

(A free translation of the original in Portuguese)

Caixa Econômica Federal - CAIXA

**Financial Statements at
June 30, 2011 - **UbX****

(A free translation of the original in Portuguese)

Independent Auditor's Report

To the Board of Directors and Stockholder
Caixa Econômica Federal – CAIXA

We have audited the accompanying consolidated financial statements of Caixa Econômica Federal - CAIXA ("CAIXA") and its subsidiary, which comprise the consolidated balance sheet as at June 30, 2011 and the consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit, conducted in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Caixa Econômica Federal - CAIXA

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Caixa Econômica Federal – CAIXA and its subsidiary at June 30, 2011, and the consolidated financial performance and cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Emphasis of matter – receivable from FCVS

As described in Note 1 to the financial statements, the financial and economic management of CAIXA is considered within the overall policy decisions of the Brazilian Federal Government. In this context, as described in Note 8 (b), at June 30, 2011 CAIXA has credits receivable from the Salary Variation Compensation Fund (FCVS) in the net amount of R\$ 20,772 million. Housing loans already closed out with coverage of the FCVS, but awaiting approval, amount to R\$ 8,121 million and their effective realization depends on the adherence to a set of rules and procedures defined in regulations issued by the FCVS. CAIXA has established criteria to estimate the losses arising from transactions that do not comply with these rules and recorded a provision of R\$ 2,592 million. The realization of the credits relating to housing loans already approved by the FCVS, in the net amount of R\$ 15,243 million at June 30, 2011, are subject to a securitization process, as prescribed by Law 10,150/00. Our opinion is not qualified in respect of this matter.

Emphasis of matter – tax credits

We draw attention to Note 22 (a) to these financial statements which states that, at June 30, 2011, CAIXA has income tax, social contribution on net income, Public Service Employee Savings Program (PASEP) and Social Contribution on Revenues (COFINS) credits of R\$ 16,651 million arising from tax losses, temporary differences and social contribution on net income for offset, with a valuation allowance of these credits of R\$ 4,849 million. The net amount of R\$ 11,802 million, recorded as an asset, is management's estimate of the amounts to be realized in the next ten years. The amount to be used for future offset is subject to the generation of taxable income and may differ from the current estimates. Our opinion is not qualified in respect of this matter.

Other matters – statement of value added

We also have audited the consolidated statement of value added for the year ended June 30, 2011, which is presented voluntarily by CAIXA. This statement has been subjected to the auditing procedures described above and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Other matters – supplementary information

.In connection with our limited reviews of the Quarterly Information (ITR) of Caixa Econômica Federal – CAIXA as at June 30, 2011 and March 31, 2011, which have not been included in these consolidated financial statements and on which we issued review reports dated August 12, 2011 and May 13, 2011, respectively (see the following paragraphs), we reviewed the consolidated balance sheets of Caixa

Caixa Econômica Federal - CAIXA

Econômica Federal – CAIXA and its subsidiary at March 31, 2011, and the consolidated statements of income, cash flows and value added for the quarters ended March 31, 2011 and June 30, 2011.

Based on the procedures performed in connection with the review of the Quarterly Information mentioned above, we are not aware of any facts that cause us to believe that this accounting information has not been prepared in a manner consistent with the financial statements referred to in the first paragraph and which is being presented by management to provide additional information on Caixa Econômica Federal - CAIXA and its subsidiary. This information is being presented together with these consolidated financial statements, without, however, being part of the six-month period financial statements and, accordingly, its presentation is not required by accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.

We issued a review report without exceptions on our review of the Quarterly Information (ITR) of Caixa Econômica Federal – CAIXA as of June 30, 2011, but our report on our review of the Quarterly Financial Information (IFT) at March 31, based on the matter contained a scope limitation because the changes for that quarter in the investment held by CAIXA in Banco Panamericano S.A., through its wholly-owned subsidiary Caixa Participações S.A. – CAIXAPAR, which should have been recorded on the equity method of accounting, had not been recorded. Therefore, it was not possible, in the circumstances, to obtain proper and sufficient evidence in relation to the balance of this investment at March 31, 2011 and the results of its operations for the quarter ended on that date. This issue was resolved in the quarter ended June 30, 2011, as described in Note 3, and, accordingly, our review report as of that date did not include any exception. Furthermore, our reports also included emphasis of matter paragraphs relating to the credits receivable from the Salary Variation Compensation Fund (FCVS) and the tax credits previously described.

Brasília, August 12, 2011

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 “F” DF

Geovani da Silveira Fagunde
Contador CRC 1MG051926/O-o “S” DF

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(A free translation of the original in Portuguese)

	<u>2011</u>		<u>2010</u>
Assets	June	March	June
Current Assets	<u>225,588,289</u>	<u>209,678,388</u>	<u>179,978,935</u>
Cash and banks (Note 5)	<u>3,811,724</u>	<u>3,735,824</u>	<u>3,246,001</u>
Short-term Interbank Investments (Note 6)			
Money market investments	41,424,809	35,775,297	31,459,173
Interbank deposits			96,318
Provisions for losses			(39)
	<u>41,424,809</u>	<u>35,775,297</u>	<u>31,555,452</u>
Securities and Derivative Financial Instruments (Note 7)			
Own portfolio	57,841,358	50,809,738	37,725,836
Subject to repurchase agreements	4,481,526	5,862,161	14,320,750
Pledged in guarantee	39,326		239,798
Brazilian Central Bank deposits	1,228	1,192	1,201
Derivative financial instruments			164
	<u>62,363,438</u>	<u>56,673,091</u>	<u>52,287,749</u>
Interbank Accounts (Note 8)			
Payments and receipts pending settlement	1,157,350	899,942	1,061,521
Restricted deposits - Brazilian Central Bank deposits	57,056,403	54,899,891	44,244,950
Correspondent Banks	<u>517,167</u>	<u>489,007</u>	<u>458,844</u>
	<u>58,730,920</u>	<u>56,288,840</u>	<u>45,765,315</u>
Interdepartmental Accounts			
Third party funds in transit	82	88	378
Internal transfers of funds	<u>231,156</u>	<u>193,820</u>	<u>176,698</u>
	<u>231,238</u>	<u>193,908</u>	<u>177,076</u>
Loan Operations (Note 9)			
Public Sector	1,739,275	1,690,374	2,604,221
Private Sector	41,716,233	44,354,857	37,633,834
Allowance for loan losses	<u>(5,070,141)</u>	<u>(4,838,325)</u>	<u>(3,991,036)</u>
	<u>42,385,367</u>	<u>41,206,906</u>	<u>36,247,019</u>
Other Receivables (Note 10)			
Receivables from guarantees honored	33,540	32,585	31,267
Foreign exchange portfolio	92,686	16,815	29,279
Income receivable	1,312,159	1,083,310	827,473
Negotiation and intermediation of securities	24,532	191	2,937
Specific credits	119,507	98,363	86,021
Sundry	13,965,275	13,460,624	8,356,943
Provision for losses	<u>(96,358)</u>	<u>(139,556)</u>	<u>(104,614)</u>
	<u>15,451,341</u>	<u>14,552,332</u>	<u>9,229,306</u>

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(continued)

	2011		2010
	June	March	June
Assets			
Other Assets (Note 11)			
Other assets	829,140	849,903	954,639
Provision for losses	(134,152)	(139,910)	(163,706)
Prepaid expenses	494,464	542,197	680,084
	<u>1,189,452</u>	<u>1,252,190</u>	<u>1,471,017</u>
Non-current Assets	<u>233,643,986</u>	<u>221,698,202</u>	<u>200,492,848</u>
Securities and Derivative Financial Instruments (Note 7)			
Own portfolio	23,043,152	25,079,517	35,052,160
Subject to repurchase agreements	21,623,833	20,859,168	22,601,962
Pledged in guarantee	731,085	551,444	171,091
	<u>45,398,070</u>	<u>46,490,129</u>	<u>57,825,213</u>
Interbank Accounts (Note 8)			
SFH - National Housing System	20,938,647	21,042,725	25,432,765
	<u>20,938,647</u>	<u>21,042,725</u>	<u>25,432,765</u>
Loan Operations (Note 9)			
Public Sector	14,536,982	14,248,823	11,824,072
Private Sector	143,860,516	130,182,570	97,090,193
Allowance for loan losses	(7,964,622)	(7,360,797)	(5,713,181)
	<u>150,432,876</u>	<u>137,070,596</u>	<u>103,201,084</u>
Other Receivables (Note 10)			
Income receivable		184,011	28,274
Sundry	11,773,893	11,515,266	9,315,728
Provision for losses	(10,040)	(8,760)	(1,168)
	<u>11,763,853</u>	<u>11,690,517</u>	<u>9,342,834</u>
Permanent Assets	<u>5,110,540</u>	<u>5,404,235</u>	<u>4,690,952</u>
Investments (Note 12)			
Investments in subsidiary and associated companies	1,814,937	1,958,736	1,807,824
In Brazil	1,814,104	1,957,891	1,806,706
Abroad	833	845	1,118
Other investments	89,696	179,438	144,092
Provision for losses	(11,072)	(11,093)	(11,093)
	<u>1,893,561</u>	<u>2,127,081</u>	<u>1,940,823</u>
Property and Equipment (Note 13)			
Properties in use	224,885	210,348	187,494
Revaluations of properties in use	812,031	813,506	831,101
Other property and equipment in use	3,847,000	3,760,229	3,363,669
Accumulated depreciation	(2,929,386)	(2,828,144)	(2,536,589)
	<u>1,954,530</u>	<u>1,955,939</u>	<u>1,845,675</u>

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(continued)

	2011		2010
Assets	June	March	June
Intangible assets (Note 14)			
Intangible assets	1,702,334	1,674,157	1,060,685
Accumulated amortization	(486,652)	(414,316)	(272,712)
	<u>1,215,682</u>	<u>1,259,841</u>	<u>787,973</u>
Deferred Charges (Note 15)			
Organization and expansion costs	258,079	298,807	399,286
Accumulated amortization	(211,312)	(237,433)	(282,805)
	<u>46,767</u>	<u>61,374</u>	<u>116,481</u>
Total	<u>459,232,275</u>	<u>431,376,590</u>	<u>380,471,783</u>

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(continued)

	2011		2010
Liabilities and Stockholders' Equity	June	March	June
Current Liabilities	<u>339,559,781</u>	<u>318,033,912</u>	<u>296,243,255</u>
Deposits (Note 16)			
Demand deposits	20,723,599	20,021,783	17,999,695
Savings deposits	136,291,566	132,590,494	116,330,563
Interbank deposits	2,287,177	3,195,501	24,212
Time deposits	64,113,911	59,190,556	48,803,211
Special deposits and deposits of funds and programs	9,995,010	11,465,213	12,084,147
Other deposits	<u>96,303</u>	<u>252,030</u>	<u>108,610</u>
	<u>233,507,566</u>	<u>226,715,577</u>	<u>195,350,438</u>
Deposits obtained in the open market (Note 16)			
Own portfolio	25,349,462	26,076,858	36,295,758
Third party portfolio	<u>36,061,403</u>	<u>29,619,229</u>	<u>31,457,623</u>
	<u>61,410,865</u>	<u>55,696,087</u>	<u>67,753,381</u>
Funds from Acceptances and Issue of Securities (Note 17)			
Funds from real estate, mortgage, credit and similar notes	7,637,653	2,715,088	2,829,062
	<u>7,637,653</u>	<u>2,715,088</u>	<u>2,829,062</u>
Interbank Accounts			
Receipts and payments pending settlement	1,327,260	999,692	1,166,044
Correspondent Banks	<u>5,606</u>	<u>7,215</u>	<u>6,399</u>
	<u>1,332,866</u>	<u>1,006,907</u>	<u>1,172,443</u>
Interdepartmental Accounts			
Third party funds in transit	381,243	374,286	520,217
Internal transfers of funds	<u>10,687</u>	<u>9,051</u>	<u>6,440</u>
	<u>391,930</u>	<u>383,337</u>	<u>526,657</u>
Borrowings (Note 18)			
Foreign borrowings	<u>188,269</u>	<u>195,739</u>	<u>640</u>
	<u>188,269</u>	<u>195,739</u>	<u>640</u>
Local Onlendings - Official Institutions (Note 19)			
Federal Treasury - Social Integration Program (PIS)	647,619	499,324	549,077
National Bank for Economic and Social Development (BNDES)	18,579	20,261	19,382
Government Severance Indemnity Fund for Employees (FGTS)	<u>23,817</u>	<u>20,723</u>	<u>22,437</u>
	<u>690,015</u>	<u>540,308</u>	<u>590,896</u>
Derivative Financial Instruments			
Derivative Financial Instruments	<u>852</u>	<u>824</u>	<u>1,598</u>
	<u>852</u>	<u>824</u>	<u>1,598</u>

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(continued)

	2011		2010
	June	March	June
Liabilities and Stockholders' Equity			
Other Liabilities (Note 20)			
Collection and payment of taxes and similar	686,842	854,220	605,293
Foreign exchange portfolio	93,668	17,666	29,499
Social and statutory	604,217	271,106	579,219
Taxes and social security contributions	1,087,431	1,282,322	1,062,630
Negotiation and intermediation of securities	1,750	6,750	16
Funds with specific purposes:			
Lottery operations	442,849	425,527	351,700
Social funds and programs	3,919,412	3,106,335	2,639,157
Financial development funds	690,182	760,425	777,377
Sundry	26,873,414	24,055,694	21,973,249
	<u>34,399,765</u>	<u>30,780,045</u>	<u>28,018,140</u>
Non-current liabilities	<u>101,470,961</u>	<u>95,859,528</u>	<u>69,933,314</u>
Deposits (Note 16)			
Time deposits	931,286	935,675	508,436
Interbank deposits	5,733	5,576	20,493
	<u>937,019</u>	<u>941,251</u>	<u>528,929</u>
Funds from Acceptances and Issue of Securities (Note 17)			
Funds from real estate, mortgage, credit and similar notes	7,925,311	10,418,741	3,003,534
	<u>7,925,311</u>	<u>10,418,741</u>	<u>3,003,534</u>
Borrowings (Note 18)			
Foreign borrowings	4,751	4,920	7,574
	<u>4,751</u>	<u>4,920</u>	<u>7,574</u>
Local Onlendings - Official Institutions (Note 19)			
Federal Treasury - Social Integration Program (PIS)	29,313	23,226	16,546
National Bank for Economic and Social Development (BNDES)	6,320,856	5,927,778	3,747,560
Government Severance Indemnity Fund for Employees (FGTS)	67,221,463	59,817,558	44,769,744
Other	198,735	227,754	218,986
	<u>73,770,367</u>	<u>65,996,316</u>	<u>48,752,836</u>

Caixa Econômica Federal - CAIXA

Consolidated Balance Sheets

(In thousands of reais)

(continued)

Other liabilities (Note 20)

Taxes and social security contributions	192,970	195,853	207,524
Subordinated debt - Eligible for regulatory capital	5,276,936	5,180,221	4,908,438
Hybrid Instruments of Capital and Debt - Eligible for regulatory capital	<u>13,363,607</u>	<u>13,122,226</u>	<u>12,524,479</u>
	<u>18,833,513</u>	<u>18,498,300</u>	<u>17,640,441</u>

Stockholders' Equity (Note 21)

Capital	14,673,724	14,673,724	11,676,683
Capital - local residents	13,562,433	13,562,433	13,562,443
Capital increase	4,983,742	4,983,742	2,384,683
Unpaid capital	(3,872,451)	(3,872,451)	(4,270,443)
Revaluation reserve	471,959	475,664	495,672
Revenue reserves	1,944,144	1,649,724	1,131,104
Carrying value adjustment	(8,121)	84,298	25,335
Retained earnings	<u>1,119,857</u>	<u>599,740</u>	<u>966,420</u>
	<u>18,201,533</u>	<u>17,483,150</u>	<u>14,295,214</u>
Total	<u><u>459,232,275</u></u>	<u><u>431,376,590</u></u>	<u><u>380,471,783</u></u>

The accompanying notes are an integral part of these financial statements.

Caixa Econômica Federal - CAIXA

Consolidated Statements of Income

(in thousands of reais)

(A free translation of the original in Portuguese)

	<u>2nd Quarter</u>	<u>1st Quarter</u>	<u>2011 1st Six-month period</u>	<u>2010 1st Six-month period</u>
Income from Financial Intermediation (Note 23)	12,578,447	11,847,999	24,426,446	18,387,724
Loans (Note 9 (f))	6,486,236	6,202,006	12,688,242	8,815,120
Securities (Note 7 (f))	4,360,077	4,093,148	8,453,225	7,659,671
Derivative financial instruments	(6,970)	(29,855)	(36,825)	(42,524)
Foreign exchange	(375)	875	500	1,511
Compulsory deposits (Note 8 (c))	1,739,197	1,581,525	3,320,722	1,953,106
Sales or transfer of financial assets	282	300	582	840
Expenses of Financial Intermediation (Note 24)	(8,903,734)	(8,247,405)	(17,151,139)	(12,257,310)
Funds obtained in the market (Note 16 (c) and (e))	(6,117,691)	(5,500,757)	(11,618,448)	(8,644,263)
Loans, assignments and onlendings (Note 19 (a))	(1,387,687)	(1,169,180)	(2,556,867)	(1,1681,410)
Allowance for loan losses	(1,398,356)	(1,577,468)	(2,975,824)	(1,931,637)
gross Profit from financial intermediation	3,674,713	3,600,594	7,275,307	6,130,414
Other Operating Income (Expenses)	(2,322,588)	(2,985,852)	(5,308,440)	(4,517,625)
Service fees (Note 25)	3,060,663	2,508,122	5,568,785	4,504,741
Revenues from bank charges (Note 25)	286,866	280,529	567,395	449,999
Personnel expenses (Note 26)	(2,815,085)	(2,798,181)	(5,613,266)	(4,654,911)
Other administrative expenses (Note 27)	(1,814,483)	(1,646,357)	(3,460,840)	(2,860,586)
Taxes (Note 31)	(423,691)	(441,932)	(865,623)	(712,129)
Result of equity method	10,721	19,377	30,098	207,548
Other operating income (Note 28)	1,667,959	1,538,743	3,206,702	2,404,894
Other operating expenses (Note 29)	(2,295,538)	(2,446,153)	(4,741,691)	(3,857,181)
Operating Profit	1,352,125	614,742	1,966,867	1,612,789
Non-operating expenses (Note 30)	(46,131)	(63,892)	(110,023)	(70,034)
Profit Before Taxation and Profit Sharing	1,305,994	550,850	1,856,844	1,542,755
Income Tax and Social Contribution (Note 22)	208,851	315,817	524,668	326,124
Income tax	(40,950)	(53,097)	(94,047)	(56,137)
Current	(34,726)	(55,446)	(90,172)	(53,576)
Deferred	(6,224)	2,349	(3,875)	(2,561)
Social contribution	(18,854)	(22,229)	(41,083)	(26,627)
Current	(15,120)	(23,638)	(38,758)	(25,092)
Deferred	(3,734)	1,409	(2,325)	(1,535)
Deferred tax asset	268,655	391,143	659,798	408,888
Employee Profit Sharing	(52,983)	(54,221)	(107,204)	(201,195)
NET Income For The Six-Month Period/Quarter	1,461,862	812,446	2,274,308	1,667,684

The accompanying notes are an integral part of these financial statements.

Caixa Econômica Federal - CAIXA

Consolidated Statements of Changes in Stockholders' Equity

(in thousands of reais)

(A free translation of the original in Portuguese)

	<u>Capital</u>	<u>Revaluation reserve</u>	<u>Revenue reserves</u>	<u>Adjustment to fair value</u>	<u>Retained earnings</u>	<u>Total</u>
At December 31, 2010	12.473,724	478,318	2,652,206	(167,298)		15,436,950
Carrying value adjustments				159,177		159,177
Capital increase – shares of Petrobras ON (Note 21(a))	287,256					287,256
Capital increase – shares of Petrobras PN (Note 21(a))	1,702,155					1,702,155
Capital increase – shares of Eletrobras ON (Note 21(a))	210,589					210,589
Tax effects on realization of the revaluation reserve		7,195				7,195
Payment of taxes on the revaluation reserve					(5,422)	(5,422)
Realization of reserve		(13,554)			13,554	
Net income for the six-month period					2,274,308	2,274,308
Prior-year dividends distributed					(1,002,482)	(1,002,482)
Prepaid dividends					(371,181)	(371,181)
Appropriations of net income (Note 21(d))						
Legal reserve (Revenue reserves)			113,715		(113,715)	
Lottery reserve (Revenue reserves)			180,675		(180,675)	
Operating margin reserve (Revenue reserves)			(1,002,482)		1,002,482	
Interest on own capital proposed					(428,819)	(428,819)
Dividends proposed					(68,193)	(68,193)
At June 30, 2011	<u>14,673,724</u>	<u>471,959</u>	<u>1,944,114</u>	<u>(8,121)</u>	<u>1,119,857</u>	<u>18,201,533</u>
At December 31, 2009	11,676,683	509,236	918,677	39,171		13,143,767
Fair value adjustments				(13,836)		(13,836)
Capital increase (Note 21 (a))						
Tax effects on realization of the revaluation reserve		5,041				5,041
Payment of taxes on the revaluation reserve					(7,442)	(7,442)
Realization of reserve		(18,605)			18,605	
Net income for the six-month period					1,667,684	1,667,684
Prepaid dividends					(121,976)	(121,976)
Appropriations of net income: (Note 20 (d))						
Legal reserve			83,384		(83,384)	
Lottery reserve			129,043		(129,043)	
Operating margin reserve						
Interest on own capital proposed					(378,024)	(378,024)
At June 30, 2010	<u>11,676,683</u>	<u>495,672</u>	<u>1,131,104</u>	<u>25,335</u>	<u>966,420</u>	<u>14,295,214</u>

The accompanying notes are an integral part of these financial statements.

Caixa Econômica Federal - CAIXA

Consolidated Statements of Cash Flows

(in thousands of reais)

(A free translation of the original in Portuguese)

			2011	2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
CASH FLOWS FROM OPERATING ACTIVITIES				
ADJUSTED NET INCOME	4,703,671	2,205,465	6,909,136	3,306,947
Net Income	1,461,862	812,446	2,274,308	1,667,684
Adjustment to net income:	3,241,809	1,393,019	4,634,828	1,639,263
Adjustment to marketable securities and derivative financial instruments (assets / liabilities)	(25,655)	(63,107)	(88,762)	(13,836)
Allowance for loan losses	1,398,356	1,577,468	2,975,824	1,931,637
Actuarial liabilities / assets (Employee benefits)	133,064	117,137	250,201	133,555
Depreciation and amortization	188,687	186,078	374,765	332,234
Deferred taxes	(268,653)	(391,143)	(659,796)	(408,888)
Adjustment to provision for contingencies	121,944	6,107	128,051	372,028
Result of equity method	(10,721)	(19,377)	(30,098)	(207,548)
Other	1,704,787	(20,144)	1,684,643	(499,919)
CHANGE IN ASSETS AND LIABILITIES	1,263,163	22,910,626	24,173,789	(936,562)
Decrease (increase) in short-term interbank investments		201,687	201,687	92,334
Decrease (increase) in marketable securities and derivative financial instruments - Category I	(6,094,868)	(2,965,752)	(9,060,620)	9,367,806
Decrease (increase) in marketable securities and derivative financial instruments - Category II	(2,142,655)	1,018,402	(1,124,253)	160,004
Decrease (increase) in marketable securities and derivative financial instruments - Category III	1,372,471	9,874,106	11,246,577	(1,190,548)
Increase in compulsory deposits with the Brazilian Central Bank	(2,156,512)	(972,500)	(3,129,012)	(19,205,184)
Decrease (increase) in interbank accounts	144,469	181,031	325,500	(1,015,747)
Increase in interdepartmental accounts	(28,737)	(769,566)	(798,303)	(725,823)
Decrease (increase) in loan operations	(15,932,388)	(15,217,469)	(31,149,857)	(25,863,718)
Decrease (increase) in other receivables	(979,054)	2,964,445	1,985,391	(7,327)
Decrease (increase) in other assets	62,738	30,750	93,488	11,225
Increase in deposits	6,787,757	12,474,532	19,262,289	15,209,661
Increase in deposits obtained in the open market	5,714,778	10,485,202	16,199,980	3,464,591
Decrease (increase) in funds from acceptances and issue of securities	2,429,135	1,818,309	4,247,444	3,357,155
Increase (decrease) in derivative financial instruments	28	(820)	(792)	616
Increase in borrowings and onlendings	7,916,119	5,636,930	13,553,049	8,232,442
Increase (decrease) in other liabilities	4,169,882	(1,848,661)	2,321,221	7,175,951
NET CASH USED IN OPERATING ACTIVITIES	5,966,834	25,116,091	31,082,925	2,370,385

Caixa Econômica Federal - CAIXA

Consolidated Statements of Cash Flows (in thousands of reais)

(continued)

			2011	2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments				185,634
Sale of property and equipment (including leasing)	3,288	88,233	91,521	
Acquisition of investments		41,878	41,878	(27,338)
Acquisition of property and equipment (including for leasing)	(105,004)	(168,879)	(273,883)	(193,689)
Intangible assets	(29,475)	(60,269)	(89,744)	(104,592)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(131,191)	(99,037)	(230,228)	(139,985)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advance for prepayment of dividends	(110,231)		(110,231)	-
Dividends and interest on capital paid		(1,002,482)	(1,002,482)	
NET CASH PROVIDED BY FINANCING ACTIVITIES	(110,231)	(1,002,482)	(1,112,713)	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	5,725,412	24,014,572	29,739,984	2,230,400
CHANGES IN CASH AND CASH EQUIVALENTS, NET				
Cash and cash equivalents at the beginning of the period	39,511,121	15,496,549	15,496,549	32,571,053
Cash and cash equivalents at the end of the period	45,236,533	39,511,121	45,236,533	34,801,453
Increase(decrease) in cash and cash equivalents	5,725,412	24,014,572	29,739,984	2,230,400
ADDITIONAL INFORMATION				
Interest paid	8,751,520	7,234,390	15,985,910	11,716,560
Interest received	12,045,741	9,893,496	21,939,237	19,397,761
Dividends received	130	74	204	29,011

The accompanying notes are an integral part of these financial statements.

Caixa Econômica Federal - CAIXA

Consolidated Statements of Value Added

(In thousands of reais)

(A free translation of the original in Portuguese)

DESCRIPTION	2011						2010	
	2 nd Quarter		1 st Quarter		1 st Six-month period		1 st Six-month period	
	R\$	%	R\$	%	R\$	%	R\$	%
1. REVENUES	16,149,448	341.98	14,534,034	365.96	30,683,482	352.94	23,745,689	328.49
1.1 Financial intermediation	14,246,407	301.69	13,386,742	337.07	27,633,149	317.85	20,792,620	287.64
1.2 Rendering of services	3,347,528	70.89	2,788,652	70.22	6,136,180	70.58	4,954,740	68.54
1.3 Allowance for loan losses	(1,398,356)	(29.61)	(1,577,468)	(39.72)	(2,975,824)	(34.23)	(1,931,637)	(26.72)
1.4 Non-operating items	(46,131)	(0.98)	(63,892)	(1.61)	(110,023)	(1.27)	(70,034)	(0.97)
2. EXPENSES OF FINANCIAL INTERMEDIATION	7,505,378	158.94	6,669,937	167.94	14,175,315	163.05	10,325,673	142.84
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	3,743,827	79.28	3,725,873	93.81	7,469,700	85.92	6,066,657	83.92
Materials, energy and others	698,490	14.79	622,805	15.68	1,321,295	15.20	1,032,206	14.28
Third-party services	749,799	15.88	656,915	16.54	1,406,714	16.18	1,177,271	16.29
Other	2,295,538	48.61	2,446,153	61.59	4,741,691	54.54	3,857,180	53.36
Other operating expenses – monetary adjustments	303,862	6.43	367,705	9.26	671,567	7.72	585,663	8.10
Other operating expenses – interest	205,389	4.35	221,123	5.57	426,512	4.91	364,321	5.04
Expenses with contribution on SFH	271	0.01	381,809	9.61	382,080	4.39	502	0.01
Other operating expenses – credit card	185,609	3.93	129,782	3.27	315,391	3.63	280,352	3.88
Other operating expenses – post-employment benefits	140,714	2.98	140,714	3.54	281,428	3.24	268,854	3.72
Commissions and fees	114,396	2.42	108,876	2.74	223,272	2.57	203,560	2.82
Expenses related to the lottery management	59,419	1.26	38,548	0.97	97,967	1.13	89,840	1.24
Other	1,285,878	27.23	1,057,596	26.63	2,343,474	26.96	2,064,088	28.55
4. GROSS VALUE ADDED(1-2-3)	4,900,243	103.77	4,138,224	104.20	9,038,467	103.96	7,353,359	101.72
5. Depreciation, amortization and depletion	188,687	4.00	186,078	4.69	374,765	4.31	332,234	4.60
6. NET VALUE ADDED (4-5)	4,711,556	99.77	3,952,146	99.51	8,663,702	99.65	7,021,125	97.13
7. VALUE ADDED RECEIVED AS TRANSFER	10,721	0.23	19,377	0.49	30,098	0.35	207,548	2.87
7.1 Result of equity method	10,721	0.23	19,377	0.49	30,098	0.35	207,548	2.87
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	4,722,277	100.00	3,971,523	100.00	8,693,800	100.00	7,228,673	100.00
9. DISTRIBUTION OF VALUE ADDED	4,722,277	100.00	3,971,523	100.00	8,693,800	100.00	7,228,673	100.00
Personnel and charges	2,480,323	52.52	2,464,747	62.06	4,945,070	56.88	4,210,838	58.24
- Salaries	1,837,123	38.90	1,822,692	45.89	3,659,815	42.10	3,034,804	41.98
- Social security charges	162,185	3.43	163,584	4.12	325,769	3.75	269,619	3.73
- Pension fund	108,281	2.29	109,223	2.75	217,504	2.50	173,801	2.40
- Benefits	319,751	6.77	315,027	7.93	634,778	7.30	531,419	7.35
- Profit sharing	52,983	1.12	54,221	1.37	107,204	1.23	201,195	2.78
Taxes, fees and contributions	602,568	12.76	513,770	12.94	1,116,356	12.84	1,031,276	14.27
- Federal	511,092	10.82	387,856	9.77	898,948	10.34	852,093	11.79
- Municipal	91,494	1.94	125,914	3.17	217,408	2.50	179,183	2.48
Rentals	177,506	3.76	180,560	4.55	358,066	4.12	318,875	4.42
Interest on own capital and dividends	211,934	4.49	216,885	5.46	428,819	4.93	378,024	5.23
Retained earnings	1,249,928	26.47	595,561	15.00	1,845,489	21.23	1,289,660	17.84

The accompanying notes are an integral part of these financial statements.

(A free translation of the original in Portuguese)



Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011 and 2010

All amounts in thousands of reais, unless otherwise indicated

Index of Notes

We have presented Caixa Economica Federal's Notes, that form integral part of the consolidated financial statements, distributed as follows:

	Page	
Note 1	Operations	13
Note 2	Presentation of the Financial Statements	13
Note 3	Caixa Participações S.A. – CAIXAPAR	14
Note 4	Summary of Significant Accounting Practices	19
Note 5	Cash and Cash Equivalents	28
Note 6	Short-term Interbank Investments	29
Note 7	Securities and Derivative Financial Instruments	30
Note 8	Interbank Accounts	40
Note 9	Loan Portfolio	42
Note 10	Other Receivables	53
Note 11	Other Assets	56
Note 12	Investments	56
Note 13	Property and equipment in use	57
Note 14	Intangible assets	57
Note 15	Deferred charges	57
Note 16	Deposits and Funds Obtained in the Open Market	58
Note 17	Funds from Acceptances, Issue of Securities and Financial Bills	63
Note 18	Borrowings	64
Note 19	Local Onlendings - Official Institutions	64
Note 20	Other Liabilities	65
Note 21	Stockholders' Equity	68
Note 22	Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	70
Note 23	Income from Financial Intermediation	72
Note 24	Expenses of Financial Intermediation	73
Note 25	Service Fees and Bank Charges	73
Note 26	Personnel Expenses	74
Note 27	Administrative Expenses	74
Note 28	Other Operating Income	75
Note 29	Other Operating Expenses	75
Note 30	Non-operating Expenses	76
Note 31	Tax Expenses	76
Note 32	Provisions	77
Note 33	Related Parties	79
Note 34	Employee Benefits	80
Note 35	Corporate Risk Management	93
Note 36	Other Information	105

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 1 Operations

Caixa Econômica Federal (CAIXA) is a financial institution established by Decree-Law No. 759, of August 12, 1969 as a government company formed in accordance with commercial law, linked to the Ministry of Finance and subject to the general rules, decisions and regulations issued by the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN).

With headquarters and jurisdiction in Brasília, Federal District of Brazil, CAIXA operates throughout Brazilian territory and abroad, having representative offices in Japan, the United States and Venezuela. The capital of CAIXA is held by the Brazilian Federal Government and, in the macroeconomic context, CAIXA's economic and financial management is consistent with the overall policy decisions of the Federal Government.

Areas of activity

CAIXA carries out business activities related to real estate financing, basic sanitation, urban infrastructure, commercial banks, as well as the rendering of services of a social nature, delegated by the Federal Government.

In the performance of these activities, CAIXA obtains its funding through savings accounts, mortgage notes, judicial deposits, demand and time deposits, and makes loans mainly linked to housing, including onlending of funds from the Government Severance Indemnity Fund for Employees (FGTS).

CAIXA also administers lotteries, investment funds, funds and programs, which include the Government Severance Indemnity Fund for Employees (FGTS), the Salary Variation Compensation Fund (FCVS), the Social Integration Program (PIS), the Social Development Fund (FDS) and the Residential Lease Fund (FAR). The funds and programs managed are independent legal entities governed by specific regulations, maintaining their own accounting records.

CAIXA is authorized to form subsidiary companies, wholly or majority owned, to carry out its business purposes, and to purchase stockholdings in public or private financial institutions or in other related areas of activity, in accordance with Article 1 of Law No. 11908, of March 3, 2009.

On March 31, 2009, CAIXA formed a corporation, denominated Caixa Participações S.A. (CAIXAPAR), with capital of R\$ 2.5 billion, represented by 2.5 billion common shares, with no par value, fully paid by CAIXA.

Note - 2 Presentation of the Financial Statements

The financial statements of CAIXA are the responsibility of management and as from June 30, 2010 the consolidated statements include the financial statements of CAIXA and its wholly-owned subsidiary CAIXAPAR.

The notes provide additional information in respect of the following consolidated financial statements: balance sheets; statements of income; statements of changes in stockholders' equity and statements of cash flows.

The Notes provide, in a clear, relevant, reliable and comparable manner, narrative descriptions and analyses of these financial statements.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

In connection with the convergence of Brazilian Accounting Standards (BRGAAP) with International Financial Reporting Standards (IFRS), the National Monetary Council already approved the following accounting pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC):

- CPC 01 – Impairment of Assets, approved by CMN Resolution No. 3566/2008;
- CPC 03 – Statement of Cash Flows, approved by CMN Resolution No. 3604/2008;
- CPC 05 – Related-party Disclosures, approved by CMN Resolution No. 3750/2009;
- CPC 24 – Events After the Reporting Period, approved by CMN Resolution No. 3.973/2011.
- CPC 25 – Provisions, Contingent Liabilities and Assets, approved by CMN Resolution No. 3823/2009;

The above pronouncements, as well as the other pronouncements approved by the Brazilian Securities Commission (CVM) which are consistent with the standards issued by the regulatory authority, have already been adopted in the preparation of the financial statements of CAIXA.

The Board of Directors approved the financial statements for the six-month period ended June 30, 2011 on August 10, 2011.

Note - 3 Caixa Participações S.A. – CAIXAPAR

Caixa Participações S.A. (CAIXAPAR) is a wholly-owned subsidiary of Caixa Econômica Federal, formed at the beginning of 2009 with the payment of part of its capital in the amount of R\$ 1,250,000, in accordance with Provisional Measure No. 443, of October 21, 2008, converted into Law No. 11908, of March 3, 2009.

In 2010, CAIXA was paid up the amount of R\$ 1,250,000, with the company's capital totaling R\$ 2,500,000, of which R\$ 1,177,778 through transfer of investments existing in CAIXA, R\$ 7,440 in dividends receivable, and R\$ 64,782 in cash, as shown below:

Description	Amount paid up
Stockholding	1,177,778
CAIXA SEGUROS	1,074,136
VISANET/CIELO	65,824
TECBAN	31,818
CIBRASEC	6,000
Dividends Caixa Seguros	7,440
Cash	64,782
Total	1,250,000

The table below presents the stockholders' equity of CAIXAPAR:

Description	% Holding of CAIXA	2011		2010
		June 30	March 31	June 30
CAIXA PARTICIPAÇÕES	100	3,118,608	3,020,892	2,720,666

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Purchase of stockholdings in Banco Panamericano

(a) Allocation of purchase price

On December 1, 2009, Caixa Participações S.A. and Grupo Silvio Santos Participações Ltda. entered into an agreement for the purchase and sale of shares for 36.56% of the total capital of Banco Panamericano S.A., represented by 64,621,700 common shares, equivalent to 49% of the voting capital and 24,712,286 preferred shares, equivalent to 21.97% of the preferred shares of that bank. On that date, a partial payment of R\$ 517,490 was made.

The approval of the admission of CAIXAPAR to the controlling group of Banco Panamericano was given in the official letter Deorf/Gabin – 2010/06731 issued by the Brazilian Central Bank (BACEN) on July 19, 2010, and Caixa only required to file the documents related to the completion of the transaction. After the approval described above, CAIXAPAR completed the purchase and paid the residual value of R\$ 234,215.

The related amounts can be summarized as follows:

Contractual acquisition price in December 2009	739,272
Amount paid in December 2009	517,490
Remaining balance in December 2009	221,782
Amount paid in July 2010	(234,215)
Finance expense recorded in 2010	(12,433)

On November 9, 2010, the Joint Board of Standards and Organization of the Financial System approved a change in the controlling group of Banco Panamericano, with the admission of CAIXAPAR, as published in the Official Gazette of the Federal Executive (DOU).

On November 26, 2010 the stockholders of Banco Panamericano appointed a new Board of Directors for the bank. Additionally, by means of an agreement between the stockholders, CAIXAPAR was able to appoint representatives in the bank's Board of Directors, and maintained unaltered the investment percentages CAIXAPAR held upon the acquisition of the bank's shares.

At December 31, 2010, the balance relating to Banco Panamericano in the financial statements of CAIXAPAR was recorded as follows:

Contractual acquisition price in December 2009	739,272
Equity in the earnings recorded in 2010	41,576
Investment at December 31, 2010	780,848

The allocation of the acquisition price, based on appraisal reports of independent consultants dated June 15, 2011, is shown below:

Summary	Amounts at November 30, 2010
Consolidated equity of Banco Panamericano	152,762
Equity restructuring carried out in January 2011 (i)	1,300,000

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Summary	Amounts at November 30, 2010
Adjusted consolidated equity of Banco Panamericano	1,452,762
Caixa's indirect interest	36.56%
Caixa's indirect investment in Banco Panamericano, through CAIXAPAR	531,130
Consideration paid by CAIXAPAR for the acquisition of the investment	739,272
Difference between the amount paid and the investment amount at November 30, 2010	208,142

(i) In accordance with significant event notice disclosed on January 31, 2011 by Banco Panamericano, this amount was contributed by the controlling stockholder.

In accordance with Technical Pronouncement CPC 15 issued by the Brazilian Accounting Pronouncements Committee (CPC), the goodwill determined on the acquisition of Banco Panamericano by CAIXAPAR was R\$ 42,864. The Chart of Accounts for the National Financial System Institutions (COSIF) establishes that, for purposes of valuation and consolidation of the investment in CAIXA's financial statements, the amount of R\$ 162,276 relating to intangible assets and that of R\$ 3,002 relating to mark-to-market adjustments of assets and liabilities, net of tax effects, should be included in the goodwill computed by CAIXAPAR, as shown below:

Composition	208,142
Asset and liability mark-to-market adjustments, net of tax effects (i)	3,002
Intangible assets identified at the acquisition, net of tax effects (ii)	162,276
Remaining goodwill based on expected future profitability (iii)	42,864

(i) Mark-to-market adjustments of assets and liabilities recorded in the financial statements of Banco Panamericano on November 30, 2010, net of the corresponding tax effects, based on an appraisal report prepared by independent consultants.

(ii) Fair value of intangible assets identified at the acquisition and not recorded in Banco Panamericano, net of tax effects.

(iii) Remaining goodwill based on expected future profitability and other economic reasons (synergies, workforce, etc.), to be amortized over a five-year period.

Intangible assets	Banco Panamericano	CAIXA's interest, net of tax effects	Amortization term
Trademarks	148,996	32,684	Indefinite
Customer relationships	518,882	113,822	3 years
Agreements	59,433	13,037	5 years
Technology	12,459	2,733	5.63 years
Total	739,770	162,276	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

The adjusted balances in the acquisition of the 36.56% interest in Banco Panamericano are as follows:

Investment at November 30, 2010	531,130
(+) Assets and liability mark-to-market adjustments, net of tax effects	3,002
(+) Intangible assets identified at the acquisition, net of tax effects	162,276
(+) Remaining goodwill based on expected future profitability	42,864
= Contractual acquisition price in December 2009	739,272
(+) Equity in the earnings recorded in 2010	41,576
= Investment at December 31, 2010	780,848

b) Investment balance at June 30, 2011

In the first half of 2011, CAIXA purchased commercial credits from Banco Panamericano which generated income of R\$ 110,855 thousand to that bank. Accordingly, in the calculation of CAIXA's indirect interest, this amount was excluded, as shown below:

Summary	June 30, 2010
Banco Panamericano's consolidated equity at June 30, 2011	1,368,102
Unrealized gain on the transaction between CAIXA and Banco Panamericano	(110,855)
Adjusted consolidated equity of Banco Panamericano at June 30, 2011	1,257,247
CAIXA's indirect interest, through CAIXAPAR (36.56%)	459,650

The impacts of the equity accounting and the unrealized intercompany gain in the first six-month period of 2011 were as follows:

Summary	Amount
CAIXA's indirect interest, through CAIXAPAR (36.56%) at June 30, 2011	459,650
(+) Dividends recorded in the financial statements of Banco Panamericano at June 30, 2011 relating to CAIXAPAR (R\$ 7,654 x 36.56%)	2,798
(-) CAIXA's indirect interest, through CAIXAPAR (36.56%) on November 30, 2010	531,130
(=) Total amount (1)	(68,682)

(1) Analysis	(68,682)
Equity in the loss (difference between the positions at June 30, 2011 and November 30, 2010)	(28,149)
Unrealized intercompany gain (R\$ 110,855 x 36.56%)	(40,529)
Carrying value adjustment of securities marked to market *	(4)

* Relating to the interest in the carrying value adjustment of securities available for sale of Banco Panamericano, in the negative amount of (R\$ 13).

The changes in goodwill, as presented in the table of allocation of the purchase price, were as follows:

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Realization	Allocated amount	Amortization	Net amount
Asset and liability mark-to-market adjustments, net of tax effects	3,002	(3,002)	-
Intangible assets identified at the acquisition, net of tax effects	162,276	(23,935)	138,341
Remaining goodwill based on expected future profitability*	42,864	(5,000)	37,864
Balance	208,142	(31,937)	176,205

* Estimated realization period of 5 years.

The balances recorded in “Investments in subsidiary and associated companies”, as well as the effects of the investment in Banco Panamericano on the results of operations for the six-month period were as follows:

Summary	June 30, 2011
Investment	459,650
Net goodwill on the allocation of the acquisition price	176,205
Total investment	635,855

Impacts on the results of operations	June 30, 2011
Reversal of the equity adjustment recorded in 2010	(41,576)
Equity in the loss (difference between the positions at June 30, 2011 and November 30, 2010)	(28,149)
Unrealized intercompany gain	(40,529)
Goodwill amortization	(31,937)
Reversal of interest on capital of CAIXAPAR referring to 2009/2010	(2,194)
Total	(144,385)

c) BTG Pactual

On January 31, 2011, through the disclosure of a significant event notice, Banco Panamericano informed that Silvio Santos Participações S.A. ("SSP") and BF Utilidades Domésticas Ltda. ("BF", and jointly with SSP, the "Sellers") signed a contract for the purchase and sale of shares and other covenants with Banco BTG Pactual S.A. ("BTG Pactual").

Through this contract, BTG Pactual committed to purchase all the Sellers' shares, corresponding to 67,259,328 common shares and 24,712,286 preferred shares, with no par value, issued by Banco Panamericano, for the price of R\$ 450,000 (four hundred and fifty million of reais). This price will be adjusted, as from the date of completion of the transaction up to its effective payment, based on 110% of the Interbank Deposit (DI) interest rate, to be paid, at any time, at the discretion of BTG Pactual up to July 31, 2028. This amount is limited to the maximum of R\$ 3,800,000 (three billion and eight hundred million reais).

On the same date, BTG Pactual and CAIXAPAR signed a stockholders' agreement related to Banco Panamericano, replacing the Sellers by BTG Pactual, which substantially maintained the same conditions as those of the agreement in effect.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

In this regard, CAIXAPAR maintained unchanged its investment in the bank, which will not be sold at the public offering to be held by BTG Pactual.

On March 30, 2011, the Collegiate Board of Directors of the Brazilian Central Bank issued its favorable opinion regarding the change in the control of Banco Panamericano, with BTG Pactual replacing Silvio Santos Participações S.A. and BF Utilidades Domésticas Ltda.

On May 27, 2011, upon the fulfillment of certain conditions precedent, BTG Pactual completed the purchase of all the shares owned by Silvio Santos Participações S.A. and BF Utilidades Domésticas Ltda., corresponding to 67,259,326 common shares and 24,712,286 preferred shares, with no par value, issued by Banco Panamericano.

On June 2, 2011, the stockholders of Banco Panamericano nominated a new Board of Directors, which is now comprised of 13 members and has the President of CAIXA as the President and a representative appointed by BTG Pactual as the Vice-President.

On June 17, 2011, BTG Pactual filed with the Brazilian Securities Commission (CVM) a request for the register of a Public Purchase Offer (PPO) of preferred shares issued by the bank, in accordance with its by-laws and with CVM Instruction No. 361/02.

This PPO is for the purchase of up to 100% of the outstanding preferred shares issued by the bank, except for those directly or indirectly held by BTG Pactual and CAIXAPAR, or by their related parties and management of the bank, which corresponded, on that date, to 63,038,340 preferred shares, representing 56.05% of the preferred shares of Banco Panamericano.

Note - 4 Summary of Significant Accounting Practices

The significant accounting practices applied in the preparation of these consolidated financial statements are set out as follows:

(a) Basis of preparation and statement of compliance

The financial statements were prepared in conformity with the standards and instructions established by the National Monetary Council (CMN), the Brazilian Central Bank (BACEN), the Brazilian Securities Commission (CVM) and the accounting practices adopted in Brazil.

The financial statements reflect the historical costs of the transactions, except for the trading securities portfolio and derivative financial instruments, which are recognized at fair value against the results of operations.

The financial statements are presented in Brazilian reais and all the amounts are rounded off to thousands of reais, unless otherwise stated.

The preparation of financial statements in conformity with the accounting practices adopted in Brazil requires judgment on the part of management in the determination and recognition of accounting estimates, such as the allowance for loan losses, estimates of the fair value of certain financial instruments, the provision for judicial claims, other provisions, supplementary pension plans and the determination of the useful lives of certain assets. The definitive amounts for transactions involving these estimates will only be known upon their settlement.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Basis of consolidation

The consolidated financial statements include CAIXA and its wholly-owned subsidiary, CAIXAPAR, and all significant intercompany balances and transactions were eliminated on consolidation.

The financial statements of CAIXAPAR and of CAIXA have been prepared under consistent accounting policies.

The results of operations of the subsidiary acquired or sold during the period are consolidated from the effective date of acquisition or through the effective date of sale, respectively.

The cost of acquisition of a subsidiary is measured as the fair value of the assets received, equity instruments issued and liabilities incurred or assumed on the date of acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

In the consolidated financial statements, investments in jointly-controlled companies and in associated companies are recorded on the equity method of accounting. Results of transactions carried out with an associated company are eliminated in proportion to CAIXA's interest.

(c) Net income

Net income is determined on the accrual of basis of accounting. Accordingly income and expenses are included in the determination of results for the periods in which they occur, always simultaneously when they are co-related, irrespective of receipt or payment. The operations with financial charges at fixed rates are recorded at redemption value, less unearned income or unexpired expenses corresponding to the future period. The operations with floating rates or rates indexed to foreign currencies are restated up to the balance sheet date.

(d) Foreign currency translation

The consolidated financial statements are presented in Brazilian reais, which is the CAIXA's functional and presentation currency.

Items included in the financial statements of each of the group's entities are measured using the same functional currency defined.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are translated using the year-end exchange rates.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Non-monetary items carried at historical cost in foreign currency are translated using the exchange rate at the date of each transaction and the income and expenses are translated based on the average foreign exchange rate for the period.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and highly liquid investments.

Cash in hand in local currency is presented at face value and that in foreign currency is translated at the year-end exchange rate disclosed by the Brazilian Central Bank (BACEN).

For preparation of the Statement of Cash Flows, cash and cash equivalents include cash and banks, foreign currency, investments in interbank repurchase agreements, originally falling due in up to 90 days and which present little risk of change in fair value, used to manage short-term commitments.

(f) Short-term interbank investments

The short-term interbank investments are stated at cost plus accrued income up to the balance sheet date less provision for loss, when applicable.

(g) Securities

Securities are initially recognized on the trade date, i.e., the date when CAIXA becomes a party to the contractual provisions of the instrument, including purchases or sales of financial assets that require delivery within the timeframe established by regulations or market convention.

Management bases the initial classification of financial instruments on the purpose for which they were acquired and on their characteristics.

All financial instruments are initially recognized at fair value plus transaction cost, except when financial assets and liabilities are recognized at fair value through profit or loss.

The securities portfolio is recorded in conformity with BACEN Circular No. 3068/2001 and classified in accordance with management's intention, in three specific categories:

- Trading securities - securities purchased with the objective of being frequently and actively traded. These are adjusted to fair value against income or expense for the period.
- Available-for-sale securities - instruments held for an indefinite period and that can be sold in response to the need for liquidity or changes in market condition and securities which are not considered as trading securities nor held to maturity. These are adjusted to fair value against a separate account in stockholders' equity, denominated "Carrying value adjustment". Gains and losses, when realized, are recorded as income or expense for the period, net of tax effects.
- Securities held to maturity - securities acquired with the intention and financial capacity of being held up to maturity. These are recorded at cost plus accrued income.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

The fair value was established based on consistent and verifiable criteria which take into consideration the average trading price on the date of the calculation, or in its absence, market price quotations for similar assets and liabilities or, in their absence, internal pricing methods.

Regardless of the category in which they are classified, income on securities is appropriated on a daily pro rata basis, following the accrual basis of accounting, based on their conditions of remuneration and is recorded in income statement accounts.

Losses on securities, regardless of the category in which they are classified, are directly recognized in results for the period and become part of the new basis of the cost of assets.

(h) Derivative financial instruments

These are classified at the time of the transaction as hedge or non-hedge, based on management's intention. The derivative financial instruments which do not comply with the hedging criteria defined by the Brazilian Central Bank, mainly derivatives used to manage overall risk exposure, are recorded at fair value, with realized and unrealized gains and losses directly recorded in the statement of income.

The fair value was established based on consistent and verifiable criteria which take into consideration the average trading price on the date of the calculation, or in its absence, market price quotations for similar assets and liabilities or, in their absence, internal pricing methods.

When the derivative financial instrument is contracted through negotiations associated with the funding or investment of resources, in the terms of BACEN Circular No. 3150/2002, the valuation is based on the conditions defined in contract, with no adjustment arising from the fair value of the derivative.

(i) Fair value measurement

The fair value of the financial instruments traded in active markets at the balance sheet date is based on quoted market prices at the balance sheet date, without deductions for the transaction costs.

The fair value of derivative financial instruments that are not traded in an active market is determined by using appropriate valuation techniques, which consist of cash flow analyses based on observable data, such as prices and rates used for other financial instruments available in the market, for example, futures contracts, government securities and swap transactions

An analysis of the fair value of financial instruments and further details on their measurement can be found in Note 35, Corporate Risk Management.

(j) Loan operations and allowance for loan losses

Loans are classified observing the parameters established by CMN Resolution No. 2682/1999, which requires their classification in nine levels, from "AA" (minimum risk) to "H" (maximum risk), and assessment by management as to the risk level. This assessment, carried out periodically, takes into consideration the economic situation, past experience and the specific and overall risks in relation to the transactions, the debtors and guarantors. Also, the periods of arrears for attribution of the levels of classification are taken into consideration, as follows:

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Period in arrears		Classification of the customer
Regular term	Special term (i)	
. from 15 to 30 days	. from 30 to 60 days	B
. from 31 to 60 days	. from 61 to 120 days	C
. from 61 to 90 days	. from 121 to 180 days	D
. from 91 to 120 days	. from 181 to 240 days	E
. from 121 to 150 days	. from 241 to 300 days	F
. from 151 to 180 days	. from 301 to 360 days	G
. over 180 days	. over 360 days	H

(i) These include operations with remaining maturity term in excess of 36 months, according to CMN Resolution No. 2682/1999.

The interest accrued on loans overdue up to 59 days is recorded as income from loans, and, after the 60th day, is recognized as income only when effectively received.

The operations classified as risk level "H" for more than six months and in arrears for more than 180 days (360 days – special term) are charged off against the existing allowance, and controlled for at least five years in memorandum accounts.

The allowance for loan losses is calculated at an amount sufficient to cover probable losses and complies with BACEN standards and instructions, as well as the evaluations of management, in the determination of credit risks.

(k) Income tax and social contribution on net income

The provision for income tax is constituted at the rate of 15% of taxable income plus a surcharge of 10%. The social contribution on net income before income tax is calculated at the rate of 15% for financial companies and for companies of the insurance segment and 9% for other companies.

Deferred income tax and social contribution, calculated on income tax and social contribution losses and temporary differences, are recorded as tax credits, in accordance with the expectation of generation of future results, in accordance with the criteria for recognition, maintenance and write-off established by CMN Resolution No. 3059/2002 amended by CMN Resolution No. 3355/2006.

The recording of tax credits is based on the expectation of their realization, according to technical studies and analyzes made by management.

The realization of tax credits depends on their origin. Those originated from temporary differences are realized by the use or reversal of provisions that were used as a basis for their recognition. On the other hand, the tax credits on income tax and social contribution losses are realized upon generation of taxable income, through offset in the calculation basis of the related taxes, respecting the limit of 30% of that basis.

CAIXA recognizes IRPJ, CSLL, PASEP and COFINS tax credits on the negative adjustments from marking the marketable securities and derivative financial instruments to market and appropriated to the income statement and in a separate account of stockholders' equity.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(l) Prepaid expenses

Prepaid expenses represent prepayments whose benefit or rendering of services will occur in future periods. They are recorded in assets on the accrual basis of accounting to ensure their proper recognition as an expense, simultaneously with income when this is related to the expense.

(m) Investments

Investments in subsidiary and associated or equivalent companies, with actual or presumed significant influence, are recorded on the equity method of accounting and are subject to impairment tests in conformity with BACEN standards and instructions.

The other permanent investments are stated at cost of acquisition and are subject to impairment tests to determine their recoverable value.

(n) Property and equipment

This group includes land, buildings, furniture, equipment, computer hardware and other fixtures owned by CAIXA and intended for its operating activities.

Property and equipment are stated at cost of purchase or formation plus price-level restatements up to December 31, 1995 and are subject to impairment tests and depreciated on the straight-line method, without any residual value.

The land on which buildings and other structures stand has indefinite useful life and, therefore, is not depreciated.

Depreciation expense of property and equipment is recognized in the consolidated statement of income and is basically calculated using the following economic useful lives:

	Term
Buildings	50 years
Communication systems	10 years
Furniture and equipment	10 years
Data processing systems	5 years
Security systems	5 years

CAIXA does not have financing of property and equipment or borrowing costs related to these assets.

CAIXA assesses, at the end of the reporting period, if there is any indication that an asset may be impaired (that is, its carrying amount exceeds its recoverable amount).

If this is the case, the carrying amount of the asset is reduced to its recoverable amount and future depreciation expenses are adjusted in proportion to the revised carrying amount and the new remaining useful life (if applicable).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Similarly, if there is an indication of recovery of the value of a property and equipment asset, CAIXA recognizes the reversal of the impairment loss recognized in prior periods and adjusts the future depreciation charges accordingly.

In no circumstances may the reversal of an impairment loss increase the asset's carrying amount above that which it would have if no impairment losses had been recognized in prior years.

The estimated useful lives of property and equipment held for own use are reviewed, at least at the end of each reporting period, to detect possible significant changes.

If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognized in the consolidated statement of income for coming periods, based on the new useful lives.

Subsequent costs are capitalized as Property and equipment only if they meet the required criteria.

Maintenance costs of property and equipment such as labor, consumption materials and small-cost spare parts are expensed as incurred.

(o) Intangible assets

These are stated at the cost of acquisition or formation of intangible assets used in or intended for the business activities, less amortization, when applicable, calculated on the straight-line method based on the contractual terms, and are subject to impairment tests, as established in the CMN Resolutions No. 3642/2008 and No. 3566/2008.

Intangible assets are identifiable non-monetary assets (separable from other assets) without physical substance which arise as a result of a legal transaction or which are developed internally by the consolidated entities.

Only assets whose cost can be reliably estimated and from which the entity considers that future economic benefits will be generated are recognized.

Intangible assets are recognized initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets can have an indefinite useful life when, based on an analysis of all the relevant factors, the period over which the asset is expected to generate cash inflows for the consolidated entities cannot be foreseen.

Intangible assets with indefinite useful lives are not amortized; however, at the end of each reporting period the remaining useful lives of the assets are reviewed in order to determine whether they continue to be indefinite and, if this is not the case, to take the appropriate actions.

Intangible assets with finite useful lives are amortized over the corresponding period on the straight-line method.

The intangible asset amortization expenses are recognized in the consolidated statement of income and calculated as follows:

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

	Amortization period
Logistics projects – software	5 years
Payroll acquisitions ¹	Up to 5 years

(1) These refer to amounts paid to ensure exclusivity for banking services of payroll credit processing and payroll-linked loans, maintenance of collection portfolios, payments to suppliers and other banking services rendered through commercial partnership agreements entered into with public and private sectors.

The intangible asset “Payroll acquisition” is amortized over the term of the respective agreement, up to the limit of 5 years.

The intangible asset amortization expenses are recognized in the consolidated statement of income under “Depreciation and amortization”.

The criteria used to recognize impairment losses on these assets and, where applicable, the reversal of impairment losses recognized in prior years, are similar to those used for property and equipment items.

Internally developed computer software is recognized as an intangible asset only if the entity identifies its ability to use or sell the product and when it can be reliably shown that the software product will generate future economic benefits.

(p) Deferred charges

Deferred charges are recorded at cost of acquisition or formation less amortization calculated on the straight-line method in up to five years, and are subject to impairment tests. As established by CMN Resolution No. 3617/2008, the balances as at September 2008 will be maintained up to their total amortization.

(q) Deposits and funds obtained in the open market

These are stated at liability values and include, when applicable, the charges accrued up to the balance sheet date.

(r) Provisions, contingent assets and liabilities

The recognition, measurement and disclosure of contingent assets and liabilities and legal liabilities are made in accordance with the criteria defined in CMN Resolution No. 3823/2009, which adopts the criteria contained in CPC 25, issued by the Brazilian Accounting Pronouncements Committee (CPC), for recognizing, measuring and disclosing provisions, contingent liabilities and contingent assets.

(i) Contingent assets - these are not recognized in the financial statements unless management has evidence that there are collateral guarantees or favorable legal decisions against which no further appeals are possible.

(ii) Provisions - these are recognized in the financial statements when, on the basis of legal opinions, the risk of loss in judicial or administrative proceedings is assessed as probable, considering the nature of CAIXA's activities.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(iii) Contingent liabilities - Contingent liabilities classified as possible losses are not recognized in the accounts, and disclosed only in the notes when significant on an individual basis, and those classified as remote are not recorded as a provision or disclosed.

(s) Other assets and liabilities

The assets are stated at realizable amounts, including, when applicable, related accrued income and monetary variations (on a daily "pro-rata" basis) and less provision for losses, when deemed appropriate. The liabilities are stated at known or estimated amounts, plus related accrued charges and monetary variations (on a daily "pro-rata" basis).

(t) Impairment of financial assets

CAIXA evaluates, at the balance sheet date, if there is objective evidence that a financial asset or a group of financial assets is impaired in relation to its recoverable value.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), except for assessments of the credit operations for which, in accordance with current legislation, the criterion of expected loss is used.

(u) Employee benefits

CAIXA operates a Defined Benefit pension plan, under which contributions are made to an independent pension fund.

The present value of the plan's actuarial obligations, as well as the current service cost and, when applicable, the past service cost, is determined through the Projected Unitary Credit method, which attributes the benefit to the periods when the obligation to provide post-employment benefit arise.

If an employee service in subsequent years leads to a level of benefit materially higher than in earlier years, the benefit is attributed on the straight-line method up to the date when the additional service of the employee will lead to an immaterial amount of further benefits.

CAIXA adopts the following policy in the recognition of the actuarial gains and losses recorded in the financial statements for private pension plans and post-employment benefits structured as Defined Benefits:

(a) Actuarial gains or losses to be recognized as income or expense correspond to the amount of unrecognized accumulated gains or losses which exceed, in each year/period, the higher of the following limits:

- i. 10% of the present value of the total defined benefit actuarial liability; and
- ii. 10% of the fair value of the plan assets.

(b) Accordingly, actuarial gains or losses to be recognized in each year/period will be calculated by dividing the amount of accumulated actuarial gains or losses, as mentioned in item (a) above, by the remaining average time of service estimated for the participants of the plan.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

CAIXA also operates private pension plans with benefits structured in the Defined Contribution type, which do not generate actuarial gains or losses.

CAIXA also offers savings account benefits, under the Defined Benefit type, and “Saúde CAIXA” – a healthcare plan intended to benefit employees and retirees and respective dependents.

The liabilities and costs of this healthcare plan were calculated based on actuarial hypotheses and assumptions approved by CAIXA and on the actuarial Projected Unitary Credit method, established by IAS 19.

CAIXA provides to its employees and management meal vouchers and food baskets, in accordance with current legislation and the Collective Bargaining Agreement. These benefits, of an indemnification nature, are not considered as salary and do not imply any charges to CAIXA, its employees or management.

Note - 5 Cash and Cash Equivalents

Description	2011		2010
	June 30	March 31	June 30
Cash	2,083,770	1,884,618	1,743,061
Cash and banks in local currency	1,660,871	1,765,757	1,465,455
Cash and banks in foreign currency	67,083	85,449	37,485
Total cash and banks	3,811,724	3,735,824	3,246,001
Short-term interbank investments*	41,424,809	35,775,297	31,555,452
Total	45,236,533	39,511,121	34,801,453

* Operations falling due, on the date of investment, in 90 days or less.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 6 Short-term Interbank Investments

Description	2011				2010		
	1 to 30 days	June 30	%	March 31	%	June 30	%
Money market investments							
Non-financed position	5,362,511	5,362,511	12.94	6,156,112	17.20	1,549	-
Financial Treasury Bills	1,545,556	1,545,556	3.73	2,416,368	6.75	34	-
Federal Treasury Bills	200	200	0.00	3,146,047	8.79	1,515	-
Federal Treasury Notes	3,816,755	3,816,755	9.21	593,697	1.66	-	-
Financed position	36,062,298	36,062,298	87.06	29,619,185	82.80	31,457,624	99.69
Financial Treasury Bills	29,327,030	29,327,030	70.80	10,345,549	28.92	21,764,372	68.97
Federal Treasury Bills	3,002,027	3,002,027	7.25	7,532,579	21.06	9,693,252	30.72
Federal Treasury Notes	3,733,241	3,733,241	9.01	11,741,057	32.82	-	0.00
Interbank deposits	-	-	0.00	-	0.00	96,279	0.31
Investments in interbank deposits	-	-	0.00	-	0.00	96,318	0.31
Provision for loss on investment in Interbank Deposits (DI)	-	-	0.00	-	0.00	(39)	-
Total	41,424,809	41,424,809	100	35,775,297	100	31,555,452	100
Current assets	41,424,809	41,424,809	100	35,775,297	100	31,555,452	100
Non-current assets	-	-	-	-	-	-	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(a) Income from interbank investments

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Income from investments in repurchase agreements:	1,184,080	1,135,866	2,319,946	1,920,525
Non-financed position	461,500	339,766	801,266	239,206
Financed position	722,580	796,100	1,518,680	1,681,319
Income from investments in interbank deposits	-	6,734	6,734	3,944
Total	1,184,080	1,142,600	2,326,680	1,924,469

Note - 7 Securities and Derivative Financial Instruments

(a) Summary of the classification of securities and derivative financial instruments

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
I - Trading securities	46,680,973	43.32	40,560,450	39.32	37,083,545	33.70
Financial Treasury Bills	7,051,497	6.54	6,858,871	6.65	7,823,230	7.10
Federal Treasury Bills	32,635,954	30.28	27,370,702	26.53	21,868,544	19.90
Federal Treasury Notes	6,915,326	6.42	6,261,712	6.07	7,329,104	6.66
Debentures	53,622	0.05	51,590	0.05	48,253	0.04
Investment funds	18,612	0.02	17,575	0.02	14,414	0.01
Mortgage backed securities	5,962	0.01	-	-	-	-
II - Available-for-sale securities	2,866,287	2.66	3,016,050	2.92	1,311,068	1.18
Financial Treasury Bills	183,789	0.17	197,845	0.19	236,028	0.21
Federal Treasury Notes	6,378	0.01	6,247	0.01	27,163	0.02
Rural Debt Securities	263	-	273	-	252	-
Financial Treasury Certificates	-	-	66,230	0.06	60,998	0.06
Debentures	287,302	0.27	311,450	0.3	302,298	0.27
Promissory notes	-	-	-	-	-	-
Investment funds	9,931	0.01	10,402	0.01	3,613	-
Mortgage backed securities	153,170	0.14	62,916	0.06	66,589	0.06
Shares	2,225,454	2.07	2,360,687	2.29	614,127	0.56
Other	-	-	-	-	-	-
III - Securities held to maturity	58,214,248	54.02	59,586,720	57.76	71,718,185	65.12
Financial Treasury Bills	5,253,375	4.88	5,385,530	5.22	5,464,659	4.96
Federal Treasury Bills	87,369	0.08	84,869	0.08	9,223,497	8.38
Federal Treasury Notes	52,682,098	48.89	53,950,102	52.3	53,618,950	48.69
Federal Treasury/Securitization	164,094	0.15	166,219	0.16	2,635,304	2.39
Debentures	-	-	-	-	55,849	0.05
Promissory notes	-	-	-	-	719,926	0.65
Mortgage backed securities	27,312	0.03	-	-	-	-
Derivative Financial Instruments	-	-	-	-	164	-
Total	107,761,508	100	103,163,220	100	110,112,962	100
Current assets	62,363,438	57.87	56,673,091	54.93	52,287,749	47.5
Non-current assets	45,398,070	42.13	46,490,129	45.07	57,825,213	52.5

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Summary of the classification of marketable securities and derivative financial instruments by maturities

(b.1) Category I - Trading securities

Description	2011											2010				
	June 30								March 31			June 30				
	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More Than 720 days	No maturity	Cost	Adjustment to market value (result)	Market value	Cost	Adjustment to market value (result)	Market value	Cost	Adjustment to market value (result)	Market value
Brazilian Government Securities	4,016,835	-	6,073,630	10,022,652	19,575,013	7,002,765	-	46,690,895	(88,118)	46,602,777	40,554,047	(62,762)	40,491,285	37,109,775	(88,897)	37,020,878
Financial																
Treasury Bills Federal	-	-	2,727,112	1,699	3,043,803	1,279,693	-	7,052,307	(810)	7,051,497	6,859,754	(882)	6,858,872	7,824,253	(1,023)	7,823,230
Treasury Bills Federal	4,016,835	-	3,346,518	3,382,304	16,312,176	5,640,482	-	32,698,315	(62,361)	32,635,954	27,417,221	(46,519)	27,370,702	21,953,060	(84,516)	21,868,544
Treasury Notes	-	-	-	6,638,649	219,034	82,590	-	6,940,273	(24,947)	6,915,326	6,277,072	(15,361)	6,261,711	7,332,462	(3,358)	7,329,104
Corporate Securities	-	-	-	-	30,165	30,063	18,612	78,840	(644)	78,196	69,509	(344)	69,165	62,142	525	62,667
Debentures	-	-	-	-	30,165	30,063	18,612	78,840	(644)	78,196	69,509	(344)	69,165	62,142	525	62,667
Investment funds	-	-	-	-	-	-	18,612	18,612	-	18,612	17,575	-	17,575	14,414	-	14,414
Mortgage backed securities	-	-	-	-	-	6,553	-	6,553	(591)	5,962	-	-	-	-	-	-
Total	4,016,835	-	6,073,630	10,022,652	19,605,178	7,032,828	18,612	46,769,735	(88,762)	46,680,973	40,623,556	(63,106)	40,560,450	37,171,917	(88,372)	37,083,545
%	8.59	-	12.99	21.43	41.92	15.04	0.03	100.00	-	-	100.00	-	-	100.00	-	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b.2) Category II - Available-for-sale securities

Description	2011										2010					
	June 30										March 31		June 30			
	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	No maturity	Cost	Adjustment to market value (stockholders' equity)	Market value	Cost	Adjustment to market value (stockholders' equity)	Market value	Cost	Adjustment to market value (stockholders' equity)	Market value
Brazilian Government Securities	-	-	-	256	-	187,546	-	187,801	2,629	190,430	266,803	3,792	270,595	877,058	3,536	880,594
Financial Treasury Bills	-	-	-	-	-	183,429	-	183,429	360	183,789	197,391	454	197,845	235,235	792	236,028
Federal Treasury Notes	-	-	-	-	-	4,117	-	4,117	2,261	6,378	3,985	2,262	6,247	25,152	2,011	27,163
Rural Debt Securities	-	-	-	256	-	-	-	255	8	263	263	10	273	237	16	252
Financial Treasury Certificates	-	-	-	-	-	-	-	-	-	-	65,164	1,066	66,230	60,281	717	60,998
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	556,153	-	556,153
Corporate securities	-	-	-	1,478	116,175	323,964	2,431,565	2,873,183	(197,326)	2,675,857	2,583,160	162,295	2,745,455	388,402	42,072	430,474
Debentures	-	-	-	1,478	116,175	163,993	-	281,647	5,655	287,302	305,244	6,205	311,449	293,500	8,798	302,298
Promissory Notes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment funds	-	-	-	-	-	-	9,931	9,931	-	9,931	10,402	-	10,402	3,613	-	3,613
Mortgage backed securities	-	-	-	-	-	159,971	-	159,971	(6,801)	153,170	61,170	1,746	62,916	66,333	256	66,589
Shares	-	-	-	-	-	-	2,421,634	2,421,634	(196,180)	2,225,454	2,206,344	154,344	2,360,688	24,956	33,018	57,974
Total	-	-	-	1,734	116,175	511,510	2,431,565	3,060,984	(194,697)	2,866,287	2,849,963	166,087	3,016,050	1,265,460	45,608	1,311,068

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b.3) Category III - Securities held to maturity

Description	2011										2010	
	June 30							March 31			June 30	
	1 to 30 days	31 to 90 days	90 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Cost	Market value	Cost	Market value	Cost	Market value
Brazilian Government Securities	-	-	5,750,239	7,695,014	18,973,368	25,768,315	58,186,936	58,827,563	59,586,720	60,917,875	70,942,410	70,870,906
Financial Treasury Bills	-	-	949,299	-	1,448,720	2,855,356	5,253,375	5,252,905	5,385,530	5,385,034	5,464,659	5,464,138
Federal Treasury Bills	-	-	87,369	-	-	-	87,369	87,293	84,869	84,939	9,223,497	9,167,122
Federal Treasury Notes	-	-	4,713,571	7,695,014	17,524,648	22,748,865	52,682,098	53,352,310	53,950,102	55,311,267	53,618,950	54,063,567
Federal Treasury/Securitization	-	-	-	-	-	164,094	164,094	135,055	166,219	136,635	2,635,304	2,176,079
Corporate securities	-	-	-	-	-	27,312	27,312	27,553	-	-	775,775	773,043
Mortgage backed securities	-	-	-	-	-	27,312	27,312	27,553	-	-	-	-
Debentures	-	-	-	-	-	-	-	-	-	-	55,849	53,334
Promissory notes	-	-	-	-	-	-	-	-	-	-	719,926	719,709
Total	-	-	5,750,239	7,695,014	18,973,368	25,795,627	58,214,248	58,855,116	59,586,720	60,917,875	71,718,185	71,643,949

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Consolidated classification by maturities

Description	June 30, 2011												
	Cost	Provision for adjustment to market value		Market Categories I and II	Market Value*	%	0 - 30	31 - 90	91 -180	181 - 360	360 - 720	More than 720 days	No maturity
		Result	Stockholders' Equity										
Brazilian Government Securities	105,065,633	(88,118)	2,628	104,980,143	105,620,770	97.43	4,016,835	-	11,823,870	17,717,923	38,548,381	32,958,624	-
Financial Treasury Bills	12,489,111	(810)	360	12,488,661	12,488,191	11.52	-	-	3,676,412	1,699	4,492,524	4,318,476	-
Federal Treasury Bills	32,785,684	(62,361)	-	32,723,323	32,723,247	30.19	4,016,835	-	3,433,887	3,382,304	16,312,176	5,640,482	-
Federal Treasury Notes	59,626,489	(24,947)	2,260	59,603,802	60,274,014	55.60	-	-	4,713,571	14,333,665	17,743,681	22,835,572	-
Federal Treasury/Securitization	164,094	-	-	164,094	135,055	0.12	-	-	-	-	-	164,094	-
Rural Debt Securities	255	-	8	263	263	-	-	-	-	255	-	-	-
Financial Treasury Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Securities	2,979,336	(644)	(197,327)	2,781,365	2,781,606	2.57	-	-	-	1,478	146,342	381,339	2,450,177
Debentures	335,323	(54)	5,655	340,924	340,924	-	-	-	-	1,478	146,342	187,503	-
Promissory notes	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment funds	28,543	-	-	28,543	28,543	-	-	-	-	-	-	-	28,543
Mortgage backed securities	193,836	(590)	(6,802)	186,444	186,685	-	-	-	-	-	-	193,836	-
Other	2,421,634	-	(196,180)	2,225,454	2,225,454	2.57	-	-	-	-	-	-	2,421,634
Subtotal - Marketable securities	108,044,969	(88,762)	(194,699)	107,761,508	108,402,376	100.00	4,016,835	-	11,823,870	17,719,401	38,694,723	33,339,962	2,450,177
Trading Securities	46,769,736	(88,762)	-	46,680,973	46,680,973	43.06	4,016,835	-	6,073,631	10,022,652	19,605,178	7,032,828	18,612
Available For Sale securities	3,060,985	-	(194,699)	2,866,287	2,866,287	2.65	-	-	-	1,735	116,175	511,509	2,431,565
Securities Held To Maturity	58,214,248	-	-	58,214,248	58,855,116	54.29	-	-	5,750,239	7,695,014	18,973,370	25,795,625	-
Derivatives (Assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives (Liabilities)	852	-	-	-	852	100.00	852	-	-	-	-	-	-
Total securities and derivatives (Assets)	108,044,969	(88,762)	(194,699)	107,761,508	108,402,376	100.00	4,016,835	-	11,823,870	17,719,401	38,694,723	33,339,962	2,450,177
Total securities and derivatives (Liabilities)	852	-	-	-	852	100.00	852	-	-	-	-	-	-

* Securities held to maturity were marked to market for analysis. However, this has no effect on income or stockholders' equity.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(d) Analysis of the securities portfolio

Description	Own Portfolio	Designated			Derivatives	Total	%
		Subject to repurchase agreements	Pledged in Guarantee	Central Bank			
Brazilian Government Securities	78,103,146	26,105,359	770,410	1,228	-	104,980,143	97.42
Financial Treasury Bills	4,542,164	7,942,442	4,055	-	-	12,488,661	11.59
Federal Treasury Bills	32,349,216	334,781	39,326	-	-	32,723,323	30.37
Federal Treasury Notes	41,047,409	17,828,136	727,029	1,228	-	59,603,802	55.31
Federal Treasury/ Securitization	164,094	-	-	-	-	164,094	0.15
Rural Debt Securities	263	-	-	-	-	263	-
Financial Treasury Certificates	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Corporate Securities	2,781,365	-	-	-	-	2,781,365	2.58
Debentures	340,924	-	-	-	-	340,924	0.32
Promissory notes	-	-	-	-	-	-	-
Shares in funds	28,543	-	-	-	-	28,543	0.03
Mortgage backed securities	186,444	-	-	-	-	186,444	0.17
Other	2,225,454	-	-	-	-	2,225,454	2.07
June 30, 2011	80,884,511	26,105,359	770,410	1,228	-	107,761,508	100.00
March 31, 2011	75,889,255	26,721,329	551,444	1,192	-	103,163,220	100.00
June 30, 2010	72,777,996	36,922,712	410,889	1,201	164	110,112,962	100.00

The market value of the securities is based on quoted prices at the balance sheet date. If there is no market price quotation, the amounts are estimated using the mark-to-market model based on the cash flows of the assets and market interest curves.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Cash flows are prepared based on the characteristics of the marketable securities and interest curves on the available information/data of the market prices/rates of the financial instruments, such as: futures contracts, government securities or swap transactions.

The CVS securities, relating to the Salary Variation Compensation Fund (FCVS) debt renewal contracts, mature in 2027 and earn income based on the Referential Interest Rate (TR) plus annual interest of up to 6.17%. Based on Provisional Measure No. 2196-3/2001, the Federal Government is authorized to exchange them for other securities issued by the Federal Treasury at updated face value. Aware that the exchange, whenever necessary, will be made and taking into consideration the financial capacity of CAIXA, management decided to classify these securities in the held to maturity category – Federal Treasury/Securitization.

On December 30, 2010, the National Treasury Secretariat issued Ordinance STN No. 728, which authorized the issuance of 3,578,288 National Treasury Bills (LTN) totaling R\$ 2,876,426, maturing on July 1, 2012 (R\$ 1,438,220) and April 1, 2013 (R\$ 1,438,206) on behalf of CAIXA, in exchange for 1.323.797 Salary Variations Compensation (CVS) securities totaling R\$ 2,876,426, maturing on January 01, 2027.

(e) Securities income

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Purchase and sale commitments	1,184,080	1,135,866	2,319,946	1,920,525
Investments in interbank deposits	-	6,734	6,734	3,944
Financial assets available for sale	38,672	(154,879)	(116,207)	114,867
Financial assets held for trading	1,211,606	912,062	2,123,668	1,372,181
Financial assets held to maturity	1,925,719	2,193,365	4,119,084	4,248,154
Total	4,360,077	4,093,148	8,453,225	7,659,671

(f) Derivative financial instruments

CAIXA uses derivative financial instruments recorded in balance sheet and memorandum accounts which are used to meet its own needs to manage exposures. These operations involve DI futures contracts, U.S. dollars, exchange coupon and swap contracts.

Derivative financial instruments, when used as hedging instruments, are designed to hedge changes in foreign exchange rates and variations in the interest rates of assets and liabilities. Derivatives usually represent future commitments to exchange currencies or indexes or to purchase or sell other financial instruments according to the terms and dates specified in the contracts.

The exposure to credit risk in the futures contracts is minimized due to the daily adjustments. The swap contracts, registered with Cetip and BM&F, are subject to credit risk if the counterparty is unable or unwilling to fulfill its contractual obligations. The total swap credit exposure at June 30, 2011 is R\$ 77 (2010 - R\$ 11,919).

The reference values of these derivatives are recorded in memorandum accounts and the differences receivable or payable in balance sheet accounts. The reference value of these transactions is R\$ 32,973,053 (2010 - R\$ 30,060,517), The swap difference payable on June 30, 2011 is R\$ 852 (2010 - R\$ 1,598) and the swap difference receivable, R\$ 0 (2010 - R\$ 164).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(g) Derivative financial instrument values recorded in asset and liability accounts and memorandum accounts:

Description	2011								2010			
	June 30				March 31				June 30			
	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value
Future contracts	32,800,964	-	-	32,800,964	28,007,935	-	-	28,007,935	28,460,244	-	-	28,460,244
Sales commitments	32,800,964	-	-	32,800,964	28,007,935	-	-	28,007,935	28,460,244	-	-	28,460,244
Foreign currency	14,139	-	-	14,139	11,483	-	-	11,483	8,148	-	-	8,148
Indexes/DDI	32,786,825	-	-	32,786,825	27,996,452	-	-	27,996,452	28,452,096	-	-	28,452,096
Swap contracts	-	-	-	-	-	-	-	-	-	-	-	-
Receiving position	-	-	-	-	-	-	-	-	-	-	-	-
Referential rate	-	-	-	-	-	-	-	-	1,484,425	164	95,131	1,579,720
Paying position	-	-	-	-	-	-	-	-	-	-	-	-
Floating rate	-	(852)	-	(852)	-	(824)	-	(824)	1,484,425	1,598	93,697	1,579,720

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(h) Composition of the derivative financial instruments portfolio (Assets and Liabilities) by type of instrument, place of negotiation, counterparty and maturity, stated at cost value and market value:

	2011							2010	
	June 30						March 31	June 30	
	1-30 days	31-90 days	91-180 days	181-365 days	366-720 days	More than 720 days	Market value	Market value	Market value
ASSET - DI - Futures - short position									
BM&F Bovespa	3.815.963	-	2.761.417	8.531.360	12.392.264	5.099.594	32.600.598	27.770.729	28.452.096
ASSET - DOLLAR - Futures - short position									
BM&F Bovespa	-	14.139	-	-	-	-	14.139	11.483	8.149
ASSET DOLLAR - Futures - long position									
BM&F Bovespa	-	-	-	-	-	-	-	20.766	-
ASSET DDI - Futures - short position									
BM&F Bovespa	-	-	-	-	-	-	-	32.234	-
ASSET DDI - Futures - long position									
BM&F Bovespa	78.019	-	108.208	-	-	-	186.227	193.489	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(i) Realized and unrealized result on the derivative financial instruments portfolio

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Swap	(28)	49	21	(912)
Future	(6,942)	(29,904)	(36,846)	(41,612)
Total	(6,970)	(29,855)	(36,825)	(42,524)

(j) Guarantee margin

The guarantee margin is the deposit required from all those with outstanding risk positions, with the purpose of ensuring compliance with the related contracts. The guarantee margin on transactions with derivative financial instruments is as follows:

Description	2011		2010
	June 30	March 31	June 30
Government securities	770,411	551,282	251,823
- Federal Treasury Notes	727,029	547,499	-
- Treasury Bills	39,326	-	251,823
- Financial Treasury Bills	4,056	3,783	-

(k) Mark-to-market

Mark-to-market has an important role in the management of market risk, showing the changes in the market values of the positions held by CAIXA. Its objective is to estimate the prices of the market risk factors to which the asset and liability transactions are exposed and, consequently, the prices that reflect, as far as possible, the trading terms of the positions of CAIXA's portfolio in the financial market.

At CAIXA, the mark-to-market process is based on market quotations, if any. If there is no active market, asset and liability cash flows are prepared as well as estimates of the curves of the interest rates in the market. Cash flows are constructed based on the characteristics of the operations, and statistical models are used for those that do not have a defined maturity. Interest rate curves are calculated based on market prices and rates of available financial instruments, such as: futures contracts, public securities and swap transactions.

Mark-to-market is part of the process of market risk management and is carried out by a specific unit, under the responsibility of the Control and Risk Vice-President.

The mark-to-market methodology adopted by CAIXA is in line with the best practices of corporate governance and risk management. It covers all the asset and liability operations of CAIXA subject to such requirement and its fundamental principles are the transparency of information and independence of the managing unit.

The prices and rates used in the calculation of the market value of the asset and liability operations come from market sources which are representative and reliable: public prices or those available to all the financial institutions and prices obtained privately or accessible to a specific or limited group of these institutions.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Data are obtained and used to reflect current market information, being validated in physical and logical terms.

The physical or integrity validation consists in verifying whether the market data obtained from primary sources and available in the systems involved in the mark-to-market process present the same values.

The logical validation consists in verifying whether the data obtained are consistent and compatible with the market behavior, avoiding inaccuracies, mistakes or non-synchronism and comprise two functionalities:

- Comparative verification between the values or temporal structures generated by the mark-to-market models and the values and temporal structures generated in previous days or presented by the risk factors of the instruments, contracts, assets or securities that may be used as a reference.
- Complete verification to detect and review unexpected or inconsistent changes and breaks in the values themselves or temporal structures generated by the mark-to-market models, such as the variations in forward rate value used for the interpolation or extrapolation of data.

Note - 8 Interbank Accounts

(a) The deposits with the Brazilian Central Bank mainly comprise compulsory deposits which are updated monetarily by official indexes and interest rates, except those relating to demand deposits, and are not available to finance the routine operations of CAIXA and thus are not included in cash and cash equivalents.

Description	Remuneration rate	2011		2010
		June 30	March 31	June 30
Compulsory on demand deposits	Not remunerated	4,049,227	3,924,891	3,966,600
Compulsory on savings deposits	TR + 6% p.a.	27,139,434	26,460,679	23,090,084
Additional compulsory (1)	Selic rate	25,867,742	24,514,321	17,188,266
Total		57,056,403	54,899,891	44,244,950

(1) According to BACEN Circular No. 3486/2010, as from 2010 the additional compulsory deposit started to be paid in cash at the following rates: demand and time deposits – 8%; and savings deposits – 10%. Up to December 2009, this deposit was made with securities.

(b) "SFH – National Housing System" account includes predominantly the residual amounts of completed contracts to be reimbursed by the FCVS which are in the process of renewal with the Fund, totaling R\$ 23,697,782 (2010 – R\$ 28,266,045), and provisions of R\$ 2,926,026 (2010 – R\$ 3,004,758). These contracts currently accrue interest of up to 6.17% a year and are updated monetarily according to the Referential Interest Rate (TR). The effective realization of these credits depends on compliance with a set of rules and procedures defined in regulations issued by the FCVS. CAIXA's management has implemented a process for analyzing and checking the conditions and details of these contracts as to their qualifying under the rules and procedures, which enabled the establishment of criteria to estimate the provisions for probable losses arising from contracts that do not meet the rules and procedures defined by the FCVS.

CAIXA has various financing contracts signed up to December 5, 1990, for which the coverage of the Salary Variation Compensation Fund (FCVS) was denied, due to the multiple financing contracts submitted to the National Registration of Borrowers (CADMUT).

For these cases, the position adopted by the FCVS Board of Trustees (CCFCVS) is that the borrowers disregarded the SFH/FCVS legislation, particularly in respect of the provisions initially set forth in paragraph 1, article 9 of Law 4380/64, which was in force when the financing contracts were entered into by the Financing Agents.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

However, the Superior Court of Justice (STJ), at the judgment of the Special Appeal (RESP 1133769/RN), whose subject matter involved multiple financing contracts signed with the SFH, recognized the legal status of the housing contracts signed up to December 5, 1990 to be covered by the FCVS and determined the Fund's responsibility over the remaining debt balance.

Considering that the payment of the debts by the FCVS has been legally assured, CAIXA awaits the required procedures by the FCVS in order to recognize the automatic application of the court decision to the contracts with coverage denied due to the existence of multiple financing contracts signed up to December 5, 1990.

On December 28 and 29, 2010, novation contracts were entered into with the federal government totaling R\$ 5,493,700, of which R\$ 3,546,063 in CVS securities and the remaining R\$ 1,947,638 related to the interest that was paid on February 1, 2011.

Description	2011				2010	
	June 30		March 31		June 30	
	Balance	Provision	Balance	Provision	Balance	Provision
Contracts status						
Not yet qualified (i)	2,360,713	(452,563)	2,564,637	(493,176)	2,621,103	(463,257)
Qualified and not approved (ii)	5,760,572	(2,139,570)	5,708,438	(2,069,059)	5,218,707	(1,889,306)
Qualified and approved (iii)	15,576,497	(333,893)	15,597,823	(433,416)	20,426,235	(652,195)
Total	23,697,782	(2,926,026)	23,870,898	(2,995,651)	28,266,045	(3,004,758)

(i) Contracts not yet submitted to approval of the FCVS as they are in the process of qualification by CAIXA.

(ii) Contracts already qualified by CAIXA and under analysis by FCVS for final approval of the FCVS.

(iii) Credits qualified and approved represent the contracts already analyzed and accepted by the FCVS and depend on the process of securitization, as prescribed by Law No. 10150/2000, for their realization.

The provision for credits with the FCVS is based on half-yearly statistical studies and takes into account the history of loss due to the Fund's refusal to accept liability.

(c) Income from compulsory investments

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Credits linked to BACEN	1,191,956	1,064,399	2,256,355	1,118,081
Credits linked to SFH	547,241	517,126	1,064,367	835,025
Total	1,739,197	1,581,525	3,320,722	1,953,106

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 9 Loan Portfolio

(a) Analysis of the loan portfolio by type of transaction

(a.1) Summary of loan portfolios by type of operation

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Loan operations	205,853,006	98.70	190,476,624	98.64	149,152,320	98.59
Loans and bills discounted	52,034,962	24.95	50,585,007	26.20	43,104,726	28.49
Financing	11,714,207	5.62	10,787,694	5.59	9,444,053	6.24
Real estate financing	129,314,290	62.00	117,069,014	60.63	86,907,225	57.44
Infrastructure and development financing	12,789,547	6.13	12,034,909	6.23	9,696,316	6.41
Other receivables with loan characteristics (note 10 c1)	2,707,029	1.30	2,617,025	1.36	2,137,721	1.41
Credit cards	2,650,753	1.27	2,562,136	1.33	2,087,997	1.38
Receivables from honored guarantees	33,540	0.02	32,585	0.02	31,267	0.02
Debtors for the purchase of assets	16,122	0.01	15,274	0.01	9,249	0.01
Rights receivable from disposal or transfer of assets	6,614	0.00	7,030	0.00	9,208	0.01
Total of Loan Portfolio	208,560,035	100.00	193,093,649	100.00	151,290,041	100.00
Provision for allowance loan losses	(13,141,161)	100.00	(12,347,438)	100.00	(9,809,999)	100.00
Provision for loan portfolio	(13,034,763)	99.19	(12,199,122)	98.80	(9,704,217)	98.92
Provision for other receivables	(106,398)	0.81	(148,316)	1.20	(105,782)	1.08
Total of Loan Portfolio Net of the Provisions	195,418,874	-	180,746,211	-	141,480,042	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(a.2) Normal status

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2011				2010	
							June 30	%	March 31	%	June 30	%
Loans and bills discounted	3,227,063	2,072,458	1,846,817	4,987,452	7,369,569	26,619,732	46,123,091	26.94	44,536,110	27.99	39,110,842	31.19
Financing	981,849	248,838	239,594	661,590	1,165,480	6,696,296	9,993,647	5.84	9,174,336	5.77	8,027,718	6.40
Real estate financing	1,571,129	1,225,058	1,223,283	3,663,333	7,234,014	84,744,516	99,661,333	58.22	91,035,318	57.21	67,429,119	53.77
Infrastructure and development financing	73,528	73,528	73,528	220,580	440,972	11,848,955	12,731,091	7.44	11,809,514	7.42	8,721,275	6.96
Other	1,291,052	510,166	318,336	393,298	144,696	13,020	2,670,568	1.56	2,581,739	1.62	2,105,722	1.68
June 30, 2011	7,144,621	4,130,048	3,701,558	9,926,253	16,354,731	129,922,519	171,179,730	100.00	-	-	-	-
March 31, 2011	7,613,803	3,948,817	3,489,851	9,275,128	15,303,967	119,505,451	-	-	159,137,017	100.00	-	-
June 30, 2010	6,250,799	3,454,389	3,079,553	8,277,364	13,916,269	90,416,301	-	-	-	-	125,394,676	100.00

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(a.3) Abnormal status - Installments not yet due

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2011				2010	
							June 30	%	March 31	%	June 30	%
Loans and bills discounted	147,800	135,776	133,407	383,184	652,647	2,244,439	3,697,253	11.17	3,971,095	13.24	2,157,741	9.56
Financing	32,237	31,364	30,558	87,048	151,506	449,484	782,197	2.36	729,630	2.43	695,437	3.08
Real estate financing	508,470	337,373	336,136	1,009,158	2,003,826	24,361,937	28,556,900	86.26	25,046,736	83.53	18,774,106	83.14
Infrastructure and development financing	1,617	558	558	1,674	3,347	49,639	57,393	0.17	225,263	0.75	944,349	6.96
Other	9,484	258	82	234	432	2,782	13,272	0.04	12,638	0.04	10,574	0.05
June 30, 2011	699,608	505,329	500,741	1,481,298	2,811,758	27,108,281	33,107,015	100.00	-	-	-	-
March 31, 2011	1,296,976	471,664	466,486	1,371,428	2,620,654	23,758,154	-	-	29,985,362	100.00	-	-
June 30, 2010	836,707	371,957	366,935	1,075,193	2,034,159	17,897,256	-	-	-	-	22,582,207	100

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(a.4) Abnormal status - Installments overdue

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2011				2010	
							June 30	%	March 31	%	June 30	%
Loans and bills discounted	410,184	208,552	226,626	571,715	715,536	82,005	2,214,618	51.83	2,077,802	52.32	1,836,143	55.42
Financing	25,363	39,127	164,644	330,421	347,879	30,929	938,363	21.96	883,728	22.25	720,898	21.76
Real estate financing	142,340	84,588	183,297	342,543	330,462	12,827	1,096,057	25.65	986,960	24.85	704,000	21.25
Infrastructure and development financing	3	1,044	-	16	-	-	1,063	0.02	132	0.00	30,691	0.93
Other	6,714	5,891	2,398	2,871	2,420	2,895	23,189	0.55	22,648	0.57	21,426	0.64
June 30, 2011	584,604	339,202	576,965	1,247,566	1,396,297	128,656	4,273,290	100.00	-	-	-	-
March 31, 2011	494,378	387,564	556,833	1,137,383	1,284,580	110,532	-	-	3,971,270	100.00	-	-
June 30, 2010	511,851	283,574	448,046	930,906	1,029,531	109,250	-	-	-	-	3,313,158	100.00

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Types and risk levels

Loan operations	AA	A	B	C	D	E	F	G	H	2010				2009	
										Total on June 30	%	Total on March 31	%	Total on June 30	%
Loans and bills discounted	11,074,508	25,556,712	7,484,996	3,425,629	1,240,911	610,819	391,352	300,814	1,949,221	52,034,962	24.95	50,585,007	26.20	43,104,726	28.49
Financing	2,544,829	5,151,877	1,390,480	671,690	391,987	173,536	152,525	148,976	1,088,307	11,714,207	5.62	10,787,694	5.59	9,444,053	6.24
Real estate financing	76,822	64,554,513	31,235,980	23,988,869	1,521,092	743,303	577,547	553,453	6,062,711	129,314,290	62.00	117,069,014	60.63	86,907,225	57.44
Infrastructure and development financing	664,628	7,769,350	1,797,966	1,946,356	609,589	-	-	16	1,642	12,789,547	6.13	12,034,909	6.23	9,696,315	6.41
Other	8,892	1,943,976	307,712	163,839	182,011	34,468	9,020	4,931	52,180	2,707,029	1.30	2,617,025	1.36	2,137,723	1.42
June 30, 2011	14,369,679	104,976,428	42,217,134	30,196,383	3,945,590	1,562,126	1,130,444	1,008,190	9,154,061	208,560,035	100.00	-	-	-	-
%	6.90	50.33	20.24	14.48	1.89	0.75	0.54	0.48	4.39	100.00	-	-	-	-	-
March 31, 2011	9,627,026	89,710,445	48,060,835	28,974,505	4,403,764	2,042,357	1,037,958	865,948	8,370,811	-	-	193,093,649	100.00	-	-
%	4.99	46.46	24.89	15.01	2.28	1.06	0.54	0.45	4.34	-	-	100.00	-	-	-
June 30, 2010	4,928,903	72,756,796	40,494,883	20,766,623	2,773,147	973,621	884,009	1,017,322	6,694,736	-	-	-	-	151,290,042	100
%	3.26	48.09	26.77	13.73	1.83	0.64	0.58	0.67	4.43	-	-	-	-	100.00	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Maturity range and risk levels

(c.1) Normal status

Days	Risk Level														
	Operations with normal status									2011				2010	
	AA	A	B	C	D	E	F	G	H	June 30	%	March 31	%	June 30	%
1 to 30	964,842,00	3,937,232	1,047,666	620,898	257,191	69,760	37,276	20,180	189,576	7,144,621	4.18	7,613,803	4.78	6,250,799	4.98
31 to 60	317,304,00	2,372,521	715,778	399,580	141,962	40,241	19,939	9,359	113,364	4,130,048	2.41	3,948,817	2.48	3,454,389	2.75
61 to 90	227,448,00	2,172,050	651,360	381,947	113,657	32,431	15,704	8,308	98,653	3,701,558	2.16	3,489,851	2.19	3,079,553	2.46
91 to 180	561,425,00	5,974,893	1,759,025	987,147	253,247	74,611	40,674	21,987	253,244	9,926,253	5.80	9,275,128	5.83	8,277,364	6.60
181 to 360	1,057,631,00	9,581,539	3,184,243	1,634,197	343,639	116,623	56,695	32,063	348,101	16,354,731	9.55	15,303,967	9.62	13,916,269	11.10
More than 360	11,121,602,00	69,749,533	26,016,590	18,662,265	1,412,344	258,495	177,600	170,950	2,353,140	129,922,519	75.90	119,505,451	75.10	90,416,302	72.11
Total	14,250,252	93,787,768	33,374,662	22,686,034	2,522,040	592,161	347,888	262,847	3,356,078	171,179,730	100.00	159,137,017	100.00	125,394,676	100.00
%	8.32	54.79	19.50	13.25	1.47	0.35	0.20	0.16	1.96	100.00	-	100.00	-	100.00	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c.2) Abnormal status

Days	Risk Level										2011		2010			
	Operations with abnormal status										June 30	%	March 31	%	June 30	%
	AA	A	B	C	D	E	F	G	H							
Installments To be due	101,902	102,049	269,793	317,142	444,412	394,493	366,425	374,493	1,902,581	4,273,290	100	3,971,270	100	3,313,158	100	
01 to 30	101,637	97,169	216,469	60,027	35,281	12,643	8,990	5,370	47,018	584,604	13.68	494,378	12.45	511,851	15.45	
31 to 60	-	4,880	52,540	157,410	32,917	14,954	11,181	9,482	55,838	339,202	7.94	387,564	9.76	283,574	8.56	
61 to 90	-	-	784	64,643	314,550	57,956	25,916	24,199	88,917	576,965	13.5	556,833	14.02	448,046	13.52	
91 to 180	-	-	-	35,062	61,519	268,636	281,775	284,877	315,697	1,247,566	29.19	1,137,383	28.64	930,906	28.1	
181 to 360	-	-	-	-	145	40,304	38,563	47,064	1,270,221	1,396,297	32.68	1,284,580	32.35	1,029,531	31.07	
More than 360	265	-	-	-	-	-	-	3,501	124,890	128,656	3.01	110,532	2.78	109,250	3.3	
Past due installments	17,525	11,086,611	8,572,679	7,193,207	979,138	575,472	416,131	370,850	3,895,402	33,107,015	100	29,985,362	100	22,582,207	100	
01 to 30	626	239,748	190,276	128,613	25,043	14,027	9,865	8,065	83,345	699,608	2.11	1,296,976	4.33	836,707	3.71	
31 to 60	626	171,934	133,890	95,753	20,326	11,000	7,573	6,062	58,165	505,329	1.53	471,664	1.57	371,957	1.65	
61 to 90	626	170,195	132,939	94,894	20,082	10,854	7,492	6,000	57,659	500,741	1.51	466,486	1.56	366,935	1.62	
91 to 180	1,786	505,600	393,459	279,558	58,611	31,884	21,958	17,736	170,706	1,481,298	4.47	1,371,428	4.57	1,075,193	4.76	
181 to 360	3,034	974,989	747,403	522,123	105,271	57,893	39,047	33,395	328,603	2,811,758	8.49	2,620,654	8.74	2,034,159	9.01	
More than 360	10,827	9,024,145	6,974,712	6,072,266	749,805	449,814	330,196	299,592	3,196,924	27,108,281	81.88	23,758,154	79.23	17,897,256	79.25	
Total	119,427	11,188,660	8,842,472	7,510,349	1,423,550	969,965	782,556	745,343	5,797,983	37,380,305	-	33,956,632	-	25,895,365	-	
%	0.33	29.93	23.66	20.09	3.81	2.59	2.09	1.99	15.51	100	-	100	-	100	-	

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(d) Analysis of loans by sector of activity

DESCRIPTION	2011				2010	
	June 30	%	March 31	%	June 30	%
PUBLIC SECTOR	16,276,257	7.80	15,939,194	8.25	14,428,293	9.54
Direct administration	6,889,823	3.30	6,577,675	3.41	5,454,394	3.61
Petrochemicals	5,663,618	2.72	5,715,503	2.96	5,615,059	3.71
Basic sanitation	2,357,509	1.13	2,296,133	1.19	2,052,233	1.36
Generation and distribution of electricity	631,687	0.30	640,078	0.33	640,414	0.42
Other	733,620	0.35	709,805	0.37	666,193	0.44
PRIVATE SECTOR COMPANIES	192,283,778	92.20	177,154,455	91.75	136,861,747	90.46
MANUFACTURING AND COMMERCE	44,213,730	21.20	42,606,716	22.07	33,694,332	22.27
MANUFACTURING AND COMMERCE	24,137,095	11.57	21,722,349	11.25	16,504,844	10.91
Retail and wholesale commerce	7,119,708	3.41	6,708,510	3.47	5,866,370	3.88
Metal products	5,225,189	2.51	5,157,846	2.67	3,150,027	2.08
Manufacture of chemical products	755,218	0.36	301,311	0.16	474,787	0.31
Food	3,317,698	1.59	2,637,558	1.37	1,344,564	0.89
Light and heavy vehicles	771,145	0.37	704,211	0.36	595,871	0.39
Clothing and accessories	370,168	0.18	348,811	0.18	333,021	0.22
Other manufacturing and commerce	6,577,970	3.15	5,864,102	3.04	4,740,204	3.13
SERVICES	20,076,635	9.63	20,884,367	10.82	17,189,488	11.36
Petrochemicals	512,334	0.25	508,273	0.26	466,568	0.31
Generation and distribution of electricity	2,984,386	1.43	2,882,104	1.49	2,348,045	1.55
Basic sanitation	235,539	0.11	221,688	0.11	201,368	0.13
Civil construction	1,151,564	0.55	1,088,723	0.56	922,933	0.61
Healthcare	1,514,661	0.73	1,402,610	0.73	1,196,910	0.79
Financial services	3,429,382	1.64	3,727,071	1.93	3,244,545	2.14
Office	412,616	0.20	408,847	0.21	374,070	0.25
Ground transport	918,359	0.44	484,847	0.25	543,997	0.36
Education	295,356	0.14	309,216	0.16	258,017	0.17
Infrastructure	276,218	0.13	256,253	0.13	188,422	0.12
Housing	2,503,900	1.20	2,146,477	1.11	1,188,150	0.79
Telecommunications	63,888	0.03	2,072,055	1.07	2,073,383	1.37
Other services	5,778,432	2.77	5,376,203	2.78	4,183,080	2.76
INDIVIDUALS	148,070,048	71.00	134,547,739	69.68	103,167,416	68.19
Housing	117,895,037	56.53	106,644,312	55.23	79,310,767	52.42
Loans	30,175,011	14.47	27,903,427	14.45	23,856,649	15.77
Total	208,560,035	100.00	193,093,649	100.00	151,290,041	100.00

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(e) Analysis of loan operations and other credits with loan characteristics, by maturity

Description	2011				2010			
	June 30			%	March 31		June 30	
	Public sector	Private sector	Total		Total	%	Total	%
Current	1,739,275	45,716,233	47,455,508	22.75	49,830,018	25.81	40,238,054	26.60
From 0 to 90 days	496,570	16,384,902	16,881,472	8.09	21,258,861	11.01	14,935,068	9.87
From 91 to 360 days	1,242,705	29,331,331	30,574,036	14.66	28,571,157	14.80	25,302,986	16.72
Long-term	14,533,499	142,497,294	157,030,793	75.29	143,263,631	74.19	107,905,396	71.32
From 1 year to 3 years	3,085,952	55,688,460	58,774,412	28.18	54,848,117	28.40	45,318,249	29.95
From 3 years to 5 years	2,750,564	38,770,807	41,521,371	19.91	38,502,230	19.94	28,365,970	18.75
From 5 years to 15 years	5,106,017	42,559,151	47,665,168	22.85	41,247,641	21.36	25,532,566	16.88
Over 15 years	3,590,966	5,478,876	9,069,842	4.35	8,665,643	4.49	8,688,611	5.74
Total normal	16,272,774	188,213,527	204,486,301	98.05	189,308,861	98.04	148,143,450	97.92
Total overdue	3,483	4,070,251	4,073,734	1.95	3,784,788	1.96	3,146,591	2.08
Grand total	16,276,257	192,283,778	208,560,035	100.00	193,093,649	100.00	151,290,041	100.00

The balance sheet items that comprise the amount of R\$ 2,707,029 (2010 – R\$ 2,137,721), referring to "Other credits with loan characteristics" are described in Note 10(c.1).

(f) Income from loan operations

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Loans, bills discounted and financing	3,338,013	3,390,934	6,728,947	5,024,020
Real estate financing	2,896,847	2,587,216	5,484,063	3,444,544
Infrastructure and development financing	248,836	221,634	470,470	341,791
Other	2,540	2,222	4,762	4,765
Total	6,486,236	6,202,006	12,688,242	8,815,120

(g) Concentration of the main debtors

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Main debtor	5,663,617	2.72	5,715,502	2.96	5,615,058	3.71
10 largest debtors	17,793,753	8.53	18,975,504	9.83	15,561,559	10.29
20 largest debtors	21,904,021	10.50	22,998,809	11.91	18,760,383	12.40
50 largest debtors	27,574,617	13.22	28,297,922	14.66	23,212,532	15.34
100 largest debtors	31,277,623	15.00	31,655,424	16.39	26,202,722	17.32

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(h) Changes in the renegotiated portfolio

Description	2011		2010
	June 30	March 31	June 30
Operations renegotiated	1,314,647	634,696	1,254,099
Commercial operations	1,030,548	510,897	997,248
Housing loan operations	284,099	123,799	256,851
Operations recovered	342,296	128,471	277,298
Commercial operations	150,834	51,271	112,377
Housing loan operations	191,462	77,200	164,921

(i) Changes in the allowance for loan losses

Description	2011		2010
	June 30	March 31	June 30
Opening balance	12.347.438	11.299.930	9.171.712
Specific allowance	12.347.438	11.299.930	9.171.712
Provision in the period	1.734.946	1.587.630	1.749.817
Charge-offs	(331.919)	(10.162)	(537.063)
Losses	(609.304)	(529.960)	(574.467)
Closing balance	13.141.161	12.347.438	9.809.999
Specific allowance	13.141.161	12.347.438	9.809.999

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(j) Analysis of the allowance for loan losses

Description	Loans and bills discounted	Financing	Real estate financing	Infrastructure and development financing	Other	Total
AA	127,784	25,759	322,773	38,847	9,720	524,883
A	74,850	13,905	312,360	17,980	3,077	422,172
B	102,769	20,151	719,666	58,391	4,915	905,892
C	124,091	39,199	152,109	60,959	18,201	394,559
D	183,246	52,061	222,991	-	10,340	468,638
E	195,676	76,262	288,773	-	4,510	565,221
F	210,570	104,283	387,417	11	3,452	705,733
G	1,949,221	1,088,306	6,062,723	1,630	52,183	9,154,063
H	2,968,207	1,419,926	8,468,812	177,818	106,398	13,141,161
June 30, 2011	2,968,207	1,419,926	8,468,812	177,818	106,398	13,141,161
%	22.59	10.81	64.44	1.35	0.81	100.00
March 31, 2011	2,784,575	1,367,317	7,717,156	330,074	148,316	12,347,438
%	22.55	11.07	62.51	2.67	1.20	100.00
June 30, 2010	2,365,314	1,369,055	5,774,966	194,882	105,782	9,809,999
%	24.11	13.96	58.87	1.98	1.08	100

The balance sheet items comprising the amount of R\$ 106,398 (2010 – R\$ 105,782) relating to "Provision for losses on other receivables" are described in Note 10(d).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 10 Other Receivables

(a) Foreign exchange portfolio

Description	2011		2010
	June 30	March 31	June 30
Assets – Other receivables	92,686	16,815	29,279
Foreign Exchange Purchased Pending Settlement - ME	67,355	2,710	16,433
Rights on foreign exchange sales - MN	25,811	14,105	13,017
(-) Advances received - MN	(480)	-	(171)
Current Assets	92,686	16,815	29,279
Liabilities - Other liabilities	93,668	17,666	29,499
Foreign Exchange Sold Pending Settlement - ME	5,837	8,089	13,066
Payable for purchase of foreign exchange - MN	87,831	9,577	16,433
Current Liabilities	93,668	17,666	29,499

(a.1) Results of foreign exchange transactions

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Income	77,445	58,370	135,815	88,913
Funds in foreign currency	77,445	58,370	135,815	88,913
Expenses	(77,820)	(57,495)	(135,315)	(87,402)
Expenses on exchange rate variations and differences	(77,820)	(57,495)	(135,315)	(87,402)
Results of foreign exchange	(375)	875	500	1,511

(b) Income receivable

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Dividends and interest on own capital receivable (i)	148,182	11.29	184,011	14.52	76,000	8.88
FGTS	260,479	19.84	260,052	20.52	212,726	24.86
Unemployment insurance	137,279	10.46	123,257	9.73	82,883	9.69
General Federal Government Budget	168,902	12.87	155,299	12.25	138,524	16.19
Agreements	41,201	3.14	37,059	2.92	26,836	3.14
INSS	143,475	10.93	130,786	10.32	42,210	4.93
FAR	6,566	0.50	13,252	1.05	13,690	1.60
Investment funds	62,843	4.79	61,170	4.83	53,103	6.21
Family allowance	75,575	5.76	73,962	5.84	70,759	8.27
“Bolsa Escola” – Allowance for school attendance	8,725	0.66	8,725	0.69	8,744	1.02
EMGEA - Empresa Gestora de Ativos (Asset Management Company)	18,666	1.42	18,020	1.42	20,313	2.37
PIS	109,936	8.38	109,330	8.63	62,354	7.29
FIES	92,423	7.04	71,304	5.63	19,450	2.27
Others	37,906	2.92	21,094	1.66	28,155	3.29
Total	1,312,159	100	1,267,321	100	855,747	100
Current assets	1,312,159	100	1,083,310	85.5	827,473	96.7
Non-current assets	-	-	184,011	14.5	28,274	3.3

(i) Refers to dividends and interest on own capital of Caixa Seguros and the National Development Fund (FND).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Sundry

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Advances	405,822	1.58	387,190	1.55	353,226	2.00
Tax credits (Note 21)	11,801,737	45.85	11,448,578	45.84	9,450,241	53.47
Receivables from guarantee deposits (Note 32 a (ii))	8,928,212	34.69	8,680,168	34.75	4,152,842	23.50
Taxes and contributions to offset	166,736	0.65	234,868	0.94	356,116	2.02
Payments to be reimbursed	56,964	0.22	55,332	0.22	58,490	0.33
Prepaid profit sharing	436,469	1.70	-	0.00	385,953	2.18
Other receivables with loan characteristics (c.1)	2,673,489	10.39	2,584,440	10.35	2,106,454	11.92
Other receivables without loan characteristics (c.2)	203,605	0.79	101,119	0.40	107,808	0.61
Sundry debtors (c.3)	1,259,172	4.89	1,652,008	6.61	874,910	4.95
Provision for losses - Sundry (i)	(193,039)	(0.75)	(167,813)	-	(173,369)	-
Total	25,739,168	100	24,975,890	100.00	17,672,671	100.00
Current assets	13,965,275	54.26	13,460,624	53.89	8,356,943	47.29
Non-current assets	11,773,893	45.74	11,515,266	46.11	9,315,728	52.71

(i) Mainly the provision for definitive net losses and indemnity claims related to housing financing.

(c.1) Other receivables with loan characteristics

Description	2011		2010
	June 30	March 31	June 30
Debtors for the purchase of assets	16,122	15,274	9,249
Receivable from sales or transfer of assets	6,614	7,030	9,208
Credit cards	2,650,753	2,562,136	2,087,997
Subtotal	2,673,489	2,584,440	2,106,454
Receivables from honored guarantees	33,540	32,585	31,267
Total	2,707,029	2,617,025	2,137,721

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c.2) Other receivables without loan characteristics

Description	2011		2010
	June 30	March 31	June 30
Credit card	54,307	60,485	52,914
SAUDE CAIXA	(439)	(399)	(8,373)
Acquisition of royalties and FI offsets	34,062	38,899	60,150
Premium on purchase of loan portfolios	110,856	-	-
Other	4,819	2,134	3,117
Total	203,605	101,119	107,808

(c.3) Sundry debtors

Description	2011		2010
	June 30	March 31	June 30
Amounts to allocate (i)	593,035	764,228	583,366
Insurance receivables	85,940	87,112	92,814
Credits purchased	90,854	89,311	85,319
Receivables - National Development Fund (FND) quotas	319,841	308,389	-
FIES - Risk financing receivables	103,577	70,214	70,214
Other debtors	65,925	332,754	43,198
Total	1,259,172	1,652,008	874,910

(i) These amounts are related to liabilities of the same nature as indicated in Note 20(c.3).

(d) Provision for losses on other receivables

In accordance with BACEN Circular Letter 3048/2002, the provision for notes and credits receivable are classified as “with loan characteristics” - R\$ 106,398 (2010 - R\$ 105,782).

Description	2011		2010
	June 30	March 31	June 30
With loan characteristics			
. Credit cards	(89,987)	(133,635)	(99,396)
. Receivables from honored guarantees	(11,476)	(9,762)	(2,334)
. Receivables from sale of assets	(4,869)	(4,849)	(3,960)
. Receivable from sales or transfer of assets	(66)	(70)	(92)
Total	(106,398)	(148,316)	(105,782)
Current assets	(96,358)	(139,556)	(104,614)
Non-current assets	(10,040)	(8,760)	(1,168)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 11 Other Assets

Description	2011		2010
	June 30	March 31	June 30
Assets not in use (i)	659,008	673,163	768,509
. Properties not in use	129,228	127,934	123,507
. Adjudicated/auctioned properties	529,780	545,229	645,002
Prepaid expenses (ii)	494,464	542,197	680,084
Consumption materials	35,980	36,830	22,424
Total	1,189,453	1,252,190	1,471,017

(i) The assets not in use mainly refer to adjudicated properties, properties received as payments in kind for loans and also properties no longer used in CAIXA's own operations, and are subject to impairment tests.

(ii) The amount relating to "Prepaid expenses" refers mainly to prepaid normal contributions to the Credit Guarantee Fund (FGC).

Note - 12 Investments

Description	2011		2010
	June 30	March 31	June 30
CAIXA SEGUROS (i)	1,171,285	1,170,140	1,060,929
Banco Panamericano (i)	635,854	780,848	739,272
CIP - Câmara Interbancária de Pagamento (ii)	2,967	2,967	2,100
CIBRASEC - Cia Brasileira de Securitização (i)	6,965	6,903	6,506
TECBAN - Tecnologia bancária (i) (iii)	-	31,818	31,818
CIELO S/A (i) (iii)	-	65,825	65,825
BIAPE	833	845	1,118
Outros investimentos (ii)	75,657	67,735	33,255
Total	1,893,561	2,127,081	1,940,823

(i) The investments are held by CAIXAPAR (Note 3).

(ii) Investments recorded at the cost of acquisition and subject to impairment tests.

(iii) At June 30, 2011, the investments in the companies Cielo S/A and Tecban – Tecnologia Bancária S/A were classified as financial instruments and are presented in Note 7.

(i) Result of investments in associated and subsidiary companies

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Caixa Seguros	155,020	19,106	174,126	207,089
Banco Panamericano (i)	(144,385)	-	(144,385)	-
CIBRASEC	62	255	317	516
Investments abroad	24	16	40	(57)
Total investment	10,721	19,377	30,098	207,548

(i) The amount of R\$ 144,385 includes the equity in the loss of R\$ 28,149 and other adjustments described in Note 3.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 13 Property and equipment in use

These are stated at cost of acquisition and depreciation is calculated on the straight-line basis at annual rates based on the economic useful life of the assets.

Description	2010		2011				
	June 30	December 31	Additions	Disposals	Depreciation	June 30	%
Properties in use	900,945	885,566	27,116	(10,479)	(22,718)	879,485	45.00
- Buildings	618,494	613,519	26,615	(8,390)	(22,718)	609,026	31.16
- Land	282,451	272,047	501	(2,089)	-	270,459	13.84
Construction in progress	4,645	85,169	712	(81,042)	-	4,839	0.25
Furniture, installations and equipment in use	224,058	289,467	55,694	-	(26,619)	318,544	16.30
Communications system	22,115	21,101	1,164	-	(2,285)	19,980	1.02
Data processing system	647,549	655,640	176,127	-	(143,336)	688,431	35.22
Transport and security System	46,363	45,494	13,070	-	(15,313)	43,251	2.21
Total	1,845,675	1,982,438	273,883	(91,521)	(210,270)	1,954,530	100.00

In December 2008, based on Law No. 11638/2007, CAIXA opted to record its property and equipment at their revalued amounts (Buildings - R\$ 566,924; Land – R\$ 229,998) and changed the economic useful life of properties in use from 25 to 50 years and of the security system from 10 to 5 years.

With a fixed asset to equity ratio of 14.90% (2010 – 15.53%), CAIXA is well within that defined by CMN Resolution No. 2669/1999, which establishes the limit of 50% as from December 31, 2002

Note - 14 Intangible assets

In accordance with CMN Resolution No. 3642/2008, the unamortized cost of service rights related to the payment of salaries, wages, remunerations, retirement benefits and pensions and logistic projects – Software, both previously recorded in Deferred Charges (Note 15), were transferred to Intangible Assets. An impairment test was carried out for the item “payroll acquisition” based on the discounted cash flow method.

Description	2010		2011			
	June 30	December 31	Additions	Asset recovery value	Amortizations	June 30
Payroll acquisition	751,917	876,591	50,529	(798)	(118,631)	807,691
Other intangible assets	-	324,200	-	-	(5,800)	318,400
Logistic projects – Software	36,056	59,167	39,215	-	(8,791)	89,591
Total	787,973	1,259,958	89,744	(798)	(133,222)	1,215,682

Nota - 15 Deferred charges

According to CMN Resolution No. 3617/2008, the balances at September 2008, prior to the issue of this Resolution, will be maintained until they have been fully amortized. The amounts of additions and reductions after September 30, 2008 were as follows:

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

- Expenditures with leasehold properties were recorded as expenses and improvements to own properties were recorded in property and equipment (Note 13 - Buildings).
- Expenditures with logistic projects were reclassified to intangible assets (Note 14).

Description	2010		2011		
	June 30	December 31	Reductions	Amortization	June 30
Expenses with leasehold properties	54,335	36,640	-	(13,953)	22,687
Expenses with logistic projects	40,566	25,383	-	(10,328)	15,055
Improvements to own properties	21,580	16,017	-	(6,992)	9,025
Total	116,481	78,040	-	(31,273)	46,767

Note - 16 Deposits and Funds Obtained in the Open Market

a) Deposits

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Demand deposits	20,723,599	8.84	20,021,783	8.79	17,999,695	9.19
Individuals	7,884,046	3.36	7,678,426	3.37	7,097,647	3.62
Legal entities	10,305,934	4.40	9,768,412	4.29	8,585,317	4.38
Restricted	1,020,167	0.44	882,764	0.39	948,301	0.48
Government	1,035,699	0.44	1,261,204	0.55	1,106,086	0.56
Foreign currencies	29,219	0.01	45,652	0.02	8,373	0
Financial Institutions	19,311	0.01	22,023	0.01	19,156	0.01
Public entities	385,181	0.16	321,729	0.14	205,200	0.10
Other	44,042	0.02	41,573	0.02	29,615	0.02
Savings accounts	136,291,566	58.13	132,590,494	58.24	116,330,563	59.39
Individuals	133,927,588	57.13	129,841,750	57.03	114,419,167	58.41
Legal entities	2,361,042	1.01	2,745,651	1.21	1,907,880	0.97
Restricted	2,936	0.00	3,093	0	3,516	0
Interbank deposits	2,292,910	0.98	3,201,077	1.41	44,705	0.02
Time deposits	65,045,197	27.74	60,126,231	26.41	49,311,647	25.17
Time deposits in local currency	37,199,274	15.87	35,342,853	15.53	26,393,738	13.47
Remunerated judicial deposits	27,845,923	11.88	24,783,378	10.89	22,917,909	11.7
Liabilities for special deposits and deposits of funds and programs (f)	9,995,010	4.26	11,465,213	5.04	12,084,147	6.17
Other funding	96,303	0.04	252,030	0.11	108,610	0.06
Total	234,444,585	100.00	227,656,828	100	195,879,367	100
Current liabilities	233,507,566	99.6	226,715,577	99.58	195,350,438	99.73
Non-current liabilities	937,019	0.4	941,251	0.42	528,929	0.27

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Deposits by maturity

Deposits	2011					2010		
	No maturity	To 3 months	3 to 12 months	1 to 3 years	More than 3 years	June 30	March 31	June 30
Demand	20,723,599	-	-	-	-	20,723,599	20,031,783	17,999,695
Savings	136,291,566	-	-	-	-	136,291,566	132,590,494	116,330,563
Interbank deposits	-	2,242,741	44,436	5,733	-	2,292,910	3,201,077	44,705
Time deposits	27,845,922	989,692	6,311,203	16,605,964	13,292,416	65,045,197	60,126,231	49,311,647
Judicial deposits	27,845,922	-	-	-	-	27,845,922	24,783,378	22,917,909
Investments	-	989,692	6,311,203	16,605,964	13,292,416	37,199,275	35,342,853	26,393,738
Special deposits and deposits of funds and programs	9,995,010	-	-	-	-	9,995,010	11,465,213	12,084,147
Other funding	96,303	-	-	-	-	96,303	252,030	108,610
Total	194,952,400	3,232,433	6,355,639	16,611,697	13,292,416	234,444,585	227,656,828	195,879,367
%	83.15	1.39	2.71	7.09	5.67	100	100	100

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Expenses of deposits

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Savings	(2,345,133)	(2,195,513)	(4,540,646)	(3,435,447)
Interbank	(78,890)	(69,067)	(147,957)	(1,653)
Time deposits CDB/RDB	(990,387)	(848,292)	(1,838,679)	(1,011,281)
Judicial deposits	(370,953)	(318,546)	(689,499)	(502,127)
Special deposits and deposits of funds and programs (f.1)	(220,015)	(220,991)	(441,006)	(533,288)
Credit Guarantee Fund (FGC)	(75,415)	(72,267)	(147,682)	(116,874)
Total	(4,080,793)	(3,724,676)	(7,805,469)	(5,600,670)

(d) Funds obtained in the open market

Funds obtained in the open market, in the amount of R\$ 62,423,863 (2010 - R\$ 67,753,381), are guaranteed by Federal Government Securities and are short-term.

Description	2011		2010
	June 30	March 31	June 30
Own portfolio	25,349,462	26,076,858	36,295,758
Financial Treasury Bills	7,933,544	7,954,676	6,442,166
Federal Treasury Bills	334,492	229,646	10,287,183
Federal Treasury Notes	17,081,426	17,892,536	19,566,409
Third-party portfolio	36,061,403	29,619,229	31,457,623
Financial Treasury Bills	29,326,135	10,345,550	21,764,370
Federal Treasury Bills	3,002,026	7,532,620	9,693,253
Federal Treasury Notes	3,733,241	11,741,059	-
Total	61,410,865	52,696,087	67,753,381
Current liabilities	61,410,865	52,696,087	67,753,381
Non-current liabilities	-	-	-

(e) Expenses of funds obtained in the open market

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Own portfolio	(743,155)	(671,533)	(1,414,688)	(1,183,051)
Third-party portfolio	(944,910)	(796,226)	(1,741,136)	(1,680,310)
Total	(1,688,065)	(1,467,759)	(3,155,824)	(2,863,361)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(f) Special deposits and deposits of funds and programs

The special deposits and deposits of funds and programs comprise those of the FGTS and of other funds and programs. The tables below present the breakdown and remuneration of the special deposits and deposits of funds and programs:

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Deposits - FGTS	3,188,999	31.91	4,865,727	42.44	5,169,907	42.78
Deposits - Special with remuneration	1,306,288	13.07	1,274,019	11.11	1,583,997	13.10
Deposits - FAT (f.2)	2,879,605	28.81	2,998,384	26.15	3,413,508	28.25
Deposits - FISANE	7,203	0.07	7,077	0.06	6,725	0.06
Deposits - PRODEC	42,748	0.43	42,053	0.37	40,083	0.33
Deposits - PIS	44,746	0.45	191,676	1.67	124,571	1.03
Deposits - FIEL	0	0.00	-	-	56,111	0.46
Deposits - FGS	22,651	0.23	13,305	0.12	38,714	0.32
Deposits - FAR	508,935	5.09	174,716	1.52	379,859	3.14
Deposits - FDS	545,794	5.46	553,662	4.83	393,773	3.26
Deposits - Profrota Pesqueira	53,111	0.53	51,662	0.45	47,828	0.40
Deposits - FAS	2,130	0.02	5,623	0.05	2,313	0.02
Deposits - PREVHAB	428,954	4.29	418,632	3.65	387,360	3.21
Saúde CAIXA	163,769	1.64	149,906	1.31	107,581	0.89
Others	800,076	8.00	718,771	6.27	331,819	2.75
Total	9,995,010	100	11,465,213	100	12,084,147	100
Current Liabilities	9,995,010	100	11,465,213	100	12,084,147	100
Non-current liabilities	-	-	-	-	-	-

(f.1) Expenses with special deposits and deposits of funds and programs

Description	Remuneration rate	2011			2010
		2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Deposits - FGTS	SELIC	(91,548)	(100,179)	(191,727)	(270,996)
Deposits - FAT	SELIC and TJLP	(43,646)	(45,156)	(88,802)	(126,656)
Deposits - FISANE	Reference Rate (TR)	(126)	(119)	(245)	(205)
Deposits - PRODEC	TR + Interest 0.4868% p.m.	(836)	(736)	(1,572)	(1,317)
Deposits - PIS	Extra market	(17,978)	(13,516)	(31,494)	(33,941)
Deposits - FIEL	TRPRE + Interest 0.50% p.m.	(0)	(205)	(205)	(1,756)
Deposits - FGS	SELIC day factor/Extra market	(410)	(530)	(940)	(3,042)
Deposits - FAR	SELIC	(7,439)	(6,481)	(13,920)	(15,499)
Deposits - FAS	TR	(6)	(13)	(19)	(6)
Deposits - PREVHAB	SELIC	(12,968)	(11,950)	(24,918)	(17,788)
Deposits - Guarantee	TR	(1,284)	(1,496)	(2,780)	(12,681)
Other	-	(43,773)	(40,610)	(84,383)	(49,401)
Total	-	(220,015)	(220,991)	(441,006)	(533,288)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(f.2) Special deposits and deposits of funds and programs - FAT

Description	Resolution/ TADE	Return of FAT Resources (1)			2011						2010		
		Type	Date	Deadline	June 30			March 31			June 30		
					Available	Invested	TOTAL	Available	Invested	TOTAL	Available	Invested	TOTAL
Programs					142,161	2,572,376	2,714,537	144,622	2,684,290	2,828,912	95,058	3,135,439	3,230,497
Proger – Urban					75,120	1,850,810	1,925,930	73,793	1,944,185	2,017,978	87,408	2,236,799	2,324,207
Investment	Aug/05	RA	10/10/2005	-	73,679	1,835,995	1,909,674	71,720	1,928,714	2,000,434	81,831	2,217,122	2,298,953
Isolated working capital	16/2005	RA	12/09/2005	-	404	7,985	8,389	803	8,057	8,860	3,278	10,677	13,955
Proger export	17/2005	RA	12/09/2005	-	-	42	42	-	44	44	-	50	50
FAT popular entrepreneur	23/2005	RA	12/09/2005	-	1,037	6,788	7,825	1,270	7,370	8,640	2,299	8,950	11,249
FAT – housing	May/07	SD	11/09/2007	-	2,253	44,338	46,591	2,280	49,637	51,916	3,286	70,456	73,742
FAT infrastructure					63,404	662,641	726,045	66,858	675,417	742,275	3,407	809,883	813,290
Economic infrastructure	13/2006	RA	08/08/2008	-	63,404	662,641	726,045	66,858	675,417	742,275	3,407	809,883	813,290
FAT – PNMPO					1,384	14,587	15,971	1,692	15,052	16,743	957	18,301	19,258
FAT – microcredit	15/2006	RA	05/10/2007	-	1,384	14,587	15,971	1,691	15,052	16,743	957	18,301	19,258
Special credit lines					8,847	156,222	165,069	8,670	160,802	169,472	9,349	173,662	183,011
FAT – digital inclusion	Dec/05	RA	10/10/2005	01/07/2010	-	-	-	-	-	-	-	-	-
FAT - vila panamericana	Jan/05	SD	12/09/2005	-	-	118,266	118,266	-	116,560	116,560	-	111,572	111,572
FAT – construction material	Mar/06	RA	02/10/2006	-	-	-	-	-	-	-	4,801	1,963	6,764
FAT – giro setorial					8,847	37,956	46,803	8,670	44,242	52,912	4,548	60,127	64,675
Micro and small-sized companies	22/2006	RA	03/10/2008	-	5,581	24,121	29,702	5,374	28,075	33,449	2,117	37,735	39,852
Medium and large-sized companies	23/2006	RA	03/10/2008	-	3,266	13,835	17,101	3,296	16,166	19,462	2,431	22,392	24,823
FAT – motorcycle delivery services	01/	RA	03/10/2010	04/13/2010	-	-	-	-	-	-	-	-	-
Total					151,009	2,728,596	2,879,605	153,292	2,845,091	2,998,384	104,407	3,309,101	3,413,508

(1) RA – Automatic Return (Monthly, 2% on the balance) and SD – Balance Available.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

FAT is a special accounting and financial fund, established by Law No. 7998/1990, attached to the Ministry of Labor and Employment and managed by the Executive Council of the Worker Assistance Fund (CODEFAT).

The main actions to promote employment using FAT funds are centralized in the programs for the generation of jobs and increase in earnings, whose resources are allocated by special deposits, established by Law 8352/1991, in official federal financial institutions, according to the programs and credit lines identified in the table previous.

The FAT special deposits, while available, incur interest on a daily “pro rata” basis using the TMS (Average Selic Rate), and as they are applied in loans, the interest rate is changed to the Long-term Interest Rate during the effective period of the loans.

The income on deposits is paid to FAT on a monthly basis, as established in CODEFAT Resolution No. 439/2005 and CODEFAT Resolution No. 489/2006.

Note - 17 Funds from Acceptances, Issue of Securities and Financial Bills

a) Funds from notes

Security	Index	2011							2010	
		Maturity						June 30	March 31	June 30
		1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days			
Mortgage Note	IGP-M	-	12.290	-	-	-	491.332	503.622	512.987	463.340
Mortgage Note	INPC	-	-	-	-	-	10.542	10.542	10.092	9.887
Mortgage Note	TR	-	-	-	-	-	30.156	30.156	31.961	37.900
Housing Bond	IGP-M	-	-	-	8.376	-	7.501	15.877	47.862	44.352
Housing Bond	INPC	-	-	-	36.480	-	-	36.480	35.856	34.222
Housing Bond	CDI	258.178	630.253	2.136.353	4.555.723	5.023.103	-	12.603.611	10.687.882	5.242.895
Financial Bill	CDI	-	-	-	-	2.362.260	416	2.362.676	1.807.189	-
Total		258.178	642.543	2.136.353	4.600.579	7.385.363	539.947	15.562.963	13.133.829	5.832.596
Current Liabilities								7.637.653	2.715.088	2.829.062
Non-current Liabilities								7.925.311	10.418.741	3.003.534

b) Expenses with funds from notes

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Housing Bonds	(275,154)	(234,219)	(509,373)	(129,119)
Mortgage Notes	(18,012)	(26,405)	(44,417)	(51,113)
Financial Bills	(55,486)	(47,879)	(103,365)	-
Total	(348,652)	(308,503)	(657,155)	(180,232)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 18 Borrowings

Foreign borrowings incur interest of up to 3.00% per annum and exchange variation of the currency in which they are denominated, mainly U.S. dollars, with maturity dates up to 2013. The balance at June 30, 2011 amounts to R\$ 4,751 (2010 - R\$ 8,204).

Credit lines obtained from foreign financial institutions mature up to October 2011 and are negotiated at average rates between 1.30% and 1.40% in the period, totaling R\$ 188,269 (2010 - R\$ 10).

Note - 19 Local Onlendings - Official Institutions

These are mainly funds transferred by the FGTS for investment in infrastructure, urban development and real estate loan operations. These obligations are subject to monetary restatement in accordance with the Referential Rate (TR) and an average interest rate of 6.17% per year. The average maturity for these operations is 8 years.

Description	2011		2010
	June 30	March 31	June 30
FGTS	67,245,280	59,838,280	44,792,180
BNDES	6,339,435	5,948,039	3,766,942
National Treasury – PIS	687,516	533,415	566,151
Other institutions	188,151	216,890	218,459
Total	74,460,382	66,536,624	49,343,732
Current liabilities	690,015	540,308	590,896
Non-current liabilities	73,770,367	65,996,316	48,752,836

(a) Expenses with Local Onlendings - Official Institutions

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
FGTS	(1,231,880)	(1,070,207)	(2,302,087)	(1,523,755)
BNDES	(144,438)	(64,900)	(209,338)	(125,937)
National Treasury - PIS	(10,516)	(10,193)	(20,709)	(14,771)
Other institutions	(853)	(23,880)	(24,733)	(16,947)
Total	(1,387,687)	(1,169,180)	(2,556,867)	(1,681,410)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 20 Other Liabilities

(a) Taxes and social security

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Taxes and contributions on profits payable	136,878	10.69	172,497	10.00	89,277	7.03
Income tax	22,942	1.79	42,430	1.70	4,973	0.39
Social contribution	8,144	0.64	17,712	0.80	1,794	0.14
COFINS	91,087	7.11	96,718	6.70	71,073	5.60
PASEP	14,705	1.15	15,639	1.10	11,437	0.90
Taxes and contributions payable	423,677	33.09	404,221	28.00	357,670	28.16
On salaries	241,726	18.88	260,162	18.00	240,072	18.90
On services	181,951	14.21	144,059	9.90	117,598	9.26
Deferred taxes and contributions	320,864	25.06	312,538	22.00	268,801	21.16
Income tax (IRPJ) on revaluation reserve – Buildings	120,606	9.42	122,408	8.40	129,703	10.21
Social contribution (CSLL) on revaluation reserve - Buildings	72,364	5.65	73,445	5.10	77,822	6.13
IRPJ on adjustments to market value - Available-for-sale securities	54,656	4.27	41,522	2.90	11,402	0.90
CSLL on adjustments to market value - Available-for-sale securities	-	-	24,912	1.70	6,841	0.54
Futures contracts	21,492	1.68	10,320	0.70	16,444	1.29
PASEP	51,745	4.04	39,931	2.70	26,589	2.09
Provision for tax risks (Note 32 (a))	398,983	31.16	588,918	41.00	554,406	43.65
INSS	208,131	16.26	275,888	19.00	262,649	20.68
ISS	157,533	12.30	159,757	11.00	145,860	11.48
IRPJ/CSLL	5,779	0.45	125,808	8.70	119,776	9.43
Others	27,540	2.15	27,465	1.90	26,121	2.06
Total	1,280,401	100.00	1,478,175	100.00	1,270,154	100.00
Current Liabilities	1,087,431	84.93	1,282,322	87.00	1,062,630	83.66
Non-current liabilities	192,970	15.07	195,853	13.00	207,524	16.34

(b) Funds with specific purposes

These refer to liabilities arising from lottery operations, obligations arising from social fund and program resources administered by CAIXA and resources of funds or special programs supported by Government or public entity allocations administered by CAIXA.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Lottery operations	442,849	8.77	425,527	9.91	351,700	9.33
Social funds and programs	3,919,412	77.57	3,106,335	72.37	2,639,157	70.04
FGTS	2,208,799	43.72	1,821,763	42.44	1,874,417	49.74
"Minha Casa Minha Vida" (My House, My Life)	1,007,551	19.94	737,088	17.17	60,009	1.59
FIES (Student Financing)	16,426	0.33	18,442	0.43	15,177	0.40
"Bolsa Família" (Family allowance)	218,933	4.33	48,985	1.14	200,106	5.31
Housing Subsidy Program (PSH)	330,809	6.55	309,292	7.21	376,200	9.98
PRONASCI	11,725	0.23	13,459	0.31	12,656	0.34
PRODEC	20,265	0.40	19,898	0.46	18,907	0.50
Other funds and programs	104,904	2.08	137,408	3.20	81,685	2.17
Finance and development funds obligations	690,182	13.66	760,425	17.72	777,377	20.63
PIS	681,379	13.49	580,538	13.53	710,851	18.86
FAT	7,468	0.15	178,556	4.16	65,204	1.73
Others	1,335	0.03	1,331	0.03	1,322	0.04
Total	5,052,443	100.00	4,292,287	100.00	3,768,234	100.00
Current liabilities	5,052,443	100.00	4,292,287	100.00	3,768,234	100.00

(c) Sundry

Description	2011				2010	
	June 30	%	March 31	%	June 30	%
Contributions to the SFH	115,289	0.43	114,830	0.48	113,574	0.50
Official agreements	243,700	0.91	249,328	1.04	241,239	1.10
Liabilities for payment services	77,313	0.29	69,419	0.29	61,421	0.30
Accrued expenses (c.1)	8,272,323	30.78	7,908,155	32.90	7,528,542	34.00
Provision for labor and civil contingencies (c.2)	7,256,600	27.00	7,005,481	29.10	6,520,235	30.00
Funds linked to credit operations (i)	201,993	0.75	202,344	0.84	225,277	1.00
FGTS funds for repayment	110,502	0.41	97,958	0.41	75,197	0.30
Creditors for amounts to be released	3,488,922	12.98	2,469,233	10.30	2,111,563	9.60
Payables to the related parties	760,350	2.83	-	-	-	-
Sundry creditors - Abroad	89	-	134	-	5	-
Sundry creditors - Brazil (c.3)	6,346,332	23.62	5,938,812	24.70	5,096,197	23.00
Total	26,873,414	100.00	24,055,694	100.00	21,973,249	100.00
Current liabilities	26,873,414	100.00	24,055,694	100.00	21,973,249	100.00
Non-current liabilities	-	-	-	-	-	-

(i) Funds linked to credit operations: refer to funds appropriated to customers' blocked accounts, which are not transacted by these customers and are remunerated at the same charges levied on the respective transactions.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c.1) Accrued expenses

Description	2011		2010
	June 30	March 31	June 30
Personnel expenses	1.760.730	1.540.735	1.478.923
Post-employment benefits - NPC 26 (Note 34(g))	6.090.402	5.957.338	5.667.646
Saúde CAIXA	5.431.362	5.297.547	4.974.304
Meal voucher and food basket	615.409	615.896	650.181
PREVHAB	43.631	43.895	43.161
Other payments	421.191	410.082	381.973
Total	8.272.323	7.908.155	7.528.542

(c.2) Provision for contingent liabilities

Description	2011		2010
	June 30	March 31	June 30
Provision for contingencies (Note 32)	7.256.600	7.005.481	6.520.235
Labor	2.741.495	2.702.153	2.721.655
Civil	3.650.855	3.524.499	3.166.937
Other	864.250	778.829	631.643

(c.3) Sundry creditors - Brazil

Description	2011		2010
	June 30	March 31	June 30
Credit cards	2.621.948	2.450.047	2.107.368
Accounts payable	63.500	491.191	416.002
Empresa Gestora de Ativos (EMGEA) (i)	334.054	328.324	304.599
Receivables purchased	423.364	418.124	409.875
Amounts to allocate (Note 10(c.3))	1.055.715	953.174	706.788
Other sundry creditors	1.847.752	1.297.952	1.151.565
Total	6.346.333	5.938.812	5.096.197

(i) EMGEA - Empresa Gestora de Ativos: These refer to amounts received by CAIXA on behalf of EMGEA.

(d) Subordinated debt eligible for capital

Under the terms of CMN Resolution No. 2837/01, on October 11, 2005 part of the existing loan debt of CAIXA with FGTS was converted into subordinated debt, used in the calculation of the Basel limits. This transaction was approved by BACEN in October 2005 and amounts to R\$ 5,276,936 (2010 – R\$ 4,908,438). The payment of the debt contracted will start as from March 20, 2013. The grace period of 88 (eighty-eight) months for the payment of the subordinated debt will extend up to February 20, 2013 and will be automatically renewed if CAIXA is no longer classified in respect of the minimum capitalization required by current legislation, as from March 20, 2013, or in the event of the payment itself generating declassification. The total debt, during the grace or declassification period, will incur price-level restatement and capitalized

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

monthly interest at the rate of 6.125%, corresponding to the effective rate of 6.300% p.a., which is equivalent to the average rate of the current agreements.

(e) Hybrid instruments of capital and debt eligible for capital

The Federal Government was authorized, through Provisional Measure 347/07, converted into Law 11485/07, to grant a loan to CAIXA of R\$ 5,200,000, under financial and contractual conditions that permit the transaction to be classified as a hybrid instrument of capital and debt, as defined by Resolution 3444/07 of the Monetary National Council (CMN), in order to increase its operating limits. The grant was formalized on May 24, 2007 through a loan agreement signed by the Federal Government and CAIXA, and the loan was released on June 13, 2007. BACEN, through Deorf/Cofin Official Letter II 2007/5808, of July 2, 2007, authorized CAIXA to consider the funds contracted eligible to the level II of capital. The debt does not have a maturity date. Interest is aggregated monthly to the debt balance and paid annually in accordance with the terms of the contract, at the annual average effective rate of the first stage (cash) of the auctions of Federal Treasury Notes, B series, falling due on May 15, 2045, weighted by the number of these securities negotiated by the National Treasury in the auctions immediately prior to the release date of each installment, calculated on the nominal restated amount of the debt, with price-level restatement based on the IPCA variation.

On October 13, 2009, through MP 470, a new loan agreement between CAIXA and the Federal Government was authorized in an amount of up to R\$ 6,000,000. Accordingly, the amount of R\$ 2,000,400 was released in the 4th Quarter of 2009 and of R\$ 3,999,599 in the 1st Quarter of 2010. BACEN, through Deorf/Cofin Official Letter I 2009/10136, dated November 13, 2009, authorized CAIXA to consider these funds eligible as Tier I capital, up to the regulatory limit and the remaining portion as Tier II capital, in the capital and debt hybrid instrument category.

The table below includes amounts, interest payments, monetary restatements and interest on credits granted:

Description	2011		2010
	June 30	March 31	June 30
Provisional Measure 347/2007 – current balance	6,537,967	6,520,511	6,135,895
Provisional Measure - MP 347/2007	5,200,000	5,200,000	5,200,000
Provisional Measure - MP 470/2009	1,337,967	1,320,511	935,895
Provisional Measure 470/2009 - current balance	6,825,640	6,601,715	6,388,584
Monetary Restatement and Interest – MP 347/07	5,999,999	5,999,999	5,999,999
Monetary Restatement and Interest – MP 470/09	825,641	994,539	388,585
(-) Interest payment	-	(392,823)	-
Total	13,363,607	13,122,226	12,524,479

Note - 21 Stockholders' Equity

(a) Capital

Decree No. 6473, dated June 5, 2008, which approved the bylaws of CAIXA, establishes in article 6 the Authorized Capital as R\$ 13,562,433 and in article 7 approves the Capital of R\$ 9,292,000, exclusively paid up by the Federal Government.

The amount of capital increase in December 2009 was R\$ 2,384,683, of which R\$ 1,986,701 was used to supplement 2009 dividends, and the amount of R\$ 397,982 from lottery reserves was appropriated to the CAIXA's capital.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

By means of the Decree published on August 26, 2010 CAIXA's capital was authorized to be increased by up to R\$ 2,500,000 through the transfer of 77,641,422 registered common shares (ON) of Petróleo Brasileiro S.A - PETROBRAS, exceeding the maintenance of the shareholding control by the federal government.

On September 10, 2010, shares received for capital increase were sold to the Stabilization and Investment Fiscal Fund (FFIE) for R\$ 2,426,294.

The Decree published on February 16, 2011 authorized a capital increase of R\$ 2,200,000 through the transfer of 62,327,182 preferred shares and 9.293.295 common shares of Petróleo Brasileiro S.A. - PETROBRAS and 13,609,303 common shares of Centrais Elétricas Brasileiras - ELETROBRAS, in excess of the required by the Federal Government to maintain shareholding control.

(b) Compliance with levels required by Resolution 2099/94 (Basel Accord)

In conformity with CMN Resolution No. 2099/1994 and subsequent regulations, which establish the minimum levels of referential equity for financial institutions, based on the volume of their operations, CAIXA's index is 14.55% (Note 35 (b)) whereas the minimum required in Brazil is 11%.

(c) Revenue and revaluation reserves

The revenue reserves are formed by the legal reserve, calculated at 5% of annual net income, and the statutory reserve comprising results from the administration of lotteries and the operating margin reserve.

Description	2011		2010
	June 30	March 31	June 30
Revaluation reserves	471,959	475,664	495,672
Revenue reserves	1,944,114	1,649,724	1,131,104
Legal reserve	1,220,613	1,106,898	1,002,060
Statutory reserves	723,501	542,826	129,044
Operating margin reserves *		542,826	-
Lottery reserve	723,501	-	129,044

* The amount of R\$ 1,002,482 was paid to the Federal Government as supplementary dividends referring to 2010 (see item (d)).

(d) Dividends and interest on own capital

The Federal Government must receive a minimum dividend of 25% on adjusted net income, as provided by Decree No. 2673/98.

On February 25, 2011, the Board approved the payment of supplementary dividends relating to 2010, in the amount R\$ 1,002,482, based on the appropriation of net income approved by the Finance Minister.

On June 1, 2011, an interim payment of dividends and interest on capital relating to 2011 was made, totaling R\$ 800,000, through the transfer of CVS and CFT-A securities to the National Treasury Secretariat (STN), in the amount of R\$ 689,769, and cash of R\$ 110,231.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011	2010
	June 30	June 30
Net income	2,274,308	1,667,684
Legal reserve	(113,715)	(83,384)
Realization of reserve	8,132	11,163
Lottery reserve	(180,675)	(129,043)
Basis for calculation of dividends	1,988,050	1,466,420
Dividends proposed	497,012	378,024
Interest on own capital	428,819	378,024
Dividends	68,193	-

Note - 22 Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)

(a) Tax Credits

The main amounts classified in "Tax credits" are:

- CSLL credits, relating to the tax years ended up to December 1998, calculated at the rate of 18%, based on article 8 of Provisional Measure No. 2158-35/2001;
- IRPJ credits relating to accumulated tax losses, which do not expire, and temporary differences, at the rate of 25%;
- CSLL credits relating to accumulated losses and temporary differences determined as from 1999, at the rate of 15% and;
- PASEP and COFINS credits relating to temporary differences arising from the adjustment to market value of securities.

The tax credits amount to R\$ 16,651,324 (2010 - R\$ 14,832,905) and comprise R\$ 10,885,112 (2010 - R\$ 9,741,065) of IRPJ credits, R\$ 5,753,031 (2010 - R\$ 5,087,730) of CSLL credits, R\$ 1,843 (2010 - R\$ 574) of PASEP credits and R\$ 11,338 (2010 - R\$ 3,535) of COFINS credits. The valuation allowance relating to these credits amounts to R\$ 4,849,587 (2010 - R\$ 5,382,663), which results in a total of tax credits, net, of R\$ 11,801,737 (2010 - R\$ 9,450,241).

CAIXA carried out a technical study related to the expectation of realization of tax credits in 10 years and, based on the results obtained, decided to constitute provision for tax loss credits of R\$ 56,979 and R\$ 786,313 for credits on temporary differences, of which R\$ 784,142 refers to IRPJ and CSLL, and R\$2,172 to PASEP and COFINS.

Book Value

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2 nd Six months, 2011	14,600	8,760	6,132	1,505,044	1,534,536
2012	50,915	30,549	21,384	2,314,490	2,417,338
2013	52,554	31,533	22,073	2,230,309	2,336,469
2014	75,028	45,017	31,512	1,624,480	1,776,035
2015	104,750	62,850	43,995	368,382	579,978
2016	121,156	72,693	50,885	364,687	609,421
2017 to 2021	825,133	128,836	223,903	1,282,639	2,460,511
TOTAL	1,244,136	380,238	399,884	9,690,031	11,714,288

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Present Value

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2 nd Six months, 2011	12,848	7,709	5,396	1,324,449	1,350,402
2012	42,071	25,242	17,670	1,912,457	1,997,440
2013	40,775	24,465	17,126	1,730,421	1,812,787
2014	54,761	32,857	23,000	1,185,681	1,296,298
2015	72,060	43,236	30,265	253,417	398,979
2016	78,628	47,177	33,023	236,675	395,503
2017 to 2021	452,403	77,474	128,078	729,577	1,387,532
TOTAL	753,546	258,160	254,558	7,372,677	8,638,941

(b) Origin of the tax credits

Description	2011				2010	
	June 30		March 31		June 30	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Allowance for loan losses	3,760,238	2,114,807	3,568,402	2,001,408	2,852,774	1,565,252
Provision SFH	731,507	438,904	748,913	449,348	751,190	450,714
Provision for contingencies	1,743,893	1,046,336	1,717,218	1,030,331	1,625,684	975,411
Others	936,426	469,950	964,835	512,440	889,435	447,084
Provision for Saúde CAIXA - NPC 26	1,357,840	814,704	1,324,387	794,632	1,243,576	746,146
Adjustment to market value - Result	100,602	60,361	-	-	-	-
Adjustment to market value - Equity (Available for Sale)	46,411	27,847	110,203	66,122	116,350	69,809
Subtotal of temporary differences	8,676,917	4,972,909	8,433,958	4,854,281	7,479,009	4,254,416
Tax loss	2,973,570	-	2,973,570	-	2,973,570	-
Cumulative reductions	(765,375)	-	(750,528)	-	(711,513)	-
CSLL loss up to 2,000	-	701,139	-	701,139	-	701,139
Cumulative reductions	-	(320,901)	-	(312,245)	-	(289,612)
Credit at 18% - 1998	-	624,515	-	624,515	-	624,515
Cumulative reductions	-	(224,631)	-	(218,571)	-	(202,728)
Total tax credits	10,885,112	5,753,031	10,657,000	5,649,119	9,741,065	5,087,730

Description	PASEP	COFINS	PASEP	COFINS	PASEP	COFINS
Adjustment to market value - Result	577	3.550	410	2.524	574	3.535
Adjustment to market value - Equity (Available for Sale)	1.266	7.788	-	-	-	-
Total tax credits PASEP / COFINS	1.843	11.338	410	2.524	574	3.535

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Changes in tax credits

Description	Gross amount	Provision	Total
At December 31, 2010	15.935.232	(4.744.106)	11.191.126
Amount recorded in the period	784.144		784.144
Reversal of provision	105.482	(105.482)	-
PASEP/COFINS	2.172		2.172
Securities Available for Sale	(51.359)		(51.359)
Realization of tax credit - IRPJ	(33.386)		(33.386)
Realization of tax credit - CSLL	(19.988)		(19.988)
Tax credits written off - 2002 MP 2.158-35/01	(13.992)		(13.992)
Reversal of tax losses carryforward	(56.979)		(56.979)
At June 30, 2011	16.651.326	(4.849.588)	11.801.738

(d) Calculation of IRPJ and CSLL

Description	2011				2010	
	June 30		March 31		June 30	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit sharing	1,856,844	1,856,844	550,850	550,850	1,542,755	1,542,755
Total of IRPJ (25%) and CSLL (15%)	(464,199)	(278,527)	(137,707)	(82,628)	(385,689)	(231,413)
Tax effects of additions and exclusions	189,458	112,395	(13,781)	(8,962)	102,279	58,078
Interest on own capital	107,205	64,323	54,221	32,533	94,506	56,704
Employee profit sharing	26,801	16,081	13,555	8,133	50,299	30,179
Deferred tax assets - IRPJ and CSLL	33,386	33,980	18,539	19,264	24,977	27,153
Tax incentives	6,942		3,213	-	5,012	-
Revaluation reserve	3,388	2,033	1,742	1,045	4,651	2,791
Investment in associated and subsidiary companies	19,465	11,679	4,859	2,915	50,364	30,219
Others	(12,618)	(722)	(87)	4,062	25	1,197
Current expense	(90,172)	(38,758)	(55,446)	(23,638)	(53,576)	(25,092)
Deferred expense/Mark-to-market	(3,875)	(2,325)	2,349	1,409	(2,561)	(1,535)
Total expense	(94,047)	(41,083)	(53,097)	(22,229)	(56,137)	(26,627)

Note - 23 Income from Financial Intermediation

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Purchase and sale commitments	1,184,080	1,135,866	2,319,946	1,920,525
Customer loans and financing	6,488,127	6,202,006	12,690,133	8,815,120
Financial assets available for sale	38,672	(154,879)	(116,207)	114,867
Derivative financial instruments	(6,970)	(29,855)	(36,825)	(42,524)
Financial instruments held for trading	1,211,606	912,062	2,123,668	1,372,181

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Financial assets held to maturity	1,925,719	2,193,365	4,119,084	4,248,154
Compulsory deposits with the Brazilian Central Bank	1,191,957	1,064,398	2,256,355	1,118,081
Interest on financial assets (FCVS)	541,384	511,347	1,052,731	825,563
Foreign exchange result	(375)	875	500	1,511
Other	4,246	12,814	17,061	14,246
Total	12,578,447	11,847,999	24,426,446	18,387,724

Note - 24 Expenses of Financial Intermediation

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Transactions with financial institutions	(78,890)	(69,067)	(147,957)	(1,654)
Other special deposits and deposits of funds and programs	(220,015)	(220,991)	(441,006)	(533,288)
Purchase and sale commitments	(1,687,609)	(1,467,579)	(3,155,188)	(2,863,361)
Loans, assignments and onlendings	(1,387,687)	(1,169,180)	(2,556,867)	(1,681,410)
Operations with customers	(4,131,177)	(3,743,120)	(7,874,297)	(5,245,960)
Allowances for loan losses	(1,734,946)	(1,587,629)	(3,322,575)	(2,507,022)
Reversals of allowances for loan losses	336,590	10,161	346,751	575,385
Total	(8,903,734)	(8,247,405)	(17,151,139)	(12,257,310)

Note - 25 Service Fees and Bank Charges

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Administration of FGTS	1,023,976	671,653	1,695,629	1,190,913
Administration of FCVS	15,147	20,716	35,863	53,567
Administration of PIS	8,668	8,878	17,546	17,701
Administration of lotteries	242,229	196,897	439,126	372,883
Administration of FIES	21,155	29,798	50,953	47,717
Administration of FAR	540	1,147	1,687	0
Unemployment insurance	14,022	14,451	28,473	27,151
General Federal Government Budget (OGU)	34,508	16,890	51,398	47,578
Family allowance	68,352	68,721	137,073	122,471
INSS - Collection and payment fees	14,438	14,524	28,962	27,270
Management of investment funds	221,847	217,253	439,100	396,788
Agreement fees	319,828	310,832	630,660	596,930
Current account maintenance fees	27,396	24,984	52,380	44,740
Credit origination fee (TAC)	124,203	104,715	228,918	181,144
Credit cards	230,645	193,268	423,913	267,736
Collection of bills	120,393	115,729	236,122	207,035
EMGEA - Administration of contracts	54,668	54,521	109,189	123,668
Risk rate - financial agent	71,996	67,231	139,227	100,292

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
CCFGTS	60,269	50,953	111,222	121,099
FGTS letter of credit - Program Minha Casa Minha Vida (My House, My Life)	50,471	37,745	88,216	47,717
CONSTRUCARD CAIXA	20,442	19,393	39,835	34,403
Real estate operations	171,460	140,410	311,870	298,167
Other services	144,010	127,413	271,423	177,771
Subtotal	3,060,663	2,508,122	5,568,785	4,504,741

Service fees and bank charges	286,866	280,529	567,395	449,999
Individuals	242,798	241,022	483,820	374,616
Companies	44,068	39,507	83,575	75,383
Total of service fees and bank charges	3,347,529	2,788,651	6,136,180	4,954,740

Note - 26 Personnel Expenses

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Personnel expenses				
Salaries	(1,793,513)	(1,791,608)	(3,585,121)	(2,966,151)
Salaries and benefits	(1,639,233)	(1,667,533)	(3,306,766)	(2,753,907)
Labor indemnities	(154,280)	(124,075)	(278,355)	(212,244)
Benefits	(319,750)	(315,027)	(634,777)	(531,419)
Social charges	(658,355)	(660,464)	(1,318,819)	(1,088,688)
FGTS	(125,788)	(126,260)	(252,048)	(208,019)
Social security	(387,845)	(387,657)	(775,502)	(645,266)
Supplementary social security/pensions	(108,292)	(109,223)	(217,515)	(173,801)
Others	(36,430)	(37,324)	(73,754)	(61,602)
Others	(43,467)	(31,082)	(74,549)	(68,653)
Total	(2,815,085)	(2,798,181)	(5,613,266)	(4,654,911)

Note - 27 Administrative Expenses

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Administrative expenses				
Communication	(153,990)	(103,586)	(257,576)	(184,346)
Maintenance and repair of assets	(212,597)	(182,331)	(394,928)	(278,935)
Water and electricity	(64,098)	(60,929)	(125,027)	(114,352)
Rentals and leases	(173,299)	(180,560)	(353,859)	(318,875)
Materials	(65,427)	(50,711)	(116,138)	(51,705)
Data processing	(247,318)	(199,434)	(446,752)	(393,861)
Promotions and public relations	(47,609)	(39,980)	(87,589)	(65,694)
Advertising and publicity	(71,245)	(97,466)	(168,711)	(167,642)
Financial system services	(67,355)	(66,390)	(133,745)	(116,391)
Third party services	(207,883)	(187,996)	(395,879)	(334,106)
Specialized services	(112,111)	(88,400)	(200,511)	(147,702)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Surveillance and security services	(134,020)	(141,665)	(275,685)	(235,909)
Depreciation and amortization	(192,895)	(186,078)	(378,973)	(332,234)
Other administrative expenses	(64,637)	(60,831)	(125,467)	(118,834)
Total	(1,814,483)	(1,646,357)	(3,460,840)	(2,860,586)

Note - 28 Other Operating Income

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Other operating income				
Commissions and fees on operations	812,978	790,875	1,603,853	1,297,294
Expenses recovered	217,047	203,121	420,168	371,791
Reversal of other operating provisions	402,801	210,890	613,691	466,253
Revenues from other credits	-	-	-	783
Credit card revenues	35,582	34,080	69,662	69,875
Dividend income	399	64,474	64,873	9,110
Monetary restatement of guarantee deposits	133,941	161,415	295,356	74,595
Others	65,211	73,888	139,099	115,193
Total	1,667,959	1,538,743	3,206,702	2,404,894

Note - 29 Other Operating Expenses

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Other operating expenses				
Expenses with contribution to SFH	(272)	(381,809)	(382,081)	(502)
Expenses with FCVS receivable -provision/losses	(110,778)	(170,943)	(281,721)	(205,558)
Expenses of obligations with funds and programs	(54,300)	(42,320)	(96,620)	(137,220)
Provision for contingencies	(188,287)	(40,902)	(229,189)	(462,496)
EMGEA/Federal Government	(9,141)	(9,177)	(18,318)	(15,709)
Expenses with lottery resellers	(59,419)	(38,548)	(97,967)	(89,812)
Expenses with cards	(185,609)	(129,782)	(315,391)	(280,352)
Expenses with automated services	(40,339)	(36,299)	(76,638)	(49,665)
Discounts on loans	(197,957)	(167,695)	(365,652)	(14,779)
Non-banking correspondents	(285,322)	(266,183)	(551,505)	(465,233)
Hybrid instruments of capital and debt - monetary restatement	(429,416)	(509,118)	(938,534)	(757,087)
FGTS - Collection/payment	(114,396)	(108,876)	(223,272)	(203,560)
Social benefits	(16,081)	(20,593)	(36,674)	(35,897)
FGTS investment fund	(466)	(2,616)	(3,082)	(4,746)
Expenses with business promotion	(40,784)	(29,779)	(70,563)	(43,040)
Adverse legal judgments	(56,024)	(68,771)	(124,795)	(294,762)
Expenses with receivables managed by third parties	(8,430)	(8,736)	(17,166)	(14,037)
Expenses with financial management of pension funds	(62,478)	(61,951)	(124,429)	(77,200)
Post-employment benefits	(140,714)	(140,714)	(281,428)	(268,854)
Expenses related to restatements and interest paid to seller – real estate financing	(60,456)	(48,630)	(109,086)	(45,931)
Expenses related to monetary restatements,	(26)	(17,376)	(17,402)	(2,347)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
refunds and payments				
Expenses related to the lottery reseller	(34,127)	(19,944)	(54,071)	(28,052)
Expenses related to operating provisions	(59,043)	(4,173)	(63,216)	(73,475)
Other	(141,670)	(121,221)	(262,891)	(286,867)
Total	(2,295,538)	(2,446,153)	(4,741,691)	(3,857,181)

Note - 30 Non-operating Expenses

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
Non-operating income	54,773	49,634	104,407	184,775
Gains on sale of assets	30,699	26,134	56,833	64,318
Sale of properties	7,109	11,075	18,184	102,643
Unclaimed surplus cash funds	5,924	4,897	10,821	8,739
Capital gains from adjustment of pending amounts	1,773	1,387	3,160	19
Fines and charges	5,589	4,262	9,851	5,250
Other non-operating income	3,678	1,880	5,558	3,806
Non-operating expenses	(100,903)	(113,527)	(214,430)	(254,809)
Impairment of other assets	(586)	(1,881)	(2,467)	(90,247)
Indemnity for losses and damages	(15,846)	(19,366)	(35,212)	(27,623)
Loss on properties	(9,360)	(8,041)	(17,401)	(19,843)
Losses from fraudulent electronic withdrawals	(52,580)	(66,035)	(118,615)	(97,813)
Loss on sale of assets	(4,199)	(4,461)	(8,660)	(5,475)
Losses related to credit cards	(16,229)	(11,748)	(27,977)	(13,204)
Other non-operating expenses	(2,103)	(1,995)	(4,098)	(604)
Total	(46,131)	(63,892)	(110,023)	(70,034)

Note - 31 Tax Expenses

Description	2011			2010
	2 nd Quarter	1 st Quarter	1 st Six-month period	1 st Six-month period
COFINS contribution	(285,741)	(272,884)	(558,625)	(461,572)
PIS/PASEP	(46,435)	(44,570)	(91,005)	(75,005)
Services Tax (ISS)	(84,386)	(75,156)	(159,542)	(130,696)
Expenses with IPTU	(4,080)	(33,853)	(37,933)	(34,917)
Other	(3,049)	(15,469)	(18,518)	(9,939)
Total	(423,691)	(441,932)	(865,623)	(712,129)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 32 Provisions

CAIXA is a party to tax, civil and labor processes at the administrative and judicial levels. Based on the opinion of its legal advisors and considering that the procedures adopted by CAIXA comply with legal and regulatory requirements, management believes that the provisions recorded are sufficient to cover the risks of any unfavorable outcomes in these administrative and judicial processes.

(a) The provisions are as follows:

(i) Analysis of the balances

Description	2010		2011		June 30
	June 30	December 31	Additions	Reversals/ Reductions	
Tax	554,406	575,572	14,182	(190,771)	398,983
- INSS	262,649	271,304	6,671	(69,844)	208,131
- ISS	146,002	152,702	6,410	(1,437)	157,675
- Other	145,755	151,566	1,101	(119,490)	33,177
Civil	3,166,937	3,587,568	341,541	(278,255)	3,650,854
Labor	2,721,655	2,687,488	342,404	(288,397)	2,741,495
Other	631,643	779,543	84,708	-	864,251
Total	7,074,641	7,630,171	782,835	(757,423)	7,655,583

The provision for tax claims is recorded in "Other liabilities - tax and social security" (Note 20(a)), and the provision for other claims is recorded in "Other liabilities - sundry" (Note 20(c.2)).

(ii) Analysis of judicial deposits

The judicial deposits given in guarantee for probable, possible and/or remote contingent liabilities are as follows:

Description	2011		2010
	June 30	March 31	June 30
Judicial deposits	8,928,212	8,680,168	4,152,842
Tax	6,871,187	6,661,135	2,294,462
Labor	1,414,664	1,387,681	1,166,793
Civil	642,361	631,352	691,587

(iii) Analysis of the probable loss classification:

Description	2011		2010
	June 30	March 31	June 30
	Amount/Provision	Amount/Provision	Amount/Provision
Probable	7,655,524	7,594,399	7,074,641
Losses and damages	1,378,854	1,275,523	1,173,246
Savings accounts	1,494,627	1,480,726	1,348,209
Lotteries	8,838	8,657	40,207
Real estate receivables	213,921	213,609	199,923
Contingencies related to FGTS	554,615	545,984	405,352

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	2011		2010
	June 30	March 31	June 30
	Amount/Provision	Amount/Provision	Amount/Provision
Labor	2,741,495	2,702,153	2,721,655
Tax	398,923	588,918	554,406
Others	864,251	778,829	631,643

(iv) Analysis of the possible loss classification

In accordance with CMN Resolution 3823/2009, the contingencies classified as possible losses and not recorded are not required to be provided for:

Description	2011		2010
	June 30	March 31	June 30
Labor lawsuits	45,565	44,903	42,780
Tax lawsuits	4,447,238	4,694,667	4,295,659
Civil lawsuits	1,085,816	1,200,301	1,143,562

(b) Labor and civil lawsuits

CAIXA is the defendant in claims filed by employees, former employees and employees of service providers as well as trade unions, related to work activity, job categories, collective bargaining agreements, indemnities, benefits, retirement pensions, joint responsibility.

The civil proceedings relate to its products, transactions and services, mainly banking services, credit reference restrictions, housing finance and lotteries, among others.

In general, the proceedings relate to claims for pecuniary and non-pecuniary damages, or disputes regarding contractual clauses, principally interest rates and debit or residual balances of loans contracted.

The major quantity relates to claims contesting economic plan indices applicable to asset and liability transactions, especially savings account deposits, which are accrued in accordance with the legally established criteria.

In significance of amounts, the main group relates to actions claiming damages as a result of changes in the rules for releasing FGTS funds in accordance with the regulations at the time.

(c) Tax lawsuits

The tax lawsuits concern federal, state and municipal taxes, including income tax, CPMF, CSLL, PASEP, improvement contributions, social security contributions, IOF, ICMS, ITBI, IPTU, ISSQN, Tariffs and Fines.

On December 6, 1996, CAIXA was notified by the Federal Revenue authorities on the allegation of underpayment of PIS/PASEP from January 1991 to December 1995, a period in which Decree Laws No. 2445 and No. 2449/1988 were in force, and offsetting, supposedly improperly, overpayments from January 1992 to May 1993.

CAIXA filed an appeal at an administrative level at the Administrative Board of Tax Appeals (CARF), challenging said assessment. The administrative tax proceeding was in process until November 2010 and, during this period, CAIXA had some of its arguments accepted, at a voluntary appeal level (Judgment 202-17402), but the claim made in the appeal to the High Court of Justice was denied. CAIXA was notified of the last resort decision, rendering the issue *res judicata* at an administrative level, and was notified and required to pay the restated amount for the tax assessment, including R\$ 667,691 (principal), R\$ 500,768 (penalty) and R\$ 2,959,949 (interest), totaling R\$ 4,128,408 at June 30, 2011 (2010 - R\$ 3,996,448 - total amount).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Considering the final and unappealable decision handed at an administrative level, CAIXA decided to file a claim in court, aiming at having the assessment reversed, and, therefore, has deposited the full amount, as provided in tax legislation, for suspension of the liability related to said tax claim.

CAIXA was assessed by inspectors from the National Institute of Social Security (INSS) for non-payment of social security contributions on payments made to its employees, for the period from January 1982 to August 1999, amounting to R\$ 1,409,865 (2010 - R\$ 1,421,916) at June 30, 2011 price levels. The related provision amounts to R\$ 208,130 (2010 - R\$ 262,649) based on the history of favorable outcomes and the legal precedents identified in recent technical and legal studies.

CAIXA was assessed by municipal tax inspectors in various municipalities of Brazil on the allegation of lack of payment or underpayment of the Services Tax - ISS, amounting to R\$ 322,888 (2010 - R\$ 286,846) at June 30, 2011. Based on prior successful outcomes and related jurisprudence, as well as the technical and legal analyses of the matter, a provision was recorded in the amount R\$ 157,532 (2010 - R\$ 145,860).

Among other tax lawsuits the most significant is that in which CAIXA is contesting, at the Taxpayers' Council, an assessment of R\$ 5,778 (2010 - R\$ 119,775) relating to CSLL offsets (PERD/COMP) which had not been approved. Based on legal judgments on the matter, legal counsel recommended full provision for the amount.

CAIXA has 19 actions related to income tax, CPMF, PASEP, social security contributions, ISSQN and ICMS, which, based on the analysis of the legal advisors, were considered likely to involve a possible loss and which amount to R\$ 4,447,238 at June 30, 2011.

Note - 33 Related Parties

(a) Remuneration of the key management personnel

Costs with remuneration and other benefits attributed to key management personnel (Board of Directors, Statutory Audit Board, Executive Board and Audit Committee) are shown below:

Description	2011		2010
	June 30	March 31	June 30
Short-term benefits	5,219	2,517	4,311
Salaries	4,256	2,121	3,562
Social charges	963	396	749

To comply with Decree No. 95524/87, remunerations paid to employees and managers are disclosed below, without deduction of the disallowances mentioned in Decree Law No. 2355/1987 and Law No. 8852/1994:

Description	2011				2010	
	June 30		March 31		June 30	
	Management R\$	Employees R\$	Management R\$	Employees R\$	Management R\$	Employees R\$
Highest	31,628	28,644	31,628	28,644	30,063	26,485
Average	28,364	5,013	28,750	4,993	26,969	4,318
Lowest	23,741	1,600	28,488	1,600	22,573	1,160

CAIXA does not have share-based variable remuneration and other long-term benefits and does not offer post-employment benefits to its managers. Post-employment benefits are restricted to the staff of CAIXA.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Asset and liability transactions of CAIXA with related parties

The operations with CAIXA Seguros, the Federal Treasury and FUNCEF are carried out in the context of the operating activities of CAIXA and its responsibilities established in specific regulations. CAIXA has banking transactions with related parties, such as deposits in checking accounts, remunerated deposits, service rendering and rental of properties.

The transactions with related parties are carried out under conditions and rates similar to those practiced with third parties prevailing on the transaction dates, and are represented as follows:

Description	2011		2010
	June 30	March 31	June 30
ASSETS			
Income receivable	1,019,413	929,152	686,515
OGU - General Federal Government Budget	1,019,413	929,152	686,515
Credits purchased	1,431,105	857,905	321,942
Banco Panamericano	1,431,105	857,905	321,942
Total	2,450,518	1,787,057	1,008,457
LIABILITIES			
Deposits	419,064	332,906	217,143
STN - Federal Treasury Secretariat	397,349	317,350	209,089
Caixa Seguros	18,957	14,200	5,950
FUNCEF	2,758	1,356	2,104
Local onlending - official institutions	10,596	10,864	118
OGU - General Federal Government Budget	10,596	10,864	118
Sundry liabilities	30,014	29,334	27,397
OGU - General Federal Government Budget	30,014	29,334	27,397
Total	459,674	373,104	244,658
INCOME			
Services rendered	262,657	108,536	207,690
Caixa Seguros	210,015	91,021	158,834
OGU - General Federal Government Budget	52,642	17,515	48,856
Investment income	-	-	6,144
Caixa Seguros	-	-	6,144
Other operating income	93,481	42,713	51,804
OGU - General Federal Government Budget	93,481	42,713	51,804
Total	356,138	151,249	265,638
EXPENSES			
Administrative expenses - rentals	21,496	11,588	17,074
FUNCEF	21,496	11,588	17,074
Other operating expenses	1,648	819	1,449
OGU - General Federal Government Budget	1,648	819	1,449
Total	23,144	12,407	18,523

*Income and expenses represent amounts accrued up to the position reported.

Note - 34 Employee Benefits

Benefit plans are sponsored by CAIXA and managed and implemented by the Federal Savings and Loans Bank Employees' Foundation (FUNCEF). Post-employment benefits related to Savings Accounts benefits and Meal Vouchers/Food Basket and commitments with those assisted under the EX-PREVHAB program are administered by CAIXA.

Designed for employees and retirees linked to FUNCEF, PREVHAB, PMPP Fund and INSS, Saúde CAIXA is a self-management program established by CAIXA, the objective of which is to provide assistance to

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

beneficiaries and their dependents at the following levels: medical, hospital, laboratory, radiology, dental, psychological, physiotherapeutic, speech therapy, occupational therapy, nutritional and social services.

The Supplementary Medical Assistance Program (PAMS) is a benefit granted by CAIXA to beneficiaries and their dependents that are under any type of injunction. PAMS is a program established and managed by CAIXA, which offers coverage at medical, hospital, dental and psychological levels, including a chain of accredited professionals/entities at a national level, under PAMS standards and related table.

As the actuarial balances for employee benefits are adjusted annually, the balances presented herein refer to the base date of December 31, 2010.

(a) Private pension plan

a.1) REG/REPLAN

The plan, which is of the Defined Benefit type, aggregates the regulations established in 1977 (REG) and 1979 (REPLAN) considered as a single plan, which was last amended on June 14, 2006.

The defined benefits of this plan were settled by an amendment to its regulation. Through this procedure, the benefit amount is settled, calculated and restated based on the plan index (INPC/IBGE), with no further reference to the participation salary, and the benefit is granted and maintained by a social security government agency. The regular contribution to this plan is cancelled and the participant adheres to another benefit plan offered by the sponsor.

The rate adopted is the blue chip National Treasury Notes (NTN-B), because it is the one that most complies with the IFRS and local standards. The Plan's interest rate was determined considering the last maturity date of Government Securities at May 15, 2045. The Plan's investments are allocated on a diversified basis, and most of them are invested in Investment Funds. The annual rate of return on assets is 11.30% and inflation is stated at 5% p.a.

a.2) REB

The REB benefit plan is sponsored by CAIXA and FUNCEF and managed by FUNCEF. This is a Variable Contribution Plan. The regular participant's contribution, including the self-sponsored participant, is calculated by applying a percentage on the participant salary, defined on adhesion, not lower than 2%.

Upon the establishment of the REB Plan, new adhesions to the REG/REPLAN ceased e, on February 4, 2002, the plan's regulation was amended to permit the migration of REG/REPLAN participants to REB. This experience influenced the process of preparing the proposal for REG/REPLAN Settlement and the establishment of the Benefit Plan "Novo Plano".

For programmable events, which adopted the defined contribution type of plan, the portion corresponding to the defined contribution of the total contributions made by the Sponsoring Entity is recorded.

The rate adopted is the blue chip National Treasury Notes (NTN-B), because it is the one that most complies with the IFRS standards and local. The Plan's interest rate was determined considering the last maturity date of Government Securities at May 15, 2045. The Plan's investments are allocated on a diversified basis, and most of them are invested in Investment Funds. The annual rate of return on assets is 11.30% and inflation is stated at 5% p.a.

a.3) Novo Plano

The benefit plan Novo Plano was approved by the appropriate authorities on June 16, 2006 and started operating on September 1, 2006. This is a Variable Contribution Plan, with a defined contribution during

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

the stage of formation of reserves and defined benefits during the stage of receipt of benefits and in cases of risk, such as disability and death pension.

The Novo Plano also adopts a new contribution basis by increasing the portion destined by CAIXA to the participant's account balance. The regular participant's contribution, including the self-sponsored participant, will be calculated by applying a percentage on the participant salary, defined on adhesion, not lower than 5%. The sponsor's contribution equals the participants' regular contributions, limited to 12% of the total participant salaries and the total of the regular contributions made by the participants, including the beneficiaries.

Administrative expenses will be equally supported by sponsor and participants, including those assisted, and shall be approved by the Executive Board and the Deliberative Council of FUNCEF, provided that the limits and criterion established by the regulating authority are complied with.

The rate adopted is the blue chip National Treasury Notes (NTN-B), because it is the one that most complies with the IFRS standards. The Plan's interest rate was determined considering the last maturity date of Government Securities at May 15, 2045. The Plan's investments are allocated on a diversified basis, and most of them are invested in Investment Funds. The annual rate of return on assets is 11.30% and inflation is stated at 5% p.a.

a.4) PREVHAB's Assisted individuals

CAIXA manages the remaining balance of the guarantee funds of technical reserves of those formerly assisted by PREVHAB, the pension fund responsible for supplementing the social security benefits of employees of the former National Housing Bank (BNH). Therefore, the amounts related to benefits paid to those who were formerly assisted by PREVHAB are debited in the Guarantee Funds of the Reserves of those Assisted.

i) Reconciliation of the balances at present value of the actuarial obligation

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Present value of the actuarial obligation at the beginning of the year	(27,479,152)	(32,659,559)	(358,031)	(334,121)	(40,205)	(42,680)	(154,508)	(106,519)
Cost of current service	(74,096)	(74,192)	(3,620)	(3,436)	-	-	(20,045)	(19,274)
Cost of interest	(3,017,912)	(3,631,036)	(38,204)	(33,925)	(4,212)	(4,707)	(9,567)	(9,551)
Actuarial gains / (losses)	(2,092,304)	7,768,892	80,659	(18,189)	4,553	4,205	(110,000)	(21,100)
Benefits paid by the plan	1,333,142	1,090,915	19,145	28,015	3,257	2,977	10,224	961
Liabilities (acquired) / transferred from other plans by transaction	-	25,828	-	3,625	-	-	-	975
Present value of the actuarial obligation at the end of the year	(31,330,322)	(27,479,152)	(300,051)	(358,031)	(36,607)	(40,205)	(283,896)	(154,508)

ii) Analysis of the actuarial obligation of the plan

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Portion of the present value of the actuarial obligation with coverage	(31,330,322)	(27,479,152)	(300,051)	(358,031)	(36,607)	(40,205)	(230,424)	(132,388)
Portion of the present value of the actuarial obligation without coverage	-	-	-	-	-	-	(53,472)	(22,120)
Total present value of the actuarial obligation at the end of the year	(31,330,322)	(27,479,152)	(300,051)	(358,031)	(36,607)	(40,205)	(283,896)	(154,508)
Status of the plan	Fully covered	Fully covered	Fully covered	Fully covered	Fully covered	Fully covered	Partially covered	Partially covered

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

iii) Reconciliation of the balances at fair value

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Fair value of plan assets at the beginning of the year	31,584,152	30,495,721	438,379	513,041	42,625	42,680	132,388	106,840
Expected return on plan assets	4,134,518	3,320,653	54,072	51,581	5,712	4,708	18,545	7,781
Actuarial gains / (losses)	2,813,153	(1,151,009)	(172,119)	(99,692)	(1,444)	(1,786)	85,096	161
Contributions/Payments (PREVHAB) of the employer	15,781	17,064	234	552			4,619	11,277
Contributions of plan's participants	15,781	18,466	-	-	-	-	-	-
Benefits paid by the plan	(1,333,142)	(1,090,915)	(19,146)	(28,015)	(3,257)	(2,977)	(10,224)	(961)
Administrative expenses	-	(25,828)	-	(3,625)				(975)
Assets (acquired) / transferred from other plans by transaction	-	-	-	4,537	-	-		8,265
Fair value of plan assets at the end of the year	37,230,243	31,584,152	301,420	438,379	43,636	42,625	230,424	132,388

iv) Reconciliation of items "i" and "iii" with assets and liabilities recognized

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Present value of the actuarial obligation without coverage / (in excess)	(5,899,921)	(4,105,000)	(1,368)	(80,348)	(7,028)	(2,420)	53,472	22,120
Amount not recognized as asset / (liability)*	2,949,960	2,052,500	684	40,174	-	-	(26,736)	(11,060)
Unrecognized actuarial gains/(losses)	884,794	524,369	(130,895)	(88,984)	5,527	2,419	(17,127)	(4,674)
Net actuarial liability/(asset) recognized at the end of the year **	(2,065,167)	(1,528,131)	(131,579)	(129,158)	(1,501)	(1)	9,609	6,386

* Calculated under the provisions of Complementary Law No. 109/2001 and CGPC Resolution 26/08, observing current and future contributions of sponsors and participants, including those assisted, in accordance with the rules established by the Costing Plan in force.

** The Company has decided not to record the resulting Asset/Liability, considering the uncertainty about whether future contributions will be effectively reimbursed or reduced.

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
(Liability)/Asset to be recognized at the beginning of the year	-	-	-	-	1	-	-	-
Plan payments, net of management fee	15,781	17,064	117	276			2,310	5,639
Provision for benefit plans and other post-employment benefits	(15,781)	(17,064)	(117)	(276)	1,500	1	(2,310)	5,639
(Liability)/Asset to be recognized at the end of the year	-	-	-	-	1,501	1	-	-

v) Total expense recognized in the statement of income

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Cost of current service	(74,096)	(74,192)	(3,620)	(3,436)	-	-	(20,045)	(19,274)
Participants' responsibility	(521,255)	192,288	(6,124)	276	-	-	5,533	5,638
Cost of interest	(3,017,912)	(3,631,036)	(38,205)	(33,925)	(4,212)	(4,707)	(9,567)	(9,551)
Expected return on plan assets	4,134,518	3,320,653	54,072	51,581	5,712	4,708	18,545	7,780
Amortization of actuarial gains / (losses)		(165,697)	(3,819)	(373)	-	-	-	-
Limit effects	(537,036)	340,921	(2,421)	(14,399)	-	-	3,224	9,768
Total recognized (expense) / income	(15,781)	(17,064)	(117)	(276)	1,500	1	(2,310)	(5,639)
Total (expense) / income for the year	(15,781)	(17,064)	(117)	(276)	1,500	1	(2,310)	(5,639)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

vi) Actuarial assumptions adopted

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
a) General considerations about assumptions								

Assumptions have been defined impartially and in a mutually compatible manner, based on market expectations during the development period of each actuarial valuation and respective projections.

b) Financial								
Interest rate for annual actuarial discount	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.
Projected salary increases – annual average	2.41% p.a.	2.41% p.a.	2.89 % p.a.	2.89% p.a.	-	-	2.89% p.a.	2.89% p.a.
Projected benefit increase – annual average	1.00% p.a.	1.00% p.a.	-	-	-	-	-	-
Projected increases in INSS limits and benefits	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Annual average inflation rate	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Expected return on plan assets	11.30% p.a.	13.25% p.a.	11.30% p.a.	14.57% p.a.	-	-	11.30% p.a.	15.11% p.a.
c) Demographic								
Turnover rate	FUNCEF EXPERIENCE		FUNCEF EXPERIENCE		-		FUNCEF EXPERIENCE	
Mortality table/asset survivorship	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	-	-	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F
Mortality table/retiree survivorship	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F
Mortality table/disabled survivorship	WINKLEVOSS		WINKLEVOSS		WINKLEVOSS		WINKLEVOSS	
Disability beginning table	HUNTER		HUNTER		HUNTER		HUNTER	
Morbidity table	-		-		-		-	
Retirement age	Maximum data:		Maximum data:		-		Maximum data:	
	M [53 years; RGPS]		M [55 years; RGPS]		-		M [53 years; RGPS]	
	F [48 years; RGPS]		F [55 years; RGPS]		-		F [48 years; RGPS]	
Family composition for pension costs								
Participants	75% married	95% married	75% married	95% married	-	-	75% married	95% married
Retirees	Individual Record		Individual Record		-		Individual Record	

* Individual master record information used is dated September 30, 2010, and related records have been adjusted for the December 31, 2010 position.

vii) Disclosure of actuarial results

REG/REPLAN	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	23,073,582	32,659,559	27,479,152	31,330,322
Fair value of plan assets	24,757,323	30,495,721	31,584,152	37,230,243
Plan's technical surplus / (deficit)	1,683,741	(2,163,838)	4,105,000	5,899,921
Resulting experience adjustments at December 31				
Percentage gains / (losses) on plan liabilities	N/A	-24.6%	28.3%	-6.7%
Percentage gains / (losses) on plan assets	N/A	8.3%	-3.6%	7.6%

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

REB	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	622,651	334,121	358,031	300,051
Fair value of plan assets	738,801	513,041	438,379	301,420
Plan's technical surplus / (deficit)	116,150	178,920	80,348	1,369
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	9.5%	96.5%	-3.1%	26.9%
Percentage gains / (losses) on plan assets	7.5%	-17.9%	-22.7%	-57.1%
PREVHAB	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	41,108	42,680	40,205	36,607
Fair value of plan assets	-	-	42,625	43,635
Plan's technical surplus / (deficit)	(41,108)	(42,680)	2,420	7,028
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	0.0%	10.5%	12.4%
Percentage gains / (losses) on plan assets	N/A	N/A	-4.2%	-3.3%
NOVO PLANO	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	33,192	106,519	154,508	283,896
Fair value of plan assets	30,479	106,840	132,388	230,424
Plan's technical surplus / (deficit)	(2,713)	321	(22,120)	(53,472)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	53.9%	-50.2%	-8.3%	-38.7
Percentage gains / (losses) on plan assets	60.9%	50.0%	0.1%	36.9

viii) Expense / income and payments expected for next year

Year - 2011	REG/REPLAN	REB		PREVHAB	NOVO PLANO	
Amounts related to:	Defined Benefit	Defined Benefit Portion	Defined Contribution Portion	Defined Benefit	Defined Benefit Portion	Defined Contribution Portion
Cost of current service	(58,485)	(3,482)	-	-	(18,602)	-
Participants' responsibility	(564,720)	(2,146)	-	-	9,764	-
Cost of interest	(3,500,782)	(32,082)	-	(4,034)	(30,593)	-
Expected return on plan assets	4,688,707	39,856	-	6,149	29,666	-
Amortization of actuarial (gains) / losses	-	(6,994)	-	68	(283)	-
Limit effects	(581,290)	4,719	-	-	7,487	-
Total (expense) / income to be recognized	(16,570)	(129)	-	2,183	(2,561)	-
Total (expense) / income for the year	(16,570)	(129)	-	2,183	(2,561)	-
Payment amounts expected by the Company in the next year						
Usual	16,570	129	-	-	2,561	-
Total expected plan's payments	16,570	129	-	-	2,561	-

ix) Annual return on assets

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
Actual annual return on plan assets	10.18%	13.32%	10.18%	14.57%	10.23%	15.11%	10.18%	-

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Meal vouchers and food basket

Benefits comprising meal vouchers and food basket provided by CAIXA to employees and management have a monthly value that is defined in September of each year.

For the period from September 2010 to August 2011, the value of the meal voucher is R\$ 399.30 per month for payment of meals in restaurants and similar places. The food basket for the same period amounts to R\$ 311.08 per month for the purchase of food in supermarkets or other commercial establishments.

(c) Savings Account Benefit

CAIXA, as sponsor and administrator of the Plans, as well as participants, are intervening parties in the Savings Account Benefit and contribute R\$ 2.16 (two reais and sixteen cents) annually in January. The benefit is paid to the participant's beneficiaries upon the natural death of the participant, provided that the dependence condition is evidenced, totaling R\$ 792.65 (seven hundred and ninety-two reais and sixty-five cents). In the event of accidental death of the participant, the benefit to be paid to beneficiaries will be R\$ 1,560.60 (one thousand, five hundred and sixty reais and sixty cents), provided that the documents evidencing entitlement are presented.

(d) Healthcare plans - Saúde CAIXA and PAMS

Since 1977, CAIXA offers health care to its employees and their families through Saúde CAIXA - a program established and managed by CAIXA itself. It offers medical, hospital, dental, psychological, physiotherapy, speech therapy, occupational therapy and nutritional assistance and social services, which are rendered by a network of accredited entities and a system of reimbursement with Brazil - wide coverage. The benefit is granted by CAIXA to members who opt for it, and their related dependents, the members being employees and retirees linked to FUNCEF, PREVHAB, PMPP Fund and INSS.

The costs of the Healthcare Plan - Saúde CAIXA are defrayed by CAIXA through contributions equivalent to 70% of the assistance expenditures, with a minimum participation of 3.5% of the personnel expense, including social charges. Beneficiaries contribute 30% through monthly payments of 2% on the remuneration basis, for the family group, plus a co-participation of 20% on the use of the assistance, limited to a co-participation cap, and monthly payments by indirect dependent enrolled.

The Saúde CAIXA plan does not have financial assets and therefore the provision calculated corresponds to the amount of the actuarial liability. This liability represents the actuarial present value of the post-employment benefits relating to the currently retired employees and beneficiaries, and was calculated considering that these groups have already fully completed the years of service.

With respect to the active employees, the actuarial provision was calculated taking into consideration the ratio between years of service at the valuation date and at the retirement date.

The amount of the actuarial provision obtained through the calculation at present value of all the flows of welfare expenses relating to current and future retirees and beneficiaries is R\$ 5,431,362 (2010 - R\$ 4,974,304), the expense for the six-month period ended June 30, 2011 was R\$ 245,432 (2010 - R\$ 228,361).

The costs of the Supplementary Medical Assistance Program (PAMS) are defrayed by CAIXA, on an annual basis, and correspond to 3.5% of the payroll, including social charges, and also by the participants, who participate in the expenses incurred. It follows a financial model that is being discontinued and its duration depends on injunctions pending judgment and lawsuits.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

1) Reconciliation of the balances of the actuarial obligation to present value

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Present value of the actuarial obligation at the beginning of the year	(744,355)	(642,158)	(12,026)	(11,327)	(4,259,459)	(4,497,016)
Cost of current service	-	-	(308)	(274)	(103,235)	(140,002)
Cost of interest	(80,985)	(70,818)	(1,312)	(1,253)	(456,722)	(532,471)
Actuarial gains / (losses)	26,440	(87,616)	3,506	590	276,681	771,636
Benefits paid by the plan	54,868	56,237	252	238	155,525	138,394
Reductions	92,530	-	-	-	-	-
Present value of the actuarial obligation at the end of the year	(651,502)	(744,355)	(9,888)	(12,026)	(4,387,210)	(4,259,459)

2) Analysis of the actuarial obligation of the plan

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Portion of the present value of the actuarial obligation with coverage	-	-	(6,249)	(5,824)	-	-
Portion of the present value of the actuarial obligation without coverage	(651,502)	(744,355)	(3,639)	(6,202)	(4,387,210)	(4,259,459)
Total present value of the actuarial obligation at the end of the year	(651,502)	(744,355)	(9,888)	(12,026)	(4,387,210)	(4,259,459)
Status of the plan	Not covered	Not covered	Partially covered	Partially covered	Not covered	Not covered

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

3) Reconciliation of the balances at fair value

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Fair value of plan assets at the beginning of the year	-	-	5,824	5,494	-	-
Expected return on plan assets	-	-	658	623	-	-
Actuarial gains / (losses)	-	-	(468)	(530)	-	-
Payments / Contributions of the employer	-	-	177	178	155,525	138,394
Contributions of plan participants	-	-	310	298	-	-
Benefits paid by the plan	-	-	(252)	(239)	(155,525)	(138,394)
Assets (acquired) / transferred from other plans by transaction	-	-	-	-	-	-
Fair value of plan assets at the end of the year	-	-	6,249	5,824	-	-

4) Reconciliation of items “1” and “3” with assets and liabilities recognized

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Present value of the actuarial obligation without coverage / (in excess)	651,502	744,355	3,639	6,201	4,387,211	4,259,459
Unrecognized actuarial (gains)/losses	9,484	(16,956)	(2,802)	(6,113)	778,857	509,102
Net actuarial liability/(asset) recognized at the end of the year	660,986	727,399	837	88	5,166,068	4,768,561

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

5) Changes in net liabilities (assets)

(Liability) / ASSET to be recognized at the beginning of the year	(727,399)	(712,423)	(88)	620	(4,768,561)	(4,234,482)
Plan payments, net of management fee	54,869	56,237	177	178	155,524	138,394
Provision for benefit plans and other post-employment benefits	11,544	(71,213)	(926)	(886)	(553,031)	(672,493)
(Liability) / ASSET to be recognized at the end of the year	(660,986)	(727,399)	(837)	(88)	(5,166,068)	(4,768,581)

6) Total expense recognized in the statement of income

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Cost of current service	-	-	(309)	(274)	(103,235)	(140,002)
Participants' contributions	-	-	310	298	-	-
Cost of interest	(80,986)	(70,818)	(1,312)	(1,253)	(456,722)	(532,471)
Expected return on plan assets	-	-	659	623	-	-
Expected return on asset rights	-	-	-	-	-	-
Amortization of actuarial (gains) / losses	-	(394)	(274)	(280)	6,926	-
Effect of any reduction or settlement	92,530	-	-	-	-	-
Total (expense) / income recognized	11,544	(71,212)	(926)	(886)	(553,031)	(672,473)
Total (expense) / income for the year	11,544	(71,212)	(926)	(886)	(553,031)	(672,473)

Income and expenses related to the Savings Account Benefit were designed according to the remuneration characteristics of each asset, by applying the macroeconomic scenario adopted by FUNCEF. Portfolios following this rule are Government Securities, Private Credits and Deposits, Shares and Investment Funds.

The healthcare plans Saúde-CAIXA and PAMS do not maintain fair assets for coverage of the Plan.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

7) Annual return on assets

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Actual annual return on plan assets	-	-	11.30%	11.08%	-	-

8) Actuarial assumptions adopted

Master record information gathered in (*)	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
a) General considerations about assumptions						

Assumptions have been defined impartially and in a mutually compatible manner, based on market expectations during the development period of each actuarial valuation and respective projections.

b) Financial	2010	2009	2010	2009	2010	2009
Interest rate for annual actuarial discount	6.00% p.a.	5.50% p.a.	6.00% p.a.	5.50% p.a.	6.00% p.a.	6.62% p.a.
Projected salary increases – annual average	-	-	-	-	2.89% p.a.	1.04% p.a.
Projected actual increase in healthcare costs (HCTR) - annual average	-	-	-	-	2.00% p.a.	2.00% p.a.
Projected increases in INSS limits and benefits	-	-	-	-	-	-
Inflation rate - annual average	5.00% p.a.	4.00% p.a.	5.00% p.a.	5.24% p.a.	5.00% p.a.	4.00% p.a.
Expected return on plan assets	-	-	-	-	-	-
Per capita cost (Saúde-CAIXA portion: 70% of costs)	-	-	-	-	-	-
Projected benefit increase - annual average	-	-	-	-	-	-
c) Demographic						
Turnover rate					3.24%	1.18%
Mortality table/asset survivorship	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F
Mortality table/retiree survivorship	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F
Mortality table/disabled survivorship	WINKLEVOSS		WINKLEVOSS		IAPB-57	
Disability beginning table	-		-		HUNTER	
Morbidity table	-		-		-	
Retirement age	-		-		-	
Family composition for pension costs	-		-		-	
Participants	-		-		Individual Master Record	
Retirees	-		-		Individual Master Record	

* Individual master record information used is dated September 30, 2010, and related records have been adjusted for the December 31, 2010 position.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

9) Disclosure of actual results

MEAL VOUCHER AND FOOD BASKET	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	688,194	642,158	744,355	651,502
Plan's technical surplus / (deficit)	(688,194)	(642,158)	(744,355)	(651,502)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	10.9%	-11.8%	4.1%
Percentage gains / (losses) on plan assets	N/A	N/A	N/A	N/A
SAVINGS ACCOUNT BENEFIT	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	8,304	11,327	12,026	9,888
Fair value of plan assets	5,151	5,494	5,825	6,249
Plan's technical surplus / (deficit)	(3,153)	(5,833)	(6,201)	(3,639)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	-18.3%	4.9%	35.5%
Percentage gains / (losses) on plan assets	N/A	-14.3%	-9.1%	-7.5%
SAÚDE CAIXA	2007	2008	2009	2010
Amounts related to:				
Present value of the plan's actuarial obligation	4,056,275	4,497,016	4,259,459	4,387,210
Plan's technical surplus / (deficit)	(4,056,275)	(4,497,016)	(4,259,459)	(4,387,210)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	-5.8%	18.1%	6.3%
Percentage gains / (losses) on plan assets	N/A	N/A	N/A	N/A

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

10) Expense / income and payments expected for next year

Year - 2011	MEAL VOUCHER AND FOOD BASKET	SAVINGS ACCOUNT BENEFIT	SAÚDE CAIXA
Amounts related to:			
Cost of current service	-	(343)	(191,397)
Participants' contributions	-	316	-
Cost of interest	(71,992)	(1,110)	(490,865)
Expected return on plan assets	-	749	-
Amortization of actuarial (gains) / losses	-	(190)	30,903
Total (expense) / income to be recognized	(71,992)	(578)	(651,359)
Total (expense) / income for the year	(71,992)	(578)	(651,359)
Payment amounts expected by the Company in the next year			
Usual	57,612	185	173,099
Total expected plan's payments	57,612	185	173,099

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(e) Recognition of actuarial gains and losses

i.1) REG/REPLAN, REB and Novo Plano: CAIXA's management decided not to record actuarial gains due to (i) the remaining social security commitments of these plans; (ii) the fluctuations that could affect the fair value of the plan assets, and (iii) the ability to realize actuarial gains in view of the current legislation.

i.2) Saúde Caixa: the actuarial losses relating to this liability which exceed the limit stated in Note 4 (v), will be recognized over the average remaining time of service of the participants.

(f) Employee profit sharing

The amount of R\$ 107,204 (2010 - R\$ 201,195) was recognized for payment of the Employee profit sharing (PLR).

Note - 35 Corporate Risk Management

CAIXA adopts the best local and international practices for managing its credit, market, liquidity and operating risks, including an active capital management in conformity with the principles, amounts, guidelines and limits established by the Board of Directors.

Risk management is perceived by Senior Management as a distinguishing feature for financial market competitiveness and the principal means of sustaining the CAIXA's solvency, liquidity and profitability.

The risk management structures are in conformity with the current regulations, adapted to the nature and complexity of the financial instruments, products, services and operations of CAIXA, and good corporate governance practices, ensuring that Senior Management is able to identify the capital commitment required to cover the risks, evaluate the impact on results and make prompt decisions regarding acceptable exposure limits.

The Risk Management policy and exposure limits are reviewed at least annually, based on strategy, macroeconomic factors, the business environment and the ability to assume risks, and are communicated with clarity to all employees in the internal standards dissemination system.

A detailed description of the risk management structures, including responsibilities, practices, processes, procedures and models is available for consultation on the internet website: <http://www.caixa.gov.br> under the menu "Sobre a CAIXA".

(a) Basel II

The actions required to implement the Basel II New Capital Accord are coordinated under a strategic project and supervised by the corporate risk unit of the Vice-Presidency for Control and Risk. The project was approved by the Executive Board and reflects the appropriate recognition and strategic priority given by management to the implementation of the best risk management practices.

The Project aims to ensure the improvement, development, implementation and certification of the basic/standard and internal/advanced models of market risk, credit risk and operating risk, besides several actions for training of human resources and dissemination of the CAIXA risk management culture.

CAIXA has complied in full with the requirements of the Brazilian Central Bank – BACEN regarding the phases for implementing the New Accord in Brazil, in order to present its candidature to use the internal model of market risk, and continues to develop its practices, processes, models and systems to ensure that the CAIXA is capable of adopting the internal models in the other categories of risks, in conformity with the schedule of implementation defined by the BACEN.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

CAIXA acknowledges that the advantages obtained from the full implementation of the New Accord extend beyond the possible benefits gained from the decrease in minimum required capital and strengthen the strategic priority given to risk management in an essential pillar for sustainability, business responsibility and the fulfillment of its strategic mission.

(b) Regulatory Capital Requirements

We present below details regarding the calculation of regulatory capital requirements, pursuant to CMN Resolutions No. 3444/2007 and No. 3490/2007, which establish the methodology for determining Reference Equity and Required Reference Equity:

	2011		2010
	June 30	March 31	June 30
PR - REFERENCE EQUITY (TIER I + TIER II - DEDUCTIONS)	34,629,441	34,296,909	30,571,675
TIER I	20,031,001	18,997,369	15,286,397
Stockholders' equity	18,201,533	16,887,589	14,295,214
Hybrid capital and debt instrument eligible to comprise PR tier 1	2,612,739	2,477,918	1,993,878
Revaluation reserves	(471,959)	(475,664)	(495,672)
Tax credits excluded from PR Tier 1	(261,281)	(178,770)	(423,859)
Deferred charges	(40,454)	(49,694)	(78,115)
Adjustment to market value	(9,577)	(4,949)	(5,049)
Provision in addition to the minimum required by Res.2682/1999	-	-	-
Excess tax credits in relation to PR Tier I	-	(254,622)	-
TIER II	15,280,658	15,300,386	15,286,397
Revaluation reserves	471,959	475,664	495,672
Hybrid capital and debt instruments	9,522,186	9,639,552	9,877,238
Subordinated debt instruments	5,276,936	5,180,221	4,908,438
Adjustment to market value	9,577	4,948	5,049
Excess Tier II Capital in relation to Tier I	-	-	-
DEDUCTIONS FROM PR	(682,218)	(845)	(1,118)
Shares issued by financial institutions and other institutions authorized to operate by the Brazilian Central Bank	(681,384)	-	-
Investment in foreign financial institution	(834)	(845)	(1,118)
REQUIRED REFERENCE EQUITY (PRE)	26,255,672	24,811,331	19,684,773
Credit risk	24,392,230	23,001,666	18,056,358
Market risk	79,259	76,050	38,748
Operating risk	1,784,183	1,733,615	1,589,667
CAPITAL MARGIN (PR - PRE)	8,373,769	9,485,578	10,886,902
BASEL RATIO (PR x 100) / (PRE / 0.11)	14.51	15.21	17.08

Credit Risk

Credit risk is defined as the possibility of the occurrence of loss due to non-compliance by the borrower or counterparty, intermediary or contracting party with their respective financial obligations under the contracting terms agreed, in addition to losses arising from the impairment of loans as a result of the deterioration in the borrower's risk rating, decrease in gains or remuneration, advantages granted upon renegotiation and recovery costs.

Credit risk control and monitoring are performed through the identification, measurement, evaluation and monitoring of collection delays and exposure indicators, limits for borrowers, transactions, segments, geographic regions and economic activity sectors, realized, expected and unexpected losses, provisions, operation ratings, regulatory and economic capital requirements, alternatives proposed to mitigate the credit risk and reporting to products and service managers and to CAIXA's decision-making levels.

For the purposes of credit risk management, all credit exposures of CAIXA are assessed based on consistent and verifiable criteria, capable of measuring and classifying the risks involved in each transaction.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Furthermore, the new transactions are evaluated based on credit scoring models or specialized analyses, depending on the characteristics of the borrower and of the loan; transactions in the portfolio are periodically reviewed; retail transactions use Behavioral Scoring models and for other exposures, rating re-evaluation is utilized.

As part of the continuous improvement of the process to control and monitor credit risk, CAIXA annually reviews its models, policies, strategies, exposure or extrapolation limits for reporting and approval by the Executive Board and the Board of Directors.

The periodical reviews of policies, strategies, practices, processes, models and systems aim at compliance with best market practices and the requirements of the New Capital Accord and regulatory authorities.

All processes and models used are evaluated and ratified in advance by an internal and autonomous unit for model validation, and their predictive ability is permanently monitored.

(c) Market risk

CAIXA's risk area maintains a market risk management structure compatible with the nature and complexity of the financial instruments, products and operations and with the scope of its exposure to this risk.

The activities of market risk management are segregated from business and audit activities, with independent structures for the development and monitoring of models, in order to avoid conflicts of interest and to safeguard the impartiality of the work performed.

Market risk consists in the possibility of losses resulting from fluctuations in market values of the positions held by CAIXA including transactions subject to foreign exchange variations, interest rates, prices of shares and of goods (commodities).

Principles, values and guidelines adopted in managing this risk category are established by the Board of Directors in a Market Risk Management Policy, which defines operating limits and procedures designed to maintain exposure to market risk at levels considered acceptable by CAIXA.

The risks inherent to new financial instruments, products and transactions are previously identified, with analyses of the appropriateness of the procedures and controls adopted by CAIXA; the exposure limits and market risk concentration, for both the transactions included in the trading portfolio and other positions, including all significant sources of market risk, are monitored with timely reporting to decision levels, ensuring lower volatility to CAIXA's results of operations, alignment to market best practices and compliance with legal requirements.

Market Risk Measurement

The market risk measurement begins with marketable securities being marked-to-market, that is, with the calculation of the trading prices of these instruments in the secondary market, including the identification of all the positions maintained by CAIXA and the calculation of their cash flows discounted at the market interest rates for each instrument.

These interest rates are shown by the term structure of interest rates, which displays the relationship between interest rates of instruments of the same credit quality level and different maturities, and has as its main objective to serve as a basis for pricing fixed-income instruments.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

At CAIXA this structure is estimated based on information of rates or prices traded in the secondary market or, in the case of assets that are not traded, on an appropriate methodology.

Value at Risk - VaR

CAIXA uses the Delta Normal approach to calculate the VaR internal model, a methodology based on a covariance matrix analytical model, which assumes that returns on the portfolio are normally distributed.

Volatilities and correlations are calculated daily for a historical data period of 252 business days as from the series of the returns of the market curves of the several risk factors.

To calculate the VaR, the market risk measurement system uses a data weighting technique, the EWMA – *Exponentially Weighted Moving Average*, which is a method that applies weighting factors which decrease exponentially, considering the decrease parameter selected, provided that the VaR result be more conservative than that obtained based on the sample variance.

The quality of this model is monitored daily, based on the execution of a compliance test program using two methodologies which record the number of violations, a standard procedure established in the New Basel Accord and Kupiec's proportion of failures test. These tests check if unrealized gains or losses are lower than the VaR calculated for 95%, 97.5% and 99% levels.

The determination of the number of violations for these methodologies to be applied is made by measuring unrealized losses and effective results. Under the first one, violation is defined as the negative result arising from unrealized losses, which is higher than the VaR projected for the day. Under the second one, violation is defined as the negative result arising from changes in the portfolio value, considering trading activity during the day, which is higher than the VaR projected for the day. In both cases the number of violations in a certain period must be consistent with the confidence interval established for the model.

Stress Testing

To supplement the information provided by the VaR calculation, a Stress Testing Program was established, in which it adopts historical and prospective scenarios, and sensitivity analysis, in order to reproduce historical periods, simulate adversities based on portfolio characteristics and the macroeconomic environment which represent severe conditions and gradual changes in market curves, respectively.

The analysis of historical scenarios uses worst-case scenarios of interest curves already occurred to measure their impacts on CAIXA's portfolio value. Two scenarios are used to assess impacts: the first one consists in finding the worst date in the database to define the stress VaR, and the second one in finding the worst date for each risk factor in the portfolio and sum these results, and then including a possible assumption breach.

The analysis of prospective scenarios consists of projecting impacts on the CAIXA's portfolio value, in the event the established scenario occurs. At CAIXA, the prospective scenarios to be included in risk models are proposed by the Vice President of Finance, who provides explanations of assumptions and hypotheses adopted for each model variable, and approved by the Risk Committee, so that they can be used as inputs for the risk models.

Currently, three types of prospective scenarios are used in market risk management:

- . Basic scenario, considering the most likely changes in variables and macroeconomic indicators;
- . High stressed scenario, weighting possible internal and external adversities which have an impact on the increase in interest rate above that considered in the Basic scenario;
- . Low stressed scenario, considering alternative hypothesis which have an impact on the decrease in interest rate below that considered in the Basic scenario.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

The sensitivity analysis, which determines the portfolio sensitivity to possible changes in risk factor rates, is performed by applying percentage points to the term structure of each of the risk factors, in order to simulate an increase in rates and related reduction in asset prices.

The results of stress tests are considered during the whole market risk management process, even to establish or review policies and limits of exposure to risk.

Trading portfolio

CAIXA's trading portfolio comprises all transactions involving marketable securities, financial instruments and goods, including derivatives, held for trading purposes or to hedge other elements of the portfolio that are not subject to trading limitations.

The evolution of the portfolio's value at risk, segmented by risk factor, is presented below:

Value at Risk – Normal Scenario (1)			
Description	2011		2010
	June 30	March 31	June 30
Risk Factors			
FIXED RATE	8.8	13.1	0.8
IGP coupon	-	-	0.3
IPCA coupon	0.3	0.3	0.2
SELIC coupon	-	-	-
TR coupon	-	-	-
CDI	-	-	-
VaR without ED(1)	9.2	13.5	1.4
VaR with ED(1)	9.3	13.1	1.2

(1) Diversification effect

Operations not classified in the trading portfolio

These operations comprise securities classified in the categories II – available for sale and III – held to maturity, lending operations of the commercial, housing, sanitation and infrastructure portfolio and the fund-raising and deposit operations, with and without defined maturity.

With the objective of ensuring that the Reference Equity (PR) is sufficient to cover market risks undertaken by CAIXA, the risk area measures and values the interest rate risk of these operations, considering the nature and complexity of the products and the level of risk exposure.

The methodology for the measurement of risk of the operations not classified in the trading portfolio and subject to the variation of interest rates is based on the concepts presented in the document called *International Convergence of Capital Measurement and Capital Standards - A Revised Framework – Comprehensive Version* and in the assumptions presented in the document called *Principles for the Management and Supervision of Interest Rate Risk*. To supplement this measurement a monthly stress testing is carried out, as established in BACEN Circular No. 3365/07.

Monitoring the levels of exposure of these transactions to interest rate market risk and compliance with the limits established are reported to senior management monthly.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Financial instruments - Marked-to-market value

The comparison between the financial instruments recorded in balance sheet accounts and their marked-to-market value is as follows:

Description	Reference Value			Market Value			Amounts payable or receivable for the period		
	06/30/2011	03/31/2011	06/30/2010	06/30/2011	03/31/2011	06/30/2010	06/30/2011	03/31/2011	06/30/2010
ASSETS									
Investments in interbank deposits	-	-	96,279	-	-	96,279	-	-	-
Investments in purchase and sale commitments	41,424,809	35,775,297	31,459,173	41,418,644	35,777,309	31,448,575	(6,164)	2,011	(10,597)
Securities and financial instruments	107,761,508	103,163,220	110,112,798	108,402,373	104,494,103	110,038,561	640,865	1,330,883	(74,237)
Trading securities	46,680,973	40,560,450	37,083,545	46,680,973	40,560,450	37,083,545	-	-	-
Securities available for sale	2,866,287	3,016,050	1,311,067	2,866,287	3,016,050	1,311,067	-	-	-
Securities held to maturity	58,214,248	59,586,720	71,718,185	58,855,113	60,917,602	71,643,948	640,865	1,330,883	(74,237)
Loan operations, leasing operations and other receivables	208,560,035	193,093,649	151,282,177	203,994,397	194,137,648	153,955,400	(4,565,638)	1,043,999	1,395,169
Commercial	63,749,168	61,372,701	52,548,779	72,648,367	71,407,458	63,584,602	8,899,198	10,034,756	11,035,823
Housing	129,314,290	117,069,013	86,907,225	122,058,646	113,280,229	81,388,199	(7,255,644)	(3,788,784)	(5,519,026)
Infrastructure/Development	12,789,547	12,034,909	9,696,315	6,580,355	6,832,936	6,213,714	(6,209,192)	(5,201,973)	(3,482,601)
Other receivables	2,707,029	2,617,025	2,129,858	2,707,029	2,617,025	2,768,885	-	-	(639,027)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	Reference Value			Market Value			Amounts payable or receivable for the period		
	06/30/2011	03/31/2011	06/30/2010	06/30/2011	03/31/2011	06/30/2010	06/30/2011	03/31/2011	06/30/2010
LIABILITIES									
Funds obtained	52,779,089	48,483,493	32,226,335	53,648,597	50,735,118	32,319,934	869,510	2,251,626	93,600
CDB/RDB	37,216,125	35,349,664	26,393,738	39,589,748	37,062,394	26,250,700	2,373,624	1,712,730	(143,038)
LCI LH	15,562,964	13,133,829	5,832,596	14,058,849	13,672,724	6,069,234	(1,504,114)	538,895	236,637
Funds obtained through purchase and sale commitments	62,423,862	56,491,901	68,592,786	64,908,222	58,398,482	70,372,238	2,484,360	1,906,580	1,779,452
Borrowings and onlendings and others	70,949,574	63,507,560	48,189,479	56,406,039	51,446,746	41,201,922	(14,543,535)	(12,060,814)	233,700
Overseas	193,020	200,659	8,214	191,360	198,520	8,149	(1,659)	(2,139)	(65)
Treasury	31,056	30,368	28,435	31,277	30,594	26,770	221	226	(1,665)
Employee Severance Indemnity Fund (FGTS)	67,245,280	59,838,281	37,570,954	52,430,646	47,701,859	38,127,484	(14,814,634)	(12,136,422)	556,529
BNDES	1,491,514	1,350,621	952,478	2,015,772	1,676,423	890,958	524,258	325,802	(61,520)
Non-remunerated deposits	1,988,704	2,087,632	2,408,141	1,736,984	1,839,351	2,148,562	(251,720)	(248,282)	(259,580)
Hybrid capital and debt instrument	13,363,607	13,122,226	12,524,479	14,170,747	14,090,980	12,419,847	807,140	968,754	(104,633)

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Determination of the marked-to-market value of the financial instruments

The prices of financial instruments in the securities portfolio are determined based on rates or prices practiced in daily transactions, provided that a minimum number of business transactions has occurred on the calculation date.

The market price of shares listed on stock exchanges corresponds to the closing price of the day and the market price of standardized derivatives, to the adjustment price of the day.

Trading prices of fixed income instruments are calculated through the evaluation of discounted cash flows at the market interest rates of each instrument.

These interest rates are established by the estimated term structure of interest rates based on information of rates and prices traded in the secondary market, or, in the case of assets that are not traded, on an appropriate methodology, using the following assumptions:

- a) use of prices and reference rates calculated and disclosed by ANBIMA.
- b) construction of the term structure by aggregating to the charge or surcharge of the security the spread between an interest rate curve of government securities and one of BM&F with similar characteristics, or the curve of a similar asset with liquidity in the secondary market.

The process of marking-to-market of the others transactions not classified in the trading portfolio, and subject to interest rate risk, is based on the construction of the cash flows of assets and liabilities and of the forward structures of interest rates in the market. The cash flows are based on the characteristics of the operations, with the use of statistical models for those that do not have a defined maturity.

These flows are discounted by the forward structures estimated based on information about rates and trading market prices of the financial instruments available, such as: forward contracts, public securities or swap transactions.

Sensitivity analysis of the significant positions – CVM Instruction No. 475

The sensitivity analysis permits checking the impact on prices of assets and liabilities by risk factor due to changes in interest rates. These hypothetical studies become a market risk management tool, allowing the definition of mitigation measures in the event such scenarios materialize, considering that exposures are daily monitored, and adverse changes in the market result in a prompt action by units involved in the process with a view to minimizing any possible losses.

In compliance with CVM Instruction No. 475, of December 17, 2008, sensitivity analyses for each type of market risk deemed significant by senior management, to which CAIXA was exposed on June 30, 2011, included all the relevant transactions with financial instruments and considered the most significant losses in each one of the following scenarios:

Scenario I: Probable scenario considering the most probable trajectory of the variables and macroeconomic indicators;

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Scenario II: Possible scenario which considers a parallel impact on Scenario I of more than or less than 25% in the risk variables on the balance sheet closing date.

Scenario III: Second possible scenario which considers a parallel impact of more than or less than 50% on Scenario I in the risk variables on the balance sheet date, considering the worst resulting losses.

The results are summarized in the following table:

Sensitivity analysis of the significant positions – CVM Instruction No. 475				
Financial Instruments – June 30, 2011				
Description	Risk	Probable scenario	Variation of 25%	Variation of 50%
Fixed rate	Increase in interest rate	(79,834)	(1,884,758)	(3,564,140)
Price index	Increase in price index coupons	(35,580)	(862,989)	(1,673,122)
TR/TBF/TJLP	Increase in TR coupon	(315,511)	(7,152,985)	(13,037,261)
Exchange variation	Decrease in exchange rates	(21)	(526)	(1,064)

(d) Liquidity risk

Liquidity risk refers to the possibility that the price for the settlement of assets is different from the mark-to-market price due to the volume of transactions or to market conditions and that CAIXA does not have sufficient funds to meet its commitments or that it becomes difficult to raise new funds at compatible prices.

With a view to maintaining exposure to this risk at acceptable levels and avoiding an imbalance between marketable assets and liabilities due which may affect CAIXA's payment ability, the Risk Committee has established rules for liquidity risk management, addressing aspects such as practices, processes, procedures, models and reporting.

This risk is managed through internal models of financial flow projections of products, services and transactions of CAIXA, and the measurement of the daily trading potential of securities comprising its marketable securities portfolio, under normal and stress conditions.

In order to face stress situations, a Liquidity Contingency Plan was established with a view to identifying in advance and increasing CAIXA's ability to face internal or external liquidity crises, minimizing their potential effects on the CAIXA's business, capacity to generate results and reputation. The Plan describes the parameters used to identify crises, responsibilities of units and levels involved in its performance, and the procedures to be followed for CAIXA to continue to have an acceptable situation or reestablish the liquidity level it had before the beginning of the crisis.

The measurement and monitoring of the exposure levels to liquidity risk are reported daily to the Vice-Presidents of Control and Risk, and of Finance, monthly the Risk Committee and quarterly to the Board of Directors.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

(e) Operating risk

Operating risk (RO) is defined as the possibility of losses occurring due to errors, deficiencies or inadequacies of internal processes, people and systems or external events. This definition includes the legal risk related to inadequate or deficient agreements signed, as well as the sanctions due to non-compliance with legal provisions and indemnities for damages to third parties as a result of CAIXA's activities.

CAIXA's structure of risk management is in line with CAIXA's guidelines and CMN Resolution No. 3380, which provides for the operating risk management structure in financial institutions and includes the identification, evaluation, monitoring, control and mitigation of the operating risks to which CAIXA is exposed, and also the identification and monitoring of the operating risk arising from outsourced services that are significant to CAIXA's normal operations.

CAIXA's operating risk management is based on best market practices and on compliance with the regulations issued by the Brazilian Central Bank.

Identification

The process for identification of operating risks permeates the whole entity and involves products, services that exist or that will be launched, taking into consideration the internal and external factors that can adversely affect CAIXA's financial results.

The analyses to identify exposure to operating risks affect the different areas of CAIXA through mapping of the National Management, Superintendence and Vice-Presidency.

The self-assessment of operating risks is also used to identify such risks, adapted from the methodology of Control & Risk Self Assessment (CRSA). Self-assessment is performed at a corporate level and captures information provided by managers/administrators when questioned about the possibility of incidence of operating risks, as well as the level of criticality and controls adopted to reduce such risks.

Assessment

The operating risk assessment is divided into qualitative assessment and quantitative assessment.

a) Qualitative assessment

The qualitative assessment results in obtaining the entity's risk profile through actions of mapping and self-assessment described in the identification process.

The mapping process permits that operating risks are identified in the areas to be assessed, taking into consideration aspects of significance, necessity of mitigation actions and trends. A matrix is used, which aggregates information related to gravity, urgency and trends. Self-assessment also allows estimating the amounts involved in the potential incidents and contributes to disclosing the concepts inherent to the management of operating risks.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

b) Quantitative assessment

The quantitative assessment establishes metrics to analyze the history of losses, project them to future periods analyzing future impacts of financial losses, and calculate the allocation of capital. Projections are made based on the Loss Distribution Approach (LDA) methodology.

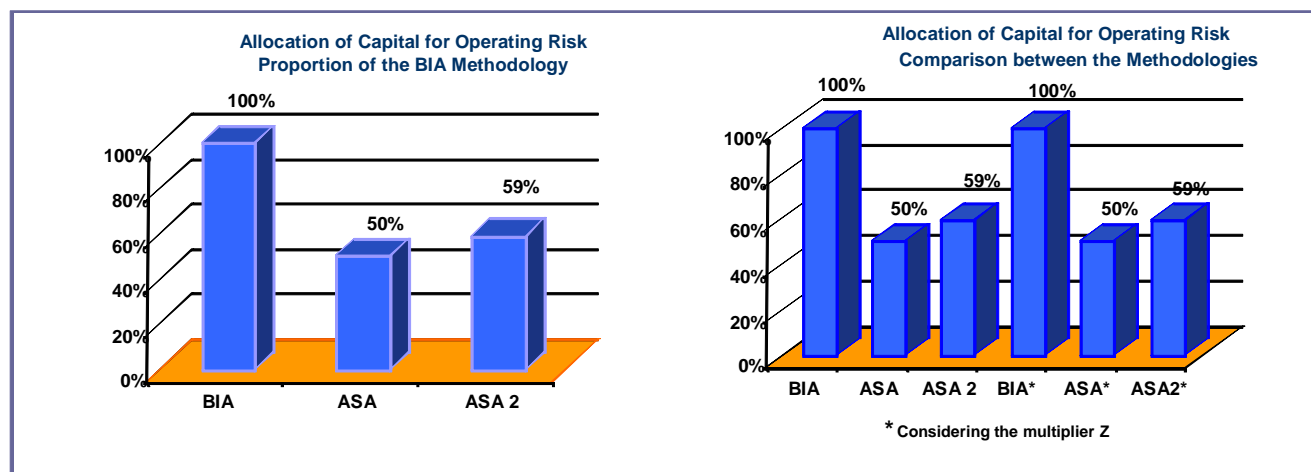
Calculation of Allocation of Capital

BACEN Circular Letter No. 3383/2008 establishes three methods for allocation of capital: (1) the Basic Indicator Approach (BIA); (2) the Alternative Standardized Approach (ASA) and (3) the Simplified Standardized Approach (SSA). These represent the simplest Basel methods and BACEN should define the rules for internal models - AMA.

Calculation Methodology Adopted by CAIXA

The Alternative Standardized Approach (ASA) is the current calculation methodology adopted by CAIXA; a tool was developed to perform an integrated calculation based on the three methods mentioned above.

The results calculated based on the three methods are compared below:



Internal Models

Advanced approaches of capital allocation to operating risk require the improvement of management and control practices, with the main objective of mitigating the operating risk by reducing the impact caused by fraud (internal and external), failure in operating procedures, failure in management of labor agreements, among others. These are known as internal models, as they require CAIXA's own information.

The internal method involves a larger number of variables, more efficiency and sophistication in the management of the operating risk, which generally results in a reduction in regulatory capital in relation to the standardized methods.

This method requires, at least, the use and the integration of four elements:

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

- Internal database – The internal database of events associated with risks should be comprised of management information, consistent with that from the accounting area.
- External database – This base helps quantify the operating risk events occurred in other financial institutions and assists in the qualification of events which never or seldom occur internally.
- Factors related to internal controls and the business environment – These factors reflect the internal control and the business and operating environments exposed to operating risks and which will help mitigate the exposure.
- Analysis of scenarios – Allows the representation of changes in the internal and external business environment, including situations that are not part of internal data, since this enables the consideration of the impacts of extreme events in the operations.

Except for the second element, the other three are under study, development and/or improvement by the area responsible for CAIXA's operating risk management.

Monitoring, Operating Control and Mitigation

The actions of monitoring, mitigation and control of operating risks receive special attention since they give continuity to the cycle of management that started the identification, and prove their effectiveness through the robustness and sustainability of CAIXA.

The losses arising from operating risk events are monitored and reported with a view to driving decisions on mitigating actions. Also, information on indicators of CAIXA's exposure to the occurrences of operating risk events is regularly monitored.

CAIXA focuses on preventive measures, so that the failures, if occurred, are not repeated or have their impacts reduced. Mitigation actions are recorded in a corporate system by the operating risk management area.

The operational control of the products and services to be launched is carried out through a specific tool, capable of generating information on the implementation of the preventive and corrective measures recommended.

Business Continuity Management

Business continuity management is an essential part of operating risk management and has been a focus of CAIXA, through its Business Continuity Program – PCN CAIXA, to be implemented in any interruptions of services and activities, as a basic factor for the success of any initiative for the preservation or recovery of CAIXA's capacity to do business.

Management of Information Security is also a key element in operating risk management, involving all areas of CAIXA in the construction and consolidation of models, procedures, structure, tools and corporate culture, resulting in a management basically focused on the protection of CAIXA's information assets.

Highlights in this six-month period: creation of specific printed series of CAIXA's Normative Manuals, regulating the preparation of other manuals, in connection with the continuity program. Also to be highlighted, the approval, by CAIXA's Risk Committee of the Information Security Master Plan (PDSI), which presents a set of initiatives aimed at protecting CAIXA's information assets.

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Transparency and Disclosure

Transparency and disclosure of information on the operating risk management of CAIXA are indispensable factors for the market to be able to assess the quality of this management.

There is a structured process of internal communication and disclosure to the market to make transparency a regular routine and demonstrate the commitment of CAIXA with the consistency of the data, the banking environment and the people of Brazil.

The report on CAIXA's operating risk management structure is available at: <http://www.caixa.gov.br>, menu Sobre a CAIXA.

Nota - 36 Other Information

(a) Management of social entities

The net assets of the social funds and programs managed by CAIXA are as follows:

Entity	2011		2010
	June 30	March 31	June 30
PIS	29,738,351	27,617,430	28,470,828
FGTS	38,361,514	37,640,111	32,658,047
FAR	4,659,332	4,431,412	4,630,922
FDS	1,015,983	987,128	1,121,557
FAS	27,517	31,221	28,614
FGS	44,050	46,524	71,141
FIEL	-	-	47,562
FGHAB	170,189	151,914	98,683
FCA	11,994	8,491	1,751
FCAM	9	8	-
FGCN	1,261,430	1,238,031	1,369,718
FCE	11	33	69
Total	75,290,380	72,152,303	68,498,892
FCVS (i)	(83,633,814)	(84,630,335)	(86,129,186)

(i) The Federal Government is solely responsible for covering the negative net assets of the FCVS.

(b) Guarantees provided to third parties

These amount to R\$ 69,554 (2010 - R\$ 82,404) and refer to properties and securities pledged as guarantees provided to third parties, relating to litigation against CAIXA.

(c) FGTS

The credit risk of operations contracted as from June 1, 2001 lies with CAIXA in its capacity of Operating Agent, whereas the Federal Government assumes the risk of loans made up to that date, as established in article 9 of Law No. 8036/1990, of May 11, 1990, amended by article 12 of Provisional Measure No. 2196-3/2001, of August 24, 2001. The result of the evaluation of this credit risk is recorded by CAIXA as a provision in the "Sundry liabilities" account, in the amount of R\$ 32,421 (2010 - R\$ 32,842).

Caixa Econômica Federal - CAIXA

Notes to the Consolidated Financial Statements

at June 30, 2011

All amounts in thousands of reais, unless otherwise indicated

Law No. 8036/1990 establishes in its Article 7, item IX, included by Law No. 11491/2007, that CAIXA, as the operating agent, is responsible for guaranteeing that the financial resources allocated to FI – FGTS, in FGTS quotas, receive the remuneration applicable to linked accounts, corresponding to TR + 3% per annum. Accordingly, a provision has been recorded in the amount of R\$ 98,697 (2010 - R\$ 77,723).

(d) FIES

The credit risk of operations contracted as from June 12, 2001 lies with CAIXA in its capacity of Financing Agent and joint debtor, limited to 25%, as established in article 5 of Law No. 10260/2001. amended by Law No.1552/2007.

The result of the evaluation of this credit risk is recognized as a provision in CAIXA in the account "Sundry Liabilities" in the amount of R\$ 166,454 (2010 - R\$ 156,071).

Jorge Fontes Hereda
President

Fábio Lenza
Vice-President

Geddel Quadros Vieira Lima
Vice-President

Joaquim Lima de Oliveira
Vice-President

José Henrique Marques da Cruz
Vice-President

José Urbano Duarte
Vice-President

Márcio Percival Alves Pinto
Vice-President

Paulo Roberto dos Santos
Vice-President

Raphael Rezende Neto
Vice-President

Sérgio Pinheiro Rodrigues
Vice-President

Marcos Brasiliano Rosa
National Superintendent
Accountant CRC 022351/O-1-DF