

(A free translation of the original in Portuguese)

**Caixa Econômica  
Federal - CAIXA**  
**Financial Statements at  
December 31, 2010 and 2009  
and Report of Independent Auditors**

(A free translation of the original in Portuguese)

## **Report of Independent Auditors**

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

We have audited the accompanying consolidated financial statements of Caixa Econômica Federal – CAIXA (“CAIXA” or “Institution”) and its subsidiary, which comprise the consolidated balance sheet as at December 31, 2010 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 consolidated financial statements**

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

### **Auditor’s responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institution’s internal control.

## Caixa Econômica Federal - CAIXA

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 consolidated financial statements.

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

### **Basis for qualified opinion**

As described in Note 3 (a) and Note 36 to the financial statements, CAIXA, through its wholly-owned subsidiary Caixa Participações S.A. – CAIXAPAR, holds investments in Banco Panamericano S.A., the balance of which at December 31, 2010 is R\$ 781 million, and the related result of the equity method is R\$ 42 million. On November 9, 2010, through a significant event notice, Banco Panamericano S.A. disclosed funding of R\$ 2,5 billion to preserve the equity balance and increase the operational liquidity of the Bank, as a result of accounting inconsistencies that prevented the fair presentation of its financial statements. On January 29 and 31, 2011, Banco Panamericano S.A. issued new significant event notices, reporting that works to determine the accounting inconsistencies previously reported had not been completed, and that a share purchase agreement had been entered into between the Silvio Santos Group and Banco BTG Pactual S.A., respectively. Therefore, the process for determining these accounting inconsistencies by Banco Panamericano S.A. with the disclosure of its adjusted financial statements, as well as other assessment procedures related to the investment of CAIXAPAR in the Bank have not yet been completed. Consequently, CAIXA and its subsidiary CAIXAPAR do not have the required information to consider the effects of any adjustments in its financial statements arising from the investment in Banco Panamericano S.A. Therefore, we were unable to obtain sufficient and appropriate audit evidence with respect to the balance of this investment at December 31, 2010 and its effects on the year and six-month period then ended.

### **Qualified opinion**

In our opinion, except for the effects not yet determined of the matter described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Caixa Econômica Federal – CAIXA and its subsidiary as at December 31, 2010, 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 – tax credits**

As mentioned in Note 22 (a), CAIXA has income tax, social contribution, PASEP and COFINS credits of R\$ 15,935 million at December 31, 2010 arising from tax losses, temporary differences and social contribution to be offset, calculated on tax losses, temporary differences and social contribution for offset, with a provision for realization of these credits of R\$ 4,744 million. The net amount of R\$ 11,191 million, recorded as an asset, is to 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.

**Emphasis of matter – receivable from FCVS**

As described in Note 1 to the financial statements, the financial and economic management of CAIXA is considered within the overall policy decisions of the Brazilian Federal Government. In this context, as described in Note 8 (b), CAIXA has credits receivable from the Salary Variation Compensation Fund (FCVS) of R\$ 25,957 million. Housing loans already closed out with coverage of the FCVS, but awaiting approval, amount to R\$ 8,087 million and their effective realization depends on the adherence to a set of rules and procedures defined in regulations issued by the FCVS. CAIXA established criteria to estimate the losses arising from transactions that do not comply with these rules and recorded a provision of R\$ 2,447 million. The realization of the credits relating to housing loans already approved by the FCVS, in the net amount of R\$ 15,181 million, is subject to a securitization process, as prescribed by Law 10150/00. Our opinion is not qualified in respect of this matter.

**Other matters – statement of value added**

We also have audited the Institution's and the consolidated statement of value added for the year ended December 31, 2010, which is presented voluntarily by the Institution. This information has 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.

**Other matters – supplementary information**

In connection with our limited reviews of the Interim Financial Information (IFT) of Caixa Econômica Federal – CAIXA as at December 31, 2010 and September 30, 2010, which have not been included in the set of these consolidated financial statements and on which we issued unqualified review reports with emphasis on the matters described above dated February 11, 2011 and November 12, 2010, respectively, we have reviewed the consolidated balance sheets of Caixa Econômica Federal – CAIXA and its subsidiary as at December 31, 2010 and September 30, 2010, and the consolidated statements of income, changes in equity, cash flows and value added for the quarters ended December 31, 2010 and September 30, 2010, which are being presented by management for purposes of additional information on Caixa Econômica Federal – CAIXA and its subsidiary.

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These information have been presented for comparison with the consolidated financial statements mentioned above, but is not a required part of the basic financial statements and, therefore, its presentation is not required by the accounting practices adopted in Brazil.

Brasília, February 11, 2011

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

Douglas Souza de Oliveira  
Contador CRC 1SP191325/O-o "S" DF

# Caixa Econômica Federal - CAIXA

## Consolidated Balance Sheets

(In thousands of reais)

(A free translation of the original in Portuguese)

	2010		2009
	December	September	December
<b>Assets</b>			
<b>Current Assets</b>	186,495,832	188,784,176	152,940,518
<b>Cash and banks (Note 5)</b>	3,490,993	3,446,532	3,234,702
<b>Short-term Interbank Investments (Notes 5 and 6)</b>			
Money market investments	12,055,555	35,498,502	29,336,351
Interbank deposits	202,058		92,334
Provisions for losses	(371)		
	12,207,242	35,498,502	29,428,685
<b>Securities and Derivative Financial Instruments (Note 7)</b>			
Own portfolio	43,969,630	43,309,527	43,721,756
Subject to repurchase agreements	13,757,826	7,561,069	9,070,598
Pledged in guarantee	9,739	265,471	181,714
Derivative financial instruments	1	1	396
	57,737,196	51,136,068	52,974,464
<b>Interbank Accounts (Note 8)</b>			
Payments and receipts pending settlement	156,494	934,751	130,445
Restricted deposits - Brazilian Central Bank deposits	53,927,391	47,176,313	25,039,766
Correspondent Banks	565,761	493,850	145,665
	54,649,646	48,604,914	25,315,876
<b>Interdepartmental Accounts</b>			
Third party funds in transit	433	201	50
Internal transfers of funds	105,075	192,703	35,995
	105,508	192,904	36,045
<b>Loan Operations (Note 9)</b>			
Public Sector	1,611,398	2,676,268	2,601,044
Private Sector	41,610,958	39,985,539	32,501,424
Allowance for loan losses	(4,343,160)	(4,083,092)	(4,084,469)
	38,879,196	38,578,715	31,017,999
<b>Other Receivables (Note 10)</b>			
Receivables from guarantees honored	28,223	29,924	27,930
Foreign exchange portfolio	28,055	39,320	
Income receivable	1,046,436	940,100	735,591
Negotiation and intermediation of securities	484	1,369	1,666
Specific credits	141,650	163,924	500,255
Sundry	17,044,790	8,877,698	8,304,904
Provision for losses	(146,527)	(115,277)	(119,841)
	18,143,111	9,937,058	9,450,505

## Caixa Econômica Federal - CAIXA

### Consolidated Balance Sheets (In thousands of reais)

(continued)

	<u>2010</u>		<u>2009</u>
<b>Assets</b>	<u>December</u>	<u>September</u>	<u>December</u>
<b>Other Assets (Note 11)</b>			
Other assets	874,487	913,526	923,199
Provision for losses	(148,527)	(155,505)	(174,677)
Prepaid expenses	556,980	631,462	733,720
	<u>1,282,940</u>	<u>1,389,483</u>	<u>1,482,242</u>
<b>Non-current Assets</b>	<u>214,117,712</u>	<u>211,462,857</u>	<u>188,371,100</u>
<b>Securities and Derivative Financial Instruments (Note 7)</b>			
Own portfolio	30,105,480	32,195,399	26,931,712
Subject to repurchase agreements	20,426,795	24,833,203	26,407,936
Pledged in guarantee	304,587	1,233	164,048
Deposits with the Brazilian Central Bank	1,215	1,179	11,972,064
	<u>50,838,077</u>	<u>57,031,014</u>	<u>65,475,760</u>
<b>Interbank Accounts (Note 8)</b>			
SFH - National Housing System	20,987,128	25,991,646	24,570,207
	<u>20,987,128</u>	<u>25,991,646</u>	<u>24,570,207</u>
<b>Loan Operations (Note 9)</b>			
Public Sector	13,972,393	12,433,958	9,064,991
Private Sector	118,588,926	107,684,704	80,203,503
Allowance for loan losses	(6,803,014)	(6,159,461)	(4,770,471)
	<u>125,758,305</u>	<u>113,959,201</u>	<u>84,498,023</u>
<b>Other Receivables (Note 10)</b>			
Income receivable	21,847	29,014	94,205
Sundry	11,049,565	9,636,677	9,025,395
Provision for losses	(7,229)	(3,285)	(5,295)
	<u>11,064,183</u>	<u>9,662,406</u>	<u>9,114,305</u>
<b>Permanent Assets</b>	<u>5,470,019</u>	<u>4,818,590</u>	<u>4,712,805</u>
<b>Investments (Note 12)</b>			
Investments in subsidiary and associated companies	2,087,966	1,935,226	1,813,408
In Brazil	2,087,117	1,933,980	1,813,408
Abroad	849	1,246	
Other investments	72,709	156,935	123,928
Provision for losses	(11,093)	(11,093)	(11,093)
	<u>2,149,582</u>	<u>2,081,068</u>	<u>1,926,243</u>

## Caixa Econômica Federal - CAIXA

### Consolidated Balance Sheets

(In thousands of reais)

(continued)

	<u>2010</u>		<u>2009</u>
<b>Assets</b>	<b>December</b>	<b>September</b>	<b>December</b>
<b>Property and Equipment (Note 13)</b>			
Properties in use	202,591	194,132	177,296
Revaluations of properties in use	819,507	820,532	831,101
Other property and equipment in use	3,681,172	3,454,474	3,182,577
Accumulated depreciation	<u>(2,720,831)</u>	<u>(2,620,413)</u>	<u>(2,351,050)</u>
	<u>1,982,439</u>	<u>1,848,725</u>	<u>1,839,924</u>
<b>Intangible assets (Note 14)</b>			
Intangible assets	1,622,537	1,122,133	957,256
Accumulated amortization	<u>(362,579)</u>	<u>(327,213)</u>	<u>(172,353)</u>
	<u>1,259,958</u>	<u>794,920</u>	<u>784,903</u>
<b>Deferred Charges (Note 15)</b>			
Organization and expansion costs	336,198	360,791	466,517
Accumulated amortization	<u>(258,158)</u>	<u>(266,914)</u>	<u>(304,782)</u>
	<u>78,040</u>	<u>93,877</u>	<u>161,735</u>
<b>Total</b>	<u>400,613,544</u>	<u>400,247,033</u>	<u>341,311,618</u>

## Caixa Econômica Federal - CAIXA

### Consolidated Balance Sheets (In thousands of reais)

(continued)

	2010		2009
	December	September	December
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>	<u>297,017,095</u>	<u>305,031,445</u>	<u>274,010,055</u>
<b>Deposits (Note 16)</b>			
Demand deposits	19,626,215	18,572,811	16,714,227
Savings deposits	129,429,635	123,346,743	108,709,642
Interbank deposits	1,203,585	351,922	29,110
Time deposits	53,518,268	50,330,667	43,656,923
Special deposits and deposits of funds and programs	10,594,286	10,146,734	11,312,425
Other deposits	<u>118,077</u>	<u>99,978</u>	<u>115,548</u>
	<u>214,490,066</u>	<u>202,848,855</u>	<u>180,537,875</u>
<b>Deposits obtained in the open market (Note 16)</b>			
Own portfolio	33,883,020	31,936,992	34,952,759
Third party portfolio	<u>11,327,865</u>	<u>35,467,981</u>	<u>29,336,031</u>
	<u>45,210,885</u>	<u>67,404,973</u>	<u>64,288,790</u>
<b>Funds from Acceptances and Issue of Securities (Note 17)</b>			
Funds from real estate, mortgage, credit and similar notes	<u>2,533,901</u>	<u>2,771,822</u>	<u>1,897,033</u>
	<u>2,533,901</u>	<u>2,771,822</u>	<u>1,897,033</u>
<b>Interbank Accounts</b>			
Receipts and payments pending settlement	94,281	1,167,911	73,943
Correspondent Banks	<u>9,304</u>	<u>11,954</u>	<u>7,434</u>
	<u>103,585</u>	<u>1,179,865</u>	<u>81,377</u>
<b>Interdepartmental Accounts</b>			
Third party funds in transit	1,055,944	547,308	931,178
Internal transfers of funds	<u>8,559</u>	<u>4,093</u>	<u>180,271</u>
	<u>1,064,503</u>	<u>551,401</u>	<u>1,111,449</u>
<b>Borrowings (Note 18)</b>			
Foreign borrowings	<u>83,340</u>	<u>18,922</u>	
	<u>83,340</u>	<u>18,922</u>	
<b>Local Onlendings - Official Institutions (Note 19)</b>			
Federal Treasury - Social Integration Program (PIS)	595,447	524,276	567,701
National Bank for Economic and Social Development (BNDES)	19,364	18,281	6,078
Government Severance Indemnity Fund for Employees (FGTS)	<u>22,068</u>	<u>19,222</u>	<u>28,571</u>
	<u>636,879</u>	<u>561,779</u>	<u>602,350</u>

## Caixa Econômica Federal - CAIXA

### Consolidated Balance Sheets (In thousands of reais)

(continued)

	<u>2010</u>		<u>2009</u>
<b>Liabilities and Stockholders' Equity</b>	<u>December</u>	<u>September</u>	<u>December</u>
<b>Derivative Financial Instruments</b>			
Derivative Financial Instruments	1,644	2,587	982
	<u>1,644</u>	<u>2,587</u>	<u>982</u>
<b>Other Liabilities (Note 20)</b>			
Collection and payment of taxes and similar	143,912	524,939	169,126
Foreign exchange portfolio	28,193	47,655	94
Social and statutory	1,950,196	858,663	793,488
Taxes and social security contributions	1,139,478	1,072,868	966,897
Negotiation and intermediation of securities	7,790	422	1,136
Funds with specific purposes:			
Lottery operations	920,316	622,769	767,888
Social funds and programs	2,978,609	2,778,581	2,392,444
Financial development funds	937,561	504,428	949,679
Sundry	24,786,237	23,280,916	19,449,447
	<u>32,892,292</u>	<u>29,691,241</u>	<u>25,490,199</u>
<b>Non-current liabilities</b>	<u>88,159,499</u>	<u>78,864,648</u>	<u>54,157,796</u>
<b>Deposits (Note 16)</b>			
Time deposits	689,145	534,799	131,831
Interbank deposits	3,085	3,008	
	<u>692,230</u>	<u>537,807</u>	<u>131,831</u>
<b>Funds from Acceptances and Issue of Securities (Note 17)</b>			
Funds from real estate, mortgage, credit and similar notes	8,781,619	6,124,955	578,408
	<u>8,781,619</u>	<u>6,124,955</u>	<u>578,408</u>
<b>Borrowings (Note 18)</b>			
Foreign borrowings	6,040	6,097	9,524
	<u>6,040</u>	<u>6,097</u>	<u>9,524</u>
<b>Local Onlendings - Official Institutions (Note 19)</b>			
Federal Treasury - Social Integration Program (PIS)		19,484	
National Bank for Economic and Social Development (BNDES)	6,004,490	4,350,249	2,461,675
Government Severance Indemnity Fund for Employees (FGTS)	54,150,523	49,690,378	37,828,911
Other	219,081	220,042	217,044
	<u>60,374,094</u>	<u>54,280,153</u>	<u>40,507,630</u>

## Caixa Econômica Federal - CAIXA

### Consolidated Balance Sheets

(In thousands of reais)

(continued)

#### Other liabilities (Note 20)

Taxes and social security contributions	200,165	202,895	212,565
Subordinated debt - Eligible for regulatory capital	5,089,202	4,999,426	4,750,992
Hybrid Instruments of Capital and Debt - Eligible for regulatory capital	<u>13,016,149</u>	<u>12,713,315</u>	<u>7,966,846</u>
	<u>18,305,516</u>	<u>17,915,636</u>	<u>12,930,403</u>

#### Stockholders' Equity (Note 21)

Capital	12,473,724	14,102,977	11,676,683
Capital - local residents	13,562,443	13,562,443	
Capital increase	2,783,743	4,810,977	2,384,683
Unpaid capital	(3,872,462)	(4,270,443)	
Revaluation reserve	478,318	484,131	509,236
Revenue reserves	2,652,206	1,131,105	918,677
Carrying value adjustment	(167,298)	31,391	39,171
Retained earnings		<u>601,336</u>	
	<u>15,436,950</u>	<u>16,350,940</u>	<u>13,143,767</u>
<b>Total</b>	<u>400,613,544</u>	<u>400,247,033</u>	<u>341,311,618</u>

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Income

(in thousands of reais)

(A free translation of the original in Portuguese)

				<b>2010</b>	<b>2009</b>
	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Six-month period</b>	<b>At December 31</b>	<b>At December 31</b>
<b>INCOME FROM FINANCIAL INTERMEDIATION (Note 23)</b>	10,847,356	10,152,741	20,999,481	39,387,205	34,554,635
Loans (Note 9 (f))	5,535,163	5,223,435	10,758,598	19,573,718	14,305,710
Securities (Note 7 (f))	4,063,582	3,658,611	7,722,193	15,381,864	17,559,804
Derivative financial instruments	21,530	(98,153)	(76,623)	(119,147)	(400,212)
Foreign exchange	1,675		1,059	2,570	
Compulsory deposits (Note 8 (c))	1,224,421	1,368,484	2,592,905	4,546,011	3,086,874
Sales or transfer of financial assets	985	364	1,349	2,189	2,459
<b>EXPENSES OF FINANCIAL INTERMEDIATION (Note 24)</b>	(7,478,826)	(7,250,498)	(14,728,708)	(26,986,018)	(22,925,430)
Funds obtained in the market (Note 16 (c) and (e))	(5,196,011)	(5,261,665)	(10,457,676)	(19,101,939)	(16,846,173)
Loans, assignments and onlendings (Note 19 (a))	(1,105,067)	(1,047,561)	(2,152,628)	(3,834,038)	(2,754,613)
Foreign exchange (Note 10 (a,1))		(616)			(3,863)
Allowance for loan losses	(1,177,748)	(940,656)	(2,118,404)	(4,050,041)	(3,320,781)
<b>GROSS PROFIT FROM FINANCIAL INTERMEDIATION</b>	<u>3,368,530</u>	<u>2,902,243</u>	<u>6,270,773</u>	<u>12,401,187</u>	<u>11,629,205</u>
<b>OTHER OPERATING INCOME (EXPENSES)</b>	(2,901,035)	(2,265,677)	(5,166,712)	(9,684,337)	(8,723,484)
Service fees (Note 25)	2,553,727	2,432,758	4,986,485	9,491,226	7,996,417
Revenues from bank charges (Note 25)	279,139	256,782	535,921	985,920	769,987
Personnel expenses (Note 26)	(2,826,173)	(2,473,194)	(5,299,367)	(9,954,278)	(9,141,401)
Other administrative expenses (Note 27)	(1,699,569)	(1,515,103)	(3,214,672)	(6,075,258)	(5,434,651)
Taxes (Note 31)	(407,957)	(350,376)	(758,333)	(1,470,462)	(1,247,505)
Result of equity method	79,688	140,954	220,642	428,190	317,027
Other operating income (Note 28)	1,802,478	1,295,554	3,098,032	5,502,926	5,027,394
Other operating expenses (Note 29)	(2,682,368)	(2,053,052)	(4,735,420)	(8,592,601)	(7,010,752)
<b>OPERATING PROFIT</b>	<u>467,495</u>	<u>636,566</u>	<u>1,104,061</u>	<u>2,716,850</u>	<u>2,905,721</u>
<b>NON-OPERATING EXPENSES (Note 30)</b>	(48,502)	(32,461)	(80,963)	(150,997)	(151,095)
<b>PROFIT BEFORE TAXATION AND PROFIT SHARING</b>	<u>418,993</u>	<u>604,105</u>	<u>1,023,098</u>	<u>2,565,853</u>	<u>2,754,626</u>

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Income (in thousands of reais)

(continued)

				2010	2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>INCOME TAX AND SOCIAL CONTRIBUTION (Note 22)</b>	1,314,770	234,924	1,549,694	1,875,818	695,662
Income tax	7,877	(49,787)	(41,910)	(98,047)	(85,263)
Current	10,863	(54,953)	(44,090)	(97,666)	(93,184)
Deferred	(2,986)	5,166	2,180	(381)	7,921
Social contribution	2,450	(19,214)	(16,764)	(43,391)	(35,671)
Current	4,242	(22,314)	(18,072)	(43,164)	(40,423)
Deferred	(1,792)	3,100	1,308	(227)	4,752
Deferred tax asset	1,304,443	303,925	1,608,368	2,017,256	816,596
<b>EMPLOYEE PROFIT SHARING</b>	(385,739)	(90,326)	(476,065)	(677,260)	(449,990)
<b>NET INCOME FOR THE SIX-MONTH PERIOD/QUARTER</b>	<u>1,348,024</u>	<u>748,703</u>	<u>2,096,727</u>	<u>3,764,411</u>	<u>3,000,298</u>

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

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Changes in Stockholders' Equity

(in thousands of reais)

(A free translation of the original in Portuguese)

	<u>Capital</u>	<u>Revaluation reserve</u>	<u>Revenue reserves - legal and other</u>	<u>Adjustment to fair value</u>	<u>Retained earnings</u>	<u>Total</u>
<b>At June 30, 2010</b>	11,676,683	495,672	1,131,104	25,335	966,420	14,295,214
Carrying value adjustments				(192,633)		(192,633)
Capital increase - Lottery 2010 (Note 21(a))	357,448				(357,448)	
Capital increase - Petrobras shares (Note 21(a))	2,426,294					2,426,294
Capital increase - Operating margin reserve (Note 21(a))	(2,384,683)					(2,384,683)
Capital increase - Lottery 2009 (Note 21(a))	397,982					397,982
Tax effects on realization of the revaluation reserve		7,359				7,359
Payment of taxes on the revaluation reserve					(9,161)	(9,161)
Realization of reserve		(22,903)			22,903	
Asset impairment adjustment		(1,810)				(1,810)
Net income for the six-month period					2,096,727	2,096,727
Prior-year dividends distributed						
Prepaid dividends					121,976	121,976
Appropriations of net income (Note 21(d))						
Legal reserve			104,837		(104,837)	
Lottery reserve			(129,043)		129,043	
Operating margin reserve			1,545,308		(1,545,308)	
Interest on own capital proposed					(378,382)	(378,382)
Dividends proposed					(941,933)	(941,933)
<b>At December 31, 2010</b>	<u>12.473.724</u>	<u>478,318</u>	<u>2,652,206</u>	<u>(167,298)</u>		<u>15,436,950</u>
<b>At December 31, 2009</b>	11,676,683	509,236	918,677	39,171		13,143,767
Fair value adjustments				(206,469)		(206,469)
Capital increase - Lottery 2010 (Note 21(a))	357,448				(357,448)	
Capital increase - Petrobras shares (Note 21(a))	2,426,294					2,426,294
Capital increase - Operating margin reserve (Note 21(a))	(2,384,683)					(2,384,683)
Capital increase - Lottery 2009 (Note 21(a))	397,982					397,982
Tax effects on realization of the revaluation reserve		12,400				12,400
Payment of taxes on the revaluation reserve					(16,603)	(16,603)
Realization of reserve		(41,508)			41,508	
Asset impairment adjustment		(1,810)				(1,810)
Net income for the year					3,764,411	3,764,411
Appropriations of net income (Note 20 (d))						
Legal reserve			188,221		(188,221)	
Operating margin reserve			1,545,308		(1,545,308)	
Interest on own capital proposed					(756,406)	(756,406)

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Changes in Stockholders' Equity (in thousands of reais)

(continued)

	<u>Capital</u>	<u>Revaluation reserve</u>	<u>Revenue reserves - legal and other</u>	<u>Adjustment to fair value</u>	<u>Retained earnings</u>	<u>Total</u>
Dividends proposed					(941,933)	(941,933)
<b>At December 31, 2010</b>	<u>12,473,724</u>	<u>478,318</u>	<u>2,652,206</u>	<u>(167,298)</u>		<u>15,436,950</u>
<b>At December 31, 2008</b>	9,292,000	551,197	2,874,477	(13,004)		12,704,670
Carrying value adjustments				52,175		52,175
Capital increase (Note 21(a))	2,384,683		(397,982)		(1,986,701)	
Tax effects on realization of the revaluation reserve		14,205				14,205
Payment of taxes on the revaluation reserve		(143)			(14,915)	(15,058)
Realization of reserve		(37,386)			37,386	
Asset impairment adjustment		(18,637)				(18,637)
Net income for the year					2,999,706	2,999,706
Appropriations of net income (Note 21)					(1,931,061)	(1,931,061)
Legal reserve			149,985		(149,985)	
Lottery reserve			223,258		(223,258)	
Operating margin reserve			(1,931,061)		1,931,061	
Interest on own capital					(627,567)	(627,567)
Dividends proposed					(34,666)	(34,666)
<b>At December 31, 2009</b>	<u>11,676,683</u>	<u>509,236</u>	<u>918,677</u>	<u>39,171</u>		<u>13,143,767</u>

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

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Cash Flows

(in thousands of reais)

(A free translation of the original in Portuguese)

				<b>2010</b>	<b>2009</b>
	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Six-month period</b>	<b>At December 31</b>	<b>At December 31</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net Income	1,348,024	748,703	2,096,727	3,764,411	3,000,298
Adjustment to net income:	1,314,346	1,467,602	2,781,948	5,232,360	4,935,313
Adjustment to marketable securities and derivative financial instruments (assets / liabilities)	(198,690)	6,057	(192,633)	(206,469)	52,175
Allowance for loan losses	1,177,748	940,656	2,118,404	4,050,041	3,320,781
Actuarial liabilities / assets (Employee benefits)	90,920	81,634	172,554	306,110	544,505
Depreciation and amortization	181,734	167,001	348,735	680,969	605,205
Adjustment to legal obligations – Tax and pension lawsuits	13,076	8,090	21,166	85,746	89,332
Adjustment to provision for contingencies	129,246	405,118	534,364	744,153	640,342
Result of equity method	(79,688)	(140,954)	(220,642)	(428,190)	(317,027)
Decrease (increase) in short-term interbank investments	(201,686)		(201,686)	(109,352)	24,923,189
Decrease (increase) in marketable securities and derivative financial instruments - Category I	(996,699)	548,653	(448,046)	8,919,760	(10,048,198)
Increase in compulsory deposits with the Brazilian Central Bank	(12,613,804)	2,931,363	(9,682,441)	(28,887,625)	4,184,570
Decrease (increase) in interbank accounts	10,497,310	(6,322,421)	4,174,889	3,159,142	(9,650,136)
Increase in interdepartmental accounts	600,498	8,916	609,414	(116,409)	588,329
Decrease (increase) in loan operations	(13,277,333)	(14,030,469)	(27,307,802)	(53,171,520)	(45,674,432)
Decrease (increase) in other receivables	(9,607,830)	(1,027,324)	(10,635,154)	(10,642,481)	(1,589,505)
Decrease (increase) in other assets	106,543	81,534	188,077	199,302	169,029
Increase in deposits	11,795,634	7,507,295	19,302,929	34,512,590	15,141,903
Increase in deposits obtained in the open market	(22,194,088)	(348,408)	(22,542,496)	(19,077,905)	13,086,021
Decrease (increase) in funds from acceptances and issue of securities	2,418,743	3,064,181	5,482,924	8,840,079	958,576
Increase (decrease) in derivative financial instruments	(943)	989	46	662	(6,677)
Increase in borrowings and onlendings	6,233,402	5,515,005	11,748,407	19,980,849	11,982,004
Increase (decrease) in other liabilities	2,965,079	1,173,630	4,138,709	6,288,351	(1,562,775)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(21,612,804)</b>	<b>1,319,249</b>	<b>(20,293,555)</b>	<b>(21,107,786)</b>	<b>10,437,509</b>

# Caixa Econômica Federal - CAIXA

## Consolidated Statements of Cash Flows (in thousands of reais)

(continued)

				2010	2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease (increase) in marketable securities and derivative financial instruments - Category II	437,640	(709,428)	(271,788)	(111,784)	260,834
Increase in marketable securities and derivative financial instruments - Category III	150,868	2,106,655	2,257,523	1,066,975	11,919,007
Sale of investments				185,634	40,090
Sale of property and equipment (including leasing)	7,557	10,094	17,651	17,651	58,776
Acquisition of investments	11,174	709	11,883	(15,455)	(745,301)
Acquisition of property and equipment (including for leasing)	(241,753)	(99,743)	(341,496)	(535,185)	(601,658)
Intangible assets	(529,866)	(68,233)	(598,099)	(702,691)	(422,007)
Decrease in deferred charges	(2,360)	1,649	(711)	(630)	(2,848)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(166,740)</u>	<u>1,241,703</u>	<u>1,074,963</u>	<u>(95,485)</u>	<u>10,506,893</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Increase (Decrease) in subordinated debt and hybrid instruments of capital	392,610	279,824	672,434	5,387,513	3,590,109
Advance for prepayment of dividends	1,056,347	(934,371)	121,976	-	-
Adjustment to operating margin reserve				-	(1,931,061)
Dividends and interest on capital paid	(1,131,197)	(189,118)	(1,320,315)	(1,698,339)	(634,218)
Capital increase	(1,986,701)	2,426,294	439,593	439,593	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>(1,668,941)</u>	<u>1,582,629</u>	<u>(86,312)</u>	<u>4,128,767</u>	<u>1,024,830</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<u>(23,448,485)</u>	<u>4,143,581</u>	<u>(19,304,904)</u>	<u>(17,074,504)</u>	<u>21,969,232</u>
<b>CHANGES IN CASH AND CASH EQUIVALENTS, NET</b>					
Cash and cash equivalents at the beginning of the period	38,945,034	34,801,453	34,801,453	32,571,053	10,601,821
Cash and cash equivalents at the end of the period	<u>15,496,549</u>	<u>38,945,034</u>	<u>15,496,549</u>	<u>15,496,549</u>	<u>32,571,053</u>
<b>Increase(decrease) in cash and cash equivalents</b>	<u>(23,448,485)</u>	<u>4,143,581</u>	<u>(19,304,904)</u>	<u>(17,074,504)</u>	<u>21,969,232</u>

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 th

DESCRIPTION	4 <sup>th</sup> Quarter		3 <sup>rd</sup> Quarter		2 <sup>nd</sup> Six-month period		At December 31		At December 31	
	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%
<b>1. REVENUES</b>	<b>14,255,834</b>	<b>375.08</b>	<b>13,164,718</b>	<b>367.79</b>	<b>27,420,552</b>	<b>371.93</b>	<b>51,166,240</b>	<b>350.42</b>	<b>44,876,557</b>	<b>325.97</b>
1.1 Financial intermediation	12,649,218	332.81	11,448,295	319.84	24,097,513	326.83	44,890,132	307.42	39,582,029	287.51
1.2 Rendering of services	2,832,866	74.53	2,689,540	75.14	5,522,406	74.95	10,477,146	71.78	8,766,404	63.68
1.3 Allowance for loan losses	(1,177,748)	(30.99)	(940,656)	(26.28)	(2,118,404)	(28.75)	(4,050,041)	(27.75)	(3,320,781)	(24.12)
1.4 Non-operating items	(48,502)	(1.28)	(32,461)	(0.91)	(80,963)	(1.10)	(150,997)	(1.03)	(151,095)	(1.10)
<b>2. EXPENSES OF FINANCIAL INTERMEDIATION</b>	<b>6,300,462</b>	<b>165.77</b>	<b>6,309,842</b>	<b>176.28</b>	<b>12,610,304</b>	<b>171.68</b>	<b>22,935,977</b>	<b>157.40</b>	<b>19,604,649</b>	<b>142.40</b>
<b>3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES</b>	<b>4,052,589</b>	<b>106.63</b>	<b>3,249,402</b>	<b>90.78</b>	<b>7,301,991</b>	<b>99.06</b>	<b>13,369,208</b>	<b>91.56</b>	<b>11,216,701</b>	<b>82.47</b>
3.1 Materials, energy and others	651,412	17.14	549,826	15.36	1,201,238	16.30	2,233,444	15.30	1,969,334	14.30
3.2 Third-party services	717,721	25.22	645,397	18.03	1,363,118	18.50	2,540,389	17.40	2,232,202	16.21
3.3 Other	2,683,456	142.60	2,054,179	57.39	4,737,635	64.25	8,595,375	58.86	7,015,165	50.96
<b>4. GROSS VALUE ADDED(1-2-3)</b>	<b>3,902,783</b>	<b>102.68</b>	<b>3,605,474</b>	<b>100.73</b>	<b>7,508,257</b>	<b>101.20</b>	<b>14,861,055</b>	<b>101.46</b>	<b>14,055,207</b>	<b>102.10</b>
<b>5. RETENTIONS</b>	<b>181,734</b>	<b>4.78</b>	<b>167,001</b>	<b>4.67</b>	<b>348,735</b>	<b>4.73</b>	<b>680,969</b>	<b>4.67</b>	<b>605,205</b>	<b>4.40</b>
5.1 Depreciation, amortization and depletion	181,734	4.78	167,001	4.67	348,735	4.73	680,969	4.67	605,205	4.40
<b>6. NET VALUE ADDED (4-5)</b>	<b>3,721,049</b>	<b>97.90</b>	<b>3,438,473</b>	<b>96.06</b>	<b>7,159,522</b>	<b>96.47</b>	<b>14,180,086</b>	<b>96.80</b>	<b>13,450,002</b>	<b>97.70</b>
<b>7. VALUE ADDED RECEIVED AS TRANSFER</b>	<b>79,688</b>	<b>2.10</b>	<b>140,954</b>	<b>3.94</b>	<b>220,642</b>	<b>3.53</b>	<b>428,190</b>	<b>3.20</b>	<b>317,027</b>	<b>2.30</b>
7.1 Result of equity method	79,688	2.10	140,954	3.94	220,642	3.53	428,190	3.20	317,027	2.30
<b>8. VALUE ADDED TO BE DISTRIBUTED (6+7)</b>	<b>3,800,737</b>	<b>106.18</b>	<b>3,579,427</b>	<b>100.00</b>	<b>7,380,164</b>	<b>205.84</b>	<b>14,608,276</b>	<b>100.00</b>	<b>13,767,029</b>	<b>100.00</b>
<b>9. DISTRIBUTION OF VALUE ADDED</b>	<b>3,800,737</b>	<b>106.18</b>	<b>3,579,427</b>	<b>100.00</b>	<b>7,380,164</b>	<b>205.84</b>	<b>14,608,276</b>	<b>100.00</b>	<b>13,767,029</b>	<b>100.00</b>
9.1 Personnel and charges	2,846,369	74.89	2,223,341	62.12	5,069,710	68.80	9,279,992	63.57	8,314,731	60.40
- Salaries	1,881,745	49.51	1,624,513	45.38	3,506,258	47.58	6,540,506	44.81	5,946,665	43.19
- Social security charges	168,232	4.43	140,673	3.93	308,905	4.19	578,524	3.96	399,974	2.91
- Pension fund	96,395	2.54	95,288	2.66	191,683	2.60	365,484	2.50	322,023	2.34
- Benefits	314,258	8.27	272,541	7.62	586,799	7.96	1,118,218	7.66	1,196,079	8.69
- Profit sharing	385,739	10.15	90,326	2.52	476,065	6.46	677,260	4.64	449,990	3.27
9.2 Taxes, fees and contributions	(541,269)	(14.24)	455,631	12.73	(85,638)	(1.32)	945,633	6.40	1,828,503	13.28
- Income Tax (IR) and Social Contribution (CSLL)	(10,327)	(0.27)	69,001	1.93	58,674	0.64	141,439	0.88	120,934	0.88
- Deferred Income Tax/Social Contribution (IR/CSLL)	(1,304,443)	(34.32)	(303,925)	(8.49)	(1,608,368)	(21.83)	(2,017,256)	(13.81)	(816,596)	(5.93)
- Social Contribution on Revenues/Social Integration Program/ Public Services Employee Savings Program/National Institute of Social Security (COFINS/PIS/PASEP/INSS)	692,418	18.22	611,248	17.08	1,303,666	17.69	2,481,877	17.00	2,256,598	16.39
- Tax on Services of Any Nature/Municipal Real Estate Tax/Fees (ISSQN/IPTU)	81,083	2.13	79,307	2.22	160,390	2.18	339,573	2.33	267,567	1.94
9.3 Rentals	147,613	3.88	151,752	4.24	299,365	4.06	618,240	4.24	623,497	4.53
9.4 Interest on own capital and dividends	1,131,197	29.76	189,118	5.28	1,320,315	5.14	1,698,339	5.18	662,233	4.81
9.5 Retained earnings	216,827	5.70	559,585	15.63	776,412	23.32	2,066,072	20.61	2,338,065	16.98

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

(A free translation of the original in Portuguese)



## **Caixa Econômica Federal - CAIXA**

### **Notes to the Consolidated Financial Statements at December 31, 2010 and 2009**

**All amounts in thousands of reais, unless otherwise indicated**

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#### **Note - 1      Operations**

CAIXA is a financial institution established by Decree-Law No. 759, of August 12, 1969 as a government company formed in accordance with commercial law, linked to the Ministry of Finance and subject to the general rules, decisions and regulations issued by the National Monetary Council (CMN) and the Brazilian Central Bank (BACEN). The capital of CAIXA belongs to 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 is authorized to perform business activities related to real estate loans, basic sanitation, urban infrastructure, commercial banks, as well as the rendering of services of a social nature, delegated by the Federal Government.

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

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

In accordance with Article 1 of Law No. 11908, of March 3, 2009, CAIXA formed on March 31, 2009 a joint stock company, denominated Caixa Participações S.A. (CAIXAPAR), with capital of R\$ 2,500,000 represented by 2,500,000 common shares, for the purpose of carrying out its main business activities and to purchase stockholdings in public or private financial institutions or in other related areas of activity.

#### **Note - 2      Presentation of the Financial Statements**

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

For a better understanding of the equity growth and results of CAIXA, we also present the consolidated information for September/2010 and December/2009. Additionally, the individual statements were approved and published on this same date.

For the preparation of these consolidated financial statements, intercompany investments, account balances, income and expenses, as well as unrealized profits between the companies were eliminated.

## **Caixa Econômica Federal - CAIXA**

### **Notes to the Consolidated Financial Statements**

**at December 31, 2010 and 2009**

**All amounts in thousands of reais, unless otherwise indicated**

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

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

The 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 contingencies, 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.

Through the CMN Resolution 3786/2009 and Circular Letters 3472/2009 and 3516/2010, the Brazilian Central Bank reiterated the commitment assumed for the convergence of Brazilian and International Financial Reporting Standards (IFRS), establishing that the financial institutions and other institutions authorized to operate by this entity, formed as a publicly-held company or which are obliged to have an audit committee under the terms of the applicable regulation, should, as from the base date December 31, 2010, prepare and disclose in up to one hundred and twenty days after their consolidated financial statements, accompanied by the related explanatory notes and opinion of the independent auditor, prepared in accordance with International Financial Reporting Standards (IFRS), following the international pronouncements issued by the International Accounting Standards Board (IASB).

CAIXA completed the studies on the impacts of adopting international standards and currently is preparing these financial statements in IFRS, which is expected to be concluded within the periods established by BACEN.

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

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

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

The Board of Directors approved the financial statements for the six-month period ended December 31, 2010 on February 10, 2010.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### Note - 3 Caixa Participações S.A. – CAIXAPAR

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

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

Description	Amount paid up
CAIXA SEGUROS	1,074,136
VISANET/CIELO	65,824
TECBAN	31,818
CIBRASEC	6,000
Dividends Caixa Seguros	7,440
Amount in cash	64,782
<b>Total</b>	<b>1,250,000</b>

The table below presents the stockholders' equity of CAIXAPAR:

Description	% Holding of CAIXA	2010		2009
		December 31	September 30	December 31
CAIXA PARTICIPAÇÕES	100	2,867,884	2,895,084	1,255,957

In 2010, R\$ 422.355 was appropriated, arising from result of equity method of Caixa Seguros (R\$ 386,516), CIBRASEC (R\$ 647) and Banco Panamericano (R\$ 35,192).

#### (a) 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 the acquisition of 35.54% 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.

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 Central Bank of Brazil (BACEN) on July 19, 2010, and the Institution only needs to file the documents related to the completion of the transaction. After the approval described above, CAIXAPAR completed the purchase and paid the residual value of R\$ 234,215. 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).

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

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On November 4, 2010, the Central Bank of Brazil notified and called the attention of Banco Panamericano through the Attendance Statement Desup/GTSP4 – 2010/0003 to the fact that the economic and financial situation of the Panamericano Conglomerate was deteriorating, as evidenced after adjustments by related inspectors with further noncompliance with the Required Minimum Capital (RMC). Compliance with the RMC is a requirement for institutions to operate under the terms of article 10 of Resolution 3398 of August 29, 2006. Therefore, the Central Bank of Brazil determined the implementation of an adjustment plan to develop the balance in asset and liability accounts of the Conglomerate.

In order to ensure this balance and increase the operational liquidity of Banco Panamericano, as a result of the accounting inconsistencies found, which do not allow that the financial statements convey the real equity position of the entity, on November 5, 2010, the Silvio Santos Group, as the major controlling stockholder of Banco Panamericano S.A. decided to contribute to the “Stockholder’s Deposit” the amount of R\$ 2.5 billion, which was obtained in a financial transaction contracted with the Credit Guarantee Fund (FGC), fully guaranteed by the business assets of the Group.

Said contribution was made with the objective of supporting any required adjustments, without needing to increase the capital or equity of the institution determined at that time.

On November 26, 2010 the stockholders of Banco Panamericano appointed a new Board of Directors for the Institution. This Board has 11 members, is chaired by CAIXA’s chairman and has as vice chairman a representative of the Credit Guarantee Fund (FGC). Additionally, by means of an agreement between the stockholders, CAIXAPAR started to have representatives at the Institution’s Board, and maintained unaltered the investment percentages CAIXAPAR held upon the acquisition of the Bank’s shares.

According to the significant event notice disclosed on January 28, 2011 by Banco Panamericano, its new management started a process to determine amounts and any adjustments that might result from these inconsistencies and, so far, has not identified the effects of this process in a definitive manner.

Considering the date of preparation and disclosure of its financial statements, CAIXA does not have information that conveys the real equity position of Banco Panamericano at December 31, 2010. Therefore, these financial statements have maintained the balances recorded at July 31, 2010.

#### **Note - 4      Summary of significant accounting policies**

The significant accounting practices are summarized as follows:

##### **(a)      Net income**

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

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#### (b) Cash and cash equivalents

Cash and cash equivalents in local currency are stated at face value and those in foreign currency are converted at the closing rate of exchange disclosed by the Brazilian Central Bank (BACEN) on the balance sheet date.

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

#### (c) 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.

#### (d) Securities

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, meeting the following accounting criteria:

- Trading securities - securities purchased with the objective of being frequently and actively traded. These are adjusted to fair value against income or expense for the period.
- Available-for-sale securities - securities which are not considered as trading securities nor held to maturity. These are adjusted to fair value against a separate account in stockholders' equity, denominated "Adjustment to fair value - securities and derivative financial instruments". 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.

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

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

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

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#### (e) Derivative financial instruments

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

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

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

#### (f) Loan operations and allowance for loan losses

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

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

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

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

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

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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.

#### **(g) Income tax and social contribution**

The provision for income tax is constituted at the rate of 15% of taxable income plus a surcharge of 10%. As from May 1, 2008, 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 (up to April 30, 2008, the tax rate was 9% for all companies).

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

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

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

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

#### **(h) 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.

#### **(i) 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.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

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#### **(j) Property and equipment**

Property and equipment correspond to the tangible assets used in or intended for the business activities, as established by CMN Resolution No. 3642/2008. Property and equipment are stated at cost of acquisition or formation plus price-level restatements up to December 31, 1995, as well as the balance of the revaluation reserve added to cost as determined by National Monetary Council (CMN) Resolution No. 3617/2008, and are subject to impairment tests and depreciated on the straight-line method, without any residual value.

#### **(k) Intangible assets**

These are stated at the cost of acquisition or formation of the intangibles, 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 Resolution No. 3642/2008.

#### **(l) Deferred charges**

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

#### **(m) Deposits and funds obtained in the open market**

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

#### **(n) Contingent assets and liabilities**

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

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

(ii) Contingent liabilities - 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. 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.

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#### (o) 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).

#### (p) Impairment of non-financial assets

A loss is recognized when the book value of an asset or cash generating unit exceeds the recoverable value. Losses are directly recognized in results for the period.

#### (q) Employee benefits

Short-term benefits granted to the employees are recognized in the income statement for the period in which the employee is entitled to the benefit.

Actuarial gains or losses relating to post-employment benefits are recognized based on the criteria established by CVM Deliberation No. 600/2009.

(i) Actuarial gains or losses to be recognized as income or expense corresponds 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.

(ii) 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 (i) above, by the remaining average time of service estimated for the participants of the plan.

#### Note - 5 Cash and Cash Equivalents

Description	2010		2009
	December 31	September 30	December 31
Cash	1,767,713	1,727,167	1,824,823
Cash and banks in local currency	1,686,505	1,648,323	1,379,224
Cash and banks in foreign currency	36,775	71,042	30,655
Total cash and banks	<b>3,490,993</b>	<b>3,446,532</b>	<b>3,234,702</b>
Short-term interbank investments*	12,005,555	35,498,502	29,336,351
<b>Total</b>	<b>15,496,548</b>	<b>38,945,034</b>	<b>32,571,053</b>

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

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#### Note - 6 Short-term Interbank Investments

Description	2010						2009			
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	%	September 30	%	December 31	%
<b>Money market investments</b>										
<b>Non-financed position</b>	<b>677,690</b>	-	-	-	<b>677,690</b>	<b>5.55</b>	<b>30,520</b>	<b>0.09</b>	<b>321</b>	<b>0.00</b>
Financial Treasury Bills	120,684	-	-	-	120,684	0.99	30,030	0.09	21	0.00
Federal Treasury Bills	507,006	-	-	-	507,006	4.15	490	-	300	0.00
Federal Treasury Notes	50,000	-	-	-	50,000	0.41	-	-	-	0.00
<b>Financed position</b>	<b>11,327,865</b>	-	-	-	<b>11,327,865</b>	<b>92.80</b>	<b>35,467,983</b>	<b>99.91</b>	<b>29,336,030</b>	<b>99.69</b>
Financial Treasury Bills	11,026,875	-	-	-	11,026,875	90.33	19,457,674	54.81	5,279,745	17.94
Federal Treasury Bills	-	-	-	-	-	0.00	16,010,309	45.10	5,247,536	17.83
Federal Treasury Notes	300,990	-	-	-	300,990	2.47	-	-	18,808,749	63.91
<b>Interbank deposits</b>	-	<b>201,687</b>	-	-	<b>201,687</b>	<b>1.65</b>	-	-	<b>92,334</b>	<b>0.31</b>
Investments in interbank deposits	-	202,058	-	-	202,058	1.66	-	-	92,334	0.31
Provision for loss on investment in Interbank Deposits (DI)	-	(371)	-	-	(371)	0.00	-	-	-	0.00
<b>Total</b>	<b>12,005,555</b>	<b>201,687</b>	-	-	<b>12,207,242</b>	<b>100.00</b>	<b>35,498,502</b>	<b>100.00</b>	<b>29,428,685</b>	<b>100.00</b>
<b>Current assets</b>	<b>12,005,555</b>	<b>201,687</b>	-	-	<b>12,207,242</b>	<b>100.00</b>	<b>35,498,502</b>	<b>100.00</b>	<b>29,428,685</b>	<b>100.00</b>

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#### (a) Income from interbank investments

Description	2010			2009	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Income from investments in repurchase agreements:</b>	<b>943,644</b>	<b>1,025,411</b>	<b>1,969,055</b>	<b>3,889,579</b>	<b>4,359,821</b>
Non-financed position	64,699	11,888	76,587	315,793	612,409
Financed position	878,945	1,013,523	1,892,468	3,573,786	3,747,412
<b>Income from investments in interbank deposits</b>	<b>2,019</b>	<b>1,895</b>	<b>3,914</b>	<b>7,898</b>	<b>116,276</b>
<b>Total</b>	<b>945,663</b>	<b>1,027,306</b>	<b>1,972,969</b>	<b>3,897,477</b>	<b>4,476,097</b>

#### Note - 7 Securities and Derivative Financial Instruments

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

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
<b>I - Trading securities</b>	<b>37,531,591</b>	<b>34.57</b>	<b>36,534,892</b>	<b>33.78</b>	<b>46,451,351</b>	<b>39.22</b>
Financial Treasury Bills	7,132,082	6.57	7,154,018	6.61	7,543,167	6.37
Federal Treasury Bills	22,134,575	20.39	21,738,323	20.1	18,138,673	15.31
Federal Treasury Notes	8,197,330	7.55	7,577,997	7.01	20,708,982	17.48
Debentures	50,084	0.05	48,626	0.04	46,014	0.04
Investment funds	17,520	0.01	15,928	0.00	14,515	0.02
<b>II - Available-for-sale securities</b>	<b>1,582,856</b>	<b>1.46</b>	<b>2,020,495</b>	<b>1.86</b>	<b>1,471,071</b>	<b>1.24</b>
Financial Treasury Bills	211,313	0.19	224,126	0.20	260,053	0.22
Federal Treasury Notes	6,196	0.01	9,749	0.01	207,830	0.18
Rural Debt Securities	266	0.00	259	0.00	260	0.00
Financial Treasury Certificates	64,318	0.06	62,241	0.06	57,369	0.05
Debentures	301,802	0.28	304,582	0.28	313,413	0.26
Promissory notes	723,966	0.67	704,269	0.65	-	-
Investment funds	7,880	0.01	6,256	0.01	668	0.00
Mortgage backed securities	64,235	0.06	65,495	0.06	69,304	0.06
Other	202,880	0.18	643,518	0.59	562,174	0.47
<b>III - Securities held to maturity</b>	<b>69,460,825</b>	<b>63.97</b>	<b>69,611,694</b>	<b>64.36</b>	<b>70,527,406</b>	<b>59.54</b>
Financial Treasury Bills	5,494,117	5.06	5,508,785	5.09	10,420,993	8.80
Federal Treasury Bills	9,683,462	8.92	9,450,682	8.74	8,792,353	7.42
Federal Treasury Notes	54,114,797	49.84	53,004,558	49	47,751,907	40.31
Federal Treasury/Securitization	168,449	0.15	1,647,669	1.53	3,203,027	2.70
Debentures	-	-	-	-	56,186	0.05
Promissory notes	-	-	-	-	302,940	0.26
<b>Derivative Financial Instruments</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>396</b>	<b>-</b>
<b>Total</b>	<b>108,575,273</b>	<b>100.00</b>	<b>108,167,082</b>	<b>100.00</b>	<b>118,450,224</b>	<b>100.00</b>
<b>Current assets</b>	<b>57,737,196</b>	<b>53.18</b>	<b>51,136,068</b>	<b>47.28</b>	<b>52,974,464</b>	<b>44.72</b>
<b>Non-current assets</b>	<b>50,838,077</b>	<b>46.82</b>	<b>57,031,014</b>	<b>52.72</b>	<b>65,475,760</b>	<b>55.28</b>

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

##### (b.1) Category I - Trading securities

Description	2010										2009		
	December 31							September 30			December 31		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Cost	Adjustment to market value (result)	Market value	Cost	Adjustment to market value (result)	Market value	Cost	Adjustment to market value (result)	Market value
<b>Brazilian Government Securities</b>	<b>10,113,294</b>	<b>5,441,767</b>	<b>5,688,916</b>	<b>16,262,407</b>	<b>37,506,384</b>	<b>(42,397)</b>	<b>37,463,987</b>	<b>36,450,516</b>	<b>19,822</b>	<b>36,470,338</b>	<b>46,373,584</b>	<b>17,238</b>	<b>46,390,822</b>
Financial Treasury Bills	-	445,081	2,584,234	4,103,686	7,133,001	(919)	7,132,082	7,155,013	(995)	7,154,018	7,544,236	(1,069)	7,543,167
Federal Treasury Bills	7,078,136	4,996,686	3,104,682	6,979,309	22,158,813	(24,238)	22,134,575	21,730,070	8,253	21,738,323	18,156,884	(18,211)	18,138,673
Federal Treasury Notes	3,035,158	-	-	5,179,412	8,214,570	(17,240)	8,197,330	7,565,433	12,564	7,577,997	20,672,464	36,518	20,708,982
<b>Corporate Securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,078</b>	<b>67,078</b>	<b>526</b>	<b>67,604</b>	<b>63,949</b>	<b>605</b>	<b>64,554</b>	<b>59,999</b>	<b>530</b>	<b>60,529</b>
Debentures	-	-	-	49,558	49,558	526	50,084	48,021	605	48,626	45,484	530	46,014
Investment funds	-	-	-	17,520	17,520	-	17,520	15,928	-	15,928	14,515	-	14,515
<b>Total</b>	<b>10,113,294</b>	<b>5,441,767</b>	<b>5,688,916</b>	<b>16,329,485</b>	<b>37,573,462</b>	<b>(41,871)</b>	<b>37,531,591</b>	<b>36,514,465</b>	<b>20,427</b>	<b>36,534,892</b>	<b>46,433,583</b>	<b>17,768</b>	<b>46,451,351</b>
%	26.92	14.48	15.14	43.46	100.00	-	-	100.00	-	-	100.00	-	-

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

Description	2010							2009					
	December 31				September 30			December 31			September 30		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Cost	Adjustment to market value (stockholders' equity)	Market value	Cost	Adjustment to market value (stockholders' equity)	Market value	Cost	Adjustment to market value (stockholders' equity)	Market value
<b>Brazilian Government Securities</b>	-	-	-	770,105	770,105	(342,193)	427,912	876,734	3,783	880,517	1,010,489	6,515	1,017,004
Financial Treasury Bills	-	-	-	210,757	210,757	556	211,313	223,454	672	224,126	259,003	1,050	260,053
Federal Treasury Notes	-	-	-	3,998	3,998	2,198	6,196	7,605	2,144	9,749	202,288	5,542	207,830
Rural Debt Securities	-	-	-	254	254	12	266	245	14	259	236	24	260
Financial Treasury Certificates	-	-	-	63,604	63,604	714	64,318	61,288	953	62,241	57,470	(101)	57,369
Other Corporate securities	-	-	-	491,492	491,492	(345,673)	145,819	584,142	-	584,142	491,492	-	491,492
<b>Corporate securities</b>	<b>80</b>	<b>724,187</b>	-	<b>390,096</b>	<b>1,114,363</b>	<b>40,581</b>	<b>1,154,944</b>	<b>1,096,354</b>	<b>43,624</b>	<b>1,139,978</b>	<b>400,912</b>	<b>53,155</b>	<b>454,067</b>
Debentures	80	-	-	294,308	294,388	7,414	301,802	296,110	8,472	304,582	305,247	8,166	313,413
Promissory Notes	-	724,187	-	-	724,187	(221)	723,966	704,330	(61)	704,269	-	-	-
Investment funds	-	-	-	7,880	7,880	-	7,880	6,256	-	6,256	668	-	668
Mortgage backed securities	-	-	-	62,952	62,952	1,283	64,235	64,702	793	65,495	70,041	-737	69,304
Other	-	-	-	24,956	24,956	32,105	57,061	24,956	34,420	59,376	24,956	45,726	70,682
<b>Total</b>	<b>80</b>	<b>724,187</b>	-	<b>1,160,201</b>	<b>1,884,68</b>	<b>(301,612)</b>	<b>1,582,856</b>	<b>1,973,088</b>	<b>47,407</b>	<b>2,020,495</b>	<b>1,411,401</b>	<b>59,670</b>	<b>1,471,071</b>

## Caixa Econômica Federal - CAIXA

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

Description	2010						2009			
	December 31					September 30		December 31		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Cost	Adjustment to market value (result)	Cost	Market value	Cost	Market value
<b>Brazilian Government Securities</b>	<b>10,995,071</b>	<b>3,061,789</b>	<b>5,424,698</b>	<b>49,979,267</b>	<b>69,460,825</b>	<b>71,639,162</b>	<b>69,611,694</b>	<b>70,871,888</b>	<b>70,168,279</b>	<b>70,204,969</b>
Financial Treasury Bills	-	515,881	899,563	4,078,673	5,494,117	5,493,604	5,508,785	5,508,260	10,420,993	10,423,067
Federal Treasury Bills	9,683,462	-	-	-	9,683,462	9,682,131	9,450,682	9,439,178	8,792,353	8,765,069
Federal Treasury Notes	1,311,609	2,545,908	4,525,135	45,732,145	54,114,797	56,323,296	53,004,558	54,554,882	47,751,907	48,317,965
Federal Treasury/Securitization	-	-	-	168,449	168,449	140,131	1,647,669	1,369,569	3,203,027	2,698,868
<b>Corporate securities</b>	-	-	-	-	-	-	-	-	<b>359,127</b>	<b>355,710</b>
Debentures	-	-	-	-	-	-	-	-	56,186	52,730
Promissory notes	-	-	-	-	-	-	-	-	302,940	302,980
<b>Total</b>	<b>10,995,071</b>	<b>3,061,789</b>	<b>5,424,698</b>	<b>49,979,267</b>	<b>69,460,825</b>	<b>71,639,162</b>	<b>69,611,694</b>	<b>70,871,888</b>	<b>70,527,406</b>	<b>70,560,679</b>

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#### (c) Consolidated classification by maturities

Description	December 31, 2010											
	Cost	Provision for adjustment to market value		Market Categories I and II	Market Value*	%	0 to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	360 to 720 days	More than 720 days
		Result	Stockholders' Equity									
<b>Brazilian Government Securities</b>	<b>107,737,315</b>	<b>(42,397)</b>	<b>(342,194)</b>	<b>107,352,724</b>	<b>109,531,061</b>	<b>98.90</b>	<b>21,108,366</b>	<b>692,461</b>	<b>7,811,095</b>	<b>11,113,614</b>	<b>28,382,788</b>	<b>38,628,991</b>
Financial Treasury Bills	12,837,875	(919)	556	12,837,512	12,836,999	11.59	-	692,461	268,501	3,483,797	2,871,407	5,521,709
Federal Treasury Bills	31,842,275	(24,238)	-	31,818,037	31,816,706	28.73	16,761,599	-	4,996,686	3,104,682	2,492,926	4,486,382
Federal Treasury Notes	62,333,365	(17,240)	2,198	62,318,323	64,526,822	58.26	4,346,767	-	2,545,908	4,525,135	23,018,201	27,897,354
Federal Treasury/Securitization	168,449	-	-	168,449	140,131	0.13	-	-	-	-	-	168,449
Rural Debt Securities	254	-	12	266	266	0.00	-	-	-	-	254	-
Financial Treasury Certificates	63,605	-	713	64,318	64,318	0.06	-	-	-	-	-	63,605
Other	491,492	-	(345,673)	145,819	145,819	0.13	-	-	-	-	-	491,492
<b>Corporate Securities</b>	<b>1,181,441</b>	<b>526</b>	<b>40,581</b>	<b>1,222,548</b>	<b>1,222,548</b>	<b>1.10</b>	<b>80</b>	<b>724,187</b>	<b>-</b>	<b>-</b>	<b>78,344</b>	<b>378,830</b>
Debentures	343,946	526	7,414	351,886	351,886	0.32	80	-	-	-	78,344	265,522
Promissory notes	724,187	-	(221)	723,966	723,966	0.65	-	724,187	-	-	-	-
Investment funds	25,400	-	-	25,400	25,400	0.02	-	-	-	-	-	25,400
Mortgage backed securities	62,952	-	1,283	64,235	64,235	0.06	-	-	-	-	-	62,952
Other	24,956	-	32,105	57,061	57,061	0.05	-	-	-	-	-	24,956
<b>Subtotal - Marketable securities</b>	<b>108,918,756</b>	<b>(41,871)</b>	<b>(301,613)</b>	<b>108,575,272</b>	<b>110,753,609</b>	<b>100.00</b>	<b>21,108,446</b>	<b>1,416,648</b>	<b>7,811,095</b>	<b>11,113,614</b>	<b>28,461,132</b>	<b>39,007,821</b>
Trading Securities	37,573,462	(41,871)	-	37,531,591	37,531,591	33.89	10,113,295	445,081	4,996,686	5,688,916	9,115,063	7,214,421
Available For Sale securities	1,884,469	-	(301,613)	1,582,856	1,582,856	1.43	80	724,187	-	-	72,681	1,087,521
Securities Held To Maturity	69,460,825	-	-	69,460,825	71,639,162	64.68	10,995,071	247,380	2,814,409	5,424,698	19,273,388	30,705,879
<b>Derivatives (Assets)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivatives (Liabilities)</b>	<b>1,521</b>	<b>-</b>	<b>-</b>	<b>1,644</b>	<b>1,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total securities and derivatives (Assets)</b>	<b>108,918,757</b>	<b>(41,871)</b>	<b>(301,613)</b>	<b>108,575,273</b>	<b>110,753,610</b>	<b>100.00</b>	<b>21,108,446</b>	<b>1,416,648</b>	<b>7,811,095</b>	<b>11,113,614</b>	<b>28,461,132</b>	<b>39,007,821</b>
<b>Total securities and derivatives (Liabilities)</b>	<b>1,521</b>	<b>-</b>	<b>-</b>	<b>1,644</b>	<b>1,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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#### (d) Analysis of the securities portfolio

Description	Own Portfolio	Designated			Derivatives	Total	%
		Subject to repurchase agreements	Pledged in Guarantee	Central Bank			
<b>Brazilian Government Securities</b>	<b>72,852,562</b>	<b>34,184,622</b>	<b>314,325</b>	<b>1,215</b>	<b>1</b>	<b>107,352,725</b>	<b>98.88</b>
Financial Treasury Bills	5,019,100	7,814,569	3,843	-	-	12,837,512	11.82
Federal Treasury Bills	24,144,582	7,663,716	9,739	-	-	31,818,037	29.31
Federal Treasury Notes	43,310,028	18,706,337	300,743	1,215	-	62,318,323	57.4
Federal Treasury/ Securitization	168,449	-	-	-	-	168,449	0.16
Rural Debt Securities	266	-	-	-	-	266	-
Financial Treasury Certificates	64,318	-	-	-	-	64,318	0.06
Other	145,819	-	-	-	1	145,820	0.13
<b>Corporate Securities</b>	<b>1,222,548</b>	-	-	-	-	<b>1,222,548</b>	<b>1.12</b>
Debentures	351,886	-	-	-	-	351,886	0.32
Promissory notes	723,966	-	-	-	-	723,966	0.67
Shares in funds	25,400	-	-	-	-	25,400	0.02
Mortgage backed securities	64,235	-	-	-	-	64,235	0.06
Other	57,061	-	-	-	-	57,061	0.05
<b>December 31, 2010</b>	<b>74,075,110</b>	<b>34,184,622</b>	<b>314,325</b>	<b>1,215</b>	<b>1</b>	<b>108,575,273</b>	<b>100.00</b>
<b>September 30, 2010</b>	<b>75,504,926</b>	<b>32,384,272</b>	<b>266,704</b>	<b>1,179</b>	<b>1</b>	<b>108,167,082</b>	<b>100.00</b>
<b>December 31, 2009</b>	<b>70,653,468</b>	<b>35,478,534</b>	<b>345,762</b>	<b>11,972,064</b>	<b>396</b>	<b>118,450,224</b>	<b>100.00</b>

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.

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

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

On December 30, 2010, the National Treasury Secretariat issued Ordinance STN No. 728, which authorized the issuance of 3,578,288 National Treasury Bills (LTN) totaling R\$ 2,876,426, maturing on July 1, 2012 (R\$ 1,438,220) and April 1, 2013 (R\$ 1,438,206) on behalf of CAIXA, in exchange for 1,323.797 Salary Variations Compensation (CVS) securities totaling R\$ 2,876,426, maturing on January 1, 2027.

#### (e) Securities income

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Purchase and sale commitments	943,644	1,025,411	1,969,055	3,889,579	4,359,821
Investments in interbank deposits	1,687	1,895	3,582	7,527	116,276
Financial assets available for sale	(35,255)	51,876	16,621	131,488	252,423
Financial assets held for trading	796,099	993,435	1,789,534	3,161,715	3,750,514
Financial assets held to maturity	2,357,407	1,585,994	3,943,401	8,191,555	9,080,770
<b>Total</b>	<b>4,063,582</b>	<b>3,658,611</b>	<b>7,722,193</b>	<b>15,381,864</b>	<b>17,559,804</b>

#### (f) Derivative financial instruments

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

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

The exposure to credit risk in the futures contracts is minimized due to the daily adjustments. The swap contracts, registered with Cetip and BM&F, are subject to credit risk if the counterparty is unable or unwilling to fulfill its contractual obligations. The total swap credit exposure at December 31, 2010 is R\$ 94 (2009 - R\$ 56,246).

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\$ 19,140,129 (2009 - R\$ 30,898,288), The swap difference payable on June 30, 2010 is R\$ 1,521 (2009 - R\$ 982) and the swap difference receivable, R\$ 1 (2009 - R\$ 396).

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

Description	2010								2009			
	December 31				September 30				December 31			
	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value	Memorandum account – reference value	Amount receivable/paid	Adjustment to market value	Market value
<b>Future contracts</b>	18,809,362	-	-	18,809,362	24,961,140	-	-	24,961,140	17,677,068	-	-	17,677,068
<b>Sales commitments</b>	18,809,362	-	-	18,809,362	24,961,140	-	-	24,961,140	17,677,068	-	-	17,677,068
Foreign currency	8,368	-	-	8,368	-	-	-	-	7,453	-	-	7,453
Indexes	18,800,994	-	-	18,800,994	24,961,140	-	-	24,961,140	17,669,615	-	-	17,669,615
<b>Swap contracts</b>												
<b>Receiving position</b>												
Referential rate	136,804	1	14,515	151,320	921,399	1	81,123	1,002,523	1,855,620	396	21,010	1,877,026
<b>Paying position</b>												
Floating rate	136,804	1,644	13,537	151,985	921,399	2,587	81,961	1,005,947	1,855,620	982	22,684	1,879,286

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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 cost value and market value:**

	2010							2009	
	December 31							September 30	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	Market value
<b>ASSET - DI - Futures - short position</b>									
BM&F Bovespa	3,250,888	-	4,603,729	3,100,175	5,147,971	2,698,231	18,800,994	24,961,140	17,669,615
<b>ASSET - DOLLAR - Futures - short position</b>									
BM&F Bovespa	-	8,368	-	-	-	-	8,368	-	-
<b>ASSET DOLLAR - Futures - long position</b>									
BM&F Bovespa	-	-	-	-	-	-	-	464	7,453
<b>ASSET DDI - Futures - short position</b>									
BM&F Bovespa	57,604	-	-	-	-	-	57,604	4,939	-
<b>ASSET DDI - Futures - long position</b>									
BM&F Bovespa	-	-	-	65,609	-	-	65,609	4,933	-

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

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Swap	(1,819)	(2,367)	(4,186)	(5,099)	(382)
Future	23,349	(95,786)	(72,437)	(114,048)	(13,363)
<b>Total</b>	<b>21,530</b>	<b>(98,153)</b>	<b>(76,623)</b>	<b>(119,147)</b>	<b>(13,745)</b>

#### (j) Guarantee margin

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

Description	2010		2009
	December 31	September 30	December 31
Government securities	314,168	266,551	345,618
Federal Treasury Notes	300,744	1,079	-
- Treasury Bills	9,739	265,472	-
- Financial Treasury Bills	3,685	-	345,618

#### (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 the Institution. 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 the Institution 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 - 8 Interbank Accounts

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

Description	Remuneration rate	2010		2009
		December 31	September 30	December 31
Compulsory on demand deposits	Not remunerated	5,218,082	4,205,966	3,408,338
Compulsory on savings deposits	TR + 6% p.a.	25,729,976	24,499,292	21,631,421
Compulsory on time deposits	Selic rate	3,869,412	2,367,059	
Additional compulsory (1)	Selic rate	19,109,921	16,103,996	7
<b>Total</b>	-	<b>53,927,391</b>	<b>47,176,313</b>	<b>25,039,766</b>

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

(b) The "National Housing System - SFH" account includes predominantly the residual amounts of completed contracts to be reimbursed by the FCVS, totaling R\$ 23,734,553 (2009 – R\$ 27,658,844), and provisions of R\$ 2,913,331 (2009 – R\$ 3,250,597), which are in the process of renewal with the Fund. 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.

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

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Description	2010				2009	
	December 31		September 30		December 31	
Contracts status	Balance	Provision	Balance	Provision	Balance	Provision
Not yet qualified (i)	2,557,588	(447,211)	2,574,161	(451,171)	2,577,827	(552,859)
Qualified and not approved (ii)	5,529,138	(1,999,363)	5,383,035	(1,940,275)	5,215,350	(1,990,401)
Qualified and approved (iii)	15,647,827	(466,757)	20,924,774	(670,887)	19,865,667	(707,337)
<b>Total</b>	<b>23,734,553</b>	<b>(2,913,331)</b>	<b>28,881,970</b>	<b>(3,062,333)</b>	<b>27,658,844</b>	<b>(3,250,597)</b>

(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 CAIXA and/or FCVS for final approval of the FCVS.

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

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

#### (c) Income from compulsory investments

Description	2010				2009	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31	
Credits linked to BACEN	939,425	885,277	1,824,702	2,942,783	1,329,431	
Credits linked to SFH	284,996	483,207	768,203	1,603,228	1,757,443	
<b>Total</b>	<b>1,224,421</b>	<b>1,368,484</b>	<b>2,592,905</b>	<b>4,546,011</b>	<b>3,086,874</b>	

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### Note - 9 Loan Portfolio

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

##### (a.1) Normal status

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2010				2009	
							December 31	%	September 30	%	December 31	%
Loans and bills discounted	2,828,104	1,862,564	1,643,552	4,535,863	6,678,774	24,094,220	41,643,077	27.92	40,557,245	29.52	33,064,686	32.21
Financing	873,686	223,343	213,577	600,201	1,031,902	5,526,369	8,469,078	5.68	8,403,628	6.12	5,394,154	5.25
Real estate financing	2,174,141	1,070,655	1,061,420	3,180,891	6,304,865	71,392,642	85,184,614	57.12	75,791,234	55.18	53,810,328	52.42
Infrastructure and development financing	63,763	63,449	63,421	190,243	380,474	10,378,664	11,140,014	7.47	10,339,806	7.53	8,215,055	8.00
Other	1,293,050	518,747	324,325	396,703	155,908	13,457	2,702,190	1.81	2,264,490	1.65	2,176,370	2.12
<b>June 30, 2010</b>	<b>7,232,744</b>	<b>3,738,758</b>	<b>3,306,295</b>	<b>8,903,901</b>	<b>14,551,923</b>	<b>111,405,352</b>	<b>149,138,973</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>March 31, 2010</b>	<b>6,763,261</b>	<b>3,671,099</b>	<b>3,303,873</b>	<b>8,910,763</b>	<b>14,843,286</b>	<b>99,864,121</b>	<b>-</b>	<b>-</b>	<b>137,356,403</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>June 30, 2009</b>	<b>5,821,652</b>	<b>3,135,448</b>	<b>2,726,348</b>	<b>7,307,145</b>	<b>11,750,064</b>	<b>71,919,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,660,593</b>	<b>100.00</b>

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (a.2) Abnormal status - Installments not yet due

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2010				2009	
							December 31	%	September 30	%	December 31	%
Loans and bills discounted	111,833	105,830	103,605	281,725	478,424	1,496,540	2,577,957	9.97	2,282,525	9.36	4,137,920	19.78
Financing	35,351	27,384	26,710	75,620	131,225	377,180	673,470	2.60	649,139	2.66	536,029	2.56
Real estate financing	995,178	266,938	266,049	796,792	1,581,600	18,400,543	22,307,100	86.26	21,360,706	87.54	16,176,638	77.33
Infrastructure and	2,813	2,813	2,813	8,438	16,876	258,130	291,883	1.13	98,355	0.40	58,089	0.28
Other	8,314	218	69	186	316	1,191	10,294	0.04	10,685	0.04	10,027	0.05
<b>December 31, 2010</b>	<b>1,153,489</b>	<b>403,183</b>	<b>399,246</b>	<b>1,162,761</b>	<b>2,208,441</b>	<b>20,533,584</b>	<b>25,860,704</b>	<b>100.00</b>	-	-	-	-
<b>September 30, 2010</b>	<b>971,514</b>	<b>386,965</b>	<b>382,769</b>	<b>1,121,197</b>	<b>2,132,740</b>	<b>19,406,225</b>	-	-	<b>24,401,410</b>	<b>100.00</b>	-	-
<b>December 31, 2009</b>	<b>708,229</b>	<b>357,163</b>	<b>353,611</b>	<b>1,039,227</b>	<b>1,964,616</b>	<b>16,495,857</b>	-	-	-	-	<b>20,918,703</b>	<b>100.00</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (a.3) Abnormal status - Installments overdue

Description	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	2010				2009	
							December 31	%	September 30	%	December 31	%
Loans and bills discounted	279.167	198.997	208.590	470.780	588.366	93.749	1.839.649	52,33	1.800.273	54,26	1.794.119	59,86
Financing	22.597	29.253	136.195	273.408	331.939	15.893	809.285	23,02	736.026	22,18	650.219	21,69
Real estate financing	118.079	68.520	137.801	248.773	257.232	7.906	838.311	23,85	759.363	22,88	533.671	17,81
Infrastructure and development financing	-	17	5.433	-	3.787	-	9.237	0,26	2.169	0,07	54	-
Other	5.728	4.909	1.730	2.168	2.552	2.001	19.088	0,54	20.405	0,61	19.083	0,64
<b>December 31, 2010</b>	<b>425.571</b>	<b>301.696</b>	<b>489.749</b>	<b>995.129</b>	<b>1.183.876</b>	<b>119.549</b>	<b>3.515.570</b>	<b>100,00</b>	-	-	-	-
<b>September 30, 2010</b>	<b>498.306</b>	<b>280.118</b>	<b>426.498</b>	<b>935.420</b>	<b>1.063.340</b>	<b>114.554</b>	-	-	<b>3.318.236</b>	<b>100,00</b>	-	-
<b>December 31, 2009</b>	<b>383.669</b>	<b>268.733</b>	<b>455.641</b>	<b>844.834</b>	<b>959.920</b>	<b>84.349</b>	-	-	-	-	<b>2.997.146</b>	<b>100,00</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (a.4) Consolidated composition of the loan portfolios by type of operation

Description	2010				2009	
	Total on December 31 (a1)+(a2)+(a3)	%	Total on September 30 (a1)+(a2)+(a3)	%	Total on December 31 (a1)+(a2)+(a3)	%
Loans and bills discounted	46,060,683	25.80	44,640,043	27.04	38,996,725	30.81
Financing	9,951,833	5.57	9,788,793	5.93	6,580,402	5.20
Real estate financing	108,330,025	60.68	97,911,303	59.31	70,520,637	55.71
Infrastructure and development financing	11,441,134	6.42	10,440,330	6.33	8,273,198	6.54
Other (Note 10 (c.1))	2,731,572	1.53	2,295,580	1.39	2,205,480	1.74
<b>Total</b>	<b>178,515,247</b>	<b>100.00</b>	<b>165,076,049</b>	<b>100.00</b>	<b>126,576,442</b>	<b>100.00</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (b) Types and risk levels

Loan operations	AA	A	B	C	D	E	F	G	H	2010				2009	
										Total on December 31	%	Total on September 30	%	Total on December 31	%
Loans and bills discounted	6,238,458	25,998,482	6,835,955	3,005,916	1,254,044	486,491	404,490	320,100	1,516,747	46,060,683	25.80	44,640,043	27.04	38,996,725	30.81
Financing	2,823,357	3,510,805	1,133,675	582,489	469,184	166,792	157,475	141,273	966,784	9,951,834	5.57	9,788,793	5.93	6,580,402	5.20
Real estate financing	134,283	49,846,934	31,102,049	19,224,048	1,259,722	654,794	508,365	434,989	5,164,842	108,330,026	60.68	97,911,303	59.31	70,520,637	55.71
Infrastructure and development financing	637,961	8,208,226	1,163,606	878,536	448,738	63,743	-	35,888	4,437	11,441,134	6.41	10,440,330	6.33	8,273,198	6.54
Other	2,589	1,147,933	699,810	303,259	429,766	70,483	15,185	7,806	54,739	2,731,570	1.54	2,295,580	1.39	2,205,480	1.74
<b>June 30, 2010</b>	<b>9,836,648</b>	<b>88,712,380</b>	<b>40,935,095</b>	<b>23,994,247</b>	<b>3,861,454</b>	<b>1,442,303</b>	<b>1,085,515</b>	<b>940,056</b>	<b>7,707,549</b>	<b>178,515,247</b>	<b>100.00</b>	-	-	-	-
%	5.51	49.69	22.93	13.44	2.16	0.81	0.61	0.53	4.32	100.00	-	-	-	-	-
<b>March 31, 2010</b>	<b>12,618,478</b>	<b>74,636,228</b>	<b>42,066,598</b>	<b>22,308,885</b>	<b>3,385,098</b>	<b>1,059,740</b>	<b>848,338</b>	<b>1,117,625</b>	<b>7,035,059</b>	-	-	<b>165,076,049</b>	<b>100.00</b>	-	-
%	7.65	45.21	25.48	13.51	2.05	0.64	0.51	0.68	4.27	-	-	100.00	-	-	-
<b>June 30, 2009</b>	<b>8,091,645</b>	<b>57,494,139</b>	<b>33,878,291</b>	<b>15,550,843</b>	<b>3,381,216</b>	<b>842,003</b>	<b>716,694</b>	<b>850,136</b>	<b>5,771,475</b>	-	-	-	-	<b>126,576,442</b>	<b>100.00</b>
%	6.39	45.42	26.77	12.29	2.67	0.67	0.57	0.67	4.56	-	-	-	-	100.00	-

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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#### (c) Maturity range and risk levels

##### (c.1) Normal status

Days	Risk Level														
	Operations with normal status									2010				2009	
	AA	A	B	C	D	E	F	G	H	December 31	%	September 30	%	December 31	%
1 to 30	849,796	3,167,709	1,734,428	744,269	423,485	80,337	51,752	41,090	139,878	7,232,744	4.85	6,763,261	4.92	5,821,652	5.67
31 to 60	280,677	1,825,394	818,853	416,644	218,990	46,587	25,407	21,962	84,244	3,738,758	2.51	3,671,099	2.67	3,135,448	3.05
61 to 90	176,248	1,713,067	722,714	374,357	164,940	35,380	20,004	21,323	78,262	3,306,295	2.22	3,303,873	2.41	2,726,348	2.66
91 to 180	387,897	4,878,032	1,911,429	974,617	348,467	79,281	51,824	58,178	214,176	8,903,901	5.97	8,910,763	6.49	7,307,145	7.12
181 to 360	730,017	8,508,356	3,060,421	1,404,801	336,897	102,546	73,351	26,430	309,104	14,551,923	9.75	14,843,286	10.81	11,750,065	11.45
More than 360	7,295,010	60,704,093	25,152,938	14,465,585	1,102,522	237,212	178,382	144,075	2,125,535	111,405,352	74.70	99,864,121	72.7	71,919,935	70.05
<b>Total</b>	<b>9,719,645</b>	<b>80,796,651</b>	<b>33,400,783</b>	<b>18,380,273</b>	<b>2,595,301</b>	<b>581,343</b>	<b>400,720</b>	<b>313,058</b>	<b>2,951,199</b>	<b>149,138,973</b>	<b>100.00</b>	<b>137,356,403</b>	<b>100.00</b>	<b>102,660,593</b>	<b>100.00</b>
<b>%</b>	<b>6.52</b>	<b>54.18</b>	<b>22.40</b>	<b>12.32</b>	<b>1.74</b>	<b>0.39</b>	<b>0.27</b>	<b>0.21</b>	<b>1.98</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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#### (c.2) Abnormal status

Days	Risk Level														
	Operations with abnormal status									2010				2009	
	AA	A	B	C	D	E	F	G	H	December 31	%	September 30	%	December 31	%
<b>Installments To be due</b>	<b>25,873</b>	<b>7,835,317</b>	<b>7,343,589</b>	<b>5,342,111</b>	<b>904,526</b>	<b>545,640</b>	<b>373,195</b>	<b>330,537</b>	<b>3,159,916</b>	<b>25,860,704</b>	<b>100.00</b>	<b>24,401,410</b>	<b>100.00</b>	<b>20,918,703</b>	<b>100.00</b>
01 to 30	7,766	266,106	592,175	144,377	29,582	15,405	12,166	8,301	77,611	1,153,489	4.46	971,514	3.98	708,228	<b>3.39</b>
31 to 60	626	127,039	115,286	71,158	18,747	9,863	7,981	5,111	47,372	403,183	1.56	386,965	1.59	357,163	1.71
61 to 90	626	126,169	114,278	70,293	18,373	9,727	7,815	5,052	46,913	399,246	1.54	382,769	1.57	353,612	1.69
91 to 180	1,864	373,429	324,826	206,103	52,799	28,313	22,372	14,744	138,311	1,162,761	4.50	1,121,197	4.59	1,039,226	4.97
181 to 360	3,502	722,539	610,947	389,590	94,608	52,600	39,967	27,976	266,713	2,208,441	8.54	2,132,740	8.74	1,964,614	9.39
More than 360	11,489	6,220,035	5,586,077	4,460,590	690,417	429,732	282,894	269,353	2,582,996	20,533,584	79.40	19,406,225	79.53	16,495,860	78.85
<b>Past due installments</b>	<b>91,130</b>	<b>80,412</b>	<b>190,723</b>	<b>271,863</b>	<b>361,627</b>	<b>315,320</b>	<b>311,600</b>	<b>296,461</b>	<b>1,596,434</b>	<b>3,515,570</b>	<b>100.00</b>	<b>3,318,236</b>	<b>100.00</b>	<b>2,997,146</b>	<b>100.00</b>
01 to 30	89,180	76,776	148,158	36,333	18,367	7,681	8,532	3,010	37,534	425,571	12.11	498,306	15.02	383,667	12.80
31 to 60	-	3,636	41,992	146,628	29,840	12,839	12,822	13,105	40,834	301,696	8.58	280,118	8.44	268,733	8.97
61 to 90	-	-	573	58,704	250,180	51,693	26,330	20,936	81,333	489,749	13.93	426,498	12.85	455,642	15.20
91 to 180	-	-	-	30,198	63,158	204,179	228,624	225,263	243,707	995,129	28.31	935,420	28.19	844,834	28.19
181 to 360	-	-	-	-	82	38,928	35,292	34,114	1,075,460	1,183,876	33.68	1,063,340	32.05	959,921	32.03
More than 360	1,950	-	-	-	-	-	-	33	117,566	119,549	3.40	114,554	3.45	84,349	2.81
<b>Total</b>	<b>117,003</b>	<b>7,915,729</b>	<b>7,534,312</b>	<b>5,613,974</b>	<b>1,266,153</b>	<b>860,960</b>	<b>684,795</b>	<b>626,998</b>	<b>4,756,350</b>	<b>29,376,274</b>	<b>-</b>	<b>27,719,646</b>	<b>-</b>	<b>23,915,849</b>	<b>-</b>
<b>%</b>	<b>0.40</b>	<b>26.95</b>	<b>25.65</b>	<b>19.11</b>	<b>4.31</b>	<b>2.93</b>	<b>2.33</b>	<b>2.13</b>	<b>16.19</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>

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#### (d) Analysis of loans by sector of activity

DESCRIPTION	2010				2009	
	December 31	%	September 30	%	December 31	%
<b>PUBLIC SECTOR</b>	<b>15,583,878</b>	<b>8.73</b>	<b>15,110,319</b>	<b>9.15</b>	<b>11,666,037</b>	<b>9.21</b>
Direct administration	6,363,069	3.56	5,967,108	3.61	4,937,291	3.9
Petrochemicals	5,659,945	3.17	5,676,276	3.44	3,613,751	2.85
Basic sanitation	2,266,076	1.27	2,174,827	1.32	1,914,756	1.51
Generation and distribution of electricity	598,865	0.34	611,327	0.37	555,838	0.44
Other	695,923	0.39	680,781	0.41	644,401	0.51
<b>PRIVATE SECTOR</b>	<b>162,931,369</b>	<b>91.27</b>	<b>149,965,730</b>	<b>90.85</b>	<b>114,910,405</b>	<b>90.78</b>
<b>COMPANIES</b>	<b>37,933,073</b>	<b>21.25</b>	<b>35,607,409</b>	<b>21.57</b>	<b>28,213,056</b>	<b>24.55</b>
<b>MANUFACTURING AND COMMERCE</b>	<b>18,265,635</b>	<b>10.23</b>	<b>16,872,780</b>	<b>10.22</b>	<b>14,480,340</b>	<b>12.61</b>
Retail and wholesale commerce	6,433,934	3.60	6,083,611	3.69	6,282,108	5.47
Metal products	3,100,198	1.74	3,152,347	1.91	2,101,443	1.83
Manufacture of chemical products	296,159	0.17	296,105	0.18	1,158,188	1.01
Food	2,138,161	1.20	1,582,745	0.96	1,045,515	0.91
Light and heavy vehicles	668,403	0.37	594,974	0.36	842,005	0.73
Clothing and accessories	359,045	0.20	337,120	0.2	354,082	0.31
Other manufacturing and commerce	5,269,735	2.95	4,825,878	2.92	2,696,999	2.35
<b>SERVICES</b>	<b>19,667,438</b>	<b>11.02</b>	<b>18,734,629</b>	<b>11.36</b>	<b>13,732,716</b>	<b>11.94</b>
Petrochemicals	493,977	0.27	471,419	0.29	387,880	0.34
Generation and distribution of electricity	2,693,267	1.51	2,489,645	1.51	1,759,146	1.53
Basic sanitation	207,208	0.12	205,380	0.12	202,144	0.18
Civil construction	1,014,892	0.57	946,639	0.57	1,767,009	1.54
Healthcare	1,352,890	0.76	1,255,346	0.76	1,070,101	0.93
Financial services	3,452,306	1.93	3,515,667	2.13	2,335,308	2.03
Office	401,856	0.23	374,452	0.23	313,823	0.27
Ground transport	376,421	0.21	488,231	0.3	522,321	0.45
Education	303,384	0.17	276,324	0.17	233,142	0.2
Infrastructure	242,229	0.14	207,643	0.13	154,208	0.13
Housing	1,870,616	1.05	1,476,358	0.89	50,099	0.04
Telecommunications	2,075,466	1.16	2,076,462	1.26	2,263,150	1.97
Other services	5,182,926	2.90	4,951,063	3.00	2,674,385	2.33
<b>INDIVIDUALS</b>	<b>124,998,296</b>	<b>70.03</b>	<b>114,358,321</b>	<b>69.28</b>	<b>86,697,349</b>	<b>75.45</b>
Housing	98,675,809	55.28	89,222,858	54.05	65,612,878	57.1
Loans	26,322,487	14.75	25,135,463	15.23	21,084,471	18.35
<b>Total</b>	<b>178,515,247</b>	<b>100.00</b>	<b>165,076,049</b>	<b>100.00</b>	<b>126,576,442</b>	<b>100.00</b>

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

Description	2010				2009			
	December 31				September 30		December 31	
	Public sector	Private sector	Total	%	Total	%	Total	%
<b>Current</b>	<b>1,615,852</b>	<b>41,444,889</b>	<b>43,060,741</b>	<b>24.12</b>	<b>42,487,467</b>	<b>25.74</b>	<b>35,102,468</b>	<b>27.73</b>
From 0 to 90 days	480,087	15,753,631	16,233,718	9.09	15,479,481	9.38	13,199,103	10.43
From 91 to 360 days	1,135,765	25,691,258	26,827,023	15.03	27,007,986	16.36	21,903,365	17.3
<b>Long-term</b>	<b>13,967,939</b>	<b>117,970,997</b>	<b>131,938,936</b>	<b>73.91</b>	<b>119,270,346</b>	<b>72.25</b>	<b>88,635,763</b>	<b>70.03</b>
From 1 year to 3 years	2,981,009	47,949,032	50,930,041	28.53	48,631,063	29.46	39,063,579	30.86
From 3 years to 5 years	2,651,869	32,873,024	35,524,893	19.90	31,033,748	18.8	24,452,890	19.32
From 5 years to 15 years	4,870,083	31,927,265	36,797,348	20.61	32,054,934	19.42	18,908,606	14.94
Over 15 years	3,464,978	5,221,676	8,686,654	4.87	7,550,601	4.57	6,210,688	4.91
<b>Total normal</b>	<b>15,583,791</b>	<b>159,415,886</b>	<b>174,999,677</b>	<b>98.03</b>	<b>161,757,813</b>	<b>97.99</b>	<b>123,738,231</b>	<b>97.76</b>
<b>Total overdue</b>	<b>4,454</b>	<b>3,511,116</b>	<b>3,515,570</b>	<b>1.97</b>	<b>3,318,236</b>	<b>2.01</b>	<b>2,838,211</b>	<b>2.24</b>
					<b>165,076,049</b>	<b>100.00</b>	<b>126,576,442</b>	<b>100.00</b>
<b>Grand total</b>	<b>15,588,245</b>	<b>162,927,002</b>	<b>178,515,247</b>	<b>100.00</b>	<b>165,076,049</b>	<b>100.00</b>	<b>126,576,442</b>	<b>100.00</b>

The balance sheet items that comprise the amount of R\$ 2,731,572 (2009 – R\$ 2,205,480), referring to "Other credits with loan characteristics" are described in Note 10(c.1).

#### (f) Income from loan operations

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	Year	Year
Loans, bills discounted and financing	2,957,410	2,870,190	5,827,600	10,851,620	8,473,481
Real estate financing	2,355,840	2,160,782	4,516,622	7,961,166	5,317,355
Infrastructure and development financing	219,515	190,077	409,592	751,383	514,874
Other	2,398	2,386	4,784	9,549	-
<b>Total</b>	<b>5,535,163</b>	<b>5,223,435</b>	<b>10,758,598</b>	<b>19,573,718</b>	<b>14,305,710</b>

#### (g) Changes in the allowance for loan losses

Description	2010		2009
	December 31	September 30	December 31
<b>Opening balance</b>	<b>10,361,115</b>	<b>9,809,999</b>	<b>7,001,125</b>
Specific allowance	10,361,115	9,809,999	6,365,842
Additional allowance	-	-	635,283
Provision in the period	1,631,216	955,318	3,900,761
Charge-offs	(451,978)	(14,662)	(579,980)
Losses	(240,423)	(389,540)	(1,341,830)
<b>Closing balance</b>	<b>11,299,930</b>	<b>10,361,115</b>	<b>8,980,076</b>
Specific allowance	11,299,930	10,361,115	8,408,422
Additional allowance	-	-	571,654

(i) In the first quarter of 2010, the additional allowance previously set up was reversed due to the improvement in the macroeconomic conditions and the behavior of default in the credit portfolio of CAIXA.

## Caixa Econômica Federal - CAIXA

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#### (h) Concentration of the main debtors

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
Main debtor	5,659,943	3.17	5,676,275	3.44	3,613,751	3.13
10 largest debtors	16,143,293	9.04	15,915,984	9.64	12,176,652	10.54
20 largest debtors	20,003,915	11.21	19,352,234	11.72	15,119,922	13.09
50 largest debtors	25,073,515	14.05	24,127,629	14.62	19,142,960	16.57
100 largest debtors	28,300,232	15.85	27,199,312	16.48	21,814,456	18.88

#### (i) Changes in the renegotiated portfolio

Description	2010		2009
	December 31	September 30	December 31
<b>Operations renegotiated</b>	<b>2,632,371</b>	<b>1,934,576</b>	<b>2,468,213</b>
Commercial operations	2,082,136	1,541,281	1,948,115
Housing loan operations	550,235	393,295	520,098
<b>Operations recovered</b>	<b>695,192</b>	<b>456,809</b>	<b>632,317</b>
Commercial operations	336,789	207,465	301,267
Housing loan operations	358,403	249,344	331,050

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#### (j) Analysis of the allowance for loan losses

Description	Loans and bills discounted	Financing	Real estate financing	Infrastructure and development financing	Other	Total
AA	-	-	-	-	-	-
A	129,992	17,554	249,235	41,041	5,740	443,562
B	68,360	11,337	311,020	11,637	6,998	409,352
C	90,177	17,475	576,721	26,357	9,098	719,828
D	125,404	46,918	125,972	44,874	42,978	386,146
E	145,948	50,037	196,438	19,124	21,146	432,693
F	202,246	78,738	254,183	0	7,593	542,760
G	224,070	98,891	304,493	25,122	5,466	658,042
H	1,516,747	966,784	5,164,841	4,437	54,738	7,707,547
<b>December 31, 2010</b>	<b>2,502,944</b>	<b>1,287,734</b>	<b>7,182,903</b>	<b>172,592</b>	<b>153,757</b>	<b>11,299,930</b>
%	22.15	11.40	63.57	1.53	1.35	100.00
<b>September 30, 2010</b>	<b>2,403,504</b>	<b>1,195,293</b>	<b>6,480,214</b>	<b>163,542</b>	<b>118,562</b>	<b>10,361,115</b>
%	23.20	11.54	62.54	1.58	1.14	100.00
<b>December 31, 2009</b>	<b>2,582,369</b>	<b>1,346,679</b>	<b>4,687,865</b>	<b>238,027</b>	<b>125,136</b>	<b>8,980,076</b>
%	28.76	15.00	52.20	2.65	1.39	100.00

The balance sheet items comprising the amount of R\$ 153,757 (2009 – R\$ 125,136) relating to "Provision for losses on other receivables" are described in Note 10(d).

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

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#### Note - 10 Other Receivables

##### (a) Foreign exchange portfolio

Description	2010		2009	
	December 31	September 30	December 31	
<b>Assets – Other receivables</b>	<b>28,055</b>	<b>39,320</b>	-	
Foreign Exchange Purchased Pending Settlement - ME	4,014	16,654	-	
Rights on foreign exchange sales - MN	24,041	30,840	-	
(-) Advances received - MN	-	(8,174)	-	
<b>Current Assets</b>	<b>28,055</b>	<b>39,320</b>	-	
<b>Liabilities - Other liabilities</b>	<b>28,193</b>	<b>47,655</b>		<b>94</b>
Foreign Exchange Sold Pending Settlement - ME	4,152	31,001		94
Payable for purchase of foreign exchange - MN	24,041	16,654	-	
<b>Current Liabilities</b>	<b>28,193</b>	<b>47,655</b>		<b>94</b>

##### (a.1) Results of foreign exchange transactions

Description	2010				2009	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31	
<b>Income</b>	<b>67,024</b>	<b>41,305</b>	<b>108,329</b>	<b>197,242</b>	<b>57,824</b>	
Funds in foreign currency	67,024	41,305	108,329	197,242	57,824	
<b>Expenses</b>	<b>(65,349)</b>	<b>(41,921)</b>	<b>(107,270)</b>	<b>(194,672)</b>	<b>(61,687)</b>	
Expenses on exchange rate variations and differences	(65,349)	(41,921)	(107,270)	(194,672)	(61,687)	
Results of foreign exchange	<b>1,675</b>	<b>(616)</b>	<b>1,059</b>	<b>2,570</b>	<b>(3,863)</b>	

##### (b) Income receivable

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
Dividends and interest on own capital receivable (i)	115,852	10.84	103,821	10.71	94,204	11.35
FGTS	235,208	22.02	234,308	24.18	197,454	23.80
Unemployment insurance	108,807	10.19	96,154	9.92	55,733	6.72
General Federal Government Budget	139,268	13.04	137,441	14.18	148,692	17.92
Agreements	28,441	2.66	25,343	2.62	25,049	3.02
INSS	82,513	7.72	55,639	5.74	45,615	5.50
FAR	13,349	1.25	13,405	1.38	13,997	1.69
Investment funds	65,580	6.14	56,558	5.84	60,022	7.23
Family allowance	74,761	7.00	80,756	8.33	60,613	7.30
"Bolsa Escola" – Allowance for school attendance	8,744	0.82	8,744	0.90	9,021	1.09
EMGEA - Empresa Gestora de Ativos (Asset Management Company)	22,066	2.07	18,811	1.94	24,964	3.01
PIS	108,763	10.18	100,707	10.39	60,975	7.35
FIES	42,394	3.97	9,148	0.94	7,862	0.95
Others	22,537	2.10	28,279	2.91	25,595	3.07
<b>Total</b>	<b>1,068,283</b>	<b>100.00</b>	<b>969,114</b>	<b>100.00</b>	<b>829,796</b>	<b>100.00</b>
<b>Current assets</b>	<b>1,046,436</b>	<b>98.00</b>	<b>940,100</b>	<b>97.00</b>	<b>735,591</b>	<b>88.65</b>
<b>Non-current assets</b>	<b>21,847</b>	<b>2.00</b>	<b>29,014</b>	<b>3.00</b>	<b>94,205</b>	<b>11.35</b>

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

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#### (c) Sundry

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
Advances	236,175	0.84	361,803	1.95	196,968	1.12
Tax credits (Note 21)	11,191,125	39.6	9,750,865	52.67	9,037,238	51.57
Receivables from guarantee deposits (Note 32 a (ii))	8,514,615	30.13	4,243,662	22.01	3,943,556	22.5
Taxes and contributions to offset	216,061	0.76	265,228	1.43	373,440	2.13
Payments to be reimbursed	405,454	1.43	46,828	0.25	93,144	0.53
Prepaid profit sharing	1,698,339	6.01	599,523	3.24	517,756	2.95
Other receivables with loan characteristics (c.1)	2,703,350	9.57	2,264,231	12.23	2,177,550	12.43
Other receivables without loan characteristics (c.2)	99,437	0.35	100,735	0.54	103,425	0.59
Sundry debtors (c.3)	3,193,994	11.3	1,052,388	5.68	1,080,016	6.16
Provision for losses - Sundry (i)	(164,195)	-	(170,888)	-	(192,794)	-
<b>Total</b>	<b>28,094,355</b>	<b>100.00</b>	<b>18,514,375</b>	<b>100.00</b>	<b>17,330,299</b>	<b>100.00</b>
<b>Current assets</b>	<b>17,044,790</b>	<b>60.67</b>	<b>8,877,698</b>	<b>47.95</b>	<b>8,304,904</b>	<b>47.92</b>
<b>Non-current assets</b>	<b>11,049,565</b>	<b>39.33</b>	<b>9,636,677</b>	<b>52.05</b>	<b>9,025,395</b>	<b>52.08</b>

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

#### (c.1) Other receivables with loan characteristics

Description	2010		2009
	December 31	September 30	December 31
Debtors for the purchase of assets	14,305	9,603	12,260
Receivable from sales or transfer of assets	7,590	8,095	11,136
Credit cards	2,681,455	2,246,533	2,111,921
Government of the State of Bahia – EMBASA	-	-	42,233
<b>Subtotal</b>	<b>2,703,350</b>	<b>2,264,231</b>	<b>2,177,550</b>
<b>Receivables from honored guarantees</b>	<b>28,222</b>	<b>29,924</b>	<b>27,930</b>
<b>Total</b>	<b>2,731,572</b>	<b>2,294,155</b>	<b>2,205,480</b>

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#### (c.2) Other receivables without loan characteristics

Description	2010		2009
	December 31	September 30	December 31
Credit card	53,636	51,322	46,143
Saúde CAIXA	(270)	(8,443)	(6,912)
Acquisition of royalties and FI offsets	43,392	54,856	59,146
Other	2,679	3,000	5,048
<b>Total</b>	<b>99,437</b>	<b>100,735</b>	<b>103,425</b>

#### (c.3) Sundry debtors

Description	2010		2009
	December 31	September 30	December 31
Amounts to allocate (i)	919,423	748,570	743,053
Interest on Salary Variations Compensation Fund (FCVS) receivable	1,947,638	-	-
Insurance receivables	88,084	87,898	110,929
Other debtors	150,999	114,919	143,132
Credits purchased	87,850	101,001	82,902
<b>Total</b>	<b>3,193,994</b>	<b>1,052,388</b>	<b>1,080,016</b>

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

#### (d) Provision for losses on other receivables

Description	2010		2009
	December 31	September 30	December 31
<b>With loan characteristics</b>	<b>(153,756)</b>	<b>(118,562)</b>	<b>(125,136)</b>
. Credit cards	(140,870)	(109,979)	(112,812)
. Government of the State of Bahia (EMBASA)	-	-	(4,223)
. Receivables from honored guarantees	(8,824)	(4,720)	(3,895)
. Receivables from sale of assets	(3,986)	(3,782)	(4,095)
. Receivable from sales or transfer of assets	(76)	(81)	(111)
<b>Total</b>	<b>(153,756)</b>	<b>(118,562)</b>	<b>(125,136)</b>
<b>Current assets</b>	<b>(146,527)</b>	<b>(115,277)</b>	<b>(119,841)</b>
<b>Non-current assets</b>	<b>(7,229)</b>	<b>(3,285)</b>	<b>(5,295)</b>

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#### Note - 11 Other Assets

Description	2010		2009
	December 31	September 30	December 31
Assets not in use (i)	692,125	735,448	719,501
. Properties not in use	117,927	119,827	64,891
. Adjudicated/auctioned properties	574,198	615,621	654,610
Prepaid expenses (ii)	556,980	631,462	733,720
Consumption materials	33,835	22,573	29,021
<b>Total</b>	<b>1,282,940</b>	<b>1,389,483</b>	<b>1,482,242</b>

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

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

#### Note - 12 Investments

Description	2010		2009
	December 31	September 30	December 31
CAIXA SEGUROS (ii)	1,201,979	1,146,455	1,074,136
Banco Panamericano (ii)	780,848	780,848	739,272
CIP - Câmara Interbancária de Pagamento (i)	2,967	2,100	2,100
CIBRASEC - Cia Brasileira de Securitização (ii)	6,647	6,677	6,000
TECBAN - Tecnologia bancária (ii)	31,818	31,818	31,818
VISANET (ii)	65,825	65,824	65,824
BIAPE	849	1,246	1,233
Other investments (i)	58,649	46,100	5,860
<b>Total</b>	<b>2,149,582</b>	<b>2,081,068</b>	<b>1,926,243</b>

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

(ii) Investment transferred to CAIXAPAR and recorded on the equity method of accounting.

Investments mainly comprise investments in Caixa Participações, a wholly-owned subsidiary of CAIXA, established in 2009 by means of the Provisional Measure No. 443 of October 21, 2008, converted into Law No. 11908 of March 3, 2009.

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#### (i) Result of investments in associated and subsidiary companies

Description	2010			2009	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>CAIXA SEGUROS</b>	56,983	128,582	185,565	392,607	316,473
Banco Panamericano*	23,088	12,104	35,192	35,192	-
CIBRASEC**	(59)	201	142	648	-
<b>Investments abroad</b>	(324)	67	(257)	(257)	554
<b>Total investment</b>	<b>79,688</b>	<b>140,954</b>	<b>220,642</b>	<b>428,190</b>	<b>317,027</b>

\*Evaluated by the equity method with position at July 31, 2010.

\*\* Recorded in SET/2009 at cost of acquisition

#### Note - 13 Property and equipment in use

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

Description	2010	2009	2010				December 30	%
	September 30	December 31	Additions	Disposals	Depreciation	December 30		
<b>Properties in use</b>	888,348	909,102	31,031	(17,330)	(37,237)	885,566	44.7	
- Buildings	619,435	626,651	31,031	(6,926)	(37,237)	613,519	31	
- Land	268,913	282,451		(10,404)	-	272,047	13.7	
Construction in progress	4,900	4,645	80,524	-	-	85,169	4.3	
Furniture, installations and equipment in use	265,960	194,441	145,111	-	(50,084)	289,468	14.6	
Communications system	21,352	22,304	3,514	-	(4,717)	21,101	1.06	
Data processing system	621,731	658,285	244,687	-	(247,332)	655,640	33.1	
Transport and security System	46,434	51,147	24,757	-	(30,410)	45,494	2.3	
<b>Total</b>	<b>1,848,725</b>	<b>1,839,924</b>	<b>529,624</b>	<b>(17,330)</b>	<b>(369,780)</b>	<b>1,982,438</b>	<b>100.00</b>	

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, as shown below:

Description	Useful Life
Buildings	50 years
Security system	5 years
Communications system	10 years
Data processing system	5 years
Furniture and equipment	10 years

With a fixed asset to equity ratio of 17.16%, CAIXA is well within that defined by CMN Resolution No. 2669/1999, which establishes the limit of 50% as from December 31, 2002

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#### Note - 14 Intangible assets

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

Description	2010	2009	2010				
	September 30	December 31	Additions	Asset recovery value	Amortizations	December 31	%
Payroll acquisition	741,410	765,347	294,700	(1,811)	(181,645)	876,591	69.6
Other intangible assets	-	-	324,200	-	-	324,200	25.7
Logistic projects - Software	53,510	19,556	48,191	-	(8,580)	59,167	4.7
<b>Total</b>	<b>794,920</b>	<b>784,903</b>	<b>667,091</b>	<b>(1,811)</b>	<b>(190,225)</b>	<b>1,259,958</b>	<b>100.00</b>

#### Nota - 15 Deferred charges

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

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

Description	2010	2009	2010			
	September 30	December 31	Reductions	Amortization	December 31	%
Expenses with leasehold properties	42,618	76,077	(82,156)	42,719	36,640	46.95
Expenses with logistic projects	31,269	50,838	(25,455)	-	25,383	32.52
Improvements to own properties	19,990	34,820	(27,267)	8,462	16,017	20.53
<b>Total</b>	<b>93,877</b>	<b>161,735</b>	<b>(134,878)</b>	<b>51,181</b>	<b>78,040</b>	<b>100.00</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

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#### Note - 16 Deposits and Funds Obtained in the Open Market

##### a) Deposits

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
<b>Demand deposits</b>	<b>19,626,215</b>	<b>9.12</b>	<b>18,572,811</b>	<b>9.13</b>	<b>16,714,227</b>	<b>9.25</b>
Individuals	7,885,465	3.66	7,235,441	3.56	6,248,121	3.46
Legal entities	9,526,474	4.43	9,255,355	4.55	7,774,597	4.30
Restricted	841,781	0.39	880,160	0.43	830,224	0.46
Government	1,064,234	0.49	875,632	0.43	1,335,344	0.74
Foreign currencies	1,604	0	23,220	0.01	4,793	0.00
Financial Institutions	17,678	0.01	20,017	0.01	14,870	0.01
Public entities	242,162	0.11	249,880	0.12	472,634	0.26
Other	46,817	0.03	33,106	0.02	33,644	0.02
<b>Savings accounts</b>	<b>129,429,635</b>	<b>60.15</b>	<b>123,346,743</b>	<b>60.64</b>	<b>108,709,642</b>	<b>60.17</b>
Individuals	127,116,245	59.07	121,655,796	59.81	107,272,821	59.38
Legal entities	2,310,186	1.08	1,687,588	0.83	1,433,057	0.79
Restricted	3,204	0	3,359	-	3,764	0.00
<b>Interbank deposits</b>	<b>1,206,670</b>	<b>0.56</b>	<b>354,930</b>	<b>0.18</b>	<b>29,110</b>	<b>0.02</b>
<b>Time deposits</b>	<b>54,207,413</b>	<b>25.19</b>	<b>50,865,466</b>	<b>25.01</b>	<b>43,788,754</b>	<b>24.24</b>
Time deposits in local currency	30,423,148	14.14	27,780,350	13.66	22,945,396	12.70
Remunerated judicial deposits	23,784,265	11.05	23,085,116	11.35	20,843,358	11.54
<b>Liabilities for special deposits and deposits of funds and programs (f)</b>	<b>10,594,286</b>	<b>4.92</b>	<b>10,146,734</b>	<b>4.99</b>	<b>11,312,425</b>	<b>6.26</b>
Deposits in Investment Accounts	118,077	0.05	99,978	0.05	115,548	0.06
<b>Total</b>	<b>215,182,296</b>	<b>100.00</b>	<b>203,386,662</b>	<b>100.00</b>	<b>180,669,706</b>	<b>100.00</b>
<b>Current liabilities</b>	<b>214,490,066</b>	<b>99.68</b>	<b>202,848,855</b>	<b>99.74</b>	<b>180,537,875</b>	<b>99.93</b>
<b>Non-current liabilities</b>	<b>692,230</b>	<b>0.32</b>	<b>537,807</b>	<b>0.26</b>	<b>131,831</b>	<b>-0.07</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (b) Deposits by maturity

Deposits	2010					2009		
	No maturity	From 01 to 90 days	From 91 to 360 days	From 361 to 1080 days	More than 1080 days	December 31	September 30	December 31
Demand	19,626,215	-	-	-	-	19,626,215	18,572,811	16,714,227
Savings	129,429,635	-	-	-	-	129,429,635	123,346,743	108,709,642
Interbank deposits	-	1,183,729	19,856	3,085	-	1,206,670	354,930	29,110
Time deposits	23,777,636	2,416,197	4,911,214	11,399,397	11,702,969	54,207,413	50,865,466	43,788,754
Judicial deposits	23,777,636	-	-	-	-	23,784,265	23,085,116	20,843,358
Investments	-	2,416,197	4,911,214	11,399,397	11,702,969	30,423,148	27,780,350	22,945,396
Special deposits and deposits of funds and programs	10,594,286	-	-	-	-	10,594,286	10,146,734	11,312,425
Deposits in bank accounts	118,077	-	-	-	-	118,077	99,978	115,548
<b>Total</b>	<b>183,545,849</b>	<b>3,599,926</b>	<b>4,931,070</b>	<b>11,402,482</b>	<b>11,702,969</b>	<b>215,182,296</b>	<b>203,386,662</b>	<b>180,669,706</b>
%	<b>85.30</b>	<b>1.67</b>	<b>2.29</b>	<b>5.30</b>	<b>5.44</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (c) Expenses of deposits

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Savings	(2,047,606)	(2,015,608)	(4,063,214)	(7,498,661)	(6,405,207)
Interbank	(29,844)	(5,109)	(34,953)	(36,606)	(1,992)
Time deposits CDB/RDB	(731,234)	(683,953)	(1,415,187)	(2,426,468)	(1,967,742)
Judicial deposits	(297,325)	(302,358)	(599,683)	(1,101,810)	(1,002,069)
Special deposits and deposits of funds and programs (f.1)	(235,097)	(228,778)	(463,875)	(997,163)	(1,075,398)
FGC-Fundo Garantidor de Crédito	(67,063)	(63,384)	(130,447)	(247,321)	(201,958)
<b>Total</b>	<b>(3,408,168)</b>	<b>(3,299,190)</b>	<b>(6,707,358)</b>	<b>(12,308,028)</b>	<b>(10,633,366)</b>

#### (d) Funds obtained in the open market

Funds obtained in the open market, in the amount of R\$ 45,210,885 (2009 - R\$ 64,288,790), are guaranteed by Federal Government Securities and are short-term.

Description	2010		2009
	December 31	September 30	December 31
<b>Own portfolio</b>	<b>33,883,020</b>	<b>31,936,992</b>	<b>34,952,759</b>
Financial Treasury Bills	7,805,155	7,623,766	6,963,102
Federal Treasury Bills	7,654,676	2,328,653	14,062,764
Federal Treasury Notes	18,423,189	21,984,573	13,926,893
<b>Third-party portfolio</b>	<b>11,327,865</b>	<b>35,467,981</b>	<b>29,336,031</b>
Financial Treasury Bills	11,026,875	19,457,673	5,279,745
Federal Treasury Bills	-	16,010,308	5,247,537
Federal Treasury Notes	300,990	-	18,808,749
<b>Total</b>	<b>45,210,885</b>	<b>67,404,973</b>	<b>64,288,790</b>
<b>Current liabilities</b>	<b>45,210,885</b>	<b>67,404,973</b>	<b>64,288,790</b>

#### (e) Expenses of funds obtained in the open market

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Own portfolio	(659,407)	(769,460)	(1,428,867)	(2,612,101)	(2,404,195)
Third-party portfolio	(878,973)	(1,012,350)	(1,891,323)	(3,571,634)	(3,658,300)
<b>Total</b>	<b>(1,538,563)</b>	<b>(1,781,810)</b>	<b>(3,320,190)</b>	<b>(6,183,735)</b>	<b>(6,062,495)</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (f) Special deposits and deposits of funds and programs

The special deposits and deposits of funds and programs comprise those of the FGTS and of other funds and programs. The tables below present the breakdown and remuneration of the special deposits and deposits of funds and programs (f.1):

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
Deposits - FGTS	4,531,934	42.78	3,370,376	33.22	4,359,428	38.54
Deposits - Special with remuneration	1,325,294	12.51	1,634,568	16.11	1,474,918	13.25
Deposits - FAT (f.2)	3,144,120	29.68	3,270,949	32.24	3,812,776	34.31
Deposits - FISANE	6,958	0.07	6,842	0.07	6,519	0.06
Deposits - PRODEC	41,416	0.39	40,815	0.40	38,995	0.34
Deposits - PIS	86,143	0.81	153,239	1.51	106,788	0.94
Deposits - FIEL	-	0.00	57,109	0.56	54,291	0.48
Deposits - FGS	21,041	0.20	12,406	0.12	135,467	1.20
Deposits - FAR	56,053	0.53	371,862	3.66	56,997	0.50
Deposits - FDS	565,139	5.33	483,421	4.76	350,744	3.10
Deposits - Profrota Pesqueira	50,343	0.48	49,079	0.49	45,860	0.41
Deposits - FAS	4,607	0.04	3,446	0.03	4,646	0.04
Deposits - PREVHAB	407,691	3.85	397,336	3.92	371,964	3.29
Saúde CAIXA	143,382	1.35	114,380	1.13	98,266	0.87
Others	210,165	1.98	180,906	1.78	394,766	2.67
<b>Total</b>	<b>10,594,286</b>	<b>100.00</b>	<b>10,146,734</b>	<b>100.00</b>	<b>11,312,425</b>	<b>100.00</b>
<b>Current Liabilities</b>	<b>10,594,286</b>	<b>100.00</b>	<b>10,146,734</b>	<b>100.00</b>	<b>11,312,425</b>	<b>100.00</b>

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

Description	Remuneration rate	2010			2009	
		4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Deposits - FGTS	SELIC	(113,129)	(93,846)	(206,975)	(477,970)	(499,863)
Deposits - FAT	SELIC and TJLP	(48,390)	(54,155)	(102,545)	(229,201)	(245,340)
Deposits - FISANE	Reference Rate (TR)	(115)	(118)	(233)	(438)	(387)
Deposits - PRODEC	TR + Interest 0.4868% p.m.	(716)	(745)	(1,461)	(2,778)	(2,414)
Deposits - PIS	Extra market	(11,532)	(14,722)	(26,254)	(60,195)	(84,658)
Deposits - FIEL	TRPRE + Interest 0.50% p.m.	(676)	(1,003)	(1,679)	(3,435)	(3,510)
Deposits - FGS	SELIC day factor/Extra market	(1,211)	(809)	(2,020)	(5,062)	(10,330)
Deposits - FAR	SELIC	(6,905)	(11,243)	(18,148)	(33,647)	(15,478)
Deposits - FDS	SELIC day factor	(13,281)	(12,654)	(25,935)	(25,935)	(13,231)
Deposits - Profrota Pesqueira	SELIC day factor	(1,275)	(1,253)	(2,528)	(2,528)	(4,142)
Deposits - FAS	TR	(9)	(9)	(18)	(24)	(55)
Deposits - PREVHAB	SELIC	(11,297)	(11,265)	(22,562)	(40,350)	(113,929)
Deposits - Guarantee	TR	(5,520)	(7,893)	(13,413)	(26,094)	(26,270)
Other	-	(21,041)	(19,063)	(40,104)	(89,506)	(55,791)
<b>Total</b>	<b>-</b>	<b>(235,097)</b>	<b>(228,778)</b>	<b>(463,875)</b>	<b>(997,163)</b>	<b>(1,075,398)</b>

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

Description	Resolution/ TADE	Return of FAT Resources (1)			2010						2009		
		Type	Date	Deadline	December 31			September 30			December 31		
					Available	Invested	TOTAL	Available	Invested	TOTAL	Available	Invested	TOTAL
<b>Programs</b>					<b>178,981</b>	<b>2,792,236</b>	<b>2,971,217</b>	<b>171,237</b>	<b>2,922,686</b>	<b>3,093,923</b>	<b>259,324</b>	<b>3,238,218</b>	<b>3,497,542</b>
<b>Proger - Urban</b>					71,273	2,043,401	2,114,674	69,131	2,147,070	2,216,201	234,956	2,191,022	2,425,978
Investment	Aug/05	RA	10/10/2005	-	68,780	2,027,047	2,095,827	65,298	2,129,618	2,194,916	225,650	2,150,700	2,376,350
Isolated working capital	16/2005	RA	12/09/2005	-	1,356	8,379	9,735	2,102	9,201	11,303	6,897	20,838	27,735
Proger export	17/2005	RA	12/09/2005	-	-	46	46	-	48	48	-	656	656
FAT popular entrepreneur	23/2005	RA	12/09/2005	-	1,137	7,929	9,066	1,731	8,203	9,934	2,409	18,828	21,237
<b>FAT – housing</b>	May/07	SD	11/09/2007	-	2,772	55,601	58,373	2,687	62,487	65,174	19,679	171,729	191,408
<b>FAT infrastructure</b>					103,742	676,878	780,620	98,709	695,456	794,165	1,486	864,098	865,584
Economic infrastructure	13/2006	RA	08/08/2008	-	103,742	676,878	780,620	98,709	695,456	794,165	1,486	864,098	865,584
<b>FAT – PNMP</b>					1,194	16,356	17,550	710	17,673	18,383	3,203	11,369	14,572
FAT – microcredit	15/2006	RA	05/10/2007	-	1,194	16,356	17,550	710	17,673	18,383	3,203	11,369	14,572
<b>Special credit lines</b>					<b>7,970</b>	<b>164,933</b>	<b>172,903</b>	<b>8,315</b>	<b>168,711</b>	<b>177,026</b>	<b>82,444</b>	<b>232,790</b>	<b>315,234</b>
<b>FAT – digital inclusion</b>	Dec/05	RA	10/10/2005	01/07/2010	-	-	-	-	-	-	-	-	-
<b>FAT - vila panamericana</b>	Jan/05	SD	12/09/2005	-	-	114,897	114,897	-	113,222	113,222	-	147,062	-
<b>FAT – construction material</b>	Mar/06	RA	02/10/2006	-	-	-	-	2,066	28	2,094	7,720	51,618	59,338
<b>FAT – giro setorial</b>					7,970	50,036	58,006	6,249	55,461	61,710	74,724	34,110	108,834
Micro and small-sized companies	22/2006	RA	03/10/2008	-	4,668	31,630	36,298	3,102	34,937	38,039	53,892	22,333	76,225
Medium and large-sized companies	23/2006	RA	03/10/2008	-	3,302	18,406	21,708	3,147	20,524	23,671	20,832	11,777	32,609
<b>FAT – motorcycle delivery services</b>	01/	RA	03/10/2010	04/13/2010	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>186,951</b>	<b>2,957,169</b>	<b>3,144,120</b>	<b>179,552</b>	<b>3,091,397</b>	<b>3,270,949</b>	<b>341,768</b>	<b>3,471,008</b>	<b>3,812,776</b>

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

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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 table above.

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

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

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

##### a) Funds from notes

Security	Index	2010				December 31	September 30	2009		
		Minimum redemption term						December 31	September 30	December 31
		3 months	12 months	3 years	5 years					
Mortgage Note	IGP-M	-	11,326	-	501,885	513,211	484,405	461,613		
Mortgage Note	INPC	-	-	-	10,705	10,705	10,163	10,072		
Mortgage Note	TR	-	-	-	35,012	35,012	35,847	41,843		
Housing Bond	IGP-M	-	31,343	8,112	7,269	46,724	14,898	42,014		
Housing Bond	INPC	-	-	35,111	-	35,111	34,233	33,043		
Housing Bond	CDI	-	6,068	-	-	6,068	-	-		
Housing Bond	TR	-	2,485,164	6,434,614	-	8,919,778	6,831,502	1,886,856		
Financial Bill	CDI	-	-	1,748,911	-	1,748,911	1,485,729	-		
<b>Total</b>		-	<b>2,533,901</b>	<b>8,226,748</b>	<b>554,871</b>	<b>11,315,520</b>	<b>8,896,777</b>	<b>2,475,441</b>		
<b>Current Liabilities</b>						<b>2,533,901</b>	<b>2,771,822</b>	<b>1,897,033</b>		
<b>Non-current liabilities</b>						<b>8,781,619</b>	<b>6,124,955</b>	<b>578,408</b>		

##### b) Expenses with funds from notes

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Housing Bonds	(174,548)	(135,359)	(309,907)	(439,026)	(82,799)
Mortgage Notes	(29,948)	(23,077)	(53,025)	(104,138)	(46,513)
Financial Bills	(44,782)	(22,229)	(67,011)	(67,011)	-
<b>Total</b>	<b>(249,278)</b>	<b>(180,665)</b>	<b>(429,943)</b>	<b>(610,175)</b>	<b>(129,312)</b>

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#### Note - 18 Borrowings

Foreign borrowings incur interest of up to 3.00% per annum and exchange variation of the currency in which they are denominated, mainly U.S. dollars, with maturity dates up to 2013. The balance at December 31, 2010 amounts to R\$ 89,380 (2009 - R\$ 9,524).

#### Note - 19 Local Onlendings - Official Institutions

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

Description	2010		2009
	December 31	September 30	December 31
FGTS	54,172,590	49,709,600	37,857,482
BNDES	6,002,181	4,368,530	2,467,753
National Treasury - PIS	617,133	543,760	567,701
Other institutions	219,069	220,042	217,044
<b>Total</b>	<b>61,010,973</b>	<b>54,841,932</b>	<b>41,109,980</b>
<b>Current liabilities</b>	<b>636,879</b>	<b>561,779</b>	<b>602,350</b>
<b>Non-current liabilities</b>	<b>60,374,094</b>	<b>54,280,153</b>	<b>40,507,630</b>

#### (a) Expenses with Local Onlendings - Official Institutions

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
FGTS	(1,015,610)	(975,266)	(1,990,876)	(3,514,631)	(2,561,435)
BNDES	(61,321)	(43,667)	(104,988)	(216,221)	(117,685)
National Treasury - PIS	(9,169)	(10,515)	(19,684)	(34,455)	(37,929)
Other institutions	(18,967)	(18,113)	(37,080)	(68,731)	(37,564)
<b>Total</b>	<b>(1,105,067)</b>	<b>(1,047,561)</b>	<b>(2,152,628)</b>	<b>(3,834,038)</b>	<b>(2,754,613)</b>

## Caixa Econômica Federal - CAIXA

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#### Note - 20 Other Liabilities

##### (a) Taxes and social security

Description	2010				2009	
	December 31	%	September 30	%	December 31	%
<b>Taxes and contributions on profits payable</b>	<b>135,103</b>	<b>10.09</b>	<b>119,365</b>	<b>9.36</b>	<b>78,336</b>	<b>6.64</b>
Income tax	8,917	0.67	20,977	1.64	-	-
Social contribution	-	-	8,622	0.68	-	-
COFINS	108,667	8.11	77,287	6.06	67,498	5.72
PASEP	17,519	1.31	12,479	0.98	10,838	0.92
<b>Taxes and contributions payable</b>	<b>387,118</b>	<b>28.90</b>	<b>335,191</b>	<b>26.27</b>	<b>337,394</b>	<b>28.61</b>
On salaries	230,090	17.18	213,481	16.73	204,228	17.32
On services	157,028	11.72	121,710	9.54	133,166	11.29
<b>Deferred taxes and contributions</b>	<b>241,850</b>	<b>18.05</b>	<b>258,711</b>	<b>20.28</b>	<b>273,835</b>	<b>23.22</b>
Income tax (IRPJ) on revaluation reserve – Buildings	125,103	9.40	126,809	9.94	132,853	11.26
Social contribution (CSLL) on revaluation reserve - Buildings	75,062	5.60	76,085	5.96	79,712	6.76
IRPJ on adjustments to market value - Available-for-sale securities	-	-	11,852	0.93	14,918	1.26
CSLL on adjustments to market value - Available-for-sale securities	-	-	7,111	0.56	8,951	0.76
IRPJ on adjustments to market value - Trading securities	-	-	5,107	0.40	4,442	0.38
CSLL on adjustments to market value - Trading securities	-	-	3,064	0.24	2,665	0.23
Futures contracts	14,536	1.09	10	0.00	5,848	0.50
PASEP	27,149	2.03	28,673	2.25	24,446	2.07
<b>Provision for tax risks (Note 32 (a))</b>	<b>575,572</b>	<b>42.96</b>	<b>562,496</b>	<b>44.09</b>	<b>489,897</b>	<b>41.53</b>
INSS	271,304	20.25	266,660	20.90	240,402	20.37
ISS	152,560	11.39	147,921	11.59	109,926	9.32
IRPJ/CSLL	123,774	9.24	121,794	9.55	116,499	9.88
Others	27,934	2.08	26,121	2.05	23,070	1.96
<b>Total</b>	<b>1,339,643</b>	<b>100.00</b>	<b>1,275,763</b>	<b>100.00</b>	<b>1,179,462</b>	<b>100.00</b>
<b>Current Liabilities</b>	<b>1,139,478</b>	<b>85.05</b>	<b>1,072,868</b>	<b>84.10</b>	<b>966,897</b>	<b>81.98</b>
<b>Non-current liabilities</b>	<b>200,165</b>	<b>14.95</b>	<b>202,895</b>	<b>15.90</b>	<b>212,565</b>	<b>18.02</b>

##### (b) Funds with specific purposes

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

Description	2010				2009	
	December 31	%	September 31	%	December 31	%
<b>Lottery operations</b>	<b>920,316</b>	<b>19.02</b>	<b>622,769</b>	<b>15.94</b>	<b>767,888</b>	<b>18.68</b>
<b>Social funds and programs</b>	<b>2,978,609</b>	<b>61.59</b>	<b>2,778,581</b>	<b>71.15</b>	<b>2,392,444</b>	<b>58.21</b>
FGTS	1,886,208	39.00	1,981,365	50.73	1,600,864	38.95
"Minha Casa Minha Vida" (My House, My Life)	423,940	8.77	263,839	6.76	-	-
FIES (Student Financing)	20,125	0.42	17,527	0.45	17,067	0.42
"Bolsa Família" (Family allowance)	183,828	3.80	29,236	0.75	80,268	1.95
Housing Subsidy Program (PSH)	327,761	6.78	347,274	8.89	373,906	9.10
PRONASCI	788	0.02	15,566	0.40	76,143	1.85
PRODEC	19,545	0.40	19,200	0.49	18,300	0.45
Other funds and programs	116,414	2.40	104,574	2.68	225,896	5.50
<b>Financial development funds</b>	<b>937,561</b>	<b>19.39</b>	<b>504,428</b>	<b>12.91</b>	<b>949,679</b>	<b>23.11</b>
PIS	503,049	10.40	393,985	10.09	648,696	15.78
FAT	433,181	8.96	109,117	2.79	299,663	7.29
Others	1,331	0.03	1,326	0.03	1,320	0.03
<b>Total</b>	<b>4,836,486</b>	<b>100.00</b>	<b>3,905,778</b>	<b>100.00</b>	<b>4,110,011</b>	<b>100.00</b>
<b>Current liabilities</b>	<b>4,836,486</b>	<b>100.00</b>	<b>3,905,778</b>	<b>100.00</b>	<b>4,110,011</b>	<b>100.00</b>

#### (c) Sundry

Description	2010				2009	
	December 31	%	September 31	%	December 31	%
Contributions to the SFH	114,414	0.46	113,990	0.49	112,877	0.58
Official agreements	224,861	0.91	230,335	0.99	219,651	1.13
Liabilities for payment services	98,604	0.40	65,353	0.28	72,056	0.37
Accrued expenses (c.1)	7,656,466	30.89	7,844,884	33.70	7,155,701	36.79
Provision for contingent liabilities (c.2)	7,054,598	28.46	6,925,353	29.75	6,310,445	32.45
Funds linked to credit operations	206,797	0.83	275,021	1.18	158,132	0.81
FGTS funds for repayment	88,982	0.36	88,093	0.38	49,931	0.26
Creditors for amounts to be released	2,577,147	10.40	2,691,721	11.56	-	-
Sundry creditors - Abroad	26	0.00	762	0.00	4	0.00
Sundry creditors - Brazil (c.3)	6,764,342	27.29	5,045,404	21.67	5,370,650	27.61
<b>Total</b>	<b>24,786,237</b>	<b>100.00</b>	<b>23,280,916</b>	<b>100.00</b>	<b>19,449,447</b>	<b>100.00</b>
<b>Current liabilities</b>	<b>24,786,237</b>	<b>100.00</b>	<b>23,280,916</b>	<b>100.00</b>	<b>19,449,447</b>	<b>100.00</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (c.1) Accrued expenses

Description	2010		2009
	December 31	September 30	December 31
<b>Personnel expenses</b>	<b>1,403,353</b>	<b>1,700,610</b>	<b>1,295,235</b>
<b>Post-employment benefits - NPC 26 (Note 34(g))</b>	<b>5,840,201</b>	<b>5,749,282</b>	<b>5,534,092</b>
Saúde CAIXA	5,169,596	5,071,304	4,766,048
Meal voucher and food basket	626,970	634,409	725,420
PREVHAB	43,635	43,569	42,624
<b>Other payments</b>	<b>412,912</b>	<b>394,992</b>	<b>326,374</b>
<b>Total</b>	<b>7,656,466</b>	<b>7,844,884</b>	<b>7,155,701</b>

#### (c.2) Provision for contingent liabilities

Description	2010		2009
	December 31	September 30	December 31
<b>Provision for contingencies (Note 32)</b>	<b>7,054,598</b>	<b>6,404,659</b>	<b>6,310,445</b>
Labor	2,687,488	2,874,976	2,426,990
Civil	3,587,568	3,349,769	3,173,779
Other	779,542	700,608	709,676

#### (c.3) Sundry creditors - Brazil

Description	2010		2009
	December 31	September 30	December 31
Credit cards	2,671,756	2,240,329	2,118,344
Accounts payable	665,424	433,152	729,081
Empresa Gestora de Ativos (EMGEA) (ii)	322,648	309,301	308,979
Receivables purchased	416,338	419,822	405,547
Amounts to allocate (Note 10(c.3))	979,143	735,286	930,068
Other sundry creditors	1,709,033	907,514	878,631
<b>Total</b>	<b>6,764,342</b>	<b>5,045,404</b>	<b>5,370,650</b>

#### (i) Funds linked to loans

These refer to credit lines for customers, not used by them, and remunerated by the same charges as those of the respective transactions.

#### (ii) EMGEA - Empresa Gestora de Ativos

These refer to amounts received by CAIXA on behalf of EMGEA.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (d) Subordinated debt eligible for capital

Under the terms of CMN Resolution No. 2837/01, on October 11, 2005 part of the existing loan debt of CAIXA with FGTS was converted into subordinated debt, used in the calculation of the Basel limits. This transaction was approved by BACEN in October 2005 and amounts to R\$ 5,089.202 (2009 – R\$ 4.750.992). 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.

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

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

On October 13, 2009, through MP 470, a new loan agreement between CAIXA and the Federal Government was authorized in an amount of up to R\$ 6,000,000. In the 4th. Quarter of 2009, an amount of R\$ 2,000,400 was released, with R\$ 36,151 corresponding to price-level restatement and interest. 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, monetary restatements and interest on credits granted:

Description	2010		2009
	December 31	September 30	December 31
Provisional Measure - MP 347/2007	5,200,000	5,200,000	5,200,000
Provisional Measure - MP 470/2009	5,999,999	5,999,999	2,000,400
Monetary Restatement and Interest – MP 347/07	1,082,067	1,017,297	766,446
Monetary Restatement and Interest – MP 470/09	734,083	496,019	-
<b>Total</b>	<b>13,016,149</b>	<b>12,713,315</b>	<b>7,966,846</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### Note - 21 Stockholders' Equity

##### (a) Capital social

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

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

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

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

##### (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 15.44% (Note 35 (b)) whereas the minimum required in Brazil is 11%.

##### (c) Revenue and revaluation reserves

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

Description	2010	2009
	December 31	December 31
<b>Revaluation reserves</b>	<b>478,318</b>	<b>509,236</b>
<b>Revenue reserves</b>	<b>2,652,206</b>	<b>918,677</b>
Legal reserve	1,106,898	918,677
Operating margin reserves	1,545,308	-

##### (d) Dividends and interest on own capital

The Federal Government must receive a minimum dividend of 25% on adjusted net income, as provided by Decree No. 2673/98. In the year ended December 31, 2010 dividends were accrued corresponding to 45.12% of adjusted net income in the amount of R\$ 1,698,339 (2009 - R\$ 662,233). The amount accrued for 2010 refers to dividends e interest on own capital, calculated on the stockholders' equity, limited to the daily *pro rata* basis variation of the Long-Term Interest Rate (TJLP), as prescribed by article 9 of Law No. 9249/95, which reduced the income tax and social contribution expenses by, approximately, R\$ 302,562 (2009 - R\$ 251,027). In 2010, R\$ 1,698,339 was paid in advance to the Federal Treasury related to dividends, interest on capital and restatements.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### Note - 22 Corporate Income Tax (IRPJ) and Social Contribution (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% and;
- CSLL credits relating to accumulated losses and temporary differences determined as from 1999, at the rate of 15%;
- PASEP and COFINS credits relating to temporary differences arising from the adjustment to market value of securities.

The tax credits recorded amount to R\$ 10,426,974 (2009 - R\$ 9,403,787) for IRPJ and R\$ 5,492,277 (2009 - R\$ 4,855,822) for CSLL, R\$ 2,234 for PASEP and R\$ 13,747 for COFINS, totaling R\$ 15,935,232 (2009 - R\$ 14,259,609), less a valuation allowance for the realization of these credits of R\$ 4,744,106 (2009 - R\$ 5,222,371), resulting in total tax credits, net of the allowance, of R\$ 11,191,126 (2009 - R\$ 9,037,238).

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\$ 383,502 and R\$ 2,043,430 for credits on temporary differences, of which R\$ 2,031,558 refers to IRPJ and CSLL, and R\$ 11,872 to PASEP and COFINS.

##### Book Value

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2011	67,669	40,602	28,421	2,475,097	2,611,789
2012	122,083	73,250	51,275	2,177,863	2,424,471
2013	155,016	93,009	65,107	2,071,892	2,385,024
2014	108,079	64,848	45,393	367,204	585,524
2015	106,928	64,157	44,910	357,399	573,393
2016 to 2020	774,726	64,361	178,770	1,456,434	2,474,292
TOTAL	1,334,501	400,226	413,876	8,905,890	11,054,493

##### Present Value

Year of realization	Income tax losses	Social contribution losses	Credit at 18% - 1998	Temporary differences	TOTAL
2011	59,549	35,730	25,011	2,178,102	2,298,391
2012	100,877	60,526	42,368	1,799,563	2,003,334
2013	120,271	72,163	50,514	1,607,511	1,850,459
2014	78,885	47,331	33,132	268,016	427,364
2015	73,558	44,135	30,894	245,862	394,448
2016 to 2020	357,303	41,769	109,199	862,277	1,370,548
TOTAL	790,444	301,654	291,118	6,961,331	8,344,546

During the period of 2010, realized tax credits percentage to 51.37% in relation to projections made.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### (b) Origin of the tax credits

Description	2010				2009	
	December 31		September 30		December 31	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Allowance for loan losses	3,286,916	1,833,302	3,034,910	1,678,801	2,595,874	1,373,075
Provision SFH	728,333	437,000	765,583	459,350	812,649	487,590
Provision for contingencies	1,735,786	1,041,471	1,711,340	1,026,804	1,582,881	949,728
Others	946,249	473,538	915,428	458,362	787,043	381,978
Provision for Saúde CAIXA - NPC 26	1,292,399	775,439	1,267,826	760,696	1,191,512	714,907
Adjustment to market value - Result	120,307	72,184	105,658	63,394	146,795	88,077
Adjustment to market value - Equity (Available for Sale)	75,403	45,241				
<b>Subtotal of temporary differences</b>	<b>8,185,393</b>	<b>4,678,175</b>	<b>7,800,745</b>	<b>4,447,407</b>	<b>7,116,754</b>	<b>3,995,355</b>
Tax loss	2,973,570	-	2,973,570	-	2,973,570	-
Cumulative reductions	(731,989)	-	(736,433)	-	(686,537)	-
CSLL loss up to 2,000	-	701,139	-	701,139	-	701,139
Cumulative reductions	-	(300,913)	-	(303,821)	-	(273,639)
Credit at 18% - 1998	-	624,515	-	624,515	-	624,515
Cumulative reductions	-	(210,639)	-	(212,674)	-	(191,548)
<b>Total tax credits</b>	<b>10,426,974</b>	<b>5,492,277</b>	<b>10,037,882</b>	<b>5,256,566</b>	<b>9,403,787</b>	<b>4,855,822</b>

Description	PASEP	COFINS	PASEP	COFINS	PASEP	COFINS
Adjustment to market value - Result	273	1.682	113	695	-	-
Adjustment to market value - Equity (Available for Sale)	1,961	12,065	-	-	-	-
<b>Total tax credits PASEP / COFINS</b>	<b>2,234</b>	<b>13,747</b>	<b>113</b>	<b>695</b>	<b>-</b>	<b>-</b>

#### (c) Changes in tax credits

Description	Gross amount	Provision	Total
<b>At December 31, 2009</b>	<b>14,259,609</b>	<b>(5.222.371)</b>	<b>9,037,238</b>
Amount recorded in the period	2,492,581	-	2,492,581
Reversal of provision	(478,265)	478,265	-
PASEP/COFINS	1,957	-	1,957
Securities Available for Sale	134,670	-	134,670
Realization of tax credit - IRPJ	(45,452)	-	(45,452)
Realization of tax credit - CSLL	(27,274)	-	(27,274)
Tax credits written off - 2002 MP 2.158-35/01	(19,092)	-	(19,092)
Reversal of tax losses carryforward	(383,502)	-	(383,502)
<b>At December 31, 2010</b>	<b>15,935,232</b>	<b>(4,744,106)</b>	<b>11,191,126</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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#### (d) Calculation of IRPJ and CSLL

Description	2010				2009	
	December 31		September 30		December 31	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
<b>Profit before taxation and profit sharing</b>	<b>2,565,853</b>	<b>2,565,853</b>	<b>2,146,860</b>	<b>2,146,860</b>	<b>2,754,626</b>	<b>2,754,626</b>
<b>IRPJ (25%) and CSLL (15%)</b>	<b>(641,463)</b>	<b>(384,878)</b>	<b>(536,715)</b>	<b>(322,029)</b>	<b>(688,657)</b>	<b>(413,194)</b>
Tax effects of additions and exclusions	126,974	76,176	146,526	89,299	267,714	159,134
Interest on own capital	189,101	113,461	141,785	85,071	156,892	94,135
Employee profit sharing	169,315	101,589	72,880	43,728	112,497	67,498
Deferred tax assets - IRPJ and CSLL	45,452	46,365	49,896	51,309	45,122	46,786
Tax incentives	11,416	-	8,405	-	5,689	-
Revaluation reserve	10,377	6,226	8,694	5,216	9,321	5,593
Investment in associated and subsidiary companies	-	-	-	-	-	-
Others	(8,838)	(2,330)	-	-	(1,762)	(375)
<b>Current expense</b>	<b>(97,666)</b>	<b>(43,164)</b>	<b>(108,529)</b>	<b>(47,406)</b>	<b>(93,184)</b>	<b>(40,423)</b>
<b>Deferred expense/Mark-to-market</b>	<b>(381)</b>	<b>(227)</b>	<b>2,605</b>	<b>1,565</b>	<b>7,921</b>	<b>4,752</b>
<b>Total expense</b>	<b>(98,047)</b>	<b>(43,391)</b>	<b>(105,924)</b>	<b>(45,841)</b>	<b>(85,263)</b>	<b>(35,671)</b>

#### Note - 23 Income from Financial Intermediation

Description	2010			2009	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Purchase and sale commitments	943,644	1,025,411	1,969,055	3,889,579	4,359,821
Customer loans and financing	5,535,163	5,223,435	10,758,598	19,573,718	14,305,710
Financial assets available for sale	(35,255)	51,876	16,621	131,488	252,423
Derivative financial instruments	21,530	(98,153)	(76,623)	(119,147)	(400,212)
Financial instruments held for trading	796,099	993,435	1,789,534	3,161,715	3,750,514
Financial assets held to maturity	2,357,407	1,585,994	3,943,401	8,191,555	9,080,770
Compulsory deposits with the Brazilian Central Bank	939,425	885,277	1,824,702	2,942,783	1,329,431
Interest on financial assets (FCVS)	276,028	477,259	753,287	1,578,850	1,737,115
Foreign exchange result	1,059	-	1,059	2,570	-
Other	12,256	8,207	19,847	34,094	139,063
<b>Total</b>	<b>10,847,356</b>	<b>10,152,741</b>	<b>20,999,481</b>	<b>39,387,205</b>	<b>34,554,635</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### Note - 24 Expenses of Financial Intermediation

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Transactions with financial institutions	(29,844)	(5,109)	(34,953)	(36,606)	(1,992)
Other special deposits and deposits of funds and programs	(235,098)	(228,777)	(463,875)	(997,163)	(1,068,441)
Purchase and sale commitments	(1,538,383)	(1,781,810)	(3,320,193)	(6,183,554)	(6,069,452)
Loans, assignments and onlendings	(1,105,066)	(1,047,562)	(2,152,628)	(3,834,039)	(2,754,613)
Operations with customers	(3,392,687)	(3,245,968)	(6,638,655)	(11,884,615)	(9,706,288)
Allowances for loan losses	(1,631,216)	(955,318)	(2,586,534)	(5,093,556)	(3,900,761)
Reversals of allowances for loan losses	453,468	14,662	468,130	1,043,515	579,980
Foreign exchange result		(616)	-	-	(3,863)
<b>Total</b>	<b>(7,478,826)</b>	<b>(7,250,498)</b>	<b>(14,728,708)</b>	<b>(26,986,018)</b>	<b>(22,925,430)</b>

#### Note - 25 Service Fees and Bank Charges

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
Administration of FGTS	642,991	622,493	1,265,484	2,456,397	2,162,238
Administration of FCVS	20,930	20,362	41,292	94,859	87,215
Administration of PIS	13,485	20,855	34,340	52,041	53,396
Administration of lotteries	265,130	225,863	490,993	863,876	724,258
Administration of FIES	35,211	15,591	50,802	98,519	103,813
Payment of salary bonus – Social Integration Program (PIS)	45,939		45,939	47,915	53,670
Unemployment insurance	12,653	13,272	25,925	53,076	55,231
General Federal Government Budget (OGU)	16,503	21,679	38,182	85,760	74,350
Family allowance	62,232	63,220	125,452	247,923	238,099
INSS - Collection and payment fees	15,614	14,067	29,681	56,951	53,434
Management of investment funds	212,434	211,924	424,358	821,145	728,800
Agreement fees	297,429	305,055	602,484	1,199,415	1,092,573
Current account maintenance fees	24,352	23,527	47,879	92,619	104,393
Credit origination fee (TAC)	103,449	101,533	204,982	386,126	344,952
Credit cards	205,325	140,896	346,221	613,956	347,742
Collection of bills	114,220	111,888	226,108	433,142	374,083
EMGEA - Administration of contracts	60,614	57,796	118,410	242,079	269,632
Risk rate - financial agent	62,928	57,969	120,897	221,189	157,277
Associated companies	106,090	86,247	192,337	352,592	286,532
Real Estate Financing	166,888	168,909	335,797	619,240	361,840
Sanitation and Urban Development	26,534	30,679	57,213	110,784	85,003
Other services	42,776	118,933	161,709	341,622	237,886
<b>Subtotal</b>	<b>2,553,727</b>	<b>2,432,758</b>	<b>4,986,485</b>	<b>9,491,226</b>	<b>7,996,417</b>

## Caixa Econômica Federal - CAIXA

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<b>Revenues from bank charges</b>	<b>279,139</b>	<b>256,782</b>	<b>535,921</b>	<b>985,920</b>	<b>769,987</b>
Individuals	239,880	218,966	458,846	833,462	629,565
Legal entities	39,259	37,816	77,075	152,458	140,422
<b>Total service fees and bank charges</b>	<b>2,832,866</b>	<b>2,689,540</b>	<b>5,522,406</b>	<b>10,477,146</b>	<b>8,766,404</b>

#### Note - 26 Personnel Expenses

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Personnel expenses</b>					
<b>Salaries</b>	<b>(1,824,608)</b>	<b>(1,584,841)</b>	<b>(3,409,449)</b>	<b>(6,375,600)</b>	<b>(5,786,956)</b>
Salaries and benefits	(1,699,175)	(1,467,818)	(3,166,993)	(5,920,900)	(5,336,718)
Labor indemnities	(125,433)	(117,023)	(242,456)	(454,700)	(450,238)
<b>Benefits</b>	<b>(314,277)</b>	<b>(272,540)</b>	<b>(586,817)</b>	<b>(1,118,236)</b>	<b>(1,196,078)</b>
<b>Social charges</b>	<b>(630,294)</b>	<b>(576,141)</b>	<b>(1,206,435)</b>	<b>(2,295,123)</b>	<b>(1,998,665)</b>
FGTS	(122,328)	(108,683)	(231,011)	(439,030)	(395,614)
Social security	(365,618)	(340,183)	(705,801)	(1,351,067)	(1,276,665)
Supplementary social security/pensions	(96,410)	(95,288)	(191,698)	(365,499)	(322,023)
Others	(45,938)	(31,987)	(77,925)	(139,527)	(4,363)
<b>Others</b>	<b>(56,994)</b>	<b>(39,672)</b>	<b>(96,666)</b>	<b>(165,319)</b>	<b>(159,702)</b>
<b>Total</b>	<b>(2,826,173)</b>	<b>(2,473,194)</b>	<b>(5,299,367)</b>	<b>(9,954,278)</b>	<b>(9,141,401)</b>

#### Note - 27 Administrative Expenses

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Administrative expenses</b>					
Communication	(138,016)	(105,147)	(243,163)	(427,509)	(443,430)
Maintenance and repair of assets	(195,596)	(157,471)	(353,067)	(632,002)	(482,941)
Water and electricity	(61,637)	(53,571)	(115,208)	(229,560)	(216,132)
Rentals and leases	(147,614)	(151,752)	(299,366)	(618,241)	(623,496)
Materials	(33,923)	(29,110)	(63,033)	(114,738)	(105,583)
Data processing	(267,586)	(216,749)	(484,335)	(878,196)	(814,967)
Promotions and public relations	(32,360)	(32,957)	(65,317)	(131,011)	(129,670)
Advertising and publicity	(90,428)	(88,947)	(179,375)	(347,017)	(284,464)
Financial system services	(63,412)	(62,386)	(125,798)	(242,189)	(210,631)
Third party services	(201,549)	(177,567)	(379,116)	(713,222)	(617,533)
Specialized services	(106,538)	(101,651)	(208,189)	(355,891)	(254,055)
Surveillance and security services	(110,766)	(117,589)	(228,355)	(464,264)	(420,352)
Depreciation and amortization	(181,734)	(167,002)	(348,736)	(680,970)	(605,205)
Other administrative expenses	(68,410)	(53,204)	(121,614)	(240,448)	(226,192)
<b>Total</b>	<b>(1,699,569)</b>	<b>(1,515,103)</b>	<b>(3,214,672)</b>	<b>(6,075,258)</b>	<b>(5,434,651)</b>

## Caixa Econômica Federal - CAIXA

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#### Note - 28 Other Operating Income

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Other operating income</b>					
Commissions and fees on operations	722,688	738,696	1,461,384	2,758,678	1,824,030
Expenses recovered	219,631	207,961	427,592	799,383	600,051
Reversal of other operating provisions	188,535	17,430	205,965	672,218	1,703,020
Revenues from other credits	-	-	-	783	8,837
Credit card revenues	34,159	32,358	66,517	136,392	229,607
Dividend income	314	19,871	20,185	29,295	64,472
Monetary restatement of guarantee deposits	100,885	52,433	153,318	227,913	148,862
Earnings on foreign variable income Securities	-	-	-	-	47,417
Others	536,266	226,805	763,071	878,264	401,098
<b>Total</b>	<b>1,802,478</b>	<b>1,295,554</b>	<b>3,098,032</b>	<b>5,502,926</b>	<b>5,027,394</b>

## Caixa Econômica Federal - CAIXA

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#### Note - 29 Other Operating Expenses

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Other operating expenses</b>					
Expenses with contribution to SFH	(263)	(257)	(520)	(1,022)	(1,059)
Expenses with FCVS receivable - provision/losses	(25,205)	(75,741)	(100,946)	(306,504)	(814,489)
Expenses of obligations with funds and programs	(105,412)	(89,017)	(194,429)	(338,330)	(161,996)
Provision for contingencies	(140,081)	(424,193)	(564,274)	(1,078,096)	(1,249,359)
EMGEA/Federal Government	(8,233)	(8,187)	(16,420)	(32,129)	(58,951)
Expenses with lottery resellers	(79,439)	(21,118)	(100,557)	(190,369)	(192,532)
Expenses with cards	(155,346)	(151,057)	(306,403)	(586,755)	(474,705)
Expenses with automated services	(24,806)	(25,668)	(50,474)	(100,139)	(115,424)
Discounts on loans	(110,197)	(65,993)	(176,190)	(190,968)	(73,535)
Non-banking correspondents	(268,661)	(261,853)	(530,514)	(995,747)	(762,024)
Hybrid instruments of capital and debt - monetary restatement	(482,359)	(188,835)	(671,194)	(1,428,281)	(616,812)
FGTS - Collection/payment	(102,222)	(106,756)	(208,978)	(412,538)	(407,067)
Social benefits	(20,196)	(24,073)	(44,269)	(80,166)	(72,027)
FGTS investment fund	(12,527)	(5,365)	(17,892)	(22,638)	(26,236)
Expenses with goodwill on the purchase of commercial portfolios	-	-	-	-	(9,377)
Expenses with business promotion	(37,257)	(22,717)	(59,974)	(103,014)	(77,666)
Adverse legal judgments	(96,542)	(156,144)	(252,686)	(547,448)	(544,110)
Expenses with receivables managed by third parties	(9,095)	(10,271)	(19,366)	(33,403)	(17,629)
Expenses with financial management of pension funds	(57,604)	(53,115)	(110,719)	(187,919)	(135,878)
Post-employment benefits	(134,427)	(134,427)	(268,854)	(537,708)	(604,859)
Expenses related to restatements and interest paid to seller – real estate financing	(49,380)	(49,051)	(98,431)	(144,362)	(1,868)
Expenses related to monetary restatements, refunds and payments	(183,503)	(24)	(183,527)	(185,874)	(134,666)
Expenses related to the lottery reseller	(21,118)	(21,798)	(42,917)	(70,968)	(21,926)
Expenses related to operating provisions	(414,669)	0	(414,669)	(481,464)	
Other	(143,826)	(157,391)	(301,217)	(536,759)	(436,557)
<b>Total</b>	<b>(2,682,368)</b>	<b>(2,053,052)</b>	<b>(4,735,420)</b>	<b>(8,592,601)</b>	<b>(7,010,752)</b>

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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#### Note - 30 Non-operating Expenses

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
<b>Non-operating income</b>	<b>53,228</b>	<b>99,263</b>	<b>152,491</b>	<b>337,267</b>	<b>324,320</b>
Gains on sale of assets	37,432	45,712	83,144	147,462	116,383
Sale of properties	(18,902)	42,315	23,413	126,056	176,738
Other non-operating income	34,698	11,236	45,934	63,749	31,199
<b>Non-operating expenses</b>	<b>(101,730)</b>	<b>(131,724)</b>	<b>(233,454)</b>	<b>(488,264)</b>	<b>(475,415)</b>
Impairment of other assets	26,543	(34,235)	(7,692)	(97,939)	(147,505)
Indemnity for losses and damages	(18,803)	(16,204)	(35,007)	(62,630)	(79,180)
Loss on properties	(7,741)	(8,939)	(16,680)	(36,523)	(45,051)
Loss on sale of assets	(7,049)	(4,108)	(11,157)	(16,632)	(21,261)
Other non-operating expenses	(94,680)	(68,238)	(162,918)	(274,540)	(182,418)
<b>Total</b>	<b>(48,502)</b>	<b>(32,461)</b>	<b>(80,963)</b>	<b>(150,997)</b>	<b>(151,095)</b>

#### Note - 31 Tax Expenses

Description	2010				2009
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	2 <sup>nd</sup> Six-month period	At December 31	At December 31
COFINS contribution	(281,424)	(231,358)	(512,782)	(974,354)	(841,722)
PIS/PASEP	(45,732)	(37,607)	(83,339)	(158,344)	(136,780)
Services Tax (ISS)	(78,161)	(74,340)	(152,501)	(283,197)	(219,090)
Expenses with IPTU	(1,067)	(1,270)	(2,337)	(37,254)	(33,325)
Other	(1,573)	(5,801)	(7,374)	(17,313)	(16,588)
<b>Total</b>	<b>(407,957)</b>	<b>(350,376)</b>	<b>(758,333)</b>	<b>(1,470,462)</b>	<b>(1,247,505)</b>

#### Note - 32 Contingent Liabilities

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.

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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(a) The provisions for contingencies are as follows:

(i) Changes in the balances of the provisions

Description	2009	2010			
	December 31	September 30	Additions	Reversals/ Reductions	December 31
<b>Tax</b>	<b>489,826</b>	<b>562,496</b>	<b>20,854</b>	<b>(7,778)</b>	<b>575,572</b>
- INSS	240,331	266,660	4,644	-	271,304
- ISS	109,926	148,062	4,640	-	152,702
- Other	139,569	147,774	11,570	(7,778)	151,566
<b>Civil</b>	<b>3,173,779</b>	<b>3,349,769</b>	<b>291,100</b>	<b>(53,301)</b>	<b>3,587,568</b>
<b>Labor</b>	<b>2,426,990</b>	<b>2,874,976</b>	<b>67,612</b>	<b>(255,100)</b>	<b>2,687,488</b>
<b>Other</b>	<b>709,676</b>	<b>700,608</b>	<b>78,935</b>	<b>-</b>	<b>779,543</b>
<b>Total</b>	<b>6,800,271</b>	<b>7,487,849</b>	<b>458,501</b>	<b>(316,179)</b>	<b>7,630,171</b>

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

(ii) Analysis of judicial deposits

Description	2010		2009
	December 31	September 30	December 31
<b>Judicial deposits</b>	<b>8,514,615</b>	<b>4,243,662</b>	<b>3,943,556</b>
Tax	6,515,569	2,369,777	2,218,468
Labor	1,332,171	1,206,275	1,076,239
Civil	666,875	667,610	648,850

(iii) Analysis of the probable loss classification:

Description	2010		2009
	December 31 Amount/Provision	September 30 Amount/Provision	December 31 Amount/Provision
<b>Probable</b>	<b>7,630,171</b>	<b>7,487,849</b>	<b>6,800,271</b>
Losses and damages	1,307,726	1,175,236	1,375,050
Savings accounts	1,488,774	1,514,515	1,197,456
Lotteries	42,917	43,569	82,203
Real estate receivables	213,283	204,678	131,035
Contingencies related to FGTS	534,868	411,771	388,035
Labor	2,687,488	2,874,976	2,426,990
Tax	575,572	562,496	489,826
Others	779,543	700,608	709,676

(iv) Analysis of the possible loss classification

Contingent liabilities involving possible losses not provided for in the accounting records:

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Description	2010		2009
	December 31	September 30	December 31
Labor lawsuits	43,571	42,934	121,361
Tax lawsuits	4,355,918	4,628,598	4,265,640
Civil lawsuits	1,164,729	1,147,683	1,228,114

#### (b) Labor and civil lawsuits

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

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

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

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

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

#### (c) Tax lawsuits

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

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

CAIXA filed an appeal at an administrative level at the Administrative Board of Tax Appeals (CARF), challenging said assessment. The administrative tax proceeding was in process until November 2010 and, during this period, CAIXA had some of its arguments accepted, at a voluntary appeal level (Judgment 202-17402), but the claim made in the appeal to the High Court of Justice was denied. CAIXA was notified of the last resort decision, rendering the issue *res judicata* at an administrative level, and was notified and required to pay the restated amount for the tax assessment, including R\$ 667,691 (principal), R\$ 500,768 (penalty) and R\$ 2,885,050 (interest), totaling R\$ 4,053,509 at December 30, 2010 (2009 - R\$ 3,951,791 – 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 said tax claim.

- (ii) 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\$ 1,455,145 (2009 - R\$ 1,309,300) at December 31, 2010 price levels. The related provision amounts to R\$ 271,304 (2009 - R\$ 240,330) based on the history of favorable outcomes and the legal precedents identified in recent technical and legal studies.

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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- (iii) 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\$ 286,846 (2009 - R\$ 299,086) at December 31, 2010. Based on prior successful outcomes and related jurisprudence, as well as the technical and legal analyses of the matter, a provision was recorded in the amount R\$ 152,560 (2009 - R\$ 109,926).
- (iv) Among other tax lawsuits the most significant is that in which CAIXA is contesting, at the Taxpayers' Council, an assessment of R\$ 123,774 (2009 - R\$ 116,499) relating to CSLL offsets (PERD/COMP) which had not been approved. Based on legal judgments on the matter, legal counsel recommended full provision for the amount.
- (v) CAIXA has 19 actions related to income tax, CPMF, PASEP, social security contributions, ISSQN and ICMS, which, based on the analysis of the legal advisors, were considered likely to involve a possible loss and which amount to R\$ 4,355,918 at December 31, 2010.

#### Note - 33 Related Parties

##### (a) Remuneration of the key management personnel

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

Description	2010		2009
	December 31	September 30	December 31
<b>Short-term benefits</b>			
Salaries	9,277	6,492	8,985
Social charges	1,775	1,200	2,046

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

Description	2010				2009	
	December 31		September 30		December 31	
	Management R\$	Employees R\$	Management R\$	Employees R\$	Management R\$	Employees R\$
Highest	31,628	26,723	31,628	26,485	30,063	24,985
Average	28,750	4,925	28,488	4,538	26,969	4,402
Lowest	28,488	1,600	23,741	1,600	22,573	1,160

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

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### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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

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

Description	2010		2009
	December 31	September 30	December 31
<b>ASSETS</b>			
<b>Investments in interbank deposits</b>	<b>202,059</b>	-	-
Banco Panamericano	202,059	-	-
<b>Income receivable</b>	<b>839,438</b>	<b>754,334</b>	<b>729,366</b>
Caixa Seguros	-	-	86,997
CAIXAPAR	112,842	-	1,854
OGU - General Federal Government Budget	839,998	754,334	640,514
<b>Credits purchased</b>	<b>427,591</b>	<b>396,229</b>	-
Banco Panamericano	427,591	396,229	-
<b>Total</b>	<b>1,469,088</b>	<b>1,150,563</b>	<b>729,366</b>
<b>LIABILITIES</b>			
<b>Demand deposits</b>	<b>242,730</b>	<b>271,547</b>	<b>494,888</b>
STN - Federal Treasury Secretariat	242,183	256,807	482,654
Caixa Seguros	-	12,953	10,778
FUNCEF	471	1,776	1,433
CAIXAPAR	76	11	23
<b>Repurchase operations</b>	<b>801,773</b>	<b>785,003</b>	<b>747,317</b>
CAIXAPAR	801,773	785,003	747,317
<b>Local onlending - official institutions</b>	<b>13</b>	<b>26</b>	<b>581</b>
OGU - General Federal Government Budget	13	26	581
<b>Sundry liabilities</b>	<b>28,666</b>	<b>28,060</b>	<b>26,251</b>
OGU - General Federal Government Budget	28,666	28,060	26,251
<b>Total</b>	<b>1,073,182</b>	<b>1,084,636</b>	<b>1,269,037</b>
<b>INCOME</b>			
<b>Services rendered</b>	<b>437,622</b>	<b>315,264</b>	<b>360,411</b>
Caixa Seguros	349,339	244,315	283,459
OGU - General Federal Government Budget	88,283	70,949	76,952
<b>Investment income</b>	<b>481,273</b>	<b>390,123</b>	<b>325,242</b>
Caixa Seguros	6,143	6,143	317,434
CAIXAPAR	475,130	383,980	7,808
<b>Other operating income</b>	<b>110,879</b>	<b>36,807</b>	<b>108,636</b>
OGU - General Federal Government Budget	110,879	82,535	108,636
<b>Total</b>	<b>1,029,774</b>	<b>742,194</b>	<b>794,289</b>
<b>EXPENSES</b>			
<b>Repurchased operations</b>	<b>70,184</b>	<b>50,089</b>	<b>13,662</b>
CAIXAPAR	70,184	50,089	13,662
<b>Administrative expenses - rentals</b>	<b>38,398</b>	<b>26,141</b>	<b>36,857</b>
FUNCEF	38,398	26,141	36,857
<b>Other operating expenses</b>	<b>3,046</b>	<b>2,226</b>	<b>3,105</b>
OGU - General Federal Government Budget	3,046	2,226	3,105
<b>Total</b>	<b>111,628</b>	<b>78,456</b>	<b>53,624</b>

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

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#### Note - 34 Employee Benefits

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

Designed for employees and retirees linked to FUNCEF, PREVHAB, PMPP Fund and INSS, Saúde CAIXA is a self-management program established by CAIXA, the objective of which is to provide assistance to beneficiaries and their dependents at the following levels: medical, hospital, laboratory, radiology, dental, psychological, physiotherapeutic, speech therapy, occupational therapy, nutritional and social services.

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

#### (a) Private pension plan

##### a.1) REG/REPLAN

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

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

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

##### a.2) REB

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

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

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

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

#### **a.3) Novo Plano**

The benefit plan Novo Plano was approved by the appropriate authorities on June 16, 2006 and started operating on September 1, 2006. This is a Variable Contribution Plan, with a defined contribution during the stage of formation of reserves and defined benefits during the stage of receipt of benefits and in cases of risk, such as disability and death pension.

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

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

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

#### **a.4) PREVHAB's Assisted individuals**

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

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

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

#### ii) Analysis of the actuarial obligation of the plan

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

#### iii) Reconciliation of the balances at fair value

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

All amounts in thousands of reais, unless otherwise indicated

#### iv) Reconciliation of items “i” and “iii” with assets and liabilities recognized

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

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

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

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

#### v) Total expense recognized in the statement of income

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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#### vi) Actuarial assumptions adopted

	REG/REPLAN		REB		PREVHAB		NOVO PLANO	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>a) General considerations about assumptions</b>								
Assumptions have been defined impartially and in a mutually compatible manner, based on market expectations during the development period of each actuarial valuation and respective projections.								
<b>b) Financial</b>								
Interest rate for annual actuarial discount	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.	6.00% p.a.	6.62 p.a.
Projected salary increases – annual average	2.41% p.a.	2.41% p.a.	2.89 % p.a.	2.89% p.a.	-	-	2.89% p.a.	2.89% p.a.
Projected benefit increase – annual average	1.00% p.a.	1.00% p.a.	-	-	-	-	-	-
Projected increases in INSS limits and benefits	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Annual average inflation rate	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.	5.00% p.a.	4.00% p.a.
Expected return on plan assets	11.30% p.a.	13.25% p.a.	11.30% p.a.	14.57% p.a.	-	-	11.30% p.a.	15.11% p.a.
<b>c) Demographic</b>								
Turnover rate	FUNCEF EXPERIENCE		FUNCEF EXPERIENCE		-		FUNCEF EXPERIENCE	
Mortality table/asset survivorship	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	-	-	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F
Mortality table/retiree survivorship	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F	AT 2000 M and AT 2000 F	AT 1983 M and AT 1983 F
Mortality table/disabled survivorship	WINKLEVOSS		WINKLEVOSS		WINKLEVOSS		WINKLEVOSS	
Disability beginning table	HUNTER		HUNTER		HUNTER		HUNTER	
Morbidity table	-		-		-		-	
Retirement age	Maximum data: M [53 years; RGPS] F [48 years; RGPS]		Maximum data: M [55 years; RGPS] F [55 years; RGPS]		-		Maximum data: M [53 years; RGPS] F [48 years; RGPS]	
Family composition for pension costs								
Participants	75% married	95% married	75% married	95% married	-	-	75% married	95% married
Retirees	Individual Record		Individual Record		-		Individual Record	

\* Individual master record information used is dated September 30, 2009, and related records have been adjusted for the December 31, 2009 position.

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#### vii) Disclosure of actuarial results

<b>REG/REPLAN</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	23,073,582	32,659,559	27,479,152	31,330,322
Fair value of plan assets	24,757,323	30,495,721	31,584,152	37,230,243
Plan's technical surplus / (deficit)	1,683,741	(2,163,838)	4,105,000	5,899,921
Resulting experience adjustments at December 31				
Percentage gains / (losses) on plan liabilities	N/A	-24.6%	28.3%	-6.7%
Percentage gains / (losses) on plan assets	N/A	8.3%	-3.6%	7.6%
<b>REB</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	622,651	334,121	358,031	300,051
Fair value of plan assets	738,801	513,041	438,379	301,420
Plan's technical surplus / (deficit)	116,150	178,920	80,348	1,369
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	9.5%	96.5%	-3.1%	26.9%
Percentage gains / (losses) on plan assets	7.5%	-17.9%	-22.7%	-57.1%
<b>PREVHAB</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	41,108	42,680	40,205	36,607
Fair value of plan assets	-	-	42,625	43,635
Plan's technical surplus / (deficit)	(41,108)	(42,680)	2,420	7,028
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	0.0%	10.5%	12.4%
Percentage gains / (losses) on plan assets	N/A	N/A	-4.2%	-3.3%
<b>NOVO PLANO</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	33,192	106,519	154,508	283,896
Fair value of plan assets	30,479	106,840	132,388	230,424
Plan's technical surplus / (deficit)	(2,713)	321	(22,120)	(53,472)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	53.9%	-50.2%	-8.3%	-38.7
Percentage gains / (losses) on plan assets	60.9%	50.0%	0.1%	36.9

## Caixa Econômica Federal - CAIXA

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#### viii) Expense / income and payments expected for next year

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

#### ix) Annual return on assets

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

#### (b) Meal vouchers and food basket

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

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

#### (c) Savings Account Benefit

CAIXA, as sponsor and administrator of the Plans, as well as participants, are intervening parties in the Savings Account Benefit and contribute R\$ 2.16 (two reais and sixteen cents) annually in January.

The benefit is paid to the participant's beneficiaries upon the natural death of the participant, provided that the dependence condition is evidenced, totaling R\$ 792.65 (seven hundred and ninety-two reais and sixty-five cents). In the event of accidental death of the participant, the benefit to be paid to beneficiaries will be R\$ 1,560.60 (one thousand, five hundred and sixty reais and sixty cents), provided that the documents evidencing entitlement are presented.

## **Caixa Econômica Federal - CAIXA**

### **Notes to the Consolidated Financial Statements at December 31, 2010 and 2009**

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#### **(d) Healthcare plans - Saúde CAIXA and PAMS**

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

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

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

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

The amount of the actuarial provision obtained through the calculation at present value of all the flows of welfare expenses relating to current and future retirees and beneficiaries is R\$ 45,169,596 (2009 - R\$ 4,766,048), the expense for the six-month period ended December 31, 2010 was R\$ 559,957 (2009 - R\$ 672,473).

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

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

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

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

#### 2) Analysis of the actuarial obligation of the plan

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

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### 3) Reconciliation of the balances at fair value

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

### 4) Reconciliation of items “i” and “iii” with assets and liabilities recognized

	MEAL VOUCHER AND FOOD BASKET		SAVINGS ACCOUNT BENEFIT		SAÚDE CAIXA	
	2010	2009	2010	2009	2010	2009
Present value of the actuarial obligation without coverage / (in excess)	651,502	744,355	3,639	6,201	4,387,211	4,259,459
Unrecognized actuarial (gains)/losses	9,484	(16,956)	(2,802)	(6,113)	777,857	509,102
<b>Net actuarial liability/(asset) recognized at the end of the year</b>	<b>660,986</b>	<b>727,399</b>	<b>837</b>	<b>88</b>	<b>5,166,068</b>	<b>4,768,561</b>

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#### 5) Changes in net liabilities (assets)

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

#### 6) Total expense recognized in the statement of income

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

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

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

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#### 7) Annual return on assets

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

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### 8) Actuarial assumptions adopted

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

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

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

\* Individual master record information used is dated September 30, 2009, and related records have been adjusted for the December 31, 2009 position.

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#### 9) Disclosure of actual results

<b>MEAL VOUCHER AND FOOD BASKET</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	688,194	642,158	744,355	651,502
Plan's technical surplus / (deficit)	(688,194)	(642,158)	(744,355)	(651,502)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	10.9%	-11.8%	4.1%
Percentage gains / (losses) on plan assets	N/A	N/A	N/A	N/A
<b>SAVINGS ACCOUNT BENEFIT</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	8,305	11,327	12,026	9,888
Fair value of plan assets	5,151	5,494	5,825	6,249
Plan's technical surplus / (deficit)	(3,153)	(5,833)	(6,201)	(3,639)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	-18.3%	4.9%	35.5%
Percentage gains / (losses) on plan assets	N/A	-14.3%	-9.1%	-7.5%
<b>SAÚDE CAIXA</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Amounts related to:				
Present value of the plan's actuarial obligation	4,056,275	4,497,016	4,259,459	4,387,210
Plan's technical surplus / (deficit)	(4,056,275)	(4,497,016)	(4,259,459)	(4,387,210)
Resulting experience adjustments at December 31				-
Percentage gains / (losses) on plan liabilities	N/A	-5.8%	18.1%	6.3%
Percentage gains / (losses) on plan assets	N/A	N/A	N/A	N/A

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#### 10) Expense / income and payments expected for next year

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

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#### (e) Recognition of actuarial gains and losses

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

i.2) Saúde Caixa: the actuarial losses relating to this liability which exceed the limit stated in Note 2, item 2.4.13, will be recognized over the average remaining time of service of the participants.

#### (f) Employee profit sharing

The amount of R\$ 677,260 (2009 - R\$ 449,990) was recognized for payment of the Employee profit sharing (PLR).

### Note - 35 Corporate Risk Management

CAIXA adopts the best local and international practices for managing its credit, market, liquidity and operational 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 Institution's solvency, liquidity and profitability.

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

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

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

#### (a) Basel II

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

The Project aims to ensure the improvement, development, implementation and certification of the basic/standard and internal/advanced models of market risk, credit risk and operational 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 candidature to use the internal model of market risk, and continues to develop its practices, processes, models and systems to ensure that

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the Institution is capable of adopting the internal models in the other categories of risks, in conformity with the schedule of implementation defined by the Brazilian 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 in an essential pillar for sustainability, business responsibility and the fulfillment of its strategic mission.

#### (b) Regulatory Capital Requirements

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

	2010		2009
	December 31	September 30	December 31
<b>PR - REFERENCE EQUITY (TIER I + TIER II - DEDUCTIONS)</b>	<b>32,569,539</b>	<b>33,078,818</b>	<b>26,245,187</b>
<b>TIER I</b>	<b>16,922,987</b>	<b>17,676,107</b>	<b>14,970,201</b>
Stockholders' equity	15,436,950	16,350,939	13,143,767
Hybrid capital and debt instrument eligible to comprise PR tier 1	2,207,346	2,305,579	1,952,635
Revaluation reserves	(478,318)	(484,131)	(509,236)
Tax credits excluded from PR Tier 1	(178,770)	(423,859)	(89,609)
Deferred charges	(59,060)	(66,230)	(97,230)
Adjustment to market value	(5,161)	(6,191)	(1,780)
Provision in addition to the minimum required by Res.2682/1999	-	-	571,654
Excess tax credits in relation to PR Tier I	-	-	-
<b>TIER II</b>	<b>15,647,401</b>	<b>15,401,465</b>	<b>11,276,219</b>
Revaluation reserves	478,318	484,131	509,236
Hybrid capital and debt instruments	10,074,721	9,911,717	6,014,211
Subordinated debt instruments	5,089,201	4,999,426	4,750,992
Adjustment to market value	5,161	6,191	1,780
Excess Tier II Capital in relation to Tier I	-	-	-
<b>DEDUCTIONS FROM PR</b>	<b>(849)</b>	<b>(1,246)</b>	<b>(1,233)</b>
Investment in foreign financial institution	(849)	(1,246)	(1,233)
<b>REQUIRED REFERENCE EQUITY (PRE)</b>	<b>23,203,522</b>	<b>21,356,480</b>	<b>16,502,933</b>
Credit risk	21,546,092	19,689,753	15,227,231
Market risk	36,847	46,144	89,127
Operating risk	1,620,583	1,620,583	1,186,575
<b>CAPITAL MARGIN (PR - PRE)</b>	<b>9,366,017</b>	<b>11,719,847</b>	<b>9,742,254</b>
<b>BASEL RATIO (PR x 100) / (PRE / 0.11)</b>	<b>15.44</b>	<b>17.04</b>	<b>17.49</b>

#### (c) Credit Risk

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

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As part of the constant improvement of the process of Credit Risk Management, the Executive Committee and Board of Directors approve the reviews of its policies, strategies and limits of exposure on an annual basis.

Credit risk management consists of the identification, measurement, evaluation, monitoring, mitigation and reporting of exposures to this risk category through internal and standardized models, in addition to a structured process of reporting to customer manager and service, and the senior management of the Institution.

To mitigate risk, all credit exposures of CAIXA are assessed through models based on consistent and verifiable criteria, which allows measuring and classifying the risks involved in each operation. For new customers, credit scoring models or a specialized analysis are used, depending on the characteristics of the borrower and the loan. In the case of customers that have loan agreements with CAIXA, are used behavioral scoring models applied to retail exposures and reassessment of credit ratings for other exposures.

The exposures to credit risk are monitored through the indicators of delays in payments, realized, expected and unexpected losses, provisions and capital requirements, which allows a broad view of the profile of risk, by borrower, portfolio segment, geographic region and activity sector, among others, and the adoption of risk mitigation measures, when necessary.

Among the activities carried out by the portfolio credit risk management area are the refining of the models of monitoring portfolio risk with adherence and stress testing, active participation in the assessment of risks mainly in the creation and repositioning of products e no monitoring of the provision in relation to the expected.

Policies, strategies, practices, processes, models and systems implemented undergo periodical reviews, with a view to having the Institution complying with the best practices of the market and with 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 models validation, and their predictive ability is permanently monitored.

#### **(d) 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 of goods (commodities).

The CAIXA has a structure of market risk management compatible with the nature complexity of its financial instruments, products and operations, and dimension of its exposure to such risk.

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

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

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Prior identification of risks inherent to new financial instruments, products and transactions, analysis of the appropriateness of procedures and controls adopted by CAIXA, monitoring of exposure limits and market risk concentration, for both transactions included in the trading portfolio and other positions, including all significant sources of market risk, and timely reporting to decision levels aiming at reducing the volatility of the Institution's results, maintaining its alignment to market best practices and complying with legal requirements.

#### Market Risk Measurement

Market risk measurement begins with marketable securities being accounted for by the mark-to-market method, that is, with the calculation of the trading prices of these instruments in the secondary market. For the mark-to-market valuation to be performed all positions maintained by the Institution have to be identified, its cash flows calculated and discounted by the market interest rates for each instruments, which results in its price.

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.

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

#### Value at Risk - VaR

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

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

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

The quality of this model is monitored daily based on the execution of a compliance test program using two methodologies that 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 within the VaR calculated for 95%, 97.5% and 99% levels.

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

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

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#### **Stress Testing**

CAIXA has established a stress testing program, in which it adopts historical and prospective scenario approaches to reproduce historical periods and simulate adverse conditions based on portfolio characteristics and the macroeconomic environment, respectively.

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

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

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

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

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

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

#### **Trading portfolio**

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

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

Value at Risk – Normal Scenario (1)			
Risk Factors	2010		2009
	December 31	September 30	December 31
FIXED RATE	8.2	1.7	16.7
IGP coupon	0.0	0.2	0.2
IPCA coupon	0.3	0.9	1.2
SELIC coupon	-	-	-
TR coupon	-	-	-
CDI	-	-	-
VaR without ED(2)	8.5	2.8	18.2
VaR with ED(2)	8.3	1.6	13.7

(1) The VaR amounts of 12/31/2009 were recalculated due to alterations in the parameters of the model.  
(2) Diversification effect

### Operations not classified in the trading portfolio

To manage operations not classified in the trading portfolio, so as to ensure that the Reference Equity (PR) is sufficient to face market risks undertaken by the Institution, the risk management area measures and values interest rate risk in operations not classified in the trading portfolio, taking into consideration the nature of the operations, complexity of products and the level of risk exposure.

CAIXA's operations not classified in the trading portfolio include:

- Marketable securities classified as held to maturity, according to applicable legislation.
- Funding transactions – commercial, housing, sanitation and infrastructure portfolios.
- Investment transactions – borrowings and deposits with or without defined maturity.

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

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

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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 for the period		
	12/31/2010	09/30/2010	12/31/2009	12/31/2010	09/30/2010	12/31/2009	12/31/2010	09/30/2010	12/31/2009
<b>ASSETS</b>									
<b>Investments in interbank deposits</b>	<b>201,687</b>	-	92,335	<b>201,687</b>	-	<b>92,352</b>	-	-	<b>(17)</b>
<b>Investments in purchase and sale commitments</b>	<b>12,005,555</b>	<b>35,498,502</b>	<b>29,336,351</b>	<b>12,004,677</b>	<b>35,500,622</b>	<b>29,335,106</b>	<b>(879)</b>	<b>2,120</b>	<b>(1,245)</b>
<b>Securities and financial instruments</b>	<b>108,575,272</b>	<b>108,167,082</b>	<b>118,449,828</b>	<b>110,753,609</b>	<b>109,427,276</b>	<b>118,483,102</b>	<b>2,178,337</b>	<b>1,260,194</b>	<b>33,273</b>
Trading securities	37,531,591	36,534,892	46,451,351	37,531,590	36,534,892	46,451,352	-	-	-
Securities available for sale	1,582,856	2,020,495	1,471,071	1,582,856	2,020,495	1,471,071	-	-	-
Securities held to maturity	69,460,825	69,611,695	70,527,406	71,639,163	70,871,889	70,560,679	2,178,337	1,260,195	33,273
<b>Loan operations, leasing operations and other receivables</b>	<b>178,515,247</b>	<b>165,076,049</b>	<b>126,540,315</b>	<b>181,043,006</b>	<b>167,655,959</b>	<b>124,622,876</b>	<b>2,527,759</b>	<b>2,579,910</b>	<b>(1,917,438)</b>
Commercial	56,012,517	54,428,836	45,592,947	66,218,999	63,483,489	49,083,624	10,206,483	9,054,653	3,490,677
Housing	108,330,025	97,911,303	70,520,637	104,713,947	94,854,496	67,886,681	(3,616,078)	(3,056,807)	(2,633,956)
Infrastructure/Development	11,441,134	10,440,330	8,273,198	6,822,855	6,370,926	5,262,887	(4,618,279)	(4,069,404)	(3,010,311)
Other receivables	2,731,571	2,295,580	2,153,533	3,287,205	2,947,048	2,389,684	555,633	651,468	236,152

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Description	Reference Value			Market Value			Amounts payable or receivable for the period		
	12/31/2010	09/30/2010	12/31/2009	12/31/2010	09/30/2010	12/31/2009	12/31/2010	09/30/2010	12/31/2009
<b>LIABILITIES</b>									
<b>Funds obtained</b>	<b>41,745,298</b>	<b>36,686,146</b>	<b>25,420,836</b>	<b>43,729,138</b>	<b>38,263,398</b>	<b>25,471,942</b>	<b>1,983,840</b>	<b>1,577,253</b>	<b>51,106</b>
CDB/RDB	30,429,778	27,789,369	22,945,395	32,060,008	29,152,662	22,783,386	1,630,231	1,363,294	(162,009)
LCI LH	11,315,520	8,896,777	2,475,441	11,669,130	9,110,736	2,688,556	353,609	213,959	213,115
<b>Funds obtained through purchase and sale commitments</b>	<b>46,012,658</b>	<b>68,189,976</b>	<b>65,036,181</b>	<b>48,195,231</b>	<b>70,021,654</b>	<b>66,285,435</b>	<b>2,182,572</b>	<b>1,831,678</b>	<b>1,249,255</b>
<b>Borrowings and onlendings and others</b>	<b>57,688,261</b>	<b>53,185,963</b>	<b>41,447,763</b>	<b>48,808,157</b>	<b>45,363,740</b>	<b>36,798,231</b>	<b>(8,880,104)</b>	<b>(7,822,224)</b>	<b>(4,649,532)</b>
Overseas	89,381	25,018	9,523	88,571	23,443	9,519	(810)	(1,577)	(5)
Treasury	29,718	29,078	27,308	29,946	26,772	26,776	228	(2,305)	(532)
Employee Severance Indemnity Fund (FGTS)	54,172,590	49,709,600	37,857,482	45,387,573	42,102,733	33,585,747	(8,785,017)	(7,606,867)	(4,271,735)
BNDES	1,206,342	1,125,972	856,050	1,348,325	1,152,143	819,768	141,983	26,171	(36,282)
Non-remunerated deposits	2,190,230	2,296,295	2,697,400	1,953,742	2,058,649	2,356,421	(236,488)	(237,646)	(340,978)
<b>Hybrid capital and debt instrument</b>	<b>13,016,149</b>	<b>12,713,315</b>	<b>7,966,846</b>	<b>14,491,312</b>	<b>13,324,495</b>	<b>7,705,626</b>	<b>1,475,162</b>	<b>611,180</b>	<b>(261,220)</b>

## **Caixa Econômica Federal - CAIXA**

### **Notes to the Consolidated Financial Statements**

**at December 31, 2010 and 2009**

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

Trading prices of financial instruments of marketable securities are calculated through the construction of discounted cash flows at the market interest rates of each instrument determined in accordance with the information level available:

- Tier 1: Prices quoted (not adjusted) in assets markets for identical assets and liabilities. This level includes securities of listed companies and debt instruments traded on the stock or merchandise and futures exchange, for example.
- Tier 2: Observable data, other than that in tier 1, which are observable for assets and liabilities, whether directly (e.g., prices) or indirectly (e.g., price-derived). This tier includes federal government securities appearing in the list published by ANBIMA, substantially over-the-counter derivatives and issuance of structured debt.
- Tier 3: Data to measure assets or liabilities that is not based on observable market information (non-observable data). At this tier, equity and debt instruments consist mainly of non-observable data, and the determination of rates is based on a statistical model considering information on similar assets.

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

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

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

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

In compliance with CVM Instruction No. 475, of December 17, 2008, sensitivity analyses for each type of market risk deemed significant by senior management, to which CAIXA was exposed on September 30, 2010, included all the 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 closing date.

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

The results are summarized in the following table:

Sensitivity analysis of the significant positions – CVM Instruction No. 475				
Financial Instruments – December 31, 2010 – R\$				
Description	Risk	Probable scenario	Variation of 25%	Variation of 50%
Fixed rate	Increase in interest rate	(72,752,410)	(1,721,962,179)	(3,263,598,599)
Price index	Increase in price index coupons	(38,145,411)	(924,912,135)	(1,792,856,444)
TR/TBF/TJLP	Increase in TR coupon	(277,608,490)	(6,295,731,152)	(11,478,449,355)
Exchange variation	Decrease in exchange rates	(2,601)	(65,819)	(133,334)

#### (e) Liquidity risk

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

With a view to maintaining exposure to liquidity risk at acceptable levels, the Risk Committee has established rules for liquidity risk management, addressing aspects such as practices, processes, procedures, models and reporting.

CAIXA has developed and implemented proprietary models for cash flow projections of transactions classified in trading and non-trading portfolios, and to measure the daily trading potential of securities comprising its marketable securities portfolio under normal and stressing conditions.

Exposure to liquidity risk is communicated by means of reports on the measurement, monitoring and control of this risk to the Vice Presidents of Control and Risk and Finance (daily reports), Risk Committee and Steering Committee (monthly reports) and the Board of Directors (bi-annual reports).

Also, a Liquidity Contingency Plan was established with a view to identifying in advance and increase CAIXA's ability to face internal or external liquidity crises, minimizing their potential effects on the Institution's business, capacity to generate results and reputation.

## Caixa Econômica Federal - CAIXA

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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 any crisis.

#### (f) 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.

That definition includes the legal risk related to inadequate or deficient agreements entered by the Institution, as well as the sanctions due to non-compliance with legal provisions and indemnities for damages to third parties as a result of the Institution's activities.

The structure of operational risk management implemented in CAIXA is compatible with the nature and complexity of the Institution's products, services, activities, processes and systems, and is aligned with the principles, values and internal management guidelines of this risk category. Its operation ensures the creation of a proper management environment, the establishment of an effective risk management process and the existence of a structured process for disclosing information to the internal public and to the market, as well as compliance with CMN Resolution No. 3380 of 6/26/06.

Operating risk management activity is performed by a specific unit, segregated from the business and internal audit areas, which preserves independence in the management of this risk.

The operational risk management structure is able to identify, evaluate, monitor, control and mitigate the operational risks to which the Institution is exposed, and also identify and monitor the operational risk arising from outsourced services that is significant for the normal operations of CAIXA.

#### Identification

The process for identification of operational risks involves process mapping methodologies and self-assessment (CRSA - *Control & Risk Self Assessment*), permeates the whole Institution and products, services, activities and channels that exist or that will be launched (in such a case identification is made in advance). It considers the internal and external factors that can adversely affect CAIXA's financial results.

Operating risk mapping involves the units of the head office of CAIXA; self-assessment includes all Company's units and is performed on a corporate system level, which captures information provided by managers/administrators about the possibility of incidents of operational risks, as well as the level of criticality and controls adopted to mitigate such risks.

#### Assessment

The operational risk assessment is divided into qualitative and quantitative assessment. The first involves the actions related to mapping and self assessment described in the identification process. The mapping process permits operational risks identified in the areas to be assessed, taking into consideration aspects of significance, necessity of mitigation actions and trends. A matrix is used, which aggregates information related to gravity, urgency and trends. Self-assessment also allows estimating the amounts involved in the potential incidents and contributes for disclosing the concepts inherent to the management of operational risks.

The quantitative assessment establishes metrics to analyze the history of losses, project them for future

## Caixa Econômica Federal - CAIXA

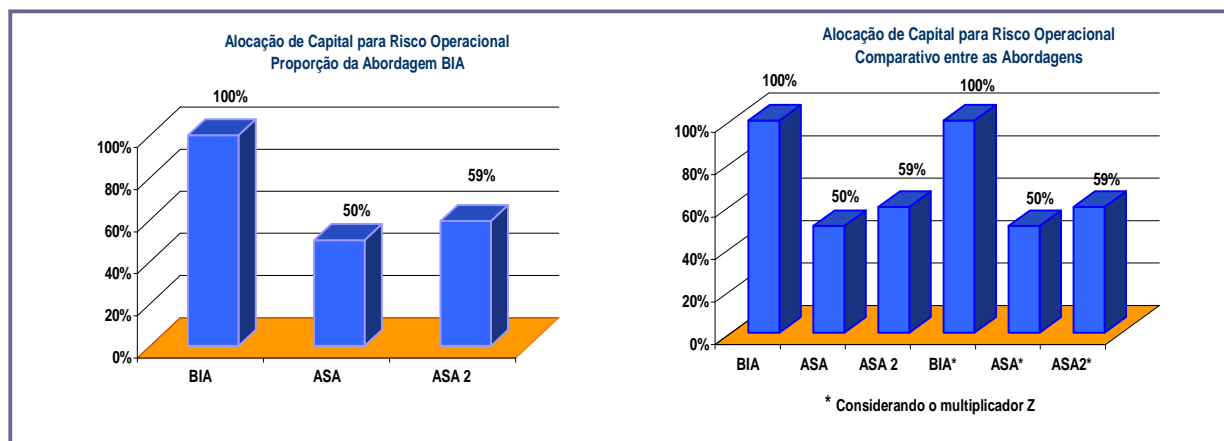
### Notes to the Consolidated Financial Statements at December 31, 2010 and 2009

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periods analyzing future impacts of financial losses, and calculate the allocation of capital. Projections are made based on the LDA – *Loss Distribution Approach* methodology.

### Calculation of Allocation of Capital

The Alternative Standardized Approach (ASA) is the current calculation methodology adopted by CAIXA; a tool was developed to perform integrated calculation based on the three methods established in Circular 3383/2008: (1) the Basic Indicator Approach (BIA); (2) the Alternative Standardized Approach (ASA) and (3) the Simplified Standardized Approach (SSA). The results of calculations performed based on the three methods are compared below:



### Internal Models

Advanced approaches of capital measurement to operational risk require the improvement of practices, processes, procedures and models to manage this risk, with the main objective of improving management and reducing losses caused by operational risk.

The internal method involves a larger number of variables, more efficiency and sophistication in the management of the operational risk, which, generally results in the decrease in regulatory capital in relation to the standardized methods, recognizing the development of the matter. It requires, at least, the integration of four elements: Internal and external database, factors related to business environment and internal controls and analysis of scenarios.

## Caixa Econômica Federal - CAIXA

### Notes to the Consolidated Financial Statements

at December 31, 2010 and 2009

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#### Monitoring, Operating Control and Mitigation

The monitoring, mitigation and operating control actions give continuity to the cycle of management that started with the identification, aim at mitigating losses and exposure to the operational risk, contributing to the robustness and sustainability of CAIXA's businesses.

The losses arising from operational risk events are monitored and reported to managers responsible for the process that resulted in the loss and the levels involved in risk management with a view to directing the implementation of about mitigating actions. Also, information on indicators of the exposure of the Institution to the occurrences of operational risk events, such as employees' turnover rate and availability of critical systems, is monitored systematically

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 corrective measures recommended.

#### Business Continuity Management

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

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

#### Transparency and Disclosure

Transparency and disclosure of information on the operational 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.

#### Nota - 36 Subsequent Events

##### Banco Panamericano

According to the significant event notice disclosed by Banco Panamericano on January 31, 2011, Silvio Santos Participações S.A. ("SSP") and BF Utilidades Domésticas Ltda. ("BF" and, together with "SSP", the "Sellers") entered into a share purchase agreement and other covenants with Banco BTG Pactual S.A. ("BTG Pactual"), whereby BTG Pactual agreed to acquire all of the shares owned by the Sellers, corresponding to 67,259,328 registered book-entry common shares and 24,712,286 registered book-entry preferred shares without par value, issued by Banco Panamericano for R\$ 450,000 (four hundred and fifty million reais) adjusted, from the date of completion of the business to the date of the effective payment, based on 110% of the Interbank Deposits (DI) 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).

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CAIXA confirms its commitment to maintain a strategic partnership with Banco Panamericano through an Operating Cooperation Agreement, whereby CAIXA and BTG Pactual will acquire credit rights to be invested in the Bank's interbank deposits.

In this regard, CAIXAPAR, wholly-owned subsidiary of CAIXA, maintains unaltered the investment percentages held in the entity, and will not sell its investment at the public offering to be held by BTG Pactual.

On the same date BTG Pactual and CAIXAPAR entered into a stockholders' agreement related to Banco Panamericano, by replacing the Sellers with BTG Pactual, which substantially maintains the same conditions of the agreement in force.

#### Nota - 37 Other Information

##### (a) Management of social entities

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

Entity	2010		2009
	December 31	September 30	December 31
PIS	27,542,968	27,318,216	26,100,285
FGTS	35,865,937	33,881,590	30,494,293
FAR	5,285,651	4,601,509	4,625,608
FDS	1,323,199	1,223,539	1,110,837
FAS	30,374	29,533	31,439
FGS	49,502	35,640	179,136
FIEL	-	48,447	46,025
FGHAB	131,584	114,096	94,406
FCA	5,501	3,560	538
FGCN	1,206,234	1,175,361	-
<b>Total</b>	<b>71,440,951</b>	<b>68,431,491</b>	<b>62,682,567</b>
FCVS (i)	(89,873,424)	(87,385,595)	(84,520,824)

\* position in November/2010

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

##### (b) Guarantees provided to third parties

These amount to R\$ 69,954 (2009 - R\$ 66,813) and refer to properties and securities pledged as guarantees provided to third parties, relating to litigation against CAIXA.

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#### (c) FGTS

The credit risk of operations contracted as from June 1, 2001 lies with CAIXA in its capacity of Operating Agent, whereas the Federal Government assumes the risk of loans made up to that date, as established in article 9 of Law No. 8036/1990, of May 11, 1990, amended by article 12 of Provisional Measure No. 2196-3/2001, of August 24, 2001. The result of the evaluation of this credit risk is recorded by CAIXA as a provision in the "Sundry liabilities" account, in the amount of R\$ 32,129 (2009 - R\$ 33,614).

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\$ 95,615 (2009 - R\$ 72,977).

#### (d) FIES

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

The result of the evaluation of this credit risk is recognized as a provision in CAIXA in the account "Sundry Liabilities" in the amount of R\$ 159,608 (2009 - R\$ 149,537).



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Maria Fernanda Ramos Coelho  
President

Carlos Antonio de Brito  
Vice President

Carlos Augusto Borges  
Vice President

Clarice Coppetti  
Vice President

Édilo Ricardo Valadares  
Vice President

Fábio Lenza  
Vice President

Jorge Fontes Hereda  
Vice President

Márcio Percival Alves Pinto  
Vice President

Marcos Roberto Vasconcelos  
Vice President

Sérgio Pinheiro Rodrigues  
Vice President

Luiz Antonio de Castro  
National Superintendent  
Contador CRC 5290/0-0 – DF

