

(A free translation of the original in Portuguese)

Caixa Econômica Federal - CAIXA

**Financial statements at
December 31, 2011 and**

(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 financial statements of Caixa Econômica Federal - CAIXA ("CAIXA"), which comprise the balance sheet as at December 31, 2011 and the statements of income, changes in equity and cash flows for the year and six-month period then ended, as well as the accompanying consolidated financial statements of Caixa Econômica Federal - CAIXA and its subsidiary ("CAIXA CONSOLIDATED"), which comprise the consolidated balance sheet as at December 31, 2011 and the consolidated statements of income, changes in equity and cash flows for the year and six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 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 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 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.

Caixa Econômica Federal - CAIXA

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caixa Econômica Federal - CAIXA and of Caixa Econômica Federal - CAIXA and its subsidiary as at December 31, 2011, and its financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year and 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 7 (b), in December 31, 2011 CAIXA has credits receivable from the Salary Variation Compensation Fund (FCVS) in the net amount of R\$ 18,223 million. Housing loans already closed out with coverage of the FCVS, but awaiting approval, amount to R\$ 8,163 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 has recorded a provision of R\$ 2,663 million. The realization of the credits relating to housing loans already approved by the FCVS, in the net amount of R\$ 12,723 million at December 31, 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

As described in Note 20 (a) to the financial statements, at December 31, 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\$ 17,888 million arising from tax losses, temporary differences and social contribution on net income for offset, with a valuation allowance of these credits of R\$ 4,277 million. The net amount of R\$ 13,611 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.

Caixa Econômica Federal - CAIXA

Other matters - statement of value added

We also have audited the parent company and the consolidated statements of value added (DVA) for the year and six-month period ended December 31, 2011, which are the responsibility of CAIXA's management, and are presented voluntarily as additional information. These statements have been subjected to the auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Brasília, February 2, 2012

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>
	<u>December</u>	<u>December</u>
Assets		
Current Assets	<u>232,958,694</u>	<u>186,495,832</u>
Cash and banks (note 4)	<u>4,942,335</u>	<u>3,490,993</u>
Short-term Interbank Investments (note 5)		
Money market investments	27,683,377	12,005,555
Interbank deposits	2,063,665	202,058
Provisions for losses	<u>(75)</u>	<u>(371)</u>
	<u>29,746,967</u>	<u>12,207,242</u>
Securities and Derivative Financial Instruments (note 6)		
Own portfolio	51,493,795	43,969,630
Subject to repurchase agreements	25,433,206	13,757,826
Pledged in guarantee	1,053,552	9,739
Securities subject to unrestricted repurchase commitments	250,611	
Derivative financial instruments		<u>1</u>
	<u>78,231,164</u>	<u>57,737,196</u>
Interbank Accounts		
Payments and receipts pending settlement	157,486	156,494
Restricted deposits - Brazilian Central Bank deposits (note 7)	62,172,025	53,927,391
Correspondent Banks	<u>335,595</u>	<u>565,761</u>
	<u>62,665,106</u>	<u>54,649,646</u>
Interdepartmental Accounts		
Third party funds in transit	177	433
Internal transfers of funds	<u>126,522</u>	<u>105,075</u>
	<u>126,699</u>	<u>105,508</u>
Loan Operations (note 8)		
Public Sector	1,382,177	1,611,398
Private Sector	40,549,328	41,610,958
Allowance for loan losses	<u>(5,679,013)</u>	<u>(4,343,160)</u>
	<u>36,252,492</u>	<u>38,879,196</u>
Other Receivables (note 9)		
Receivables from guarantees honored	32,142	28,223
Foreign exchange portfolio	16,809	28,055
Income receivable	1,754,233	1,046,436
Negotiation and intermediation of securities	128	484
Specific credits	136,123	141,650
Sundry	18,187,132	17,044,790
Provision for losses	<u>(120,055)</u>	<u>(146,527)</u>
	<u>20,006,512</u>	<u>18,143,111</u>

Caixa Econômica Federal - CAIXA

Consolidated balance sheets (In thousands of reais)

(continued)

	<u>2011</u>	<u>2010</u>
	<u>December</u>	<u>December</u>
Assets		
Other Assets (note 10)		
Other assets	742,994	874,487
Provision for losses	(122,953)	(148,527)
Prepaid expenses	367,378	556,980
	<u>987,419</u>	<u>1,282,940</u>
Non-current Assets	<u>277,254,899</u>	<u>214,117,712</u>
Securities and Derivative Financial Instruments (note 6)		
Own portfolio	30,603,550	30,105,480
Subject to repurchase agreements	10,896,590	20,426,795
Pledged in guarantee	5,492	304,587
Brazilian Central Bank deposits	1,184	1,215
	<u>41,506,816</u>	<u>50,838,077</u>
Interbank Accounts (note 7)		
SFH - National Housing System	18,333,916	20,987,128
	<u>18,333,916</u>	<u>20,987,128</u>
Loan Operations (note 8)		
Public Sector	20,803,974	13,972,393
Private Sector	186,813,297	118,588,926
Allowance for loan losses	(10,022,108)	(6,803,014)
	<u>197,595,163</u>	<u>125,758,305</u>
Other Receivables (note 9)		
Income receivable		21,847
Sundry	13,631,616	11,049,565
Provision for losses	(15,917)	(7,229)
	<u>13,615,699</u>	<u>11,064,183</u>
Permanent Assets	<u>6,203,305</u>	<u>5,470,019</u>
Investments (note 11)		
Investments in subsidiary and associated companies	1,940,385	2,087,966
In Brazil	1,939,395	2,087,117
Abroad	990	849
Other investments	211,108	72,709
Provision for losses	(18,722)	(11,093)
	<u>2,132,771</u>	<u>2,149,582</u>
Property and Equipment (note 12)		
Properties in use	268,091	202,591
Revaluations of properties in use	810,437	819,507
Other property and equipment in use	4,028,125	3,681,172
Accumulated depreciation	(3,131,251)	(2,720,831)
	<u>1,975,402</u>	<u>1,982,439</u>

Caixa Econômica Federal - CAIXA

Consolidated balance sheets (In thousands of reais)

(continued)

	<u>2011</u>	<u>2010</u>
	<u>December</u>	<u>December</u>
Assets		
Intangible assets (note 13)		
Intangible assets	2,583,979	1,622,537
Accumulated amortization	<u>(511,920)</u>	<u>(362,579)</u>
	<u>2,072,059</u>	<u>1,259,958</u>
Deferred Charges (note 14)		
Organization and expansion costs	170,023	336,198
Accumulated amortization	<u>(146,950)</u>	<u>(258,158)</u>
	<u>23,073</u>	<u>78,040</u>
Total	<u>510,213,593</u>	<u>400,613,544</u>

Caixa Econômica Federal - CAIXA

Consolidated balance sheets (In thousands of reais)

(continued)

	<u>2011</u>	<u>2010</u>
	<u>December</u>	<u>December</u>
Liabilities and Equity		
Current Liabilities	<u>357,284,826</u>	<u>297,017,095</u>
Deposits (note 15 (a), (b), (c), e (f))		
Demand deposits	22,943,003	19,626,215
Savings deposits	150,362,663	129,429,635
Interbank deposits	5,097,544	1,203,585
Time deposits	56,347,585	53,518,268
Special deposits and deposits of funds and programs	13,254,921	10,594,286
Other deposits		118,077
	<u>248,005,716</u>	<u>214,490,066</u>
Deposits obtained in the open market (note 15 (d))		
Own portfolio	35,942,540	33,883,020
Third party portfolio	19,215,316	11,327,865
Unrestricted portfolio	250,102	
	<u>55,407,958</u>	<u>45,210,885</u>
Funds from Acceptances and Issue of Securities (note 16)		
Funds from real estate, mortgage, credit and similar notes	12,966,352	2,533,901
	<u>12,966,352</u>	<u>2,533,901</u>
Interbank Accounts		
Receipts and payments pending settlement	193,143	94,281
Correspondent Banks	10,201	9,304
	<u>203,344</u>	<u>103,585</u>
Interdepartmental Accounts		
Third party funds in transit	1,193,795	1,055,944
Internal transfers of funds	27,262	8,559
	<u>1,221,057</u>	<u>1,064,503</u>
Borrowings (note 17)		
Foreign borrowings		83,340
		<u>83,340</u>
Local Onlendings - Official Institutions (note 17)		
Federal Treasury - Social Integration Program (PIS)	483,010	595,447
National Bank for Economic and Social Development (BNDES)	240,001	19,364
Government Severance Indemnity Fund for Employees (FGTS)	87,489	22,068
	<u>810,500</u>	<u>636,879</u>
Derivative Financial Instruments		
Derivative Financial Instruments	827	1,644
	<u>827</u>	<u>1,644</u>

Caixa Econômica Federal - CAIXA

Consolidated balance sheets

(In thousands of reais)

(continued)

	<u>2011</u>	<u>2010</u>
Other Liabilities		
Collection and payment of taxes and similar	207,391	143,912
Foreign exchange portfolio (note 9 (c))	17,002	28,193
Social and statutory	3,142,448	1,950,196
Taxes and social security contributions (note 18 (a))	1,346,225	1,139,478
Negotiation and intermediation of securities	6,956	7,790
Funds with specific purposes: (note 18 (b))		
Lottery operations	725,499	920,316
Social funds and programs	4,718,055	2,978,609
Financial development funds	945,469	937,561
Sundry	27,560,027	24,786,237
	<u>38,669,072</u>	<u>32,892,292</u>
Non-current liabilities	<u>133,367,387</u>	<u>88,159,499</u>
Deposits (note 15 (a), (b), (c) e (f))		
Time deposits	11,817,258	689,145
Interbank deposits	6,064	3,085
	<u>11,823,322</u>	<u>692,230</u>
Funds from Acceptances and Issue of Securities (note 16)		
Funds from real estate, mortgage, credit and similar notes	8,111,192	8,781,619
	<u>8,111,192</u>	<u>8,781,619</u>
Borrowings (note 17)		
Foreign borrowings	4,601	6,040
	<u>4,601</u>	<u>6,040</u>
Local Onlendings - Official Institutions (note 17)		
Federal Treasury - Social Integration Program (PIS)	84,612	
National Bank for Economic and Social Development (BNDES)	10,032,736	6,004,490
Government Severance Indemnity Fund for Employees (FGTS)	80,511,694	54,150,523
Other	176,182	219,081
	<u>90,805,224</u>	<u>60,374,094</u>
Other liabilities		
Taxes and social security contributions (note 18 (a))	187,787	200,165
Subordinated debt - Eligible for regulatory capital (note 18 (d))	8,550,802	5,089,202
Hybrid Instruments of Capital and Debt - Eligible for regulatory capital (note 18 (e))	13,884,459	13,016,149
	<u>22,623,048</u>	<u>18,305,516</u>

Caixa Econômica Federal - CAIXA

Consolidated balance sheets (In thousands of reais)

(continued)

	<u>2011</u>	<u>2010</u>
Equity (note 19)		
Capital	15,154,802	12,473,724
Capital - local residents	13,562,443	13,562,443
Capital increase	5,464,821	2,783,743
Unpaid capital	(3,872,462)	(3,872,462)
Revaluation reserve	464,595	478,318
Revenue reserves	4,079,781	2,652,206
Carrying value adjustment	(137,798)	(167,298)
	<u>19,561,380</u>	<u>15,436,950</u>
Total	<u>510,213,593</u>	<u>400,613,544</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)

	2011	2010	
	2nd six-month period	Year	
	Year	Year	
Income from Financial Intermediation (note 23)	28,486,618	52,913,064	39,387,205
Loans (note 9 (f))	15,278,811	27,967,053	19,573,718
Securities (note 7 (f))	10,443,150	18,896,375	15,381,864
Derivative financial instruments	(633,154)	(669,979)	(119,147)
Foreign exchange	6,201	6,701	2,570
Compulsory deposits (note 8 (c))	3,391,125	6,711,847	4,546,011
Sales or transfer of financial assets	485	1,067	2,189
Expenses of Financial Intermediation (note 24)	(21,534,707)	(38,685,846)	(26,986,018)
Funds obtained in the market (note 16 (c) and (e))	(14,305,269)	(25,923,717)	(19,101,939)
Loans, assignments and onlendings (note 19 (a))	(3,389,527)	(5,946,394)	(3,834,038)
Allowance for loan losses	(3,839,911)	(6,815,735)	(4,050,041)
gross Profit from financial intermediation	6,951,911	14,227,218	12,401,187
Other Operating Income (Expenses)	(4,316,012)	(9,624,452)	(9,684,337)
Service fees (note 25)	5,553,639	11,122,424	9,491,226
Revenues from bank charges (note 25)	956,248	1,523,643	985,920
Personnel expenses (note 26)	(6,028,967)	(11,642,233)	(9,954,278)
Other administrative expenses (note 27)	(3,821,957)	(7,282,797)	(6,075,258)
Taxes (note 31)	(942,872)	(1,808,495)	(1,470,462)
Result of equity method	108,562	138,660	428,190
Other operating income (note 28)	4,357,672	7,564,374	5,502,926
Other operating expenses (note 29)	(4,498,337)	(9,240,028)	(8,592,601)
Operating Profit	2,635,899	4,602,766	2,716,850
Non-operating expenses (note 30)	(124,573)	(234,596)	(150,997)
Profit Before Taxation and Profit Sharing	2,511,326	4,368,170	2,565,853
Income Tax and Social Contribution (note 22)	1,080,653	1,605,321	1,875,818
Income tax	(376,230)	(470,277)	(98,047)
Current	(234,692)	(324,864)	(97,666)
Deferred	(141,538)	(145,413)	(381)
Social contribution	(186,538)	(227,621)	(43,391)
Current	(101,615)	(140,373)	(43,164)
Deferred	(84,923)	(87,248)	(227)
Deferred tax asset	1,643,421	2,303,219	2,017,256
Employee Profit Sharing	(683,762)	(790,966)	(677,260)
PROFIT For The Six-Month Period/Quarter	2,908,217	5,182,525	3,764,411

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

Caixa Econômica Federal - CAIXA

Consolidated statements of changes in 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 June 30, 2011	14,673,724	471,959	1,944,114	(8,121)	1,119,857	18,201,533
Carrying value adjustments				(129,677)		(129,677)
Capital increase - shares of Petrobras ON (note 19(a))	481,078					481,078
Tax effects on realization of the revaluation reserve		5,183			(4,659)	524
Realization of reserve		(12,547)			12,547	
Net income for the six-month period					2,908,217	2,274,308
Prior-year dividends distributed					371,181	371,181
Appropriations of net income (note 21(d))						
Legal reserve (Revenue reserves)			145,410		(145,410)	
Lottery reserve (Revenue reserves)			226,521		(226,521)	
Operating margin reserve (Revenue reserves)			1,763,736		(1,763,736)	
Interest on own capital proposed					(424,046)	(424,046)
Dividends proposed					(1,847,430)	(1,847,430)
At December 31, 2011	15,154,802	464,595	4,079,781	(137,798)	0	19,561,380
At December 31, 2010	12,473,724	478,318	2,652,206	(167,298)		15,436,950
Carrying value adjustments				29,500		29,500
Capital increase - shares of Petrobras ON (note 21(a))	768,334					768,334
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
Payment of taxes on the revaluation reserve		12,378			(10,081)	2,297
Realization of reserve		(26,101)			26,101	
Net income for the six-month period					5,182,525	2,274,308
Prior-year dividends distributed					(1,002,482)	(1,002,482)
Appropriations of net income (note 21(d))						
Legal reserve (Revenue reserves)			259,125		(259,125)	
Lottery reserve (Revenue reserves)			407,196		(407,196)	
Operating margin reserve (Revenue reserves)			761,254		(761,254)	
Interest on own capital proposed					(852,865)	(428,819)
Dividends proposed					(1,915,623)	(1,915,623)
At December 31, 2011	15,154,802	464,595	4,079,781	(137,798)	0	19,561,380

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
	Year	Year
CASH FLOWS FROM OPERATING ACTIVITIES	2nd six-month period	Year
ADJUSTED NET INCOME	5,745,213	11,686,632
Net Income	2,908,217	3,764,411
Adjustment to net income:	2,836,996	6,504,107
Adjustment to marketable securities and derivative financial instruments (assets / liabilities)	(643,988)	(555,226)
Allowance for loan losses	3,839,911	6,815,735
Actuarial liabilities / assets (Employee benefits)	238,111	488,316
Depreciation and amortization	373,586	752,559
Deferred taxes	(1,643,421)	(2,303,219)
Adjustment to provision for contingencies	57,312	185,363
Result of equity method	(108,562)	(138,660)
Expenses with subordinated debts and hybrid instruments	724,047	1,259,239
	(17,114,146)	8,069,239
CHANGE IN ASSETS AND LIABILITIES		(23,923,922)
Decrease (increase) in short-term interbank investments	(2,063,590)	(1,861,903)
Decrease (increase) in marketable securities and derivative financial instruments - Category I	(8,551,924)	(17,612,544)
Decrease (increase) in marketable securities and derivative financial instruments - Category II	(3,495,317)	(4,344,790)
Decrease (increase) in marketable securities and derivative financial instruments - Category III	(451,951)	10,794,626
Increase in compulsory deposits with the Brazilian Central Bank	(5,115,622)	(8,244,634)
Decrease (increase) in interbank accounts	2,656,644	2,982,144
Increase in interdepartmental accounts	933,666	135,363
Decrease (increase) in loan operations	(43,695,770)	(73,765,101)
Decrease (increase) in other receivables	(3,549,022)	(1,962,458)
Decrease (increase) in other assets	202,033	295,521
Increase in deposits	25,384,453	44,646,742
Increase in deposits obtained in the open market	(6,002,907)	10,197,073
Decrease (increase) in funds from acceptances and issue of securities	5,514,580	9,762,024
Increase (decrease) in derivative financial instruments	(25)	(817)
Increase in borrowings and onlendings	19,966,923	33,519,972
Increase (decrease) in other liabilities	1,153,683	3,528,021
NET CASH USED IN OPERATING ACTIVITIES	(11,368,933)	19,755,871
	(17,030,153)	

Caixa Econômica Federal - CAIXA

Consolidated statements of cash flows (in thousands of reais)

(continued)

	2011		2010
	2nd six-month period	Year	Year
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of property and equipment (including leasing)	8,057	99,578	17,651
Acquisition of investments	(18,278)	(18,278)	204,848
Acquisition of property and equipment (including for leasing)	(230,939)	(504,822)	(535,185)
Intangible assets	(1,000,728)	(1,090,472)	(703,320)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,241,888)	(1,513,994)	(1,016,006)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance for prepayment of dividends	-	(110,231)	
Dividends and interest on capital paid	-	(1,002,482)	(1,698,339)
Capital increase	-	-	439,593
NET CASH PROVIDED BY FINANCING ACTIVITIES	(1,112,713)	(1,112,713)	(1,258,746)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(12,610,821)	17,129,164	(19,304,905)
CHANGES IN CASH AND CASH EQUIVALENTS, NET			
Cash and cash equivalents at the beginning of the period	45,236,533	15,496,548	34,801,453
Cash and cash equivalents at the end of the period	32,625,712	32,625,712	15,496,548
Increase(decrease) in cash and cash equivalents	(12,610,821)	17,129,164	(19,304,905)
ADDITIONAL INFORMATION			
Interest paid	18,537,168	34,523,078	25,278,294
Interest received	26,417,749	48,356,986	40,748,017
Dividends received	77,433	142,249	29,031

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	2 nd six-month period		2011		2010	
			Year		Year	
	R\$	%	R\$	%	R\$	%
1. REVENUES	35,389,694	360.27	66,073,176	356.82	51,166,240	350.26
1.1 Financial intermediation	32,844,290	334.36	60,477,439	326.61	44,890,132	307.29
1.2 Rendering of services	6,509,887	66.27	12,646,067	68.29	10,477,146	71.72
1.3 Allowance for loan losses	(3,839,911)	(39.09)	(6,815,735)	(36.81)	(4,050,041)	(27.72)
1.4 Non-operating items	(124,573)	(1.27)	(234,596)	(1.27)	(150,997)	(1.03)
2. EXPENSES OF FINANCIAL INTERMEDIATION	17,694,796	180.13	31,870,111	172.11	22,935,977	157.01
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	7,606,644	77.43	15,076,344	81.42	13,369,208	91.52
Materials, energy and others	1,510,017	15.37	2,831,312	15.29	2,233,444	15.29
Third-party services	1,598,291	16.27	3,005,005	16.23	2,540,389	17.39
Other	4,498,336	45.79	9,240,027	49.90	8,595,375	58.84
Other operating expenses - monetary adjustments	460,709	4.69	1,132,276	6.11	1,228,861	8.41
Other operating expenses - interest	476,825	4.85	903,337	4.88	781,787	5.35
Expenses with contribution on SFH	554	0.01	382,634	2.07	1,022	0.01
Other operating expenses - credit card	375,375	3.82	690,766	3.73	586,755	4.02
Other operating expenses - post-employment benefits	281,428	2.86	562,856	3.04	537,707	3.68
Commissions and fees	226,417	2.30	449,689	2.43	412,538	2.82
Expenses related to the lottery management	95,463	0.97	193,430	1.04	190,402	1.30
Other	2,581,565	26.28	4,925,039	26.60	4,856,303	33.25
4. GROSS VALUE ADDED(1-2-3)	10,088,254	102.70	19,126,721	103.29	14,861,055	101.73
5. Depreciation, amortization and depletion	373,586	3.80	748,351	4.04	680,969	4.66
6. NET VALUE ADDED (4-5)	9,714,668	98.89	18,378,370	99.25	14,180,086	97.07
7. VALUE ADDED RECEIVED AS TRANSFER	108,562	1.11	138,660	0.75	428,190	2.93
7.1 Result of equity method	108,562	1.11	138,660	0.75	428,190	2.93
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	9,823,229	100.00	18,517,029	100.00	14,608,276	100.00
9. DISTRIBUTION OF VALUE ADDED	9,823,229	100.00	18,517,029	100.00	14,608,276	100.00
Personnel and charges	5,887,717	59.93	10,832,787	58.50	9,279,992	63.53
- Salaries	3,917,141	39.88	7,576,956	40.92	6,540,506	44.77
- Social security charges	355,676	3.62	681,445	3.68	578,524	3.97
- Pension fund	225,533	2.30	443,037	2.39	365,484	2.50
- Benefits	705,606	7.18	1,340,384	7.24	1,118,218	7.65
- Profit sharing	683,762	6.96	790,966	4.27	677,260	4.64
Taxes, fees and contributions	687,231	7.00	1,803,587	9.74	945,633	6.47
- Federal	505,779	5.15	1,404,727	7.59	606,060	4.15
- Municipal	181,452	1.85	398,860	2.15	339,573	2.32
Rentals	340,064	3.46	698,130	3.77	618,240	4.23
Interest on own capital and dividends	424,046	4.32	852,865	4.61	1,698,339	11.63
Retained earnings	2,484,171	25.29	4,329,660	23.38	2,066,072	14.14

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 financial statements

at December 31, 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 Brazilian 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), the Residential Lease Fund (FAR), the Guarantee Fund for Popular Housing (FGHAB) and the Guarantee Fund for Naval Construction (FGCN). The funds and programs managed are independent legal entities governed by specific regulations, maintaining their own accounting records (note 34(a)).

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. 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 parent and consolidated financial statements: balance sheet; statement of income; statement of changes in equity, statement of cash flows and statement of value added.

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

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For the purposes of clarity of the information disclosed, the term PARENT/CONSOLIDATED means that the information is the same in both the parent and the consolidated financial statements.

In connection with the convergence of Brazilian Accounting Standards (BR GAAP) with International Financial Reporting Standards (IFRS), the National Monetary Council has 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 10 - Share-based payments, approved by CMN Resolution No. 3989/2011;
- CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, approved by CMN Resolution No. 4007/2011;
- 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 pronouncements CPC 01, CPC 03, CPC 05, CPC 24 and CPC 25, 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. Pronouncement CPC 10 will have no effect on the preparation of CAIXA's financial statements. Pronouncement CPC 23 will have an impact as from January 1, 2012 and will be adopted in the financial statements prepared from that date onwards.

The Board of Directors approved and authorized the disclosure of the financial statements for the year ended December 31, 2011 on February 2, 2012.

Note - 3 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 and available-for-sale securities and derivative financial instruments, which are recognized at fair value.

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

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at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

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.

(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 a 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.

Investments in jointly-controlled companies and in associated companies are recorded on the equity method of accounting. Unrealized gains and losses on transactions with associated companies are eliminated to the extent of CAIXA's interest.

(c) Profit

Profit is determined on the accrual of basis of accounting. Accordingly, income and expenses are included in the determination of the results of operations 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 periods. The operations with floating rates or rates indexed to foreign currencies are restated up to the balance sheet date.

(d) Foreign currency translation

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

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at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Items included in the financial statements of each entity of the group are measured using the same functional currency.

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.

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 exchange rate disclosed by the Brazilian Central Bank at the closing date of the financial statements.

For preparation of the Statement of cash flows, cash and cash equivalents include cash and banks, foreign currency, investments in interbank and 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 costs, 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.

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- 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 equity, denominated "Carrying value adjustments". 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.

Regardless of the category in which they are classified, income on securities is appropriated on a daily pro rata basis on 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 as expense 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 recorded in the statement of income.

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 is 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.

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 valuation method consists of cash flow analysis based on observable data, such as prices and rates used for other financial instruments available in the market, such as 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 33, 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

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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:

Period in arrears	Special term (i)	Classification of the customer
. 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 recorded 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 on temporary differences, are recorded as tax credits in accordance with the expectation of generation of future taxable income, 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 analyses 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, limited to 30% of the taxable income of each year.

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

(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 an 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:

Property and equipment	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).

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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).

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 recorded 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 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 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 determined.

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.

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

Intangible assets	Amortization period
Logistics projects - software	5 years
Payroll acquisitions ¹	Up to 5 years

(1) These refer to amounts paid to contract 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 acquisitions" 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 statement of income under "Depreciation and amortization", in other administrative expenses.

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 at September 2008 will be maintained up to their total amortization.

(q) Deposits and funds obtained in the open market

These are stated at their liability values and include, when applicable, 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.

(1) Contingent assets - these are not recognized in the financial statements, since they can refer to revenue that may never be realized. However, when management has evidence that there are collateral guarantees or unappealable court decisions, for which a favorable outcome is practically certain, the asset is not a contingent asset and its recognition is appropriate.

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(2) 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.

(3) 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.

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(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 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 - 4 Cash and cash equivalents

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Cash	2,247,796	1,767,713
Cash and banks in local currency	2,638,133	1,686,505
Cash and banks in foreign currency	56,406	36,775
Total cash and banks	4,942,335	3,490,993
Short-term interbank investments*	27,683,377	12,005,555
Total	32,625,712	15,496,548

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

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Note - 5 Short-term interbank investments

Description	PARENT/CONSOLIDATED							
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 2011	%	December 2010	%
Money market investments								
Non-financed position	8,469,148	-	-	-	8,469,148	28.47	677,690	5.55
Financial Treasury Bills	7,551,669	-	-	-	7,551,669	25.39	120,684	0.99
Federal Treasury Bills	805,109	-	-	-	805,109	2.71	507,006	4.15
Federal Treasury Notes	112,370	-	-	-	112,371	0.38	50,000	0.41
Financed position	19,214,229	-	-	-	19,214,229	64.59	11,327,865	92.80
Financial Treasury Bills	19,214,229	-	-	-	19,214,229	64.59	11,026,875	90.33
Federal Treasury Bills	-	-	-	-	-	-	-	0.00
Federal Treasury Notes	-	-	-	-	-	-	300,990	2.47
Interbank deposits	524,719	1,538,871	-	-	2,063,590	6.94	201,687	1.65
Investments in interbank deposits	524,719	1,538,946	-	-	2,063,665	6.94	202,058	1.66
Provision for loss on investment in Interbank Deposits (DI)	-	(75)	-	-	(75)	-	(371)	(0.00)
Total	28,208,096	1,538,871	-	-	29,746,967	100.00	12,207,242	100.00
Current assets	28,208,096	1,538,871	-	-	29,746,967	100.00	12,207,242	100.00
Non-current assets	-	-	-	-	-	-	-	-

Caixa Econômica Federal - CAIXA

Notes to the financial statements

at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

(a) Income from short-term interbank investments

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year
Income from investments in repurchase agreements:	3,284,265	5,604,211	3,889,579
Non-financed position	1,008,455	1,809,721	315,793
Financed position	2,275,810	3,794,490	3,573,786
Income from investments in interbank deposits	63,590	70,324	7,898
Total	3,347,855	5,674,535	3,897,477

Note - 6 Securities and derivative financial instruments

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

Description	CAIXA				CAIXA CONSOLIDATED			
	2011		2010		2011		2010	
	December 31	%	December 31	%	December 31	%	December 31	%
I - Trading securities	55,144,135	46.18	37,531,591	34.57	55,144,135	46.05	37,531,591	34.57
Financial Treasury Bills	4,548,577	3.81	7,132,082	6.57	4,548,577	3.80	7,132,082	6.57
Federal Treasury Bills	39,649,308	33.21	22,134,575	20.39	39,649,308	33.11	22,134,575	20.39
Federal Treasury Notes	10,861,159	9.10	8,197,330	7.55	10,861,159	9.07	8,197,330	7.55
Debentures	55,266	0.05	50,084	0.05	55,266	0.05	50,084	0.05
Investment funds	22,877	0.02	17,520	0.02	22,877	0.02	17,520	0.02
Mortgage backed securities	6,948	0.01	-	-	6,948	0.01	-	-
II - Available-for-sale securities	5,594,541	4.69	1,582,856	1.46	5,927,646	4.95	1,582,856	1.46
Financial Treasury Bills	152,848	0.13	211,313	0.19	152,848	0.13	211,313	0.19
Federal Treasury Notes	6,516	0.01	6,196	0.01	6,516	0.01	6,196	0.01
Rural Debt Securities	279	-	266	-	279	-	266	-
Financial Treasury Certificates	725,416	0.61	-	-	725,416	0.61	-	-
Debentures	-	-	64,318	0.06	-	-	64,318	0.06
Promissory notes	2,030,111	1.70	301,802	0.28	2,030,111	1.70	301,802	0.28
Investment funds	-	-	723,966	0.67	-	-	723,966	0.67
Mortgage backed securities	7,864	0.01	7,880	0.01	7,864	0.01	7,880	0.01
Shares	419,271	0.35	64,235	0.06	419,271	0.35	64,235	0.06
Other	2,252,236	1.89	202,880	0.19	2,585,341	2.16	202,880	0.19
III - Securities held to maturity	58,666,199	49.13	69,460,825	63.97	58,666,199	49.00	69,460,825	63.97
Financial Treasury Bills	4,552,399	3.81	5,494,117	5.06	4,552,399	3.80	5,494,117	5.06
Federal Treasury Bills	4,765,860	3.99	9,683,462	8.92	4,765,860	3.98	9,683,462	8.92
Federal Treasury Notes	49,149,472	41.16	54,114,797	49.84	49,149,472	41.05	54,114,797	49.84
Federal Treasury/Securitization	1,230	-	168,449	0.16	1,230	-	168,449	0.16
Mortgage backed securities	197,238	0.17	-	-	197,238	0.16	-	-
Derivative Financial Instruments								
Total	119,404,875	100.00	108,575,273	100.00	119,737,980	100.00	108,575,273	100.00
Current assets	77,898,059	65.24	57,737,196	53.18	78,234,953	65.34	57,737,196	53.18
Non-current assets	41,506,816	34.76	50,838,077	46.82	41,503,027	34.66	50,838,077	46.82

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 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	PARENT/CONSOLIDATED												
	December 31, 2011								December 31, 2010				
	No maturity	0 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More Than 720 days	Cost	Adjustment to market value gain (loss)	Market value	Cost	Adjustment to market value gain (loss)	Market value
Brazilian Government Securities	-	8,198,928	1,797	3,362,353	10,391,830	21,626,814	11,477,321	54,416,592	642,451	55,059,043	37,506,384	(42,397)	37,463,987
Financial Treasury Bills	-	-	1,797	-	1,672,050	1,527,971	1,346,759	4,549,108	(531)	4,548,577	7,133,001	(919)	7,132,082
Federal Treasury Bills	-	-	-	3,362,353	8,719,780	17,436,612	10,130,562	39,031,724	617,583	39,649,307	22,158,813	(24,238)	22,134,575
Federal Treasury Notes	-	8,198,928	-	-	-	2,662,231	-	10,835,760	25,399	10,861,159	8,214,570	(17,240)	8,197,330
Corporate Securities	22,877	-	-	-	6,396	23,994	31,825	83,554	1,538	85,092	67,078	526	67,604
Debentures	-	-	-	-	6,396	23,994	24,877	53,840	1,427	55,267	49,558	526	50,084
Investment funds	22,877	-	-	-	-	-	-	22,877	-	22,877	17,520	-	17,520
Mortgage backed securities	-	-	-	-	-	-	6,948	6,837	111	6,948	-	-	-
Total	22,877	8,198,928	1,797	3,362,353	10,398,226	21,650,808	11,509,146	54,500,146	643,989	55,144,135	37,573,462	(41,871)	37,531,591
%	0.04	14.87	-	6.10	18.86	39.26	20.87	-	-	100.00	-	-	-

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

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

Description	CAIXA										December 31, 2010		
	December 31, 2011							Cost	Adjustment to market value (equity)	Market value	Cost	Adjustment to market value (equity)	Market value
	No maturity	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days						
Brazilian Government Securities	-	-	-	279	-	152,848	731,932	1,024,891	(139,832)	885,059	770,105	(342,193)	427,912
Financial Treasury Bills	-	-	-	-	-	152,848	-	152,665	183	152,848	210,757	556	211,313
Federal Treasury Notes	-	-	-	-	-	-	6,516	4,187	2,329	6,516	3,998	2,198	6,196
Rural Debt Securities	-	-	-	279	-	-	-	274	5	279	254	12	266
Federal Treasury/Securitization	-	-	-	-	-	-	725,416	867,765	(142,349)	725,416	-	-	-
Financial Treasury Certificates	-	-	-	-	-	-	-	-	-	-	63,604	714	64,318
Other	-	-	-	-	-	-	-	-	-	-	491,492	(345,673)	145,819
Corporate securities	2,260,100	2,558	-	-	76,745	88,901	2,281,178	5,123,071	(413,589)	4,709,482	1,114,363	40,581	1,154,944
Debentures	-	2,558	-	-	76,745	88,901	1,861,907	2,035,109	(4,998)	2,030,111	294,388	7,414	301,802
Promissory Notes	-	-	-	-	-	-	-	-	-	-	724,187	(221)	723,966
Investment funds	7,864	-	-	-	-	-	-	7,864	-	7,864	7,880	-	7,880
Mortgage backed securities	-	-	-	-	-	-	419,271	452,165	(32,894)	419,271	62,952	1,283	64,235
Shares	2,252,236	-	-	-	-	-	-	2,627,933	(375,697)	2,252,236	24,956	32,105	57,061
Total	2,260,100	2,558	-	279	76,745	241,749	3,013,110	6,147,962	(553,421)	5,594,541	1,884,468	(301,612)	1,582,856

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	CAIXA CONSOLIDATED												
	December 31, 2011									December 31, 2010			
	No maturity	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Cost	Adjustment to market value (equity)	Market value	Cost	Adjustment to market value (equity)	Market value
Brazilian Government Securities	-	-	-	279	-	152,848	731,932	1,024,891	(139,832)	885,059	770,105	(342,193)	427,912
Financial Treasury Bills	-	-	-	-	-	152,848	-	152,665	183	152,848	210,757	556	211,313
Federal Treasury Bills	-	-	-	-	-	-	6,516	4,187	2,329	6,516	3,998	2,198	6,196
Federal Treasury Notes	-	-	-	279	-	-	-	274	5	279	254	12	266
Federal Treasury/Securitization	-	-	-	-	-	-	725,416	867,765	(142,349)	725,416	-	-	-
Financial Treasury Certificates	-	-	-	-	-	-	-	-	-	-	63,604	714	64,318
Others	-	-	-	-	-	-	-	-	-	-	491,492	(345,673)	145,819
Corporate securities	2,593,205	2,558	-	-	76,745	88,901	2,281,178	5,220,714	(178,127)	5,042,587	1,114,363	40,581	1,154,944
Debentures	-	2,558	-	-	76,745	88,901	1,861,907	2,035,109	(4,998)	2,030,111	294,388	7,414	301,802
Promissory Notes	-	-	-	-	-	-	-	-	-	-	724,187	(221)	723,966
Investment funds	7,864	-	-	-	-	-	-	7,864	-	7,864	7,880	-	7,880
Mortgage backed securities	-	-	-	-	-	-	419,271	452,165	(32,894)	419,271	62,952	1,283	64,235
Shares	2,585,341	-	-	-	-	-	-	2,725,576	(140,235)	2,585,341	24,956	32,105	57,061
Total	2,593,205	2,558	-	279	76,745	241,749	3,013,110	6,245,605	(317,959)	5,927,646	1,884,468	(301,612)	1,582,856

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

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

PARENT/CONSOLIDATED										
Description	December 31, 2011							December 31, 2010		
	1 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	361 to 720 days	More than 720 days	Cost	Market Value	Cost	Market Value
Brazilian Government Securities	7,779,961	-	-	12,634,283	6,935,524	31,119,193	58,468,961	61,037,797	69,460,825	71,639,162
Financial Treasury Bills	-	-	-	1,506,138	26,205	3,020,056	4,552,399	4,552,233	5,494,117	5,493,604
Federal Treasury Bills	-	-	-	-	-	4,765,860	4,765,860	4,844,966	9,683,462	9,682,131
Federal Treasury Notes	7,779,961	-	-	11,128,145	6,909,319	23,332,047	49,149,472	51,639,564	54,114,797	56,323,296
Federal Treasury/Securitization	-	-	-	-	-	1,230	1,230	1,034	168,449	140,131
Corporate securities	-	-	-	-	-	197,238	197,238	207,784	-	-
Mortgage backed securities	-	-	-	-	-	197,238	197,238	207,784	-	-
Total	7,779,961	-	-	12,634,283	6,935,524	31,316,431	58,666,199	61,245,581	69,460,825	71,639,162

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

(c) Consolidated classification by maturities

Description	CAIXA											
	December 31, 2011											
	Cost	Provision for adjustment to market value		Book value	Market Value*	No maturity	0 - 30	31 - 90	91 - 180	181 - 360	361 - 720	More than 720 days
		Result	Equity									
Brazilian Government Securities	113,910,445	642,451	(139,832)	114,413,064	116,981,900	-	15,978,889	1,797	3,362,632	23,026,114	28,715,187	43,328,447
Financial Treasury Bills	9,254,173	(531)	183	9,253,825	9,253,658	-	-	1,797	-	3,178,188	1,707,025	4,366,815
Federal Treasury Bills	43,797,584	617,583	-	44,415,167	44,494,273	-	-	-	3,362,353	8,719,780	17,436,612	14,896,423
Federal Treasury Notes	59,989,419	25,399	2,329	60,017,147	62,507,239	-	15,978,889	-	-	11,128,145	9,571,550	23,338,563
Federal Treasury/Securitization	868,995	-	(142,349)	726,646	726,450	-	-	-	-	-	-	726,646
Rural Debt Securities	274	-	5	279	279	-	-	-	279	-	-	-
Corporate securities	5,403,863	1,537	(413,589)	4,991,811	5,002,357	2,282,977	2,558	-	-	83,141	112,895	2,510,239
Debentures	2,088,949	1,426	(4,998)	2,085,377	2,085,377	-	2,558	-	-	83,141	112,895	1,886,782
Promissory Notes	30,741	-	-	30,741	30,741	30,741	-	-	-	-	-	-
Mortgage backed securities	656,240	111	(32,894)	623,457	634,003	-	-	-	-	-	-	623,457
Shares	2,627,933	-	(375,697)	2,252,236	2,252,236	2,252,236	-	-	-	-	-	-
Subtotal - Marketable securities	119,314,307	643,989	(553,421)	119,404,875	121,984,257	2,282,977	15,981,447	1,797	3,362,632	23,109,254	28,828,082	45,838,686
Trading Securities	54,500,146	643,989	-	55,144,135	55,144,135	22,877	8,198,928	1,797	3,362,353	10,398,227	21,650,808	11,509,145
Available For Sale securities	6,147,962	-	(553,421)	5,594,541	5,594,541	2,260,100	2,558	-	279	76,744	241,750	3,013,110
Securities Held To Maturity	58,666,199	-	-	58,666,199	61,245,581	-	7,779,961	-	-	12,634,283	6,935,524	31,316,431
Derivatives (Assets)	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives (Liabilities)	827	-	-	-	827	-	-	-	-	-	-	-
Total securities and derivatives (Assets)	119,314,307	643,989	(553,421)	119,404,875	121,984,257	2,282,977	15,981,447	1,797	3,362,632	23,109,254	28,828,082	45,838,686
Total securities and derivatives (Liabilities)	827	-	-	-	827	-	-	-	-	-	-	-

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

Securities in the category I, Trading securities, are classified as current assets, in accordance with BACEN Instruction No. 3068.

Caixa Econômica Federal - CAIXA

Notes to the financial statements

at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	CAIXA CONSOLIDATED											
	December 31, 2011											
	Cost	Provision for adjustment to market value		Book value	Market value	No maturity	0 - 30	31 - 90	91 - 180	181 - 360	361 - 720	More than 720 days
		Result	Equity									
Brazilian Government Securities	113,910,445	642,451	(139,832)	114,413,064	116,981,900	-	15,978,889	1,797	3,362,632	23,026,114	28,715,187	43,328,447
Financial Treasury Bills	9,254,173	(531)	183	9,253,825	9,253,658	-	-	1,797	-	3,178,188	1,707,025	4,366,815
Federal Treasury Bills	43,797,584	617,583	-	44,415,167	44,494,273	-	-	-	3,362,353	8,719,780	17,436,612	14,896,423
Federal Treasury Notes	59,989,419	25,399	2,329	60,017,147	62,507,239	-	15,978,889	-	-	11,128,145	9,571,550	23,338,563
Federal Treasury/Securitization	868,995	-	(142,349)	726,646	726,450	-	-	-	-	-	-	726,646
Rural Debt Securities	274	-	5	279	279	-	-	-	279	-	-	-
Corporate securities	5,501,506	1,537	(178,127)	5,324,916	5,335,462	2,616,082	2,558	-	-	83,141	112,895	2,510,239
Debentures	2,088,949	1,426	(4,998)	2,085,377	2,085,377	-	2,558	-	-	83,141	112,895	1,886,782
Promissory Notes	30,741	-	-	30,741	30,741	30,741	-	-	-	-	-	-
Mortgage backed securities	656,240	111	(32,894)	623,457	634,003	-	-	-	-	-	-	623,457
Shares	2,725,576	-	(140,235)	2,585,341	2,585,341	2,585,341	-	-	-	-	-	-
Subtotal - Marketable securities	119,411,950	643,989	(317,959)	119,737,980	122,317,362	2,616,082	15,981,447	1,797	3,362,632	23,109,254	28,828,082	45,838,686
Trading Securities	54,500,146	643,989	-	55,144,135	55,144,135	22,877	8,198,928	1,797	3,362,353	10,398,227	21,650,808	11,509,145
Available For Sale securities	6,245,605	-	(317,959)	5,927,646	5,927,646	2,593,205	2,558	-	279	76,744	241,750	3,013,110
Securities Held To Maturity	58,666,199	-	-	58,666,199	61,245,581	-	7,779,961	-	-	12,634,283	6,935,524	31,316,431
Derivatives (Assets)	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives (Liabilities)	827	-	-	-	827	-	-	-	-	-	-	-
Total securities and derivatives (Assets)	119,411,950	643,989	(317,959)	119,737,980	122,317,362	2,616,082	15,981,447	1,797	3,362,632	23,109,254	28,828,082	45,838,686
Total securities and derivatives (Liabilities)	827	-	-	-	827	-	-	-	-	-	-	-

Caixa Econômica Federal - CAIXA

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(d) Analysis of the securities portfolio

CAIXA								
Description	Own Portfolio	Designated				Derivatives	Total	%
		Subject to repurchase agreements	Pledged in Guarantee	Unrestricted portfolio	Central Bank			
Brazilian Government Securities	76,772,430	36,329,796	1,059,043	250,611	1,184	-	114,413,064	95.82
Financial Treasury Bills	3,529,650	5,719,885	4,290	-	-	-	9,253,825	7.75
Federal Treasury Bills	28,304,283	15,819,409	40,864	250,611	-	-	44,415,167	37.20
Federal Treasury Notes	44,211,572	14,790,502	1,013,890	-	1,184	-	60,017,147	50.26
Federal Treasury/ Securitization	726,646	-	-	-	-	-	726,646	0.61
Rural Debt Securities	279	-	-	-	-	-	279	-
Corporate Securities	4,991,811	-	-	-	-	-	4,991,811	4.18
Debentures	2,085,377	-	-	-	-	-	2,085,377	1.75
Promissory Notes	30,741	-	-	-	-	-	30,741	0.03
Mortgage backed securities	623,457	-	-	-	-	-	623,457	0.52
Shares	2,252,236	-	-	-	-	-	2,252,236	1.89
December 31, 2011	81,764,241	36,329,796	1,059,043	250,611	1,184	-	119,404,875	100.00
December 31, 2010	74,075,110	34,184,622	314,325	-	1,215	1	108,575,273	100.00

Caixa Econômica Federal - CAIXA

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All amounts in thousands of reais, unless otherwise indicated

CAIXA CONSOLIDATED								
Description	Own Portfolio	Designated				Derivatives	Total	%
		Subject to repurchase agreements	Pledged in Guarantee	Unrestricted portfolio	Central Bank			
Brazilian Government Securities	76,772,430	36,329,796	1,059,043	250,611	1,184	-	114,413,064	95.82
Financial Treasury Bills	3,529,650	5,719,885	4,290	-	-	-	9,253,825	7.75
Federal Treasury Bills	28,304,283	15,819,409	40,864	250,611	-	-	44,415,167	37.20
Federal Treasury Notes	44,211,572	14,790,502	1,013,890	-	1,184	-	60,017,147	50.26
Federal Treasury/ Securitization	726,646	-	-	-	-	-	726,646	0.61
Rural Debt Securities	279	-	-	-	-	-	279	-
Corporate Securities	5,324,916	-	-	-	-	-	5,324,916	4.45
Debentures	2,085,377	-	-	-	-	-	2,085,377	1.74
Promissory Notes	30,741	-	-	-	-	-	30,741	0.03
Mortgage backed securities	623,457	-	-	-	-	-	623,457	0.52
Shares	2,585,341	-	-	-	-	-	2,585,341	2.16
December 31, 2011	82,097,346	36,329,796	1,059,043	250,611	1,184	-	119,737,980	100.00
December 31, 2010	74,075,110	34,184,622	314,325	-	1,215	1	108,575,273	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

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at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Cash flows are prepared based on the characteristics of the marketable securities and interest rate 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.

(e) Income from securities

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year
Purchase and sale commitments	3,284,265	5,604,211	3,889,579
Financial assets available for sale	78,191	146,208	131,488
Financial assets held for trading	3,576,129	5,513,414	3,161,715
Financial assets held to maturity	3,441,264	7,560,348	8,191,555
Other	63,301	72,194	7,527
Total	10,443,150	18,896,375	15,381,864

(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, US 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 the Central System for Custody and Financial Settlement of Securities (CETIP) and the Brazilian Securities, Commodities and Futures Exchange (BM&F Bovespa), are subject to credit risk if the counterparty is unable or unwilling to fulfill its contractual obligations. The total swap credit exposure in December 31, 2011 is R\$ 67 (2010 - R\$ 94).

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\$ 46,132,605 (2010 - R\$ 18,809,362). The swap difference payable at December 31, 2011 is R\$ 827 (2010 - R\$ 1,643).

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All amounts in thousands of reais, unless otherwise indicated

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

Description	PARENT/CONSOLIDATED							
	December 31, 2011				December 31, 2010			
	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								
Sales commitments	46,132,605	-	-	46,132,605	18,809,362	-	-	18,809,362
Foreign currency	16,920	-	-	16,920	8,368	-	-	8,368
Indexes	46,115,685	-	-	46,115,685	18,800,994	-	-	18,800,994
Swap contracts								
Receiving position	-	-	-	-				
Referential rate	-	-	-	-	136,804	1	14,515	151,320
Paying position	-	827	-	827				
Floating rate	-	827	-	827	136,804	1,644	13,537	151,985

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

	2011							2010
	December 31							December 31
	1 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	366 - 720 days	More than 720 days	Market value	Market value
ASSET - DI - Futures - short position								
BM&F Bovespa	8,195,509	-	3,360,554	8,346,828	17,233,735	8,979,059	46,115,685	18,800,994
ASSET - DOLLAR - Futures - short position								
BM&F Bovespa	-	16,920	-	-	-	-	16,920	8,368
ASSET DDI - Futures - short position								
BM&F Bovespa	-	-	-	-	-	-	-	57,604
ASSET DDI - Futures - long position								
BM&F Bovespa	-	-	-	-	-	-	-	65,609

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

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year
Swap	(40)	(19)	(5,099)
Future	(633,114)	(669,960)	(114,048)
Total	(633,154)	(669,979)	(119,147)

(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 financial instruments is as follows:

PARENT/CONSOLIDATED			
Description	December 31, 2011		December 31, 2010
	Government securities	1,059,043	
- Federal Treasury Notes	1,013,889		300,744
- Treasury Bills	40,864		9,896
- Financial Treasury Bills	4,290		3,685

(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.

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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 - 7 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.

PARENT/CONSOLIDATED			
Description	Remuneration rate	2011	2010
		December 31	December 31
Compulsory deposits on demand deposits	Not remunerated	4,714,065	5,218,082
Compulsory deposits on savings deposits	TR + 6% p.a.	29,894,553	25,729,976
Compulsory deposits on time deposits	SELIC rate	4,947,623	3,869,412
Additional compulsory	SELIC rate	22,615,784	19,109,921
Total		62,172,025	53,927,391

(b) "SFH - National Housing System" account includes amounts to be reimbursed by the Government Severance Indemnity Fund for Employees (FGTS) totaling R\$ 110,717 (2010 - R\$ 165,906) the residual amounts of completed contracts to be reimbursed by the FCVS which are in the process of renewal with the Fund, totaling R\$ 21,179,699 (2010 - R\$ 23,734,553), and provisions of R\$ 2,956,500 (2010 - R\$ 2,913,331). 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.

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Description	PARENT/CONSOLIDATED			
	2011		2010	
	December 31		December 31	
	Balance	Provision	Balance	Provision
Contracts status				
Not yet qualified (i)	2,115,215	(406,454)	2,557,588	(447,211)
Qualified and not approved (ii)	6,047,503	(2,256,113)	5,529,138	(1,999,363)
Qualified and approved (iii)	13,016,981	(293,933)	15,647,827	(466,757)
Total	21,179,699	(2,956,500)	23,734,553	(2,913,331)

(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.

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.

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 2011, novation contracts were entered into with the federal government totaling R\$ 3,802,393, of which R\$ 2,375,944 in CVS securities and the remaining R\$ 1,426,449, in cash.

(c) Income from compulsory investments

Description	PARENT/CONSOLIDATED		
	2011	2010	
	2 nd six-month period	Year	Year
Compulsory deposit at BACEN	2,588,543	4,844,898	2,942,783
Interest on financial assets - FCVS	802,582	1,866,949	1,603,228
Total	3,391,125	6,711,847	4,546,011

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Note - 8 Loan portfolio

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

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

Description	PARENT/CONSOLIDATED			
	2011		2010	
	December 31	%	December 31	%
Loan operations	249,548,776	98.68	175,783,675	98.47
Loans and bills discounted	62,593,560	24.75	46,060,683	25.80
Financing	17,156,734	6.78	9,951,833	5.57
Real estate financing	152,870,586	60.46	108,330,025	60.69
Infrastructure and development financing	16,927,896	6.69	11,441,134	6.41
Other receivables with loan characteristics (note 9 d)	3,341,523	1.32	2,731,572	1.53
Credit cards (1)	3,287,162	1.30	2,681,455	1.50
Receivables from honored guarantees	32,142	0.01	28,222	0.02
Debtors for the purchase of assets	17,142	0.01	14,305	0.01
Rights receivable from disposal or transfer of assets	5,077	-	7,590	-
Total of Loan Portfolio	252,890,299	100.00	178,515,247	100.00
Allowance loan losses	(15,837,093)	100.00	(11,299,930)	100.00
On loan portfolio	(15,701,121)	99.13	(11,146,173)	98.64
On other receivables	(135,972)	0.87	(153,757)	1.36
Total of Loan Portfolio Net of the Allowances	237,053,206	-	167,215,317	-

(1) Includes receivables with loan characteristics

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(a.2) Normal status

Description	PARENT/CONSOLIDATED						2011		2010	
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	December 31	%	December 31	%
	Loans and bills discounted	2,069,779	1,094,908	860,875	2,621,262	3,992,937	45,279,148	55,918,909	27.15	41,643,077
Financing	799,007	150,109	146,646	423,128	799,011	13,015,950	15,333,851	7.44	8,469,078	5.68
Real estate financing	1,854,515	1,372,426	1,365,488	4,086,714	8,041,307	98,020,083	114,740,533	55.70	85,184,614	57.12
Infrastructure and development financing	106,020	106,018	106,016	317,781	634,534	15,425,786	16,696,155	8.11	11,140,014	7.47
Other Credits	1,594,874	635,840	397,218	415,934	197,436	63,983	3,305,285	1.60	2,702,190	1.81
December 31, 2011	6,424,195	3,359,301	2,876,243	7,864,819	13,665,225	171,804,950	205,994,733	100.00	-	-
December 31, 2010	7,232,744	3,738,758	3,306,295	8,903,901	14,551,923	111,405,352	-	-	149,138,973	100.00

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

Description	PARENT/CONSOLIDATED						December 31	%	December 31	%
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days				
Loans and bills discounted	31,398	19,151	19,143	57,274	112,339	590,364	829,669	2.21	2,577,957	9.97
Financing	792	789	783	2,410	4,817	89,214	98,805	0.26	673,470	2.60
Real estate financing	650,190	400,339	400,050	1,203,472	2,394,204	31,359,315	36,407,570	96.88	22,307,100	86.26
Infrastructure and development financing	1,881	1,866	1,866	5,599	11,198	207,315	229,725	0.61	291,883	1.13
Other credits	8,947	269	102	303	579	3,803	14,003	0.04	10,294	0.04
December 31, 2011	693,208	422,414	421,944	1,269,058	2,523,137	32,250,011	37,579,772	100.00	-	-
December 31, 2010	1,153,489	403,183	399,246	1,162,761	2,208,441	20,533,584	-	-	25,860,704	100.00

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(a.4) Abnormal status - Installments overdue

Description	PARENT/CONSOLIDATED						2011		2010	
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	December 31	%	December 31	%
	Loans and bills discounted	3,105,780	743,678	348,438	730,887	809,976	106,223	5,844,982	62.74	1,839,649
Financing	437,904	246,761	207,084	392,165	410,331	29,833	1,724,078	18.51	809,285	23.02
Real estate financing	524,334	99,925	219,525	441,986	426,996	9,717	1,722,483	18.49	838,311	23.85
Infrastructure and development financing	884	1,122	1	9	-	-	2,016	0.02	9,237	0.26
Other credits	6,458	5,173	2,004	2,611	2,891	3,098	22,235	0.24	19,088	0.54
December 31, 2011	4,075,360	1,096,659	777,052	1,567,658	1,650,194	148,871	9,315,794	100.00	-	-
December 31, 2010	425,571	301,696	489,749	995,129	1,183,876	119,549	-	-	3,515,570	100.00

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(b) Types and risk levels

Loan operations	PARENT/CONSOLIDATED										2011		2010	
	AA	A	B	C	D	E	F	G	H	December 31	%	December 31	%	
	Loans and bills discounted	14,776,967	27,062,263	10,785,783	4,620,791	1,578,822	724,863	462,521	311,489	2,270,061	62,593,560	24.75	46,060,683	25.80
Financing	6,618,354	5,597,731	1,940,839	851,200	461,896	202,845	157,838	126,622	1,199,409	17,156,734	6.78	9,951,834	5.57	
Real estate financing	2,026,539	84,039,756	25,384,112	29,623,467	2,124,210	930,812	778,603	560,049	7,403,038	152,870,586	60.46	108,330,026	60.68	
Infrastructure and development financing	4,718,497	6,256,251	2,356,616	2,340,543	1,032,517	121,713	-	4,353	97,406	16,927,896	6.69	11,441,134	6.41	
Other	228,596	2,119,673	402,503	224,517	242,378	45,616	12,580	5,483	60,177	3,341,523	1.32	2,731,570	1.53	
December 31, 2011	28,368,953	125,075,674	40,869,853	37,660,518	5,439,823	2,025,849	1,411,542	1,007,996	11,030,091	252,890,299	100.00	-	-	
%	11.22	49.46	16.16	14.89	2.15	0.80	0.56	0.40	4.36	100.00	-	-	-	
December 31, 2010	9,836,648	88,712,380	40,935,095	23,994,247	3,861,454	1,442,303	1,085,515	940,056	7,707,549	-	-	178,515,247	100.00	
%	5.51	49.69	22.93	13.44	2.16	0.81	0.61	0.53	4.32	-	-	100.00	-	

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(c) Maturity range and risk levels

(c.1) Normal status

Days	Risk Level												
	PARENT/CONSOLIDATED												
	Operations with normal status								2011		2010		
	AA	A	B	C	D	E	F	G	H	December 31	%	December 31	%
1 to 30	1,040,328	3,344,492	831,184	631,661	270,262	62,350	32,584	13,584	197,750	6,424,195	3.12	7,232,744	4.85
31 to 60	311,583	1,813,216	522,051	382,650	143,749	34,801	16,677	6,211	128,363	3,359,301	1.63	3,738,758	2.51
61 to 90	184,921	1,636,150	443,370	349,027	103,789	25,540	12,829	5,487	115,130	2,876,243	1.40	3,306,295	2.22
91 to 180	388,047	4,646,878	1,203,085	991,794	218,859	59,503	31,414	14,431	310,808	7,864,819	3.82	8,903,901	5.97
181 to 360	731,222	7,784,876	2,394,003	1,776,751	323,789	98,585	45,921	19,114	490,964	13,665,225	6.63	14,551,923	9.76
More than 360	25,330,317	90,362,716	26,326,797	23,512,995	2,404,873	572,616	307,679	187,157	2,799,800	171,804,950	83.40	111,405,352	74.70
Total	27,986,418	109,588,328	31,720,490	27,644,878	3,465,321	853,395	447,104	245,984	4,042,815	205,994,733	100.00	149,138,973	100.00
%	13.59	53.20	15.40	13.42	1.68	0.41	0.22	0.12	1.96	100.00	-	100.00	-

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(c.2) Abnormal status

Days	Risk Level												
	PARENT/CONSOLIDATED												
	Operations with abnormal status									2011		2010	
	AA	A	B	C	D	E	F	G	H	December 31	%	December 31	%
Installments not yet due	191,033	1,546,921	1,509,954	1,083,835	794,126	590,685	492,991	431,300	2,674,949	9,315,794	100.00	3,515,570	100.00
01 to 30	190,700	1,544,419	1,228,668	468,551	204,257	72,577	47,670	27,496	291,022	4,075,360	43.75	425,571	12.11
31 to 60	333	2,502	280,452	467,559	103,219	44,421	30,330	18,698	149,145	1,096,659	11.77	301,696	8.58
61 to 90	-	-	834	99,064	407,880	90,203	34,920	22,355	121,796	777,052	8.34	489,749	13.93
91 to 180	-	-	-	48,661	78,603	338,380	343,857	324,977	433,180	1,567,658	16.83	995,129	28.31
181 to 360	-	-	-	-	167	45,104	36,214	37,724	1,530,985	1,650,194	17.71	1,183,876	33.68
More than 360	-	-	-	-	-	-	-	50	148,821	148,871	1.60	119,549	3.40
Past due installments	191,502	13,940,425	7,639,409	8,931,805	1,180,376	581,769	471,447	330,712	4,312,327	37,579,772	100.00	25,860,704	100.00
01 to 30	10,742	257,752	146,102	142,227	21,015	10,683	9,698	6,143	88,846	693,208	1.84	1,153,489	4.46
31 to 60	2,789	163,115	85,547	88,548	13,458	7,066	5,787	4,061	52,043	422,414	1.12	403,183	1.56
61 to 90	2,624	162,977	85,470	88,521	13,449	7,060	5,781	4,056	52,006	421,944	1.12	399,246	1.54
91 to 180	7,863	487,912	261,509	265,245	40,234	21,125	17,313	12,109	155,748	1,269,058	3.38	1,162,761	4.50
181 to 360	15,663	970,054	518,642	529,354	79,753	41,716	34,463	23,413	310,079	2,523,137	6.71	2,208,441	8.54
More than 360	151,821	11,898,615	6,542,139	7,817,910	1,012,467	494,119	398,405	280,930	3,653,605	32,250,011	85.83	20,533,584	79.40
Subtotal	382,535	15,487,346	9,149,363	10,015,640	1,974,502	1,172,454	964,438	762,012	6,987,276	46,895,566	-	29,376,274	-
%	0.82	33.02	19.51	21.36	4.21	2.50	2.06	1.62	14.90	100.00	-	100.00	-

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(d) Analysis of loans by sector of activity

Description	PARENT/CONSOLIDATED			
	2011		2010	2011
	December 31	%	December 31	%
PUBLIC SECTOR	22,186,152	8.77	15,583,878	8.73
Direct administration	9,956,253	3.94	6,363,069	3.56
Petrochemicals	8,184,537	3.24	5,659,945	3.17
Basic sanitation	2,677,115	1.06	2,266,076	1.27
Generation and distribution of electricity	585,396	0.23	598,865	0.34
Other	782,851	0.31	695,923	0.39
PRIVATE SECTOR	230,704,147	91.23	162,931,369	91.27
COMPANIES	47,505,409	18.78	37,933,073	21.25
MANUFACTURING AND COMMERCE	24,819,212	9.81	18,265,635	10.23
Retail and wholesale commerce	7,671,154	3.03	6,433,934	3.60
Metal products	7,483,290	2.96	3,100,198	1.74
Manufacture of chemical products	1,568,928	0.62	296,159	0.17
Food	3,786,027	1.50	2,138,161	1.20
Light and heavy vehicles	821,899	0.33	668,403	0.37
Clothing and accessories	395,753	0.16	359,045	0.20
Other manufacturing and commerce	3,092,161	1.22	5,269,735	2.95
SERVICES	22,686,197	8.97	19,667,438	11.02
Petrochemicals	567,087	0.22	493,977	0.27
Generation and distribution of electricity	3,348,153	1.32	2,693,267	1.51
Basic sanitation	283,830	0.11	207,208	0.12
Civil construction	1,948,640	0.77	1,014,892	0.57
Healthcare	1,586,975	0.63	1,352,890	0.76
Financial services	4,509,033	1.78	3,452,306	1.93
Office	379,914	0.15	401,856	0.23
Ground transport	1,261,430	0.50	376,421	0.21
Education	332,909	0.13	303,384	0.17
Infrastructure	350,756	0.14	242,229	0.14
Housing	3,529,884	1.40	1,870,616	1.05
Telecommunications	709,341	0.28	2,075,466	1.16
Other services	3,878,245	1.53	5,182,926	2.90
INDIVIDUALS	183,198,738	72.44	124,998,296	70.02
Housing	140,433,145	55.53	98,675,809	55.28
Loans	42,765,593	16.91	26,322,487	14.75
Total	252,890,299	100.00	178,515,247	100.00

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Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

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

Description	PARENT/CONSOLIDATED					
	2011				2010	
	December 31				December 31	
	Public sector	Private sector	Total	%	Total	%
Current	1,382,137	38,137,407	39,519,544	15.63	43,060,741	24.12
From 0 to 90 days	374,720	13,822,585	14,197,305	5.61	16,233,718	9.09
From 91 to 360 days	1,007,417	24,314,822	25,322,239	10.02	26,827,023	15.03
Long-term	20,796,638	183,258,323	204,054,961	80.69	131,938,936	73.91
From 1 year to 3 years	2,192,250	60,648,656	62,840,906	24.85	50,930,041	28.53
From 3 years to 5 years	5,843,041	51,186,375	57,029,416	22.55	35,524,893	19.90
From 5 years to 15 years	11,041,214	67,625,123	78,666,337	31.11	36,797,348	20.61
Over 15 years	1,720,133	3,798,169	5,518,302	2.18	8,686,654	4.87
Total normal	22,178,775	221,395,730	243,574,505	96.32	174,999,677	98.03
Total overdue	7,377	9,308,417	9,315,794	3.68	3,515,570	1.97
Grand total	22,186,152	230,704,147	252,890,299	100.00	178,515,247	100.00

The balance sheet items that comprise the amount of R\$ 3,341,523 (2010 - R\$ 2,731,572), referring to "Other credits with loan characteristics" are described in Note 9(d).

(f) Income from loan operations

Description	PARENT/CONSOLIDATED		
	2011		2010
	2 nd six-month period	Year	Year
Loans, bills discounted and financing	7,877,129	14,606,076	10,851,620
Real estate financing	6,822,408	12,306,471	7,961,166
Infrastructure and development financing	573,964	1,044,434	751,383
Other	5,310	10,072	9,549
Total	15,278,811	27,967,053	19,573,718

(g) Concentration of the main debtors

Description	PARENT/CONSOLIDATED			
	2011		2010	
	December 31	%	December 31	%
Main debtor	8,184,534	3.24	5,659,943	3.17
10 largest debtors	26,257,097	9.92	16,143,293	9.04
20 largest debtors	31,826,882	12.03	20,003,915	11.21
50 largest debtors	39,309,802	14.89	25,073,515	14.05
100 largest debtors	43,894,444	16.68	28,300,232	15.85

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(h) Changes in the renegotiated portfolio

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Operations renegotiated	2,813,134	2,632,371
Commercial operations	2,125,937	2,082,136
Housing loan operations	687,197	550,235
Operations recovered	832,492	695,192
Commercial operations	317,768	336,789
Housing loan operations	514,724	358,403

(i) Changes in the allowance for loan losses

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Opening balance	11,299,930	10,361,115
Provision in the period	8,043,465	1,631,216
Charge-offs	(1,227,730)	(451,978)
Losses	(2,278,572)	(240,423)
Closing balance	15,837,093	11,299,930
Specific allowance	15,757,093	11,299,930
Additional allowance	80,000	-

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(j) Analysis of the allowance for loan losses

PARENT/CONSOLIDATED						
Description	Loans and bills discounted	Financing	Real estate financing	Infrastructure and development financing	Other	Total
A	135,311	27,989	420,199	31,281	10,598	625,378
B	107,858	19,408	253,841	23,566	4,025	408,698
C	138,624	25,536	888,704	70,216	6,736	1,129,816
D	157,882	46,190	212,421	103,252	24,238	543,983
E	217,459	60,853	279,244	36,514	13,685	607,755
F	231,264	78,919	389,302	0	6,290	705,771
G	218,042	88,636	392,035	3,047	3,838	705,598
H	2,270,063	1,199,408	7,403,038	97,405	60,176	11,030,090
Subtotal	3,476,503	1,546,939	10,238,784	365,281	129,586	15,757,093
Additional Provision	55,173	-	18,441	-	6,386	80,000
December 31, 2011	3,531,676	1,546,939	10,257,225	365,281	135,972	15,837,093
%	22.30	9.77	64.77	2.31	0.86	100.00
December 31, 2010	2,502,944	1,287,734	7,182,903	172,592	153,757	11,299,930
%	22.15	11.40	63.57	1.53	1.35	100.00

The balance sheet items comprising the amount of R\$ 135,972 (2010 - R\$ 153,757) relating to "Provision for losses on other receivables" are described in Note 9(d).

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Notes to the financial statements

at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 9 Other receivables

(a) Composition

Description	CAIXA		CAIXA CONSOLIDATED	
	2011	2010	2011	2010
	December 31	December 31	December 31	December 31
Receivables from honored guarantees	32,142	28,223	32,142	28,223
Foreign exchange portfolio - Note 9 (c)	16,809	28,055	16,809	28,055
Income receivable	1,630,259	1,087,120	1,754,233	1,068,283
Dividends and interest on own capital receivable	-	134,689	123,973	115,852
Agreements with the private sector	69,861	52,854	69,861	52,854
Agreements with the public sector	189,234	87,588	189,234	87,588
Management of Investment funds	70,193	65,580	70,193	65,580
Management of Funds and Social Programs	1,163,067	607,383	1,163,067	607,383
Onlending - OGU	137,904	139,026	137,905	139,026
Negotiation and intermediation of securities	128	484	128	484
Specific credits	136,123	141,650	136,123	141,650
Sundry - Note 9 (b)	31,818,420	28,093,698	31,818,748	28,094,355
Provision for losses on other receivables	(135,972)	(153,756)	(135,972)	(153,756)
Total	33,497,909	29,225,474	33,622,211	29,207,294
Current assets	19,882,210	18,161,291	19,990,595	18,143,111
Non-current assets	13,615,699	11,064,183	13,631,616	11,064,183

(b) Others Credits - Sundry

Description	CAIXA		CAIXA CONSOLIDATED	
	2011	2010	2011	2010
	December 31	December 31	December 31	December 31
Tax credits - Note 20	13,611,297	11,191,118	13,611,299	11,191,125
Receivables from guarantee deposits - Note 30 a(iii)	9,508,716	8,514,615	9,508,716	8,514,615
Salary advances and prepayments	128,439	139,689	128,439	139,689
Payments to be reimbursed	176,033	502,243	175,447	501,941
Prepaid profit sharing	2,768,488	1,698,339	2,768,488	1,698,339
Taxes and contributions to offset	47,146	215,109	47,893	216,061
Credit cards (1)	3,330,794	2,735,090	3,330,794	2,735,090
Premium on purchase of loan portfolios	245,256	-	245,256	-
Insurance receivables	119,947	88,084	119,947	88,084
Credits purchased	94,549	88,179	94,549	88,179
Receivables - securitized mortgage loans	1,485	-	1,485	-
Receivables - management of funds and social programs	956,363	2,017,852	956,363	2,017,852
Amounts to allocate (2)	898,741	919,175	898,903	919,175
Others debtors (3)	155,027	148,400	155,027	148,400
Provision for losses - Sundry (4)	(223,857)	(164,195)	(223,858)	(164,195)
Total	31,818,420	28,093,698	31,818,748	28,094,355

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Current assets	18,186,804	17,044,133	18,187,132	17,044,790
Non-current assets	13,631,616	11,049,565	13,631,616	11,049,565

(1) Includes receivables with and without loan characteristics

(2) Amounts related to credit records of the same nature as that indicated in note 18 (c2).

(3) Total comprised of immaterial individual amounts.

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

(c) Foreign exchange portfolio

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Assets - Other receivables		
Foreign Exchange Purchased Pending Settlement - ME	4,624	4,014
Rights on foreign exchange sales - MN	12,380	24,041
(-) Advances received - MN	(195)	-
Current Assets	16,809	28,055
Liabilities - Other liabilities		
Foreign Exchange Sold Pending Settlement - ME	6,738	4,152
Payable for purchase of foreign exchange - MN	10,264	24,041
Current Liabilities	17,002	28,193

(c.1) Results of foreign exchange transactions

Description	PARENT/CONSOLIDATED		
	2011		2010
	2 nd six-month period	Year	2 nd six-month period
Income	280,169	415,984	197,242
Funds in foreign currency	280,169	415,984	197,242
Expenses	(273,968)	(409,283)	(194,672)
Expenses on exchange rate variations and differences	(273,968)	(409,283)	(194,672)
Results of foreign exchange	6,201	6,701	2,570

(d) Other receivables with loan characteristics

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Credits	3,341,523	2,731,572
Credit cards	3,287,162	2,681,455
Receivables from honored guarantees	32,142	28,222
Debtors for the purchase of assets	17,142	14,305
Receivable from sales or transfer of assets	5,077	7,590

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Provision (1)	(135,972)	(153,756)
Credit cards	(120,747)	(140,870)
Receivables from honored guarantees	(10,026)	(8,824)
Debtors for the purchase of assets	(5,148)	(3,986)
Receivable from sales or transfer of assets	(51)	(76)
Credits - net of provision	3,205,551	2,577,816

(1) In accordance with BACEN Circular Letter 3048/2002, the provision for notes and credits receivable is classified as "Allowance for losses on receivables with loan characteristics".

Note - 10 Other assets

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Assets not in use (1)	580,356	692,125
. Properties not in use	83,220	117,927
. Adjudicated/auctioned properties	497,136	574,199
Prepaid expenses (2)	367,378	556,980
Consumption materials	39,685	33,835
Total	987,419	1,282,940

(1) 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.

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

Note 11 - Investments in subsidiary and associated companies

(a) CAIXA's investment portfolio is essentially comprised of its wholly-owned subsidiary Caixa Participações S.A (CAIXAPAR), which was authorized to operate by Law 11908, of March 3, 2009.

CAIXA		
Description	2011	2010
	December 31	December 31
CAIXAPAR	3,214,258	2,867,884
CIP - Câmara Interbancária de Pagamento (1)	2,967	2,967
BIAPE	990	849
Others Investments (1)	189,419	58,649
Total	3,407,634	2,930,349

(1) Investments valued at cost of acquisition and subject to impairment tests.

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(a.1) Result of investments:

CAIXA			
Description	2011		2010
	Accumulated 2 nd six-month period	Accumulated December 31	Accumulated December 31
CAIXAPAR	178,474	280,046	480,704
BIAPE	(13)	25	(257)
Others Investments	-	-	514
Total interest	178,461	280,071	480,961

(b) The investment portfolio of the CAIXA Group is comprised of associated companies over which CAIXAPAR has significant influence, and of Banco Panamericano S.A., which is jointly-controlled by CAIXAPAR and Banco BTG Pactual.

On June 30, 2011, the investments in the companies Cielo S.A. and Tecban - Tecnologia Bancária S.A. were classified as available-for-sale securities (note 6).

(c) Purchase of stockholdings in Banco Panamericano

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 on July 19, 2010, and CAIXA was 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 total amount of R\$ 234,215, referring to the balance remaining at December 2009 (R\$ 221,782), and the restatement of this balance as established in the contract (R\$ 12,433), totaling R\$ 234,215.

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).

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

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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.

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 September 16, 2011, a Public Tender Offer for Preferred Shares was held through the electronic trading system of the Brazilian Securities, Commodities and Futures Exchange (BM&FBOVESPA). At the Tender, Banco BTG Pactual S.A. ("Offerer") acquired 4,552 preferred shares issued by Banco Panamericano, equivalent to 0.004% of the shares of this type. Through this acquisition, the Offerer now holds 24,716,838 preferred shares, or 37.64% of Banco Panamericano's share capital.

(c.1) Allocation of the acquisition price by CAIXAPAR

The allocation of the acquisition price, based on appraisal reports of independent consultants dated June 15, 2011, considered the opening balance sheet of Banco Panamericano at November 30, 2010, which includes adjustments to the accounting bases, in accordance with the significant event notice disclosed to the market:

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Summary	Position at 11.30.2010
Consolidated equity of Banco Panamericano	152,762
Equity restructuring carried out in January 2011	1,300,000
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

The remaining goodwill (see chart below) determined on the acquisition of Banco Panamericano by CAIXAPAR, of R\$ 42,864, was based on expected future profitability and other economic reasons (synergy, workforce, etc.) and will be amortized over a five-year period.

In its turn, the Chart of Accounts for the National Financial System Institutions (COSIF) establishes that, for the purposes of valuation and consolidation of the investment in CAIXA's financial statements, the goodwill computed by CAIXAPAR should include the following:

(i) R\$ 162,276, relating to the fair value of intangible assets identified in the acquisition and not recorded by Banco Panamericano, net of tax effects.

(ii) R\$ 3,002, relating to the mark-to-market adjustment of assets and liabilities recorded in the financial statements of Banco Panamericano at November 30, 2010, net of the corresponding tax effects, based on an appraisal report prepared by independent consultants.

Asset 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 (iii)	42,864
Difference between the amount paid and the investment amount at November 30, 2010	208,142

The fair values of the intangible assets identified at the acquisition and not recorded by Banco Panamericano are as follows:

Intangible assets	Banco Panamericano	CAIXA's interest, net of tax effects	Amortization term
Trademarks	148,996	32,684	Indefinite
Client 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	-

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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 liabilities 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

(c.2) Additional information on investments in 2011

In 2011, CAIXA acquired commercial credits of Banco Panamericano, which generated an income of R\$ 262,534 thousand to that bank. Accordingly, in the calculation of CAIXA's indirect interest, this amount was excluded from Banco PanAmericano's equity as the effect of unrealized intercompany transactions. The effects of these intercompany transactions on the equity adjustments in the consolidated financial statements represented a reduction of R\$ 95,982.

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

Realization	Allocated amount	Amortization 1 st six-month period	Amortization 2 nd six-month period	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)	(20,515)	117,826
Remaining goodwill based on expected future profitability (1)	42,864	(5,000)	(4,287)	33,577
Balance	208,142	(31,937)	(24,802)	151,403

(1) Estimated realization period of 5 years

Note - 12 Property and equipment in use

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

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.

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With a capital asset to equity ratio of 14.47% (2010 - 15.10%), CAIXA is well within that defined by CMN Resolution No. 2669/1999, which establishes the limit of 50% as from December 31, 2002.

Description	PARENT/CONSOLIDATED					
	2011			2010		
	Net book value	Accumulated depreciation	Net book value	Net book value	Accumulated depreciation	Net book value
Properties in use	268,091	(59,275)	208,816	202,591	(36,506)	166,085
Revaluations of properties in use	810,437	(123,418)	687,019	819,507	(100,027)	719,480
Other assets in use	4,028,123	(2,948,557)	1,079,566	3,681,171	(2,584,298)	1,096,873
Total	5,106,651	(3,131,250)	1,975,401	4,703,269	(2,720,831)	1,982,438

Description	PARENT/CONSOLIDATED					
	2010	2011				
	December 31	Additions	Disposals	Depreciation	December 31	%
Properties in use	885,566	76,616	(18,325)	(48,022)	896,835	45.40
- Buildings	613,519	75,242	(15,427)	(48,022)	625,312	31.65
- Land	272,047	1,374	(2,898)	-	270,523	13.74
Construction in progress	85,169	6,196	(81,253)	-	10,112	0.47
Furniture, installations and equipment in use	289,467	123,643	-	(55,370)	357,741	18.11
Communications system	21,101	2,709	-	(4,631)	19,179	0.97
Data processing system	655,640	273,653	-	(273,450)	655,843	33.20
Transport and security System	45,495	22,005	-	(30,808)	36,691	1.86
Total	1,982,438	504,822	(99,578)	(412,281)	1,975,401	100.00

Note - 13 Intangible assets

Description	PARENT/CONSOLIDATED					
	2011			2010		
	Net book value	Accumulated amortization	Net book value	Net book value	Accumulated amortization	Net book value
Intangible assets	2,583,979	(511,920)	2,072,059	1,622,537	(362,579)	1,259,958
Total	2,583,979	(511,920)	2,072,059	1,622,537	(362,579)	1,259,958

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Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Description	PARENT/CONSOLIDATED			
	2010	2011		
	December 31	Additions	Amortization	December 31
Payroll acquisitions	876,591	1,009,993	(257,069)	1,629,515
Other intangible assets	324,200			324,200
Logistic projects - Software	59,167	80,479	(21,302)	118,344
Total	1,259,958	1,090,472	(278,371)	2,072,059

Note - 14 Deferred charges

In accordance with 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.

Description	PARENT/CONSOLIDATED		
	2010	2011	
	December 31	Amortization	December 31
Expenses with leasehold properties	36,640	(24,546)	12,094
Expenses with logistic projects	25,383	(18,940)	6,443
Improvements to own properties	16,017	(11,481)	4,536
Total	78,040	(54,967)	23,073

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 15 Deposits and funds obtained in the open market

a) Deposits

Description	CAIXA				CAIXA CONSOLIDATED			
	2011		2010		2011		2010	
	December 31	%	December 31	%	December 31	%	December 31	%
Demand deposits	22,943,005	8.83	19,626,291	9.12	22,943,003	8.83	19,626,215	9.12
Individuals	9,054,422	3.48	7,885,465	3.66	9,054,422	3.48	7,885,465	3.66
Companies	11,197,722	4.31	9,526,626	4.43	11,197,722	4.31	9,526,474	4.43
Restricted	978,871	0.38	841,781	0.39	978,871	0.38	841,781	0.39
Government	1,344,704	0.52	1,064,234	0.49	1,344,704	0.52	1,064,234	0.49
Foreign currencies	1,642	0.00	1,604	0.00	1,642	0.00	1,604	0.00
Financial Institutions	28,038	0.01	17,678	0.01	28,038	0.01	17,678	0.01
Public entities	287,652	0.11	242,162	0.11	287,650	0.11	242,162	0.11
Other	49,954	0.02	46,741	0.03	49,954	0.02	46,817	0.03
Savings accounts	150,362,663	57.87	129,429,635	60.2	150,362,663	57.87	129,429,635	60.15
Individuals	148,003,373	56.96	127,116,245	59.1	148,003,373	56.96	127,116,245	59.07
Companies	2,356,350	0.91	2,310,186	1.08	2,356,350	0.91	2,310,186	1.08
Restricted	2,940	0.00	3,204	0.00	2,940	0.00	3,204	0.00
Interbank deposits	5,103,608	1.96	1,206,670	0.56	5,103,608	1.96	1,206,670	0.56
Time deposits	68,182,778	26.24	54,214,043	25.2	68,164,843	26.23	54,207,413	25.19
Time deposits in local currency	39,215,509	15.09	30,429,778	14.1	39,197,574	15.09	30,423,148	14.14
Remunerated judicial deposits	28,967,269	11.15	23,784,265	11.1	28,967,269	11.15	23,784,265	11.05
Special deposits and deposits of funds and programs (f)	13,254,921	5.10	10,594,286	4.92	13,254,921	5.10	10,594,286	4.92
Other funding	-	-	118,077	0.05	-	0.00	118,077	0.05
Total	259,846,975	100.00	215,189,002	100.00	259,829,038	100.00	215,182,296	100.00
Current liabilities	248,023,653	95.23	214,496,772	99.78	248,005,716	95.45	214,490,066	99.68
Non-current liabilities	11,823,322	4.77	692,230	0.32	11,823,322	4.55	692,230	0.32

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

(b) Deposits by maturity

Deposits	CAIXA						CAIXA CONSOLIDATED		
	2011						2010	2011	2010
	No maturity	01 to 90 days	91 to 360 days	361 to 180 days	More than 180 days	December 31	December 31	December 31	December 31
Demand	22,943,005	-	-	-	-	22,943,005	19,626,291	22,943,003	19,626,215
Savings	150,362,663	-	-	-	-	150,362,663	129,429,635	150,362,663	129,429,635
Interbank deposits	-	5,089,473	8,070	6,064	-	5,103,608	1,206,670	5,103,608	1,206,670
Time deposits	49,071,077	2,564,597	4,729,847	8,857,611	2,959,647	68,182,778	54,214,043	68,164,843	54,207,413
Judicial deposits	28,967,269	-	-	-	-	28,967,269	23,784,266	28,967,270	23,784,265
Investments	20,103,807	2,564,597	4,729,847	8,857,611	2,959,647	39,215,509	30,429,777	39,197,573	30,423,148
Special deposits and deposits of funds and programs	13,254,921	-	-	-	-	13,254,921	10,594,286	13,254,921	10,594,286
Other funding	-	-	-	-	-	-	118,077	-	118,077
Total	235,631,666	7,654,070	4,737,917	8,863,675	2,959,647	259,846,975	215,189,002	259,829,038	215,182,296
%	90.68	2.95	1.82	3.41	1.14	100.00	100.00	100.00	100.00

(c) Expenses of deposits

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Savings	(5,072,220)	(9,612,867)	(7,498,661)	(5,072,220)	(9,612,867)	(7,498,661)
Interbank	(470,010)	(617,967)	(36,606)	(470,010)	(617,967)	(36,606)
Time deposits CDB/RDB	(2,223,032)	(4,062,347)	(2,426,648)	(2,222,056)	(4,060,734)	(2,426,468)
Judicial deposits	(819,899)	(1,509,398)	(1,101,810)	(819,899)	(1,509,398)	(1,101,810)
Special deposits and deposits of funds and programs (f.1)	(517,261)	(958,267)	(997,163)	(517,261)	(958,267)	(997,163)
Credit Guarantee Fund (FGC)	(162,511)	(310,193)	(247,321)	(162,511)	(310,192)	(247,321)
Total	(9,264,933)	(17,071,039)	(12,308,209)	(9,263,957)	(17,069,426)	(12,308,028)

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

(d) Funds obtained in the open market

Description	CAIXA		CAIXA CONSOLIDATED	
	2011	2010	2011	2010
	December 31	December 31	December 31	December 31
Own portfolio	36,825,873	34,684,793	35,942,540	33,883,020
Financial Treasury Bills	5,708,783	7,805,155	5,708,783	7,805,155
Federal Treasury Bills	15,770,764	7,654,676	15,770,764	7,654,676
Federal Treasury Notes	15,346,326	19,224,962	14,462,993	18,423,189
Third-party portfolio	19,215,316	11,327,865	19,215,316	11,327,865
Financial Treasury Bills	19,215,316	11,026,875	19,215,316	11,026,875
Federal Treasury Notes	-	300,990	-	300,990
Unrestricted portfolio	250,102	-	250,102	-
Federal Treasury Bills	250,102	-	250,102	-
Total	56,291,291	46,012,658	55,407,958	45,210,885
Current liabilities	56,291,291	46,012,658	55,407,958	45,210,885
Non-current liabilities	-	-	-	-

(e) Expenses of funds obtained in the open market

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Own portfolio	(1,876,737)	(3,337,516)	(2,682,285)	(1,821,300)	(3,235,989)	(2,612,101)
Third-party portfolio	(2,269,473)	(4,010,609)	(3,571,635)	(2,269,473)	(4,010,609)	(3,571,634)
Total	(4,146,210)	(7,348,125)	(6,253,920)	(4,090,773)	(7,246,598)	(6,183,735)

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Notes to the financial statements

at December 31, 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.

Description	PARENT/CONSOLIDATED			
	2011		2010	
	December 31	%	December 31	%
Deposits - FGTS	6,994,769	52,77	4,531,934	42,78
Deposits - Special with remuneration	1,357,053	10,24	1,325,294	12,51
Deposits - FAT (f.2)	2,663,815	20,10	3,144,120	29,68
Deposits - FISANE	7,465	0,06	6,958	0,07
Deposits - PRODEC	44,429	0,34	41,416	0,39
Deposits - PIS	195,571	1,48	86,143	0,81
Deposits - FGS	71,158	0,54	21,041	0,2
Deposits - FAR	324,035	2,44	56,053	0,53
Deposits - FDS	516,474	3,90	565,139	5,33
Deposits - Profrota Pesqueira	56,167	0,42	50,343	0,48
Deposits - FAS	4,857	0,04	4,607	0,04
Deposits - PREVHAB	451,336	3,41	407,691	3,85
Saúde CAIXA	179,279	1,35	143,382	1,35
Others	388,513	2,93	210,165	1,98
Total	13,254,921	100,00	10,594,286	100,00
Current liabilities	13,254,921	100,00	10,594,286	100,00
Non-current liabilities	-	-	-	-

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

Description	PARENT/CONSOLIDATED			
	Remuneration rate	2011		2010
		2 nd six-month period	Year	Year
Deposits - FGTS	SELIC	(270,085)	(461,812)	(477,970)
Deposits - FAT	SELIC and TJLP	(84,200)	(173,002)	(229,201)
Deposits - FISANE	Reference Rate (TR)	(261)	(507)	(439)
Deposits - PRODEC	TR + interest of 0.4868% p.m.	(1,701)	(3,273)	(2,778)
Deposits - PIS	Extra market	(28,544)	(60,039)	(60,195)
Deposits - FIEL	Fixed TR + interest of 0.50% p.m.	-	(205)	(3,435)
Deposits - FGS	SELIC day factor / Extra market	(2,445)	(3,385)	(5,062)
Deposits - FAR	SELIC	(10,947)	(24,867)	(33,647)
Deposits - FDS	SELIC day factor	(30,119)	(60,915)	-
Deposits - Federal Treasury	SELIC	(12,038)	(21,171)	-
Deposits - FAS	TR	(21)	(41)	(24)
Deposits - PREVHAB	SELIC	(27,129)	(52,047)	(40,351)
Deposits - Guarantee	TR	(2,854)	(5,635)	(26,094)
Deposits - FCA	Extra market	(10,824)	(20,617)	-
Other		(36,093)	(70,753)	(117,967)
Total		(517,261)	(958,267)	(997,163)

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Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

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

PARENT/CONSOLIDATED										
Description	Resolution/ TADE	Return of FAT Resources (1)			2011			2010		
		Type	Date	Deadline	December 31			December 31		
					Available	Invested	TOTAL	Available	Invested	TOTAL
Programs					161,040	2,347,754	2,508,794	178,981	2,792,236	2,971,217
Proger - Urban				-	88,295	1,667,197	1,755,492	71,273	2,043,401	2,114,674
Investment	ago/05	RA	10/10/2005	-	80,198	1,660,858	1,741,056	68,780	2,027,047	2,095,827
Isolated working capital	16/2005	RA	09/12/2005	-	558	18	7,576	1,356	8,379	9,735
Proger export	17/2005	RA	09/12/2005	-	-	38	38	-	46	46
FAT popular entrepreneur	23/2005	RA	09/12/2005	-	539	6,283	6,822	1,137	7,929	9,066
FAT - housing	May/07	SD	09/11/2007	-	2,077	34,531	36,608	2,772	55,601	58,373
FAT infrastructure				-	69,499	632,653	702,152	103,742	676,878	780,620
Economic infrastructure	13/2006	RA	08/08/2008	-	69,499	632,653	702,152	103,742	676,878	780,620
FAT - PNMPO				-	1,169	13,373	14,542	1,194	16,356	17,550
FAT - microcredit	15/2006	RA	10/05/2007	-	1,169	13,373	14,542	1,194	16,356	17,550
Special credit lines					8,818	146,202	155,021	7,970	164,933	172,903
FAT - digital inclusion	Dec/05	RA	10/10/2005	07/01/2010	-	-	-	-	-	-
FAT - vila panamericana	Jan/05	SD	09/12/2005	-	-	121,791	121,792	-	114,897	114,897
FAT - construction material	Mar/06	RA	10/02/2006	-	-	-	-	-	-	-
FAT - sector turnover				-	8,818	24,411	33,229	7,970	50,036	58,006
Micro and small-sized companies	22/2006	RA	10/03/2008	-	5,707	15,323	21,030	4,668	31,630	36,298
Medium and large-sized companies	23/2006	RA	10/03/2008	-	3,111	9,088	12,199	3,302	18,406	21,708
FAT - motorcycle delivery services	01/2009	RA	10/03/2010	13/04/2010	-	-	-	-	-	-
Total					169,858	2,493,956	2,663,815	186,951	2,957,169	3,144,120

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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 previous table.

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 - 16 Funds from acceptances and issue of securities

a) Funds from notes

PARENT/CONSOLIDATED									
Security	Index	2011						2010	
		Maturity						December 31	December 31
		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	-	-	-	-	-	527,589	527,589	513,211
Mortgage Note	INPC	-	-	-	-	-	11,361	11,361	10,705
Mortgage Note	TR	-	-	-	-	-	26,386	26,386	35,012
Housing Bond	IGP-M	-	-	8,534	-	-	7,643	16,177	46,724
Housing Bond	INPC	-	-	37,264	-	-	-	37,264	35,111
Housing Bond	CDI	450,383	1,604,403	2,686,739	6,219,837	4,296,457	-	15,257,819	6,068
Housing Bond	TR	-	-	-	-	-	-	-	8,919,778
Financial Bill	CDI				1,959,192	3,241,756		5,200,948	1,748,911
Total		450,383	1,604,403	2,732,537	8,179,029	7,538,213	572,979	21,077,544	11,315,520
Current liabilities								12,966,352	2,533,901
Non-current liabilities								8,111,192	8,781,619

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Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

b) Expenses with funds from notes

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year
Housing Bonds	(692,048)	(1,201,420)	(439,026)
Mortgage Notes	(38,218)	(82,635)	(104,138)
Financial Bills	(220,273)	(323,637)	(67,011)
Total	(950,539)	(1,607,692)	(610,175)

Note - 17 Local onlendings - official institutions

Description	2011	2010
	December 31	December 31
Local Onlendings	91,615,724	61,010,973
FGTS	80,599,183	54,172,591
BNDES	10,272,737	6,023,854
National Treasury - PIS	567,622	595,447
Other institutions	176,182	219,081
Foreign borrowings	4,601	89,380
Obtained from financial institutions overseas	-	83,340
Other credit lines	4,601	6,040
Total	91,620,325	61,100,353
Current liabilities	810,500	720,219
Non-current liabilities	90,809,825	60,380,134

(a) Local onlendings

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.

(b) Foreign borrowings

At December 31, 2010, foreign borrowings mainly comprise new credit lines obtained from foreign financial institutions settled in October 2011.

Other foreign borrowings incur interest of up to 3.00% per annum and exchange variation of the currency in which they are denominated, mainly US dollars, with maturity dates up to 2013.

Caixa Econômica Federal - CAIXA

**Notes to the financial statements
at December 31, 2011**

All amounts in thousands of reais, unless otherwise indicated

(c) Expenses with local onlendings - official institutions

Description	PARENT/CONSOLIDATED		
	2011		2010
	2 nd six-month period	Year	Year
FGTS	(3,096,745)	(5,398,832)	(3,514,631)
BNDES	(217,446)	(426,784)	(216,221)
National Treasury - PIS	(22,654)	(43,363)	(34,455)
Foreign borrowings	(28,848)	(31,263)	(1,460)
Other institutions	(23,834)	(46,152)	(67,271)
Total	(3,389,527)	(5,946,394)	(3,834,038)

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 18 Other liabilities

(a) Taxes and social security

Description	CAIXA				CAIXA CONSOLIDATED			
	2011		2010		2011		2010	
	December 31	%	December 31	%	December 31	%	December 31	%
Taxes and contributions on profits payable	246,040	16.97	126,170	9.48	258,733	16.87	135,103	10.09
Income tax	74,309	5.12	-	-	74,762	4.87	8,917	0.67
Social contribution	34,981	2.41	-	-	40,677	2.65	-	-
COFINS	117,767	8.12	108,654	8.17	123,144	8.03	108,667	8.11
PASEP	18,983	1.31	17,516	1.32	20,150	1.31	17,519	1.31
Taxes and contributions payable	424,686	29.28	387,080	29.10	424,743	27.69	387,118	28.90
On salaries	274,903	18.96	230,079	17.30	274,903	17.92	230,090	17.18
On services	149,783	10.33	157,001	11.80	149,840	9.77	157,028	11.72
Deferred taxes and contributions	511,253	35.25	241,850	18.20	582,294	37.96	241,850	18.05
Income tax (IRPJ) on revaluation reserve - Buildings	117,366	8.09	125,103	9.40	117,366	7.65	125,103	9.40
Social contribution (CSLL) on revaluation reserve - Buildings	70,420	4.86	75,062	5.64	70,420	4.59	75,062	5.60
IRPJ on adjustments to market value - Available-for-sale securities	-	-	-	-	54,656	3.56	-	-
IR on adjustments to market value - Trading securities	153,511	10.59	-	-	153,511	10.01	-	-
CSLL on adjustments to market value - Available-for-sale securities	92,106	6.35	-	-	92,106	6.00	-	-
Futures contracts	-	-	14,536	1.09	-	-	14,536	1.09
PASEP	77,850	5.37	7,149	2.04	94,235	6.14	27,149	2.03
Provision for tax risks (Note 32 (a))	268,242	18.50	575,572	43.30	268,242	17.49	575,572	42.96
Total	1,450,221	100.00	1,330,672	100.00	1,534,012	100.00	1,339,643	100.00
Current liabilities	1,262,434	87.05	1,130,507	84.96	1,346,225	87.76	1,139,478	85.05
Non-current liabilities	187,787	12.95	200,165	15.04	187,787	12.24	200,165	14.95

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

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(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.

PARENT/CONSOLIDATED				
Description	2011		2010	
	December 31	%	December 31	%
Lottery operations	725,499	11.36	920,316	19.02
Social funds and programs	4,718,055	73.85	2,978,609	61.59
FGTS	2,622,868	41.05	1,886,208	39.00
"Minha Casa Minha Vida" (My House, My Life)	1,457,089	22.81	423,940	8.77
FIES (Student Financing)	9,317	0.15	20,125	0.42
"Bolsa Família" (Family allowance)	125,924	1.97	183,828	3.80
Housing Subsidy Program (PSH)	335,825	5.26	327,761	6.78
PRONASCI	12,099	0.19	788	0.02
PRODEC	21,040	0.33	19,545	0.40
Other funds and programs	133,893	2.10	116,414	2.40
Finance and development fund obligations	945,469	14.80	937,561	19.39
PIS	546,533	8.55	503,049	10.40
FAT	397,537	6.22	433,181	8.96
Others	1,399	0.02	1,331	0.03
Total	6,389,023	100.00	4,836,486	100.00
Current liabilities	6,389,023	100.00	4,836,486	100.00

Caixa Econômica Federal - CAIXA

Notes to the financial statements

at December 31, 2011

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(c) Sundry

Description	CAIXA				CAIXA CONSOLIDATED			
	2011		2010		2011		2010	
	December 31	%	December 31	%	December 31	%	December 31	%
Contributions to the SFH	26,664	0.10	114,414	0.46	26,664	0.10	114,414	0.46
Official agreements	283,725	1.03	224,861	0.91	283,725	1.03	224,861	0.91
Liabilities for payment services	131,735	0.48	98,604	0.40	131,735	0.48	98,604	0.40
Accrued expenses (Note c.1)	9,203,504	33.39	8,219,388	33.16	9,203,528	33.39	8,219,720	33.16
Provision for labor and civil contingencies	2,812,886	10.21	2,687,488	10.84	2,812,886	10.21	2,687,488	10.84
Civil lawsuits	3,582,717	13.00	3,587,568	14.47	3,582,717	13.00	3,587,568	14.47
Other provisions for contingencies	41,671	0.15	216,288	0.88	41,671	0.15	216,288	0.88
Funds linked to credit operations (1)	237,189	0.86	206,797	0.83	237,189	0.86	206,797	0.83
FGTS funds for repayment	123,859	0.45	88,982	0.36	123,859	0.45	88,982	0.36
Creditors for amounts to be released	3,619,426	13.13	2,577,147	10.40	3,619,426	13.13	2,577,147	10.40
Payables to the related parties	59,760	0.22	-	-	59,760	0.22	-	-
Sundry creditors - Abroad	3,723	0.01	26	-	3,723	0.01	26	-
Sundry creditors - Brazil (Note c2)	7,433,144	26.97	6,764,112	27.29	7,433,144	26.97	6,764,342	27.29
Total	27,560,003	100.00	24,785,675	100.00	27,560,027	100.00	24,786,237	100.00
Current liabilities	27,560,003	100.00	24,785,675	100.00	27,560,027	100.00	24,786,237	100.00

(1) 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.

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All amounts in thousands of reais, unless otherwise indicated

(c.1) Accrued expenses

Description	CAIXA		CAIXA CONSOLIDATED	
	2011	2010	2011	2010
	December 31	December 31	December 31	December 31
Personnel expenses	1,599,948	1,403,021	1,599,972	1,403,353
Post-employment benefits - NPC 26 (Note 32)	6,328,531	5,840,201	6,328,531	5,840,201
Saúde CAIXA	5,677,807	5,169,596	5,677,807	5,169,596
Meal voucher and food basket	607,075	626,970	607,075	626,970
PREVHAB	43,649	43,635	43,649	43,635
Prepayment of housing loans	835,880	563,254	835,880	563,254
Other payments	439,145	412,912	439,145	412,912
Total	9,203,504	8,219,388	9,203,528	8,219,720

(c.2) Sundry creditors - Brazil

Description	CAIXA		CAIXA CONSOLIDATED	
	2011	2010	2011	2010
	December 31	December 31	December 31	December 31
Credit cards	3,253,781	2,671,756	3,253,781	2,671,756
Accounts payable	56,842	139,953	56,842	139,953
Empresa Gestora de Ativos (EMGEA) (1)	75,932	322,648	75,932	322,648
Receivables purchased	426,623	416,338	426,623	416,338
Amounts to allocate (2)	987,406	979,143	987,406	979,143
FGC	28,135	22,701	28,135	22,701
Amounts to reimburse - Pledge	127,283	111,047	127,283	111,047
Suppliers	631,395	525,241	631,395	525,241
Other creditors - Simplified savings	499,983	500,077	499,983	500,077
Housing loans - insurance to transfer	81,735	70,907	81,735	70,907
Commercial credit operations - collaterals	187,687	41,941	187,687	41,941
Funds with specific purposes - SPU	20,727	19,942	20,727	19,942
State and municipal payrolls - amounts to be released	404,061	124,723	404,061	124,723
Judiciary power - amounts to be released	319,180	322,100	319,180	322,100
Government obligations - onlendings	32,509	29,718	32,509	29,718
Other sundry creditors	299,865	465,877	299,865	466,107
Total	7,433,144	6,764,112	7,433,144	6,764,342

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

(2) Amounts related to liabilities of the same nature as that indicated in note 9 (b).

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(d) Subordinated debt eligible for capital

Part of the existing loan debt of CAIXA with FGTS was converted into subordinated debt on October 11, 2005, in accordance with CMN Resolution No. 2837/01. This transaction was approved by BACEN in October 2005 and amounts to R\$ 5,480,132 (2010 - R\$ 5,089,202). 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 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.

In August 2011, BACEN approved a new transaction amounting to R\$ 3,070,670 at December 31, 2011. The total debt balance will be subject to monetary restatement and monthly interest at the rate of 5.837%.

(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 as 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	
	December 31	%	December 31	%
Provisional Measure - MP 347/2007	5,200,000	37.45	5,200,000	39.95
Provisional Measure - MP 470/2009	5,999,999	43.21	5,999,999	46.10
Monetary Restatement and Interest - MP 347/07	1,484,328	10.69	1,082,067	8.31
Monetary Restatement and Interest - MP 470/09	1,200,132	8.64	734,083	5.64
Total	13,884,459	100.00	13,016,149	100.00

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Note - 19 Equity

(a) Capital

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

The Federal Government Decree of August 26, 2010 the authorized CAIXA's capital 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.

On February 16, 2011 the Federal Government Decree No. 7439 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 that required by the Federal Government to maintain shareholding control.

The Federal Government Decree No. 7653, of December 23, 2011, authorized a capital increase of R\$ 481,078 through the transfer of 20,128,824 common shares of Petróleo Brasileiro S.A. - PETROBRAS, in excess of that 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 13.35% (Note 33 (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 operating margin reserve.

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Revaluation reserves	464,595	478,318
Revenue reserves	4,079,781	2,652,206
Legal reserve	1,366,024	1,106,898
Statutory reserves - lotteries	407,196	-
Operating margin reserves	2,306,561	1,545,308

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Notes to the financial statements

at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

(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. 2673/1998.

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.

The amount R\$ 2,768,488 was transferred to the Federal Government as a prepayment of dividends relating to 2011.

Calculation of the minimum mandatory dividend		
PARENT/CONSOLIDATED		
Description	2011	2010
Profit	5,182,525	3,764,411
Legal reserve	(259,125)	(188,221)
Realization of reserve	16,020	24,905
Lottery reserve	(407,196)	(357,448)
Basis for calculation of the dividend	4,532,224	3,243,647
Dividend proposed	2,768,488	1,698,339
Interest on own capital	852,865	756,406
Dividend	1,915,623	941,933

Note - 20 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 recorded amount to R\$ 17,888,666 (2010 - R\$ 15,935,232) and comprise R\$ 11,666,141 (2010 - R\$ 10,426,974) of IRPJ credits, R\$ 6,180,020 (2010 - R\$ 5,492,277) of CSLL credits, R\$ 5,942 (2010 - R\$ 2,234) of PASEP credits and R\$ 36,563 (2010 - R\$ 13,747) of COFINS credits. The valuation allowance relating to these credits amounts to R\$ 4,277,367 (2010 - R\$ 4,744,106), of which R\$ 684,533 (2010 - R\$ 907,080) refers to allowance for tax loss credits and R\$ 3,592,834 (2010 - R\$ 3,837,025) to the allowance for credits on temporary differences, resulting in total tax credits, net of provision, of R\$ 13,611,299 (2010 - R\$ 11,191,126).

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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 reverse tax loss credits of R\$ 222,547 and record R\$ 2,460,152 for credits on temporary differences, of which R\$ 2,343,198 refers to IRPJ and CSLL, R\$ 14,815 to PASEP and COFINS and R\$ 102,139 relating to marking available-for-sale securities to market.

Also according to the study, the realization of tax credits in 2011 represented 104% of the estimate made in 2010.

Book Value

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2012	88,752	53,251	37,276	4,161,998	4,341,277
2013	78,735	47,241	33,069	3,412,108	3,571,153
2014	92,892	55,735	39,015	1,483,268	1,670,909
2015	93,022	55,813	39,069	383,342	571,247
2016	99,965	59,979	41,985	387,746	589,676
2017 to 2021	973,600	50,298	168,926	1,674,212	2,867,035
TOTAL	1,426,966	322,318	359,340	11,502,673	13,611,297

Present Value (1)

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2012	87,819	52,691	36,884	3,867,309	4,044,702
2013	73,221	43,932	30,753	3,173,138	3,321,044
2014	81,038	48,623	34,036	1,293,983	1,457,679
2015	75,984	45,591	31,913	313,130	466,618
2016	76,457	45,874	32,112	296,561	451,003
2017 to 2021	604,800	35,986	114,604	1,074,229	1,829,619
TOTAL	999,318	272,697	280,302	10,018,349	11,570,665

(b) Origin of the tax credits

Description	CAIXA			
	2011		2010	
	December 31		December 31	
	IRPJ	CSLL	IRPJ	CSLL
Allowance for loan losses	4,521,981	2,578,219	3,286,916	1,833,302
Provision SFH	739,125	443,475	728,333	437,000
Provision for contingencies	1,674,887	1,004,932	1,735,786	1,041,471
Others	898,907	439,891	946,243	473,536
Provision for Saúde CAIXA - NPC 26	1,419,452	851,671	1,292,399	775,439
Adjustment to market value - Expense	168,367	101,020	120,307	72,184
Adjustment to market value - Equity (Available for Sale)	131,921	79,153	75,403	45,241
Subtotal of temporary differences	9,554,640	5,498,362	8,185,387	4,678,173
Tax losses	2,973,570	-	2,973,570	-
Cumulative reductions	(862,070)	-	(731,989)	-
CSLL losses up to 2,000	-	701,139	-	701,139
Cumulative reductions	-	(378,822)	-	(300,913)
Credit at 18% - 1998	-	624,515	-	624,515

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Cumulative reductions	-	(265,175)	-	(210,639)
Total tax credits	11,666,140	6,180,019	10,426,968	5,492,275
Description	PASEP	COFINS	PASEP	COFINS
Adjustment to market value - Expense	2,344	14,427	273	1,682
Adjustment to market value - Equity (Available for Sale)	3,597	22,137	1,961	12,065
Total tax credits PASEP / COFINS	5,942	36,563	2,234	13,747

Description	CAIXA CONSOLIDATED			
	2011		2010	
	December 31		December 31	
	IRPJ	CSLL	IRPJ	CSLL
Allowance for loan losses	4,521,981	2,578,220	3,286,916	1,833,302
Provision SFH	739,125	443,475	728,333	437,000
Provision for contingencies	1,674,887	1,004,932	1,735,786	1,041,471
Others	898,908	439,891	946,249	473,538
Provision for Saúde CAIXA - Expense	1,419,452	851,671	1,292,399	775,439
Adjustment to market value - Expense	168,367	101,020	120,307	72,184
Adjustment to market value - Equity (Available for Sale)	131,922	79,153	75,403	45,241
Subtotal of temporary differences	9,554,642	5,498,362	8,185,393	4,678,175
Tax losses	2,973,570	-	2,973,570	-
Cumulative reductions	(862,070)	-	(731,989)	-
CSLL losses up to 2,000	-	701,139	-	701,139
Cumulative reductions	-	(378,822)	-	(300,913)
Credit at 18% - 1998	-	624,515	-	624,515
Cumulative reductions	-	(265,175)	-	(210,639)
Total tax credits	11,666,142	6,180,020	10,426,974	5,492,277
	PASEP	COFINS	PASEP	COFINS
Adjustment to market value - Expense	2,344	14,427	273	1,682
Adjustment to market value - Equity (Available for Sale)	3,597	22,137	1,961	12,065
Total tax credits PASEP / COFINS	5,942	36,563	2,234	13,747

(c) Changes in tax credits

CAIXA			
Description	Gross amount	Provision	Total
At December 31, 2010	15,935,224	(4,744,106)	11,191,118
Amount recorded in the period	2,343,204	-	2,343,204
Reversal of provision	(466,739)	466,739	-
PASEP/COFINS credits recorded	14,815	-	14,815
Securities Available for Sale	102,139	-	102,139

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Realization of tax credit - IRPJ	(130,082)	-	(130,082)
Realization of tax credit - CSLL	(77,908)	-	(77,908)
Tax credits written off - 2002 MP 2.158-35/01	(54,536)	-	(54,536)
Tax loss credits recorded	222,547	-	222,547
At December 31, 2011	17,888,664	(4,277,367)	13,611,297

Description	CAIXA CONSOLIDATED		
	Gross amount	Provision	Total
At December 31, 2010	15,935,232	(4,744,106)	11,191,126
Amount recorded in the period	2,343,198	-	2,343,198
Reversal of provision	(466,739)	466,739	-
Constitution PASEP/COFINS	14,815	-	14,815
Securities Available for Sale	102,139	-	102,139
Realization of tax credit - IRPJ	(130,082)	-	(130,082)
Realization of tax credit - CSLL	(77,908)	-	(77,908)
Tax credits written off - 2002 MP 2.158-35/01	(54,536)	-	(54,536)
Tax loss credits recorded	222,547	-	222,547
At December 31, 2011	17,888,666	(4,277,367)	13,611,299

(d) Calculation of IRPJ and CSLL

Description	CAIXA			
	2011		2010	
	Year		Year	
	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit sharing	4,303,478	4,303,478	2,547,585	2,547,585
Total IRPJ (25%) and CSLL (15%)	(1,075,846)	(645,522)	(636,872)	(382,138)
Tax effects of additions and exclusions	231,305	139,252	126,974	76,176
Interest on own capital	213,216	127,930	189,101	113,461
Employee profit sharing	197,742	118,645	169,315	101,589
Deferred tax assets - IRPJ and CSLL	130,082	132,444	45,452	46,365
Tax incentives	19,519	-	11,416	-
Revaluation reserve	6,675	4,005	10,377	6,226
Current expense	(277,305)	(123,245)	(84,237)	(38,321)
Deferred expense/Mark-to-market	(145,413)	(87,248)	(381)	(229)
Deferred IRPJ and CSLL tax assets	1,556,457	746,767	1,136,668	880,586
IRPJ and CSLL for the year	1,133,738	536,275	(84,618)	(38,550)

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Description	CAIXA CONSOLIDATED			
	2011		2010	
	Year		Year	
	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit sharing	4,368,170	4,368,170	2,565,853	2,565,853
Total of IRPJ (25%) and CSLL (15%)	(1,092,019)	(655,226)	(641,463)	(384,878)
Tax effects of additions and exclusions	231,305	139,252	126,974	76,176
Interest on own capital	213,216	127,930	189,101	113,461
Employee profit sharing	197,742	118,645	169,315	101,589
Deferred tax assets - IRPJ and CSLL	130,082	132,444	45,452	46,365
Tax incentives	19,519	-	11,416	-
Revaluation reserve	6,675	4,005	10,377	6,226
Equity in earnings of associated and subsidiary companies	59,727	35,836	-	-
Other	(91,112)	(43,261)	(8,838)	(2,330)
Current expense	(324,864)	(140,373)	(97,666)	(43,164)
Deferred expense/Mark-to-market	(145,413)	(87,248)	(381)	(229)
Deferred IRPJ and CSLL tax assets	1,556,452	746,767	1,136,671	880,587
IRPJ and CSLL for the year	1,086,176	519,145	1,038,624	837,194

Note - 21 Income from financial intermediation

Description	PARENT/CONSOLIDATED		
	2011		2010
	2 nd six-month period	Year	Year
Customer loans and financing	15,278,811	27,967,053	19,573,718
Purchase and sale commitments	3,284,265	5,604,211	3,889,579
Financial assets available for sale	3,576,129	5,513,414	3,161,715
Derivative financial instruments	78,191	146,208	131,488
Financial instruments held for trading	3,441,264	7,560,348	8,191,555
Financial assets held to maturity	(633,154)	(669,979)	(119,147)
Compulsory deposits with the Brazilian Central Bank	2,588,543	4,844,898	2,942,783
Interest on financial assets (FCVS)	802,582	1,866,949	1,578,850
Foreign exchange gains	6,201	6,701	2,570
Other	63,786	73,261	34,094
Total	28,486,618	52,913,064	39,387,205

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Note - 22 Expenses of financial intermediation

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Operations with customers	(9,228,201)	(17,102,498)	(11,884,615)	(9,227,224)	(17,100,885)	(11,884,615)
Operations with financial institutions	(470,010)	(617,967)	(36,606)	(470,010)	(617,967)	(36,606)
Funding expenses in the open market	(4,146,210)	(7,348,125)	(6,253,919)	(4,090,774)	(7,246,599)	(6,183,554)
Loans, assignments and onlendings	(3,389,527)	(5,946,394)	(3,834,039)	(3,389,527)	(5,946,394)	(3,834,039)
Other special deposits and deposits of funds and programs	(517,261)	(958,266)	(997,163)	(517,261)	(958,266)	(997,163)
Provisions for impairment of receivables	(3,839,911)	(6,815,735)	(4,050,041)	(3,839,911)	(6,815,735)	(4,050,041)
Total	(21,591,120)	(38,788,985)	(27,056,383)	(21,534,707)	(38,685,846)	(26,986,018)

Note - 25 Service fees and bank charges

Description	PARENT/CONSOLIDATED		
	2011		2010
	2 nd six-month period	Year	Year (1)
Administration of FGTS	1,434,162	3,129,791	2,456,397
Administration of FCVS	44,071	79,935	94,859
Administration of PIS	33,646	51,192	52,041
Administration of lotteries	464,385	903,511	863,865
Administration of FIES	86,285	137,238	98,519
Administration of FAR	58,573	60,260	47,915
Unemployment insurance	28,581	57,054	53,076
General Federal Government Budget (OGU)	7,865	59,263	85,760
Family allowance	135,603	272,676	247,923
INSS - Collection and payment fees	30,693	59,654	56,951
Management of investment funds	467,575	906,675	821,145
Agreement fees	963,534	1,850,505	1,634,707
Current account maintenance fees	67,499	119,878	92,619
Credit origination fee (TAC)	113,023	341,941	386,126
Credit cards	307,013	716,651	589,577
Collection of bills	249,749	485,871	433,142
EMGEA - Administration of contracts	113,816	223,005	242,079
Risk rate - financial agent	161,672	300,899	221,189
CCFGTS	103,119	214,341	231,141
FGTS letter of credit - Program Minha Casa Minha Vida (My House, My Life)	49,068	137,284	127,889

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year (1)
CONSTRUCARD CAIXA	36,014	75,848	72,034
Income from housing loan services	165,907	278,089	187,599
Services to related parties	255,232	465,273	349,339
Other services	176,554	195,590	45,334
Subtotal	5,553,639	11,122,424	9,491,226
Service fees and bank charges	956,248	1,523,643	985,920
Individuals	863,714	1,347,534	833,462
Companies	92,534	176,109	152,458
Total of service fees and bank charges	6,509,887	12,646,067	10,477,146

(1) The items included in this note have been reclassified, resulting in adjustments to the amounts disclosed in 2010, mainly in "Agreement fees" and "Income from housing loan services".

Note - 24 Personnel expenses

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Salaries	(3,813,543)	(7,398,200)	(6,375,098)	(3,813,543)	(7,398,200)	(6,375,600)
Salaries and benefits	(3,559,841)	(6,866,142)	(5,920,398)	(3,559,841)	(6,866,142)	(5,920,900)
Labor indemnities	(253,702)	(532,058)	(454,700)	(253,702)	(532,058)	(454,700)
Benefits	(705,606)	(1,340,383)	(1,118,217)	(705,606)	(1,340,383)	(1,118,236)
Social charges	(1,406,220)	(2,724,894)	(2,294,991)	(1,406,220)	(2,724,894)	(2,295,123)
FGTS	(265,272)	(517,288)	(438,997)	(265,272)	(517,288)	(439,030)
Social security	(825,012)	(1,600,412)	(1,350,984)	(825,012)	(1,600,412)	(1,351,067)
Supplementary social security/pensions	(225,533)	(443,037)	(365,483)	(225,533)	(443,037)	(365,499)
Others	(90,403)	(164,157)	(139,527)	(90,403)	(164,157)	(139,527)
Others	(103,367)	(177,911)	(164,880)	(103,598)	(178,756)	(165,319)
Total	(6,028,736)	(11,641,388)	(9,953,186)	(6,028,967)	(11,642,233)	(9,954,278)

Caixa Econômica Federal - CAIXA

Notes to the financial statements

at December 31, 2011

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Note - 25 Administrative expenses

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Communication	(311,338)	(568,915)	(427,509)	(311,338)	(568,915)	(427,509)
Maintenance and repair of assets	(420,368)	(815,295)	(632,002)	(420,368)	(815,295)	(632,002)
Water and electricity	(122,444)	(247,471)	(229,560)	(122,444)	(247,471)	(229,560)
Rentals and leases	(340,064)	(693,922)	(618,241)	(340,064)	(693,922)	(618,241)
Materials	(141,082)	(257,213)	(114,732)	(141,084)	(257,222)	(114,738)
Data processing	(501,464)	(948,216)	(878,196)	(501,464)	(948,216)	(878,196)
Promotions and public relations	(91,570)	(179,159)	(131,011)	(91,570)	(179,159)	(131,011)
Advertising and publicity	(214,937)	(383,648)	(347,017)	(214,937)	(383,648)	(347,017)
Financial system services	(139,842)	(273,331)	(242,189)	(139,842)	(273,331)	(242,189)
Third party services	(485,865)	(881,744)	(713,222)	(485,865)	(881,743)	(713,222)
Specialized services	(237,789)	(437,537)	(353,697)	(240,894)	(441,407)	(355,891)
Surveillance and security services	(278,259)	(553,944)	(464,296)	(278,259)	(553,944)	(464,264)
Depreciation and amortization	(373,586)	(752,559)	(680,970)	(373,584)	(752,559)	(680,970)
Other administrative expenses	(160,005)	(285,437)	(240,385)	(160,243)	(285,965)	(240,448)
Total	(3,818,613)	(7,278,391)	(6,073,027)	(3,821,957)	(7,282,797)	(6,075,258)

Note - 26 Other operating income

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Commissions and fees on operations	2,432,223	4,036,076	2,758,677	2,432,223	4,036,076	2,758,678
Expenses recovered	433,108	855,580	803,955	430,572	850,740	799,383
Reversal of other operating provisions	581,649	1,195,340	672,218	581,649	1,195,340	672,218
Credit card revenues	78,828	148,490	136,392	78,828	148,490	136,392
Dividend income	124	365	9,229	77,434	142,287	29,295
Monetary restatement of guarantee deposits	351,165	646,520	227,913	351,165	646,520	227,913
Monetary restatement of amounts receivable from the Government	144,905	144,906	-	144,905	144,905	-
Others	278,091	417,190	879,100	260,896	400,016	879,047
Total	4,300,093	7,444,467	5,487,484	4,357,672	7,564,374	5,502,926

Caixa Econômica Federal - CAIXA

Notes to the financial statements

at December 31, 2011

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Note - 27 Other operating expenses

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
Expenses with contributions to the SFH	(554)	(382,635)	(1,022)	(554)	(382,635)	(1,022)
Expenses with FCVS receivable - provision/losses	(171,113)	(452,835)	(306,504)	(171,113)	(452,835)	(306,504)
Expenses of obligations with funds and programs	(163,186)	(259,806)	(338,330)	(163,186)	(259,806)	(338,330)
Provision for contingencies EMGEA/Federal Government	(51,138)	(280,327)	(1,078,096)	(51,138)	(280,327)	(1,078,096)
Expenses with lottery resellers	(1,744)	(20,063)	(32,129)	(1,744)	(20,063)	(32,129)
Expenses with cards	(95,463)	(193,430)	(190,369)	(95,463)	(193,430)	(190,369)
Expenses with automated services	(375,375)	(690,767)	(586,755)	(375,375)	(690,767)	(586,755)
Discounts on loans	(74,422)	(151,060)	(100,139)	(74,422)	(151,060)	(100,139)
Non-banking correspondents	(475,115)	(840,766)	(190,968)	(475,115)	(840,766)	(190,968)
Hybrid instruments of capital and debt - monetary restatement	(631,308)	(1,182,814)	(995,747)	(631,308)	(1,182,814)	(995,747)
FGTS - Collection/payment	(712,888)	(1,651,422)	(1,428,281)	(712,888)	(1,651,422)	(1,428,281)
Social benefits	(226,417)	(449,689)	(412,538)	(226,417)	(449,689)	(412,538)
FGTS investment fund	(44,992)	(81,666)	(80,166)	(44,992)	(81,666)	(80,166)
Expenses with business promotion	(3,770)	(6,852)	(22,638)	(3,770)	(6,852)	(22,638)
Adverse legal judgments	(94,761)	(165,325)	(103,014)	(94,761)	(165,325)	(103,014)
Expenses with receivables managed by third parties	(117,126)	(241,921)	(547,448)	(117,126)	(241,921)	(547,448)
Expenses with financial management of pension funds	(20,120)	(37,286)	(33,403)	(20,120)	(37,286)	(33,403)
Post-employment benefits	(135,925)	(260,354)	(187,919)	(135,925)	(260,354)	(187,919)
Expenses related to restatements and interest paid to seller - real estate financing	(281,428)	(562,857)	(537,708)	(281,428)	(562,857)	(537,708)
Expenses related to monetary restatements, refunds and payments	(161,895)	(270,982)	(144,362)	(161,895)	(270,982)	(144,362)
Expenses related to the lottery reseller	(302)	(17,704)	(185,874)	(302)	(17,704)	(185,874)
Expenses related to operating provisions	(74,985)	(129,056)	(70,968)	(74,985)	(129,056)	(70,968)
Goodwill on the purchase of commercial portfolios	(216,708)	(279,925)	(481,464)	(216,708)	(279,925)	(481,464)
Other	(17,279)	(17,279)	-	(17,279)	(17,278)	-
Total	(4,498,336)	(9,240,013)	(8,581,491)	(4,498,337)	(9,240,028)	(8,592,601)

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

All amounts in thousands of reais, unless otherwise indicated

Note - 28 Non-operating expenses

PARENT/CONSOLIDATED			
Description	2011		2010
	2 nd six-month period	Year	Year
Non-operating income	109,045	213,453	337,267
Gains on sale of assets	62,943	119,775	147,462
Sale of properties	15,444	33,628	126,056
Unclaimed surplus cash funds	13,502	24,324	17,601
Capital gains from adjustment of pending amounts	3	3,163	23,836
Fines and charges	9,429	19,280	12,091
Other non-operating income	7,724	13,283	10,222
Non-operating expenses	(233,618)	(448,049)	(488,264)
Impairment of other assets	(1,547)	(4,015)	(97,939)
Indemnity for losses and damages	(47,196)	(82,408)	(62,630)
Loss on properties	(18,637)	(36,039)	36,523)
Losses from fraudulent electronic withdrawals	(115,871)	(234,486)	(216,547)
Loss on sale of assets	(10,753)	(19,413)	(16,632)
Losses related to credit cards	(28,623)	(56,600)	(33,552)
Other non-operating expenses	(10,991)	(15,088)	(24,441)
Total	(124,573)	(234,596)	(150,997)

Note - 29 Tax expenses

Description	CAIXA			CAIXA CONSOLIDATED		
	2011		2010	2011		2010
	2 nd six-month period	Year	Year	2 nd six-month period	Year	Year
COFINS contribution	(636,451)	(1,190,889)	(974,141)	(641,857)	(1,200,481)	(974,354)
PIS/PASEP	(103,423)	(193,519)	(158,298)	(104,597)	(195,603)	(158,344)
Services Tax (ISS)	(170,877)	(330,419)	(283,197)	(170,877)	(330,419)	(283,197)
Property taxes (IPTU)	(3,270)	(41,203)	(37,254)	(3,270)	(41,203)	(37,254)
Other	(22,271)	(40,788)	(17,237)	(22,271)	(40,789)	(17,313)
Total	(936,292)	(1,796,818)	(1,470,127)	(942,872)	(1,808,495)	(1,470,462)

Caixa Econômica Federal - CAIXA

Notes to the financial statements at December 31, 2011

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Note - 30 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 probable loss classification:

Description	PARENT/CONSOLIDATED			
	2010	Additions	2011	
	December 31		Reversals/ Reductions	December 31
Tax	575,572	66,175	(373,505)	268,242
- INSS	271,304	18,242	(242,040)	47,506
- ISS	152,560	41,709	(7,652)	186,617
- Other	151,708	6,224	(123,813)	34,119
Civil	3,587,568	604,780	(609,631)	3,582,717
Losses and damages	1,307,726	332,556	(198,721)	1,441,561
Savings accounts	1,488,774	201,392	(347,500)	1,342,666
Lotteries	42,917	2,897	(36,897)	8,917
Real estate receivables	213,283	22,660	(21,153)	214,790
Contingencies related to FGTS	534,868	45,275	(5,360)	574,783
Labor	2,687,488	742,948	(617,550)	2,812,886
Other	216,289	-	(174,618)	41,671
Total	7,066,917	1,413,903	(1,775,304)	6,705,516

The provision for tax claims is recorded in "Other liabilities - tax and social security" (Note 18(a)), and the provision for other claims is recorded in "Other liabilities - sundry" (Note 18(c.2)).

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Notes to the financial statements

at December 31, 2011

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(ii) Analysis of the possible loss classification:

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

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Tax lawsuits	4,641,123	4,355,918
Civil lawsuits	1,114,021	1,164,729
Labor lawsuits	46,749	43,571
Total	5,801,893	5,564,218

(iii) Analysis of judicial deposits

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

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Tax lawsuits	7,401,564	6,515,569
Civil lawsuits	632,466	666,875
Labor lawsuits	1,474,686	1,332,171
Total	9,508,716	8,514,615

(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, and 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 monetary and non-monetary damages, or disputes regarding contractual clauses, principally interest rates and debit or residual balances of loans contracted.

The majority relate 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.

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Notes to the financial statements

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(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.

(c.1) INSS

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\$ 1,390,718 (2010 - R\$ 1,455,145) at December 31, 2011 price levels. The related provision amounts to R\$ 47,506 (2010 - R\$ 271,304) based on the history of favorable outcomes and the legal precedents identified in recent technical and legal studies.

(c.2) ISS

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\$ 235,989 (2010 - R\$ 286,846) at December 31, 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 of R\$ 184,343 (2010 - R\$ 152,560).

(c.3) CSLL

CAIXA is contesting, at the Taxpayers' Council, an assessment of R\$ 5,968 (2010 - R\$ 123,774) relating to CSLL offsets (PERD/COMP) which had not been approved. Based on legal judgments on the matter, legal counsel recommended a full provision for the amount.

(c.4) PIS/PASEP

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 this 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 of the tax assessment, including R\$ 667,691 (principal), R\$ 500,768 (penalty) and R\$ 3,011,018 (interest), totaling R\$ 4,179,478 at December 31, 2011 (2010 - R\$ 4,053,509 - total amount).

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 this tax claim.

Based on the opinion of its legal advisors, CAIXA's management classified the likelihood of loss in these proceedings as possible.

(c.5) Other

Caixa Econômica Federal - CAIXA

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at December 31, 2011

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CAIXA has 20 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\$ 461,645 in December 31, 2011 (2010 - R\$ 302,409).

Note - 31 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:

PARENT/CONSOLIDATED		
Description	2011	2010
	December 31	December 31
Short-term benefits	10,253	9,277
Salaries	8,213	7,502
Social charges	2,040	1,775

To comply with Decree No. 95524/87, remuneration 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	
	December 31		December 31	
	Management R\$	Employees R\$	Management R\$	Employees R\$
Highest	33,620	30,283	31,628	26,723
Average	29,800	5,497	28,750	4,925
Lowest	25,236	1,773	28,488	1,600

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.

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

The operations with CAIXA Seguros Holding S.A, 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:

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Description	2011	2010
	December 31	December 31
ASSETS		
Interbank deposits	2,063,590	202,509
Banco Panamericano	2,063,590	202,509
Investments in repurchase agreements	300,037	2,001
Banco Panamericano	300,037	2,001
Income receivable	1,469,305	839,998
Caixa Seguros Holding S.A.	450	-
OGU - General Federal Government Budget	1,468,855	839,998
Credits purchased	2,404,793	427,591
Banco Panamericano	2,404,793	427,591
Total	6,237,735	1,472,099
LIABILITIES		
Deposits	296,191	243,451
Caixa Seguros Holding S.A.	7,100	-
FUNCEF	1,250	1,268
Federal Treasury Secretariat (STN)	287,841	242,183
Local onlending - official institutions	25,222	13
OGU - General Federal Government Budget	25,222	13
Sundry liabilities	31,462	28,666
OGU - General Federal Government Budget	31,462	28,666
Total	352,875	272,130

Description	2011		2010
	2 nd six-month period	Year	Year
INCOME			
Services rendered	264,277	526,960	437,622
Caixa Seguros Holding S.A.	255,232	465,273	349,339
OGU - General Federal Government Budget	9,045	61,687	88,283
Other operating income	44,135	137,616	110,879
OGU - General Federal Government Budget	44,135	137,616	110,879
Total	308,412	664,576	548,501
EXPENSES			
Administrative expenses - rentals	(22,601)	(44,097)	(38,398)
FUNCEF	(22,601)	(44,097)	(38,398)
Other operating expenses	(1,770)	(3,419)	(3,046)
OGU - General Federal Government Budget	(1,770)	(3,419)	(3,046)
Total	(24,371)	(47,516)	(41,444)

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

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Note - 32 Employee benefits

(a) Analysis of the provision for employee benefits

Description	2011	2010
Short-term benefits	2,390,938	2,080,613
Salary-related	1,599,972	1,403,353
Profit sharing	790,966	677,260
Post-employment benefits	6,328,531	5,840,201
Saúde CAIXA (actuarial calculation)	5,677,807	5,169,596
Meal vouchers and food basket (actuarial calculation)	607,075	626,970
PREVHAB (actuarial calculation)	43,649	43,636
TOTAL	8,719,469	7,920,814

The information applies to both the parent and consolidated financial statements, except for the item Short-term benefits - Salary-related, which presents the amount of R\$ 1,599,948 (R\$ 1,403,021 - 2010) in the parent company statements.

(a.1) Short-term benefits:

The provisions for short-term benefits mainly comprise salaries payable, 13th. month salary, vacation pay, bonus leave, frequency bonus and profit sharing.

(a.2) Post-employment benefits:

- (i) Benefit plans are sponsored by CAIXA and managed and implemented by the Federal Savings and Loans Bank Employees' Foundation (FUNCEF).
- (ii) 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.
- (iii) The Saúde CAIXA is a self-management program established by CAIXA, the objective of which is to provide assistance to beneficiaries and their dependents at the following levels: medical, hospital, laboratory, radiology, dental, psychological, physiotherapeutic, speech therapy, occupational therapy, nutritional and social services (employees and retired employees linked to FUNCEF, PREVHAB, PMPP Fund and INSS) and respective dependents.
- (iv) 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.
- (v) Post-employment benefits related to Savings Accounts benefits and Meal Vouchers/Food Basket are managed by CAIXA.

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(b) Private pension plan

(b.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 discount rate adopted in the actuarial calculation is the blue chip National Treasury Notes (NTN-B) rate, because it is the one that most complies with IFRS standards. The Plan's interest rate was determined considering the position at September 30, 2011, maturing on May 15, 2035. 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 5.5% p.a.

(b.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 and, 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 discount rate adopted in the actuarial calculation is the blue chip National Treasury Notes (NTN-B) rate, because it is the one that most complies with IFRS standards. The Plan's interest rate was determined considering the position at September 30, 2011, maturing on May 15, 2035. 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 5.5% p.a.

(b.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 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.

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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 criteria established by the regulating authority are complied with.

The discount rate adopted in the actuarial calculation is the blue chip National Treasury Notes (NTN-B) rate, because it is the one that most complies with the IFRS standards. The Plan's interest rate was determined considering the position at September 30, 2011, maturing on May 15, 2035. 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 5,5% p.a.

(b.4) Recognition of actuarial gains and losses

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.

In accordance with current legislation, the surplus of the benefit plan will be allocated to create a contingency reserve, up to the limit of 25% of the plan's mathematical reserves, aimed at guaranteeing the payment of the benefits contracted, in case of future unexpected events. Once the contingency reserve has accumulated resources amounting to 25% of the plan's mathematical reserves, the remaining surplus will be allocated to the creation of a special reserve, which will be used to review the benefit plan.

(i) Main actuarial assumptions adopted

Financial	REG/REPLAN		REB		NOVO PLANO	
	2011	2010	2011	2010	2011	2010
Interest rate for annual actuarial discount	5.78%	6.00%	5.78%	6.00%	5.78%	6.00%
Projected salary increases - annual average	2.41%	2.41%	2.89%	2.89%	2.89%	2.89%
Projected benefit increase - annual average	1.00%	1.00%	-	-	-	-
Annual average inflation rate	5.50%	5.00%	5.50%	5.00%	5.50%	5.00%
Expected return on plan assets	11.30%	11.30%	11.30%	11.30%	11.30%	11.30%

Demographic	REG/REPLAN		REB		NOVO PLANO	
	2011	2010	2011	2010	2011	2010
Turnover rate	EXPERIENCE FUNCEF		EXPERIENCE FUNCEF		EXPERIENCE FUNCEF	
Mortality table/asset survivorship	AT 2000 M e AT 2000	AT 2000 M e AT 2000 F	AT 2000 M e AT 2000	AT 2000 M e AT 2000 F	AT 2000 M e AT 2000	AT 83 M e AT 83 F

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(ii) Net amount recognized in the balance sheet

Description	REG/REPLAN	REB	NOVO PLANO
	2011	2011	2011
Present value of the actuarial obligation at the end of the year	(35,033,289)	(412,518)	(254,250)
Fair value of plan assets at the end of the year	41,498,618	343,455	277,166
Present value of the actuarial obligation without coverage / (in excess)	(6,465,329)	69,063	(22,916)
Amount not recognized as asset / (liability) (1)	3,232,664	34,531	(11,458)
Unrecognized actuarial gains/(losses)	647,073	(167,759)	19,435
Net actuarial liability/(asset) recognized at the end of the year	-	-	7,976

Description	REG/REPLAN	REB	NOVO PLANO
	2010	2010	2010
Present value of the actuarial obligation at the end of the year	(31,330,322)	(358,031)	(283,896)
Fair value of plan assets at the end of the year	37,230,243	447,248	230,424
Present value of the actuarial obligation without coverage / (in excess)	(5,899,921)	(89,217)	53,472
Amount not recognized as asset / (liability) (1)	2,949,960	(44,608)	26,736
Unrecognized actuarial gains/(losses)	884,794	(82,737)	(17,127)
Net actuarial liability/(asset) recognized at the end of the year (2)	(2,065,167)	(127,345)	9,609

(1) 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.

(2) CAIXA has decided not to record the resulting Asset, considering the uncertainty about whether future contributions will be effectively reimbursed or reduced.

iii) Changes in actuarial obligations

Description	REG/REPLAN	REB	NOVO PLANO
	2011	2011	2011
Present value of the actuarial obligation at the beginning of the year	(31,330,322)	(358,031)	(283,896)
Cost of current service	(58,484)	(3,482)	(18,602)
Cost of interest	(3,622,039)	(32,082)	(30,593)
Actuarial gains / (losses)	(1,493,888)	(35,357)	66,711
Benefits paid by the plan	1,471,444	16,434	12,130
Present value of the actuarial obligation at the end of the year	(35,033,289)	(412,518)	(254,250)

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Description	REG/REPLAN	REB	NOVO PLANO
	2010	2010	2010
Present value of the actuarial obligation at the beginning of the year	(27,479,152)	(334,121)	(154,508)
Cost of current service	(74,096)	(3,436)	(20,045)
Cost of interest	(3,017,912)	(33,925)	(9,567)
Actuarial gains / (losses)	(2,092,304)	(5,694)	(110,000)
Benefits paid by the plan	1,333,142	19,145	10,224
Present value of the actuarial obligation at the end of the year	(31,330,322)	(358,031)	(283,896)

(iv) Changes in net assets

Description	REG/REPLAN	REB	NOVO PLANO
	2011	2011	2011
Fair value of plan assets at the beginning of the year	37,230,243	447,248	230,424
Expected return on plan assets	4,692,039	56,538	29,666
Actuarial gains / (losses)	1,018,447	(144,478)	23,206
Contributions/Payments of the employer	14,666	580	6,000
Contributions of plan participants	14,666	-	-
Benefits paid by the plan	(1,471,444)	(16,434)	(12,130)
Fair value of plan assets at the end of the year	41,498,618	343,455	277,166

Description	REG/REPLAN	REB	NOVO PLANO
	2010	2010	2010
Fair value of plan assets at the beginning of the year	31,584,152	513,041	132,388
Expected return on plan assets	4,134,518	51,581	18,545
Actuarial gains / (losses)	2,813,153	(99,962)	85,096
Contributions/Payments of the employer	15,781	551	4,619
Contributions of plan participants	15,781	-	-
Benefits paid by the plan	(1,333,142)	(19,145)	(10,224)
Fair value of plan assets at the end of the year	37,230,243	447,248	230,424

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(v) Total expense recognized in the statement of income

Description	REG/REPLAN	REB	NOVO PLANO
	2011	2011	2011
Cost of current service	(58,484)	(3,482)	(18,602)
Participants' responsibility	(505,758)	(10,486)	9,764
Cost of interest	(3,622,039)	(32,082)	(30,593)
Expected return on plan assets	4,692,039	56,538	29,666
Amortization of actuarial gains / (losses)	-	(4,895)	(1,212)
Limit effects	(520,424)	-	-
Total (expense) / income for the year	(14,666)	(290)	(10,976)

Description	REG/REPLAN	REB	NOVO PLANO
	2010	2010	2010
Cost of current service	(74,096)	(3,436)	(20,045)
Participants' responsibility	(521,255)	276	5,533
Cost of interest	(3,017,912)	(33,925)	(9,567)
Expected return on plan assets	4,134,518	51,581	18,545
Amortization of actuarial gains / (losses)	-	(372)	-
Limit effects	(537,036)	-	3,224
Total (expense) / income for the year	(15,781)	(276)	(2,310)

(vi) Expense / income and payments expected for next year

Description	REG/REPLAN	REB	NOVO PLANO
Cost of current service	(28,123)	(2,850)	(25,060)
Participants' responsibility	(661,324)	3,040	8,024
Cost of interest	(3,871,909)	(47,312)	(27,967)
Expected return on plan assets	5,222,680	44,082	36,981
Amortization of actuarial gains / (losses)	-	(12,879)	506
Effect of non-recognition of assets	(676,797)	15,595	-
Total (expense) / income to be recognized	(15,473)	(324)	(7,517)

(c) Benefit plan - PREVHAB 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.

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(c.1) Recognition of actuarial gains and losses

(i) Actuarial assumptions adopted

Description	PREVHAB	
	2011	2010
Interest rate for annual actuarial discount	5.78%	6.00%
Projected salary increases - annual average	-	-
Projected benefit increase - annual average	-	-
Annual average inflation rate	5.50%	5.00%
Expected return on plan assets	11.30%	10.23%

(ii) Net amount recognized in the balance sheet

Description	PREVHAB	
	2011	2010
Present value of the actuarial obligation at the end of the year	(37,535)	(36,607)
Fair value of plan assets at the end of the year	43,649	43,636
Present value of the actuarial obligation without coverage / (in excess)	(6,114)	(7,028)
Unrecognized actuarial gains/(losses)	2,430	5,527
Net actuarial liability/(asset) recognized at the end of the year (1)	(3,684)	(1,501)

(1) CAIXA decided not to recognize the resulting assets/liabilities, due to the uncertainty of reimbursement or effective reduction of future contributions.

(iii) Changes in actuarial liabilities

Description	PREVHAB	
	2011	2010
Present value of the actuarial obligation at the beginning of the year	(36,607)	(40,205)
Cost of current service	-	-
Cost of interest	(4,034)	(4,212)
Actuarial gains / (losses)	(80)	4,553
Benefits paid by the plan	3,187	3,257
Liability (acquired) / transferred from other plans by transaction	-	-
Present value of the actuarial obligation at the end of the year	(37,535)	(36,607)

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(iv) Changes in net assets

Description	PREVHAB	
	2011	2010
Fair value of plan assets at the beginning of the year	43,636	42,625
Expected return on plan assets	6,149	5,712
Actuarial gains / (losses)	(2,948)	(1,444)
Contributions/Payments (PREVHAB) of the employer	-	-
Contributions of plan participants	-	-
Benefits paid by the plan	(3,188)	(3,257)
Administrative expenses	-	-
Assets (acquired) / transferred from other plans by transaction	-	-
Fair value of plan assets at the end of the year	43,649	43,636

(v) Total expense recognized in the statement of income

Description	PREVHAB	
	2011	2010
Cost of current service	-	-
Participants' responsibility	-	-
Cost of interest	(4,034)	(4,212)
Expected return on plan assets	6,149	5,712
Amortization of actuarial gains / (losses)	68	-
Limit effects	-	-
Total (expense) / income for the year	2,183	1,500

(vi) Expense / income and payments expected for next year

Description	PREVHAB
	Defined Benefit
Cost of current service	-
Participants' responsibility	-
Cost of interest	(4,041)
Expected return on plan assets	6,125
Amortization of actuarial gains / (losses)	-
Limit effects	-
Total (expense) / income to be recognized	2,084

(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

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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\$ 5,632,367 (2010 - R\$ 5,166,068), the expense for the year ended December 31 was R\$ 651,359 (2010 - R\$ 553,031).

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.

(d.1) Recognition of actuarial gains and losses

(i) Main actuarial assumptions adopted

Description	SAÚDE CAIXA	
	2011	2010
Interest rate for annual actuarial discount	5.78%	6.62%
Projected salary increases - annual average	2.89%	1.04%
Projected benefit increase - annual average	-	-
Annual average inflation rate	5.50%	4.00%
Expected return on plan assets	-	-
Turnover rate	1.93%	1.18%
Mortality table	AT 2000 M e AT 2000 F	AT 1983 M e AT 1983 F

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(ii) Net amount recognized in the balance sheet

Description	SAÚDE CAIXA	
	2011	2010
Present value of the actuarial obligation at the end of the year	(4,637,896)	(4,387,210)
Fair value of plan assets at the end of the year	-	-
Present value of the actuarial obligation without coverage / (in excess)	4,637,896	4,387,210
Unrecognized actuarial gains/(losses)	994,472	778,857
Actuarial liability recognized at the end of the year	5,632,367	5,166,068

(iii) Changes in actuarial liabilities

Description	SAÚDE CAIXA	
	2011	2010
Present value of the actuarial obligation at the beginning of the year	(4,387,210)	(4,259,459)
Cost of current service	(191,397)	(103,235)
Cost of interest	(490,865)	(456,722)
Actuarial gains / (losses)	246,517	276,681
Benefits paid by the plan	185,059	155,525
Reduction	-	-
Present value of the actuarial obligation at the end of the year	(4,637,896)	(4,387,210)

(iv) Changes in net assets

Description	SAÚDE CAIXA	
	2011	2010
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains / (losses)	-	-
Contributions/Payments of the employer	(185,059)	155,525
Contributions of plan participants	-	-
Benefits paid by the plan	(185,059)	(155,525)
Assets (acquired) / transferred from other plans by transaction	-	-
Fair value of plan assets at the end of the year	-	-

(v) Total expense recognized in the statement of income

Description	SAÚDE CAIXA	
	2011	2010
Cost of current service	(191,397)	(103,235)
Contributions of participants	-	-
Cost of interest	(490,865)	(456,722)
Expected return on plan assets	-	-
Expected return on asset rights	-	-
Amortization of actuarial gains / (losses)	30,902	6,926
Effect of any reduction or settlement	-	-
Total (expense) / income for the year	(651,359)	(553,031)

(vi) Expense / income and payments expected for next year

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2012	SAÚDE CAIXA
Amount of:	
Cost of current service	(288,161)
Contributions of participants	-
Cost of interest	(525,743)
Expected return on plan assets	-
Amortization of actuarial gains / (losses)	48,956
Total (expense) / income to be recognized	(764,948)

(vii) Effect arising from increase or decrease of one percentage point in medical costs

Description	SAÚDE CAIXA	
	1% decrease	1% increase
Total of cost of interest	(524,511)	(529,810)
Total of cost of current service	253,141	255,648
Present value of the plan's actuarial liabilities	4,614,992	4,660,686
Percentage of total cost of interest	(0.23)%	0.77%
Percentage of total cost of current service	(0.49)%	0.49%
Percentage of the present value of the plan's actuarial liabilities	(0.49)%	0.49%

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(e) Meal vouchers and food baskets and Savings Account Benefit

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

For the period from September 2011 to August 2012, the value of the meal vouchers is R\$ 435.16 per month for payment of meals in restaurants and similar places. The food basket for the same period amounts to R\$ 399.08 per month for the purchase of food in supermarkets or other commercial establishments

CAIXA, as sponsor and administrator of the Plans, as well as the 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.

(i) Main actuarial assumptions adopted

Description	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT	
	2011	2010	2011	2010
Interest rate for annual actuarial discount	5.78%	6.00%	5.78%	6.00%
Projected salary increases - annual average	-	-	-	-
Projected benefit increase - annual average	-	-	-	-
Annual average inflation rate	5.50%	5.00%	5.50%	5.00%
Real return on plan assets	-	-	11.30%	11.30%
Turnover rate	-	-	-	-
Mortality table	AT 2000 M e AT 2000 F	AT 2000 M e AT 2000 F	AT 2000 M e AT 2000 F	AT 2000 M e AT 2000 F

(ii) Net amount recognized in the balance sheet

Description	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT	
	2011	2010	2011	2010
Present value of the actuarial obligation at the end of the year	(624,440)	(651,502)	(11,152)	(9,888)
Fair value of plan assets at the end of the year	-	-	7,429	6,249
Present value of the actuarial obligation without coverage / (in excess)	(624,440)	651,502	3,723	3,639
Unrecognized actuarial gains/(losses)	13,916	9,484	(2,519)	(2,802)
Actuarial liability recognized at the end of the year	638,356	660,986	1,204	837

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(iii) Changes in actuarial liabilities

Description	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT	
	2011	2010	2011	2010
Present value of the actuarial obligation at the beginning of the year	(651,502)	(744,355)	(9,888)	(12,026)
Cost of current service	-	-	(343)	(308)
Cost of interest	(71,992)	(80,985)	(1,110)	(1,312)
Actuarial gains / (losses)	4,432	26,440	(40)	3,506
Benefits paid by the plan	94,623	54,868	229	252
Reduction	-	92,530	-	-
Present value of the actuarial obligation at the end of the year	(624,440)	(651,502)	(11,152)	(9,888)

(iv) Changes in net assets

Description	SAVINGS ACCOUNT BENEFIT	
	2011	2010
Fair value of plan assets at the beginning of the year	6,249	5,824
Expected return on plan assets	749	658
Actuarial gains / (losses)	149	(468)
Contributions/Payments of the employer	187	177
Contributions of plan participants	324	310
Benefits paid by the plan	(229)	(252)
Assets (acquired) / transferred from other plans by transaction	-	-
Fair value of plan assets at the end of the year	7,429	6,249

(v) Total expense recognized in the statement of income

Description	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT	
	2011	2010	2011	2010
Cost of current service	-	-	(343)	(309)
Contributions of plan participants	-	-	324	310
Cost of interest	(71,992)	(80,985)	(1,110)	(1,312)
Expected return on plan assets	-	-	749	659
Expected return on asset rights	-	-	-	-
Amortization of actuarial gains / (losses)	-	-	(174)	(274)
Effect of any reduction or settlement	-	92,529	-	-
Total (expense) / income for the year	(71,992)	11,544	(554)	(926)

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(vi) Expense / income and payments expected for next year

2012	MEAL VOUCHER AND FOOD BASKET	SAVINGS ACCOUNT BENEFIT
Amount of:		
Cost of current service	-	(383)
Contributions of plan's participants	-	342
Cost of interest	(66,633)	(1,286)
Expected return on plan assets	-	907
Amortization of actuarial gains / (losses)	-	(149)
Total (expense) / income to be recognized	(66,633)	(570)

Note - 33 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 of operations and make prompt decisions regarding acceptable exposure limits, which are clearly communicated.

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 regarding the phases for implementing the New Accord in Brazil, in order to present its ability to use the internal model of market risk, and continues to develop its practices, processes, models and systems to ensure that CAIXA is

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capable of adopting the internal models in the other categories of risks, in conformity with the schedule of implementation defined by the Central Bank. 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 as 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:

Description	2011	
	December 31	December 31
PR - REFERENCE EQUITY (TIER I + TIER II - DEDUCTIONS)	39,540,314	32,569,539
TIER I	21,466,776	16,922,987
Equity	19,561,381	15,436,950
Hybrid capital and debt instrument eligible to comprise PR tier 1	2,800,014	2,207,346
Revaluation reserves	(464,595)	(478,318)
Tax credits excluded from PR Tier 1	(168,926)	(178,770)
Deferred charges	(22,825)	(59,060)
Adjustment to market value	(187,247)	(5,161)
Excess tax credits in relation to PR Tier I	(51,026)	-
TIER II	18,683,916	15,647,401
Revaluation reserves	464,595	478,318
Hybrid capital and debt instruments	9,481,272	10,074,721
Subordinated debt instruments	8,550,802	5,089,201
Adjustment to market value	187,247	5,161
Excess Tier II Capital in relation to Tier I	(610,378)	(849)
DEDUCTIONS FROM PR	(609,388)	
Shares issued by financial institutions and other institutions authorized to operate by the Brazilian Central Bank	(990)	(849)
Investment in foreign financial institution	32,579,419	23,203,522
REQUIRED REFERENCE EQUITY (PRE)	30,714,623	21,546,092
Credit risk	34,739	36,847
Market risk	1,830,057	1,620,583
Operating risk	2,385,646	3,130,093
CAPITAL MARGIN (PR - PRE)	4,575,249	6,235,924
BASEL RATIO (PR x 100) / (PRE / 0.11)	13.35%	15.44%

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.

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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.

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, exposures 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

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

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.

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 Market Risk Management Policy, approved by the Board of Directors, establishes the principles, values and guidelines adopted in managing this risk category and 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.

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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. At CAIXA this structure is estimated based on information of rates or prices traded in the secondary and in derivative markets 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 accuracy 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, violation is defined as the negative result arising from unrealized losses, which is higher than the VaR projected for the day. Under the second, 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

The Stress Testing Program, which supplements the information provided by the VaR calculation, adopts historical and prospective scenarios and sensitivity analyses, in order to reproduce historical periods, simulate adversities based on portfolio characteristics and the macroeconomic environment which represents 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 consists in finding the worst date in the database to define the stress VaR, and the second 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 verifying the impacts on CAIXA's portfolio value, in the event the projected 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.

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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; and
- Low stressed scenario, considering alternative hypothesis which have an impact on the decrease in interest rate below that considered in the Basic scenario.

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, also 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 Risk Factors	2011	
	June 30	March 31
Fixed rate	10.4	8.2
IGP Coupon	-	-
IPCA Coupon	0.1	0.3
VaR without ED ⁽¹⁾	10.6	8.5
VaR with ED ⁽¹⁾	10.7	8.3

(1) Diversification effect

Operations not classified in the trading portfolio

These operations comprise securities classified in categories II - available for sale and III - held to maturity, the lending operations of the commercial, housing, sanitation and infrastructure portfolio and the fund-raising and deposit operations.

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. 3365/2007.

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

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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	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
ASSETS						
Investments in interbank deposits	2,063,590	201,687	2,063,746	201,687	156	-
Investments in purchase and sale commitments	27,683,377	12,005,555	27,685,856	12,004,677	2,479	(879)
Securities and financial instruments	119,404,875	108,575,272	121,984,257	110,753,609	2,579,382	2,178,337
Trading securities	55,144,135	37,531,591	55,144,135	37,531,590	-	-
Securities available for sale	5,594,541	1,582,856	5,594,541	1,582,856	-	-
Securities held to maturity	58,666,199	69,460,825	61,245,581	71,639,163	2,579,382	2,178,337
Loan operations, leasing operations and other receivables	252,890,299	178,515,247	253,887,001	181,043,006	996,702	2,527,759
Commercial	79,750,293	56,012,517	87,684,038	66,218,999	7,933,745	10,206,483
Housing	152,870,586	108,330,025	148,897,621	104,713,947	(3,972,965)	(3,616,078)
Infrastructure/Development	16,927,897	11,441,134	13,963,819	6,822,855	(2,964,078)	(4,618,279)
Other receivables	3,341,523	2,731,571	3,341,523	3,287,205	-	555,633

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Description	Reference Value		Market Value		Amounts payable or receivable	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2010	12/31/2011
LIABILITIES						
Funds obtained	60,293,053	41,745,298	61,745,016	43,729,138	1,451,963	1,983,840
CDB/RDB	39,215,509	30,429,778	39,524,657	32,060,008	309,148	1,630,231
LCI LH	21,077,544	11,315,520	22,220,359	11,669,130	1,142,815	353,609
Funds obtained through purchase and sale commitments	56,291,291	46,012,658	57,915,402	48,195,231	1,624,111	2,182,572
Borrowings and onlendings and others	84,169,782	57,688,261	71,395,765	48,808,157	(12,774,017)	(8,880,104)
Overseas	4,601	89,381	4,597	88,571	(4)	(810)
Treasury	32,509	29,718	32,735	29,946	226	228
Employee Severance Indemnity Fund (FGTS)	80,599,183	54,172,590	67,091,999	45,387,573	(13,507,184)	(8,785,017)
BNDES	1,730,226	1,206,342	2,698,519	1,348,325	968,293	141,983
Non-remunerated deposits	1,803,263	2,190,230	1,567,915	1,953,742	(235,348)	(236,488)
Hybrid capital and debt instrument	13,884,459	13,016,149	15,829,703	14,491,312	1,945,244	1,475,162

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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) Utilization 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 other 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 on 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 of interest rate changes on prices of assets and liabilities by risk factor. 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 monitored daily, 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 December 31, 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;

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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 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.

The results are summarized in the following table:

Sensitivity analysis of the significant positions - CVM Instruction No, 475				
Financial Instruments - December 31, 2011 R\$				
Description	Risk	Probable scenario	Variation of 25%	Variation of 50%
Fixed rate	Increase in interest rate	(92,472)	(2,182,945)	(4,127,379)
Price index	Increase in price index coupons	(21,150)	(517,901)	(1,012,996)
TR/TBF/TJLP	Increase in TR coupon	(345,085)	(7,854,462)	(14,368,072)
Exchange variation	Decrease in exchange rates	(1)	(28)	(57)

Liquidity risk

Liquidity risk is defined as:

I - the possibility that CAIXA does not have sufficient funds to meet its expected and unexpected current and future commitments, including those arising from guarantees given, without affecting its daily operations or incurring significant losses; and

II - the possibility that CAIXA is unable to sell a position at market price, due to its large size in relation to the volume usually traded or some market discontinuity.

The rules for managing liquidity risks, involving practices, processes, procedures, models and reports have been established by the Risk Committee and aim at maintaining the risk exposure at acceptable levels and avoid mismatches between assets and liabilities, which may affect CAIXA's ability to meet its payment obligations.

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 every six months to the Board of Directors.

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Operating risk

Operating risk 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, including those arising from outsourced services that are significant for the Institution'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.

Analyses carried out to identify the exposure to operating risks comprise the different areas of the Institution through mapping of the activities and respective units of CAIXA.

The self-assessment of operating risks is also used to identify such risks, adapted from the methodology of CRSA (Control & Risk Self Assessment), known as self-assessment of risks and controls. Self-assessment is performed at a corporate level and captures information provided by 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 risks identified are qualitatively and quantitatively assessed.

a) Qualitative assessment

Qualitative assessment utilizes a methodology which aggregates information related to gravity, urgency and trends and also allows estimating the amounts involved in the exposure to potential occurrences of operating risks.

Self-assessment, by virtue of its characteristics, also permits estimating the frequency and seriousness of the operating risks identified.

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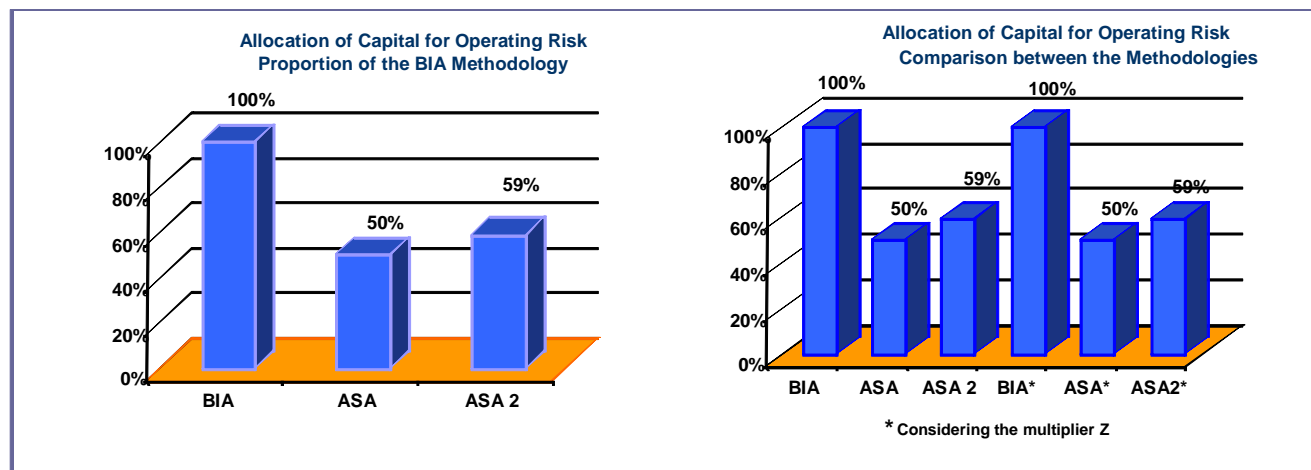
b) Quantitative assessment (Measurement)

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 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/or external), failure in operating procedures, failure in management of labor agreements, among others. These are known as internal models as they require internal information.

The internal model 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,

The internal model requires, at least, the use and the integration of four elements:

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- 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 which have occurred in other financial institutions and assists in the quantification 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 others 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.

The effective cycle of operating risk management is achieved with the mitigation and control over the related events, seeking to provide CAIXA with solidity and sustainability.

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.

The actions taken to mitigate operating risks are recorded in a corporate system for improved monitoring of preventive or corrective measures and improving risk management, so that the failures, if any, are not repeated or have reduced financial consequences.

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.

Information Security is the other key element in the process of operating risk management and involves all CAIXA's areas in the construction and consolidation of models, procedures, structures, tools and corporate culture, resulting in a management activity basically focused on the protection of CAIXA's assets and information.

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Crisis Management

Crisis management is the process to manage crisis situations, when urgent and coordinated decision-making is required, through the allocation of human and material resources to minimize the possible financial or operational impacts or adverse effects on CAIXA's image.

The adoption of such actions has the main objective of defining strategies which aim at preserving the physical integrity of CAIXA's employees and customers, as well as its assets.

In a crisis situation, the actions to be taken should follow guidelines agreed between the Management Group and the areas involved, with the objective of choosing the best alternative possible to mitigate the negative impacts.

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.

Two courses on operating risk, Basic and Advanced modules, are offered by "Universidade CAIXA" to employees and are intended to disseminate the culture of managing this category of risk. Following the same line, normative manuals referring to the Operating Risk Policy, as well as to procedures associated with the management cycle of this risk, are also available.

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

Note - 34 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
	December 31	December 31
PIS	28,852,466	27,542,968
FGTS	39,589,974	35,865,937
FAR	5,299,530	5,285,651
FDS	1,063,262	1,323,199
FAS	29,318	30,374
FGS	105,641	49,502
FGHAB	425,564	131,584
CCA	20,616	5,501
CCAM	12	-
FGCN	1,400,154	1,206,234
FCE	15	-
Total	76,786,552	71,440,950
FCVS (1) 2	(81,868,881)	(89,873,424)

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

(2) PIS - Position at September 2011, FGTS, FAR, FDS, FCVS - position at November 2011.

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(b) Guarantees provided to third parties

These amount to R\$ 69,554 (2010 - R\$ 69,554) 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\$ 30,626 (2010 - R\$ 32,129).

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\$ 102,467 (2010 - R\$ 95,615).

(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 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\$ 166,460 (2010 - R\$ 159,608).

Note 35 - Subsequent events

(a) Acquisition made by Banco Panamericano

At the Extraordinary General Meeting of stockholders held on January 18, 2012, the Board of Directors of Banco Panamericano and its stockholders decided to increase capital above the authorized limit, by R\$ 1,800,000, through the issue of 297,520,662 new shares, with no par value, of which 160,582,377 are common shares and 136,938,285, preferred shares.

The capital increase has the following objectives: (i) make feasible the growth of the Bank's activities; (ii) improve the use of tax credits currently held by the Bank; and (iii) enable the realization of new investments and strategic acquisitions.

On January 31, 2012, final contracts were signed with TPG-Axon BFRE Holding LLC, Coyote Trail LLC and the stockholders of Ourinvest for the indirect acquisition of 100% of the capital of Brazilian Finance & Real Estate S.A. ("BFRE").

The acquisition of 100% of investments in BFRE and its subsidiaries BM Sua Casa, Brazilian Mortgages and Brazilian Securities amounted to R\$ 940,361, which represents a goodwill of R\$ 140,361 on BFRE's equity, estimated at R\$ 800,000 at the end of 2011.

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The completion of the deal is subject to the fulfillment of the conditions established, which include: (i) approval of the transfer of the controlling interest of Brazilian Mortgages by the Brazilian Central Bank and (ii) approval of the acquisition of the origination, financing and securitization assets by the stockholders of Banco Panamericano at a General Meeting to be scheduled.

(b) Capitalization of Banco Panamericano

The possibility of a capital increase of R\$ 1,8 billion enables Banco Panamericano to comply with the minimum capital requirements of the Brazilian Central Bank, as well as to the requirements of the Basel index.

CAIXAPAR and BTG Pactual S.A. are currently the controlling stockholders of 100% of the voting capital and of 74.20% of the total capital of Banco Panamericano. According to the possibility of assignment established in the "Non-binding Memorandum of Understanding" and through the exercise of their respective preference rights on the total common and preferred shares held, the minimum amount of R\$ 1,335,651 will be paid as a capital increase.

The General Meeting of stockholders also decided to increase the minimum mandatory dividend of Banco Panamericano from the current 25% to 30% of the adjusted profit for 2012, and to 35% from 2013, with the respective amendment to the bylaws.

Caixa Econômica Federal - CAIXA

**Notes to the financial statements
at December 31, 2011**

All amounts in thousands of reais, unless otherwise indicated

Jorge Fontes Hereda
President

Fábio Lenza
Vice-President

Joaquim Lima de Oliveira
Vice-President

José Urbano Duarte
Vice-President

Paulo Roberto dos Santos
Vice-President

Sérgio Pinheiro Rodrigues
Vice-President

Geddel Quadros Vieira Lima
Vice-President

José Henrique Marques da Cruz
Vice-President

Márcio Percival Alves Pinto
Vice-President

Raphael Rezende Neto
Vice-President

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