



Introduction

Creating the Itaú Holding Financeira Social Report involves many areas of the Organization which provide information about our socio-environmental performance, and about the actions and projects that describe Itaú Holding's relationship with the groups with whom it interacts. Together with the Annual Report, which contains information about our strategic management and economic and financial performance, the Social Report offers a full panorama of the Group's actions in 2006.

The primary objective of this Report is to establish an open dialogue, based on ethics and transparency, with the strategic target groups and stakeholders in the Organization's activities. As these relationships are fundamental to our decision making, we have invested in improving our dialogue mechanisms for these groups.

As part of this effort, in 2006 Itaú Holding began the process of adopting AccountAbility 1000 (AA1000), which are international ethical and social reporting standards for business transparency and accountability. These standards help make our many reporting processes – such as disclosing our business results and relationships with our strategic target groups – clearer and more effective.

The changes made to the Social Report over the years also reflect the Organization's positioning. In 1994 the Annual Report began disclosing non-financial information. In 1999 the Social Report began appearing within the Annual Report. Since 2004 both publications have adopted guidelines and indicators of the internationally recognized Global Reporting Initiative (GRI), which has established a sustainability report model.

Starting in 2005 the Social Report came under the approval of the Executive Committee for Socio-Environmental Responsibility. Additionally, the information published herein has been subject to independent assessment by specialists from PricewaterhouseCoopers since 2003. Annual reports as of 1997 and Social Reports after 1999 are available at www.itauri.com.br.

Over time we have improved the procedures required to create our Social Report. This year for instance, the 2005 Annual Report and Social Report were assessed after consultation with Itaú Holding's principal relationship groups, which increased the scope of the evaluation conducted for the 2004 Reports. This analysis was vital to the creation and content of the 2006 Annual Report and Social Report.

The Organization's efforts to improve its public disclosure were widely recognized in 2006. Our 2005 Social Report won the Social Report Distinction Award in the Large Financial Companies Category. This award, the country's most prestigious honour for social reports, is created and promoted by Aberje (Brazilian Association of Business Communication), Apimec (Association of Capital Markets Analysts and Investment Professionals), Fides (Social and Business Development Institute Foundation), Ibase (Brazilian Institute of Social and Economic Analyses), and the Ethos Institute of Corporate and Social Responsibility.

More than recognition, the award is a stimulus for Itaú Holding to continue improving the means by which we report our practices and results.

This Social Report, in addition to Itaú Holding's performance, also covers the efforts of the Fundação BankBoston, which was taken over by Itaú Holding after the acquisition of BankBoston, and has since been renamed the Fundação ItaúBank.



Assessment of 2005 Annual Report and Social Report

Banco Itaú Holding Financeira (Itaú Holding) has employed a variety of analysis tools to continually improve the reporting content of its Annual Report and Social Report. Among other steps, and consistent with AA1000 guidelines, the 2005 reports underwent assessment by a group of representatives from the Organization's strategic relationship groups.

The assessment was carried out on December 13, 2006 at the Instituto Itaú Cultural in São Paulo. The group of participants featured 23 representatives from some of Itaú Holding's key target groups: staff, suppliers, community and the general public. The event was facilitated by BSD (Business meets Social Development).

The group assessed the 2005 Annual Report and Social Report by applying Relata Stakeholder®, a tool that assesses reports based on the following aspects: completeness, period and scope, explanation of sustainability, company management, indicators, audit, communication and access.

In the group's assessment, our reports were awarded 171 points out of a possible 200.

Criticisms and suggestions discussed during the event were recorded in the minutes, and were later forwarded to every participant in the meeting.

Based on the aspects examined, areas for improvement were identified. The 2006 Annual Report and Social Report already incorporate some of these suggestions, including:

- Participation of stakeholders in drafting reports.
- Reporting of medium and long-term strategies and targets.
- Definition of concept of sustainability, showing how it permeates the Organization's business activities.



- Increased reporting of critical points.
- Additional information reported in the Suppliers and Environment chapters.
- Report of actions undertaken for the Media.

Other issues raised by the group are being analyzed by Itaú Holding. Based on the scope of its findings, the Bank will look into the feasibility of incorporating them into coming editions. Following are selected areas currently under analysis:

- Reporting of strategic actions adopted by the Bank in relation to the indicators.
- Use of indicators to highlight company performance trends.

One consensus point among participants was recognition for our reporting standards, which underlines the Bank's efforts to ethically and transparently disclose information related to the Bank's performance in economic, social and environmental areas.

In 2007 Itaú Holding's reports will once again be analyzed, and the Organization will continue to seek ways and means to increase the dialogue with all groups with whom it interacts.



Banco Itaú Holding Financeira S.A.

Social Report 2006

Introduction (inside front cover)

Assessment of 2005 Annual Report and Social Report (inside front cover)

Message from the President

2

Bank of Sustainable Value

4

Vision, Principles and Values

6

Managing for Sustainability

8

Management Structure
Ethics Management

10

12

Sustainable Finance

16

Socio-environmental Risk Analysis
Microcredit
Socially Responsible Products

18

21

23

Responsible Practices

26

Strategic Relationship Groups
Shareholders and Investors
Employees
Suppliers
Clients
Media
Community
Environment

28

30

32

44

46

54

56

62

Social and Cultural Investments

66

Fundação Itaú Social
Fundação ItaúBank
Instituto Itaú Cultural
Other Social and Cultural Investments

68

76

78

88

Awards and Recognition

92

Principal Economic and Social Performance Indicators

Ibase Table

93

Value-Added Statement

95

Auditors' Opinion

96

Evaluation of the AA1000 Process

97

Global Reporting Initiative (GRI)

99

Communication and Service Channels

106



Message from the President



Itaú strives for economic performance in its activities through sustainable, ethical and transparent management.

In 2006 Itaú Holding reaffirmed its commitment to sustainability, which for us means basing our economic performance on values such as social equality and environmental responsibility. With this idea at the heart of the Organization's strategy, we have experienced continual growth as we strive for long-term results and lasting relationships.

Our goal is to employ sustainable, ethical and transparent management and social investment mechanisms and activities which ensure the creation of value for shareholders, clients, staff, suppliers and all other groups with whom we interact.

In 2006 we undertook several initiatives to strengthen our relationships with these groups, beginning with understanding their expectations of Itaú Holding's actions, and publicizing our sustainable practices. We launched a socio-environmental responsibility website to share the practices developed by the Organization and to create a closer dialogue with the general public.

We also presented the Itaú Sustainability Dialogues, a lecture series for the business community, which focuses on practices adopted by companies such as Sadia, Natura and Duratex, and we organized the second Socio-environmental Responsibility Week to raise staff awareness on sustainability practices that can be adopted in their daily activities.

Efforts like these are just some of the ways we have incorporated sustainability standards into our operations. In 2006 Itaú Holding, Banco Itaú, Banco Itaú BBA, Banco Itaú Europa and Banco Itaú Buen Ayre adopted the most recent version of the Equator Principles. Among other measures, signatory banks must apply socio-environmental responsibility principles to credit analysis for projects valued in excess of US\$10 million, and publish annual reports covering the results of the implementation of the Principles and improvements in socio-environmental responsibility standards by the banks themselves.

This responsible stance, combined with financial strength and our management practices, helped allow Itaú Holding to be part of the Dow Jones Sustainability World Index (DJSWI) for the seventh consecutive year, and part of the São Paulo Stock Exchange's Bovespa Corporate Sustainability Index (ISE) for the second consecutive year.



We have been included in both these indices since they were created, which demonstrates the quality of our environmental, economic and social risk management.

For the second time we were selected as Latin America's Most Ethical Bank by *Latin Finance* and *Management & Excellence* magazines, while *Euromoney* magazine named us the Best Bank in Brazil for the ninth time.

In 2006 we invested R\$110 million in social and cultural projects, R\$28 million of which was in projects under Brazil's Rouanet Law for the Support of Culture.

In private social investment, Itaú Holding runs the Fundação Itaú Social, which focuses on improving the quality of public schooling. In 2006, R\$33 million was invested in 22 projects and 144 support actions by institutions which share our goals.

The Instituto Itaú Cultural, a benchmark in assembling and publicizing displays of Brazilian culture, continued to operate in different areas of expression and research. In 2006 the Instituto Itaú Cultural produced 206 events nationwide, which required investments of R\$28.6 million, of which R\$21.7 million was used under Rouanet Law incentives.

Our strategic socio-environmental positioning and sustainable management and performance, which are seen in Itaú's programs, projects and results, are described in detail in this Report. Itaú Holding remains committed to all groups who are involved with or benefit from our activities, and we trust this Social Report represents a source of inspiration and dialogue for everyone.

Happy reading!

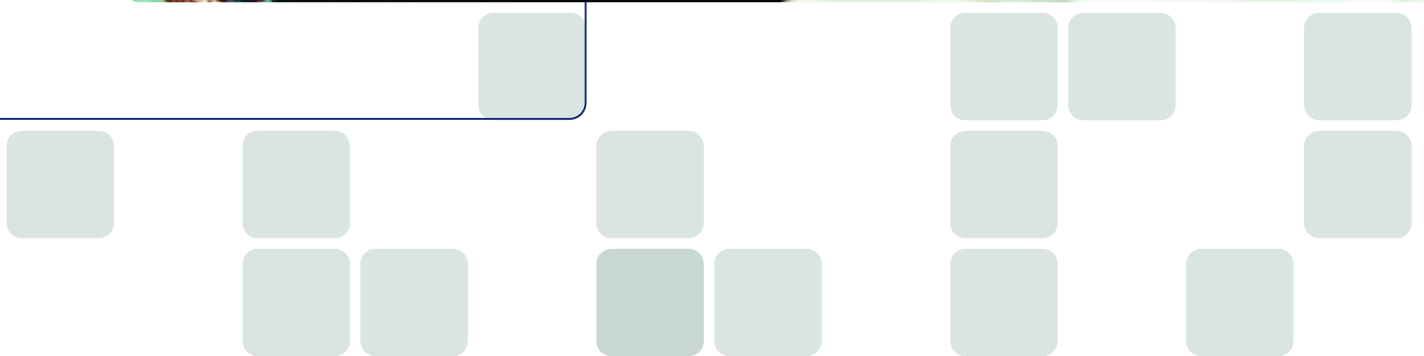
Roberto Egydio Setubal

Chief Executive Officer



Bank of Sustainable Value

The Principles and Values in Itaú's Vision are part of the Organization's daily activities, and are consistent with corporate responsibility and sustainable development fundamentals.





Vision, Principles and Values



Itaú's Vision

To be the industry's best performing bank, built to last, renowned for being sound and ethical, and distinguished by highly motivated teams committed to customer satisfaction, to the community and to generating competitive advantages.

Itaú Holding's socio-environmental responsibility, which is manifested in its relationships with all its relationship groups, is based on respect for human beings, diversity and the law, through a commitment to quality products and services and environmental preservation.

The sustainability of the Organization's business activities depends on the involvement and effective commitment of its leadership and other staff members to ongoing improvements in its operations. Reaching this goal requires sharing in the behavioural principles expressed in the Itaú Way:

Performance

We work together to make the Bank a performance leader.

Human Values

We work to the highest standards of ethics, social responsibility, obeying the law and respect for individual human rights.

Feedback

We develop, prepare and guide our people by giving them feedback so they can help us achieve better results and grow within the Organization.

Motivation

We encourage an open and motivating environment to generate high quality decision making by advancing the exchange of ideas and contributions at all levels of the Organization.

Teamwork

We employ a participative team structure, which ensures quick and efficient decision making.

Continual Improvement

We always strive to improve every activity we undertake.

Customer Satisfaction

We are committed to the sustainable development of our business operations, as well as the satisfaction of our customers.

Celebration

We trust in each other, celebrating and sharing our successful results.

Since 2005 we have undertaken a number of projects to strengthen Itaú Holding's Performance Culture by engendering the continual growth of our corporate culture and bringing the entire Bank into line with the Itaú Way. As of 2007 these projects will be extended to the branch network.

Human Rights Principles	Itaú Holding Actions
1. Respect and protect human rights	Ethics Policy Management, People Management Policy, Itaú and Itaúbank Volunteers, Itaú Child Program
2. Prevent violations of human rights	Ethics Policy Management, Itaú Child Program, People Management Policy
Labour Rights Principles	Itaú Holding Actions
3. Support freedom of association at work and the right to collective bargaining	Relationship with Unions
4. Abolish forced or compulsory labour	Relations with suppliers, People Management Policy
5. Eradicate Child Labour	Relations with suppliers, People Management Policy, Itaú Child Program
6. Eliminate discrimination in the work place	Ethics Policy Management, People Management Policy, Corporate Diversity Program
Environmental Protection Principles	Itaú Holding Actions
7. Adopt a preventive approach to environmental challenges	Adopting the Equator Principles, Socio-environmental Criteria for Credit approval, Sale of Socially Responsible Products
8. Promote environmental responsibility	Adopting the Equator Principles, Socio-environmental Criteria for Credit approval. Preservation and Revitalization of Parks and Green Areas, Rational Use of Natural Resources, Spring Planting Campaign
9. Give incentives to environmentally friendly technologies	Sale of Socially Responsible Products, Rational Use of Natural Resources
Anti-Corruption Principle	Itaú Holding Actions
10. Fight corruption in every form, including extortion and bribery	Ethics Policy Management, Information Security and Privacy, Prevention of Money Laundering and corruption.

Shared Principles

For Itaú Holding, sustainability comes from shared values and principles that lead to ongoing improvements through financial success, social fairness and environmental responsibility. Accordingly, the Organization is part of the following initiatives.

Global Compact

Itaú Holding is a signatory to the Global Compact, ten principles established by the United Nations and divided into four groups: human rights, labour standards, the environment and anti-corruption. Itaú Holding's main

actions and initiatives related to each Global Compact principle are presented in the table above (the actions carried out are detailed elsewhere in this Report).

Millennium Goals

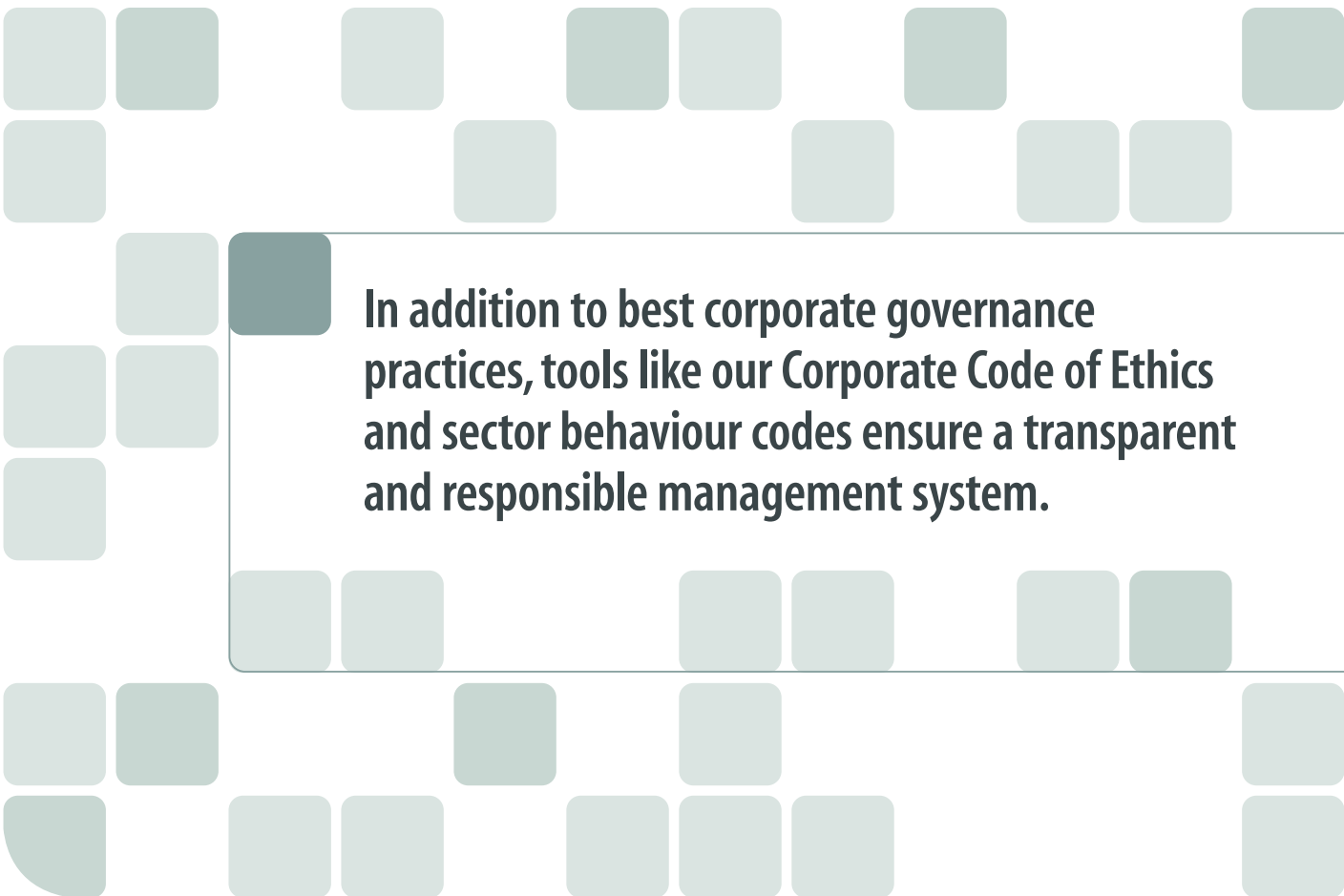
Itaú Holding seeks to help Brazil meet the Millennium Development Goals, eight objectives formalized in the Millennium Declaration, a United Nations initiative ratified by 189 countries whose goal is to ensure sustainable development by 2015.

Following are the Bank's contributions to the Millennium Goals.

Objective	Itaú Holding Actions
Eradicate extreme poverty and hunger	Fundação Itaú Social, Fundação ItaúBank, Banco Itaú and Banco Itaú BBA social investments, Itaú Child Program
Achieve universal primary education	Fundação Itaú Social, Fundação ItaúBank, Banco Itaú and Banco Itaú BBA social investments, Itaú Child Program
Promote gender equality and empower women	People Management Policy, Corporate Diversity Program
Reduce child mortality	Itaú Child Program
Improve maternal health	In implementation: Women's Health Program at Administrative centers, Itaúsa Headquarters (CEIC) and Technical Operations Center (CTO) – and in administrative centers with large numbers of staff
Combat HIV / AIDS, malaria and other diseases	Sexually Transmitted Diseases/AIDS Prevention program, Health Time Program
Ensure environmental sustainability	Health Time Program, Spring Planting Campaign, Campaigns for the rational use of natural resources
Establish a global partnership for development	Adopting the Equator Principles, Socio-environmental Criteria for Credit approval, Microcredit support programs, Sales of Socially Responsible Products



Managing for Sustainability



In addition to best corporate governance practices, tools like our Corporate Code of Ethics and sector behaviour codes ensure a transparent and responsible management system.





Management Structure



Itaú's Committees and Commissions comprise representatives from our different operating areas, and are designed to ensure quality decisions.












In 2006 Itaú Holding took an important step to advance its sustainable management mechanisms by initiating the process to adopt AccountAbility 1000 (AA1000), which are international ethical and social reporting standards for business transparency and accountability.

These standards help the Bank make the following processes more transparent and effective: integration of our Values, Vision and Code of Ethics into our corporate culture; engaging our strategic relationship groups; and communication and reporting.

The first stage in implementing AA1000, called the Learning Cycle, had the following objectives:

- Examine the possibilities presented by the Standard and present these to staff;
- Assess the level of compliance of Itaú's practices with AA1000 recommendations;
- Map out our strategic relationship groups;
- Define strategic themes to establish structured dialogues with these groups;
- Develop engagement processes to be deployed in subsequent cycles; and
- Train teams in the areas involved for this and following cycles.

The results of this work can be seen in the statement issued by BSD (Business meets Social Development), which appears in this Report.

AA1000 supplements the set of processes we employ to ensure sustainable activities, which is described in the following pages. Our Corporate Governance practices, which are a fundamental part of Itaú Holding management, are found in the Annual Report.

Committees and Commissions

To ensure our actions are consistent with sustainability, the companies within Itaú Holding maintain Committees and Commissions which incorporate representatives from our different operating areas.

Banco Itaú Holding Financeira

- Senior Ethics Commission: sets guidelines for Corporate Ethics Policy and oversees changes to the Code of Ethics.
- Audit Committee: responsible for the quality and integrity of the financial statements; our compliance with legal and regulatory requirements; the performance, independence and quality of work of our independent auditors; the performance and quality of work of the Internal Auditing Directorate; and the

quality and effectiveness of our internal controls and risk management systems.

- Disclosure and Trading Committee: determines the actions required to disclose and distribute the Material Act or Fact Disclosure Policy; analyzes the content of press releases before they are sent out, road show meetings with investors and analysts, teleconferences and public presentations containing material information about the company; analyzes official queries from regulatory authorities and self-regulators and formulates the respective responses.
- Commission to Prevent and Combat Illegal Activities: establishes, monitors and assesses results of investigations to prevent Money Laundering in Itaú Holding.
- Information Security and Privacy Committee: provides clear guidance and visible management support for the Institution's initiatives in security and privacy.

Banco Itaú

- Ethics Committee: monitors Banco Itaú's business practices, updates and aligns sector behaviour codes and monitors sector ethics committees.
- Executive Socio-environmental Responsibility Committee: defines and evaluates Banco Itaú's socio-environmental policy, aligns actions, analyzes proposed projects and approves the Social Report.
- Socio-environmental Responsibility Commission: monitors changes in society's demands, evaluates the alignment of projects and suggestions in relation to Banco Itaú's positioning on these demands, sets communication priorities and suggests alternatives to increase internal and external disclosure and dissemination of socio-environmental aspects, analyzes Banco Itaú's participation in sector surveys and awards.

- Executive Human Resources Committee: establishes human resources strategies and policies.
- Diversity Committee: analyzes and sets guidelines that promote corporate diversity, identifies and proposes actions.

Banco Itaú BBA

- Ethics Committee: ensures the Organization's ethics are followed within Itaú BBA by aligning business ethics, stance and behaviour of its directors and staff; also centralizes and standardizes information related to ethics.
- Human Resources Committee: sets and monitors people management strategies and policies; focuses on the attraction, development and retention of highly trained and motivated professionals to ensure excellence in client service and generation of positive results.

Fundação Itaú Social

- Fundação Itaú Social Executive Commission: guides its actions and establishes guidelines for programs, projects and support.
- Fundação Itaú Social Program and Sponsorship Committee: coordinates operation of programs, evaluates programs, projects and grants support.

Instituto Itaú Cultural

- Instituto Itaú Cultural Executive Committees: responsible for administrative management and cultural activities.



Ethics Management



The Itaú Corporate Code of Ethics guides staff decisions based on respect for people.

The Itaú Corporate Code of Ethics was renewed in October 2005, after an 18-month process which included surveys, discussions, consultation and learning. Its primary function is to use sound ethical standards to guide staff in their relationships with those groups with whom the Organization interacts.

The Code stresses action based on awareness, dialogue, cooperation, transparency, disclosure, diversity and a commitment to socio-environmental issues pertinent to the Bank's activities.

The Code's objectives are:

- Preserve the reputation of Itaú Holding and the dignity of its employees;
- Guide actions based on respect for people and organizations;
- Ensure socially responsible decision making.

In keeping with strategic activities designed to advance Itaú Holding's corporate culture, performance and responsibility, the Code of Ethics is part of a broader set of initiatives, including:

- making ethics a goal in Itaú's new Vision;
- Corporate Governance practices;
- the Audit Committee;
- the Senior Ethics Commission and the various Ethics Committees;
- the Executive Socio-environmental Responsibility Committee;
- the Diversity Committee;
- the Itaú Way;
- foundations and institutes linked to Itaú Holding; and
- People Management and Management Practices Committees.

Our Ethics Management always follows the recommendations of ECS2000 (Ethics Compliance Standard), an international standard developed and managed by the Reitaku University Business Ethics and Compliance Research Center, a Japanese teaching and research institution which is internationally respected as a leader in corporate ethics issues.

Goals established for 2006 and results for the year

Goal: publicize the Corporate Code of Ethics to other strategic relationship groups: customers, shareholders, investors, suppliers, third sector representatives and public authorities.

Results: The Code of Ethics was distributed to customers, shareholders, investors, retirees, suppliers, third sector representatives and public authorities.

Goal: Train close to 39,000 employees by distance education and a further 1,200 employees through classroom seminars and ethics workshops, to disseminate the Itaú Corporate Ethics Policy and values of the new Code.

Results: A comprehensive Program for Ongoing Education in Ethics was carried out with the following objectives: inform managers and employees of the Organization's principles, values and standards of conduct; prepare them to handle ethical dilemmas linked to their daily activities; and disseminate the fundamentals of our Corporate Ethics. Itaú Holding carried out various e-learning activities, with 46,788 employees taking part, in addition to 71 classroom events (courses, workshops and lectures) in the administrative facilities of ItaúBank, Itaú BBA and Itaú Buen Ayre, involving a total of 4,144 employees.

Goal: Structure processes to allow better relationship channels with our strategic target groups, focusing on improving engagement with our different stakeholders.

Results: Itaú Holding is implementing the AA1000 Standard.

Goal: Remain as a leader in the field of ethics through national and international recognition and in industry rankings for ethics and socio-environmental responsibility.

Results: For the seventh consecutive year we were included in the Dow Jones Sustainability World Index, and for the second year in the São Paulo Stock Exchange's Bovespa Corporate Sustainability Index; selected for the second time as Latin America's most sustainable and ethical Bank by *Latin Finance* magazine and Management & Excellence Consultants; chosen for the ninth time as Brazil's Best Bank by *Euromoney* magazine.

Goals for 2007:

- Continue implementing the AA1000 Standard.
- Carry out ethical climate survey together with the biannual Organizational Climate survey, to identify the level and depth of acceptance of the Itaú Corporate Code of Ethics.
- Launch Corporate Ethics website.
- Form teams of multipliers for Itaú's Corporate Ethics Policy and develop two new e-learning modules: Ethics and People Management; and Ethics and Sales Quality.
- Conduct independent assessment (using outside consultants) of the goals and results achieved by the Corporate Ethics Policy.

Managing for Sustainability

Codes of conduct

In addition to the Corporate Code of Ethics, Itaú Holding's main business areas have developed sector codes of conduct. Consistent with the principles and guidelines of the Code of Ethics, these codes are based on specific aspects of each area's activities and identify the issues related to the daily activities performed by their teams.

Additionally, Itaú Holding complies with independent codes which share our high ethical standards, whether legally required or not. In every instance of customer service, for instance, the Bank complies with consumer protection codes and standards. These procedures ensure customer satisfaction and transparency in services, products and operations.

Branches and customer support services base their activities on the guidelines of the Consumer Defense Code and Resolutions 2878 and 2892, which govern mandatory procedures for financial institution operations and for providing services to the general public. With respect to advertising, Itaú Holding follows the Advertising Self-Regulation Council and complies with applicable Brazilian Advertisers Association Code regulations.

Communication channels

To continue strengthening our ethics-related communications, in 2006 the Senior Ethics Commission added the Audit Committee to those channels which can receive reports of actions which are damaging or contrary to the Corporate Code of Ethics. This allows employees to safely refer such communications to their immediate superior, to the internal risks and controls officer of their area, to the specific sector Ethics Committee, to the Ethics Committee of their company, and to the Senior Ethics Commission or Audit Committee.

Secrecy and confidentiality are assured when analyzing the information, although we require such information to be sound and consistent.

Donations to political campaigns

Itaú Holding's support of candidates or political parties is completely transparent, in keeping with the Organization's principles and values.

Any funds donated are accounted for and documented in Brazil's electoral commission website at www.tse.gov.br, in strict compliance with legal regulations governing donations to political campaigns.

We donate funds to a wide variety of candidates, posts, parties and states, after conducting a detailed, criteria-based analysis of the candidates and the programs of the specific political parties. This assessment is carried out by a formally established Committee comprised of advisors and executives from the Bank. Itaú Holding's support is directed to those individuals and groups, who, in the committee's opinion, offer the most suitable platforms to improve living conditions in Brazilian society.



Prevention of Money Laundering and Corruption

Itaú Holding views preventing and combating illegal activities as an institutional commitment and a responsibility to society. In 2006 we formalized our stance, consistent with the market's best practices and the recommendations of international agencies, by publicizing our Policy to Prevent and Combat Illegal Activities through our internal Newsletter and by public disclosure on our www.itauri.com.br investor relations website.

The guidelines of this Policy guide every Itaú Holding company, while representative offices abroad also comply with applicable legislation in their home countries.

The Organization maintains a control environment which is committed to stamping out illegal activities through preventive actions and by encouraging staff to commit to the values of the corporation. In 2006, 472,000 transactions were analyzed for money laundering and fraud. These procedures begin the moment a bank account is opened, and prevent Itaú Holding companies from being used in the movement of assets stemming from illicit activities.

The greater challenge is to identify and stamp out increasingly sophisticated operations which attempt to disguise the origin, ownership and movement of goods and finances tied to illegal activities, including money laundering and corruption. Financial institutions perform a fundamental role in the effort to fight these operations.

Information security and privacy

The creation of our Information Security and Privacy Policy and the Information Security and Privacy Committee, in addition to increasing employee awareness of the importance of related practices, demonstrates Itaú Holding's commitment to total privacy for its customers.

In 2006, in keeping with our Information Security and Privacy Policy, we created the Itaú More Security Program, which is designed to raise employee, customer and public awareness of the importance of safe practices in internet banking.

In addition, the Organization makes continual investments in Information Security and Privacy, and during the year the Vanzolini Foundation renewed our IQnet/Good Privacy certification.




Learn More:

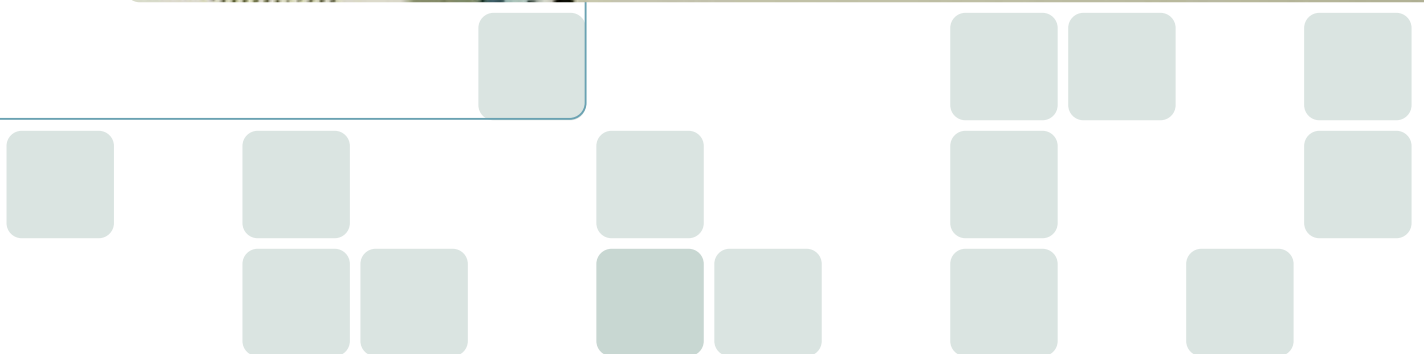
About Itaú's Corporate Governance, Code of Ethics, Privacy Policy, and Disclosure and Trading Policy on our Investor Relations website: www.itauri.com.br.



Sustainable Finances



Consistent with international standards for sustainable finances, Itaú provides products and services which are based on our commitment to corporate socio-environmental sustainability.



Socio-environmental Risk Analysis

Since 2005, Itaú has broadened its adoption of the Equator Principles by applying its own credit analysis methodology to assess socio-environmental risks for all projects valued over R\$5 million.

In 2006 Itaú Holding, Banco Itaú, Banco Itaú BBA, Banco Itaú Europa and Banco Itaú Buen Ayre adopted the most recent version of the Equator Principles, which included the following alterations:

- applying the Principles to projects valued over US\$10 million, instead of US\$50 million;
- applying the Principles to consulting projects and to improvements or expansion of existing projects with a significant socio-environmental impact; and
- releasing annual reports about results obtained from implementing the Principles and improvements in socio-environmental responsibility standards by banks that have adopted the Principles.

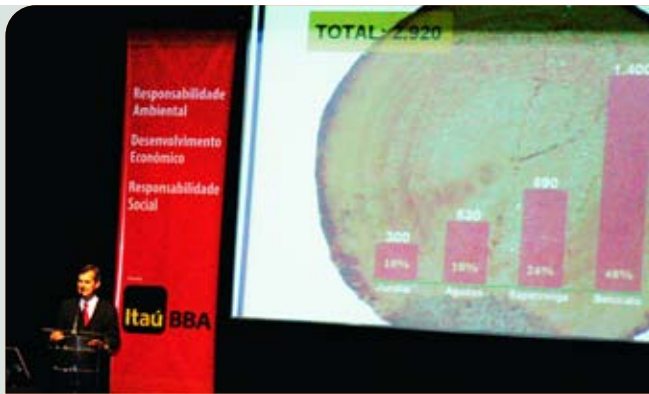
In addition, Itaú Holding's banking subsidiaries have socially responsible products and operate in the microcredit segment, consistent with the market's best sustainable finances practices.

Banco Itaú

Since 2005 Banco Itaú has been broadening its adoption of the Equator Principles' philosophy by applying its own credit analysis methodology to assess corporate socio-environmental risk, particularly for classifying risk for middle market companies and for all projects valued over R\$ 5 million.

BNDES operations also undergo this assessment. While the total value of projects funded dropped 26% from 2005, the number of projects over the same period grew 23%, demonstrating a wider distribution of funds in the middle market company segment.

BNDES Operations		
	2005	2006
Total funding value (in R\$ millions)	157	116
Number of projects funded	73	90



In 2006, Banco Itaú continued implementing and improving its socio-environmental policies for middle market companies. A review of the processes and criteria used in socio-environmental risk analysis was begun, and at year-end specific socio-environmental evaluation questionnaires were sent out to commercial clients in the state of São Paulo. The results were used to strengthen Itaú's internal policies and better understand our customers' needs, and spread the subject of sustainable development among managers and customers.

During the year we also received an additional US\$50 million from the Inter-American Investment Corporation (IIC). These monies were used to finance small and medium sized companies based on their socio-environmental conduct, using the Equator Principles and IIC criteria. Since 2005 the IIC has provided US\$150 million to Itaú for onlendings.

In 2006 our credit portfolio was analyzed for macro and micro economic trends in the different sectors of the economy, and specific socio-environmental risk ratings were given to each sector. Through training events held in Brazil and abroad, Banco Itaú continued to train staff members who were directly or indirectly involved in credit analysis.

Goals for 2007:

- Implement improvements suggested by the reviews of processes and criteria for assessing socio-environmental risk.
- Distribute the socio-environmental assessment questionnaire to the rest of the country.

Sustainable Finances

Banco Itaú BBA

Like Banco Itaú, Banco Itaú BBA expanded the criteria of the Equator Principles and has committed itself to assessing sustainability for more complex projects. This work is conducted in conjunction with independent environmental companies to ensure closer compliance and more transparency in every socio-environmental analysis.

To identify, assess, control, transfer and monitor the environmental risks of these projects, it has adopted procedures and investigation techniques such as due diligence (during the evaluation), and control mechanisms like placing socio-environmental clauses in loan agreements.

Projects are classified by activity sector, and take into account the location, scale and effects (policy issues or impact reversal capability) of the activity to be funded by the transaction. Classification is key to rapid identification of issues that might create unacceptable or unreasonable social or environmental impacts. It also gives the Bank's teams advance indications on the amount of social and environmental due diligence required for the transaction.

To alleviate environmental risks in its projects, Banco Itaú BBA takes a number of steps, including:

- clear designation of responsibilities;
- establishment of an Environmental Action Plan;
- review of credit terms;
- establishment of socio-environmental clauses; and
- requirement of suitable guarantees.

In 2006 Itaú BBA began analyzing 16 new projects from various clients in power generation and distribution, expansion and modernization of sugar and ethanol production facilities, mining and industry, involving investments of R\$2.5 billion, with a significant portion of the risk being taken on by Itaú BBA. Of these projects, three medium environmental impact projects were approved for financing, while 11 other medium environmental impact projects are still being studied, as are two high environmental impact projects.

As in previous years, Banco Itaú BBA was again active in financing infrastructure and industry projects through BNDES funds.

Carbon Disclosure Project

Itaú Holding is alert to the opportunities offered by the carbon credit market. In 2006 the Bank was a respondent to the fourth edition of the Carbon Disclosure Project (CDP) questionnaire. Based in London, the CDP encourages companies to reduce their greenhouse gas emissions that lead to global warming. The Carbon Disclosure Project is conducted on behalf of 225 institutional investors with collective assets of US\$31.5 trillion under management.

Through annual submissions from companies, the CDP gauges the level of environmental responsibility of the world's 500 largest corporations. Itaú Holding will respond to the questionnaire again in 2007.



Microcredit



In 2006 the Microcredit Support Program, implemented by the Fundação Itaú Social the previous year, contributed to the institutional development of organizations in the microcredit segment.



Microcredit Support Program

Through its relationships with community organizations, Banco Itaú identified a new opportunity to apply microcredit funding to maximize its impact on local socio-economic development. Thanks to its network of partners and awareness of public demand, in 2005 the Fundação Itaú Social implemented the Microcredit Support Program.

In 2006 this Program helped the institutional development of microcredit organizations, as well as the segment itself. Every organization registered with the Itaú Business Support Award, held in 2005, received a report demonstrating the institution's performance during the award selection process.

The *Diagnostic of Microcredit Institutions in Brazil*, a publication that features consolidated data from

institutions registered with the Itaú Business Support Award, seeks to help understand the microcredit sector in Brazil and to create policies for its development by addressing issues such as infrastructure, products, efficiency, growth and financial sustainability, among others.

The indicators selected are presented using three analytical aspects for businesses: age, size and geographical operating area. The publication will be distributed to microcredit institutions, researchers, government agencies and other interested parties.

To help create new microcredit institutions in Brazil, in 2005 the Fundação Itaú Social began a partnership with SERTA to form a microcredit lender based on its experience with young business people in the interior of Pernambuco state. The partnership was formalized in 2006, and based on its findings a guide for Creating New Microcredit Institutions will be written.



R\$ 80 million

was financed by Itaú in 2006, through 148,080 microcredit loans.

Banco Itaú

Since 2003 Banco Itaú has operated Microcrédito Itaú PF to provide personal loans to low income customers. These loans are unique as they do not require proof of spending, and installments are paid on the date chosen by the borrower. In 2006 Banco Itaú made 148,080 loans totalling approximately R\$80 million.

During the year we also undertook a pilot project with civil society organization Empreenda, which operates through the National Program for Directed Productive Microcredit. This institution develops credit activities for micro business people by financing essential items such as goods, services and working capital.

ItauBank

Since the onset of the Microcredit Program in 2004, the Bank's Active Product area has sought to study and develop partnerships with organizations which make loans and supply the necessary structure for micro companies. In the past two years over 10,000 operations were conducted with customers from these partner institutions.

The Fundação ItauBank monitored these efforts to ensure this lending model can effectively benefit the borrowers. The Program was structured in partnership with the National Agency for the Development of Micro Businesses in Recife (ANDE), the People's Bank Credit Association of Belo Horizonte (ACP), and the Center for Small Business Support in São Luís do Maranhão (CEAPE). Business people from the states of Maranhão, Minas Gerais and Pernambuco have already received the benefits of this program.

In 2007 Banco Itaú will analyze its maintenance of this Program.



Socially Responsible Products

The Itaú Social Excellence Fund's portfolio is worth over R\$ 360 million, and features stocks from 28 companies. In 2006 it invested R\$ 1.2 million in social projects focused on education.

Itaú Social Excellence Fund Itaú (FIES)

The FIES is an ethical and social fund. Ethical because it invests only in shares of companies with proven social responsibility practices, and social because 50% of its management fees go to social projects which are registered in competitions and then selected by the Fund's Deliberative Board, which is made up of society leaders and representatives of key institutions. At year-end the Fund's portfolio was valued at R\$361,857,317.21, and was comprised of stocks from 28 companies. From February 3, 2004 to December 29, 2006 the fund's gross accumulated return was 158.83%.

In 2005 the Fund began making donations in conjunction with NGO Comunitas through the "Connections in Progress" project. Since then the Fund's growth has greatly increased its social investment capability.

In 2006 Banco Itaú received 684 submissions from candidate NGOs nationwide to receive a total of about R\$1.2 million, or 50% of the Fund's management fees from July 2005 to June 2006. After a detailed analysis, the Deliberative Board selected 12 NGOs active in Education to each receive R\$98,954.29.



Learn More:

About the Itaú Social Excellence Fund, regulation and projects selected at www.fundacaoitausocial.org.br and at www.itauinstitucionais.com.br.

Sustainable Finances

Compror and Socio-environmental Working Capital

For medium-sized companies Banco Itaú offers Compror and Socio-environmental Working Capital products to finance the acquisition of goods and services for company projects which reduce emissions of pollutants or waste products, adopt more environmentally friendly technologies, or obtain environmental certification, among others.

Leasing for People with Impairments (PPD)

In 2006 Banco Itaú reviewed its criteria for Leasing for People with Impairments (Leasing PPD).

The minimum amount dropped from R\$4,000 to R\$500. In addition to mechanical prosthetics, wheelchairs, PCs and special purpose software, financing is also available for hearing aids and orthopaedic devices, as well as Braille machines and printers. Additionally, Leasing PPD now carries no front-end fee.

Itaú Annuities Plan (PIC)

In 1994 Banco Itaú launched an annuities plan whose earnings are allocated to primary school education programs around the country. Since then, products like PIC Child and PIC Itaú-Unicef have been developed, which generate funds for UNICEF's social programs.

In 2005 the PIC Nature plan was launched in conjunction with WWF-Brasil, an NGO which is responsible for managing donations for reforestation projects.

In addition to bringing benefits to plan holders, PIC Nature was created to contribute to the reforestation of different regions of Brazil by using Bank earnings.

In September 2006, PIC Itaú Child was launched, with the proceeds going to Fundação Itaú Social and UNICEF social programs. In 2006 this product and PIC Hope, which was introduced in 2003, provided about R\$3.8 million to two institutions.

Since 1994 the entire product range has donated approximately R\$39 million and benefited more than one million children.

Goals for 2007:

- Develop, launch and publicize new products that meet the needs of companies with proven socio-environmental responsibility, and those wishing to adopt sustainable practices in their business activities.



Learn More:

About Socially Responsible
Products and Services at
www.itau.com.br/socioambiental.



Responsible Practices



To publicize and share its practices, and strengthen the ties with our strategic relationship groups, in 2006 Itaú launched a socio-environmental responsibility site.



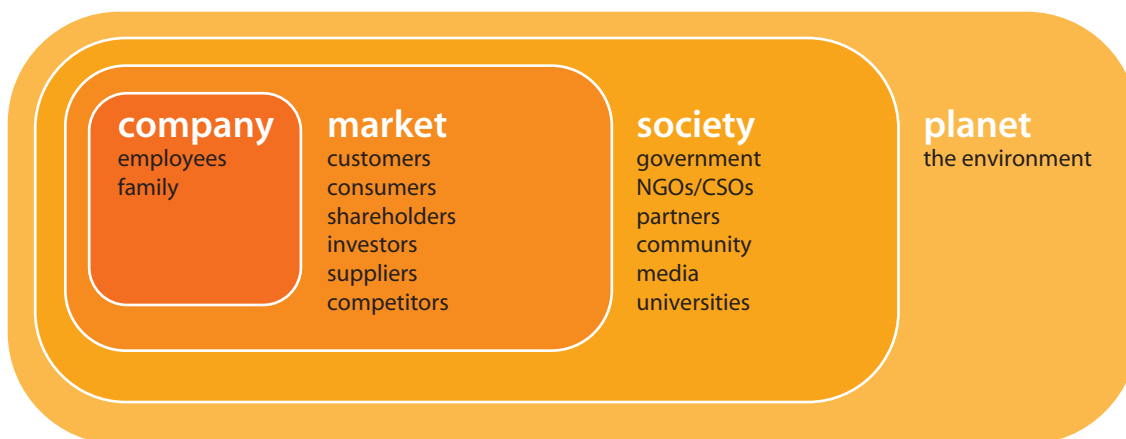


Itaú's Relationship Groups



Initiatives like Itaú Dialogues on Sustainability and Socio-environmental Responsibility Week are designed to bring us closer to our strategic relationship groups.

Relationships with our strategic groups must be based on respect for human beings, diversity and the law, plus a commitment to quality products and service and environmental preservation. Currently the Organization has over 59,000 employees and 40,000 dependents, over 21 million customers, more than 55,000 shareholders and approximately 25,000 registered suppliers.



After defining its strategic relationship groups, in 2005 Itaú Holding began a gradual process of consolidating and strengthening its dialogue and sustainability practices, including those listed below, which involve a number of these groups.

- **Conscientious Use of Credit Program.** In 2004 Banco Itaú introduced this program, using an unprecedented campaign to educate the public about the best ways of using the credit lines available in the Brazilian market. The following year the Bank released an Information Guide for Commercial Clients, which furthered our commitment to helping our customers grow.

Goals established for 2006 and results for the year

Goal: Distribution of special manual for employees, with a section for managers, containing tips on how to obtain backing support to help guide employees.

Results: The Personal and Family Finances Planning manual was released in 2006 as a complement to the Conscientious Use of Credit Program. The manual's goal was to show employees the importance of financial planning and solvency to avoid possible adversities, and allow personal goals to be achieved with peace of mind and contribute to quality of life.

- **Itaú Dialogues on Sustainability.** Banco Itaú's sustainability actions include discussing the issue with its business community partners. In 2006 in São Paulo, the first Itaú Dialogues on Sustainability event was held. Commercial clients and NGOs took part, who learned about the practices of Natura, Sadia and Duratex, companies seen as standard-setters in this area. The event also featured a keynote address by Steven Rochlin, Director of AccountAbility, who spoke about the opportunities and risks of the practice of sustainability in companies.

- **Socio-environmental Responsibility Website.**

In late 2006 Banco Itaú launched a socio-environmental responsibility website, which is designed to spread and share the practices developed by the Bank and provide a closer relationship with customers and society. The site's structure offers easy browsing and access to detailed content, and is organized by interest areas of our different relationship groups: shareholders and investors, employees, suppliers, customers, community and the third sector, government and the environment.

- **Socio-environmental Responsibility Week.** In 2006 Banco Itaú hosted its second Socio-environmental Responsibility Week, which helps educate and raise the awareness of its employees about the issues, stance and impacts of individual attitudes on the environment, the company and society. Three display tunnels were built at the Itaú's headquarters (CEIC) and the Technical Operations Centre (CTO), allowing employees to walk through them and learn about social and environmental issues and the Bank's practices. There were also stands for Diversity, Ethics, Corporate Governance, the Environment, Volunteers, the Fundação Itaú Social and Instituto Itaú Cultural.

Goals for 2007:

- Continue and expand the Itaú Dialogues on Sustainability event to the Bank's other relationship groups.
- Hold third Socio-environmental Responsibility Week

Shareholders and Investors

In 2006, Itaú held 14 Apimec meetings in different cities around the country, in addition to ten road shows and conferences in Brazil and abroad and five teleconferencing events for quarterly results and material facts.

The Organization's Investor Relations Policy sets out the forms of contact used with shareholders, individual and institutional investors, market analysts, regulatory agencies and national and international capital markets groups. Itaú Holding is committed to delivering clear, accurate, accessible, comprehensive and fair information about the Organization's strategy, results and prospects.

In 2006, Itaú held:

- 14 Apimec meetings (Association of Capital Markets Investment Analysts and Professionals) around Brazil;
- ten road shows/conferences in Brazil and abroad (in particular in the USA and UK);
- five teleconferencing events in Portuguese and English about quarterly results and material facts; and
- different presentations in seminars, conferences and congresses in Brazil.

Itaú Holding became the first Brazilian company to hold an Apimec meeting in the city of Ribeirão Preto, in São Paulo state. The company also held its annual São Paulo meeting for the eleventh consecutive year. At this event, the Organization's results and strategies were presented, and the Socio-environmental Responsibility site and new version of the Investor Relations site were unveiled.



Itaú Holding's system for communications with the market also includes:

- Investor Relations website in three languages (Portuguese, English and Spanish);
- Quarterly *Itaú Shares in Focus* newsletter, distributed to all shareholders since March 2004;
- Annual Report and Social Report (print and online versions);
- Quarterly Reports, including Management's Discussion and Analysis of Financial Condition and Results of Operations;
- Sending of e-mails to over 11,500 people registered on the company's mailing list;
- informative press releases;
- Publication of material facts on the internet.

Itaú Holding is Latin America's only bank that has been on the Dow Jones Sustainability World Index since the DJSWI began in 1999, due to its management of economic, environmental and social risks.

In 2006 it was named to the DJSWI for the seventh consecutive year, and to the São Paulo Stock Exchange's Bovespa Corporate Sustainability Index (ISE) for the second consecutive year.

In 2006 the Bank received the *IR* magazine Grand Prize for Best Investor Relations Department in Brazil. The magazine also awarded the Organization for Best Investor Relations CEO and Best Meeting with the Investment Community.



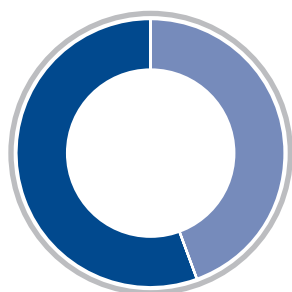
Learn More:

About investor relations at
www.itaui.com.br.
If you would like to learn about
being part of the Dow Jones
Sustainability World Index, go to
the Corporate Governance/Our
Practices section.
For information on Itaú Shares
in Focus, visit the Itaú Holding
Actions/Shareholder
Information section.

Employees

Itaú invested R\$66 million in staff training and development programs in 2006, up 10% from the previous year.

Gender

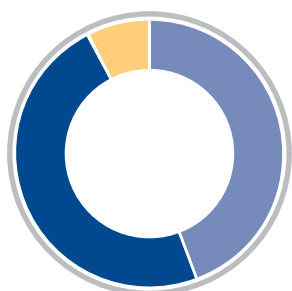


44.50% Male
55.50% Female

Over 59,000 people who work at Itaú Holding are considered as being employees.

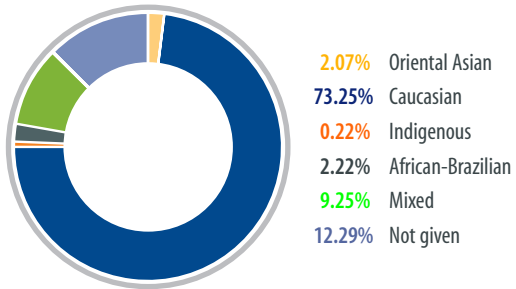
Initiatives developed over the course of 2006 help maintain a continual effort to building a healthy working environment, with responsible and inspiring leadership guided by the Itaú Way.

Marital Status

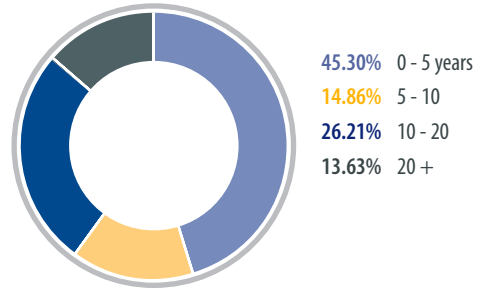


44.27% Married
48.21% Single
7.52% Other

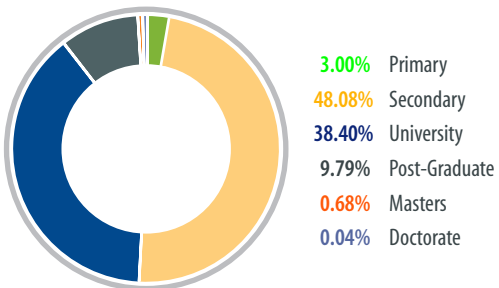
Ethnicity



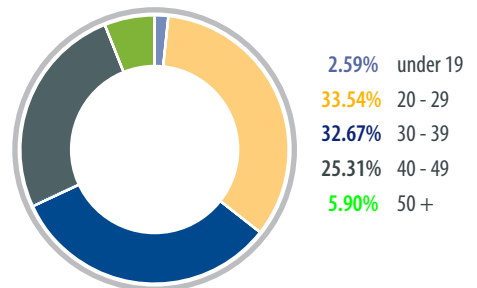
Length of Service



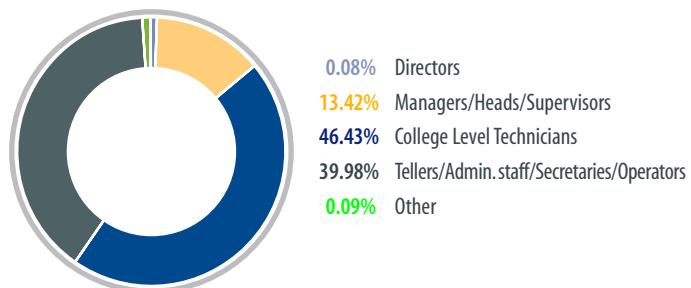
Schooling



Age



Posts



Number of Employees

	2004	2005	2006
Brazil	44,120	49,830	58,561
Abroad*	1,196	1,206	1,360
Total	45,316	51,036	59,921

* Only for companies abroad

Creation of Employment and Turnover in %

	2004	2005	2006
Brazil	9.72	11.14	15.19

Composition of group and bodies responsible for corporate governance**Leadership positions**

	2004	2005	2006
Directors - Women	13	8	28*
Directors - Men	238	222	292**
Superintendents / Managers / Heads / Supervisors - Women	1,891	2,132	3,187
Superintendents / Managers / Heads / Supervisors - Men	3,506	3,674	4,849
Employees aged over 45	2004	2005	2006
Women	381	491	544
Men	1,146	1,260	1,284
Employees, by ethnicity	2004	2005	2006
Asian Oriental	204	229	267
Caucasian	4,340	4,682	5,655
Indigenous	4	4	3
African-Brazilian	22	24	26
Mixed	228	253	295
Not given	850	844	1,840

* Includes eight employed directors and 20 statutory directors. ** Includes 42 employed directors and 250 statutory directors.

Corporate Diversity Program

The Corporate Diversity Program values the differences between employees and spreads a global and integrated vision of society throughout the Organization. It is comprised of:

- Program for Inclusion of People with Impairments and Disabilities.** In 2006 we hired 288 people with an impairment or disability. We also trained branch managers in "Working with special needs individuals" through a manual and e-learning.
- Young Citizen Program.** The Bank's involvement with diversity actions was recognized by the state government of São Paulo, in commemoration of the sixth anniversary of the Young Citizen Program. A number of the Program's partner groups were honoured, including Banco Itaú. Since it began in 2003 until December 2006, 1,627 young people have gone through the program in Banco Itaú.
- Trainee Program.** Designed for young people aged 14 to 24, who go through a two-year trainee period arranged by NGOs. The program underwent a significant capacity increase in 2006, and began covering the branch network nationwide, in addition to our head offices. During the year, 328 people were hired.
- African Brazilian Training Program.** Begun in 2005 in partnership with NGO African-Brazilian Society for Social and Cultural Development (Afrobrás) and Zumbi dos Palmares Citizenship College. In 2006 the first group from the Program received a Junior Executive Training certificate, issued by the State University of Campinas (Unicamp). With support and sponsorship from Banco Itaú, Afrobrás hosted the second Seminar on Corporate Racial Diversity and Affirmative Action.



Goals for 2006 and results for the year

Goal: hiring approximately 1,000 professionals through our diversity promotion programs.

Results:

Hirings

African-Brazilians (blacks and mixed): 3,232

African-Brazilians (trainees): 31

Young Apprentices: 328

Young Citizens: 513

Impaired/Disabled: 288

TOTAL 4,392

Actions for retirees

Launched in 2005, the Third Phase of Life – A Good Beginning program focuses on preparing for retirement by helping employees plan their new lives. The target group is employees aged 54 to 62. In 2006, 117 employees took part in meetings put on by the Program.

Banco Itaú also maintains the Healthy Living program for retirees, which promotes and encourages self-care by offering guidance and re-education for a healthier life. Run nationwide, the program conducts monthly activities dealing with social, cultural and educational issues, as well as disease prevention and health promotion. In 2006 the program had approximately 6,216 participants.

Benefits

The social benefits provided to employees and their dependents include supplementary retirement income, meals, nutrition, dental and medical insurance, social assistance services, study grants, recreation facilities, sports and cultural activities, loans at subsidized interest rates, insurance, transport tokens, nursery/daycare, partner teaching institutions and medical check-ups, among others.

Foremost among these benefits are:

- Health Insurance Plan – in 2006, our self-management plan in greater São Paulo celebrated its first year of operation. This is a major initiative which has delivered significant results, including 295,000 visits and 885,000 exams carried out through an accredited network of about 3,100 clinics and practitioners, 100 hospitals and 150 laboratories. In addition to greater São Paulo, the self-management plan is active in the states of Minas Gerais, Paraná, Goiás and Bahia. In the other states and regions, private firms manage our employee health insurance plan.
- Supplementary Pension – in 2006 the Itaúsa Administrative Center and Technical Operations Center were the site of the third Pension Fund Week, which was designed to provide pension information to employees.

Responsible Practices

- Culture, sports and leisure – A number of actions are designed to improve quality of life and well-being of employees and their dependents. The Itaclub Foundation has two vacation facilities (one in Itanhaém and the other in São Sebastião, both on the São Paulo state coast), lodging facilities in Magé (RJ) and a Country Club in São Paulo.

The BEMGE Athletic Association (AASBEMGE) in Pampulha (MG) and the Recreation Club in Betim (MG) offer leisure activities to employees, their dependents and family members in these regions. In 2006 sports tournaments were held in Rio de Janeiro and Belo Horizonte. In São Paulo, the Itaclub Foundation promoted the first race exclusively for Bank employees. There were also 3-5 km hikes for employees and their dependents in the cities of São Paulo, Rio de Janeiro, Belo Horizonte, Goiânia and Curitiba. The traditional party in honour of 30 years of service to the Bank, which has been held since 1988, was repeated in 2006. Over 3,000 people have already received this honour.

Recreation, Sports and Leisure

	2005	2006
Libraries – users	48,093	67,761
Contests – participants	560	848
Cultural Partnerships	191	194
Sports Activities	3,043	6,494
Sports Partnerships	107	157
Recreation and Leisure Activities	5,289	5,265
Celebration Festivities SP and RJ	21,342	16,439

Attraction and integration – the challenge of merging the BankBoston teams

In the integration area, the work of our internal communication personnel has been vital to prepare BankBoston employees for the changes resulting from the acquisition of BankBoston's operations in Brazil and other countries. A Communication Work Group, comprised of professionals from both banks, planned and coordinated the actions of the many groups involved. In weekly meetings, professionals from the Group sought to create agility and transparency for the process.

Leadership played a decisive role. Several meetings were held at the executive, presidential and vice-presidential levels to help prepare for the merger. During these meetings, executives received first hand information and guidance on how to act with their teams. Several presentations were made about the human resources available to all BankBoston employees, in addition to sessions held exclusively at the management level.

Education, training and development

In 2006 Itaú invested about R\$66 million in staff training and development programs, up 10% from 2005, and representing an average of R\$1,120 per employee or over 216,900 participations in courses, events and training programs. During the year, each staff member participated in an average of four events.



Banco Itaú

In 2006 Banco Itaú's Corporate Education program became ISO9001 certified. After assessing its procedures, we identified opportunities to improve its processes and review its operation to optimize resources and results.

The improvements put in place increased the quality of Corporate Education processes and provided increased monitoring and control of activities, resulting in better products and services.

Banco Itaú put on its Development Week to promote self-development practices, encourage structured career thinking and present available actions and tools. Over 4,000 employees took part in the event.

Consolidating its position as an important training and development tool, the Itaú Distance Education System increased its year-on year number of e-learning courses by 50.6% to reach 232 programs, and saw enrolments rise 39.7% to 226,980 during the same period.

We also maintained our ongoing efforts to develop and enhance Itaú's teams by introducing an MBA in Treasury and Financial Markets, and offering extension and post-graduation courses in different business areas. In addition, since 2005 Banco Itaú has run the DSMC Development program, which teaches the structuring and selling of capital markets services. This training program, now working with its fourth group, lasts approximately 150 hours and has taught about 120 employees to-date.

In 2006, in partnership with GV Law of the Fundação Getúlio Vargas (FGV), we introduced a course in Economic Penal Law, in which about 90 people took part.

Bank staff can also participate in the Academic Qualification Incentive Program, through which they receive subsidies towards under-graduate and post-graduate courses in Brazil. In 2006, almost 2,000 employees participated in the program.



Learn More:

About employee relations at
[www.itaubr.com.br/
socioambiental](http://www.itaubr.com.br/socioambiental).

Development and Training Program

Participants	2005	2006
Internal Courses	145,819	209,660
External Courses	1,937	4,636
Executive Seminars Abroad	14	13
Seminars in Brazil	849	1,319
Continuing Education Program in Brazil (Post-Graduation and Masters)	1,005	1,320
Continuing Education Program abroad (Post-Graduation and Masters)	15	10
Total	149,639	216,958

We conducted ten programs for leadership development in Banco Itaú, reaching a total of 31 courses offered to managers and representing over 110,000 training hours. We invested R\$4.5 million in these programs, in which over 6,200 managers took part.

Goals for 2006 and results for the year

Goal: Develop and implement management development actions consistent with the principles of the Itaú Way.

Results: We surveyed the level of compliance with the Itaú Way to measure and monitor its acceptance among superintendents and directors. On a scale of 0 to 5, the average compliance level in Banco Itaú was 4.07.

Banco Itaú BBA

With 795 employees and 37 statutory directors, Banco Itaú BBA seeks to carry out a number of actions and projects to help build and maintain a harmonious, cooperative and merit based working environment. Selected accomplishments in 2006 include:

- integration of 135 employees and four directors from BankBoston through the creation of new organizational structures and renewal of staff;

Average hours training per year, by employee type and category -**Banco Itaú**

	2004	2005	2006
Senior Executives and Management	17	20	38
All employees	25	30	38.5

- study of corporate culture to identify processes, symbols and behaviours that influence our capacity to set up and maintain highly qualified and motivated teams;
- promotion of 40 employees, including three to executive level;
- continual review of performance and remuneration assessment policies, particularly in the investment banking area;
- increased training and development actions, including the participation of 135 staff members in an institutional program for presentation techniques, creating an in-house course on derivatives, holding workshops on the needs of the Cash Management, Investment Banking, Risk and Management Control areas, and conducting specific training sessions for a variety of areas; and
- the hiring and training of 61 recent graduates or students in their final year of undergraduate studies at São Paulo's leading universities, and hiring of 24 young talents by Itaú BBA.



Financeira Itaú - Itaí

In 2006 we consolidated our policy for hiring young people aged 18 to 25, approximately 92% of whom received their first job. We created 5,671 openings, representing growth of 13% over 2005. Of this total, 5,026 employees received technical and behavioural training to contribute to the sustainable growth of the Organization.

Certification Programs

Certification programs were developed to improve service quality. In 2006 the Bank started training in preparation for the SERASA Credit Certification and the international Certified Financial Planner (CFP™) certification, specifically for staff who work directly or indirectly in financial planning. We also increased our efforts to certify eligible staff members for the SUSEP Certification, which covers insurance and pension funds. Itaú Seguros (the Organization's insurance arm) obtained authorization from SUSEP to become a certifying entity, which allows our staff to become certified by Itaú Seguros through in-house training programs.

Organizational Climate Management

Organizational Climate Management surveys staff members to identify needs and suggestions for improving our working environment.

In 2006 the Organization participated in three external climate surveys:

- "The Best Companies to Work For", conducted by *Exame S/A* magazine, in partnership with FIA (Management Institute Foundation);
- "The Best Companies to Work For in Brazil", conducted by *Época* magazine, in partnership with consultants Great Place to Work; and
- "The Best in People Management", conducted by *Valor Econômico* magazine, in partnership with the Hay Group, a consulting firm.

Goals established for 2006 and results for the year

Goal: Consolidate management of organizational climate through specific actions to address different executive areas.

Results: The 2005 Speak Frankly Survey was carried on through its qualitative phase. Focus group sessions were held with over 1,400 employees. The findings were presented in workshops with directors and superintendents of executive areas, generating specific action plans for each area, in addition to corporate actions.

Responsible Practices

Health and safety – Quality of life and promotion of health

Itaú carries out a number of actions to encourage employees to practice a healthy lifestyle, including: Health Time, which features quarterly events held at our administrative centers and deals with issues such as health, wellness and quality of life; the Fitness in the Workplace program, which serves employees of 700 branches; the Healthy Living program, for retirees; flu vaccination drives; the Quality of Life website; the Mural, which highlights articles posted on the site and is sent monthly to all branches and banking services outlets (PABs), as well as access to the gym facilities at our main administrative centers.

In 2006 the Organization launched the I Want to Quit Smoking program, an ongoing action comprised initially of individual treatment, followed by support group meetings that offer strategies to stop smoking and, if necessary, specific medication: 388 employees participated in the program, 342 of which remained until the end (76% quit smoking).

As part of the Sexually Transmitted Diseases/Aids Prevention Program, the campaign "Itaú Asks" was conducted so that employees and their family members could discuss sexuality and diseases with professionals from the São Paulo State Department of Health.

Answers to the most pressing and frequently asked questions were distributed in a leaflet to every Bank employee. This leaflet came with a solidarity ribbon, which symbolized the Organization's support for fighting prejudice.

In April, on the National Day to Fight and Prevent Hypertension, nursing aids checked the blood pressure of 6,769 employees at Itaú's head offices in São Paulo.

The Ergonomic Adjustment Project, implemented as a pilot program at work stations in Rio de Janeiro and São Paulo, gave presentations and shared experiences in the workplace to raise awareness on the proper use of furniture and ergonomic devices, as well as demonstrating correct posture.

The Vocal Health Program offered ongoing training and guidance from speech therapists to employees in six service centers, involving 800 employees.

The Nutritional Service Program, which began in 2004, offers individual visits for nutritional guidance, focusing on treatments for obesity, diabetes, dyslipidemia, hypertension and other associated problems. In 2006 a record 2,158 appointments were made, a 28% increase from 2005. A further 3,958 employees participated in the program through lectures on Nutrition Education, which were held throughout the year at Itaú's head office facilities in São Paulo.

To assess the program's effectiveness, 248 people were selected to receive monitoring, 94% of whom ended up losing weight. Overall, the group had a total weight loss of 701.3 kg. Other key results in 2006 included a 7.7% increase of people with normal weight, and a 9.6% drop of those whose obesity carried cardiovascular and diabetes risks.

Work-related Accidents - Banco Itaú

	2004	2005	2006
Accidents with loss of work	421*	360*	395 *
Accidents without loss of work	103*	79**	95**
Average work accidents/employee	0.011*	0.009**	0.010 *
Absenteeism	0.66*	0.77**	0.81**
Work days lost	52,692*	70,637**	78,752**

* less than 15 days. ** less than + more than 15 days

Other Indicators - Banco Itaú Holding Financeira

	2004	2005	2006
Awareness campaigns	15	44	36
Actions to balance Life and Work	2	4	4
Participation of employees in setting performance targets and indicators for work place health and safety (through members of CIPA - 12 in Brazil)	141	687	1,099
Programs and Benefits offered to employees and their respective family members (health and dental insurance plan, country club, holiday facilities, cultural and sports partnerships with other clubs, life insurance and insurance for spouses)	11	ND	9
Internal Health Clinics	7	10	13
Internal Health Clinic personnel	52	62	80
Total employees with benefits	10,500	12,294	15,539

Goals established for 2006 and results for the year

Goal: Implementation of Fitness in the Workplace program in branches in Porto Alegre, Curitiba, Goiânia, Belo Horizonte, Salvador and Recife.

Results: Program was implemented in branches in Porto Alegre, Curitiba, Goiânia, Salvador and Recife. Implementation in branches in Belo Horizonte is planned for 2007.

Goals for 2007:

- Implement Women's Health program at Itaú head offices in São Paulo and other centers with large numbers of employees.
- Expand Ergonomic Adjustment program to 12 more service centers.
- Expand Nutritional Service Program through presentations in four other states.
- Develop booklet with guidance on nutrition for treatment and prevention of: diabetes, hypertension, dyslipidemia, osteoporosis, cancer and pregnancy/childbirth-related problems.

In the Organization's companies, accidents with or without loss of work are recorded and analyzed for causes and adoption of corrective or preventive measures. Accidents are submitted to the Ministry of Social Security; the Ministry of Labour and Employment, when requested; to the relevant union organization; to the manager of the branch where the employee works; and to the local Human Resources unit.

With respect to safety in the workplace, Itaú also has the following initiatives:

- CIPA – a commission made up of representatives from the employer and employees, which provides employees with information on labour accident prevention and occupational diseases; an annual Internal Accident Prevention Week (Sipat) and Occupational Safety campaigns; implementation and quality control of prevention measures; plus identifying and eliminating work process risks.

Responsible Practices

- Training in Ergonomics for Branch Managers – Involved 1,307 branch managers from all over Brazil, and addressed the importance of posting and maintaining occupational safety related documentation at the branches, which are periodically inspected.
- Training in Ergonomics Education for Managers at Head Office – Preventive action comprised of classroom lectures for head office superintendents, managers and supervisors.
- Training program for Headset Installation and Use – designed for employees who make regular use of telephones, the program ran throughout the year, with 1,000 headsets provided to employees in the commercial areas of the branches.
- Defibrillator – To meet legal requirements, 121 defibrillator devices were purchased and installed in branches and administrative facilities in São Paulo with an average daily circulation of 1,500 or more people. In addition, 668 employees received training to operate defibrillators.

Internal communication

All employees have access to information and news about the Organization through different means of printed or electronic communications, the most important of which are:

Corporate Portals

Available for each business segment and updated daily, the portals help provide teams with operational and strategic alignment guidance. The Human Resources service portal is for employees and team managers, and

offers access to Self-Services, People Management, Professional Development, Career Opportunities, Health and Quality of Life, Policies and Publications, among others.

Printed and electronic publications

- *Itaú News* – a monthly magazine distributed to all employees to broaden their understanding of the Organization's activities and initiatives.
- *Itaú Agenda* – a monthly bulletin distributed to managers, which highlights the main events, achievements and initiatives of the Bank during the period, as well as the dialogue related to these issues which takes place in team meetings.
- *Good Morning* – a daily newsletter with the latest news about the Organization, featuring information about updating, guidance and alignment of teams.
- *HR Informs* – printed and electronic newsletter with information related to the activities of the Human Resources department.
- *HR Guidelines* – a newsletter for managers, containing the latest information about Banco Itaú's people related guidelines and policies.

Speak to HR Center

Created to answer questions, receive suggestions and forward requests and complaints, it receives an average of 153,600 calls and on-line contacts each year: 85% of the questions are answered in the first contact, while the others are answered within 72 hours.

Union Representation

	2004	2005	2006
Employees represented by independent labour unions or other recognized organizations	44,120	49,830	58,561
Percentage of total employees	97.29%	97.58%	97.76%

Labour Law

To offer managers better conditions for managing their teams, Banco Itaú introduced its "Itaú in step with the Law" material, which includes the "Labour Law – Q & A" booklet and the "Itaú Electronic Time Card" brochure. This material provides information about the Bank's working day control system and some of the main issues in Brazilian labour law.

Relationship with unions

Itaú operates in compliance with Conventions 87 and 98 of the International Labour Organization (ILO), which ensures the freedom of association, protection of the right to organize, free operation without interference from authorities and the right to collective bargaining.

A structured communication and meetings plan with retiree groups and associations seeks to ensure fair treatment and preserve good relations, based on dialogue, mutual respect and transparency in labour relations and activities adopted by the company. Managers and employees receive guidance in relation to union, labour claims and pensions issues, and for subjects related to collective bargaining and conventions.

In 2006, 96 meetings and communication actions were carried out with unions and retiree associations. Itaú has 20,664 unionized employees and 709 union directors nationwide.

Itaú Memory

Established in 2003, Itaú Memory collects and preserves the documents that record the history of Banco Itaú. Among its preservation actions, in 2006 it began digitalizing valuable documents which in 2007 will be part of the important historical collection contained and displayed on the Itaú Memory website.

In 2006 Itaú Memory performed services for different areas of the Bank and participated actively in the program to integrate recently hired employees through informal gatherings in the Itaú Memory exhibit facility and in the Alfredo Egydio Room.

Additionally, actions were undertaken to preserve the large collection of rare Brazilian heritage works contained in the Alfredo Egydio Room. To encourage cultural awareness and awaken interest in art among its employees, in mid-October, in partnership with the Instituto Itaú Cultural, the *Human Figure in the Itaú Collection* exhibit was opened, with works from important artists in the Group's collection. Over 1,100 people had visited the exhibit by year-end.

Goals for 2007:

- Development of the Itaú Memory website, increase the document collection through oral and written contributions from employees, and preserve and restore the collection in the Alfredo Egydio Room, among others.



Suppliers



Implemented in May 2006, the Suppliers website offers fair and transparent access to companies wishing to become Itaú suppliers.

With approximately 25,000 registered suppliers, including micro, small, medium and large companies, Itaú Holding offers fair and transparent access to companies wishing to become suppliers for the Organization.

In May 2006 we launched our Suppliers website to provide a communication channel and encourage prospective suppliers to apply. Through the site, suppliers can begin their relationship with the Organization in any of the 120 classes of products and services we require. Acceptance of new suppliers follows the procedure below:

- Application: open to suppliers of any size, from any region of the country, and is done on-line;

- Technical Acceptance: the technical area from the class applied for analyzes the applicant for competence, functional structure, equipment availability and other aspects;
- Administrative Acceptance: the company's position in the market is assessed by how its corporate purpose complies with the goods or services it seeks to provide, as well as having valid certificates of good standing with respect to bankruptcy, receivership, federal and state lawsuits, tax payments, formal complaints, environmental licenses, origin of raw materials, and absence of child or slave labour.

In 2006 suppliers participated in about 2,000 e-procurement procedures through electronic bidding, and over 3,000 suppliers were analyzed during the year.

In addition to disclosing the Bank's Procurement Policy, the site promotes supplier compliance with the Itaú Code of Ethics and its Socio-environmental Responsibility principles. The site also offers the Talk to Us channel, which refers all complaints, questions or suggestions to the Bank's Ouvidoria Ombudsman, with a commitment to respond within 24 hours.

We maintain a close relationship with suppliers through our products and services managers, who share technical and administrative information. The Bank also adopts specific actions for critical supply classes, such as undertaking market surveys and holding meetings to target process improvements.

The Organization's respect for its suppliers and the community is manifested in its punctual and full payment of monies owed, and in assessing our suppliers' contractual compliance with socio-environmental, business, tax and legal requirements.

In addition to respecting information confidentiality, the Bank also strives to establish level playing field relationships and asks suppliers to meet all applicable legal, labour and environmental requirements. Inappropriate conduct such as the use of child or slave labour is sufficient reason for suppliers to have their application approval revoked.

We do not employ a specific structure to measure our suppliers' operating performance with respect to the environment, however, we periodically assess their tax and administrative compliance. Assessment criteria and frequency are established specifically for each segment of activity. Outsourcing of non-core activities is done primarily for companies in the maintenance, facility conservation, property security and professional services (lawyers, engineers, drivers and others) segments.



Learn More:

About supplier relations at the
websites:
www.itaubr.com/fornevedores
www.itaubr.com/socioambiental.



Clients



As part of its commitment to satisfying its customers, Itaú has improved its relationship channels by creating new processes and strengthening security mechanisms for access to its services.

Continual improvements in customer relations are part of the Itaú Vision and key to the Organization's differentiated positioning in the market. Based on this strategy, Itaú has made considerable advancements over the years.

In 2006 Itaú Holding strengthened those relationship channels which are committed to customer satisfaction by adopting organizational excellence metrics in service, creating new service access security mechanisms, and continuing to expand its efforts in employee training and involvement.

The Bank has rapidly adapted its branch network to Brazil's Accessibility Law, which sets out the requirements to better serve people with impairments or disabilities. Many of the branches now feature improvements such as access ramps, special washroom facilities, tellers on the ground floor and special ATMs.

For the visually impaired, guide dogs are allowed in the branches, and we are completing a study on using tactile flooring to enable these clients to move around more freely in branch service areas. Our Customer Service Center has been specially set up to serve the hearing impaired, and in 2006 we began training branch employees in sign language, a program that will be expanded in 2007.

For the comfort of those customers requiring specialized service, reserved and exclusive seating arrangements are being installed in the branches, and our visual communication is being reviewed to better identify service areas. These measures are supplemented by specific training for branch employees to ensure quality relationships and services for these customer groups.

Customer support

The customer support structure includes the Itaú Ouvidoria Corporate Ombudsman, Itaú Bankfone Customer Support, Talk to Us, Itaú Responds and the Central Bank of Brazil Support Services Group. These units are supported by substantial service structures, such as the Service Coordination Directorate.

In 2006 administrative and behavioural changes in Support Services helped reinforce our teams' commitment to continual improvement, and generated greater professional satisfaction for employees. Changes in operational processes resulted in productivity and performance gains. A more simplified occurrence registration process, better alignment of dialogue, enhancement of survey sources and a higher rate of issue resolution on first contact helped us provide better quality services.

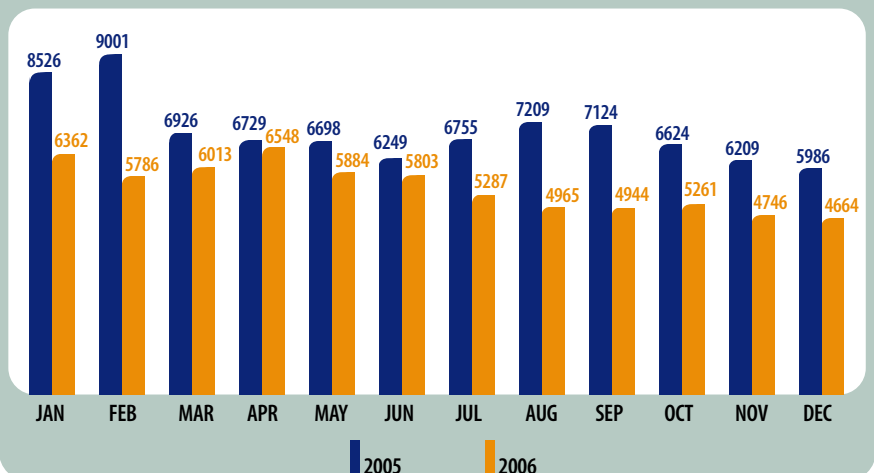


The redesign of the service website allowed customers to have their most frequent questions answered. Complaints, however, rose due to the development of new businesses such as the integration of Banco Fiat, the Credicard card holder base, former BankBoston clients and the expansion of our financing activities.

Selected improvements implemented in 2006 include:

- Statements: the format was reviewed and new designs were created based on suggestions from customers, who now can check their account balance and other information more clearly and easily.

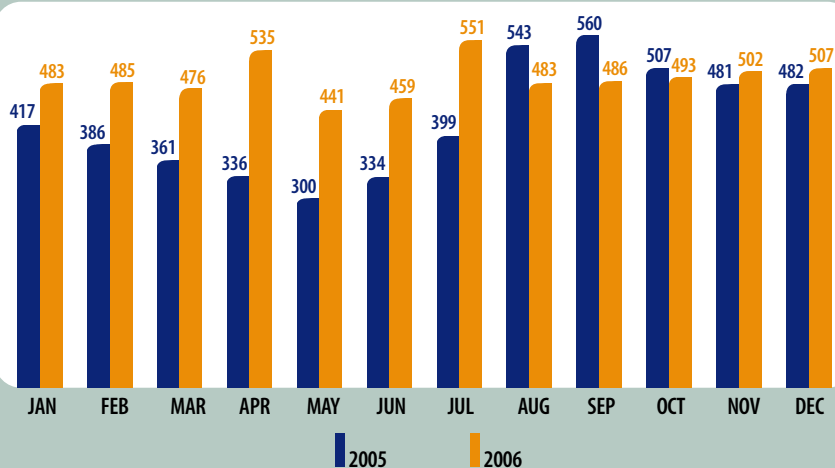
Support Service Information – Daily Average



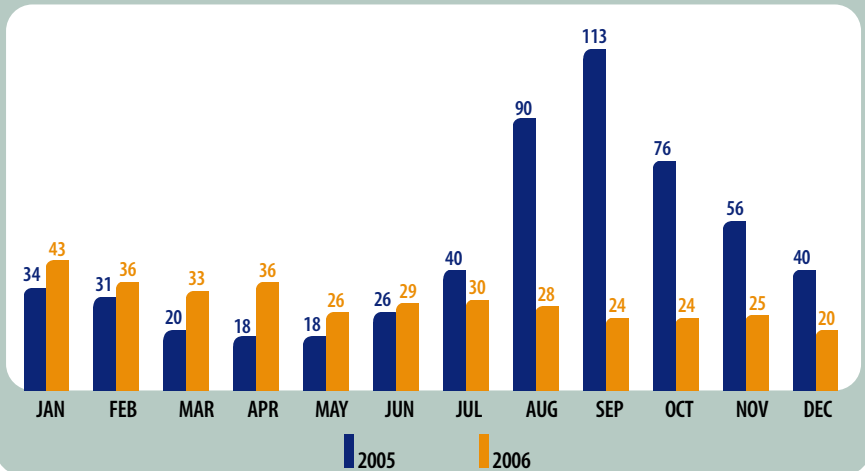
Responsible Practices

- **More Security Program:** the More Security Program was launched to make customers more aware of how to better use our banking services, and encourage our staff's commitment to this goal.
- **The Itaú Electronic Chip Card:** we gradually exchanged conventional Itaú cards for electronic chip cards to increase customer security in their operations.
- **Security Card:** the Security Card implementation was extended to cover all customers. The cards contain numeric codes that are requested for certain operations, depending on the value of the transaction.
- **New Itaú Portal:** our communication started to become more directed, providing access to products, services and contents which address each segment's features. Sections were created for institutional communication with the community, the media, NGOs, customers, suppliers, investors and shareholders, among others.
- **Deposit Advance:** to offer more flexibility for debit transactions, the Deposits Advance fee began being charged individually. Customer account statements now show the period the account was in overdraft.

Support Services Complaints – Daily Average



Support Services Suggestions – Daily Average

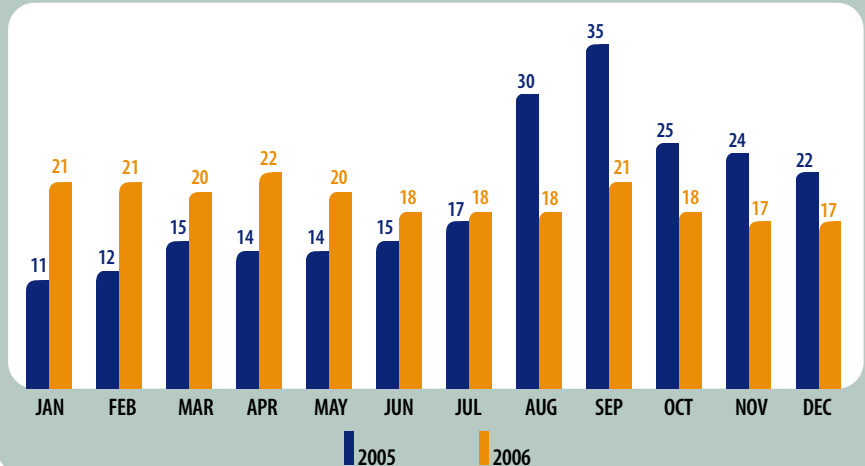


Our different service channels seek to understand customer needs, respond to requests quickly and properly, inform our other areas about these needs and take on preventive actions which lead to ongoing improvement.

Our services reflect each customer group and segment's needs. All services are provided ethically, transparently and with respect for customers. Following is a description of the principal channels we employ.

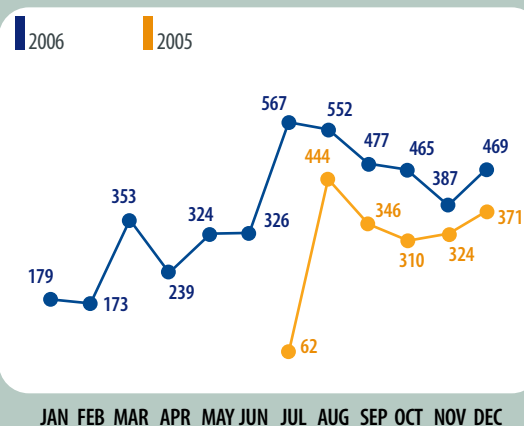
■ **Itaú Ouvidoria Corporate Ombudsman** – This is the Organization's highest level to which customers can appeal to have their problems resolved, after trying other avenues. In 2006 we held a Debate Forum with customers who were unhappy with the Bank. In July, after completing its first year of operations, the Ombudsman began tracking the "Customer Service Request" indicator. Results show that the channel resolved close to 80% of the occurrences registered. During the year 99.61% of the customers bringing cases to the Ombudsman were satisfied enough with its solution that they did not subsequently complain to external agencies.

Support Services Compliments – Daily Average

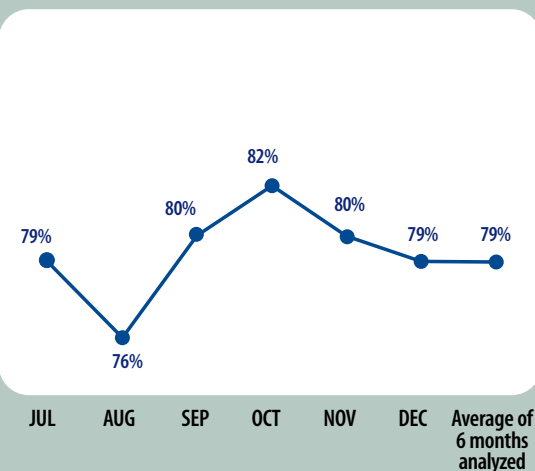


Responsible Practices

Ombudsman Case Occurrences – Monthly Demand



% of Cases resolved as of July, 2006 - Ombudsman



Telephone Service – Itaú Bankfone Customer

Support – Itaú Bankfone Customer Support is set up to resolve customer needs on first contact by applying rigid technical and quality standards. In addition, decisions which are beyond the operator's authority or cases which require further study are referred to the appropriate managing areas, and are monitored until resolved. In 2006 administrative and technical measures were taken that generated material gains for customers, such as: higher percentage of occurrences handled on first contact, greater number of customers waiting on line for less than 30 seconds, more operators, plus a review of information survey and staff training and management processes, which resulted in reduced customer service time.

- Service via the Internet – Talk to Us** – In 2006, the Talk to Us website was completely redesigned. Customers received better communication with the Organization through our On-line Support and when e-mailing questions, suggestions, compliments and complaints. New technologies were implemented, such as enhanced occurrence referral, control and case closure tools.



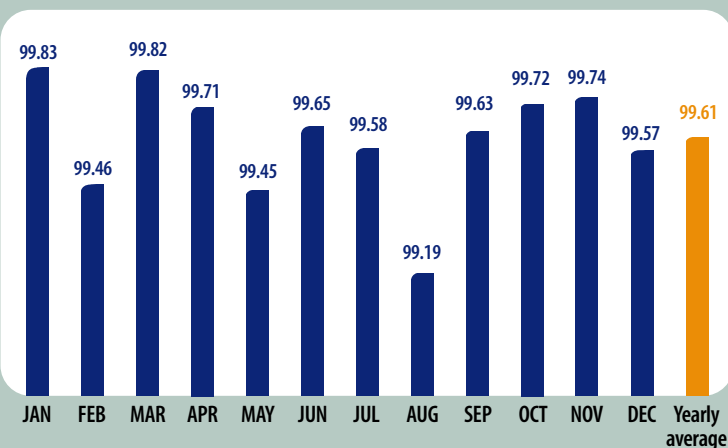
- Consumer Protection Service – Itaú Responds** – The mission of Itaú Responds is to interact with media groups which specialize in consumer protection. Throughout 2006 a total of 7,393 occurrences were received from consumer protection agencies, of which about 85% were resolved. The area's processes were reformulated, and staff size was increased. Its priority is to handle complaints from indebted customers. Through a pioneering process developed in Rio de Janeiro, which is run in tandem with the Debt Restructuring area, over 90% of its client cases were successfully renegotiated.
- Central Bank of Brazil Service Group** – In 2006 the team that deals with customer complaints regarding the Central Bank of Brazil was increased to deal with higher demand. These additional staff members allowed Central Bank issues to be handled quicker.

Goals established for 2006 and results for the year

Goal: Branches to post service assessment scores for support centers and results of product managers whose areas receive fewer complaints.

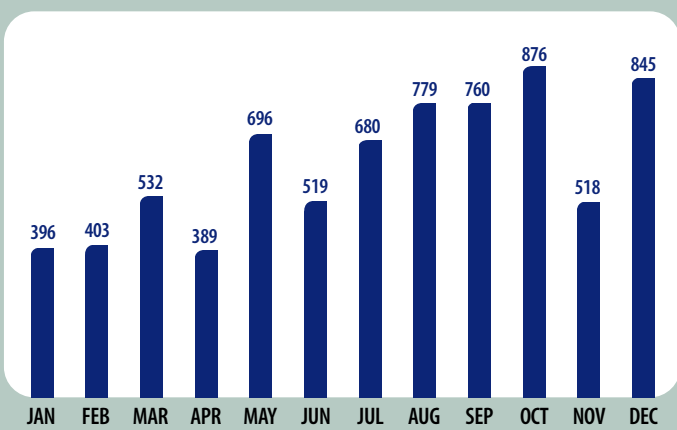
Results: there was an increase in complaints from internal and external channels due to an increase in the size of the customer and business operations bases. Support center service quality improved in relation to 2005, and met our goals.

% of Cases in progress at the Ombudsman - 2006



Responsible Practices

Occurrences Received by Procon in 2006 – Monthly Demand



Goals for 2007:

- Integrate and consolidate telephone services for hearing impaired customers.
- Increase capacity of service channels to better meet customer demand.

Customer Satisfaction

- Service Coordination Department** – Created in 2004, the Service Coordination Department (SCD) performs a monthly consolidation of complaints from all Itaú branches and channels. It works together with

products and systems managers on process improvement to ensure quality customer service. In 2006 indicators were implemented for our products and services, while reduced complaints targets were set, resulting in significant improvements in the service process. The SCD also incorporated the activities of the telephone service center (Bankfone), implementing improvements to reduce customer waiting times.

- Star Service Program** – This program works primarily to avoid repeat problems and provide ongoing improvements in customer solutions. In 2006 it rewarded close to 2,912 employees who displayed exceptional initiative in solving problems. The number of Star Service cases increased, demonstrating higher motivation and involvement of teams – 64 branches were service champions, rewarding 128 commercial and operational managers. In total, 64 employees received a vacation for two within Brazil. In 2006, 4,230 cases were analyzed: 412 from Central Administration and 3,818 from the branch network.
- Daily Monitoring** – Adopting metrics to gauge customer satisfaction is a huge challenge. Customer satisfaction metrics affect every branch performance program and the many areas of Banco Itaú. Through questions asked daily at ATMs and through our Bankline, the indicator we obtained offers a broad assessment of customer behaviour.



- **Satisfaction Surveys** – In 2006 the Organization carried out 80 surveys and studies of comments from over two million people, including clients, company employees and the market. Corporate image surveys show that Banco Itaú is seen by its customers and society as a bank which is sound, modern, profitable, socially responsible and respectful of consumers.

- **AGIR Program – Itaú Management Actions for**

Results: This planning and management tool is used by the Organization to ensure that employees are following the Bank's strategies. The program defines priorities, sets goals, tracks performance and rewards results, particularly in the area of service. Customer complaints and perception of service at our branches and banking services outlets were monitored and evaluated, with the results helping determine how our employees are remunerated. The end goal is to make quality customer service the Organization's key competitive differential.

- After a study by INMETRO, which employed its Product Analysis Program, the Organization received a "Complies" grading for our Customer Services.

- To demonstrate our ongoing commitment to quality systems, several customer service processes became ISO 9001/2000 certified during the year, including services related to Itaúseg, and improving the presentation of information contained in customer account and investment statements. Other important customer service processes were recertified, including Opening a Current Account, Automatic Debit, Bankfone Customer Support, Talk to Us, Itaú Responds and the Central Bank of Brazil Service Group.

Results in 2006:

- Over the past 25 months the Organization enjoyed 19 consecutive months without appearing in the complaints ranking published by the Central Bank of Brazil. However, Banco Itaú placed 4th and 5th in five rankings (June, August, September, October and November) in 2006.



Learn More:

About customer relations at
www.itau.com.br/socioambiental.



Media

Itaú's relationship with the media employs continual dialogue based on principles of ethics and transparency. Accordingly, Itaú uses tools such as meetings with journalists, workshops, chats and releasing of study findings, among others, in addition to maintaining a qualified team of spokespeople to address media requirements.

Other important activities include the collection and internal distribution of press clippings about the Bank and its competitors, as well as updating the content of our www.itaubr.com.br/imprensa media relations website. We also hold events and meetings with other relationship groups regarding financial education, for which Itaú Holding has considerable expertise in areas such as capital markets, home loans and pension funds.

The impact of publicizing these different initiatives is monitored through periodic image assessments which are carried out by an independent firm.

In 2006, 550 journalists participated in Itaú meetings, workshops, chats, press conferences and conference calls.



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During the year, Itaú held the following:

- workshops with journalists and opinion makers on issue such as mortgages, full time education and socially responsible investments;
- chats with journalists about equities, mortgages and outlook for the stock market;
- exclusive studies on credit cards – seven meetings were held since May, addressing issues like class A, e-commerce, and special dates; and
- interchange event with journalists from Argentina, Chile and Uruguay, involving a two-day program with lectures given by Itaú executives, participation in an APIMEC meeting and visits to the Bank's head offices and a Personalité branch.

Goals for 2007:

- Hold media training for executives, including managers from BankBoston, Credicard and Orbitall.
- Increase number of workshops and chats, and the issues to be covered.
- Increase the relationship system with opinion makers.
- Implement a new image assessment for Itaú Holding and its competitors.



Learn More:

About media relations at
www.itaubr.com.br/imprensa.



Community



Created in 2006, the Itaú Child Program mobilizes Itaú employees and society through projects which contribute to the overall development of children and adolescents.

The Organization's most important accomplishment in its relationship with the community in 2006 was the creation of Itaú Child, an ongoing program which mobilizes employees, customers and society to contribute to the overall development of children and adolescents.

A major feature of this Program is the use of Itaú's branch network and other facilities to advance this social cause.

In 2006 the program's first action, in concert with UNICEF and involving over 3,000 bank branches, was the publication of the Child and Adolescent Statute, which is designed to encourage parents, children, educators, public authorities and the general public to learn and demand the rights contained in the Statute.

A second action, in partnership with Child Shepherd, is collecting books for children aged six and under for use in the Toys and Games project, aiding the comprehensive development of 1.8 million children.

In the year's final project, in conjunction with Febraban and Municipal Councils for Children and Adolescents, we showed customers how to allocate a portion of their income tax payments to Municipal Funds for Child and Adolescent Rights.

Results:

- Publication of the Child and Adolescent Statute: involving 53,000 employees, over 3,000 branches and 17 million customers.
- Book Collection Campaign: about two million books collected.
- Showing customers how to allocate a portion of their income tax payments to Municipal Funds for Child and Adolescent Rights: over 3,000 branches and 17 million customers involved.



Volunteer actions

Banco Itaú

In keeping with the Organization's commitment to social responsibility, and our employees' desire to serve as volunteers, the Itaú Volunteer Program was created by the Fundação Itaú Social and Banco Itaú, with technical coordination from the São Paulo Volunteer Center. The program is managed by the Itaú Volunteer Support Committee, which pools staff members from various areas and levels within the Bank. Implemented in 2003 at our São Paulo head offices, in 2005 the program began expanding to the branch network. In 2006 it extended its coverage to 79 additional municipalities, through about 1,000 Itaú branches.

Registered employees and family members can help support the programs of the Fundação Itaú Social and its partners. In addition, they receive tips and guidance about putting together team-based projects and engaging specific social organizations.

To promote volunteer work, make staff aware and recognize our employees' actions, we put on presentations, events and internal communication campaigns. In addition, printed and electronic materials have been developed, plus alternative communication tools such as a video of comments made by volunteers, which was distributed to every Banco Itaú manager.

The Itaú Volunteer Portal (www.ivoluntarios.org.br), created in partnership with the Volunteer/Comunitas Portal, provides updated daily content and promotes the integration and exchange of experiences among staff members nationwide. Each registered user has a personal page on the site and can build a relationship network to share projects, volunteer work opportunities, tips, ideas, events and invitations with other colleagues.

Results:

- The program is in the consolidation phase at our São Paulo headquarters, with 1,417 people registered and 562 involved in social actions.
- The branch network, platforms and administrative units have 1,827 volunteers registered and 322 currently involved in social actions.
- The Itaú Volunteer Portal has over 1,000 users, who participate by sharing experiences and inviting their colleagues to become volunteers.

Responsible Practices

ItauBank

The ItauBank Volunteer Portal was created in 2003 to form a social relationship network for bringing volunteers together. The program finished the year with 654 registered volunteers. In 2006 ItauBank volunteers participated in paying tribute to the Itaú Volunteer Program on International Volunteer Day.

As of 2007, ItauBank's volunteer actions will be merged into the activities of Banco Itaú.

Itaú Solidarity Program

Now in its second edition, this joint project between the Fundação Itaú Social and Banco Itaú seeks to help employees to donate to projects registered with Municipal Councils for Child and Adolescent Rights. In 2006 Itaú Solidarity was active in 17 municipalities, providing benefits to 21 projects.

The Program has committees established in each municipality, comprised of volunteer employees who receive training in analyzing, choosing and monitoring social projects. After these projects have been chosen for their specific municipalities, Banco Itaú's close to 52,000 employees can make their donations. Itaú Solidarity Committee volunteers monitor the projects that receive funding.

Results:

- Mobilization of volunteers for regional committees: over 3,000 invitations sent out; 239 volunteers registered; 131 volunteers selected.
- Volunteer training: 17 training sessions held in municipalities selected.
- Selection of Social Projects: 210 projects presented by the Municipal Councils; 36 projects recommended to receive funding.
- 2006 Campaign: 4,412 employees participated; R\$339,710 collected; 21 projects received funding.

Itaú BBA Solidarity Program

In its first edition the program made donations to projects registered with Municipal Councils for Child and Adolescent Rights. The Program's volunteer commission analyzed 17 projects recommended by employees. Eight projects were announced, to which Banco Itaú BBA's 795 employees were able to make donations.

Results:

- R\$583,461 collected.

Employee participation in social campaigns

Warm Clothing Campaign

In June we held the Solidarity Gymkhana at our head offices and branches in greater São Paulo. This event helped the São Paulo State Solidarity Fund's Warm Clothing Campaign.

16.1 metric tons of warm clothing was collected, which was 15 times greater than the amount in 2005. The Bank matched its employees' contributions by donating an equivalent number of blankets.



16.1 metric tons

of warm clothing
was collected by
Banco Itaú staff.
The Bank matched
this amount with
an equivalent
donation in blankets.

Responsible Practices

Christmas Without Hunger Campaign

For the past four years the Organization has participated in the Christmas Without Hunger Campaign, which is run by NGO Citizenship Action. In 2006, due to the amount of funds allocated to government programs to combat hunger, Citizenship Action chose not to promote an end of year action whereby low income families are assured of receiving a Christmas time food hamper. Instead, it focused on collecting books and toys.

After analyzing the Campaign's new focus, the Bank elected not to participate in this action, given its own activities being developed and in which employees were taking part, such as collecting books (Itaú Child) and donating to projects of the Municipal Councils for Child and Adolescent Rights (Itaú Solidarity).

Goals for 2006 and results for the year

Goal: Participation in the Christmas Without Hunger Campaign.

Results: The Organization chose not to participate in the Campaign due to its change in focus, which switched to collecting books and toys.

Solidarity Christmas Campaign – Itaúbank

This Campaign works with the community next to Bank headquarters through donations and the involvement of volunteer employees. In 2006 volunteer training workshops were held for volunteers in São Paulo, who applied their knowledge to activities with children from NGO Flower Drops with Love. Toys were also collected for another five institutions in São Paulo, which were selected by staff volunteers.

The Campaign benefited 50 volunteers in the workshops and 55 children in NGO Flower Drops with Love. The groups that received the toys were: the Ipiranga Shelter, Association of Friends of Exceptional Children from Brooklin (AAEB), Christ the Redeemer House, Bororé Social Promotion Center, and the CAMACC Institute.



Events and Support

Bicycle Ride

This event promotes sports and improving quality of life by providing recreational activities for all age groups and social classes.

In 2006 it held a bike ride in Belém, in Pará state. During the ride non-perishable foods were collected and later donated to one of the city's charity institutions.

XV Curitiba Theatre Festival

Considered Brazil's largest event of its type, the Curitiba Theatre Festival has run for the past 15 years, having staged over 600 performances for approximately 110,000 people. In 2006, with support from Banco Itaú, the event held about 1,000 performances by groups from 13 states in Brazil, in addition to international groups.




Learn More:

About community relations at
www.itaubr.com.br/socioambiental.



Environment



Itaú strives to build a culture of social responsibility through the rational use of natural resources.

Environmental responsibility is part of Itaú Holding's vision of sustainability, based on the quality of life of our entire society. The Organization is aware of the environmental impacts generated by its activities. It has sought to improve its processes for the rational use of natural resources and develop a culture of environmental responsibility in all its business activities.

In 2006, due to the 6.6% expansion of its branch network, water and electricity consumption was higher than in 2005.

Water

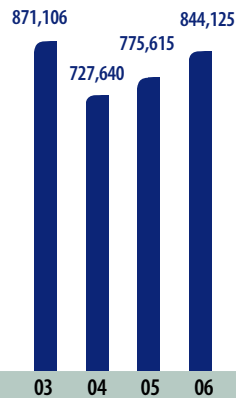
In 2004 the Organization undertook a major effort to reduce its water consumption, resulting in a 16.5% drop. Despite the consumption increase in 2006 having been greater than the growth of the branch network, water consumption for the year was 3% less than in 2003. Selected rational use initiatives for the year included:

- continuation of re-use of water in the Eudoro Villela Tower at our São Paulo headquarters, resulting in a 50,000 litre per day drop in consumption
- bank branch air conditioner exchange project now underway. Six water cooled systems were replaced by air cooled systems. The system used does not consume water and uses less electricity.

We are also conducting studies on the re-use of water (effluent and rainfall) in our four CEIC headquarters buildings, and for using rainfall capture systems in branches.

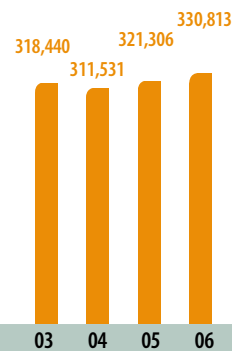
Total water consumption

Water use (m³)



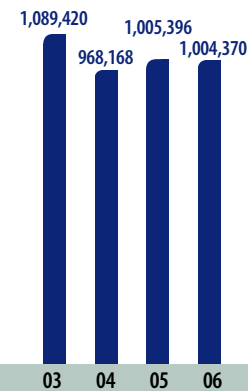
Direct electricity consumption

Electricity use (mWh)



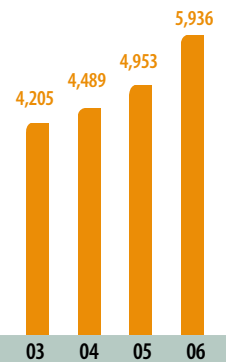
Total use of materials, by type

Amount of A4 paper (in reams)



Total quantity of waste

Total waste (x 10³ tonnes)



Electricity

In 2006, electric consumption was 2.96% higher than in 2005, reaching 330,813 mWh.

Other selected highlights from the year include:

- Replacement of conventional reactors with electronic reactors in branches and in our São Paulo head office buildings;
- Replacement of air conditioners for more efficient equipment at the Technical Operations Center, at our head offices in Campinas and in the branches;
- Replacement of freight elevators at the Technical Operations Center and passenger elevators in three towers at the Administrative Center;
- Use of more efficient light fixtures and bulbs in branches being built; and
- Use of more efficient insulation systems in branches, to reduce electricity consumption.

Solid waste, scrap paper and light bulbs

We collect about 607 metric tons of scrap paper per year. Banco Itaú also collects about 21 tonnes of plastic cups and nine tonnes of aluminium cans each year. Income generated by the collection of scrap paper, plastic and aluminium in 2006 reached R\$141,299.14, which was donated to the Fundação Itaú Social.

The disposal of approximately 17,900 light bulbs from the CEIC and CTO administrative centers is handed by a certified company.

In 2006, even with the expansion of the branch network, the Bank reduced its consumption of A4 paper. This reflects the efforts of the Organization to focus on electronic communication and our staff's awareness of the rational use of paper.

Responsible Practices

Emission of Pollutants – Outsourced Armoured Car Fleet

Emission type		Maximum limit Proconve (g/kWh)	Emission per vehicle (g/h)	Emission 2004 (mt)	Emission 2005 (mt)	Emission 2006 (mt)
Carbon monoxide	CO	2.1	241	26.5	29.9	30.3
Hydrocarbons	HC	0.66	76	7.3	8.2	8.3
Nitrogen oxide	NOx	5	575	46.4	52.4	53.1
Particulates	-	0.1	11	1.0	1.1	1.1

Figures based on the following:

- (1) Emissions are below the maximum PROCONVE (Automotive Vehicle Air Pollution Control Program) limit for heavy vehicles, as established by CONAMA (National Council for the Environment) under Ministry of the Environment regulations for heavy vehicles.
- (2) 115 kW (156 hp) diesel vehicle.
- (3) Vehicle running 12 hours a day, 240 days a year.
- (4) New PROCONVE emission limits after January 1, 2006.

Reduction in pollutants emissions

In 2004 a new generator gas treatment system went into operation in the Eudoro Vilela Tower at our São Paulo headquarters.

The five centrifugal pumps that previously drove the air conditioning system at the Technical Operations Center were replaced by machines powered by HFC-134A gas, which is not harmful to the ozone layer. The replacement of two centrifugal pumps is already underway in the Campinas facility. Combined with a retrofit of the air conditioning system in the Rudge Ramos building, both actions will reduce our electricity and water use.

Preservation of squares and green areas

Banco Itaú preserves and maintains the Lina and Paulo Raia Municipal Parks and the green areas around our head office facilities in São Paulo, for which we spent close to R\$350,000 in 2006.

Spring Planting Campaign

In 2006 Banco Itaú put on the 18th edition of the Spring Planting Campaign. Held nationwide, 150 branches distributed over 50,000 kits with over 150,000 Brazilian peppertree seeds. The Campaign is designed to increase ecological awareness and community bonding, and relies on a partnership with the Akatu Institute, which promotes awareness of resource consumption.

Recycled paper

In 2006, after detailed studies, the Organization chose to produce its printed materials on recycled paper. The use of this paper at Itaú has been a gradual process, after detailed analysis of the quality of the printed material distributed internally and externally, and the maturity of supplier markets for the different types of paper. The Bank's existing commitments to procure other types of paper are being maintained.



ItauBank

In 2006 actions undertaken by ItauBank reflected its commitment to environmental preservation and quality of life for our entire society. Selected projects during the year included:

Goals	Local/Partners/ Investment
Revitalization of Vale do Anhangabaú Conservation and preservation of one of the city's main landmarks.	Location: São Paulo Partner: Viva o Centro Investment: R\$106,000
Revitalization of Vinícius de Moraes Plaza Preservation and revitalization of this public space through artistic and urban interventions.	Location: São Paulo Investment: R\$119,000
Revitalization of Median of Av. Chucrê Zaidan Preservation and revitalization of this public space through artistic and urban interventions.	Location: São Paulo Investment: R\$99,000
Revitalization of Median of Av. Brás Leme Preservation and revitalization of the public space through artistic and urban interventions.	Location: São Paulo Investment: R\$30,000
Revitalization of the Victor Assis Brasil space Provides Rio de Janeiro with a new leisure and culture facility.	Location: Rio de Janeiro Partner: City Hall Investment: R\$159,000

The projects to revitalize Vinícius de Moraes Plaza, the Victor Assis Brasil space and the flower beds on Avenida Brás Leme were completed in 2006. Banco Itaú will analyze its continuing involvement with the other projects in 2007.



Learn More:

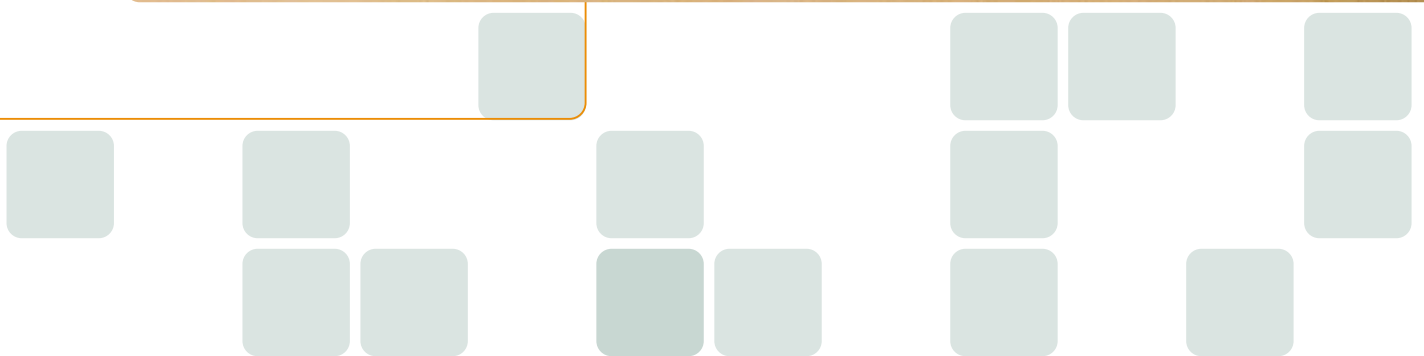
About environmental
preservation actions at
www.italu.com.br/socioambiental.



Social and Cultural Investments




Itaú invested R\$110 million in social and cultural projects in 2006. Projects under the Rouanet Law totalled R\$28 million.








Fundação Itaú Social



In 2006, 15,461 schools, 33,449 teachers and about 1.6 million grade 4 and 5 students nationwide participated in the Writing the Future Award.

Itaú Holding's social investments are guided and coordinated by the Fundação Itaú Social (the "Foundation"), whose mission is to contribute to the quality of public schooling in Brazil.

The Foundation seeks to establish partnerships for the technical and financial development and support of social projects which advance the personal, social and productive growth of current and future generations, and implement programs that strengthen those organizations with a commitment to social change.

Its actions also include Bank staff through programs which encourage involvement in this social cause.

Programs are based on strategies established by the Fundação Itaú Social Executive Commission, which sets the criteria for investments, monitors current programs, oversees the distribution of funds and assesses the programs' results.

Prospective sponsorships are analyzed by the Programs and Sponsorship Committee which, together with the Guidance Group and the Commission, comprises the Foundation's governing bodies. The Committee looks after the operation of social programs, oversees the investments made, approves projects, budgets and charities and creates reports on the Foundation's activities.

The Guidance Group is a more informal body, and includes recognized leaders from the Third Sector, who are asked to advise the Fundação Itaú Social on formulating its strategic plan, which ensures consistency in its execution.

In terms of strategy, the Foundation participated in creating the Everyone for Education Commitment, which brings together representatives from the private sector, educators, economists, communicators and public schooling coordinators. This group's goals are to ensure that by 2022, Brazilian children and adolescents will have access to schooling, stay in school, receive a quality education, and achieve scholastic success.

Following are two projects consistent with these goals:

The Writing the Future Award, which in 2006 featured the participation of 15,461 schools, 33,449 teachers and about 1.6 million grade 4 and 5 students nationwide. For the 21 best texts it awarded PCs and printers for the students, teachers and schools; and, the Municipal Education Improvement program, which from 1999 to 2006 trained 3,210 educators in 1,237 municipalities in 17 Brazilian states to develop, implement and assess municipal educational projects, based on local conditions, culture, funds and needs.



In partnership with Banco Itaú, the Fundação Itaú Social also developed a methodology for the economic assessment of social projects, which gauges the impact of the projects and measures their financial return, making this a powerful management tool. The methodology is regularly reviewed and taught to representatives from NGOs, institutes, corporate foundations and government agencies through courses and seminars. In 2006 the Economic Assessment of Social Projects e-Guide CD was released, which contains the fundamentals of Economic Assessment.

The Foundation's activities rely on monies from its annual financial surplus, which is generated by the Fundação Itaú Social Fund, which by December 2006 was valued at R\$376 million. In 2006, R\$33 million was invested in 22 Foundation projects and 144 support actions by institutions which follow the Foundation's guidelines. For 2007, approximately R\$35 million in investments are required to maintain existing programs and launch new ones.

Main projects developed in 2006

Writing the Future Program

The Program seeks to improve the quality of Brazilian public schooling by helping train educators and advancing the development of students' writing skills. In 2006 the 3rd edition of the Writing the Future Award was held, with the participation of 15,461 schools, 33,449 teachers and about 1.6 million grade 4 and 5 students nationwide.

After enrolling for the award, teachers and schools receive the Itaú Texts Creation Kit, which shows how to hold text writing workshops in classroom settings to produce poetry, opinion articles and reminiscences. A judging panel set up by each school selected the best texts, which then qualified for selection at the state level.

State judging commissions, coordinated by the National Union of Municipal Education Directors (Undime), selected 180 semi-finalist texts for the 27 Brazilian states, while semi-finalist students and teachers participated in Regional Writing Workshops in São Paulo, Rio de Janeiro, Goiânia, Fortaleza, Curitiba, Belém and Belo Horizonte, where they were able to review their work.

Social and Cultural Investments

The 21 best texts, one in each category (poetry, opinion articles and reminiscences) per region, received PCs and printers for the students, teachers and schools. In November the National Judging Commission, comprised of representatives from partner institutions of Undime, the Futura Channel, the Fundação Itaú Social, the Ministry of Education and Culture and the Study and Research Center for Education, Culture and Action (Cenpec), plus writers and journalists, selected the three winners announced at the awards ceremony on December 4 at the Latin America Memorial.

Students chosen as winners received high school study grants, their teachers received specialization courses, while the schools received PCs to set up or expand their computer labs, plus books for their libraries.

Municipal Education Improvement

The Municipal Education Improvement Program was created in 1999 by the Fundação Itaú Social and UNICEF, and relies on a partnership with Undime and technical coordination from Cenpec. Its goal is to contribute to those Brazilian municipalities with low human development indices by strengthening the capacity of the teams which manage local schools.

Educators and technicians are trained to develop, implement and assess municipal educational projects, based on local conditions, culture, funds and needs. From 1999 to 2006, eight editions of the program were held, involving 1,237 municipal teams from 17 Brazilian states, in which 3,210 educators were trained through distance and classroom learning.

Held every two years, the 7th edition, which ended in 2006, involved 140 municipalities in the state of São Paulo and 31 municipalities in the state of Piauí. In São Paulo, 417 educational services managers, grouped in ten Regional Formation Clusters, plus 60 educational services managers from Piauí, were trained.

Also in 2006 the 8th edition got underway, with 23 municipalities from the Mucuri Valley (MG) region taking part, and 72 educational services managers being trained.

Education and Participation

The goal of the Education & Participation program is to support and strengthen NGO projects that provide better schooling conditions and learning opportunities, resulting in a better education for children and adolescents. Created in 1995, the program is partnered with UNICEF and includes the Itaú-Unicef Award, Formation Meetings and the Socio-educational Managers Learning Program.

- **Itaú-Unicef Award** – Created in 1995, it identifies and adds visibility to the work of not-for-profit civil society organizations that help provide proper schooling for children and adolescents aged 6 to 18. Carried out in odd-numbered years, it has already received submissions from 5,708 projects which offer innovative experiences that supplement schooling by using other learning spaces. In even numbered years, it trains members of registered NGOs by teaching them current trends in education and social assistance, through the Formation Meeting program.

- **Formation Meeting program** – These offer NGOs registered in the Itaú-Unicef Award the chance to participate in extended education by promoting discussions of current issues, and an exchange of experiences with other organizations and publications which support socio-educational work. Its objective is to enable NGO staff members to help improve their activities as well as their interaction with schools and other sectors of society. The program relies on partnerships with: the National Union of Municipal Education Directors (Undime), the National Collegiate of Municipal Welfare Administrators (Congemas), the National Council of Education Secretaries (Consed) and the Futura Channel. In 2006 it put on the “National Seminar – Weaving Webs for Proper Schooling” in which 1,322 educators and representatives of NGOs took part. The event presented reflections on comprehensive education, potentials, difficulties, promotion and possibilities, among others. The Seminar was also held in the following cities: Rio de Janeiro, Nova Iguaçu, Presidente Prudente, Feira de Santana, Teresina, São Sebastião, Goiânia, Natal, Teófilo Otoni, Ibimirim, Pirenópolis, Brasília and Manaus, involving 2,531 representatives from NGOs, government agencies and local partners from 27 Brazilian states.
- **Socio-educational Learning Officers project** – Trains professionals from education, state social assistance agencies, municipal governments and NGOs that develop actions to supplement school activities for children and adolescents, strengthening the educative work of these organizations and training their personnel in the creation and implementation of



**3,210
educators**

**from 1,237 locations
took the Municipal
Education Improvement
Program.**



Learn More:

About the
Fundação Itaú Social activities at
www.fundacaoitausocial.org.br.

Projects developed	Results
Writing the Future Award	<ul style="list-style-type: none"> - 15,461 registered schools - 33,449 registered teachers - 2,771 municipalities in 27 states - 1.6 million students involved - Investment: R\$ 8.3 million
Municipal Education Improvement Program	<ul style="list-style-type: none"> - Implemented in 194 municipalities in São Paulo, Piauí and Minas Gerais (Mucuri Valley) - Direct beneficiaries: 152 education coordinators - Indirect beneficiaries: 397 coordinators from 130 municipalities in São Paulo - Investment: R\$ 2 million
Formation Meetings	<ul style="list-style-type: none"> - National Seminar "Weaving Webs for Proper Education": 1,322 educators and representatives of the NGOs registered in the 2005 Itaú-Unicef Award - Actions to broadcast the Seminar in seven regional centers (13 municipalities) of the Award: 2,531 representatives of NGOs, the government and partners - Investment: R\$ 2.1 million
Socio-educational Learning Officers Project	<ul style="list-style-type: none"> - Direct beneficiaries: 378 professionals from NGOs, government technicians and public schools - Indirect beneficiaries: 12,632 children and adolescents - Investment: R\$ 1.2 million
Urban Youth Program	<ul style="list-style-type: none"> - Direct beneficiaries: 960 youngsters aged 16 - 21 living in high social vulnerability areas - Indirect beneficiaries: 4,500 people (events presenting young people in the regions) - 31 projects developed and implemented in their communities by young people in São Paulo - Investment: R\$ 2.3 million
Economic Assessment of Social Projects Program	<ul style="list-style-type: none"> - 48 people from 45 social organizations took the Economic Assessment of Social Projects course - 240 people took part in the III Seminar on the Economic Assessment of Social Projects - Investment: R\$ 451,000

collective teacher training projects, in conjunction with the following partners: São Paulo State Secretary of Social Assistance and Development (Seads)/Regional Social Assistance and Development Directorates, in Santos and Piracicaba; São Paulo Municipal Secretary of Social Assistance; Municipal Secretary of Education/Belo Horizonte Municipal Adjunct Secretary of Social Assistance; and the Social Action Foundation (FAS)/Curitiba Municipal Secretary of Education. In 2006 the project involved 12 municipalities, while Seminars to Encourage Full-time Education were held in Curitiba, Santos and Belo Horizonte for 870 participants, representatives of NGOs, schools, the government and other segments of civil society.

Urban Youth Program

Created in 2004, the program offers young people aged 16 – 21, who live in depressed urban areas, the chance to intervene in the local community and develop basic skills and abilities, and provides training to NGOs to help them educate young people. The youths take part in training activities which broaden their horizons and allow them to learn new technologies, identify community needs and develop projects to transform the areas where they live.

To implement the Program, the Fundação Itaú Social maintains close relationships with technologically skilled institutional and professional partners at scientific production centers, universities and private companies, as well as professionals with recognized technical skills, all of whom develop education workshops, help young people maintain their activities and implement social intervention projects.

In 2006 a second edition of the program was held in the city of São Paulo, with 480 young people taking part, while a first edition was begun in Rio de Janeiro, also with 480 participants.

Principal Projects Supported

Literacy Solidarity

Program created by the Community Solidarity Council in 1997 to reduce illiteracy rates among Brazil's young people and adults. The work is conducted in partnership with companies, institutions, governments, high schools and private individuals.

Futura Channel

An initiative of the Roberto Marinho Foundation and other business groups. Begun in 1997, its mission is to empower Brazil's citizens by helping educate the public and provide access to knowledge.

School Volunteer Award

In partnership with Rádio Bandeirantes, now in its sixth edition. It identifies, publicizes and awards teaching institutions in the states of São Paulo, Rio de Janeiro, Paraná and Rio Grande do Sul that develop social projects which encourage volunteer work among their students.

Results/Impact/Amount Invested

Helped 941 students in 45 literacy classes in Itaobim, Águas Formosas and Águas Vermelhas (MG).

- Investment: R\$ 255,000

- 24-hour a day programming.

- Aired specifically for schools, companies, churches, hospitals, nurseries, libraries, penitentiaries and community associations in 17 Brazilian states.

- Investment: R\$ 2.2 million

- Participation of 457 schools

- Semi-finalist educators and students from ten schools participated in generating communication and volunteers

- Investment: R\$ 440,000

Economic Evaluation of Social Projects

The Program, developed by the Fundação Itaú Social in partnership with Banco Itaú's Credit and Economic Consulting Areas, is designed to help improve social actions through investment in impact assessments and calculations of the financial return. In 2006 this methodology was transferred to 48 representatives of NGOs and government agencies through courses in the Economic Evaluation of Social Projects, held in the cities of São Paulo and Rio de Janeiro.

In November 2006, the Third International Seminar on the Economic Evaluation of Social Projects was held in São Paulo, with 240 people taking part. The event presented a variety of evaluations, as well as discussions on their methodologies and the effects of creating and restructuring social projects. The event was also used to launch the "Economic Evaluation of Social Projects" e-Guide CD, which provides, in clear and accessible language, the fundamentals of Economic Evaluation.

Other Support

In 2006 the Fundação Itaú Social also supported a number of initiatives in the areas of health and education, including:

- Dorina Nowill Foundation – Production and distribution of Audio and Braille books. Investment of R\$107,500.
- Catholic Women's League – Re-connect project. Investment of about R\$100,000.

- Deficient Children Assistance Association (AACD) – Daisy and Electronic Handbook Projects. Investment of about R\$451,000, approximately R\$251,000 of which was for computing equipment.
- APAE (Association of Parents and Friends of Exceptional Children) – APAE in Action Project. Investment of about R\$250,000.
- Brazil Volunteer Institute. Investment of approximately R\$14,000 on computing equipment.
- The Take Part Institute. Investment of about R\$24,000 on computing equipment.

The Foundation also contributed to the modernization and restructuring of Santa Casa hospitals, and continued to sponsor the activities of the City School Apprentice Association, in addition to continuing its strategic partnership with the Akatu Institute.

Digital Inclusion

In 2006 the Fundação Itaú Social donated over 300 pieces of computing equipment (PCs, notebooks, servers and printers), representing an investment in excess of R\$600,000, to set up and expand IT labs for public schools, social organizations, professional courses and office systems at hospitals and health facilities.

Social and Cultural Investments

Goals established for 2006 and results for the year

Goal: Continue those programs developed by the Fundação Itaú Social in 2005, relying on investments of about R\$30 million.

Results: Total investments for the Fundação Itaú Social reached R\$33 million.

Goal: Increase the production of knowledge related to socio-educational actions, through an assessment of the impact on NGO award-winners (Itaú-Unicef Award and the other projects registered for the Award), to formulate quality indicators for socio-educational action.

Results: We expanded the research for registrants in the Award and formulated indicators to assess the organizations based on their sustainability management and socio-educational actions developed.

Goal: Strengthen national partnerships (Undime, Congemas, Consed and the Futura Channel) to widen the network of socio-educational actions and increase our ability to reach children and adolescents.

Results: Partnerships were strengthened through actions undertaken in Fundação Itaú Social projects, with planning meetings, working with partners in assessing the programs and making television shows for the Futura Channel.

Goal: Create a virtual environment to help organizations register for the 2005 Itaú-Unicef Award.

Results: We created a virtual environment to help organizations register for the 2005 Itaú-Unicef Award.

Goal: Consolidate the program to train young people on the outskirts of large urban centers with another session of the Urban Youth Program in São Paulo, plus a new one in Rio de Janeiro.

Results: We held a second session in the city of São Paulo and in December we began a first session in Rio de Janeiro.

Goal: A 100% increase in the number of schools participating in the third edition of the Writing in the School program, and a 50% return rate (schools that participated in 2002 and 2004 will sign up again).

Results: Goal not met. The number of participating schools rose 47%. An AC Nielsen study showed that among the teachers registered in 2002, 2004 and 2006, 69% of those registered in 2004 did not take part in 2006, for personal reasons.

Goal: Consolidate the training of multipliers to use municipal centers to spread the principles and methodology of the Municipal Education Improvement Program.

Results: 397 multipliers in 130 municipalities were trained through São Paulo state municipal centers.



Goal: Invest in strengthening management skills in Third Sector organizations.

Results: Goal partially met. Through courses in Economic Assessment of Social Projects there was a consequent investment in the management of these organizations. We also began speaking with other groups about offering more structured actions to train managers.

Goal: Support Banco Itaú microcredit operations through Civil Society Organizations and social development networks, resulting in greater socio-economic impact.

Results: Goal met (detailed information is available in the Sustainable Finances chapter under the heading "Microcredit Support Program").

Goal: Strengthen the bonds between Itaú bank branches and the communities where they operate through mobilizing the local community and social investment.

Results: National launch of the Itaú Child Program, involving over 3,000 Banco Itaú branches.

Goal: Implement impact assessment for all Fundação Itaú Social programs.

Results: Goal partially met. We conducted an evaluation of the pilot version of the Urban Youth Program and began putting together an assessment of the Municipal Education Improvement Program. The impact assessment for all Fundação Itaú Social programs is gradually being implemented.

Goals for 2007

- Continue those programs developed by the Fundação Itaú Social, with investments of about R\$35 million.
- Implement management indicators from the NGOs and the socio-educational actions developed during the 2007 Itaú-Unicef Award selection process.
- Register 2,000 civil society organizations in the 2007 Itaú-Unicef Award.
- Structure the methodology of working with young people developed in the Urban Youth Program and produce material to publicize the program.
- Disseminate the methodology for economic assessment of social projects through distributing the Social Projects Economic Assessments e-Guide, launched in 2006.
- Invest in strengthening management skills in Third Sector organizations.
- Strengthen the bonds between Itaú bank branches and the communities where they operate through mobilizing the local community and social investment.
- Gradual implementation of an impact assessment for all Fundação Itaú Social programs.
- Produce materials (CD-Rom and DVD) to spread the principles, methodology and results of the Municipal Education Improvement Program.

Fundação ItaúBank

As of 2007 the projects developed and supported by the Fundação ItaúBank, formerly the Fundação BankBoston, which worked in areas such as urban intervention, diversity and the eradication of child labour, will become part of the Fundação Itaú Social.

The Fundação ItaúBank, formerly the Fundação BankBoston – which remained active up until 2006 – is a public service, not-for-profit organization founded in 1999, whose mission is to help improve the quality of education for children and youths in Brazil.

The Fundação BankBoston was previously active in urban intervention (art and culture), diversity and the eradication of child labour, and encouraged the participation of its staff and their families in a variety of social actions, which were always in partnership with other government and non-governmental organizations, companies and international organizations.

Projects Developed

Goals	No. of Beneficiaries/Partners/Investment
Generation XXI and Family XXI Promote the comprehensive development of youths, guaranteeing financial support and cultural, social and educational accompaniment during the nine years of the project. The first affirmative action with black youths in Brazil.	- Beneficiaries: 21 low income black youths from the city of São Paulo. - Partners: Geledés - Black Women's Institute, Palmares Cultural Foundation and UNESCO. - Investment: R\$ 876,000
Education Fund Encourage regular attendance at school by the children and adolescents supported by the project until the end of high school. Funding for the project is obtained through the donation of 100% of the Education Fund's (fixed income fund) management fee.	- Beneficiaries: 300 children and adolescents enrolled in public schools in the cities of Goiânia, Valparaíso and Cidade Ocidental (GO). - Partners: Child Mission, UNICEF and UNESCO. - Investment: R\$ 53,000
Social Links A series of meetings held to encourage dialogue and to assist with spreading the ideas of the Third Sector. The 2006 edition had the theme "Third Sector - Analysis and Perspectives".	- Beneficiaries: representatives of the Third Sector, Government, educators, suppliers and staff. The meeting was held in the ItaúBank Building in São Paulo. - Investment: R\$ 11,000 per edition.
Crossing Foundation Project Help street children and adolescents by promoting their return to the regular schooling system, and to community and family life.	- Beneficiaries: More than 1,000 people helped in 2006, including children and their families, in the central, eastern and southern regions of São Paulo (SP). - Partners: Bankers Union of CUT, Viva o Centro Association, Banco Fibra, EMC2 and Pires DTS. - Investment: R\$ 360,000

Projects Developed

Goals	Nº of Beneficiaries/Partners/Investment
Bank in the School Help improve the quality of public education in São Paulo, enabling the school community to manage its public education budget.	<ul style="list-style-type: none">- Beneficiaries: 1,035 participating schools in 13 school districts of São Paulo.- 5,167 participants helped: 2,607 students (50.5%); 1,370 teachers (26.5%); 182 directors (3.5%); 227 parents (4.4%); 87 educational coordinators (1.7%); 375 staff (7.2%); and 319 others (6.2%).- More than 420 registered volunteers.- Allies: Banco ABN AMRO Real, Citibank, Banco do Brasil Foundation, Santander Banespa, Ibi Institute and the Unibanco Institute.- Partners: UNICEF, Ministry of Education, Department of Municipal Education in São Paulo.- Investment: R\$ 207,000
Roots Project Offer technical and financial support so that Bank staff can participate in a social project right from the beginning, in tandem with the institution being supported.	<ul style="list-style-type: none">- Beneficiaries: in 2006 the winner was the Campinas Committee, whose project was designed to provide 60 adolescents from the São João Vianney Social Assistance Association with professions and help enter the job market.- Investment: R\$25,000
Ribeirão das Neves Help eliminate child labour and strengthen the actions of the Child Labour Eradication Program (PETI).	<ul style="list-style-type: none">- Beneficiaries: 430 children living in Ribeirão das Neves (MG).- Partners: Municipal Council for Child and Adolescent Rights, Municipal Authority of Ribeirão das Neves, Obra Kolping and UNICEF.- Investment: R\$ 150,000 (as a portion of ItaúBank's payable income tax in 2005).
Russas Eradicate and prevent child labour in the community. Through supplementary actions for the school (circus school, technology rooms, music, silk-screening and sports), help children and adolescents who were removed from their work.	<ul style="list-style-type: none">- Beneficiaries: 420 children and adolescents who live in Russas (CE).- Partners: Municipal Council for Child and Adolescent Rights, Municipal Authority of Russas and UNICEF.- Investment: R\$ 100,000 (as a portion of ItaúBank's payable income tax in 2005).

Projects Supported

Goals	
Axé Project Provide socially excluded youths with exposure to dance, giving them art education through training future dancers.	<ul style="list-style-type: none">- Beneficiaries: 800 socially vulnerable children and adolescents.- Investment: R\$ 133,000
City Apprentice School Integrate school with the community, making a unique learning experience using plazas, studios, shops, bookshops, workshops, alleys and cafés as informal classrooms to teach school courses.	<ul style="list-style-type: none">- Beneficiaries: 300 youths from the city of São Paulo.- Investment: R\$ 160,000
Akatu Institute Educate society of its power to transform by spreading the idea of consumption awareness. The Fundação ItaúBank has been in partnership with the Akatu Institute since its creation.	<ul style="list-style-type: none">- Beneficiaries: the general public, private sector and public sector.- Investment: R\$ 120,000
Literacy Solidarity Reduce illiteracy rates among youths and adults in the country. The Fundação ItaúBank has been in partnership with Alfasol since 2002, in Lati (PE).	<ul style="list-style-type: none">- Beneficiaries: 2,000 students and 80 teachers.- Investment: R\$ 67,000

In 2006 the Fundação ItaúBank also supported the Teaching Quality Institute, AMCHAM (American Chamber of Commerce); McHappy Day and the Abrinq Foundation.

As of 2007, the projects developed and supported by the Fundação ItaúBank will be taken over by the Fundação Itaú Social.



Instituto Itaú Cultural



Mission

Develop and organize processes which generate an appreciation of Brazilian arts through understanding cultural practices by broadening access to culture and promoting social participation.

Itaú Holding's cultural investments are directed and coordinated by the Instituto Itaú Cultural (the "Institute"), which is a benchmark in assembling and spreading Brazilian culture throughout the country. The Institute operates with a wide range of artistic expression, forms and research, and develops ongoing, integrated projects focused on artistic production and broadening access to culture, which contribute to the development of Brazilian civic responsibility and the recognition of Brazil's cultural diversity.

Its activities are based in three main areas:

- development and organization of processes to generate knowledge about the Brazilian arts;
- understanding cultural practices through broadening access to culture; and
- promotion of social participation.

The Institute's principal actions include:

- the Directions Program;
- cultural activities such as multidisciplinary events and the Ideas Game TV program;
- the Culture Observatory; and
- actions that use new communication technologies such as the Instituto Itaú Cultural Visual Arts Encyclopedia.

As culture is an important tool for social transformation, the Instituto Itaú Cultural seeks to expand the reach of its actions with one unique difference: all of its programming is free – which includes access to cultural activities, teacher training, transporting public schoolchildren to visit exhibits, workshops and courses, and the distribution of products.

The Institute focuses on training specialized professionals, which helps to encourage, discuss and spread out Brazil's many forms of artistic expression. It also assists with research in relations between art and technology, making comprehensive use of technological resources to broaden public access to cultural assets. The Institute has also developed an educational program that consolidates the social impact of its activities.

In 2006 it put on 206 events in every Brazilian state, with unrestricted access to the general public as well as to specialized educators, art critics and curators, artists, journalists, writers and representatives from the third sector. Events held at the Institute's facilities in São Paulo were seen by over 313,000 people. Of the R\$28.6 million invested, R\$21.7 million was under the Rouanet Law for Cultural Support.



Corporate Governance

Under the guidance of Banco Itaú, the Institute seeks to differentiate itself from Brazil's countless other cultural institutions by being a pioneer in, and setting the standard for, implementing corporate governance practices, which are separated into three main bodies:

- Executive Committees;
- Management of Conduct and Conflicts of Interest; and
- Compliance.

The Executive Committees address issues such as assessment and monitoring of operational risks; management of information security; management of human resource policies; financial management; management of internal communication strategies; and management of moral and ethical issues. These committees are the:

- Risk Control Committee;
- Budget Management Committee;
- Ethics Management Committee;
- Human Resources Committee;
- Information Security Committee; and the
- Sector Risk and Compliance Committee.

In addition to these committees, in 2006 the Institute created working groups to discuss and implement actions related to the Institute's products, indicators, programming and twentieth anniversary activities, and to handle the ISO 9001 certification process for events programming management.

In August 2006 the Instituto Itaú Cultural celebrated its twentieth anniversary by publicly disclosing its new Code of Conduct, an instrument that governs its relationships with the public, its staff, partners and representatives of various sectors of society and the general public. The Code of Conduct redefines the Institute's Mission, reaffirms its ethical principles and outlines its Vision and Strategies for the next decade.

Culture Observatory

The Culture Observatory is a facility in which visitors can reflect on and gain an appreciation of artistic, economic and social movements in the cultural world. In 2006 it put on two large seminars with the participation of academics and professionals from various backgrounds, who were invited to conduct exercises in structuring ideas to help support the creation of public policies and research about the world of art and culture.

The goal of these efforts was to supply subsidies for actions and policies to be implemented by the Institute in the coming years. The findings and results of this process will be made available in three publications, the first of which will be released in March 2007.

Social and Cultural Investments

Itaú Contemporary Collection

To broaden the visibility of contemporary art and help encourage discussion on the issue, the Instituto Itaú Cultural coordinated the production of the book and DVD entitled "Itaú Contemporary Collection – Art in Brazil 1981-2006". The publication features images of works by Brazilian artists over the past 25 years, taken from the Itaú Group's private collection.

The most important texts and the compilation of the book are under the stewardship of Teixeira Coelho, custodian-coordinator of the Museum of Art of São Paulo (Masp) and professor of the School of Communications and Arts at the University of São Paulo (ECA/USP). The CD-ROM contains biographies of the artists and a chronology of the period, in English and Portuguese. English versions of the book's texts are also on the CD.

The book, DVD and CD were produced thanks to funding from the Itaú Group, without using the benefits available through Brazil's Culture Incentive Laws. Articles about the artists and analyses of their work are found in the Instituto Itaú Cultural Encyclopedia of Visual Arts.

Itaú Cultural Directions

Brazilian art and intellectual production form the basis of the Itaú Cultural Directions program, which was created in 1997 to support, register and distribute projects from all over the country, and to link cultural agents, artists, researchers and institutions.

The Directions Program is the Institute's principal area of activity, and it enjoys national coverage. When presenting awards, it allows winning entrants to travel, which promotes an interchange among artists, custodians, thinkers, agents, producers and technicians.

In 2006 it made posters to announce the Dance, Film and Video, and Art and Technology categories. It received 377 Film and Video project entries from 20 states, and about 700 Dance entries from 24 states. Registrations for the Art and Technology category were closed in December, with approximately 200 submissions from 16 states. The results of the judging will be made public in March, 2007.

In September the Institute announced five films that were selected for the 2006- 2007 Film and Video Directions program, and which must be completed and released in the first half of 2007. The films were: *I Go Again*; *Histories of Living and Demolitions*; *Edge*; *Looking for Janaína*; and *Memories of an Impossible Woman*. A special award was presented to the Diário de Cintra project, for its potential to be the definitive film about Brazilian film director Glauber Rocha.

The Film and Video segment also held meetings and documentary screenings in 13 cities. The showing of Itaú Cultural Cinema and Video Directions – Special Selections, with four documentary winners from four previous editions of the Program, traveled around the country, with presentations in eight cities. The Dance segment also put on seminars in 14 locations.

The events featured experts from the operating areas in the various locations, and were designed to discuss the different stages for film and dance production.

In the Visual Arts segment, the 78 artists chosen in 2005 were divided by the curating team into four presentations which began being shown in Brazil in August. *Other Places* was presented in Belém; as well as *Transitions in Contemporary Art* (Fortaleza); *Cities: Construction and Precariousness* (Goiânia); and *Absences* (Florianópolis).

The presentations stemming from the exhibit “Itaú Cultural Visual Arts Directions 2005-2006: Brazil Paradoxes”, were shown in the Institute’s facilities in São Paulo and the Imperial Palace in Rio de Janeiro. Of the 78 Visual Arts artists chosen, four were selected for scholarships to study at art institutes in Brazil and abroad, as part of the Program’s training activities.

The Directions program also traveled to Berlin, Germany to hold the Culture Cup, as a spin-off of the Soccer World Cup. Audiovisual works by 15 winning artists in the Visual Arts segment were chosen to make up the “Brazil + Berlin – Contemporary Brazilian Video Art” project. In September the singer Katia B and the bands Cidadão Instigado and Cabruêra, who had taken part in earlier editions of the Itaú Cultural Music Directions program, played at the Popkomm music fair, which was also part of the Culture Cup.

Dance Directions also earned some international exposure through its participation in the event “Doors of the Americas – Third Meeting of the Scenic Arts”, in Mexico City, while documentaries produced by incentives provided by the Film and Video segment were presented in Buenos Aires, Argentina.

With the participation of five educators selected, Culture and Art Education Directions presented “Passages of Formation” in the states of Goiás, Pernambuco, Rio de Janeiro, Bahia, Minas Gerais, Ceará, Espírito Santo, Maranhão, Pará, Paraná and the Federal District, involving about 700 people. The edition finished in December with “Memories to Build”, at the Institute’s main facilities in São Paulo.



Over 1,000

**projects were
submitted to
Itaú Cultural
Directions in 2006,
in the Dance,
Film and Video
categories.**

Social and Cultural Investments

Cultural Activities

Multidisciplinary events

The Instituto Itaú Cultural put on three multidisciplinary events at its facilities in 2006, plus two Theme Presentations lasting one month each.

From March until May, the “Visual Arts Directions – Brazil Paradoxes 2005-2006” exhibit presented the works of 78 artists from 14 states. From June to August, the exhibit was shown at the Imperial Palace in Rio de Janeiro. At the São Paulo facilities, 64,622 people viewed the show.

Over the summer holidays the Institute was busy with educational work, conducting monitored contact with drop-in visitors, with students from every grade in private and public schools, and with special needs visitors. It offered teachers coursework in Writing in the Classroom through training in Art education. The book and the DVD of the event were released in 2006.

In São Paulo, the exhibit featured additional activities such as performances by ballerinas Michelle Moura and Maria Acselrad, who put together a dialogue between the visual arts and dance, and the “Knicknacks and More” workshop for building objects from recyclable materials, which was designed for children and parents by André Komatsu, one of the Visual Arts Directions artists.

The third edition of the International Art and Technology Biennial put on by the Instituto Itaú Cultural, the “Emoção Art.ficial 3.0 – Cybernetic Interface” exhibit, presented 13 classic and modern works by 18 art technology artists-researchers from ten countries. The show featured robots, ecosystems and artificial creatures,

written experiences, voice recognition software, virtual beings and objects, animations, projections, image rendering, plus computer and sound effects.

The pieces were interactive and shared interface (any surface that separates two systems) and cybernetic (a discipline that studies how systems communicate and interact) themes. Visitors to the virtual displays could interact with the robots and experience the man-machine relationship. The Institute acquired Christa Sommerer and Laurent Mignonneau’s *Life Writer* (2005) for its collection, strengthening its role of supporting the art and technology segment.

Through the International Emoção Art.ficial Symposium, Brazilian and foreign artists and researchers discussed the trend of contamination between science and art. Participants included Edmond Couchot of France, creator of the theory of second interactivity.

The following multidisciplinary activities were also part of Emoção Art.ficial:

- the On-Off audiovisual event, which showcased experiences of creating live images;
- the Continuum performance;
- the Magnetic Memory video display by Nam June Paik;
- musical shows;
- the play *The Relative Truth of it*;
- science fiction of invisibility discussion; and
- a talk with contemporary dance researchers.



From November 2006 to January 2007, the Institute put on the multidisciplinary event “First Person”, which featured visual arts (curated by Agnaldo Farias), shows and dance performances (directed by Christine Greiner), literary and musical presentations, meetings with artists and audiovisual shows.

This programming focused on the narrative through memory, senses, intimacy and artistic impressions. This common thread linked various cinematic environments created by Valdy Lopes Jr., which looked at the interlinking of the arts. As of December 31, the event had been seen by over 35,000 people.

Theme Presentations

In 2006 the Citizen Wave held its fourth annual edition, this year as a Theme Presentation. The theme was to broaden the focus of the Program and provide researchers, managers and communicators with multidisciplinary activities related to discrete forms of communication and their social, cultural, educational and economic impacts – in this case, through discussions on the sustainability of the projects and their capacity to create employment.

The focus of the Citizen Wave advertising was expanded to include other independent forms of communication in addition to radio: the alternative press, blogs, fanzines, videoblogs, podcasts, tactical media and tactical art, among others. The edition featured discussion forums with professionals and researchers who talked to the public about subjects such as alternative

communication, management of independent communication projects and the educative process of information producers and consumers. Workshops were also held, as were radio discussions, video series and shows.

These results will appear in books, a DVD and radio programs, with a view to widening the discussion and helping train managers of these media forms. The content developed will be distributed to cultural institutions, communication vehicles and groups that work in this field. Sixty-four representatives of 45 broadcasters in more than ten states took part in the radio discussions, which were just one of the Citizen Wave activities.

To encourage discussions on this subject, the Institute presented debates, graffiti art, theatre and circus shows, musical shows, DJ workshops, dances, a series of videos and an international seminar in partnership with the AfroReggae Cultural Group of Rio de Janeiro. These actions were designed to take the importance of societal structure back to the streets. The presentation was visited by about 29,000 people.

Ideas Game

Created in 2003, the Ideas Game is a current affairs television program that recorded 38 episodes in 2006, and has now recorded 200 episodes overall. The show invites professionals from literature, journalism, education, music, cinema and the scenic arts to speak with the public on a variety of issues.

Social and Cultural Investments

The show's invited guests are selected based on aspects of diversity and current relevance. The Ideas Game is recorded in São Paulo and in other Brazilian cities. It is then edited and later broadcast in 30 and 60-minute versions.

The program runs weekly on TV PUC-SP at various times. Through a variety of partnerships it is shown or relayed by other educational, university, cultural and community broadcasters covering most Brazilian states.

Currently, the program also airs on IPC TV in Japan, CLP-TV (a Portuguese language channel in France); and TAL-TV Latin America, which broadcasts to various countries in Latin America. Additionally, the Embratel Institute shows the Program in its entirety, at www.institutoembratel.com.br. The Program is designed to form distance public opinion and to spread knowledge.

Cultural Education

The Cultural Education Centre develops local and national products, training activities and programs designed to give widespread access to Brazilian art and culture.

The educational service constitutes an arts training program that focuses on public school children, giving them free transportation for learning visits to multidisciplinary events and to the Numismatics Museum coin collection. It also puts on meetings for teachers, allowing them to become better educators.

Participants exceeded 65,000 in 2006, while courses for teachers benefited 435 professionals, and 992 people with deficiencies were helped.

■ **Writing in the Classroom** – this program uses writing as a central means to stimulate reading and empowering literature in the context of formal education. In addition to teacher training coordinators and assistants, the program is focused on high school and junior high school Portuguese and Portuguese literature teachers, but the interdisciplinary nature of the program allows it to be of interest to teachers of other subjects and other grades. The indirect beneficiaries of the program are of course the students themselves. In 2006 the program celebrated its fourth anniversary, with groups in São Paulo, Ceará, Mato Grosso do Sul and Rio de Janeiro, and the distribution of products in Rio Grande do Norte. An estimated 1,990 teachers have received direct training, while 1,655 teaching support materials have been distributed.

Distance Actions

Seeking to expand community access to Brazilian culture, distance actions comprise electronic broadcasts via radio, TV and the internet. The Itaú Cultural website features the Itaú Cultural Encyclopedia of Visual Arts, the largest on-line reference source in the country, which displays works from about 2,800 artists. One of the site's most visited areas, it received 1,390,166 visits as of December 31. The Encyclopedia's dynamic design provides a complete search system and unique navigation tools. Some entries are available in English, Spanish and French.

Another on-line reference source offered is the Instituto Itaú Cultural Encyclopedia of Theatre, which focuses on theatre activities in Rio de Janeiro and São Paulo. Covering three categories, it presents biographical and chronological information on theatre professionals, histories of the companies, groups and theatre production centers, and descriptions of famous shows. The biographies and histories include analyses of the critics and researchers of the period.

Cyberculture magazine is another reference source. This publication features academic articles by specialists, as well comments on digital culture. As a forum for science-based writing, it is open to everyone interested in the new digital culture, as well as videogames, media art and leading technologies.

Institutional Relations

In 2006, the Instituto Itaú Cultural became mutual cooperation partners with ten universities which have strong social and cultural bases. Thirteen broadcasters and their affiliates began airing products nationwide on TV. Overseas, three broadcasters showed programs produced by the Institute, helping to play an important role in Brazil's global integration and cultural interchange.

During the period the Institute's actions were publicized through partnerships with five cultural and social institutions in other states.



Learn More:

About the activities of the Instituto
Itaú Cultural at
www.itaucultural.org.br.

Social and Cultural Investments

Goals established for 2006 and results for the year

Goal: Maintain projects that focus on conscientious actions and continue with free programming, products and services.

Results: Projects were maintained, and free programming, products and services continued. During the year, 23,742 cultural products were distributed.

Goal: Continue with large scale themes.

Results: Goal met.

Goal: Implementation of the Culture Observatory.

Results: Project implemented.

Goal: Continue the editions of the Directions Program begun in 2005.

Results: Editions begun in 2005 (Visual Arts and Art and Culture Education) started to show results.

Goal: Presentation of Visual Arts award winners.

Results: Selected artists were shown in São Paulo and Rio de Janeiro, with smaller displays in Santa Catarina, Pará, Goiás and Ceará.

Goal: Continue the program to develop new photographic talents.

Results: The Portfolio Program showed the works of Helga Stein (SP) and Rodrigo Braga (PE), curated by Eder Chiodetto, at the Instituto Itaú Cultural facilities.

Goal: Release of new DVDs in the Toca Brasil series and five DVDs of the Music Directions Program.

Results: Eight DVDs in the Toca Brasil series were released. The other DVDs will be launched in 2007, when the Directions Program will celebrate its tenth anniversary, and will accept new registrants for the next edition of Music Directions.

Goal: Strengthen the presence of media art in Brazil and abroad.

Results: The Instituto Itaú Cultural strengthened the presence of media art in Brazil and abroad with the production of the third edition of the Emoção Art.ficial exhibit, which featured 18 artists from ten countries.

Goal: Continue distributing products that meet the needs of Brazilian studies centers.

Results: Goal met.



Goals for 2007:

- To mark the Instituto Itaú Cultural's twentieth anniversary, its headquarters will host three multidisciplinary events, a retrospective of its history and three specially themed shows.
- Itaú Cultural will strengthen its presence in the virtual field by introducing its new website in June.
- Itaú Cultural Observatory will continue to develop a structured look at Brazilian culture by analyzing and understanding economic, political and culture studies data. Another goal is to set public policies that offer new work parameters. During the year it will hold seminars all over Brazil. The results of these efforts will appear in three print publications, the first of which will be out in March.
- The Directions Program will continue the editions it began in 2006, in addition to new areas: Music, Literature, Cultural Journalism and Cultural Management. The Art and Technology segment will enter the project selection phase, and selected Dance, Cinema and Video pieces will be shown. The Visual Arts segment will put on three art history courses in nine cities, while Culture and Art Education will display its results in the Culture and Art Education publication.
- The Portfolio Program, which reveals new photography talents, will continue to be shown, with three exhibits at the Instituto Itaú Cultural facilities in São Paulo, as well as one in Belém and another in Fortaleza.
- Products will be produced in various formats, including print, audiovisual, soundtracks and reference pieces (available on the website). New products will include: books; catalogues; DVDs; audio CDs; theme publications; guides and scheduling information; an almanac; two new virtual encyclopedias (*Itaú Cultural Encyclopedia of Brazilian Literature* and the *Itaú Cultural Encyclopedia of Art and Technology*); and a new monthly magazine of Itaú Cultural programming (which substitutes the current monthly programming folder). Products that will continue in 2007 include: *Itaú Cultural Encyclopedia of Visual Arts*; *Itaú Cultural Encyclopedia of Theatre*; Dance database; and the on-line magazine *Cyberculture*. TV programs based on the Ideas Game will also be produced.

Other Social and Cultural Investments

Itaú donated more than R\$5 million to Funds for Child and Adolescent Rights, which benefited important social projects.

Donations to the Fund for Infants and Adolescents (FIA)

In 2006 the companies of Itaú Holding donated R\$5.1 million to Funds for Child and Adolescent Rights at the state and municipal level, benefiting important social projects developed by institutions and approved by Child and Adolescent Rights Councils.

Banco Itaú BBA

Banco Itaú BBA focuses on supporting projects designed to improve primary schooling as well as supporting activities that advance Brazilian culture. In 2006 it was involved with the following projects:

Curricular Updating Project Teacher training and supplying classroom materials.	- Beneficiaries: three schools with 1,625 students from nursery to Grade 8, 63 teachers and 17 educators.
Literacy Solidarity Program Giving adults and young people access to regular primary school classes.	- Beneficiaries: the monies helped educate 3,000 students and train 136 literacy teachers in eight municipalities in Brazil's northeast.
Constellation Project Strengthening the network of socio-educational centers as a support point for actions of excellence in the areas of pre-school education, tutoring, female leadership and community development.	- Beneficiaries: the support of Itaú BBA helps educate 1,440 children aged 6 and under, training of 40 teachers from Grades 1-4 and strengthening the leadership capacity of 200 women to act as quality of life improvement agents in 12 communities in Rio de Janeiro.
Sagarana Açaí Project Support and incentives to low income young people with good grades. Designed for students who have been or are currently enrolled in public high schools.	- Beneficiaries: 28 young people benefited, who received 22 class hours of Portuguese, Math, History, Geography, Physics, Chemistry and Biology. The content was selected to ensure the knowledge base necessary so students could continue their studies.

In 2006 Banco Itaú BBA also employed support monies for the social projects and institutions in the following table:

Fundação Getúlio Vargas Bursary Fund

Educational credit program that, through Bank funding, helps Business Administration students to pay for their studies.

Brazil-Israel Society of Organization, Reconstruction and Work (ORT)

Educational institution dedicated to technological instruction and training for students in grades 5-8.

ARCO - Beneficent Association

Offers schooling for kids aged up to 22 from the outskirts of the city of São Paulo.

Child Heart Disease and Heart Transplant Association (ACTC)

Helps children with serious heart problems, accompanied by their mothers/or others, coming from all over Brazil and neighbouring countries, for treatment at the Heart Institute in São Paulo. In 2006, 28,824 children were treated.

São Paulo Institute Against Violence

Not-for-profit organization that brings together businesses and NGOs, universities and communication vehicles. Its mission is to help society and governments to reduce violence and crime in the city of São Paulo.

Educandário Santo Antônio de Bebedouro Teaching Facility

Helps 550 children and adolescents aged 5 - 17 from low income families. Offers training to prevent situations of high personal and social risk.

Ronald McDonald Children Support Institute

Helps increase the numbers of children that beat cancer.

Through monies allocated to Municipal Funds for Child and Adolescent Rights, Banco Itaú BBA contributed to the following organizations: ACAIA Institute– Learn How to Grow Project; ACTC (Child Heart Disease and Heart Transplant Association) – Little Brazilians Project; AACCC (Association of Children with Cancer) – Support House Project; Mineira Association of Child Protection – First Steps Project; Art Life Centre – Headquarters Construction Project; Jaguaré Benefactor Society – Professional Training Project; Association for the Development of Autistic Children in Campinas (SP); São Carlos Salesianos College (SP); Souza Novaes Institute, in Campinas (SP); and Tucça (Association for Children and Adolescents with Brain Tumours) – Santa Marcelina Health Facility Project.

We also donated 1,000 copies of the book “Trees in Bloom” to Tucça (Association for Children and Adolescents with Brain Tumours). Proceeds from sales of the book remained with Tucça.

Cultural Events and Support

- **Photography Contest** – To encourage amateur and professional photographers to capture images of Brazil, Itaú BBA sponsored another edition of this contest. The themes were “Trees in Bloom,” “Nature in Bloom” and “Crops in Bloom”. A jury featuring personalities from the photography and environmental preservation fields looked at 2,138 photos submitted, 73 of which were presented with awards. The photos are on public display in the Brazilian Home Museum in São Paulo.
- **“Trees in Bloom”** – a book featuring the award-winning photos of trees and landscapes in bloom from the past ten editions of the Banco Itaú BBA Photography Contest.
- **D. Leopoldina** – *Letters from an Empress* – a book arising from research done at numerous archives and institutions in Austria, Portugal and Brazil. After sifting through 850 letters, the book reprints 315, which are translated or transcribed. Five essays cover this period in history of Brazil and Europe, through Empress Leopoldina’s intellectual and moral upbringing and her participation in Brazilian life at the beginning of the 19th century.

Other Social and Cultural Investments

Sponsorships helped by the Rouanet Law

São Paulo Museum of Modern Art Supported Annual Activity Plan and Photography Contest for the mentally ill.	Israel Cultural Center - Jewish Cultural Center Supports activities to commemorate 5,000 years of Jewish culture.
National Museum of Sugar and Ethanol Supports setting up this museum in the city of Pontal. The new facility will be housed in an old sugar mill.	IAC (Institute of Contemporary Art) Supports the creation of a Documentation and Research center that will offer teachers and post-graduate arts students access to a collection of documents and a specialized database. It will also provide the public with documents and reference sources and about the history of modern art in Brazil.
Brazilian Home Museum Displays examples of 17th to 20th century furniture and provides temporary space where modern design objects can be built for Brazil and the rest of the world. Also hosts discussions, courses and speeches about architecture and design.	Maria Antônia University Center Helped renovate the Joaquim Nabuco Building, which is part of the Maria Antônia University Center in São Paulo.
MNBA (National Museum of Fine Arts) Urgent plan to renovate the museum structure and the safety of the entire building, its use and equipment, and preserve its collection for temporary showings.	Sound, Rhythm and Movement Project Supported by Community Action, uses music, movement, theatre and other means of artistic expression as a way of creating knowledge. Designed for low income residents of Campo Limpo in São Paulo.
Magda Tagliaferro Foundation Supports the Young Talents Project, that chooses, improves and helps budget public presentations of 12 sponsored pianists aged 10-18. These young people also participate in national and international piano competitions to help them start their professional artistic careers.	Ária Social Dance and Art facility for underprivileged young people from public schools in Jaboatão dos Guararapes, in Pernambuco.
Tucca (Association for Children and Adolescents with Brain Tumours) This institution puts on music concerts to raise money for Tucca, which seeks to cure children with cancer and improve the quality of life of young patients.	

In addition to these projects, Banco Itaú BBA had support from the Rouanet Law for the following initiatives:

- "Terra Paulista" book and documentary;
- "The Education of Looking" project; and
- "Bandeiristas House - Paulista Architecture".

Banco Itaú BBA also supported various projects through Audiovisual Law incentives, including:

- "Manufacturing Tom Zé" documentary;
- "Black Gold - The Saga of Brazilian Petroleum" film;
- "Free Territory" film; and
- "Otávio and the Letters" film, previously called Paper Bombs.

Árvores Floridas *Flowering Trees*



10 anos do Concurso Banco Itaú BBA de Fotografia
10 years of the Banco Itaú BBA Photography Contest



Awards and Recognition



- In recognition of its economic, social and environmental risk management, Itaú Holding was selected for the seventh consecutive time to be part of the Dow Jones Sustainability World Index (DJSWI), and to be part of the São Paulo Stock Exchange's Bovespa Corporate Sustainability Index for the second consecutive time.
- Itaú Holding was chosen by *Euromoney* magazine and by Management & Excellence Consultants as Latin America's Most Sustainable Bank.
- In recognition of its work to develop sustainable business, Banco Itaú placed second in the Ibovespa Sustainability and Social Responsibility ranking.
- Itaú Personnalité was chosen as the Bank Which Most Respects Consumers by *Consumidor Moderno* magazine and *TNS Interscience*, in the high income bank category.
- Itaú's Social Projects Economic Assessment Program was selected by the *Exame Guide to Good Corporate Governance* as one of the best Corporate Responsibility Practices.
- Banco Itaú was considered the third best company in managing people, among firms with over 10,000 employees, in the "Best People Managers" study by *Valor Carreira* magazine.
- The Banco Itaú Staff Exercise Program won the 2006 Brazil Safety Agency (ABS) award in the Company Prevention Category.
- Banco Itaú won the 2006 HR Cidadão Award for its African-Brazilian Training Program, presented by *Gestão & RH* magazine.
- The Bank received the II People Management Top Award in the Social Responsibility Category, for its Bone Marrow Donation Campaign, presented by the Paulista Association of People Managers.
- The Bank received the *Gestão & RH* magazine 2006 HR Distinction Award 2006 for its Learning Map Project.
- The Organization received the Most Sought After Company by University Students award from Cia. de Talentos, in conjunction with LabSSJ.
- Itaú Holding won the Ltr Award for Health, Safety and the Environment, presented by Editora Ltr.
- The 2005 Itaú Holding Social Report won the Social Report Award in the Financial Institution Category, put on by Aberje, Apimec, the Ethos Institute, Fides and Ibase.

Principal Social and Economic Performance Indicators

The Brazilian Institute of Social and Economic Analyses (Ibase), founded in 1981, is a not-for-profit organization whose mission is to build a democracy through combating inequalities and encouraging civic participation.

Introduced in 1997, the Ibase Social Report was the first document in Brazil to outline a standard for socio-environmental reporting that ensures the assessment and disclosure of actions by companies in this field.

Ibase Table

(values in R\$ thousands)

1 - Calculation Base	2006	2005
Net Earnings (NE)	12,529,696	11,156,714
Operating Income (OI)	6,076,928	8,182,604
Gross Payroll (GP) (a)	5,493,860	4,428,350

(a) excluding spontaneous benefits

2 - Internal Social Indicators	2006			2005		
	Amount	% of GP	% of NE	Amount	% of GP	% of NE
Meals	323,825	5.89	2.58	264,357	5.97	2.37
Mandatory Social Payments (b)	932,183	16.97	7.44	822,099	18.56	7.37
Private Pension Plans	66,500	1.21	0.53	31,481	0.71	0.28
Health Care	170,412	3.10	1.36	157,956	3.57	1.42
Workers' Health and Safety	4,690	0.09	0.04	3,003	0.07	0.03
Education	15,212	0.28	0.12	7,115	0.16	0.06
Culture	0	0	0	0	0.00	0.00
Transportation	29,309	0.53	0.23	27,456	0.62	0.25
Professional Development and Training	55,357	1.01	0.44	51,872	1.17	0.46
Daycare and Childcare Assistance	16,539	0.30	0.13	15,954	0.36	0.14
Profit Sharing	957,218	17.42	7.64	679,333	15.34	6.09
Other	39,687	0.72	0.32	40,992	0.93	0.37
Total - Internal Social Indicators	2,610,933	47.52	20.84	2,101,618	47.46	18.84

(b) INSS/IAPAS Social security charges

Principal Social and Economic Performance Indicators

3 - External Social Indicators

	2006			2005		
	Amount	% of OI	% of NE	Amount	% of OI	% of NE
Education	28,149	0.46	0.22	23,825	0.29	0.21
Culture	34,776	0.57	0.28	28,199	0.34	0.25
Health and Sanitation	1,873	0.03	0.01	2,418	0.03	0.02
Sports	0	0	0	0	0.00	0.00
Daycare	0	0	0	0	0.00	0.00
Hunger Prevention Programs	0	0	0	6	0.00	0.00
Other	45,179	0.74	0.36	24,914	0.30	0.22
Total Contributions to Society	109,977	1.81	0.88	79,362	0.97	0.71
Taxes (not including social security charges) (d)	5,539,365	91.15	44.21	4,692,436	57.35	42.06
Total - External Social Indicators	5,649,342	92.96	45.09	4,771,798	58.32	42.77

(d) Same criteria as other indicators, ie. excludes amounts netted out in consolidation and includes third party taxes

4 - Environmental Indicators

	Amount	% of OI	% of NE	Amount	% of OI	% of NE
Investments related to production / operations	2,305	0.038	0.018	2,627	0.032	0.024
Investments in programs and/or outside projects	350	0.006	0.003	358	0.004	0.003
Total Environmental Investments	2,655	0.044	0.021	2,985	0.036	0.027

5 - Personnel Indicators

	2006	2005
Employees at end of period	59,921	51,036
Employees hired during the period	12,621	10,432
Turnover rate (%)	15.2%	11.1%
Outsourced workers	N/AV	N/AV
Trainees	1,082	995
Employees aged over 45	7,926	6,926
Female employees	33,256	27,894
% of managerial posts held by women	39.51%	36.6%
African-Brazilian employees	1,328	1,010
Mixed-race employees	5,964	4,813
% of managerial posts held by African-Brazilian and mixed-race employees	3.97%	4.75%
Special needs employees	1,489	1,161

6 - Selected Measures of Corporate Social Responsibility

	2006	Goals 2007
Ratio of highest to lowest compensation	N/AV	N/AV
Work-related accidents	597	-
Social and environmental projects were established by:	Executive Directors and managers	Executive Directors and managers
Standards of occupational safety and health were set by:	Executive Directors and managers	Executive Directors and managers

Regarding freedom to unionize, collective bargaining and internal worker representation among workers, the Company:

	Follows ILO rules	Follows ILO rules
Private pension plans for:	All employees	All employees
Profit-sharing plans for:	All employees	All employees
Requirement that suppliers share Itaú's ethical and social/environmental responsibility standards:	Mandatory	Mandatory
For staff members to perform volunteer work, the company:	Organizes and encourages	Organizes and encourages

	2006			Goals 2007
Customer complaints and criticisms:	The Company	Procon	The courts	
	122,208	7,393	N/AV	N/AV
% of complaints and criticisms resolved:	The Company	Procon	The courts	
	N/AV	85%	N/AV	N/AV

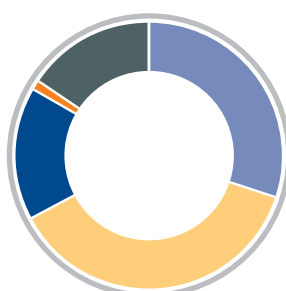
	2006	2005
Total value-added for distribution (in R\$ thousands)	13,609,470	13,999,493
Distribution of value-added (DVA)		
Tax	30.5%	33.3%
Payroll	37.5%	29.5%
Shareholder Dividends	16.3%	13.5%
Third Parties	0.1%	
Reinvested Profits	15.6%	23.7%

Value-Added Statement (in R\$ thousands)

	2006 Amount	%	2005 Amount	%
Earnings from Operations (a)	12,529,696	—	11,156,714	—
Earnings from Insurance Operations (b)	1,126,390	—	798,239	—
Other Income/Operating Expenses (c)	(46,616)	—	2,044,540	—
Value-Added (d = a + b + c)	13,609,470	—	13,999,493	—
Payroll (e) (*)	5,109,247	37.5	4,126,879	29.5
Taxes (f)	4,146,173	30.5	4,665,862	33.3
Shareholder Dividends (g)	2,228,106	16.4	1,886,612 ^(**)	13.5
Parent Company	2,212,162	16.3	1,852,133 ^(**)	13.2
Minority Shareholders	15,944	0.1	34,479	0.3
Reinvested Profits (h)	2,125,944	15.6	3,320,140 ^(**)	23.7
Parent Company	2,096,765	15.4	3,399,201 ^(**)	24.3
Minority Shareholders	29,179	0.2	(79,061)	(0.6)
Distribution of Value-Added (i = e + f + g + h)	13,609,470	100.0	13,999,493	100.0

(*) Excluding pension charges; (**) After the 2005 Social Report, we adjusted shareholder dividends/IOC payments of the parent company, which was previously included in the 2004 dividends amount paid in 2005.

Distribution of Value-Added



30.5%	Tax
37.5%	Payroll
16.3%	Shareholder Dividends
0.1%	Third Parties
15.6%	Reinvested Profits



Report of Independent Auditors on the 2006 Banco Itaú Holding Financeira S.A. Social Report

To the Management
and Shareholders of
Banco Itaú Holding Financeira S. A.

1. In connection with our audit of the financial statements of Banco Itaú Holding Financeira S. A. and subsidiaries as of December 31, 2006, on which we issued an unqualified opinion dated February 12, 2007, we have reviewed the supplementary information contained in the Banco Itaú Holding Financeira S.A. Social Report as of December 31, 2006, which was prepared under the responsibility of Banco Itaú Holding Financeira S.A. management. Our responsibility is to issue a report on our revision of this disclosure.

2. Our work was carried out to review the supplementary information mentioned in the first paragraph, based primarily on the following tests: (a) application of the data analysis procedures shown and examination and discussion with the management personnel responsible for the accounting, financial and operations areas of the Bank and its subsidiaries, regarding the principal criteria adopted in the presentation of this information; (b) revision of material information and subsequent events which had, or could have had, a material effect on the supplementary information; (c) understanding the systems and processes used to gather and collate the information contained in the Banco Itaú Holding Financeira S.A. Social Report; and (d) comparing information of a financial nature with the accounting books.

3. Our work was limited to assessing the information contained in the report presented by Banco Itaú Holding Financeira S.A. and did not include any analysis or evaluation of the Bank's social responsibility policies and practices. We carried out our work based on (i) ISAE3000 – an international assurance standard of non-financial information, issued by the International Federation of Accountants; (ii) Brazilian Accounting Standard NBC T 15 – Information of a Social and Environmental Nature; (iii) the Financial Institutions supplementary sector in the Global Reporting Initiative (GRI G3); and (iv) internationally accepted best practices for assessing Social Reports. The procedures adopted do not constitute an independent audit conducted in compliance with International Standards on Auditing Financial Statements and, consequently, we do not express an opinion on the information reviewed.

4. Based on our review, we have no knowledge of any material change arising from the information contained in the 2006 Banco Itaú Holding Financeira S.A. Social Report as of December 31, 2006. The information herein is presented appropriately in all material respects in compliance with applicable Brazilian standards for the creation of financial, social and environmental information, as established by Federal Accounting Board regulation NBC T 15.

São Paulo, February 27, 2007

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Ricardo Baldin
CRC 1SP110374/O-0



Evaluation of the AA1000 Process



Context and Scope

As of 2006, Banco Itaú Holding Financeira S/A (Itaú Holding) has adopted the AA1000 accountability standards for its ethical and social management, beginning with a widespread assessment and engagement of its strategic relationship groups.

The Bank hired BSD Brasil (Business meets Social Development Brasil) to independently audit two areas: assess the AA1000 process and analyze the compliance of its Social Report with Global Reporting Initiative principles.

BSD is a consultancy active in the assessment and implementation of sustainability management models. It works independently, with no client/consultant conflicts of interest. No BSD employee has any professional relationship with Itaú Holding or any of its related companies which could compromise the proper execution of BSD's duties.

This independent assessment will continue after publication of this Statement. Currently, the Bank is in the first cycle of the AA1000 process, called the "Learning Cycle", which is restricted to corporate head office areas. The scope of this stage consists of creating a broader engagement model to be applied in future cycles.

In addition to the AA1000 process, BSD partially analyzed – with direct involvement of invited strategic target groups – the Company's performance regarding the publication of its 2005 reports. The reliability assessment of the data in the Social Report was not the object of BSD's work, as this was performed by another auditing firm.

Methodology

The process was monitored in compliance with the AA1000 Assurance Standard. Auditing activities were supplemented by the application of "Relata®" series tools in Itaú Holding's Social Report and Annual Report. These tools, developed by BSD, are designed to measure the progress of the sustainability reports (*see results at the end of this section*). The three "Relata®" tools reflect three principal areas of analysis in this Report:

The "Relata®" tool allows a team of BSD specialists to assess the performance of the report.

The "Relata GRI®" tool makes a qualitative and quantitative analysis of the report by using software developed by BSD, resulting in a GRI Indicators compliance ratio.

The "Relata Stakeholders" tool analyzes the Bank's report by representatives of the strategic relationship groups (*see summary on the inside cover of this Report*).

Results of the analyses using these Relata® series tools appear in this Statement.

The approach to assessing the AA1000 procedure consisted of monitoring meetings by the team carrying out the implementation, a documentation review, analysis of current subjects and interviews with participants in the process.

Main Conclusions

The Bank received analysis and adjustments reports during the monitoring process, which identified weaknesses in the GRI reporting system and in defining the scope of the AA1000 process. As of the present date, the recommendations contained in these reports have been met, which underscores Itaú Holding's preparedness and seriousness to learn and improve the current process.

Results of the assessments of the Annual and Social Reports, and progress shown.

	GRI compliance ratio Essential criteria (Relata GRI®)	GRI compliance ratio Essential and additional criteria (Relata GRI®)	Assessment using Relata® tool Maximum of 200 points	Assessment using Relata® tool, with stakeholders
AR/SR 2005	72%	58%	138 (Benchmark 170)	171 (of 200)
AR/SR 2004	55%	50%	128	-
Improvement in %	31	16	8	-

Following are the main conclusions of the audit with respect to the most pertinent AA1000 principles.

a) Materiality

In 2006 Itaú Holding sought to establish a basis to handle future material subjects related to each relationship group. Although the first engagement cycle was restricted to three such groups (Staff, Clients and Shareholders), strategic engagement objectives were identified for all interested parties. In individual interviews, the auditor examined if the engagement objectives would include a significant quantity of critical subjects to be properly addressed in forums and dialogues, without omitting critical subjects debated throughout the banking sector, such as questionable sales practices.

As the Bank's goal in the first AA1000 process is learning, the involvement of external sources in identifying subjects was still limited. Accordingly, the results of the materiality tests were preliminary and will need to be consolidated as a result of the process.

In the opinion of the auditors, the materiality aspect of Itaú Holding's process had a positive evaluation. However, there are still problem areas which need to be addressed.

b) Completeness

With respect to completeness, the bringing together of all operations and interaction groups is part of the AA1000 planning process. It is estimated to take three years to engage all the relationship groups within the scope of the plan. While publicizing the Bank's ethics and values has already reached all levels and areas of the Organization, the commitment to sustainability and

engagement of interested parties is being heavily conducted at the relationship manager level at the company's São Paulo headquarters.

Analyzing the durability of the process of integrating the Corporate Code of Ethics, which leads to specific Codes in the different areas (relationships with customers, staff, suppliers and others), the auditor was confident that by the end of the first cycle different operational levels and geographic locations will be reached. The branches will need a major effort to integrate the Company's social management practices. Although we have already begun to integrate the branches in Fundação Itaú Social campaigns, this is one aspect that must be improved.

c) Response Capacity

The results of the evaluations of Itaú Holding's Annual and Social Report, plus the comments of the auditor who spoke with staff, demonstrate the Organization's substantial availability and capacity to respond to demands. The suggestions of the group involved in the evaluation of the report, as well as the demands from existing engagement channels, were comprehensively addressed. The inclusion of goals reached or not reached in this Social Report documents this effort. Critical points identified by the auditor, such as the training of security personnel in human rights (GRI HR8), which was discussed after specific reported and unreported occurrences at Bank branches, are part of the agenda of subjects for future treatment.

One area in which the Bank's response to sustainability challenges could be stronger is related to environmental management. This covers its application within the Bank's own operations, as well as its integration into the development of financial products.

Summary

By complying with AA1000 standards, Itaú Holding has taken an important step to underline its commitment to management guided by sustainability values and principles. In the opinion of the auditors, the 2006 Social Report demonstrates real strengths and processes to meet the growing demands of different groups and doing business in an ethical and transparent fashion. The process of engaging its relationship groups begins with durability, based on the AccountAbility principles. Accordingly, the improvement in Itaú Holding's compliance with advanced sustainability practices will continue and result in greater transparency in the disclosure of results and challenges.

São Paulo, March 6, 2007

BSD Brasil (Business meets Social Development Brasil)

Beat Grüeninger, Associate Sustainability Assurance Practitioner IRCA, Nº. 1189266



Global Reporting Initiative (GRI)

As a publicly-traded company, Banco Itaú Holding Financeira discloses its financial statements in accordance with generally accepted accounting principles and/or applicable legislation. Since the 2004 Social Report, the Organization has adopted the reporting format and sustainability indicators recommended by the Global Reporting Initiative (GRI), an independent body that brings together a variety of sectors (including business, financial markets, consulting, NGOs, environmentalists, academia, government representatives and the UN, among others), and whose mission is to raise the standard of sustainability reporting to the same level as financial reporting.

This year, we have further based our report on the GRI model, expanding our transparency and reporting standards. The following cross-index includes page references found in the Social Report, the Annual Report and Financial Statements.

Key:

AR - Annual Report

FS - Financial Statements

SR - Social Report

N/AP - Not Applicable

N/AV - Not Available

GRI Content Index

GRI

Indicators Pages

1 Vision and Strategy

1.1 Statement of the organization's vision and strategy regarding its contribution to sustainable development	AR - 4 - 11, 52 - 61, SR - 2 - 7
1.2 Statement from the CEO (or equivalent senior manager) describing key elements of the report	AR - 4 - 11, SR - 2 and 3

2 Profile

Organizational Profile

2.1 Name of reporting organization	Covers
2.2 Major products and/or services, including brands if appropriate	AR - Inside cover, 80 - 109
2.3 Operational structure of the organization	AR - Inside cover, 55 and 95
2.4 Description of major divisions, operating companies, subsidiaries, and joint ventures	AR - 80 - 108, FS - Note 2
2.5 Countries in which the organization's operations are located	AR - Inside cover, 104 - 108, FS - Note 19
2.6 Nature of ownership; legal form	FS - Note 1
2.7 Nature of markets served	AR - Inside cover, 104 - 108
2.8 Scale of the reporting organization	AR - Inside cover
2.9 List of stakeholders, key attributes of each, and relationship to the reporting organization	SR - 26 - 65

Report Scope

2.10 Contact person(s) for the report, including e-mail and web addresses	AR - inside cover, 114 - 116, SR - 106 - 108
2.11 Reporting period for information provided	AR - 2006, FS - 2006 and SR - 2006
2.12 Date of most recent previous report (if any)	AR - 2005, SR - 2005 and FS - 2005
2.13 Boundaries of report	AR - 2006, FS - 2006/2005 and SR - 2006
2.14 Significant changes that have occurred since the previous report	AR - Inside cover, FS - Note 2, SR - inside cover

Global Reporting Initiative (GRI)

2.15	Basis for reporting on joint ventures, partially-owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organizations	FS - Note 2 and 4
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements	FS - Note 2 and 20
Report Profile		
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	NA
2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits	FS - Note 1, 2, 4, 18, 21e/f/g/j/l
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information	FS - Note 2 and 4
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report	AR - 66 - 69, FS - Opinion of the Audit Committee, opinion of Audit Board, SR - inside cover
2.21	Policy and current practice with regard to providing independent assurance for the full report	FS - Opinion of the Audit Committee, opinion of Audit Board SR - inside cover, 96 - 98
2.22	Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organization's activities	AR - inside cover, 114 - 116, SR - 106 and 108, Learn More,
3 Governance Structure and Management Systems		
Structure and Governance		
3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization	AR - 64 - 71
3.2	Percentage of the board of directors that are independent, non-executive directors	AR - 66 (37,5%)
3.3	Process for determining the expertise board members need to guide the strategic direction of the organization	AR - 66
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities	AR - 66, SR - 8 - 15
3.5	Linkage between executive compensation and achievement of the organization's financial and non-financial goals	FS - Note 15e
3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies	AR - 64 - 71, FS - Opinion of the Audit Committee, Opinion of the Audit Board, Report of Independent Auditors SR - 8 - 15, 96 - 98
3.7	Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation	AR - 1, 74, SR - 6 - 15
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	AR - 114 and 115
Stakeholder Engagement		
3.9	Basis for identification and selection of major stakeholders	SR - 26 - 65
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	SR - inside cover, 26 - 65
3.11	Type of information generated by stakeholder consultations	SR - inside cover, 46 - 53
3.12	Use of information resulting from stakeholder engagement	SR - inside cover, 26 - 65

Overarching Policies and Management Systems

3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization	AR - 56 - 59, FS - Opinion of the Audit Committee and of the Audit Board, SR - 16 - 25
3.14	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses	AR - 76, SR - 6 - 20, 97, 98
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations	SR - 6 and 7, 56 - 60
3.16	Policies and/or systems for managing upstream and downstream impacts	AR - 56 - 59, SR - 44 and 45
3.17	Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities	AR - 56 - 59, SR - 6 - 25, 62 - 65
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations	AR - 8 - 11
3.19	Programs and procedures pertaining to economic, environmental, and social performance	AR - 52 - 61, SR - 2 and 3, 8 - 15
3.20	Status of certification pertaining to economic, environmental, and social management systems	AR - 55, SR - inside cover, 10, 15, 37, 39, 53, 96 - 98

Performance Indicators

Economic Performance Indicators

Direct Economic Impacts

Customers

EC1.	Net sales	AR - Inside cover, Principal Indicators, 12 - 45, FS - Income Statement
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EC2.	Geographic breakdown of markets	AR - 14, 15, 104 - 109
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Suppliers

EC3.	Cost of all goods, materials, and services purchased	AR - 27, FS - Note 12b/c/and/f/h, Note 13a/l, Note 21k and Consolidated Income Statement
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EC4.	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements	N/AV
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EC11.	Supplier breakdown, by organization and country	SR - 44 and 45
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Employees

EC5.	Total payroll and benefits (including wages, pensions, other benefits, and redundancy payments), broken down by country or region	AR - 61, FS - Note 12 and 18
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Investors

EC6.	Distributions to providers of capital, broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed	AR - 46 and 47, FS - Note 15b
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EC7.	Increase/decrease in retained earnings at end of period	FS - Note 15c
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Public Sector

EC8.	Total sum of taxes of all types paid, broken down by country	AR - 60 and 61, FS - Note 13, SR - 94 and 95
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EC9.	Subsidies received, broken down by country or region	FS - Note 13b
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EC10.	Donations to community, civil society, and other groups, broken down in terms of cash and in-kind donations per type of group	FS - Note 21 f/g, SR - 56 - 60, 66 - 91, 94, 95
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EC12.	Total spent on non-core business infrastructure development	N/AV
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Indirect Economic Impacts

EC13.	The organization's indirect economic impacts	AR - 14 and 15
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Global Reporting Initiative (GRI)

Environmental Performance Indicators

Materials

EN1	Total materials used, other than water, by type	SR - 63
EN2	Percentage of materials used that are waste (processed or unprocessed) from sources external to the reporting organization	SR - 6 and 7

Energy

EN3	Direct energy use, segmented by primary source	SR - 6 and 7, 63
EN4	Indirect energy use	SR - 6 and 7
EN17	Initiatives to use renewable energy sources and to increase energy efficiency	SR - 6 and 7, 63
EN18	Energy consumption footprint of major products	SR - 6 and 7
EN19	Other indirect (upstream/downstream) energy use and implications	N/AV

Water

EN5	Total water use	SR - 6, 7, 62, 63
EN20	Water sources and related ecosystems/habitats significantly affected by use of water	N/AP
EN21	Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from the sources	N/AP
EN22	Total recycling and reuse of water	SR - 62 and 64

Biodiversity

EN6	Location and size of land owned, leased, or managed in biodiversity-rich habitats	SR - 6 and 7
EN7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments	SR - 6 and 7
EN23	Total amount of land owned, leased, or managed for production activities or extractive use	N/AP
EN24	Amount of impermeable surface as a percentage of land purchased or leased	N/AP
EN25	Impacts of activities and operations on protected and sensitive areas	N/AP
EN26	Changes to natural habitats resulting from activities and operations and percentage of habitat protected or restored	N/AP
EN27	Objectives, programs, and targets for protecting and restoring native ecosystems and species in degraded areas	N/AP
EN28	Number of IUCN Red List species with habitats in areas affected by operations	N/AP
EN29	Business units currently operating or planning operations in or around protected or sensitive areas	N/AP

Emissions, effluents, and Wast

EN8	Greenhouse gas emissions	SR - 6 and 7, 64
EN9	Use and emissions of ozone-depleting substances	SR - 6 and 7, 64
EN10	NOx, SOx, and other significant air emissions by type	SR - 6 and 7, 64
EN11	Total amount of waste, by type and destination	SR - 6 and 7, 63
EN12	Significant discharges to water, by type	SR - 6 and 7
EN13	Significant spills of chemicals, oils, and fuels in terms of total number and total volume	SR - 6 and 7
EN30	Other relevant indirect greenhouse gas emissions	SR - 64
EN31	All production, transportation, import, or export of any waste deemed "hazardous" under the terms of the Basel Convention	N/AP
EN32	Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff	N/AP

Supplies

EN33	Performance of suppliers relative to environmental components of programs and procedures described in response to Governance Structure and Management Systems section (Section 3.16)	SR - 44 and 45
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Products and Services

EN14	Significant environmental impacts of principal products and services	SR - 6, 7, 18 - 20
EN15	Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed	SR - 6 and 7

Compliance

EN16 Incidents of and fines for non-compliance with all applicable international declarations /conventions/ treaties, and national, sub-national, regional, and local regulations associated with environmental issues	SR - 6 and 7
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Transportation

EN34 Significant environmental impacts of transportation used for logistical purposes	SR - 64
EN35 Total environmental expenditures, by type	SR - 62 - 65, 94

Social Performance Indicators: Labor Practices and Decent Work

Employment

LA1 Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (full time/part time), and by employment contract (indefinite or permanent/fixed term or temporary)	SR - 32 - 34, 94
LA2 Net employment creation and average turnover, segmented by region/country	SR - 34, 94
LA12 Employee benefits beyond those legally mandated	SR - 35 and 36

Labor/Management Relations

LA3 Percentage of employees represented by independent trade union organizations or other bona fide employee representatives or percentage of employees covered by collective bargaining agreements broken down by region/country	SR - 6 and 7, 43
LA4 Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring)	SR - 6 and 7, 42
LA13 Provision for formal worker representation in decision making or management, including corporate governance	SR - 6 - 15

Health and Safety

LA5 Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	SR - 40 - 42
LA6 Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	SR - 40 - 42
LA7 Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers)	SR - 40 - 42, 94
LA8 Description of policies or programs (for the workplace and beyond) on HIV/AIDS	SR - 40
LA14 Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems	N/AV
LA15 Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements	SR - 43

Training and Education

LA9 Average hours of training per year per employee by category of employee	SR - 39
LA16 Description of programs to support the continued employability of employees and to manage career endings	SR - 35 - 39
LA17 Specific policies and programs for skills management or for lifelong learning	SR 36 - 39

Diversity and Opportunity

LA10 Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring	SR - 6 and 7, 34 and 35
LA11 Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	SR - 6 and 7, 34

Global Reporting Initiative (GRI)

Social Performance Indicators: Human Rights

Strategy and Management

HR1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	SR - 6 - 15
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	SR - 6 and 7, 44 and 45
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	SR - 6 and 7, 44 and 45
HR8	Employee training on policies and practices concerning all aspects of human rights relevant to operations	SR - 6 - 15, 34, 46

Non-discrimination

HR4	Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	SR - 6 - 15, 34, 46
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Freedom of Association and Collective Bargaining

HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue	SR - 43
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Child Labor

HR6	Description of policy excluding child labor as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	SR - 6, 7, 45, 56
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Forced and Compulsory Labor

HR7	Description of policy to prevent forced and compulsory labor and extent to which this policy is visibly stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	SR - 6, 7, 45, 56
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Disciplinary Practices

HR9	Description of appeal practices, including, but not limited to, human rights issues	SR - 6 - 15
HR10	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)	SR - 12 - 15, 42

Security Practices

HR11	Human rights training for security personnel	SR - 42
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Indigenous Rights

HR12	Description of policies, guidelines, and procedures to address the needs of indigenous people	N/AP
HR13	Description of jointly managed community grievance mechanisms/authority	N/AP
HR14	Share of operating revenues from the area of operations that are redistributed to local communities	N/AP

Social Performance Indicators: Society

Community

S01	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	SR - 56 - 61, 66 - 91
S04	Awards received relevant to social, ethical, and environmental performance	AR - 38 and 39, SR - 92

Bribery and Corruption

S02	Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption	SR - 6 - 15
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Political Contributions

S03	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	SR - 6 - 15
S05	Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates	SR - 14

Competition and Pricing

S06	Court decisions regarding cases pertaining to anti-trust and monopoly regulations	N/AV
S07	Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior	SR - 6 - 15

Social Performance Indicators: Product Responsibility

Customer Health and Safety

PR1	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	SR - 46 - 53
PR4	Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches	N/AV
PR5	Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services	N/AV
PR6	Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received	AR - 39, SR - 6 - 15, 46 - 53, 92

Products and Services

PR2	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling	SR - 46 - 53
PR7	Number and type of instances of non-compliance with regulations concerning product information and labeling, including any penalties or fines assessed for these breaches	SR - 14, 46 - 53
PR8	Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction	SR - 14, 46 - 53

Advertising

PR9	Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising	SR - 14
PR10	Number and types of breaches of advertising and marketing regulations	SR - 14

Respect for Privacy

PR3	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	SR - 15, 46 - 53
PR11	Number of substantiated complaints regarding breaches of consumer privacy	N/AV

Communication and Service Channels

Shareholders and Investors

Shareholder Services

Belo Horizonte/MG

Av. João Pinheiro, 195, térreo
CEP 30130-180

Brasília/DF

SCS Quadra 3 – Ed. Dona Angela –
Sobreloja CEP 70300 500

Curitiba/PR

Rua João Negrão, 65 Sobreloja
CEP 80010-200

Porto Alegre/RS

Rua Sete de Setembro, 746, térreo
CEP 90010-190

Rio de Janeiro/RJ

Rua Sete de Setembro, 99, subsolo
CEP 20050-005

Salvador/BA

Av. Estados Unidos, 50, 2º andar, Ed.
Sesquicentenário
CEP 40010-020

Centro São Paulo/SP

Rua Boa Vista, 176, 1º Subsolo
CEP 01014-000

Other Locations

All other Banco Itaú branches

Investfone – shareholders only

(11) 5029-7780

Investor Relations

Praça Alfredo Egydio de Souza Aranha, 100
CEP 04344-902 – São Paulo/SP
Tel.: (11) 5019 1549
Fax: (11) 5019 1133
e-mail: investor.relations@itau.com.br

Employee Services

Corporate Portals
Printed and electronic materials
Speak with HR Phone Center –
information and services for all staff
members
Branch support phone centers –
information about the Bank's products
and services

Suppliers

www.itau.com.br/fornecedores

Clients

Customer Services

www.itau.com.br
Itaú Bankline
Home & Office Bank – Transactions
and information

Itaú Investnet

Investments Portal

Itaú Prevline

Sites for Itaú Private Pension Plan products

Itaucard

Itaú credit cards website

Itaumotors

*Site for Itaú customers wishing to buy and sell
new and used cars, arrange financing and
purchase car insurance.*

Itautrade

*Site for buying and selling securities through the
home broker system. Interconnected with the São
Paulo Stock Exchange.*

Itaú Internacional

*Site for selling dollar-denominated travelers
cheques. Information about international
operations.*

Specialized Phone Service, by Product

Itaú Bankfone

Information and banking transactions
Major metropolitan regions: 4004 4828 (*)
Other locations: 0800-9704828

SOS Itaú Bankline

Itaú Bankline assistance
São Paulo and area code (11): 3019 1213
Other locations: (0800) 121-314

Foreign Exchange Service Center

Information on foreign exchange transactions
Major metropolitan regions: 4004-4536 (*)
Other locations 0800-722-4536

Credit Renegotiation Center

Debt rescheduling
São Paulo and area code (11): 4004 1144
Other locations: (0800) 726-1144

Itaucard Center

Information about Itaucard and Credicard
Itaú (MasterCard and Visa)

Major metropolitan regions: 4001-4828*

Other locations: (0800) 724-4828

Personnalité Card Service Center

Information about cards – theft, loss, activation

Major metropolitan regions: 3115-6600 (*)

Other locations: (0800) 118-040

Itaucredfone

Itaucred loans and financing

Major metropolitan regions: 4002-0234*

Other locations: (0300) 123-4828

Itaú Imobfone

Property Loans

São Paulo and area code (11): 4004-7051*

Other locations: (0300) 789-7051

Itaú Investfone

Investments

Major metropolitan regions: 4004-4828*

Other locations: (0800) 970-4828

Personnalité Investfone

Major metropolitan regions: 4004 4828*

Other locations: (0800) 121-212

Itaú Insurance Center

Information on insurance

Major metropolitan regions: 4004-4444*

Other locations: (0800) 727-4444

Itaú Life Insurance and Pensions

Private Pension Plans, Itauvida and PPI Insurance - Itaú Personal Protection

Major metropolitan regions: 4004-4828*

Other locations: (0800) 970-4828

Itauvida Insurance -Capital Goba Group

São Paulo (11) 5015-1566

Other locations: (0800) 169-595

Cese - Corporate Assistance Center

Corporate assistance

All locations: (11) 3019-4828

Telebloqueio

Block cheques and bank cards

Major metropolitan regions: 4004-4828*

Other locations: (0800) 904-4828

Branch and Official Agency Contacts

Phone numbers for bank branches and official agencies

São Paulo and other locations: (11) 3274-9902

Call CEI

Information on ATMs

São Paulo and area code (11): 3019-1211

Rio de Janeiro and area code (21): 3461-6468

Customer Support Services

Bankfone Customer Support

Itaú, Personnalité, Banerj, Bemge, Banestado and BEG customers:

Major metropolitan regions: 4004-4828*

Other locations: (0800) 011-8944

Talk to us - Internet Customer Support Service

www.itaub.com.br

Consumer Protection Service

Itaú Responds Consumer Protection Agency Service

Praça Alfredo Egydio de Souza Aranha, 100 Torre Conceição – 6º andar

CEP – 04344-902 São Paulo, SP

Tel. (11) 5019-8004

Fax: (11) 5019-805

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If you have any questions, comments or suggestions, or would like more copies of the Report, please e-mail our Investor Relations Department at investor.relations@itau.com.br.

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Banco Itaú Holding Financeira S.A.

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