Financial Statements

Banco UBS Pactual S.A. and Subsidiaries

June 30, 2008 and 2007
with Report of Independent Auditors

BANCO UBS PACTUAL S.A. AND SUBSIDIARIES

FINANCIAL STATEMENTS

June 30, 2008 and 2007

Contents

Report of Independent Auditors 1

Audited Financial Statements

Balance Sheets 3
Statements of Income 5
Statements of Changes in Shareholders' Equity 6
Statements of Changes in Cash Position 7
Notes to Financial Statements 8

A free translation from Portuguese into English of Report of Independent Auditors on financial statements prepared in accordance with accounting practices adopted in Brazil

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders
Banco UBS Pactual S.A.

1. We have audited the accompanying balance sheets of Banco UBS Pactual S.A. and the consolidated balance sheets of Banco UBS Pactual S.A. and subsidiaries as of June 30, 2008 and 2007 and the related statements of income, changes in shareholders' equity and changes in cash position for the six-month periods then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements.

2. We conducted our audits in accordance with generally accepted auditing standards in Brazil, which comprised: (a) the planning of our work, taking into consideration the materiality of balances, the volume of transactions and the accounting and internal control systems of the Bank; (b) the examination, on a test basis, of documentary evidence and accounting records supporting the amounts and disclosures in the financial statements; and (c) an assessment of the accounting practices used and significant estimates made by the Bank's management, as well as an evaluation of the overall financial statements presentation.

3. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco UBS Pactual S.A. and the consolidated financial position of Banco UBS Pactual S.A. and subsidiaries at June 30, 2008 and 2007, and the results of its operations, changes in its shareholders' equity and changes in its cash position for the six-month periods then ended, in accordance with accounting practices adopted in Brazil, prior to the enactment of Law No. 11638/07.

4. As discussed in Note 2, on December 28, 2007, Law No. 11638 was enacted, to be effective on January 1, 2008. This Law made amendments, revoked and introduced new provisions into Law No. 6404/76 (Brazilian Corporation Law), and resulted in changes in accounting practices adopted in Brazil. Even though said Law has already been in force, such changes depend on regulation by the Central Bank of Brazil (BACEN) to be fully applied by the entities authorized to operate by BACEN. Therefore, during this transition phase, the Central Bank of Brazil (BACEN), by means of Communication No. 16669 issued on March 20, 2008, permitted non-application of the provisions of Law No. 11638/07 when preparing interim financial statements. As such, the financial statements for the six-month period ended June 30, 2008 were prepared in accordance with specific instructions by the Central Bank of Brazil (BACEN), and do not take into consideration changes in accounting practices established by Law No. 11638/07.

Rio de Janeiro, August 15, 2008

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ



Eduardo Wellichen
Partner



Flávio Serpejante Peppe
Partner

A free translation from Portuguese into English of financial statements prepared in accordance with accounting practices adopted in Brazil.

BANCO UBS PACTUAL S.A. AND SUBSIDIARIES

BALANCE SHEETS
June 30, 2008 and 2007
(In thousands of reais)

2

BANCO UBS PACTUAL S.A. AND SUBSIDIARIES

2.t uS u S tuB

BALANCE SHEETS
June 30, 2008 and 2007
(In thousands of reais)

B cj-0.07776 Tc (t) Tj346 659.04acj-0.07776il

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**

2

2

BANCO UBS PACTUAL S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
Six-month periods ended June 30, 2008 and 2007
(In thousands of reais, except per share information)

1	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Financial income	**787,788**	1,595,024	**828,058**	1,577,796
Loans	**109,390**	97,426	**102,510**	96,690
Marketable securities	**567,285**	1,171,088	**631,580**	1,108,824
Derivative financial instruments	**64,924**	268,091	**52,963**	309,688
Foreign exchange	**39,226**	54,684	**34,042**	58,859
Compulsory investments	**6,963**	3,735	**6,963**	3,735
Financial expenses	**(465,720)**	(1,126,597)	**(476,292)**	(1,069,333)
Funding transactions	**(531,297)**	(675,670)	**(534,911)**	(627,680)
Borrowings and onlendings	**58,231**	(433,185)	**51,273**	(427,343)
Allowance for losses on loans and other receivables	**7,346**	(17,742)	**7,346**	(14,310)
Gross financial income	**322,068**	468,427	**351,766**	508,463
Other operating income (expenses)	**137,541**	248,948	**175,497**	125,508
Income from services rendered	**444,219**	635,759	**157,770**	384,800
Personnel expenses	**(225,243)**	(213,785)	**(77,033)**	(185,210)
Other administrative expenses	**(86,535)**	(64,102)	**(75,006)**	(52,569)
Tax charges, other than income taxes	**(75,296)**	(115,687)	**(48,440)**	(93,463)
Equity pickup from subsidiaries	o **-**	p -	**133,026**	71,760
14 Other operating income	**106,384**	16,913		

BANCO UBS PACTUAL S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Six-month periods ended June 30, 2008 and 2007
(In thousands of reais)

			Income reserves					
	Capital	Capital reserves	Legal	Unrealized income	Statutory	Total	Retained earnings	Total
Balances at December 31, 2007	**555,007**	**6,847**	**111,002**	**267,510**	**444,005**	**822,517**	**2,444,835**	**3,829,206**
Restatement of stock exchange seats	**-**	**176**	**-**	**-**	**-**	**-**	**-**	**176**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**567,885**	**567,885**
Balances at June 30, 2008	**555,007**	**7,023**	**111,002**	**267,510**	**444,005**	**822,517**	**3,012,720**	**4,397,267**
Balances at December 31, 2006	296,693	4,798	59,339	200,522	237,354	497,215	401,775	1,200,481
Restatement of stock exchange seats	-	586	-	-	-	-	-	586
Effects of Banco UBS S/A merger	258,314	1,109	-	-	-	-	10,133	269,556
Net income for the period	-	-	-	-	-	-	1,654,492	1,654,492
Appropriation of net income								
Dividends	-	-	-	-	-	-	(290,734)	(290,734)
Balances at June 30, 2007	555,007	6,493	59,339	200,522	237,354	497,215	1,775,666	2,834,381

See accompanying notes.

BANCO UBS PACTUAL S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN CASH POSITION
Six-month periods ended June 30, 2008 and 2007
(In thousands of reais)

TD ( ) TjETQ q BT/F3 7.6520j0T-0.4 648.96 TD 0.15744 T6 -133.8331.(B)520j0T-0.c (0)1N
TD ( ) TjETQ q BT8.72 64496.0T-0.4 648.96 TD 0.15744 T6 -133.845 TD 496.0T-0.4- 648.96 TD 0.86-0 2.494. (T.92( ) TjETQ q BT86-0 2.496.0T-0.4 648.96 TD 0.157481.4D 496.0T-0.(.) T4,N) Tj0.c (.) T9NrTj-00.0

1. Operations

Banco UBS Pactual S.A. (the Bank) is a multiple bank duly authorized to operate jointly with its subsidiaries in offering financial products and services related to commercial banking activities, including foreign exchange, investments, loans, financing, leasing and mortgage financing arrangements.

Transactions are conducted as part of a group of institutions, which participate jointly in the financial market, and certain transactions are carried out with the intermediation of other member entities of the UBS Group.

2. Presentation of Financial Statements

The financial statements of the Bank and its subsidiaries were prepared in accordance with the accounting practices adopted in Brazil, and with the standards and guidelines established by the Central Bank of Brazil (BACEN), and are presented in conformity with the Chart of Accounts for Institutions of the National Financial System - COSIF.

Bank's management has been analyzing impacts on financial statements of Law No. 11638/07, which amends provisions established in Law No. 6404/76. BACEN shall be regulating relevant changes during 2008. The most significant changes established by such amendments include the recognition under a separate account in shareholders' equity of exchange gain/loss on equity interest held abroad when investee's functional currency is different from that adopted by the parent company. Upon a preliminary assessment, management believes that the changes described above shall not have any material effects on the Bank's financial statements at December 31, 2008; however, regulations issued by relevant regulators have been followed so as to accurately determine the effects resulting from the full adoption of the provisions of the new Law.

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil requires that management use appropriate judgment to determine and record accounting estimates. The assets and liabilities subject to these estimates and assumptions basically refer to deferred income tax receivable or payable, allowance for losses on loans and other doubtful accounts, the provision for taxes and mandatory contributions with collection suspended and the provision for contingent liabilities. Actual results may significantly differ from these estimates due to the underlying inaccuracy of the determination process. The Bank and its subsidiaries review these estimates and assumptions on a regular basis.

3. Consolidated Financial Statements



4. Significant Accounting Practices

The most significant accounting practices adopted by the Bank and its direct and indirect subsidiaries are as follows:

a) Operating results are determined on the accrual basis of accounting.

b) Current and long-term assets are stated at their realizable values, including, when applicable, accrued interest and monetary (on a daily pro rata basis) and exchange variation, less the related unrealized income and/or allowance for losses.

c) Marketable securities are valued and classified in accordance with criteria established by BACEN Circular No. 3068/01, into the following categories: I - trading; II - available for sale; and III - held to maturity. Marketable securities classified under category I are adjusted to market value, with the related adjustments having a corresponding entry in the statement of income; marketable securities classified under category II are recorded at acquisition cost plus accrued interest, which is recorded in the statement of income and adjusted to market value, with the related adjustments having a corresponding entry in a specific shareholders' equity account, net of tax effects; marketable securities classified into category III are valued at acquisition cost plus accrued interest and recorded in the statement of income.

d) Financial instrument-based transactions carried out on the Bank's own behalf or which do not comply with hedging criteria (mainly derivatives used to manage global risk exposure) are stated at market value, with the related gains and losses, whether realized or not, being recorded directly in the statement of income.

Derivative financial instruments intended as a hedge against risk exposures or to change the characteristics of financial assets and liabilities, and which (i) closely relate to the hedged item with regard to changes in its market value throughout the contract term; and, (ii) are considered to effectively hedge against the associated risk exposure, are classified as market risk hedge, with the financial assets and liabilities, as well as the related financial instruments, being recorded at market value, and gains and losses, whether realized or not, are directly posted or charged to the statement of income, as applicable.

4. Significant Accounting Practices--Continued

e) The fair value of marketable securities, derivatives and other assets

Tj-12 Tc (s a) Tj-12 Tc (I) Tj-0.09072 Tc (D) Tj0.12)--esPrI

4. Significant Accounting Practices--Continued

j) Investments in subsidiaries are accounted for under the equity method. Stock exchange seats are recorded at acquisition cost and restated considering amounts informed by related institutions, with the resulting adjustments being recorded as capital reserves under shareholders' equity. Futures and Commodities Exchange (BM&F) and São Paulo Stock Exchange (BOVESPA) seats were restated through demutualization date. Other permanent investments are valued at acquisition cost, less allowance for losses, as applicable.

k) Property and equipment in use are stated at acquisition cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. Deferred charges mainly comprise leasehold improvements. Amortization is calculated on the straight-line basis considering the estimated period of use and/or lease.

l) Current and long-term liabilities are stated at known or estimated values, including, where applicable, accrued charges and monetary (on a daily pro rata basis) and foreign exchange variation.

m) The provision for income and social contribution taxes is established based on accounting profit adjusted by additions and exclusions defined in tax legislation. Deferred income and social contribution taxes are calculated on temporary differences where the realization of such amounts is considered to be probable. Income tax is calculated at 15% plus a 10% surcharge on annual taxable profit in excess of R$ 240 and social contribution tax was calculated at 9% for the period until April 30, 2008 and at 15% as from May 2008.

4. Significant Accounting Practices--Continued

n) Contingent assets and liabilities and legal, tax and social security obligations are recognized, measured and disclosed pursuant to the following criteria:

Contingent assets - Contingent assets are not recognized in financial statements, unless there is evidence ensuring their realization and they are based on unappealable decisions.
Contingent liabilities - These are recognized in financial statements when, based on the opinion of legal advisors and management, the risk of loss on a judicial or administrative proceeding is considered probable, and when amounts involved can be measured reliably. Contingent liabilities assessed by the legal advisors as possible losses are only disclosed in the explanatory notes, while those classified as remote losses do not require the recording of provisions or disclosure.
Legal liabilities - tax and social security - These refer to legal disputes challenging the legal and constitutional nature of some taxes and mandatory contributions. The amount under dispute is measured and accounted for.

o) Earnings per share are calculated based on the number of outstanding shares at the balance sheet dates.

5. Cash and Cash Equivalents

The balance of this account refers basically to deposits with first-tier banks abroad.

6. Short-term Interbank Investments

a) Open market investments

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Own portfolio				
National Treasury Notes	**1,969,035**	386,351	**1,969,035**	386,351
Corporate bonds	**-**	11,579	**-**	-
	1,969,035	397,930	**1,969,035**	386,351
Third-party portfolio				
Financial Treasury Bills	**3,552,488**	3,205,625	**3,552,488**	3,205,625
National Treasury Bills	**123,562**	4,180,947	**123,562**	4,180,947
National Treasury Notes	**223,825**	642,848	**223,825**	642,848
Sovereign debt bonds	**31,230**	25,246	**-**	-
	3,931,105	8,054,666	**3,899,875**	8,029,420
Short position				
National Treasury Notes	**441,390**	2,027,351	**441,390**	2,027,351
	6,341,530	10,479,947	**6,310,300**	10,443,122

b) Interbank deposits

The balance of this account refers to highly-liquid short-term interbank investments with first-tier banks.

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Interbank deposits – CDI	**157,708**	17,870	**157,708**	17,870
Investments in foreign currency - Overnight	**711,775**	1,207,183	**363,663**	182,913
	869,483	1,225,053	**521,371**	200,783

7. Marketable Securities and Derivative Financial Instruments

a) Marketable securities

7. Marketable Securities and Derivative Financial Instruments--Continued

a) Marketable securities--Continued

6 , 6	Banco UBS Pactual S.A.			
	2008		2007	
	Cost	Market	Cost	Market
Own portfolio				
Federal government securities				
Financial Treasury Bills	**13,522**	**13,519**	1,354	1,354
National Treasury Bills	**589,939**	**589,886**	69,175	69,160
National Treasury Notes	**72,907**	**71,837**	19,311	20,027
Bank Deposit Certificates	**-**	**-**	41,420	41,414
Debentures	**19,591**	**18,691**	62,953	63,202
Bank Credit Certificate	**221,828**	**219,968**	30,506	30,501
Electronic Mortgage Notes	**3,629**	**3,629**	3,319	3,681
Forward Certificate of Electric Power	**-**	**-**	30,645	31,089
Investment fund shares	**326,232**	**326,232**	195,642	195,641
Stock	**155,808**	**142,382**	175,341	183,462
Securities issued to cover court-ordered debts	**28,277**	**10,917**	-	-
Securitized credits	**5,090**	**5,467**	-	-
	1,436,823	**1,402,527**	629,666	639,531
Subject to repurchase agreements				
Federal government securities				
Financial Treasury Bills	**12,543**	**12,541**	117,427	117,392
National Treasury Bills	**61,693**	**61,566**	78,327	78,378
National Treasury Notes	**204,420**	**202,706**	1,404,019	1,405,587
.162 TTQ 9 Tj 5 3. 327Q Tq.63 2.88 210.0 TjETQ q 6 BT.) 162.TQ TQ 6 717.84 329 T.76 TQ 6 ETQ tjt 5 99 T.73 6q.6 21 86 18.97 Tre h W T BT 9 F3 8.TQ q T	**278,656**	**276,813**		

6

7. **Marketable Securities and Derivative Financial Instruments**--Continued

b) Derivative

	Consolidated			
	Assets		Liabilities	
	2008			
	Cost	Market	Cost	Market
Derivative				
Swap transactions	**102,081**	**127,208**	**244,064**	**270,196**
Forward transactions – receivables and payables	**632,527**	**632,527**	**636,476**	**636,476**
Option premiums	**128,335**	**115,526**	**170,091**	**161,820**
Non deliverable forward (NDF)	**32,221**	**35,887**	**108,928**	**105,420**
	895,164	**911,148**	**1,159,559**	**1,173,912**
Current amount		**865,908**		**1,104,695**
Long-term amount		**45,240**		**69,217**

	2007			
	Cost	Market	Cost	Market
Derivative				
Swap transactions	115,047	145,017	24,495	46,933
Forward transactions – receivables and payables	311,370	311,369	312,019	312,019
Option premiums	126,556	162,560	292,497	276,420
Non deliverable forward (NDF)	39,498	41,245	72,250	74,275
	592,471	660,191	701,261	709,647
Current amount		625,735		680,447
Long-term amount		34,456		29,200

7. Marketable Securities and Derivative Financial Instruments--Continued

b) Derivative--Continued

	Banco UBS Pactual S.A.			
	Assets		Liabilities	
	2008			
	Cost	Market	Cost	Market
Derivative				
Swap transactions	**101,367**	**117,657**	**194,471**	**203,070**
Forward transactions – receivables and payables	**64,950**	**64,950**	**64,950**	**64,951**
Option premiums	**125,002**	**110,352**	**166,647**	**158,005**
Non deliverable forward (NDF)	**32,221**	**35,798**	**108,928**	**105,188**
	323,540	**328,757**	**534,996**	**531,214**
Current amount		**302,904**		**478,507**
Long-term amount		**25,853**		**52,707**

	2007			
	Cost	Market	Cost	Market
Derivative				
Swap transactions	114,226	120,940	23,399	45,559
Forward transactions – receivables and payables	40,521	40,520	40,521	40,520
Option premiums	108,478	133,328	279,218	255,813
Non deliverable forward (NDF)	39,498	41,110	72,250	73,998
	302,723	335,898	415,388	415,890
Current amount		301,442		386,927
Long-term amount		34,456		28,963

8. Credit Operations

Credit operations are classified into risk levels in accordance with criteria established by CMN Resolution No. 2682 of the National Monetary Board (CMN).

This classification considers, among other aspects, a regular review of transactions, default levels, client's background and guarantees obtained, as applicable.

The allowance for loan losses is calculated considering the client's risk level classification, as defined in aforementioned Resolution.

8. Credit Operations--Continued

Credit operations and other credit-like operations are as follows:

a) Credit operations

8. Credit Operations--Continued

a) Credit operations--Continued

i. By type of client, business activity and risk level (Continued)

				Banco UBS Pactual S.A.			
				2008		2007	
Type of credit	Client	Business activity	Risk level	Balance	Allowance	Balance	Allowance
Loans	Corporate	Manufacture	AA	-	-	12,298	-
	Corporate	Commerce	AA	**12,985**	-	5,158	-
	Corporate	Services	AA	**2,475**	-	-	-
	Individual	-	AA	**34,519**	-	11,523	-
	Corporate	Rural	A	-	-	3,392	(17)
	Corporate	Manufacture	A	**5,436**	**(27)**	134,641	(673)
	Corporate	Commerce	A	**29,171**	**(146)**	117,922	(590)
	Corporate	Services	A	**135,197**	**(675)**	134,830	(674)
	Individual	-	A	**272,750**	**(1,364)**	353,213	(1,766)
	Corporate	Rural	B	**8,390**	**(84)**	-	-
	Corporate	Manufacture	B	**115,918**	**(1,159)**	156,200	(1,562)
	Corporate	Commerce	B	**3,732**	**(37)**	101,435	(1,014)
	Corporate	Services	B	**173,448**	**(1,735)**	72,623	(726)
	Individual	-	B	**108,234**	**(1,082)**	285,181	(2,852)
	Corporate	Manufacture	C	**16,399**	**(492)**	1,904	(57)
	Corporate	Commerce	C	**684**	**(20)**	-	-
	Corporate	Services	C	**6,657**	**(200)**	21,385	(642)
	Individual	-	C	**106,906**	**(3,207)**	-	-
	Corporate	Manufacture	D	-	-	8	(1)
	Corporate	Services	D	**6**	**(1)**	-	-
	Corporate	Manufacture	E	**5,655**	**(1,696)**	53	(16)
	Corporate	Manufacture	F	**446**	**(223)**	-	-
	Corporate	Manufacture	G	**2,784**	**(1,949)**	-	-
	Individual	-	G	-	-	76	

8. Credit Operations--Continued

a) Credit operations--Continued

ii. By maturity

	Consolidated				
		Due			
Type of credit	Overdue	Up to 6 months	6 to 12 months	After 12 months	Total
			2008		
Loans	**52,810**	**212,043**	**138,545**	**645,829**	**1,049,227**
Financing	**-**	**84,668**	**-**	**-**	**84,668**
Onlending FINAME/BNDES	**-**	**446**	**-**	**678**	**1,124**
Securities financing	**-**	**131,081**	**-**	**-**	**131,081**
	52,810	**428,238**	**138,545**	**646,507**	**1,266,100**
			2007		
Loans	1,704	480,902	208,950	742,497	1,434,053
Financing	-	66,533	32,835	-	99,368
Onlending FINAME/BNDES	-	473	-	1,039	1,512
Securities financing	-	17,211	-	-	17,211
	1,704	565,119	241,785	743,536	1,552,144

	Banco UBS Pactual S.A.				
		Due			
Type of credit	Overdue	Up to 6 months	6 to 12 months	After 12 months	Total
			2008		
Loans	**52,810**	**211,739**	**135,908**	**641,335**	**1,041,792**
Financing	**-**	**84,668**	**-**	**-**	**84,668**
Onlending FINAME/BNDES	**-**	**446**	**-**	**678**	**1,124**
Securities financing	**-**	**131,081**	**-**	**-**	**131,081**
	52,810	**427,934**	**135,908**	**642,013**	**1,258,665**
			2007		
Loans	1,704	480,902	203,373	736,233	1,422,212
Financing	-	66,533	32,835	-	99,368
Onlending FINAME/BNDES	-	473	-	1,039	1,512
Securities financing	-	17,211	-	-	17,211
	1,704	565,119	236,208	737,272	1,540,303

8. Credit Operations--Continued

b) Other receivables

Other receivables, which refer to the acquisition of credit rights, are as follows:

i. By type of client, business activity and risk level

				Consolidated and Banco UBS Pactual S.A.			
				2008		2007	
Type of credit	Client	Business activity	Risk level	Balance	Allowance	Balance	Allowance
Securities and credits receivable	Corporate	Manufacture	AA	**20,702**	**-**	3,968	-
	Corporate	Commerce	AA	**608**	**-**	457	-
	Individual	-	AA	**413**	**-**	213	-
	Corporate	Manufacture	A	**3,713**	**(18)**	8,053	(40)
	Corporate	Commerce	A	**1,761**	**(9)**	1,943	(10)
	Corporate	Services	A	**13,131**	**(66)**	24,509	(122)
	Individual	-	A	**-**	**-**	494	(3)
	Corporate	Manufacture	B	**-**	**-**	10,491	(105)
	Corporate	Commerce	B	**4,967**	**(50)**	390	(44)
	Corporate	Services	B	**9,862**	**(99)**	4,947	(49)
	Corporate	Manufacture	C	**4,217**	**(126)**	1,460	(4)
	Corporate	Commerce	C	**-**	**-**	454	(13)
	Corporate	Services	D	**128**	**(13)**	-	-
	Corporate	Manufacture	F	**85**	**(42)**	883	(883)
	Corporate						

8. Credit Operations--Continued

c) Allowance

Changes in allowance for losses on credit operatioe44 Tc (a) Tj-0 Tc (i) Tj0.338 Tj-0.36 Tc (h) j-

9. Other Credits/Other Liabilities--Continued

b) Securities trading and brokerage

	Consolidated			
	2008		2007	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Clearing houses	**57,976**	**37,331**	803,207	41,175
Debtors/creditors – pending settlement (i)	**956,112**	**345,281**	2,579,516	1,394,187
Escrow deposits – Margin	**-**	**-**	1,002	-
Creditors for stock loans	**-**	**2,895,146**	-	3,860,124
Other receivables/other payables for securities trading and brokerage (ii)	**3,467**	**433,494**	67	807,793
	1,017,555	**3,711,252**	3,383,792	6,103,279
Current amount	**1,017,189**	**3,711,252**	3,383,792	6,103,279
Long-term amount	**366**	**-**	-	-

	Banco UBS Pactual S.A.			
	2008		2007	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Clearing houses	**56,712**	**27,089**	803,207	26,986
Debtors/creditors – pending settlement (i)	**411,725**	**353,445**	915,991	369,339
Escrow deposits – Margin	**-**	**-**	1,000	-
Creditors for stock loans	**-**	**2,857,463**	-	3,809,523
Other receivables/other payables for securities trading and brokerage (ii)	**3,467**	**17,245**	-	24,182
	471,904	**3,255,242**	1,720,198	4,230,030
Current amount	**471,538**	**3,255,242**	1,720,198	4,230,030
Long-term amount	**366**	**-**	-	-

(i) Basically represented by amounts pending settlement within terms established in regulation, relating to transactions involving the purchase and sale of securities and financial asset agreements on BOVESPA and BM&F, and abroad through first-tier stockbrokers, on the Bank's behalf or on behalf of third parties.

(ii) Basically represented by liabilities for the sale of shares to be settled within terms established in regulation and for swap intermediation transactions.

10. Other Credits

a) Income receivable

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Dividends and bonuses	**5,488**	971	**5,559**	1,042
Receivables from provided services	**107,928**	41,657	**107,928**	41,657
Management and performance fees for investment funds and portfolios	**99,167**	90,208	**-**	-
Commissions on technical advisory services	**802**	3,436	**14**	-
Income from investments abroad	**191**	1,119	**191**	1,119
Guarantee commissions	**738**	958	**738**	958
Other	**1,726**	1,850	**1,271**	1,075
	216,040	140,199	**115,701**	45,851
Current amount	**215,525**	140,199	**115,186**	45,851
Long-term amount	**515**	-	**515**	-

b) Sundry

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Deferred tax assets	**1,592,404**	1,		

11. Investments in Subsidiaries - Bank

	Subsidiaries					
	Capital		Shareholders' equity		Net income (loss)	
	2008	2007	2008	2007	2008	2007
Brazilian Companies:						
UBS Pactual Asset Management S.A. DTVM	**3,474**	2,987	**202,904**	99,887	**(24,340)**	77,625
UBSPactual CTVM S.A.	**161,870**	16,701	**554,296**	57,812	**150,437**	8,569
UBS Pactual Serviços Financeiros S.A. DTVM	**31,670**	31,599	**128,967**	52,948	**24,235**	24,028
UBS Pactual Corretora de Mercadorias Ltda.	**2,500**	2,500	**149,300**	40,750	**57,744**	6,482
UBS Pactual Serviços de Administração Ltda. (iv)	**-**	10	**-**	20,075	**11,019**	18,018
UBS Pactual Corporate Services Ltda.	**1**	1	**4,003**	857	**(119)**	(2,894)
UBS Pactual Securitizadora S.A.	**100**	100	**100**	100	**-**	-
UBS Pactual Agente Comercializador de Energia Ltda.	**5**	5	**6**	6	**1**	1
UBS Corretora de Câmbio e Valores Mobiliários (i)	**-**	19,379	**-**	145,169	**-**	17,795
Foreign Companies:						
UBS Pactual Overseas Corporation	**1,591**	1,925	**275,032**	217,254	**(31,187)**	17,564
UBS Pactual Banking Limited	**22,275**	26,956	**95,624**	111,716	**1,286**	5,366
UBS Pactual Americas Investment Corporation S.A. (ii)	**-**	329	**-**	84	**-**	(7)

	Parent Company					
	Equity participation		Investment book value		Equity income (loss)	
	2008	2007	2008	2007	2008	2007
Brazilian Companies:						
UBS Pactual Asset Management S.A. DTVM	**99.99**	99.99	**202,904**	99,887	**(24,252)**	77,677
UBSPactual CTVM S.A.	**99.99**	99.99	**554,296**	57,812	**150,613**	9,826
UBS Pactual Serviços Financeiros S.A. DTVM	**99.99**	99.99	**128,967**	52,948	**24,323**	24,082
UBS Pactual Corretora de Mercadorias Ltda.	**99.99**	99.99	**149,300**	40,750	**57,744**	7,271
UBS Pactual Serviços de Administração Ltda.(iv)	**-**	0.10	**-**	20	**11**	18
UBS Pactual Corporate Services Ltda.	**99.40**	99.40	**3,979**	851	**(119)**	(2,877)
UBS Pactual Securitizadora S.A.	**99.99**	99.99	**100**	100	**-**	-
UBS Pactual Agente Comercializador de Energia Ltda.	**99.96**	99.96	**6**	6	**1**	1
UBS Corretora de Câmbio e Valores Mobiliários S.A. (i)	**-**	99.99	**-**	145,169	**-**	6,191
Ágio no investimento na empresa UBS Pactual Serviços Financeiros S.A. DTVM (iii)			**7,165**	7,858	**(231)**	(694)
			1,046,717	405,401	**208,090**	121,495
Foreign Companies:						
UBS Pactual Overseas Corporation	**100.00**	100.00	**275,032**	217,254	**(65,714)**	(43,395)
UBS Pactual Banking Limited	**100.00**	100.00	**95,607**	111,699	**(9,350)**	(6,322)
UBS Pactual Americas Investment Corporation S.A. (ii)	**-**	100.00	**-**	84	**-**	(8)
			370,639	329,037	**(75,064)**	(49,735)
			1,417,356	734,438	**133,026**	71,760

(i) On August 1, 2007, the Bank used the investment held in this subsidiary to increase the capital of UBS Pactual Corretora de Títulos e Valores Mobiliários S.A.
(ii) This company's operations were discontinued on November 30, 2007.
(iii) Goodwill based on future profits expected, realizable in 10 years.
(iv) On May 15, 2008 this company was took over by UBS Pactual Serviços Financeiros S.A. DTVM

11. Investments in Subsidiaries – Parent Company--Continued

Any differences between net income of subsidiaries aubc ( ) 64 Tc (s)r9283. (Sub) TjTj894 Tc (M) Tj0 -0.2

14. Foreign Borrowings

As of June 30, 2008 under Bank, foreign borrowings are basically represented by a revolving credit facility amounting to US$ 94,100 thousand (US$ 200,848 thousand in 2007), maturing through January 21, 2009 (December 31, 2007, in 2007).

15. Other Liabilities

a) Corporate and statutory liabilities

As of June 30, 2008 and 2007, these refer basically to the provision for employees` profit sharing.

b) Tax and social security

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Taxes and contributions payable (on net profit)	**22**	10,690	**-**	-
Provision for income taxes (i)	**114,881**	58,356	**-**	30,471
Taxes and contributions payable (on net profit)	**116,450**	89,839	**66,828**	71,276
Deferred income and social contribution taxes (ii)	**84,164**	7,420	**83,542**	7,252
Social integration program tax (PIS)- suspended collection (iii)	**29,042**	35,012	**25,303**	31,945
Social security financing tax (COFINS)- suspended collection (iv)	**172,540**	107,180	**171,016**	106,692
Social contribution tax (CSL)- suspended collection (iii)	**12,669**	12,238	**11,366**	10,973
Income tax - suspended collection (iii)	**1,395**	1,749	**1,395**	1,471
Other (iii)	**7,247**	6,018	**6,261**	5,031
	538,410	328,502	**365,711**	265,111
Current amount	**240,275**	166,712	**107,300**	109,000
Long-term amount	**298,135**	161,790	**258,411**	156,111

(i) These refer to the provision for income and social contribution taxes, net of prepaid amounts.

(ii) These refer to income and social contribution taxes due on the market appreciation of marketable securities and derivatives and on unrealized gains on derivatives, in compliance with Law No. 11051/04.

(iii) This refers basically to: a) CSL – challenge of rates applicable in years 1997/1998 based on constitutional principle of equality; and b) PIS – challenge in court of constitutional amendments 01/94, 10/96 and 17/97 with respect to the principle of precedence. Legal deposits were made in connection with these contingencies, which are recorded as "Other credits - sundry", in the amount of R$ 13,630 (R$ 11,368 in 2007) - consolidated, and R$ 11,064 (R$ 8,963 in 2007) – parent company.

(iv) The constitutionality of article 3 of Law No. 9718/98 is under discussion. The Bank and its subsidiaries have an injunction allowing the payment of COFINS on service revenues only.

15. Other Liabilities--Continued

c) Sundry

	Consolidated		Banco UBS Pactual S.A.	
	2008	**2007**	**2008**	**2007**
Provision for accounts payable	**32,785**	44,511	**18,046**	20,987
Provision for contingent liabilities	**20,669**	20,471	**18,498**	16,235
Payable for placement of securities	**20,935**	-	**20,935**	-
Other	**8,185**	25,045	**6,384**	21,870
	82,574	90,027	**63,863**	59,092
Current amount	**61,680**	71,107	**45,365**	42,857
Long-term amount	**20,894**	18,920	**18,498**	16,235

16. Shareholders' Equity – Parent Company

a) Capital

Fully subscribed and paid-up capital comprises 1,253,583,889 shares all nominative common shares with no par value.

At the Extraordinary General Meeting (EGM) held on May 1, 2007 approved the merger of net book value of Banco UBS S/A asset, resulting in a capital increase of R$ 258,314, with the issuance of 119,506,254 nominative common shares.

b) Capital reserves

These relate to the restatement of BM&F, BOVESPA and CETIP stock exchange seats.

c) Legal reserve

This reserve is established at the rate of 5% of net income, before any other appropriation, limited to 20% of capital.

16. Shareholders' Equity – Parent Company--Continued

d) Statutory reserve

In acc/F1 11.76 Tf0 -12.48 TD -0.07F2-0.18144 Tc (e) T.0.48 re f8144 Tc (e) T.0.48 re f88 TD -0.07608

17. Derivative Financial Instruments--Continued

Guarantees given are as follows:

Consolidated od **Con3c (o) T 0.10272 Tc (n3c (o) T 0.10272 Tc (n3c (o**

17. Derivative Financial Instruments--Continued

a) By index

	Consolidated			
	2008		2007	
	Long Position	Short position	Long position	Short position
Futures contracts				
Foreign Currency	**6,902,738**	**8,147,458**	1,131,713	1,562,206
Interest rate	**11,653,003**	**2,546,387**	4,874,198	6,215,489
Indexes	**3,103,030**	**244,920**	2,723,156	58,404
	21,658,771	**10,938,765**	8,729,067	7,836,099
Swap transactions				
Foreign Currency	**1,004,925**	**636,592**	304,948	718,559
Interest rate	**2,139,295**	**3,635,818**	4,359,466	14,166,052
Indexes	**755,033**	**969,423**	13,423,672	3,013,073
	3,899,253	**5,241,833**	18,088,086	17,897,684
Non-deliverable forward - NDF				
Foreign Currency	**1,930,860**	**471,956**	2,171,172	997,179
Interest rate	**191,311**	**1,715,757**	170,602	1,368,050
	2,122,171	**2,187,713**	2,341,774	2,365,229
Deliverable forward - DF				
Foreign Currency	**567,577**	**571,526**	-	-
Forward contracts				
Foreign Currency	**-**	**64,950**	-	17,856
Interest rate	-	-	18,963	-
	-	**64,950**	18,963	17,856
Options contracts				
Financial assets				
Call option	**9,822**	**15,686**	17,818	9,863
Put option	**66,634**	**65,416**	47,290	10,966
	76,456	**81,102**	65,108	20,829
Shares				
Call option	**22,127**	**640**	53,501	(39)
Put option	**1,181**	**20,199**	14,454	25,548
	23,308	**20,839**	67,955	25,509
Fixed income				
Call option	**357,103**	**417,290**	355,887	463,371
	456,867	**519,231**	447,795	509,752

17. **Derivative Financial Instruments**--Continued

a) By index--Continued

	Banco UBS Pactual S.A.			
	2008		2007	
	Long Position	**Short position**	**Long position**	**Short position**
Futures contracts				
Foreign Currency	**4,080,367**	**8,063,335**	1,131,713	1,562,206
Interest rate	**11,653,003**	**2,546,387**	4,874,198	6,215,489
Indexes	**3,103,030**	**244,920**	2,723,156	58,404
	18,836,400	**10,854,642**	8,729,067	7,836,099
Swap transactions				
Foreign Currency	**1.004.925**	**636.592**	304.948	718.559
Interest rate	**892.302**	**1.420.057**	1.415.419	1.045.627
Indexes	**374.821**	**170.956**	177.654	66.585
	2.272.048	**2.227.605**	1.898.021	1.830.771
Non-deliverable forward - NDF				
Foreign Currency	**1.612.739**	**157.462**	1.305.936	131.193
Interest rate	**191.311**	**1.715.757**	170.602	1.368.050
	1.804.050	**1.873.219**	1.476.538	1.499.243
Forward contracts				
Foreign Currency	**-**	**64.950**	-	17.856
Interest rate	**-**	**-**	18.963	-
	-	**64.950**	18.963	17.856
Options contracts				
Financial assets				
Call option	**9.822**	**15.686**	17.818	9.863
Put option	**66.634**	**65.416**	47.290	10.966
	76.456	**81.102**	65.108	20.829
Shares				
Call option	**20.099**	**-**	53.866	-
Put option	**-**	**18.989**	2.934	25.552
	20.099	**18.989**	56.800	25.552
Fixed income				
Call option	**357.103**	**417.290**	355.887	463.371
	453.658	**517.381**	447.795	509.752

17. Derivative Financial Instruments--Continued

b) By maturity

Consolidato

2 d

17. Derivative Financial Instruments--Continued

b) By maturity--Continued

Ban

18. Risk Management

a) Market risk

The various scenarios envisaged for market behavior are properly simulated by means of the Value-at-Risk calculation model and especially via stress tests, which allows the identification of the main risk components to be controlled. The development of computer systems that support the decision-making process enables the efficient performance of the investment process as a whole - including the selection, analysis, monitoring, optimization and simulation. The Value-at-Risk is calculated using historical simulation methodologies and, where necessary, the Monte Carlo simulation. The stress tests are conducted using three different models: historical stress test, worst case scenario and hypothetical stress test.

b) Credit risk

All the counterparties of the Bank and its subsidiaries are subjected to careful credit risk analyses focusing mainly on an assessment of their paying ability, based on cash flow simulations, debt leverage and schedule, asset quality, interest coverage and working capital. Qualitative aspects, such as strategic guidance, business sector, expert areas, efficiency, regulatory environment and market share, are regularly assessed and used to supplement the credit analysis process. The Credit Committee regularly establishes and reviews the credit limits for the counterparties of the Bank and its subsidiaries. The measurement and monitoring of the total risk to which the Bank and its subsidiaries are exposed cover all the financial instruments that may generate credit risks, such as private equity, derivatives, guarantees given and possible settlement risks.

18. Risk Management--Continued

c) Liquidity risk

The Bank and its subsidiaries manage the liquidity risk by concentrating their portfolio in high-level credit and highly-liquid assets, using funds obtained from first-tier counterparties at extremely competitive rates. The Bank and its subsidiaries maintain a solid capital structure and a low level of leverage. Additionally, any mismatching between assets and liabilities are carefully monitored, considering the impact of extreme market conditions in order to assess their ability to realize assets or to reduce leverage.

d) Operating risk

The Bank and its subsidiaries have a strong tradition in operational risk management, which take into account the assessment, monitoring, simulation and validation of risks, based on consistent internal controls. The mechanisms for managing and controlling operational risks are continually improved with a view to complying with the requirements of regulatory agencies, to rapidly adjusting to changes and to anticipating future trends, among which proposals in the New Basel Capital Accord are to be highlighted.

19. Transactions with the UBS Pactual Group

The UBS Pactual Group companies invest their cash and cash equivalents mainly in funding products offered by Banco UBS Pactual S.A.

19. Transactions with the UBS Pactual Group--Continued

Transactions between the Bank and its subsidiaries, which are carried out at arm's length, are shown below:

	2008	2007
Assets		
Cash and cash equivalents	**62**	7,891
Other receivables		
Income receivable	**77**	81
Securities trading and brokerage	**-**	252,472
Sundry	**11,627**	470
	11,766	260,914
Liabilities		
Deposits		
Demand deposits	**8,963**	6,019
Interbank deposits - related parties	**569,700**	40,006
Time deposits	**369,330**	120,835
Other deposits	**65**	891
Borrowings		
Foreign borrowings	**-**	120
Foreign onlending		
Foreign onlending	**-**	15,080
Other payables		
Securities trading and brokerage	**5,686**	-
Sundry	**727**	2,926
	954,471	185,877
Income	**36**	58
Expenses	**(33,405)**	(5,492)

20. Income from Services Rendered

Consolidated	Banco UBS Pactual S.A.

ro eoo36 Tc 3Tc (e) T - T 0.4T -0.18144 Tc (e)0 ncni ie0.31608 T(n) T8 Tc (

23. Income and Social Contribution Taxes

The reconciliation of income tax (IRPJ) and social contribution tax (CSL) expenses with the figure obtained by applying relevant tax rate on income before taxes is shown below:

	2008		2007	
	IRPJ	**CSL**	**IRPJ**	**CSL**
Income before income tax, social contribution tax and employees' profit or gain sharing – parent company	**639,185**	**639,185**	633,955	633,955
Profit sharing	**(170,292)**	**(170,292)**	(424,577)	(424,577)
Tax base – parent company	**468,893**	**468,893**	209,378	209,378
Tax rate	**25%**	**15%**	25%	9%
Income and social contribution taxes - subsidiaries	**(117,223)**	**(70,334)**	(52,332)	(18,844)
Non-deductible provisions	**21,838**	**13,203**	(33,800)	(12,168)
Net income from subsidiaries abroad	**(324)**	**(195)**	(1,485)	(535)
Result from mark-to-market valuations	**(9,796)**	**(5,934)**	8,995	3,238
Unrealized gains on derivatives	**46,884**	**28,186**	(73,910)	(26,329)
Temporary additions - Provision for taxes with suspended collection – COFINS	**(1,983)**	**-**	(12,466)	-
Amortization of goodwill	**110,382**	**66,229**	-	-
Permanent additions/exclusions - net effect (i)	**33,532**	**20,127**	90,557	32,700
Income tax recoverable - subsidiaries abroad	**11**	**-**	602	-
Supplement to/reversal of prior year's provision	**-**	**-**	(134)	(48)
Tax loss carryforwards	**(83,309)**	**(51,282)**	-	-
Current provision – parent company	**11**	**-**	(73,973)	(21,986)
Result from mark-to-market valuations	**9,796**	**5,934**	(8,995)	(3,238)
Unrealized gains on derivatives	**(47,444)**	**(30,746)**	73,910	26,329
Deferred provision – parent company	**(37,637)**	**(24,812)**	64,915	23,091
Total provision – parent company	**(37,637)**	**(24,812)**	(9,058)	(1,105)
Non-deductible provisions	**(21,278)**	**(10,643)**	-	-
Temporary additions - Provision for taxes with suspended collection – COFINS	**1,983**	**-**	4,055	-
CSL – rate change (ii)	**-**	**233,399**	-	-
Tax loss carryforwards	**83,309**	**51,282**	-	-
Tax credit on goodwill upon Bank's acquisition	**(110,382)**	**(66,229)**	1,067,573	381,439
Deferred tax assets – parent company	**(46,368)**	**207,809**	1,071,628	381,439
Income and social contribution taxes – parent company	**(84,005)**	**182,997**	1,062,570	382,544
Current provision – subsidiaries	**(112,421)**	**(47,567)**	(34,192)	(12,616)
Deferred provision – subsidiaries	**435**	**63**	584	210
Deferred tax assets – subsidiaries	**31,378**	**17,178**	(1,749)	(710)
Income and social contribution taxes - consolidated	**(164,613)**	**152,671**	1,027,213	369,428

(i) These refer basically to equity in income of subsidiaries companies.
(ii) This refers to the method used as from May 2008, as per Brazilian Regulatory Instruction No. 810/2008.

23. Income and Social Contribution Taxes--Continued

Deferred income and social contribution taxes are established and recorded in accordance with criteria defined by BACEN Circular No. 3059/02, considering the related realization period.

Deferred tax assets, included in "Other credits - Sundry" (Note 10(b)), are shown below:

			Realization	Consolidated		Banco UBS Pactual S.A.	
		Rate	period	2008	2007	2008	2007
Tax loss carryforward - fiscal year ended December 31, 1998 (i)	CSL	18%	Up to 5 years	-	1,824	-	-
Accumulated tax loss carryforward (i)	CSL	(vi)	Up to 5 years	**51,282**	1,025	**51,282**	-
Accumulated tax loss carryforward (i)	IRPJ	25%	Up to 5 years	**83,309**	2,886	**83,309**	-
Adjustment to market value	CSL	9%	Up to 5 years	-	1,369	-	1,612
Adjustment to market value	IRPJ	25%	Up to 5 years	-	3,402	-	4,087
Temporary additions (ii)	CSL	15%	Up to 10 years	**9,883**	-	**8,783**	-
Temporary additions (ii)	IRPJ	25%	Up to 10 years	**18,094**	-	**15,689**	-
Tax credit on goodwill upon Bank's acquisition (iv)	CSL	(vi)	Up to 5 years	**474,644**	386,598	**474,644**	385,683
Tax credit on goodwill upon Bank's acquisition (iv)	IRPJ	25%	Up to 5 years	**791,074**	1,076,444	**791,074**	1,073,901
Non-deductible provisions	CSL	15%	Up to 5 years	**2,604**	-	**2,604**	-
Non-deductible provisions	IRPJ	25%	Up to 5 years	**4,340**	-	**4,340**	-
Non-deductible provisions (v)	CSL	15%	After 5 years	**43,193**	-	**26,103**	-
Non-deductible provisions (v)	IRPJ	25%	After 5 years	**74,772**	-	**43,504**	-
Temporary additions – provision for taxes with suspended collection - COFINS (iii)	IRPJ	25%	After 5 years	**35,897**	22,077	**35,522**	2

23. Income and Social Contribution Taxes--Continued

Considering the expected realization of deferred tax assets, the present value of the credits is estimated to be R$ 1,069,386 (R$ 914,192 in 2007) in consolidated and R$ 1,046,246 (R$ 907,254 in 2007) in the parent company.

Deferred tax liabilities were recognized in the amount of R$ 84,164 (R$ 7,420 in 2007) in consolidated and R$ 83,542 (R$ 7,252 in 2007) in the parent company, as mentioned in Note 15(b).

24. Other Information

a) Deposits

Interbank and time deposits issued at market rates have the following weighted average maturity terms:

	Number of days			
	Consolidated		Banco UBS Pactual S.A.	
	2008	2007	2008	2007
Interbank deposits	**297**	3	**12**	2
Time deposits	**485**	270	**449**	293

b) Commitments and responsibilities

The main commitments and responsibilities of the Bank and its subsidiaries are as follows:

	Consolidated		Banco UBS Pactual S.A.	
	2008	2007	2008	2007
Co-obligation and risks for guarantees given (i)	**349,943**	235,806	**349,943**	235,806
Responsibility for the management of investment funds and portfolio management (ii)	**84,186,483**	79,466,669	**5,346,463**	3,605,473
Securities under custody (iii)	**39,094,903**	117,735,617	**37,821,467**	117,349,552
Securities trading and brokerage (iv)	**324,389,331**	149,351,705	**125,135,057**	94,031,467

(i) These refer basically to guarantees provided in connection with stock exchange transactions.
(ii) These are stated at the total equity value of investment funds and portfolios.
(iii) These reflect third-party positions of private and government securities under custody of clearing houses (SELIC and CETIP, respectively), recorded at their issue prices, in case of variable rate securities, or the redemption price, in case of fixed rate securities. This item also includes clients' shares under custody of BOVESPA at the price of R$ 1.00 per share.
(iv) These represent the price of derivative purchase and sale agreements related to third party operations.

25. Retirement and Pension Plan

27. Operating Limits

The minimum capital consistent with the risk level underlying financial exposures (Basel Accord) and the maximum risk spread and capital expenditures are determined on a consolidated basis (Economic and Financial Consolidation), pursuant to criteria established by the National Monetary Board - CMN's Resolution No. 2723/00.

At June 30, 2008 e de 2007, operating limits are fully complied with.

The risk level underlying financial exposures for the Bank and its subsidiaries is as follows:

	2008	**2007**
Required assets	**4,355,043**	2,959,658
Assets required based on operating risks	**1,558,702**	1,720,192