Banco Itaú Holding Financeira S.A.

Executive Sumary

First Quarter of 2008

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*	137,691	*12,041*	127,589	*9,890*	101,071
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						
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
Taií 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 - bII 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	Dec 31,07	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. <u>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.</u> 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.

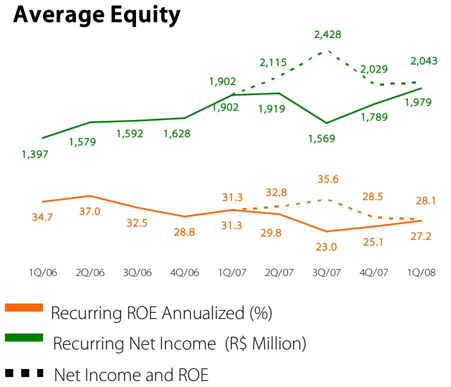
R$ Million

1st Quarter/08	Banco Itaú Holding				
	Accounting	Non-reccuring 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-reccuring 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**

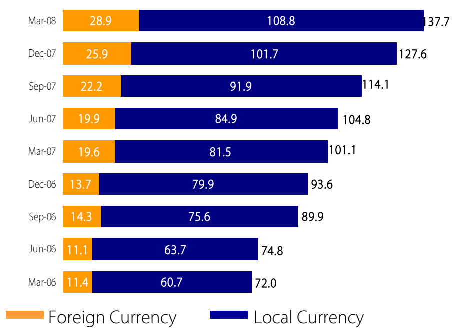
Net Income and Annualized Return on Average Equity



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$ Billion



(*) Includes endorsements and sureties.

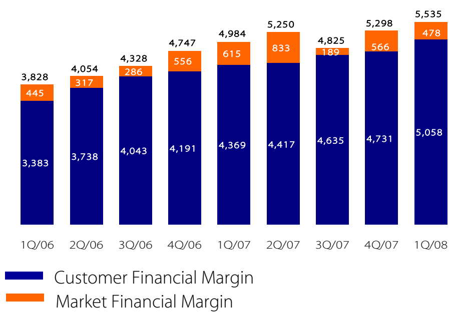
R$ Million

	Mar 31,08	Dec 31,07	Mar 31,07	Variation (%) 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

R$ Million

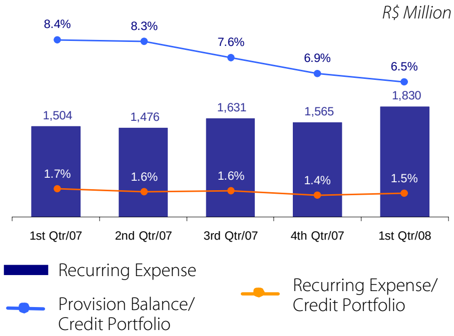


Our managerial financial margin stood at R$ 5,535 million, a 4.5% increase from the prior quarter. The managerial financial margin on customer transactions grew by 6.9% compared to the last quarter of 2007, amounting to R$ 5,058 million. Such increase is essentially associated with the expansion in the 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

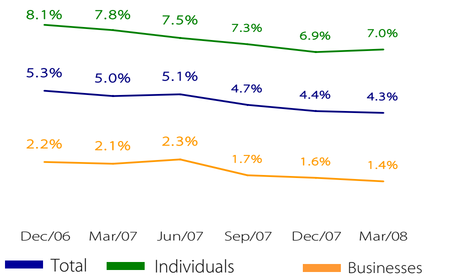
Provision for Loan Losses and Credit Portfolio

R$ Million



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.

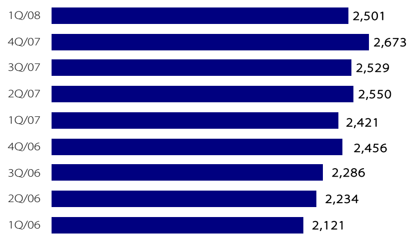
NPL Ratio(*) - Individuals x Businesses (%)



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

Banking Service Fees

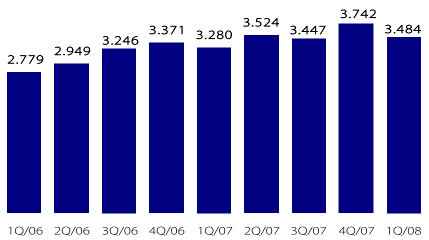
R$ Million



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.

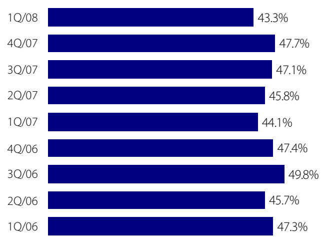
Non-interest Expenses

R$ Million



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.

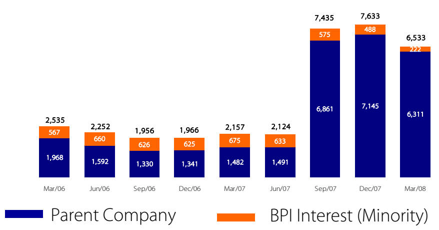
Efficiency Ratio (%) (*)



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

Unrealized Profit/(Loss)

R$ Million



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 provison 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	Variation 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	Variation 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

	1st Q/08	4th Q/07	1st Q/07	Variation 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 Itaubanco, 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	
Itaubanco				
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 Itaubanco (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.