

MANAGEMENT REPORT

This report is based on Caixa's Consolidated Accounting Statements on December 31, 2013. However, the amounts and their forms of presentation are the result of managerial adjustments, and there may be differences with the accounting publications due to possible reallocations or agglomerations of items, which aim to provide a better understanding or view of changes in assets, liabilities and incomes, or to preserve data comparability between the periods.

As of June 30, 2010, the information presented is consolidated and includes statements from both Caixa Financial Institution and CAIXAPAR company, wholly Caixa-owned subsidiary.

The amounts indicated as totals in certain tables may not be the arithmetic sum of the figures preceding them due to rounding adjustments.

The figures for year 2012, presented for comparative purposes, were adjusted due to the change of the accounting criteria of employee benefits, as described by CPC 33 (R1) - Employee Benefits.

Moreover, Caixa received in November 2013, letter issued by Central Bank of Brazil, with specific guidance for accounting change regarding deposits with cadastral unconformity, implying the occurrence of change in accounting policy adopted by the Institution concerning the treatment given to these deposits.

Previously, Caixa classified deposits with registration irregularities as contingent liabilities due to the remote possibility of future disbursements tied to deposits, thus, the balance of these deposits were appropriated in result in contrast to the low liability. However, with the orientation of the regulator, the deposits in question came to be recorded in liabilities.

All indexes and variations shown were calculated based on whole numbers, there may be divergence when the calculation is made on the rounded values.



Hereafter, we present the results achieved and actions taken by Caixa in 2013, according to the accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

Management Report – 2013

INTRODUCTION

In 2013, Caixa was responsible for managing more than R\$ 1.5 trillion of assets, of which R\$ 858.3 billion are Caixa's assets, consolidating as the fourth largest Brazilian bank in assets. During the year, the Institution worked in credit supply, seeking to prospect new business and offer differentiated products to their customers, still worrying about the maintenance of the best rates in the market. With net profit of R\$ 6.7 billion for the year, 19.2% more than recorded in 2012, and return on average equity of 26.2%, Caixa proved the success of this strategy and return on equity invested.

The amplified loan portfolio amounted R\$ 494.2 billion of balance in 2013, an increase of 36.8% in 12 months, highlighting housing credit that evolved 31.4%, reaching a balance of R\$ 270.4 billion, representing 68.5% of the market and demonstrates that the Institution continues to have the preference of the population in home purchases.

In addition, the Institution has reached the mark of R \$ 209.6 billion in savings balance, 18.9% higher than in 2012, keeping 35.0% of market share. Net inflows of savings reached about R\$ 23.0 billion, increment of 47.6% in the same comparison .

Caixa was still responsible for paying 181.2 million in social benefits, in addition to distributing 169.0 million of benefits to employee, including Social Security, Unemployment Insurance, Salary Allowance and Social Integration Program and the collection of R\$ 11.4 billion on lotteries, of which 5.2 billion returned to society through taxes and transfers. It is also the most present bank in Brazil, reaching the majority of municipalities with 67.5 thousand service points, including own units, lottery and shared network, 1 riverboat branch and 18 truck-based units.

This report will show Caixa's results in 2013, which endorse its role of financial institution and public policies agent, and justify the recognition by society as one of the institutions that contribute most to the country's growth.

CUSTOMERS AND SERVICE CHANNELS



Branch number 4,000 - Poeta Zininho in
Florianopolis

71.7
MILLION
of clients
+ 6.4
MILLION
in 2013

In 2013, Caixa opened its branch number 4,000, an important milestone for the Institution that has opened more than 1,000 branches since the launch in 2012 of the expansion of the service network. The goal is to open 2,500 branches up to 2015 and aims to increase its capillarity and to reach new markets and customers, as well as promoting banking inclusion.

To enable this expansion Caixa invested in 2013, R\$ 3.5 billion in this project, of which R\$ 778 million were invested in the opening of new branches and banking service points and R\$ 2.7 billion invested in business support infrastructure, besides R\$ 74 million in security.

With this openings, the Institution reached a network with more than 67.5 thousand of service points. There are 4.0 thousand of branches and banking service points, 34.1 thousand correspondent Caixa Aqui and lottery outlets, 29.4 thousand ATMs spread in banking and electronic service points, beyond the riverboat branch and 18 truck-based units.

In addition, Caixa works for the customer to have service available 24 hours a day in digital media. In 2013, new features have been implemented in the application "access to the account" via smartphones and tablets and in the Internet Banking Caixa, which resulted in improvements in navigation to 696.7 million and 9.9 million users respectively.

The expansion of the service network was needed to support business expansion and to better serve the current customer base that grew 9.9% in 2013, rising to 71.7 million holders and savers, distributed in 69.7 million in the portfolio of individuals, and 1.9 million in corporate customers, increases of 9.7 and 17.5% in 12 months, respectively.

Caixa also enhanced its communication lines with customers, creating the exclusive channel for users of My House, My Life Program -



"Monitoring the Quality of My House, My Life Program", which answered 155.5 thousand calls in the year, regarding questions, complaints, compliments or suggestions.

SAC - Customer Service has served approximately 24.3 million occurrences and the Citizen Service has answered 56.7 million calls, regarding Social Integration Program - PIS, Unemployment Insurance, Severance Indemnity Fund for Employees - FGTS, Social Card and Citizen Information Service.

ECONOMIC-FINANCIAL PERFORMANCE

In 12 months, Caixa's assets expanded 22.1%, from R\$ 703.2 billion in 2012 to R\$ 858.3 billion in December 2013. With R\$ 494.2 billion, loans operation represented 57.6% of this total and securities, with R\$ 163.3 billion, corresponded to 19.0% of assets.

Third-party assets managed by Caixa totaled R\$ 664.3 billion, highlighting the FGTS, with R\$ 365.2 billion of balance, and asset management, with R\$ 227 billion, growth of 12.3% and 30.9%, respectively, in 12 months.

The net equity totaled R\$ 27.4 billion in 2013, evolution of 13.8% in the year. Medium return on average equity was 26.2%.

Of the total liabilities, 42.0% consisted in deposits and 23.3% corresponded to open Market fund raising and notes. Time deposits grew 17.6%.

From January to December, Caixa's net profit was R\$ 6.7 billion, 19.2% higher than in 2012, considering the extraordinary effects of changes in accounting practices of contingent liabilities. The net income for the quarter was R\$ 1.7 billion, 9.9% more in comparison to the fourth quarter of 2012.

R\$ 1.5
TRILLION
Assets under
management

+20.8%
in 2013

R\$ 858.3
BILLION
Caixa's assets
+22.1%
in 2013

Net Profit
R\$ 6.7
BILLION
 in 2013
19.2%
 Higher than
 in 2012

R\$ 163.3
BILLION
 Balance of securities
 portfolio
+17.5%
 in 12 months

Ratios (%)	2011	2012	2013
Return on Average Assets	1.1	0.9	0.9
Return on Average Equity	29.6	25.9	26.2
BIS Ratio (or Basel II Index)	13.3	13.0	15.1
Public Sector Debt	31.0	29.0	24.7
Fee Income / Administrative Expenses (acum. 12m)	66.8	64.7	64.0
Fee Income / Personnel Expenses (acum. 12m)	108.6	105.6	102.6
Operating Efficiency Ratio (acum. 12m)	59.0	61.2	60.3

Items (R\$ billion)	2011	2012	2013
Caixa's Asset	511	703	858
Amplified Loan Portfolio	253	361	494
Saving Deposits	150	176	210
managed assets (Third party)	484	557	664

The most important factors influencing the result of 2013 were the evolution of 13.7% in the result from financial intermediation, emphasis on the revenues from loan operations with 35.2% of growth, and an increase of 14.5% in revenues from services and banking fee income in 12 months. The operational result was R\$ 5.2 billion, increase of 20.1% in comparison to 2012.

At the end of December, BIS Ratio was 15.1%, above the legal requirement of 11%, and 4.1 p.p overhead the index in December 2012.

SECURITIES AND DERIVATIVES FINANCIAL INSTRUMENTS

In 2013, securities portfolio had R\$ 163.3 billion of balance, which R\$ 145.0 billion were represented by government bonds and R\$ 18.0 were private-issued securities.

Operations with securities and derivatives achieved R\$ 19.7 billion of

result, 10.4% higher than in 2012, influenced by the increment in the loan portfolio balance and the increase in the SELIC rate.

Meeting the dispositions of BACEN Circular 3,068/2001, Article 8º, CAIXA states the intention of maintaining the securities classified Tier III, which totaled R\$ 46.7 billion, till their respective maturities, and also states to have the financial capability required to do so.

AMPLIFIED LOAN PORTFOLIO

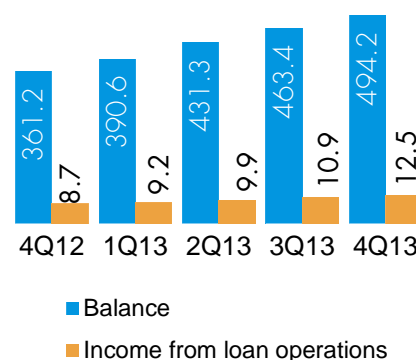
In 2013, Caixa maintained its strategy of expansion of the product portfolio and expand the service network in order to increase their business. Thus amplified loan portfolio, which includes other receivables with characteristics of lending, reached a balance of R\$ 494.2 billion in the year, an increase of 36.8% compared to 2012.

The total contracting increased 29.8% in comparison to the previous year and reached R\$ 406.9 billion. We highlighted housing loan portfolio with R\$ 134.9 billion engaged in the year, a value 26.4% higher than 2012, and above the expected target for the period that was R\$ 130.0 billion. From this, R\$ 42.5 billion were engaged in with FGTS resources and R\$ 61.6 billion with Brazilian Savings and Loans System (Sistema Brasileiro de Poupança e Empréstimo, or SBPE) resources.

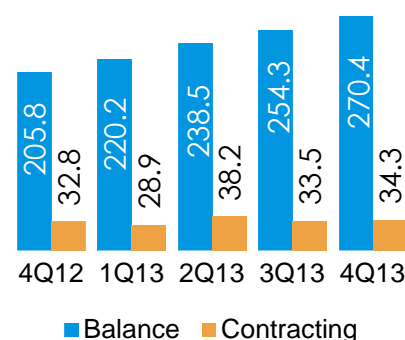
The real estate loan portfolio reached R\$ 270.4 billion of balance in 2013, evolution of 31.4% in the year. With this value, Caixa keeps the leadership of the market with 68.5% of the market share, not including mortgage-backed securities.

Within the scope of the "My House, My Life" Program, Caixa engaged in R\$ 49.0 billion in 2013, totaling 692.9 thousand housing units. Of this amount, 48.8% were destined to families with maximum income of R\$ 1.6 thousand fully subsidized by the program.

Total Loan
(R\$ billion)



Housing Loan
(R\$ Billion)



HOUSING

68.5%

Of Market share

Commercial loans presented R\$ 171.8 billion of balance, an increase of 41.4% in 12 months. Commercial contracting totaled R\$ 240.4 billion, an increase of 33.3% in 12 months.

The individual operations recorded R\$ 80.9 billion of balance and corporate reached R\$ 90.8 billion in 2013, respective growths of 45.7% and 37.8% in 12 months.

Commercial contracts with individuals totaled R\$ 129.4 billion in the year, a raise of 32.2% in relation to 2012 and corporate contracts totaled R\$ 111.0 billion, an improvement of 34.6%.

The balance of vehicles portfolio ended in R\$ 7.4 billion, rise of 68.5% in 12 months. Contracting, including acquired portfolio, totaled R\$ 5.6 billion, improvement of 57.7% in comparison to 2012.

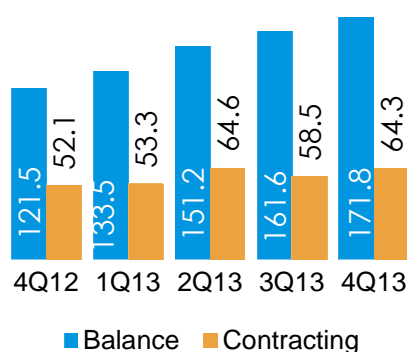
The balance of Caixa's Rural Credit increased from R\$ 158.0 million in December 2012 to R\$ 2.0 billion in December 2013. Contracting in the period totaled R\$ 1.9 billion. The resources are destined to agricultural and cattle breeding, investment operations in machines and equipment, animal acquisition and rural infrastructure projects.

In relation to foreign trade, Caixa engaged in R\$ 5.3 billion in exchange and working capital operations to finance the production, increase of 247% in relation 2012, which reflects the increase of its participation in financing Brazilian companies that operate in the international trade.

We also highlight infrastructure and sanitation operations, that ended December with R\$ 37.1 billion of balance, growth of 55.2% in 12 months. Contracting to these segments counted R\$ 29.7 billion, an increase of 13.0% compared to 2012.

From all resources engaged in infrastructure, R\$ 9.8 billion corresponded to electric power financing, R\$ 4.3 billion in urban mobility, R\$ 2.1 billion in logistics, R\$ 2.2 in ship building, R\$ 3.1 in

Commercial Loan
(R\$ billion)



TOTAL LOAN

18.1%

Of market share



urban infrastructure and R\$ 2.1 billion in other sectors. To sanitation sector, we allocated R\$ 6.1 billion.

At the end of December, considering the credit portfolio quality, 92.7% of the operations were concentrated in the ratings from AA to C. The quality of the credit portfolio reflects the number of more than 80% applied in low risk operations.

The total delinquency rate decreased 0.1 p.p in the quarter, ending the period in 2.3%, below the average presented in the market, which was 3.0%.

The delinquency in commercial operations ended the period in 3.5%, of which 4.9% in individual portfolio, decrease of 0.2 p.p., and 2.2% in the corporate portfolio, increase of 0.2 p.p in relation to September of 2013. For real estate loans, this indicator has a biggest decline from 1.9% in September to 1.7% in December, a reduction of 0.2 p.p. in the quarter.

Allowance ratio fell of 0.67 p.p in 12 months, representing 4.9% of loan portfolio balance in December 2013. Coverage ratio was 207.7%, enough to cover more than twice the value of delinquent balance.

DEPOSITS AND FUNDING

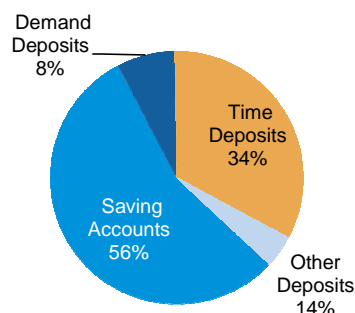
The total funding reached at the end of 2013, a balance of R\$ 561.1 billion, 21.3% more than Caixa's amplified loan portfolio, which shows the financial equilibrium between grants and funding in the Company.

In 2013, Caixa's current account basis increased 13.0%, from 22.6 million to 25.5 million distributed as follows: 13.1 million of individual accounts, 2.0 million of corporate accounts and 10.4 million of Caixa Easy Account (Caixa Fácil).

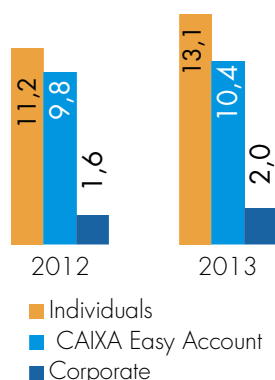
Demand deposits totaled R\$ 25.2 billion. Time deposits grew 17.6% in comparison to the balance registered in 2012, reaching the mark of R\$

We highlight infrastructure and sanitation balance, that ended December with R\$ 37.1 billion, growth of 55.2% in 12 months.

Deposits Composition



Quantity of Accounts (In million)



SAVINGS

35.1%

Of Market share

113.5 billion. CDB (certificate of bank deposit) resources represented 60.9% from this total, accounting R\$ 69.2 billion and increment of 17.2% in 12 months.

Judicial deposits expanded 18.1%, reaching a balance of R\$ 44.3 billion. The remaining deposits ended the period with R\$ 12.5 billion.

Caixa' saving account reached a balance of R\$ 209.6 billion, an increment of 18.9% in a year. The accumulated net funding in 12 months were R\$ 23.0 billion, growth of 47.6% in comparison to 2012. With this balance Caixa' saving accounts remained the market leader with a 35.1% of market share.

The base of savings accounts has expanded in 11.2% in comparison to 2012, with 7.9 million of new accounts in 12 months, totaling 51.9 million in 2013.

Mortgage linked notes and local credit notes ended the year with R\$ 25.7 billion of net funding and R\$ 75.1 billion of balance, increment of 67.5% in comparison to 2012. Agribusiness Credit Notes (Letras de Crédito do Agronegócio) reached R\$ 2.4 billion of balance and international fund raising R\$ 6.3 billion in December of 2013.

ASSET MANAGEMENT

With R\$ 32.1 billion in 2013, Caixa obtained the leadership in the net inflow of funds, responding for approximately 54.0% of the total of the asset management market, according to National Association of Capital Markets Participants (ANBIMA).

Besides, the Institution remained in the fourth position in Asset Management Administrators Ranking with 8.7% market share.

The net equity of asset managements and managed portfolio totaled R\$ 378 billion in 2013. Exclusive funds with R\$ 109.4 billion, presented



na increment of 63.0% and retail funds ended the period with R\$ 93.0 billion, 5.2% more than in 2012.

Among them, equity funds totaled R\$ 4.9 billion, reduction of 15.3%. On the other hand, fixed income funds, finished the period with R\$ 88.1 billion of balance, an increase of 6.7% in 12 months.

We highlight 2 segments: RPPS (institutes pension plans established to manage pensions of civil servants of states and municipalities), in which Caixa is leader, with 42.9% of market share, and the retail segment with 20.1% of market share and taking the position of vice leader in the fund industry.

Moreover, in December 2013, the Institution earned the milestone of 1.0 million of shareholder in asset management. This record was driven by the launch of products for those seeking to combine profitability and convenience in your investments, for example, FIC Giro Imediato Referenciado DI, FIC Giro for micro and small enterprises, and FIC Giro Empresas Referenciado DI.

The Company has also obtained the rating "Higher Standard" from Fitch Ratings, confirming the previous review by Moody's Service which attributed to Caixa MQ1 concept, both applied to institutions with excellence in the management of third party funds.

BANKING SERVICES

During 2013, 6.5 billion of banking transactions among withdrawals, deposits and payments were made, which generated incomes from services and banking fees of R\$ 16.4 billion, 14.5% more than the previous year.

The increase in the revenue compared to the last year is mainly due to the increment in banking fees, to the increment in income of investment funds management, in the collection of covenants and in the income of credit cards transactions.

Besides, through a partnership with Caixa Seguros Group, the Institution

ASSET MANAGEMENT

8.7%

Of Market share

The net equity of
asset managements and
managed portfolio
totaled
R\$ 378 billion in 2013.

6.5

BILLION

of bankig transactions
in 2013

provides products as life, real estate and vehicle insurance, capitalization certificates, private pension and consortium which moved R\$ 3.6 billion of resources in 2013, 13.9% higher than the value moved in 2012. These products paid R\$ 222.3 million in fees in the year.

CREDIT AND DEBIT CARDS

Between January and December of 2013, the costumers of Caixa's cards performed 1.1 billion of transactions, moving a financial volume of R\$ 81.1 billion, evolution of 34.3% in relation to the number of transactions and 42.2% in relation to the turnover, in comparison to 2012.

In the end of December, credit cards reached a basis of 11.5 million in Elo, MasterCard and VISA banners, increment of 32.2% in 12 months. Through these cards, more than 275.7 million of transactions were performed, growth of 34.1% in relation to 2012.

Debit cards reached a basis of 79.9 million in MasterCard, VISA and Elo banners, 6.7% higher in comparison to the previous year. These cards performed more than 799.5 million of transactions, which represented an increment of 34.3% in the period.

Only Elo debit and credit cards reached more than 13.3 million of issued units. This banner was created in order to promoting financial inclusion and democratizes the means of electronic payment.

GOVERNMENT SERVICES

Income transfer programs intended to financial emancipation and eradication of poverty of the population in a situation of social vulnerability distributed about R\$ 26.5 billion in 2013, totaling 181.2 million of paid benefits.

**R\$ 81.1
BILLION**

In volume moved
by Caixa's credit
and debit cards

+ 34.3%

Higher than in 2012

Only Family Allowance, which has completed ten years of existence in 2013, paid about 159.7 million of benefits, totaling R\$ 24.0 billion, growth of 18.2% in relation to the quantity paid in 2012.

About the programs intended for workers, we paid 169.0 million of benefits, of which 62.3 million were paid to retired employees and pensioners of the National Institute of Social Security—INSS; 69.3 million distributed to Unemployment Insurance (Seguro Desemprego), Salary Allowance (Abono Salarial) and Brazilian Social Integration Program—PIS (which we pay quotas and revenues and 37.4 million regarding withdrawals of FGTS. These paid benefits totaled R\$ 179.7 billion, subdivided in R\$ 60.0 billion to retired employees and pensioners of INSS; R\$ 45.5 billion in Salary Allowance and PIS and R\$ 74.2 billion of FGTS' payment.

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LOTTERIES

Lotteries allocated to Federal Government and other legal beneficiaries R\$ 4.2 billion, 10.1% higher than in 2012. The funds are invested in programs in the areas of social security, education, culture, sport, health

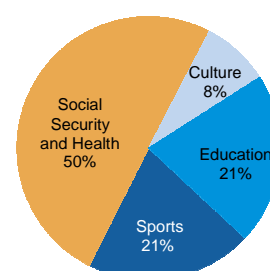
Lotteries Destination (in R\$ million)	2011	2012	2013
Social destination	3,547	3,780	4,162
Prizes	3,416	3,750	4,046
Taxes	895	933	1,009
Expenses of Costs and Maintenance	1,881	2,028	2,198
Total	9,740	10,490	11,414

and public safety.

In this period, our lotteries paid R\$ 4.0 billion in prizes and collection reached R\$ 11.4 billion, 8.8% higher than the previous year.

We highlight Mega da Virada (New Year's Eve Lottery) that collected R\$ 758.2 million, selling more than 104 million tickets across the country. The total value of the award exceeded the initial estimate of the

Lottery Destination



Institution, R\$ 200 million, reaching the mark of R\$ 224.6 million.

STRATEGIC INVESTMENTS

CAIXAPAR, our wholly-owned subsidiary, is the strategic arm of the Institution in business related to investments in other companies, working in economic sectors and activities similar and complementary to the Company business.

The main activities we perform through our subsidiary CAIXAPAR are related to new business prospects, to the management and governance

Compositions of Investments (in R\$ million)	2011	2012	2013
CAIXA Seguros Holding S.A.	1,404	1,919	2,082
Banco PAN	510	802	495
Capgemini	-	299	269
Elo Serviços	18	11	13
CIBRASEC – Cia Brasileira de Securitização	7	8	7
Câmara Interbancária de Pagamento	3	3	3
BIAPE	1	1	1
FGO - Fundo de Garantia de Operações	-	113	202
FGHAB - Fundo Garantidor da Habitação Popular	-	117	167
Fundo de Investimento em Participações	-	-	39
Participações diversas	-	1	52
Outros Investimentos	189	4	11
Total	2,133	3,279	3,341

of our equity participations.

INTERNATIONAL OPERATIONS

Currently, Caixa has representative offices in Tokyo – Japan, New Jersey – USA and Caracas – Venezuela.

In 2013, we expanded the service of FGTS withdrawals request to Portugal, Spain, Italy, Germany, Austria and Switzerland. The service began in 2010 in Japan and has already enabled the release of more than R\$ 47.0 million to Brazilians citizens residing abroad, serving more than 2.5 million Brazilians in 31 consular offices.



Also in 2013, Caixa received by its Remittance Program R\$ 324 million (USD 148 million) through our international partners.

In the city of Paris - France, Caisse des Dépôts et Consignations and Caixa signed a cooperation agreement focused on the exchange of experiences in the areas of urban development, housing, real estate and business.

In the same period, Caixa and the São Paulo City Hall signed an agreement for the banking of immigrants from signatory countries of Mercosur Agreement and that took up residence in São Paulo. The Peruvian and Bolivian communities were the first beneficiaries, taking advantage of microfinance products, checking and savings account.

In recognition of Caixa's role in the international scenario, the Institution was approved as a member of the Long Term Investors Club, consisting currently of 15 members representatives of the largest financial institutions in the G20 countries, and aims to identify investment opportunities that meet the criteria solidity, long-term returns and have continuity in the economic, social and environmental aspects.

CORPORATE GOVERNANCE

The year 2013 brought important advances related to corporate governance practices adopted by the Institution. A major milestone was the publication of Decree No. 7,973, of March 28, 2013, which approved the new Caixa' Statute, bringing significant changes to the Company.

The adjustments allowed the strengthening of Caixa's corporate government system, as well as providing the Board of Directors and the Board of Executive better management and monitoring of the implementation of the strategy Caixa.

Moreover, adjustments of Caixa's Model Management that brought

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important advances such as the creation of two new Vice Presidencies and of delegates committees, which means more speed in the Caixa's decision-make process.

INTERNAL CONTROLS

Caixa's Internal Control System (Caixa SCI) is the set of elements consisting of policies, rules, standards of conduct and culture adopted by the Institution to achieve its goals, to provide consistent managerial and financial information, and to have all its activities performed in accordance with the laws, internal and external rules applicable to them, reducing the risk of damages to its image.

The Institution's Internal Controls and Compliance aims at establishing principles and guidelines that promote conditions to ensure the effectiveness of Caixa's Internal Control System, structured according to the five COSO (Committee of Sponsoring Organizations of the Treadway Commission) components: control environment, risk assessment, control activities and compliance, monitoring, information and communication.

The verification of compliance with this policy is conducted through the monitoring of the SCI, which is the evaluation of a set of indicators developed from the principles and guidelines of the policy, measured and punctuated in order to show the degree of maturity of Caixa's internal controls.

The process of recording information regarding the activities of Internal Controls developed by the Institution's various units is automated, supporting the monitoring of the SCI and the preparation of Internal Control Reports for compliance with Resolution CMN 2,554/1998, Circular BACEN 3,467/2009 and IBRACON Technical Communication 003/2010, as well as CVM Instruction 505/2011.

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RISK MANAGEMENT

Caixa's Risk management is based on the best market practices and in compliance with the standards issued by the Central Bank of Brazil – BACEN, it is performed by means of adequate structures for the management of credit, operational, market, liquidity and other risks.

These structures are composed of policies, processes, practices, procedures, models and systems, aligned to the nature and complexity of products and services offered by Caixa.

Policies approved by the Board of Directors establish the principles, values and guidelines adopted in the management of these risks and define the operational limits and procedures to maintain exposure in levels considered acceptable by the Institution.

The risks inherent in new products and services are previously identified, analyzing their suitability to procedures and controls adopted by Caixa, to exposure limits and concentration to risks.

The control of credit risk occurs by monitoring indicators of delinquency, loss, provision and requirement of regulatory and economic capital in various sizes and groups, allowing a broad view of the profile of exposures, per borrower, operating, portfolio segments, geographic region and sector of activity, among others.

The management of Caixa's capital is aligned to the Business Plan, which considers business objectives, macroeconomic scenarios and the risks to which the Institution is subject, preparing a Capital Plan to normal and stress scenarios, in a horizon of 3 years, at least.

As a result of this monitoring, indicators of delinquency, allowance for loan losses, and the loss of the portfolio remained within expectations.

Improving the management of liquidity and market risks, in accordance with the principles of Basel, was vital importance to the advance of

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corporate management to meet the challenges presented by the new style of operation of Caixa, which is of greater diversification and sophistication of operations and increasing loans.

The calculation of the portion of risk-weighted assets (RWA), to adjust the standard model of market risk standards of Basel III, according to Central Bank rules was implemented.

INFORMATION TECHNOLOGY

In 2013, Caixa has invested R\$ 1.0 billion in maintenance, expansion and replacement of the technology park, promoting improvements in Information Technology and Communication services in order to ensure the growth and sustain the business.

Besides, the phase of migration and synchronization of the social systems database from Rio de Janeiro to the new Datacenter in Brasilia was completed.

Important advances have also occurred in 2013 in servisse platforms of Internet Banking, which provides new products and new features. In addition, improvements were made in the application for account access of smartphones and tablets, such as the bar code reader, that facilitates payment of bills by the channel.

The control of credit risk occurs by monitoring indicators of delay, loss, provision and requirement of regulatory and economic capital.

PEOPLE MANAGEMENT

In 2013, Caixa hired 8.0 thousand employees raising the staff to 98.2 thousand employees, besides 17.2 thousand intern and apprentices. In the same period, 2.7 thousand people were dismissed, including retirements and contract rescision.

The payroll counted R\$ 15.9 billion, considering the benefits provided to employee and their dependents of R\$ 2.0 million and employees' remuneration plus charges.

The Institution offers to its employees the opportunity to supplement their income after retirement, with pension funds through sponsorship administered by the Caixa's Employee Foundation - FUNCEF, which reached 96% of the staff by the end of the year

In addition, Caixa strives for excellence in public management through leadership development, encouraging capacity building and the process of dissemination of skills development.

During the period, we invested R\$ 106.4 million in training programs and increase levels of schooling.

SOCIAL-ENVIRONMENTAL RESPONSIBILITY

With a normalized environmental policy, Caixa acts as an inducer of sustainable practices and socio-environmental responsibility. Therefore, since 2010, the Institution allocates resources corresponding to 2% of the profits to support environmental projects through the Socio-Environmental Fund.

For more information on the subject, Caixa provides on its website the 2012 Sustainability Report, which presents data sustained on sectorial indicators and environmental responsibility.

SUPPORT FOR CULTURE AND SPORTS

Caixa performs continuous investments in Brazilian sport. More than providing essential conditions of training for athletes participate in national and international competitions and tournaments, sponsorship performed by Caixa values social inclusion, education and discovery of new talent.

In line with the Brazil Awards Plan of the Federal Government, released in September 2012 as an official sponsor of the Brazilian Confederation of Athletics, Gymnastics and Associated Fights, Caixa has signed

**R\$ 1,0
BILLION**
in maintenance, expansion and replacement of the technology park

sponsorship agreements with these confederations for the quadrennium 2013-2016, allocating approximately R\$ 30 million in 2013 for the development of these sports and their athletes.

In the same year, Caixa signed a sponsorship contract for the 2013-2016 Olympic cycle, with the Brazilian Cycling Confederation investing about R\$ 17.0 million in four years.

For the Brazilian Paralympic Committee, about R\$ 28.0 million was allocated in 2013, as part of a contract of R\$ 120 million for the period 2013-2016.

We also invested approximately R\$ 48.0 million in road races and social projects focusing on athletics. The modality football was consolidated between the sponsored sports, as part of the performance of the Caixa' strategy. In this sense, about R\$ 110 million was invested in 2013, highlighting the inclusion of sponsorship to the first Brazilian Women' Soccer Championship.

In addition, we invested throughout 2013 over R\$ 80 million in cultural sponsorships. Half of this amount was allocated to sponsorship through public selection of projects in various artistic segments for occupancy Caixa Cultural spaces in the cities of Brasilia, Curitiba, Fortaleza, Recife, Rio de Janeiro, Salvador and São Paulo and projects of recovery and maintenance of cultural heritage, in festivals of theater and dance and to support communities artisans.

With this set of actions, combined with the realization of projects in partnership with the Federal Government and cultural organizations, Caixa stands as one of the institutions that most supports culture in the country.

98.2

thousand

employees

8.0

thousand

New employees in 2013

R\$ 106.4

MILLION

invested in training programs and increase levels of schooling.

Nearly
R\$ 225
MILLION
Invested in sports in
2013

AWARDS AND RECOGNITION

In 2013, the Institution has once again awarded by Guia Exame de Investimentos Pessoais, a Guide to Personal Investing. The Guide of Exame magazine brings an overview of the fund industry and rewards managers and asset managements that stood out in the market. 51 funds of the Institution were awarded, 8 of these were nominated in categories 4 and 5 star, the highest awards given by publication.

The excellence of the Caixa Assets Management was also recognized with second place in the category Best Manager Retail Fund to funds with application to R\$ 50 thousand.

Caixa also received two awards at the 26th edition of the Best Marketing Award and was acclaimed as one of the companies with the greatest number of winning campaigns in the event.

The marketing campaigns of Caixa's Lotteries, "Mega da Virada of 2012" and "Lotofácil da Independencial ," received the recognition of the great masters of marketing strategies and tactics in the market.

Furthermore, the Institution was recognized as retail banking and financial institution that most respected the customer in 2013, in awards sponsored by Modern Consumer Magazine.

ACKNOWLEDGEMENTS

The results achieved in the period reflect the commitment and tireless of all our employees and contractors work, to which we appreciate the effort.

We also thank our customers and partners for their trust and loyalty, which drive us in the pursuit of improvement, which is essential for the development of Caixa and Brazil.

R\$ 80.0
MILLION
Invested in culture in
2013



CAIXA

A vida pede mais que um banco