) increase in the credit portfolio, with direct impacts on the financial margin and the results from doubtful loans.

Uruguay

During the quarter, our consolidated assets increased by R\$ 192 million (9.7%), including the different financial instruments operated by the Bank, witnessing to the overall improvement of our activities in Uruguay. Such increase is evidenced by the addition of approximately 5 thousand new customers.

Value at Risk (VaR)

VaR of the Business Units of Itaú

We show below tables with the VaR of the units of Itaú.

Banco Itaú

As the fixed rate market is expected to maintain its trend, Itaú continued to pursue its strategy of optimizing the risk/return ratio.

The Structural Gap, including commercial transactions and related financial instruments, declined in almost all risk factors which comprise this portfolio, and also in Global VaR, as a result of the decreased volatility levels seen in local interest rates at the end of the quarter.

Structural Gap Banco Itaú VaR (*)

R\$ million

| | Mar 31, 08 | Dec 31, 07 |
|-----------------------------------|--------------|--------------|
| Fixed Rate | 87.1 | 94.5 |
| Benchmark Rate (TR) | 6.8 | 7.6 |
| Inflation Rates | 6.3 | 7.9 |
| Dollar Coupon Rate | 11.5 | 19.3 |
| Foreign Exchange (**) | 0.1 | 0.2 |
| Equities | 2.0 | 1.8 |
| Diversification Impact | (23.3) | (30.3) |
| Global VaR (**) | 90.5 | 101.0 |
| Maximum Global VaR in the quarter | 138.0 | 134.1 |
| Average Global VaR in the quarter | 99.8 | 102.4 |
| Minimum Global VaR in the quarter | 71.9 | 74.5 |

(*) VaR refers to the maximum potential loss in 1 day, with a 99% confidence level.

(**) Considering the effects of tax adjustments.

During the quarter, the own portfolio average Stress VaR was R\$ 72.4 million. At March 31, 2008, the Global Stress VaR stood at R\$ 56.6 million. In the period, the major exposures underlying this position were those taken in the internal fixed rate and U.S. dollar markets, followed by variable income transactions.

Stress VaR of the Proprietary Desk of Banco Itaú

R\$ million

| | Mar 31, 08 | Dec 31, 07 |
|--|---------------|---------------|
| Global Stress VaR | (56.6) | (40.6) |
| Maximum Global Stress VaR in the quarter | (144.6) | (272.2) |
| Average Global Stress VaR in the quarter | (72.4) | (90.6) |
| Minimum Global Stress VaR in the quarter | (32.2) | (31.6) |

Itaú BBA

The worsening of the credit crisis in the USA and the strong escalation of commodity prices set the high volatility tone of the business environment in the quarter. Such circumstances impacted certain markets, in particular the interest curve in dollars and the sovereign risk of emerging economies. Itaú BBA, always rigorous in the application of a prudent market risk management policy, significantly reduced its exposures during the period. The average VaR for the quarter corresponds to a mere 0.2% of the bank's tier 1 capital.

Banco Itaú BBA VaR

R\$ million

| | Mar 31, 08 | Dec 31, 07 |
|-------------------------------------|-------------|-------------|
| Fixed Rate | 7.1 | 2.8 |
| Dollar Coupon Rate | 5.7 | 10.6 |
| Foreign Exchange (*) | 6.8 | 6.5 |
| Equities | 1.7 | 10.1 |
| Sovereign | 5.4 | 4.2 |
| Inflation Rates | 3.4 | 7.5 |
| Foreign Interest Rates | 5.8 | 1.8 |
| Commodities | 1.0 | 0.4 |
| Foreign Exchange - Other Currencies | 1.2 | 1.0 |
| Other | 1.3 | 0.9 |
| Diversification Impact | (24.0) | (28.6) |
| Global VaR (*) | 15.4 | 17.3 |
| Maximum Global VaR in the quarter | 27.4 | 55.5 |
| Average Global VaR in the quarter | 13.8 | 22.9 |
| Minimum Global VaR in the quarter | 6.9 | 10.2 |

(*) Considering the effects of tax adjustments.

Itaú

For the sake of comparability, the determination of Itaú Consolidated Global VaR segregates those positions where Statistical VaR is used from the ones where Stress VaR is applied. The next table shows Itaú Consolidated Global VaR, comprising the portfolios of Itaú BBA, Banco Itaú Europa, Banco Itaú Buen Ayre, Banco Itaú Chile, and Itaú's structural portfolio. Itaú continues to adhere to its policy of operating within relatively low limits. The reduced risk seen in the quarter was driven by changes in the portfolio mix, as fluctuations in market risk factors associated with the crisis (in particular foreign interest and sovereign risk) were still present, although to a lesser extent.

Itaú VaR (*)

R\$ million

| | Mar 31, 08 | Dec 31, 07 |
|-------------------------------------|--------------|--------------|
| Fixed Rate | 93.4 | 97.1 |
| Benchmark Rate (TR) | 6.8 | 7.6 |
| Inflation Rates | 4.9 | 10.0 |
| Dollar Coupon Rate | 16.8 | 14.3 |
| Foreign Exchange (**) | 6.7 | 6.7 |
| Private and Sovereign Securities | 22.3 | 12.1 |
| Equities | 1.4 | 16.4 |
| Foreign Interest Rates | 10.4 | 4.1 |
| Commodities | 1.0 | 0.4 |
| Foreign Exchange - Other Currencies | 1.2 | 1.0 |
| Other | 1.3 | 0.9 |
| Banco Itaú Europa | 3.1 | 1.5 |
| Banco Itaú Buen Ayre | 1.4 | 1.6 |
| Banco Itaú Chile | 1.1 | 1.2 |
| Diversification Impact | (64.8) | (56.6) |
| Global VaR (**) | 107.0 | 118.2 |
| Maximum Global VaR in the quarter | 154.6 | 154.4 |
| Average Global VaR in the quarter | 114.1 | 127.6 |
| Minimum Global VaR in the quarter | 87.2 | 87.9 |

(*) Not considering the Proprietary Desk Portfolio.

(**) Considering the effects of tax adjustments.

Find out more on risk management in Note 20 to the Financial Statements or in our Investor Relations website, www.itauri.com.br, in the Corporate Governance / Risk Management section, and also in Form 20-F, available in the Financial Information/SEC Files section.

Ownership Structure

Management of our ownership structure is intended to optimize the capital allocation to the various segments comprising the conglomerate.

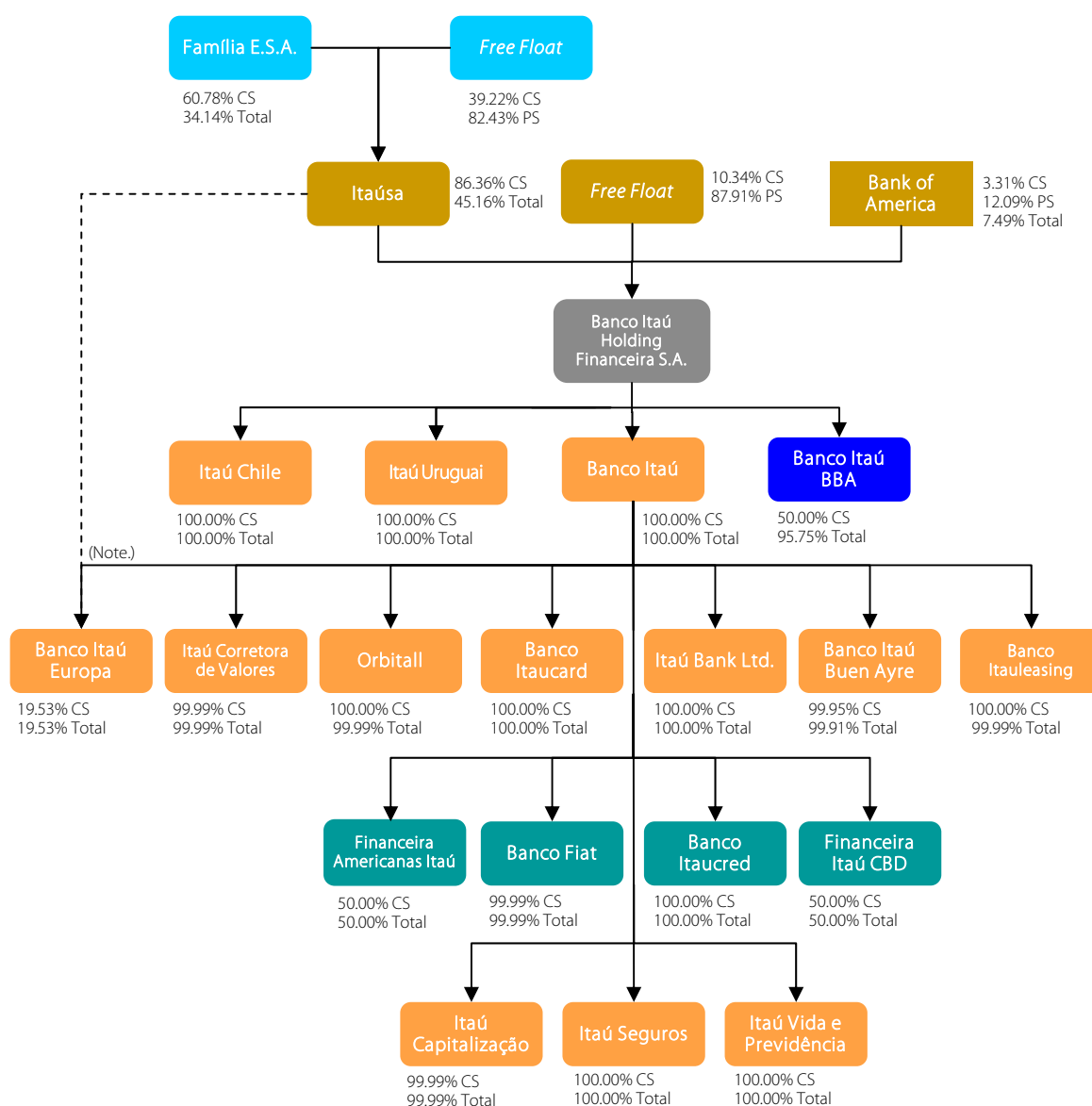
Note 15 to the consolidated Financial Statements

sets out the average acquisition cost of treasury shares, as well as the activity of options granted to conglomerate executives under the Option Plan.

| BANCO ITAÚ HOLDING FINANCEIRA S.A. | Mar 31, 08 | Dec 31, 07 | Mar 31, 07 |
|---|------------------|------------------|------------------|
| Stockholders | 69,762 | 63,901 | 56,102 |
| Outstanding Preferred Shares (in thousands) | 1,133,786 | 1,154,316 | 578,413 |
| Outstanding Common Shares (in thousands) | 1,242,735 | 1,242,735 | 621,379 |
| Outstanding Shares (in thousands) | 2,376,520 | 2,397,051 | 1,199,792 |
| Preferred Shares in Treasury (in thousands) | 57,206 | 36,676 | 17,083 |
| Common Shares in Treasury (in thousands) | 10,266 | 10,266 | 5,122 |
| Shares in Treasury (in thousands) | 67,472 | 46,941 | 22,205 |

Note: In Oct/07 a stock split was carried out.

The organization chart below summarizes our current ownership structure.



Note: Itaúsa's direct and indirect interest in Banco Itaú Europa is 89.29%.

Performance in the Stock Market

At the end of the first quarter of 2008, our preference shares (ITAU4) were traded at R\$ 40.01 per share, a 11.3% appreciation from the first quarter of 2007. Our common shares (ITAU3) were traded at R\$ 36.80 per share, up 19.9% in the same period. Our ADRs (ITU), traded on the New York Stock Exchange (NYSE), closed the first quarter of 2008 with a 30.7% appreciation compared to the first quarter of 2007, quoted at US\$ 22.76. Itaú Holding's market capitalization reached R\$ 93.9 billion.

Stock Market Performance (São Paulo Stock Exchange) - R\$

| First Quarter - 2008 | Preferred Shares | Common Shares |
|----------------------------|------------------|---------------|
| Maximum in the quarter (a) | 45.97 | 43.60 |
| Average in the quarter | 41.09 | 38.08 |
| Minimum in the quarter (b) | 35.57 | 32.81 |
| Variation % (a/b) | 29.2% | 32.9% |
| Last Price (*) | 40.01 | 36.80 |

(*) On March 31, 2008.

It should be noted that in the first quarter of 2008:

A) The average financial volume of trading of our shares and ADRs reached R\$ 417.9 millions and showed the significant increase of 114.7% compared to the first quarter of 2007;

B) The financial volume traded on NYSE reached R\$ 16.6 billions and corresponded to 52.6% of the total volume of shares and ADRs.

Share Buyback Program

The program to repurchase shares be kept in treasury is primarily intended to optimize the utilization of capital, considering the price opportunities and the Bank's stock option program. These shares, when not used in the programme of remuneration of directors, are usually cancelled. Volumes traded, minimum, average and maximum prices charged by Itaú Holding in transactions with its own shares are disclosed on a monthly basis to regulatory bodies and can be found on the Investor Relations website ("Corporate Governance" section).

Share Buyback

| Year | Preferred Shares | Common Shares | Total of Shares |
|---------------|------------------|---------------|-----------------|
| 2003 | 5,101,019 | 23,005,584 | 28,106,603 |
| 2004 | 20,056,200 | 2,494,930 | 22,551,130 |
| 2005 | 59,257,400 | 9,333,666 | 68,591,066 |
| 2006 | - | 1,217,800 | 1,217,800 |
| 2007 | 6,482,400 | 272,200 | 6,754,600 |
| 2008 (*) (**) | 24,631,300 | - | 24,631,300 |
| Total | 115,528,319 | 36,324,180 | 151,852,499 |

(*) Year-to-date position as of the 1st quarter;

(**) In November 2007, the Board of Directors extended the acquisition term for one more year, and authorized the Bank to acquire up to 83,000,000 book-entry own shares, with no par value, comprising up to 5,600,000 common and up to 77,400,000 preferred shares. Repurchased shares will be kept in treasury, cancelled or placed again on the market.

Subsequent Events

Annual and Extraordinary Stockholders' Meeting

- [Corporate Governance](#): consistent with our posture of accountability and transparency, we have posted on our Investor Relations site supplementary information to the Call for Annual and Extraordinary Stockholders' Meeting scheduled for April 23, including: matters to be discussed, explanation on matters, management proposal, proxy template, resúmes of Board of Directors and Audit Committee members, comparison schedule of amendments to the By-Laws, and comparison schedule of amendments to the Option Plan. This information will enable our stockholders to position themselves ahead of the Meeting, which will help enhance the discussion of the matters to be decided on.

This General Meeting approved the institution of the Accounting Policies Committee and the Capital and Risks Management Committee, the last in response to resolutions of the National Monetary Council.

- [Share Bonus](#): intending to increase the liquidity of the shares, with ensuing adjustment of market quotations to a more attractive trading level, was approved a share bonus of 25%, considering that a higher number of shares outstanding, at more affordable prices, has the potential to generate more deals and increased financial volume, thereby creating value to the Stockholders. Itaú Holding Stockholders will receive, free of costs, 1 new share for each 4 shares of the same class held by them.

- [Dividends](#): monthly dividends will remain at R\$ 0.012 per share, and as such amounts paid to stockholders on a monthly basis will be increased by 25%, after the bonus stock is included in the shareholding position.

The effective date of entitlement to the bonus will be communicated to the market as soon as the related process is approved by the Brazilian Central Bank.

- [Cancellation of book-entry shares](#): it was cancelled 10.3 millions common shares and 15.0 millions preferred shares, all book entry, issued by the company itself and held as treasury stock. The consistent policy aimed at repurchasing shares, by treasury for further cancellation, aligned with the return on Stockholders' Equity, enables the increase in earnings per share and in dividends paid to stockholders.

Apimec 2008 Cycle

In April, Itaú started the Apimec 2008 Cycle in Brazil for the 10th consecutive years. The Bank held 3 meetings with analysts, investors, stockholders and others in the cities of Porto Alegre, Brasília and Belo Horizonte, with approximately 550 participants.

A further 11 meetings have been scheduled. Itaú Holding maintains its partnership with Bovespa's *Bolsa de Valores Sociais e Ambientais da Bovespa*, promoting the donation of R\$ 25.00 per participant to social and environmental projects.

Report of Independent Accountants on Supplementary Information

To the Board of Directors and Stockholders
Banco Itaú Holding Financeira S.A.

1. In connection with our limited review of the Quarterly Information of Banco Itaú Holding Financeira S.A. and its subsidiaries (consolidated) as of March 31, 2008 and 2007, on which we issued a report without exceptions dated May 05, 2008, we performed a review of the supplementary information included in the Management Discussion and Analysis Report on the Consolidated Operations of Banco Itaú Holding Financeira S.A. and its subsidiaries (consolidated).

2. Our work was performed in accordance with specific standards set forth by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accountancy Council, for the purpose of reviewing the accounting information contained in the supplementary information of the Management Discussion and Analysis Report on the Consolidated Operations of Banco Itaú Holding Financeira S.A. and its subsidiaries, and mainly comprised: (a) inquiry of, and discussion with, management responsible for the accounting, financial and operational areas of the Bank with regard to the main criteria adopted for the preparation of the accounting information presented in the supplementary information 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 Bank and its subsidiaries. The supplementary information included in the Management Discussion and Analysis Report on the Consolidated Operations is presented to permit additional analysis. Notwithstanding, this information should not be considered an integral part of the financial statements.

3. Based on our review, we are not aware of any material modifications that should be made to this supplementary information, in order for it to be adequately presented, in all material respects, in relation to the Quarterly Information taken as a whole.

São Paulo, May 05, 2008

CRC 2SP000160/O-5
PricewaterhouseCoopers
Auditores Independentes

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