

(A free translation of the original in Portuguese)

Caixa Econômica Federal - CAIXA
Financial statements at
December 31, 2013

Independent Auditor's Report
Financial Statements - CAIXA
Notes to the Financial Statements

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Independent auditor's report on financial statements

The Shareholders, Board of Directors and Officers

Caixa Econômica Federal - CAIXA

São Paulo - SP

We have examined the individual and consolidated financial statements of Caixa Econômica Federal - CAIXA ("CAIXA" or "Institution"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2013 and the related income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (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 individual and consolidated financial statements based on our audit. We conducted our audit in accordance with the 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 these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of CAIXA's 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 CAIXA's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the individual and consolidated financial statements.

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

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Opinion

In our opinion, , the financial statements referred to above present fairly, in all material respects, the individual financial position of Caixa Econômica Federal – CAIXA, as well as the consolidated financial position of Caixa Econômica Federal – CAIXA and its subsidiary as at December 31, 2013, the individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Emphasis of a matter**FCVS credits**

Note 7.b mentions that at December 31, 2013, CAIXA (individual and consolidated) records credits with the Wage Variation Compensation Fund (FCVS) in the net amount of R\$20,798 million. Housing loans closed with FCVS coverage, not yet approved, amount to R\$7,140 million and its effective realization depends on compliance with a set of rules and procedures defined in regulations issued by the FCVS. CAIXA defined statistical criteria to estimate losses arising from operations that will not meet such rules, for which a provision was recorded totaling R\$3,188 million. Realization of credits from housing loans already approved by FCVS, of R\$15,404 million at December 31, 2013, follows a securitization process, as provided for by Law No. 10150, of 2000. Our opinion is not modified in respect of this matter.

Tax credits

As described in Note 20, at December 31, 2013, CAIXA (individual and consolidated) records credits of R\$22,636 million regarding income tax, social contribution tax, PASEP and COFINS on tax losses, temporary differences and social contribution tax to be offset, less provision for realization of such credits totaling R\$2,470 million. The net amount of R\$20,166 million, recognized in assets, refers to management's projection of realization over the next ten years. Realization of such tax credits is directly related to generation of future taxable profit, which may vary from management's current projection. Our opinion is not modified in respect of this matter.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Tax credits recorded in jointly-controlled subsidiary

At December 31, 2013, the jointly-controlled subsidiary Banco Panamericano S.A. records income and social contribution tax credits totaling R\$2,811 million, substantially recognized based on study conducted in December 2013 of the current and future scenarios. The major assumptions used in such study were macroeconomic and production indicators, funding costs, inflow of funds by means of capital increase and realization of assets. Realization of such tax credits depends on materialization of such projections and of the business plan, as approved by the management bodies of Banco Panamericano S.A. Our opinion is not modified in respect of this matter.

Other matters**Statements of value added**

We have also audited the individual and consolidated statements of value added (SVA), for the year ended December 31, 2013, prepared under CAIXA management's responsibility, the presentation of which occurs on a voluntary basis. These statements were submitted to the same audit procedures previously described and, in our opinion, are fairly presented in all material respects, in relation to the overall financial statements.

Audit of prior year corresponding figures

The corresponding figures for the year ended December 31, 2012, presented for comparison purposes, restated herein as a result of the issues described in Note 3 (t), were previously audited by other independent auditors who issued an opinion dated March 12, 2014, without modifications, containing emphases regarding FCVS and tax credits.

São Paulo, March 14, 2014

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6-F-DF

Eduardo Braga Perdigão
Accountant CRC-1CE013803/O-8

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

BALANCE SHEET

(In thousands of Reais)

ASSETS	Parent Company		Consolidated	
	31/12/2013	31/12/2012 (Nota 3 (t))	31/12/2013	31/12/2012 (Nota 3 (t))
CURRENT ASSETS	400.149.115	351.218.182	400.931.075	351.859.802
CASH AND BANKS (Note 4)	11.480.407	8.035.967	11.480.407	8.035.967
SHORT TERM INTERBANK INVESTMENTS (Note 5)	44.904.342	75.183.272	44.904.342	75.183.272
Money market investments	37.232.669	72.104.596	37.232.669	72.104.596
Interbank deposits	7.672.360	3.078.757	7.672.360	3.078.757
Provisions for losses	(687)	(81)	(687)	(81)
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	112.639.473	91.877.035	113.261.241	92.375.479
Own portfolio - unrestricted	58.724.773	57.146.000	59.346.541	57.644.444
Subject to repurchase agreements	53.649.345	34.647.909	53.649.345	34.647.909
Derivative financial instruments	260.317	82.128	260.317	82.128
Restricted with the Brazilian Central Bank		998		998
Linked to guarantees given	5.038		5.038	
INTERBANK ACCOUNTS	86.740.369	72.880.330	86.740.369	72.880.330
Payments and receipts pending settlement	73.327	247.478	73.327	247.478
Restricted deposits with the Brazilian Central Bank (Note 7(a))	86.188.520	72.199.506	86.188.520	72.199.506
Correspondent banks	478.522	433.346	478.522	433.346
INTERDEPARTMENTAL ACCOUNTS	593.239	713.650	593.239	713.650
Third-party funds in transit	220	146	220	146
Internal transfers of funds	593.019	713.504	593.019	713.504
LOAN OPERATIONS (Note 8)	104.418.611	72.168.700	104.418.611	72.168.700
Public sector	3.817.686	3.032.766	3.817.686	3.032.766
Private sector	109.483.015	77.669.528	109.483.015	77.669.528
Loan operations linked to assignment	585.312	366.301	585.312	366.301
Provision for loan transactions	(9.467.402)	(8.899.895)	(9.467.402)	(8.899.895)
OTHER RECEIVABLES (Note 9)	38.317.229	29.403.813	38.477.421	29.546.989
Receivables from guarantees honored	26.042	31.799	26.042	31.799
Foreign exchange portfolio	686.732	114.195	686.732	114.195
Income receivable	2.019.622	1.623.801	2.180.487	1.764.138
Negotiation and intermediation of securities	864	4.714	864	4.714
Specific receivables	716.094	692.906	716.094	692.906
Sundry	35.143.263	27.091.674	35.142.590	27.094.513
Provision for losses	(275.388)	(155.276)	(275.388)	(155.276)
OTHER ASSETS (Note 10)	1.055.445	955.415	1.055.445	955.415
Other assets	1.020.169	798.227	1.020.169	798.227
Provision for losses	(31.614)	(103.028)	(31.614)	(103.028)
Prepaid expenses	66.890	260.216	66.890	260.216
NON-CURRENT ASSETS	458.326.241	352.034.110	457.394.261	351.347.795
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	50.026.983	46.588.282	50.026.983	46.588.282
Own portfolio - unrestricted	14.200.836	32.586.271	14.200.836	32.586.271
Subject to repurchase agreements	31.542.429	12.318.617	31.542.429	12.318.617
Linked to the Central Bank of Brazil	944		944	
Linked to guarantees given	4.282.774	1.683.394	4.282.774	1.683.394
INTERBANK ACCOUNTS	20.797.571	18.776.893	20.797.571	18.776.893
National Housing System (SFH) (Note 7(b))	20.797.571	18.776.893	20.797.571	18.776.893
LOAN OPERATIONS (Note 8)	357.426.648	261.853.600	357.426.648	261.853.600
Public sector	33.611.053	24.871.263	33.611.053	24.871.263
Private sector	334.360.959	245.740.679	334.360.959	245.740.679
Loan operations linked to assignment	3.629.761	2.058.966	3.629.761	2.058.966
Allowance for loan losses	(14.175.125)	(10.817.308)	(14.175.125)	(10.817.308)
OTHER RECEIVABLES (Note 9))	20.241.981	16.560.759	20.241.981	16.560.759
Sundry	20.290.362	16.609.378	20.290.362	16.609.378
Provision for losses	(48.381)	(48.619)	(48.381)	(48.619)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

PERMANENTE	9.833.058	8.254.576	8.901.078	7.568.261
INVESTMENTS (Note 11)	4.272.753	3.964.971	3.340.773	3.278.656
Investments in subsidiary and associated companies:	3.897.399	3.727.613	2.965.419	3.041.298
- In Brazil	3.896.611	3.726.366	2.964.631	3.040.051
- Abroad	788	1.247	788	1.247
Other investments	455.720	256.039	455.720	256.039
Provision for losses	(80.366)	(18.681)	(80.366)	(18.681)
PROPERTY AND EQUIPMENT (Note 12)	3.026.322	2.164.942	3.026.322	2.164.942
Properties in use	770.513	310.261	770.513	310.261
Revaluations of properties in use	743.272	744.011	743.272	744.011
Other property and equipment in use	5.667.682	4.697.398	5.667.682	4.697.398
Accumulated depreciation	(4.155.145)	(3.586.728)	(4.155.145)	(3.586.728)
INTANGIBLE ASSETS (Note 13)	2.533.983	2.122.238	2.533.983	2.122.238
Intangible assets	3.617.578	2.990.846	3.617.578	2.990.846
Accumulated amortization	(1.083.595)	(868.608)	(1.083.595)	(868.608)
DEFERRED CHARGES		2.425		2.425
Organization and expansion costs		38.466		38.466
Accumulated amortization		(36.041)		(36.041)
TOTAL	858.475.356	703.252.292	858.325.336	703.207.597

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

BALANCE SHEET

(In thousands of Reais)

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	31/12/2013	31/12/2012 (Nota 3 (t))	31/12/2013	31/12/2012 (Nota 3 (t))
CURRENT LIABILITIES	526.346.591	443.665.401	526.196.571	443.620.706
DEPOSITS (Note 14)	304.015.240	280.729.181	303.729.806	280.729.051
Demand deposits	25.170.971	27.385.571	25.170.971	27.385.567
Savings deposits	209.573.848	176.298.622	209.573.848	176.298.622
Interbank deposits	2.226.373	10.260.691	2.226.373	10.260.691
Time deposits	56.888.921	57.516.733	56.603.487	57.516.607
Special deposits and deposits of funds and programs	10.155.127	9.267.564	10.155.127	9.267.564
DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)	115.453.523	90.984.561	115.368.762	90.785.152
Own portfolio	82.694.499	44.478.327	82.609.738	44.278.918
Third-party portfolio	32.759.024	46.506.234	32.759.024	46.506.234
FUNDS FROM ACCEPTANCES AND ISSUE OF SECURITIES (Note 16)	43.595.248	16.835.519	43.595.248	16.835.519
Funds from housing bonds, mortgage notes, credit bills and Other	37.263.075	13.708.836	37.263.075	13.708.836
Securities issued abroad	6.332.173	3.126.683	6.332.173	3.126.683
INTERBANK ACCOUNTS	526.624	372.381	526.624	372.381
Receipts and payments pending settlement	507.669	358.957	507.669	358.957
Correspondent banks	18.955	13.424	18.955	13.424
INTERDEPARTMENTAL ACCOUNTS	2.043.376	1.385.371	2.043.376	1.385.371
Third-party funds in transit	1.525.075	1.262.980	1.525.075	1.262.980
Internal transfers of funds	518.301	122.391	518.301	122.391
BORROWINGS (Note 17)	893.112	43.300	893.112	43.300
Domestic - other institutions				
Foreign borrowings	893.112	43.300	893.112	43.300
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	2.124.038	2.356.114	2.124.038	2.356.114
Federal Treasury - Social Integration Program (PIS)	641.650	348.806	641.650	348.806
National Bank for Economic and Social Development (BNDES)	618.401	1.633.823	618.401	1.633.823
Government Severance Indemnity Fund for Employees (FGTS)	861.689	371.285	861.689	371.285
Other	2.298	2.200	2.298	2.200
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (g))	89.171	539	89.171	539
Derivative financial instruments	89.171	539	89.171	539

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

OTHER LIABILITIES (Note 18)	57.606.259	50.958.435	57.826.434	51.113.279
Collection and payment of taxes and social contributions	264.352	258.984	264.352	258.984
Foreign exchange portfolio	39.318	93.105	39.318	93.105
Social and statutory obligations	4.523.044	5.660.303	4.523.044	5.660.303
Tax and social security obligations	1.993.050	1.656.481	2.212.856	1.811.050
Negotiation and intermediation of securities	44.592	5.075	44.592	5.075
Debt instruments eligible to capital	842.957	989.075	842.957	989.075
Funds for specific purposes:	8.852.307	7.629.604	8.852.307	7.629.604
- Lottery operations	1.310.495	1.237.388	1.310.495	1.237.388
- Social funds and programs	7.268.366	5.893.513	7.268.366	5.893.513
- Financial and development funds	273.446	498.703	273.446	498.703
Sundry	41.046.639	34.665.808	41.047.008	34.666.083
NON-CURRENT LIABILITIES	296.755.402	235.540.610	296.755.402	235.540.610
DEPOSITS (Note 14)	57.039.948	39.050.915	57.039.948	39.050.915
Interbank deposits	127.189	32.742	127.189	32.742
Time deposits	56.912.759	39.018.173	56.912.759	39.018.173
DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)	1.120.867	3.123.417	1.120.867	3.123.417
Own portfolio	1.120.867	3.123.417	1.120.867	3.123.417
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16)	40.227.746	32.167.675	40.227.746	32.167.675
Funds from housing bonds , mortgage notes, credit bills and other	40.227.746	32.167.675	40.227.746	32.167.675
BORROWINGS (Note 17)	2.338.821		2.338.821	
Foreign borrowings	2.338.821		2.338.821	
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	156.198.141	121.381.325	156.198.141	121.381.325
Federal Treasury - Social Integration Program (PIS)	17.912	406.796	17.912	406.796
National Bank for Economic and Social Development (BNDES)	23.012.645	15.922.207	23.012.645	15.922.207
Government Severance Indemnity Fund for Employees (FGTS)	131.870.736	104.424.931	131.870.736	104.424.931
Other	1.296.848	627.391	1.296.848	627.391
OTHER LIABILITIES (Note 18)	39.829.879	39.817.278	39.829.879	39.817.278
Tax and social security obligations	154.242	162.625	154.242	162.625
Subordinated debt - eligible as regulatory capital	39.675.637	39.654.653	39.675.637	39.654.653
EQUITY (Note 19)	35.373.363	24.046.281	35.373.363	24.046.281
Share capital	22.054.802	22.054.802	22.054.802	22.054.802
- Capital - local residents	35.000.000	26.325.236	35.000.000	26.325.236
- Unpaid capital	(12.945.198)	(4.270.434)	(12.945.198)	(4.270.434)
Instrument eligible to capital	8.000.000		8.000.000	
Capital reserves	167		167	
Revaluation reserve	392.929	423.165	392.929	423.165
Revenue reserves	4.902.396	2.693.064	4.902.396	2.693.064
Carrying value adjustments	23.069	(698.304)	23.069	(698.304)
Retained earnings		(426.446)		(426.446)
TOTAL	858.475.356	703.252.292	858.325.336	703.207.597

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

STATEMENT OF INCOME

(In thousands of reais)

	Parent Company				Consolidated			
	2013		2012 (Nota 3 (t))		2013		2012 (Nota 3 (t))	
	2nd six month period	Year	2nd six month period	Year	2nd six month period	Year	2nd six month period	Year
INCOME FROM FINANCIAL INTERMEDIATION (Note 21)	40.623.532	73.049.092	29.594.089	58.147.194	40.623.532	73.049.092	29.594.089	58.147.194
Loan operations (Note 8(f))	25.668.444	46.493.678	17.852.971	34.390.584	25.668.444	46.493.678	17.852.971	34.390.584
Securities (Notes 5(a) and 6(d))	10.530.574	17.096.125	9.446.739	19.281.704	10.530.574	17.096.125	9.446.739	19.281.704
Derivative financial instruments (Note 6(g))	653.503	2.611.687	(527.229)	(1.431.250)	653.503	2.611.687	(527.229)	(1.431.250)
Foreign exchange (Note 9(c.1))			16.805	26.327			16.805	26.327
Compulsory deposits (Note 7(c))	3.587.139	6.486.070	2.663.965	5.686.297	3.587.139	6.486.070	2.663.965	5.686.297
Sales or transfers of financial assets	183.872	361.532	140.838	193.532	183.872	361.532	140.838	193.532
FINANCIAL INTERMEDIATION EXPENSES (Note 22)	(30.631.892)	(53.870.322)	(20.917.256)	(41.291.333)	(30.615.808)	(53.844.463)	(20.909.559)	(41.262.113)
Money market funds (Note 14(c); 15(b) and 16(b))	(20.366.512)	(34.887.435)	(13.611.659)	(26.991.511)	(20.350.428)	(34.861.576)	(13.603.962)	(26.962.291)
Loans, assignments and onlendings (Note 17(c))	(4.975.180)	(9.092.432)	(3.196.811)	(6.556.040)	(4.975.180)	(9.092.432)	(3.196.811)	(6.556.040)
Foreign exchange gains (losses) (Note 9 (c.1))	(263.267)	(448.753)			(263.267)	(448.753)		
Sales or transfers of financial assets	(157.927)	(251.067)	(63.861)	(63.861)	(157.927)	(251.067)	(63.861)	(63.861)
Allowance for possible loan losses (Note 8 (h))	(4.869.006)	(9.190.635)	(4.044.925)	(7.679.921)	(4.869.006)	(9.190.635)	(4.044.925)	(7.679.921)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	9.991.640	19.178.770	8.676.833	16.855.861	10.007.724	19.204.629	8.684.530	16.885.081
OTHER OPERATING INCOME (EXPENSES)	(7.924.263)	(14.000.579)	(7.052.239)	(12.552.490)	(7.924.208)	(14.009.607)	(7.042.108)	(12.560.143)
Service revenues (Note 23 (a))	7.035.824	13.610.414	6.238.985	12.008.016	7.035.824	13.610.414	6.238.985	12.008.016
Income from banking fees (Note 23 (b))	1.484.296	2.741.518	1.192.350	2.272.587	1.484.296	2.741.518	1.192.350	2.272.587
Personnel expenses (Note 24)	(8.412.679)	(15.926.629)	(7.300.019)	(13.518.015)	(8.413.549)	(15.928.394)	(7.301.103)	(13.519.853)
Other administrative expenses (Note 25)	(5.109.768)	(9.624.458)	(4.592.214)	(8.569.418)	(5.110.073)	(9.626.397)	(4.594.547)	(8.575.612)
Taxes (Note 29)	(1.281.968)	(2.409.999)	(992.759)	(2.004.511)	(1.285.560)	(2.413.643)	(997.913)	(2.010.047)
Equity in the results of subsidiary and associated companies (Note 11)	207.315	360.793	44.067	197.042	166.786	309.699	942	139.088

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Other operating income (Note 26)	4.908.744	10.225.081	4.033.444	7.455.962	4.954.095	10.274.495	4.095.275	7.519.838
Other operating expenses (Note 27)	(6.756.027)	(12.977.299)	(5.676.093)	(10.394.153)	(6.756.027)	(12.977.299)	(5.676.097)	(10.394.160)
OPERATING PROFIT	2.067.377	5.178.191	1.624.594	4.303.371	2.083.516	5.195.022	1.642.422	4.324.938
NON-OPERATING EXPENSES (NOTE 28)	(4.951)	(19.650)	(18.139)	(110.286)	(4.951)	(19.650)	(18.139)	(110.286)
PROFIT BEFORE TAXATION AND PROFIT SHARING	2.062.426	5.158.541	1.606.455	4.193.085	2.078.565	5.175.372	1.624.283	4.214.652
INCOME TAX AND SOCIAL CONTRIBUTION (Note 20(c))	2.203.339	2.628.137	1.963.046	2.396.523	2.187.200	2.611.306	1.945.218	2.374.956
Current taxes	44.452	(548.571)	84.184	(265.684)	28.309	(565.408)	66.341	(287.271)
Deferred tax assets	2.267.631	3.508.063	1.800.015	2.856.363	2.267.635	3.508.069	1.800.030	2.856.382
Deferred tax liabilities	(108.744)	(331.355)	78.847	(194.156)	(108.744)	(331.355)	78.847	(194.155)
EMPLOYEE PROFIT SHARING	(682.995)	(1.063.306)	(656.574)	(950.000)	(682.995)	(1.063.306)	(656.574)	(950.000)
PROFIT FOR THE PERIOD/YEAR	3.582.770	6.723.372	2.912.927	5.639.608	3.582.770	6.723.372	2.912.927	5.639.608

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY

(In thousands of Reais)

EVENTS	CAPITAL	INSTRUMENT ELIGIBLE TO CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
AT DECEMBER 31, 2011	15.154.802			464.595	1.366.024	2.713.757	(137.798)		19.561.380
CPC 33(R1) ADJUSTMENTS (Note 3 (t))							973.857		973.857
ADJUSTED BALANCES AT DECEMBER 31, 2011 (Note 3 (t))	15.154.802			464.595	1.366.024	2.713.757	836.059		20.535.237
CPC 33 ADJUSTMENTS (R1) (Note 3 (t))							(1.558.074)		(584.217)
CARRYING VALUE ADJUSTMENTS							23.711		23.711
CAPITAL INCREASE - PETROBRÁS SHARES ON (Note 19 (a))	6.900.000								6.900.000
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				25.162					25.162
PAYMENT OF TAXES ON REVALUATION RESERVE								(24.129)	(24.129)
REALIZATION OF RESERVE				(66.592)				66.592	
DIVIDENDS PAID IN ADVANCE									
SUPPLEMENTARY DIVIDENDS							(2.306.561)		(2.306.561)
PROFIT FOR THE YEAR								5.639.608	5.639.608
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)						303.303		(303.303)	
Lottery reserve (Revenue reserve)							521.104	(521.104)	
Operating margin reserve (Income reserve)							95.437	(95.437)	
Interest on own capital proposed								(1.106.451)	(1.106.451)
Dividends declared								(4.082.222)	(4.082.222)
AT DECEMBER 31, 2012 (Note 3 (t))	22.054.802			423.165	1.669.327	1.023.737	(698.304)	(426.446)	24.046.281
INSTRUMENT ELIGIBLE TO CAPITAL (Note 19)		8.000.000							8.000.000

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CPC 33(R1) CHANGES OF ACTUARIAL GAINS AND LOSSES (Note 3 (t))							584.217		584.217
CARRYING VALUE ADJUSTMENTS							137.156		137.156
TAX EFFECTS ON REALIZATION OF THE REVALUATION RESERVE				8.383					8.383
PAYMENT OF TAXES ON REVALUATION RESERVE								(27.217)	(27.217)
REALIZATION OF RESERVE				(38.619)				38.619	
PRIOR-YEAR ADJUSTMENT								(1.234)	(1.234)
PROFIT FOR THE YEAR								6.723.372	6.723.372
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					336.169			(336.169)	
Lottery reserve (Revenue reserve)						526.699		(526.699)	
Capital reserve			167						167
Operating margin reserve (Income reserve)						1.346.464		(1.346.464)	
Interest on own capital proposed								(1.216.534)	(1.216.534)
Dividends declared								(2.881.228)	(2.881.228)
BALANCES AT DECEMBER 31, 2013	22.054.802	8.000.000	167	392.929	2.005.496	2.896.900	23.069		35.373.363

EVENTS	CAPITAL	INSTRUMENT ELIGIBLE TO CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
ADJUSTED BALANCES AT JUNE 30, 2012 (Note 3 (t))	15.154.802			458.274	1.508.341	2.951.113	(282.493)	1.607.909	21.397.946
CPC 33(R1) ADJUSTMENTS (Note 3 (t))							(584.217)		(584.217)
CARRYING VALUE ADJUSTMENTS							168.406		168.406
CAPITAL INCREASE - PETROBRÁS SHARES ON (Note 19 (a))	6.900.000								6.900.000
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				19.605					19.605
PAYMENT OF TAXES ON REVALUATION RESERVE								(19.317)	(19.317)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

REALIZATION OF RESERVE				(54.714)				54.714	
PRIOR-YEAR COMPLIMENTARY DIVIDENDS									
SUPPLEMENTARY DIVIDENDS						(2.306.561)			(2.306.561)
ADJUSTMENT IN THE 1ST HALF (Note 3(t))								(119.667)	(119.667)
ADJUSTED NET INCOME (Note 3(t))								2.912.927	2.912.927
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					160.986			(160.986)	
Lottery reserve (Revenue reserve)						283.748		(283.748)	
Operating margin reserve (Income reserve)						95.437		(95.437)	
Interest on own capital proposed								(554.385)	(554.385)
Dividends declared								(3.768.456)	(3.768.456)
ADJUSTED BALANCES AT DECEMBER 31, 2012 (Note 3 (t))	22.054.802			423.165	1.669.327	1.023.737	(698.304)	(426.446)	24.046.281

EVENTS	CAPITAL	INSTRUMENT ELIGIBLE TO CAPITAL	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
BALANCES AT JUNE 30, 2013	22.054.803			413.750	1.826.357	1.236.581	(1.420.908)	1.501.970	25.612.552
INSTRUMENT ELIGIBLE TO CAPITAL (Note 19)		8.000.000							8.000.000
PRIOR YEAR ADJUSTMENTS								(427.680)	(427.680)
EQUITY ADJUSTMENTS							1.443.977		1.443.977
PREPAID DIVIDENDS - 1ST HALF								581.157	581.157
TAXES ON REVALUATION				3.847					3.847
PAYMENT OF TAXES ON REVALUATION RESERVE								(21.822)	(21.822)
REALIZATION OF RESERVE				(24.668)				24.668	
NET INCOME FOR THE PERIOD								3.582.770	3.582.770
ALLOCATION OF NET INCOME:									

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Legal reserve (Income reserve)					179.139			(179.139)	
Lottery reserve (Income reserve)						313.856		(313.856)	
Capital reserve			167						167
Operating margin reserve (Income reserve)						1.346.464		(1.346.464)	
Interest on equity proposed								(597.691)	(597.691)
Dividends proposed								(2.803.913)	(2.803.913)
BALANCES AT DECEMBER 31, 2013	22.054.803	8.000.000	167	392.929	2.005.496	2.896.901	23.069		35.373.363

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

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

STATEMENT OF CASH FLOWS

(In thousands of Reais)

EVENTS	Parent Company				Consolidated			
	2013		2012 (Note 3 (t))		2013		2012 (Note 3 (t))	
	2nd six month period	Year	2nd six month period	Year	2nd six month period	Year	2nd six month period	Year
ADJUSTED PROFIT	8.910.937	20.376.065	7.367.227	13.201.222	9.048.060	20.621.726	7.479.514	13.592.422
Profit for the period/year	3.582.770	6.723.372	2.912.927	5.639.608	3.582.770	6.723.372	2.912.927	5.639.608
Adjustments to profit:	5.328.167	13.652.693	4.454.300	7.561.614	5.465.290	13.898.354	4.566.587	7.952.814
Adjustments of securities and derivative financial instruments (assets/liabilities)	(74.661)	1.595.866	124.606	(1.235.173)	(74.661)	1.595.866	124.606	(1.235.173)
(Gain)/loss on investments	(76.544)	53.011	(96.206)	(360.295)	20.053	247.583	(27.029)	(27.029)
(Gain)/loss on sale of fixed assets	(308.777)	(88.485)	(11.257)	(11.257)	(308.777)	(88.485)	(11.257)	(11.257)
(Gain)/loss on sale of fixed assets not for own use	(15)	(15)			(15)	(15)		
Allowance for loan losses	4.869.006	9.190.635	4.044.925	7.679.921	4.869.006	9.190.635	4.044.925	7.679.921
Actuarial liabilities/assets (employee benefits)	533.428	885.420	296.188	593.285	533.428	885.420	296.188	593.285
Depreciation and amortization	597.504	1.169.280	534.509	954.439	597.505	1.169.281	534.509	954.439
Deferred taxes	(2.158.887)	(3.176.708)	(1.907.742)	(2.662.207)	(2.158.891)	(3.176.714)	(1.907.757)	(2.662.227)
Adjustment to provision for contingencies	686.059	1.058.865	36.512	390.024	686.059	1.058.865	36.512	390.024
Equity in the results of associates	(207.315)	(360.793)	(44.067)	(197.042)	(166.786)	(309.699)	(942)	(139.088)
Expenses with subordinated debt and hybrid instruments	1.468.369	3.325.617	1.476.832	2.409.919	1.468.369	3.325.617	1.476.832	2.409.919
CHANGES IN ASSETS AND LIABILITIES	(29.262.466)	(51.722.980)	5.089.609	17.682.248	(29.313.022)	(51.845.317)	5.074.835	18.436.155
Decrease (increase) in short-term interbank investments	10.141.154	(3.650.196)	(1.859.350)	(1.957.887)	10.141.154	(3.650.196)	(1.859.350)	(1.957.887)
(Increase) decrease in marketable securities held for trading	388.878	(24.971.335)	(10.174.958)	(19.247.330)	388.878	(24.971.335)	(10.174.958)	(19.247.330)
(Increase) decrease in compulsory deposits with the Central Bank of Brazil	(5.686.063)	(13.989.014)	(4.114.009)	(10.027.481)	(5.686.063)	(13.989.014)	(4.114.009)	(10.027.481)
Decrease (increase) in interbank accounts (assets/liabilities)	(127.058)	(1.737.460)	(240.359)	(461.683)	(127.058)	(1.737.460)	(240.359)	(461.683)
Decrease (increase) in interdepartmental accounts (assets/liabilities)	1.078.764	778.416	520.079	(422.637)	1.078.764	778.416	520.079	(422.637)
Decrease (increase) in loan operations	(65.428.129)	(137.013.594)	(58.036.436)	(107.854.566)	(65.428.129)	(137.013.594)	(58.036.436)	(107.854.566)
Decrease (increase) in other receivables	(8.203.886)	(9.417.930)	(9.642.509)	(9.804.752)	(8.288.181)	(9.434.940)	(9.725.269)	(9.823.606)
Decrease (increase) in other assets	6.308	(100.015)	66.308	32.004	6.308	(100.015)	66.308	32.004
Increase (decrease) in deposits	17.866.761	41.275.092	34.308.969	59.933.121	17.855.053	40.989.788	34.313.878	59.950.928

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Increase (decrease) in deposits obtained in the open market	(19.747.073)	22.466.412	6.737.346	37.816.687	(19.745.807)	22.581.060	6.767.343	38.500.611
Increase (decrease) in funds from issuance of securities	18.903.245	34.819.800	18.657.960	27.925.650	18.903.245	34.819.800	18.657.960	27.925.650
(Decrease) increase in derivative financial instruments	88.647	88.632	(21)	(288)	88.647	88.632	(21)	(288)
Increase (decrease) in borrowings and onlendings	20.704.235	37.773.372	19.738.381	32.160.414	20.704.235	37.773.372	19.738.381	32.160.414
Increase (decrease) in other liabilities	894.676	2.603.326	9.368.313	10.192.482	938.857	2.668.655	9.401.393	10.263.512
Income and social contribution taxes paid	(142.925)	(648.486)	(240.105)	(601.486)	(142.925)	(648.486)	(240.105)	(601.486)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(20.351.529)	(31.346.915)	12.456.836	30.883.470	(20.264.962)	(31.223.591)	12.554.349	32.028.577
Acquisition and redemption of marketable securities available for sale	84.653	(234.286)	(3.452.723)	(4.049.808)	(1.914)	(357.610)	(3.550.076)	(4.215.147)
Acquisition and redemption of marketable securities held to maturity	(6.311.731)	(454.228)	9.821.430	12.395.580	(6.311.731)	(454.228)	9.821.430	12.395.580
Interest on equity or dividends received			296	296			296	296
Sale of property and equipment in use	13.742	86.228	161.008	164.245	13.742	86.228	161.008	164.245
Acquisition of investments							(160)	(979.768)
Acquisition of property and equipment in use	(683.844)	(1.455.260)	(494.808)	(809.737)	(683.844)	(1.455.260)	(494.808)	(809.737)
Write-off of intangible assets	14.946	14.946	90.700	139.808	14.946	14.946	90.700	139.808
Acquisition of intangible assets	(504.102)	(997.409)	(372.671)	(656.570)	(504.102)	(997.409)	(372.671)	(656.570)
NET CASH USED IN INVESTING ACTIVITIES	(7.386.336)	(3.040.009)	5.753.232	7.183.814	(7.472.903)	(3.163.333)	5.655.719	6.038.707
Raising/redemption of obligations due to subordinated debts				3.000.000				3.000.000
Raising/redemption of hybrid capital instrument and debt		8.000.000	13.000.000	13.000.000		8.000.000	13.000.000	13.000.000
Dividends and interest on equity paid	(2.820.447)	(4.097.762)	(6.629.403)	(7.495.234)	(2.820.447)	(4.097.762)	(6.629.403)	(7.495.234)
NET CASH USED IN FINANCING ACTIVITIES	(2.820.447)	3.902.238	6.370.597	8.504.766	(2.820.447)	3.902.238	6.370.597	8.504.766
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30.558.312)	(30.484.686)	24.580.665	46.572.050	(30.558.312)	(30.484.686)	24.580.665	46.572.050
CHANGES IN CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at the beginning of the period/year	79.271.388	79.197.762	54.617.097	32.625.712	79.271.388	79.197.762	54.617.097	32.625.712
Cash and cash equivalents at the end of the period/year	48.713.076	48.713.076	79.197.762	79.197.762	48.713.076	48.713.076	79.197.762	79.197.762
Increase (decrease) in cash and cash equivalents	(30.558.312)	(30.484.686)	24.580.665	46.572.050	(30.558.312)	(30.484.686)	24.580.665	46.572.050

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

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

STATEMENT OF VALUE ADDED

(In thousands of Reais)

DESCRIPTION	Parent Company								Consolidated							
	2013				2012				2013				2012			
	2nd six month period		Year		2nd six month period		Year		2nd six month period		Year		2nd six month period		Year	
	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%
1. REVENUES	48.651.906		89.703.801		37.514.643		72.812.309		48.960.523		90.016.481		37.576.474		72.876.184	
Financial intermediation	40.096.998		72.337.072		29.594.089		58.147.194		40.360.265		72.600.339		29.594.089		58.147.194	
Rendering of services	8.520.121		16.351.933		7.431.335		14.280.603		8.520.121		16.351.933		7.431.335		14.280.602	
Allowance for loan losses	(4.869.006)		(9.190.635)		(4.044.925)		(7.679.921)		(4.869.006)		(9.190.635)		(4.044.925)		(7.679.921)	
Other	4.903.793		10.205.431		4.534.144		8.064.433		4.949.143		10.254.844		4.595.975		8.128.309	
2. EXPENSES OF FINANCIAL INTERMEDIATION	25.762.886		44.494.201		16.856.510		33.591.098		25.483.535		44.205.075		16.848.813		33.561.879	
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	10.671.241		20.281.464		9.252.132		17.085.274		10.671.545		20.283.402		9.254.468		17.091.471	
Materials, energy and others	1.055.016		2.047.939		1.173.760		2.136.458		1.055.113		2.048.664		1.173.975		2.136.889	
Data processing and communications	875.135		1.711.781		812.803		1.605.022		875.135		1.711.781		812.803		1.605.023	
Advertising, publicity and promotions	503.697		794.000		327.185		590.133		503.697		794.000		327.185		590.133	
Outsourced and specialized services	1.045.618		1.969.464		920.799		1.672.788		1.045.825		1.970.677		922.916		1.678.546	
Surveillance and security services	435.747		780.980		341.492		686.719		435.747		780.980		341.492		686.720	
Other	6.756.028		12.977.300		5.676.093		10.394.154		6.756.028		12.977.300		5.676.097		10.394.160	
- Services delegated by the Federal Government	728.546		1.415.508		624.532		1.231.986		728.546		1.415.508		624.532		1.231.986	
- Lottery and business partners	1.012.758		2.015.174		888.158		1.674.986		1.012.758		2.015.174		888.158		1.674.986	
- Discounts from loan operations	229.435		391.357		204.484		407.362		229.435		391.357		204.484		407.362	
- Expenses with credit/debit cards	579.512		1.035.228		442.075		838.635		579.512		1.035.228		442.075		838.635	
- Post-employment benefits	533.428		885.420		296.188		593.285		533.428		885.420		296.188		593.285	
- Sundry operating provisions	2.790.767		5.566.720		2.134.973		3.945.458		2.790.767		5.566.720		2.134.975		3.945.460	
- Other	881.582		1.667.893		1.085.683		1.702.442		881.582		1.667.893		1.085.685		1.702.446	

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

4. GROSS VALUE ADDED(1-2-3)	12.217.779		24.928.136		11.406.001		22.135.937		12.805.443		25.528.004		11.473.193		22.222.834	
5. WITHHOLDING	597.504		1.169.280		534.509		954.439		597.504		1.169.280		534.509		954.439	
Depreciation, amortization and depletion	597.504		1.169.280		534.509		954.439		597.504		1.169.280		534.509		954.439	
6. NET VALUE ADDED (4-5)	11.620.275		23.758.856		10.871.492		21.181.498		12.207.939		24.358.724		10.938.684		21.268.395	
7. VALUE ADDED RECEIVED AS TRANSFER	207.316		360.794		44.067		197.042		166.786		309.699		942		139.089	
Result of equity method	207.316		360.794		44.067		197.042		166.786		309.699		942		139.089	
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	11.827.591		24.119.650		10.915.559		21.378.540		12.374.725		24.668.423		10.939.626		21.407.484	
9. VALUE ADDED TO BE DISTRIBUTED (6+7)	11.827.591	100,00	24.119.650	100,00	10.915.559	100,00	21.378.540	100,00	12.374.725	100,00	24.668.423	100,00	10.939.626	100,00	21.407.484	100,00
Personnel	7.972.044	67,40	14.851.063	61,57	6.991.047	64,05	12.624.463	59,05	7.972.914	64,43	14.852.828	60,21	6.992.132	63,92	12.626.304	58,98
- Direct remuneration	6.023.495		11.150.744		5.289.780		9.612.681		6.024.325		11.152.423		5.290.825		9.614.451	
- Benefits	1.588.307		3.011.696		1.387.318		2.411.037		1.588.307		3.011.696		1.387.318		2.411.037	
- FGTS	360.242		688.623		313.949		600.745		360.282		688.709		313.989		600.816	
Taxes, fees and contributions	92.004	0,78	1.810.480	7,51	223.140	2,04	1.764.165	8,25	221.990	1,79	1.941.209	7,87	246.122	2,25	1.791.268	8,37
- Federal	(53.215)		1.386.755		10.985		1.326.010		(33.484)		1.407.222		33.967		1.352.740	
- State	160		618		151		511		160		618		151		511	
- Municipal	145.059		423.107		212.004		437.644		255.314		533.369		212.004		438.017	
Third-party capital remuneration	597.051	5,05	1.151.014	4,77	481.666	4,41	923.858	4,32	597.051	4,82	1.151.014	4,67	481.666	4,40	923.858	4,32
- Rentals	597.051		1.151.014		481.666		923.858		597.051		1.151.014		481.666		923.858	
Own capital remuneration	3.401.604	28,76	4.097.762	16,99	2.714.932	24,87	5.188.673	24,27	3.401.604	27,49	4.097.763	16,61	2.714.932	24,82	5.188.673	24,24
- Interest on own capital and dividends	3.401.604		4.097.762		2.714.932		5.188.673		3.401.604		4.097.763		2.714.932		5.188.673	
Retained earnings	(235.112)	(1,99)	2.209.331	9,16	504.774	4,62	877.381	4,10	181.166	1,46	2.625.609	10,64	504.774	4,61	877.381	4,10

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

In thousands of reais, unless stated otherwise



Notes to the Financial Statements December 2013

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

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Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 1 – General information

A Caixa Econômica Federal (“CAIXA” or the “Institution”) is a financial institution set up by Decree Law No. 759, of August 12, 1969, as a private government entity, linked to the Ministry of Finance, headquartered in Brasília – Federal District – Brazil. CAIXA operates throughout the Brazilian territory and abroad, and through representation offices in Japan, the United States, and Venezuela. CAIXA’s capital is fully controlled by the Federal Government.

CAIXA conducts its bank activities by raising and investing funds in various operations related to commercial portfolio, foreign exchange transactions, credit to consumers, real estate and rural credit, provision of banking services, including administration of funds and investment portfolios, and of social nature, in addition to supplementary activities related to intermediation of securities, credit and debit card transactions. CAIXA also operates with insurance, private pension, capitalization and management of consortiums by means of Caixa Seguros Holding S.A., an investee, subsidiary of Caixa Participações S.A. - CAIXAPAR.

CAIXA has an important role in promoting urban development and social justice in Brazil, and is the main partner of the Federal Government in promoting public policies, carrying out income transfer programs, and implementing national housing policies. CAIXA’s operations range through various areas, such as social interest housing programs, basic sanitation, infrastructure, environmental management, employment and income generation, rural development, and other activities related to the sustainable growth, focused on the improvement of the quality of life of Brazilian citizens, especially those of low income.

Administered by the Federal Government, CAIXA operates funds and social programs, with emphasis to the Unemployment Compensation Fund (FGTS), Wage Variation Compensation Fund (FCVS), Social Integration Program (PIS), Social Development Fund (FDS), Residential Lease Fund (FAR), Popular Housing Guarantee Fund (FGHAB), among others, and exclusively manages federal lottery services, and also holds a monopoly on civil pledge transactions, both permanently and continuously. The administered funds and programs are independent legal entities, managed by specific regulation and governance structure, and they have independent accounting.

According to Law No. 11908/2008, in order to comply with its purpose, CAIXA is authorized to set up subsidiaries, either wholly-owned or controlled, by means of its wholly-owned subsidiary CAIXAPAR.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 2 – Presentation of the financial statements**(a) Overview**

The individual (INDIVIDUAL) and consolidated (CONSOLIDATED) financial statements are prepared by CAIXA's management. The consolidated financial statements as of December 31, 2013 were approved by the Executive Board on March 11, 2014, and by the Board of Directors on March 14, 2014.

(b) Basis of preparation and statement of compliance

CAIXA's financial statements were prepared based on the accounting standards determined by Law No. 4595/64 (National Financial System Law) and No. 6404/76 (Corporation Law), including changes introduced by Law No. 11638/07 and No. 11941/09, in accordance with the standards and rules of the Brazilian Monetary Council (CMN), the Brazilian Central Bank (BACEN), Brazil's National Association of State Boards of Accountancy (CFC), and the accounting practices adopted in Brazil.

These statements have records that reflect the historical cost of transactions, except for portfolio of securities classified as held for trading and available for sale, and derivative financial instruments, at fair value.

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

The accounting practices adopted in Brazil include Management judgment as to the estimates and assumptions for measurement of allowance for doubtful accounts, deferred tax assets, fair value of financial instruments, provision for civil, labor and tax proceedings, impairment of non-financial assets, other provisions, supplementary pension plan, assets and liabilities related to post-employment benefits, and determination of certain assets' useful lives. Definitive values may differ from those determined by these estimates and assumptions, and are only recognized when settled.

(c) Basis of consolidation

Consolidated financial statements, including CAIXA and subsidiary CAIXAPAR, were prepared considering the elimination of equity accounts, revenues, unrealized income and expenses between companies.

The financial statements of CAIXAPAR and CAIXA are prepared using consistent accounting practices. Interest in jointly-controlled entities and investments in subsidiaries are recorded under the equity pickup method. Income of the acquired or disposed of subsidiary in the period is included in the consolidated financial statements as from the acquisition date or the disposal date. The acquisition cost of a subsidiary is measured at fair value of offered assets, equity instruments issued and liabilities incurred or assumed at the trade date.

The identifiable assets acquired, contingencies and liabilities assumed in a business combination are initially measured at their fair value on the acquisition date, irrespective of the proportion of any non-controlling equity interest. The exceeding acquisition cost value of net identifiable assets in relation to the interest fair value is recorded as goodwill based on future profitability. When the acquisition cost is lower than the fair value of the subsidiary's net assets, CAIXA directly recognizes the difference in income statements.

The key companies where CAIXA holds direct or indirect interest, and which are included in these consolidated financial statements, are presented in Note 11.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 3 – Significant accounting policies

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

(a) Foreign currency translation

Financial statements are presented in reais, CAIXA's functional currency. Items included in the financial statements of each of the group's entities are measured using the same functional currency. Transactions in foreign currency are initially recorded at the functional currency rate prevailing at the transaction date. Foreign currency-denominated assets and liabilities are translated at the foreign exchange rate of the functional currency at balance sheet date. Gains or losses arising from the translation process are allocated in income for the period.

(b) Profit

Observing the accrual basis, revenue and expenses are recorded upon computation of income (loss) for the period, simultaneously, when they correlate and irrespective of their receipt or payment. Transactions with fixed financial charges are recorded at redemption value, and revenues (expenses) corresponding to future periods are presented as reduction of the respective assets and liabilities. Floating rate transactions or transactions indexed to foreign currencies are restated up to the balance sheet date.

Revenues and expenses of financial nature are recognized on a daily pro rata basis, computed based on the exponential method, except for those referring to discounted securities or related to foreign operations, which are determined under the straight-line method.

(c) Cash and cash equivalents

Amounts recognized as cash and cash equivalents are represented by cash and cash equivalents in Brazilian currency, foreign currency, investments in open market, investments in interbank deposits, bank deposit certificates and fixed-income funds.

Amounts in cash, in Brazilian currency, are stated at fair value based on their face value, and those in foreign currencies are translated at the foreign exchange rate disclosed by BACEN at the financial statements closing date. Cash equivalents are typified by their high liquidity, and are considered for management of short-term commitments, maturing within 90 days, and have immaterial risk of changes in value.

Breakdown, terms and earnings computed for the investments recorded under cash and cash equivalents are presented in Note 5.

(d) Short-term interbank investments

These are recorded at acquisition cost, plus earnings computed through balance sheet date, less valuation allowance, where applicable. As for repurchase agreements, executed under free movement agreement, when securities are definitively sold, the referring liability referring to return of the securities is assessed at market value.

Breakdown, term and earnings computed for short-term interbank investments are presented in Note 5.

(e) Securities

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

Management bases the initial classification of financial instruments on the purpose for which they were acquired and on their characteristics. All financial instruments are initially recognized at fair value plus transaction costs, except when financial assets and liabilities are recognized at fair value through profit or loss.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

The securities portfolio is recorded in conformity with BACEN Circular 3,068/2001 and classified in accordance with Management's intention, in three specific categories:

- **Trading securities:** these are acquired to be actively and frequently traded, adjusted at fair value and matched against P&L for the period;
- **Available-for-sale securities** - instruments held for an indefinite period and that can be sold in response to the need for liquidity or changes in market condition and securities which are not considered as trading securities nor held to maturity. These are adjusted to fair value against a separate account in equity, denominated "Carrying value adjustments". Gains and losses, when realized/recorded as income or expense for the period, net of tax effects.
- **Held-to-maturity securities:** these are acquired to be held to maturity, recorded at acquisition cost or market value when reclassified from another category. Securities in this category shall include their respective earnings, matched against P&L for the period, not assessed at market value.

Securities' earnings, irrespective of their classification, are recorded on a pro rata daily basis, and also on an accrual basis, observing their remuneration clauses, recorded in the income statements. Securities' losses, irrespective of their classification, are directly recognized in P&L for the period, and then make up the new asset cost basis.

Every quarter CAIXA evaluates whether there is any objective indication of impairment in debt and equity securities, classified as available for sale and held to maturity. In the event that there is evidence, which is not considered temporary, including those mentioned below, its effects are recognized in P&L as realized losses for the period:

- Significant or prolonged decrease in market value of equity securities, below their cost;
- Significant changes with adverse effect, occurred in the IT, market, economic or legal environment where the issuer operates and indicates that the cost of the investment in equity cannot be recovered;
- Significant financial difficulties faced by the issuer, or breach of contract, such as failure to comply or delay in payment of interest or capital.

Classification, breakdown and segmentation of securities are presented in Note 6 (a), (b) and (c).

(f) Derivative financial instruments

CAIXA uses derivative financial instruments, such as swaps, interest rate future securities, foreign exchange future securities in foreign currency, held for trade for financial or accounting hedge purposes, recorded according to BACEN Circular Letter No. 3082/2002.

Derivatives are accounted for at fair value and held as assets when positive, and liabilities when negative. These are also subsequently revalued at fair value, and the corresponding increases and decreases are directly recognized in P&L for the period, except for the effective cash flows hedge portion, which is directly recognized in equity.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

When the derivative is contracted for trade, associated to the fund raising or investment transaction, under the terms of BACEN Circular Letter No. 3150/2002, revaluation is made under contractual conditions, with no adjustment arising from the derivative's fair value.

Derivative financial instruments use to fully or partially offset risks from variations in the market value of financial assets and liabilities qualified for accounting hedge are classified as follows:

- **Market Risk Hedge:** Financial assets and liabilities, as well as their related financial instruments, are marked to market with realized and unrealized gains and losses, and are recorded directly in the income statements;
- **Cash flow hedge:** The effective portion of the hedge of financial assets and liabilities, as well as their related financial instruments, are marked to market with realized and unrealized gains and losses, net of tax effects when applicable, recorded in a specific equity account. The non-effective portion of the hedge is recorded directly in the income.

By applying the accounting hedge methodology, CAIXA documents, at the beginning of the operation, the relation between hedge instruments (derivatives) and hedged items, the objectives of the risk management and the strategy for hedge realization.

The documentation also covers the nature of hedged risks, the nature of excluded risks, the prospective statement of effectiveness of hedge relation and how the effectiveness of the derivatives will be evaluated in order to offset variations in the fair value of cash flows referring to hedged items.

CAIXA applies the accounting hedge methodology and classifies derivative financial instruments under the market risk hedge category. Variations in fair value of these derivatives, classified as market risk hedge, are recorded in the income statements. Gain or loss resulting from the hedge item attributable to the hedged risk adjusts the recorded amount of the hedged item matched against income for the period. In case the hedge instrument no longer meets the hedge accounting criteria, the book value adjustment – evaluated at cost – of a hedged item is amortized in P&L for the period until the maturity of the respective financial instrument. If the hedged item is written off, the unamortized fair value is promptly recognized in P&L.

Breakdown of values recorded in derivative financial instruments, either in equity accounts or offsetting accounts, is presented in Note 6.

(g) Fair value measurement

The fair value is determined based on consistent and verifiable criteria, which considers the average price of financial instruments at determination date or, in the lack thereof, the market price for assets or liabilities with similar characteristics. If this is also not available the fair value is obtained by quotation with market operators or valuation models that may require judgment by Management.

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

The valuation method consists in the construction of cash flows based on observable data, such as prices and rates of other financial instruments available in the market, such as future contracts, government securities, and swap transactions.

Additional information on how the fair value of financial instruments is calculated are available in Note 33.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(h) Loans, advances on exchange contracts, other receivables with loan features and allowance for loan losses

Loan operations are classified based on Management's assessment, which is carried out periodically and takes into consideration the economic scenario, past experience, and the specific and overall risks associated with the transactions, debtors, and guarantors. The assessment classifies the debtors into nine levels, from "AA" (minimum risk) to "H" (maximum risk). The periods of arrears established by CMN Resolution 2,682/1999 are also taken into consideration for the assignment of customer ratings, as follows:

Period in arrears	Special term (1)	Customer rating
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	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

For transactions with remaining term over 36 months, delayed periods are counted in double, as determined by CMN Decision No. 2682/1999.

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 are charged off against the existing allowance, and controlled for at least five years in memorandum accounts.

Renegotiated operations are kept at least at the same level into which they were classified. Renegotiations which had already been written off for losses, which controlled in offsetting accounts, are classified as of "H" level risk. Any gains from renegotiation can only be recognized when effectively received. When there is significant amortization, or new material facts justifying a change in the risk level take place, the operation can be reclassified to a lower level category.

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.

As of January 2012, pursuant to CMN Resolutions 3,533/2008 and 3,895/2010, all credit assignments with retention of risks and benefits started to have their revenue recognized over the remaining terms of the transactions. The financial assets assigned continue to be recorded as loan operations and the amount received as obligations for sales or transfers of financial assets.

The modalities, values, terms, risk levels, concentration, participation in economic activity segments, renegotiations, and income from loan transactions, as well as breakdown of expenses and accounts of allowance for doubtful accounts are presented in Note 8.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(i) Income tax and social contribution on net income

Set up of tax credits is based on the estimate of their realization, based on technical and other analyses performed by Management. Deferred income and social contribution taxes, computed based on income and social contribution tax losses and temporary differences, are recorded as tax credits in accordance with the expected generation of income in the future, in compliance with the set-up, maintenance and write-off criteria determined by CMN Decision No. 3059/2002, amended by CMN Decision No. 3355/2006.

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. In turn, the tax credits on income tax and social contribution losses are realized upon the generation of taxable income, through the offset in the basis of the related taxes, limited to 30% of the taxable income for each year. CAIXA recognizes IRPJ, CSLL, PASEP and COFINS tax credits on the negative adjustments arising from the marking of marketable securities and derivative financial instruments to market recognized in the statement of income and in a separate Equity account.

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

Breakdown of income and social contribution tax amounts, evidence of calculations, origin and provision for realization of tax credits are presented in Note 20.

(j) 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.

Breakdown of prepaid expenses is presented in Note 10.

(k) Investments

Investments in subsidiaries or companies with significant influence are measured by the equity pick-up method. Other permanent investments are evaluated at acquisition cost. The investments, irrespective of the valuation method, are submitted to impairment tests according to BACEN standards and instructions.

Breakdown of investments in subsidiaries and affiliates is presented in Note 11.

(l) Property and equipment

Property and equipment in use is represented by rights whose object are tangible goods owned by CAIXA and used for maintenance of its operating activities, such as: Buildings, pieces of land, furniture, equipment, computer hardware and other items. These assets are recorded at acquisition or buildup cost, monetarily restated through December 31, 1995 and depreciated on a straight-line basis without net book value. The assets' depreciable value is allocated on a systematic basis over their estimated useful lives.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Asset depreciation expenses are recognized in P&L and computed based on the following economic useful lives:

Property and equipment	Term
Buildings	50 years
Communication systems	10 years
Furniture and equipment	10 years
Data processing systems	05 years
Security systems	05 years

CAIXA is not engaged in financing of fixed assets or loans costs related to these assets. CAIXA, at the base date of the financial information, evaluates whether there is any indication of impairment of fixed assets. In this case, the book value of these assets is decreased to their recoverable value, and future depreciation expenses are proportionally adjusted to the reviewed book value and to the new remaining economic useful if, if this is once again estimated.

Likewise, if there is indication of recovery of the value of a fixed asset item, CAIXA reverses impairment losses recorded in previous periods and respectively adjusts future depreciation expenses. In any circumstance the reversal impairment loss of an asset can increase its book value above the value that it should have in the event that this loss had been recognized in previous years.

The estimated useful lives of property and equipment held for own use are reviewed at least at the end of each reporting period, to detect possible significant changes. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognized in the statement of income for coming periods, based on the new useful lives.

Subsequent costs are capitalized as property and equipment only if they meet the required recognition criteria. Maintenance costs of property and equipment, such as labor, consumption materials, and small-cost spare parts, are expensed as incurred.

Breakdown of cost value of goods and their depreciation, as well as the unrecorded value added for fixed assets and the construction in progress levels are presented in Note 12.

(m) Intangible assets

Intangible assets are represented by goods which do not have a physical body and allocated for maintenance of the entity's activities or exercised with this purpose. These identifiable non-monetary assets, that can be separated from other assets, without physical substance, arising from legal transactions or internally developed by consolidated entities, whose cost can be reliably estimated and based on which CAIXA considers that future generation of economic benefits is probable.

These assets are initially recognized at acquisition or buildup cost and subsequently deducted the accumulated amortization, computed under the straight-line method, observing the contractual terms and subject to impairment tests, as provided for by CMN Decision No. 3566/2008 and No. 3642/2008.

These can have indefinite useful lives when the period over which it is expected that the asset is capable of generating cash for consolidated entities is unforeseeable, based on analysis of all significant factors. Intangible assets with indefinite useful lives are not amortized, however, they are reviewed at the end of every accounting period in order to determine whether their useful lives remain indefinite and, if that is not the case, take the adequate measures.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CAIXA's intangible assets include basically software and payrolls, which refer to amounts paid to ensure banking services related to processing of payroll credits and payroll loans, maintenance of collection portfolio, payment to suppliers and other banking services with commercial partnership contracts for the public and private sectors.

Internally developed software are recognized as intangible assets only if CAIXA is able capable to use or sell it and if the future generation of economic benefits can be reliably presented.

Expense with amortization of intangible assets is recognized in the income statements under Depreciation and amortization, in other administrative expenses, and have the following rates:

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

Breakdown of intangible assets and their changes are presented in Note 13.

(n) Impairment of non-financial assets

At the end of every year, CAIXA tests its non-financial assets for impairment. Irrespective of any indication of impairment, CAIXA checks the recoverable value of intangible assets still not available for use and of the goodwill on acquisition of investments at least on a yearly basis. If an indication of impairment is found, this is recognized in P&L for the period when the asset's book balance exceeds its recoverable value, which is determined by the potential sale value, or realization value less the respective expenses or by the value in use computed by the cash-generating unit.

CAIXA has no impairment in fixed assets in use or in intangible assets.

(o) Deposits, open market funding, funds from acceptance and issue of securities, and borrowings and onlending obligations

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

Breakdown of deposits and open market funding, their deadlines and amounts recorded in equity and P&L accounts, as well as funds from acceptances and issue of securities, borrowing and onlending obligations, are presented in Note 14, 15, 16 and 17, respectively.

In operations to raise funds by means of issuance of securities, expenses are allocated in P&L with the transaction term and presented as reducing accounts of the corresponding liabilities, as detailed in Note 15 (b).

(p) Contingent assets and liabilities and legal, tax, and social security obligations

The recognition, measurement and disclosure of provisions, asset and liability contingencies, and legal obligations are made according to the criteria defined by CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Decision No. 3823/2009:

. **Contingent assets:** these are recognized only when there are actual guarantees or unappealable favorable judicial decisions, for which the gain is practically certain, and for their recovery capacity by receipt or offsetting with other liability. Contingent assets, whose positive outcome is probable, are disclosed in explanatory notes;

▪ **Contingent liabilities:** these are recognized in financial statements when, based on legal counsel's and management's opinion, the likelihood of an unfavorable outcome for a lawsuit or an administrative proceeding is considered probable, with a probable outflow of funds for the settlement of obligations, and when the amounts involved can be reliably measured. Administrative or judicial issues classified as possible losses are not recognized but only disclosed in explanatory notes when individually significant, and no provision is set up for those whose likelihood of loss is remote, which are also not disclosed.

▪ **Provisions:** these are set up considering the legal counsel's and management's opinion, the nature of the proceeding, similarity with prior proceedings, complexity and positioning of courts, always that the likelihood of loss is

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

considered probable, which would lead to a probable outcome of resources to settle such obligations, and when the involved amounts are reliably measured;

▪ **Legal, tax and social security obligations:** these involve ongoing judicial proceedings challenging the enforceability and constitutionality of the obligation and which, regardless of the likelihood of loss, have their amounts fully recognized in the financial statements.

Details on contingent assets and liabilities, as well as on provisions, in addition to their corresponding changes, are presented in Note 30.

(q) Employee benefits

Benefits to employees, related to short-term benefits for current employees, are recognized on an accrual basis in accordance with the services provided. Post-employment benefits under the responsibility of CAIXA and related to supplementary retirement and healthcare are recognized in accordance with CVM Ruling No. 695/2012.

As for the defined benefit (BD) retirement plan, for which contributions are made to an independently managed fund, the actuarial risk of investments is fully or partially posed to the sponsoring entity. Recognition of costs requires the measurement of plan obligations and expenses, in view of the possibility of actuarial gains or losses, which may generate liabilities when the amount of actuarial obligations exceeds the amount of benefit plan assets. The present value of obligations arising from this benefit, as well as the current service cost and, where applicable, the cost of past services is determined under the Projected Unit Credit Method, attributing the benefit to periods when the obligation of providing post-employment benefits arises.

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

As for the defined contribution retirement plan, the actuarial risk and the investment risk are undertaken by the participants. Recognition of costs is determined by each period's contribution values, which represent CAIXA's obligation, and no actuarial calculation for measurement of obligations or expenses is necessary, since there is no actuarial gain or loss.

Other benefit granted is the healthcare plan – Saúde CAIXA, for employees, retirees and their corresponding dependents. For calculation of liabilities and costs of said healthcare plan, actuarial hypotheses and assumptions approved by CAIXA were adopted, as well as the Projected Unit Credit method.

CAIXA also provides its employees and managers with meal vouchers and food assistance, according to the legislation in force and the Collective Bargaining Agreement, with indemnification nature, not considered a part of their salaries and free of charges for CAIXA or its employees and managers. Profit sharing is monthly allocated at the proportion of 11.25% on the budgeted annual income. After the Collective Bargaining Agreement is closed, this value is adjusted considering the approved rules.

CVM Rule No. 695/2012 approved Technical Pronouncement CPC 33 (R1) – Employee Benefits and made changes in the defined benefit plans referring to the accounting and disclosure of post-employment benefits, such as the removal of the corridor mechanism to record plan obligations, in addition to changes in the criteria for recognition of compensatory interest of plan assets. The adoption of this pronouncement became effective as from January 1, 2013, thus requiring the full recognition of actuarial losses in liability account, as occurred, matching against Other equity pickup adjustments account in equity.

Breakdown of employee benefits and any changes thereof are presented in Note 32.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(r) Other assets and liabilities

Other assets are recorded at realization value, including, where applicable, yield, monetary and currency changes, and provision for losses, on a daily pro rata basis, when deemed necessary. Other liabilities include known and determinable amounts, plus, where applicable, charges, monetary and currency variations, on a daily pro rata basis.

(s) Subsequent events

Subsequent events correspond to events occurred between the financial statements date and the date when they are authorized to be disclosed, as follows:

- **Events leading to adjustments:** Those presenting evidence of already existing conditions at financial statements date;
- **Events not leading to adjustments:** those presenting evidence of conditions not existing at financial statements date;

(t) Re-presentation of Comparative Balances**Change in accounting practice – Employee benefits**

Company and consolidated financial statements as of December 31, 2011 and December 31, 2012, presented for comparison purposes, were adjusted and are restated due to changes in the accounting criteria for employee benefits, under the terms described by CPC 33 (R1) – Employee benefits. Up to December 31, 2012, actuarial gains and losses were recognized under the corridor method. As from 2013, the reviewed CPC 33 was applied, and any actuarial gains/losses are then recognized as assets and liabilities, respectively, in the financial statements, matching against equity.

Amounts recognized in income based on application of CPC 33 (R1) are immaterial; therefore, income statement accounts are not restated.

Change in accounting practice – Accounts closed due to registration non-conformities

In November 2013, CAIXA received a letter from the Brazilian Central Bank with specific instructions on treatment of balances of deposit accounts closed due to registration non-compliances.

Compliance with said criteria implied in changed to the accounting practice adopted by CAIXA referring to the treatment of these accounts.

Before receiving said letter, CAIXA classified balances from deposit accounts closed due to registration non-conformities as contingent liabilities due to the remote likelihood of future disbursements of these amounts, which, therefore, were recognized in P&L matching against the liability write-off. However, with the instructions from the regulatory body, the referred to amounts are recognized in book accounts representing deposits.

In compliance with CPC 23 – Accounting practices, Changes in Estimates and Error Correction, the new accounting practice was retrospectively applied, and the effect of its amendments were matched against equity, provided that the comparative balances are recalculated for presentation of these financial statements.

Effects in equity accounts due to application of CPC 33 (R1) and changes in accounts practices referring to treatment of balances of deposit accounts closed due to registration non-conformities are presented as follows, with emphasis to the impacts caused by CPC 33 (R1) adjustments to the tax credit base are immaterial, considering realization in 10 years.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Description	December 31, 2011					
	As stated previously		Adjustments		Adjusted amount	
Assets	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Current	232,502,431	232,959,878	-	-	232,502,431	232,959,878
Non-current	278,528,617	277,253,715	-	-	278,528,617	277,253,715
Total Assets	511.031.048	510.213.593			511,031,048	510,213,593
Liabilities and Equity	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Current and	355,877,180	355,059,725	(973,857)	(973,857)	354,903,323	354,085,868
Other liabilities	38,585,257	38,669,072	(973,857)	(973,857)	37,611,400	37,695,215
Sundry (1)	27,560,003	27,560,027	(973,857)	(973,857)	26,586,146	26,586,170
Non-current	135,592,488	135,592,488	-	-	135,592,488	135,592,488
Equity	19,561,380	19,561,380	973,857	973,857	20,535,237	20,535,237
Carrying value adjustments (1)	(137,798)	(137,798)	973,857	973,857	836,059	836,059
Total Liabilities and Equity	511,031,048	510,213,593			511,031,048	510,213,593

(1) Adjustments caused by amendments to the accounting practice on employee benefits.

Description	December 31, 2012					
	As stated previously		Adjustments		Adjusted amount	
Assets	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Current and	350,905,556	351.547.176	312.626	312.626	351.218.182	351.859.802
Other receivables	29,091,187	29.234.363	312.626	312.626	29.403.813	29.546.989
Sundry (1)	26,779,048	26.781.887	312.626	312.626	27.091.674	27.094.513
Non-current	352,034,110	351.347.795	-	-	352.034.110	351.347.795
Total Assets	702.939.666	702.894.971			703.252.292	703.207.597
Liabilities and Equity	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Current and	442,342,112	442,297,417	1,323,289	1,323,289	443,665,401	443,620,706
Deposits	279,990,109	279,989,979	739,072	739,072	280,729,181	280,729,051
Cash deposits (2)	27,381,103	27,381,099	4,468	4,468	27,385,571	27,385,567
Deposits in savings account (2)	175,566,036	175,566,036	732,586	732,586	176,298,622	176,298,622
Special deposits and deposits for funds and programs (2)	9,265,546	9,265,546	2,018	2,018	9,267,564	9,267,564
Other liabilities	50,374,218	50,529,062	584,217	584,217	50,958,435	51,113,279
Sundry (3)	34,081,591	34,081,866	584,217	584,217	34,665,808	34,666,083
Non-current	235,540,610	235,540,610	-	-	235,540,610	235,540,610
Equity	25,056,944	25,056,944	(1,010,663)	(1,010,663)	24,046,281	24,046,281
Carrying value adjustments (3)	(114,087)	(114,087)	(584,217)	(584,217)	(698,304)	(698,304)
Retained earnings (4)	-	-	(426,446)	(426,446)	(426,446)	(426,446)
Total Liabilities and Equity	702,939,666	702,894,971			703,252,292	703,207,597

(1) Tax to be offset referring to change in accounting practice of closed accounts.

(2) Recognition of liabilities referring to change of accounting practice of the closed accounts.

(3) Adjustments caused by amendments to the accounting practice on employee benefits.

(4) Impacts referring to change in accounting practice of closed accounts, net of tax effects.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Effects in income for the second half of 2012, referring to change in practice involving the treatment of balances of deposit accounts, closed due to registration non-conformities, are as follows:

Description	2nd six-month period of 2012					
	As stated previously		Adjustments		Adjusted amount	
INCOME	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Financial income	29,594,089	29,594,089	-	-	29,594,089	29,594,089
Financial expenses	(20,901,435)	(20,893,738)	(15,821)	(15,821)	(20,917,256)	(20,909,559)
Open market funding	(13,595,838)	(13,588,141)	(15,821)	(15,821)	(13,611,659)	(13,603,962)
Gross financial income	8,692,654	8,700,351	(15,821)	(15,821)	8,676,833	8,684,530
Other operating income (expenses)	(6,558,471)	(6,548,340)	(493,768)	(493,768)	(7,052,239)	(7,042,108)
Tax expenses	(1,017,830)	(1,022,984)	25,071	25,071	(992,759)	(997,913)
Other operating income	4,552,283	4,614,114	(518,839)	(518,839)	4,033,444	4,095,275
Operating income	2,134,183	2,152,011	(509,589)	(509,589)	1,624,594	1,642,422
Income before income taxes	2,116,044	2,133,872	(509,589)	(509,589)	1,606,455	1,624,283
Income and social contribution taxes	1,760,236	1,742,408	202,810	202,810	1,963,046	1,945,218
Current taxes	(40,743)	(58,586)	124,927	124,927	84,184	66,341
Deferred tax asset	1,722,132	1,722,147	77,883	77,883	1,800,015	1,800,030
Deferred tax liabilities	78,847	78,847	-	-	78,847	78,847
Employees' profit sharing	(656,574)	(656,574)	-	-	(656,574)	(656,574)
Net income for the period	3,219,706	3,219,706			2,912,927	2,912,927

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Effects in income for 2012, referring to change in practice involving the treatment of balances of deposit accounts, closed due to registration non-conformities, are as follows:

Description	Year 2012					
	As stated previously		Adjustments		Adjusted amount	
INCOME	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Financial income	58,147,194	58,147,194	-	-	58,147,194	58,147,194
Financial expenses	(41,271,019)	(41,241,799)	(20,314)	(20,314)	(41,291,333)	(41,262,113)
Open market funding	(26,971,197)	(26,941,977)	(20,314)	(20,314)	(26,991,511)	(26,962,291)
Gross financial income	16,876,175	16,905,395	(20,314)	(20,314)	16,855,861	16,885,081
Other operating income (expenses)	(11,868,099)	(11,875,752)	(684,391)	(684,391)	(12,552,490)	(12,560,143)
Tax expenses	(2,038,878)	(2,044,414)	34,367	34,367	(2,004,511)	(2,010,047)
Other operating income	8,174,720	8,238,596	(718,758)	(718,758)	7,455,962	7,519,838
Operating income	5,008,076	5,029,643	(704,705)	(704,705)	4,303,371	4,324,938
Income before income taxes	4,897,790	4,919,357	(704,705)	(704,705)	4,193,085	4,214,652
Income and social contribution taxes	2,118,264	2,096,697	278,259	278,259	2,396,523	2,374,956
Current taxes	(437,180)	(458,767)	171,496	171,496	(265,684)	(287,271)
Deferred tax asset	2,749,600	2,749,619	106,763	106,763	2,856,363	2,856,382
Deferred tax liabilities	(194,156)	(194,155)	-	-	(194,156)	(194,155)
Employees' profit sharing	(950,000)	(950,000)	-	-	(950,000)	(950,000)
Net income for the period	6,066,054	6,066,054			5,639,608	5,639,608

Note 4 – Cash and cash equivalents

PARENT COMPANY / CONSOLIDATED		
Description	December 31, 2013	December 31, 2012
Total cash and banks	11,480,407	8,035,967
Cash and banks in local currency	8,208,226	6,534,096
Cash and banks in foreign currency	3,272,181	1,501,871
Short-term interbank investments (1)	37,232,669	71,161,795
Total	48,713,076	79,197,762

(1) Transactions falling due within 90 days from the date of acquisition.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 5 – Short-term interbank investments

PARENT COMPANY / CONSOLIDATED				
Description	1 to 90 days	91 to 180 days	December 31, 2013	December 31, 2012
Money market investments - non-financed position	4,473,645	-	4,473,645	25,612,121
Financial Treasury Bills	100,997	-	100,997	5,448,911
Federal Treasury Bills	2,637,397	-	2,637,397	18,993,220
Federal Treasury Notes	1,735,251	-	1,735,251	1,169,990
Money market investments - financed position	32,759,024	-	32,759,024	46,492,475
Financial Treasury Bills	11,103,849	-	11,103,849	14,485,765
Federal Treasury Bills	10,315,230	-	10,315,230	11,295,496
Federal Treasury Notes	11,339,945	-	11,339,945	20,711,214
Investments in interbank deposits	4,766,652	2,905,021	7,671,673	3,078,676
Investments in interbank deposits	4,767,169	2,905,191	7,672,360	3,078,757
Provision for losses on investment in Interbank Deposits (DI)	(517)	(170)	(687)	(81)
Total - current assets	41,999,321	2,905,021	44,904,342	75,183,272

(a) Income from short-term interbank investments

Breakdown of "Income from security transactions" in income statements.

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Income from money market investments	3,975,378	6,918,465	3,242,610	6,107,695
Non-financed position	483,757	1,476,740	1,226,271	1,845,291
Financed position	3,491,621	5,441,725	2,016,339	4,262,404
Income from investments in interbank deposits	189,592	296,056	85,035	174,339
Total	4,164,970	7,214,521	3,327,645	6,282,034

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 6 – Securities and derivative financial instruments
(a) Portfolio

Description	PARENT COMPANY					Total
	Own Portfolio - Unrestricted	Designated			Derivative financial instruments	
		Subject to repurchase agreements	Pledged in guarantee	Central Bank		
Brazilian Government Securities	59,014,483	81,741,613	4,287,812	944	-	145,044,852
Financial Treasury Bills	534,885	4,631,344	5,039	-	-	5,171,268
Federal Treasury Bills	49,175,166	49,964,875	4,280,627	944	-	103,421,612
Federal Treasury Notes	9,294,111	27,145,394	2,146	-	-	36,441,651
Federal Treasury/Securitization	10,321	-	-	-	-	10,321
Corporate Securities	13,911,126	3,450,161	-	-	-	17,361,287
Debentures	3,505,650	3,450,161	-	-	-	6,955,811
Real Estate Credit Notes	581,930	-	-	-	-	581,930
Financial Notes	211,703	-	-	-	-	211,703
Investment Fund shares	58,529	-	-	-	-	58,529
Mortgage-Backed Securities	1,048,940	-	-	-	-	1,048,940
Shares	8,504,374	-	-	-	-	8,504,374
Other	-	-	-	-	260,317	260,317
Total at 12/31/2013	72,925,609	85,191,774	4,287,812	944	260,317	162,666,456
Total at 12/31/2012	89,732,271	46,966,526	1,683,394	998	82,128	138,465,317

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED						
Description	Own Portfolio - Unrestricted	Designated			Derivative financial instruments	Total
		Subject to repurchase agreements	Pledged in guarantee	Central Bank		
Brazilian Government Securities	59,014,483	81,741,613	4,287,812	944	-	145,044,852
Financial Treasury Bills	534,885	4,631,344	5,039	-	-	5,171,268
Federal Treasury Bills	49,175,166	49,964,875	4,280,627	944	-	103,421,612
Federal Treasury Notes	9,294,111	27,145,394	2,146	-	-	36,441,651
Federal Treasury/Securitization	10,321	-	-	-	-	10,321
Corporate Securities	14,532,894	3,450,161	-	-	-	17,983,055
Debentures	3,505,650	3,450,161	-	-	-	6,955,811
Real Estate Credit Notes	581,930	-	-	-	-	581,930
Financial Notes	211,703	-	-	-	-	211,703
Investment Fund shares	58,529	-	-	-	-	58,529
Mortgage-Backed Securities	1,048,940	-	-	-	-	1,048,940
Shares	9,126,142	-	-	-	-	9,126,142
Other	-	-	-	-	260,317	260,317
Total at 12/31/2013	73,547,377	85,191,774	4,287,812	944	260,317	163,288,224
Total at 12/31/2012	90,230,715	46,966,526	1,683,394	998	82,128	138,963,761

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Consolidated classification by maturity

PARENT COMPANY										
Position at 12/31/2013	Cost	P&L adjustment (1)	Equity adjustment (2)	Book Value	Market Value	No maturity	01 – 90 days	91 – 180 days	181 – 360 days	More than 360 days
Description										
Brazilian Government Securities	146,820,986	(1,774,312)	(1,822)	145,044,852	144,456,491	-	25,843,557	10,147,154	20,783,571	88,270,570
Financial Treasury Bills	5,171,277	(9)	-	5,171,268	5,171,421	-	4,660,156	-	500,233	10,879
Federal Treasury Bills	105,194,125	(1,772,513)	-	103,421,612	103,386,118	-	17,490,202	10,147,154	19,708,560	56,075,696
Federal Treasury Notes	36,441,248	(1,790)	2,193	36,441,651	35,888,631	-	3,693,199	-	574,778	32,173,674
Federal Treasury/Securitization	14,336	-	(4,015)	10,321	10,321	-	-	-	-	10,321
Corporate Securities	18,181,963	257	(820,933)	17,361,287	17,361,287	8,562,903	58,959	34,055	286,858	8,418,512
Debentures	7,024,008	217	(68,414)	6,955,811	6,955,811	-	58,959	34,055	-	6,862,797
Real Estate Credit Notes	582,007	-	(77)	581,930	581,930	-	-	-	197,384	384,546
Financial Notes	211,709	-	(6)	211,703	211,703	-	-	-	89,474	122,229
Investment fund shares	58,529	-	-	58,529	58,529	58,529	-	-	-	-
Mortgage-Backed Securities	1,017,355	40	31,545	1,048,940	1,048,940	-	-	-	-	1,048,940
Shares	9,288,355	-	(783,981)	8,504,374	8,504,374	8,504,374	-	-	-	-
Total – TVM	165,002,949	(1,774,055)	(822,755)	162,406,139	161,817,778	8,562,903	25,902,516	10,181,209	21,070,429	96,689,082
Trading securities	100,515,845	(1,774,055)	-	98,741,790	98,741,795	25,569	22,188,091	10,147,154	19,718,877	46,662,099
Available-for-sale securities	17,762,257	-	(822,755)	16,939,502	16,939,502	8,537,334	58,959	34,055	286,858	8,022,296
Held-to-maturity securities	46,724,847	-	-	46,724,847	46,136,481	-	3,655,466	-	1,064,694	42,004,687
Derivative financial instruments	260,317	-	-	260,317	260,317	-	249	6,182	6,513	247,373
Total – TVM and Derivatives	165,263,266	(1,774,055)	(822,755)	162,666,456	162,078,095	8,562,903	25,902,765	10,187,391	21,076,942	96,936,455

(1) Provision for Mark-to-Market Adjustment (Statement of Income);

(2) Provision for Mark-to-Market Adjustment (Equity). Marked to market effect recorded in equity is (470,697); December 31, 2012) - (410,774), net of tax effects.

Securities in the category Held-to-maturity securities, were marked to market, only for disclosure and analysis purposes; however, this marking to market does not have any effect on profit/loss or Equity. Securities in the category Trading Securities are classified in current assets, pursuant to BACEN Circular 3,068/2001.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED										
Position at 12/31/2013	Cost	P&L adjustment (1)	Equity adjustment (2)	Book Value	Market Value	No maturity	01 – 90 days	91 – 180 days	181 – 360 days	More than 360 days
Description										
Brazilian Government Securities	146,820,986	(1,774,312)	(1,822)	145,044,852	144,456,491	-	25,843,557	10,147,154	20,783,571	88,270,570
Financial Treasury Bills	5,171,277	(9)	-	5,171,268	5,171,421	-	4,660,156	-	500,233	10,879
Federal Treasury Bills	105,194,125	(1,772,513)	-	103,421,612	103,386,118	-	17,490,202	10,147,154	19,708,560	56,075,696
Federal Treasury Notes	36,441,248	(1,790)	2,193	36,441,651	35,888,631	-	3,693,199	-	574,778	32,173,674
Federal Treasury/Securitization	14,336	-	(4,015)	10,321	10,321	-	-	-	-	10,321
Corporate Securities	18,279,603	257	(296,805)	17,983,055	17,983,055	9,184,671	58,959	34,055	286,858	8,418,512
Debentures	7,024,008	217	(68,414)	6,955,811	6,955,811	-	58,959	34,055	-	6,862,797
Real Estate Credit Notes	582,007	-	(77)	581,930	581,930	-	-	-	197,384	384,546
Financial Notes	211,709	-	(6)	211,703	211,703	-	-	-	89,474	122,229
Investment fund shares	58,529	-	-	58,529	58,529	58,529	-	-	-	-
Mortgage-Backed Securities	1,017,355	40	31,545	1,048,940	1,048,940	-	-	-	-	1,048,940
Shares	9,385,995	-	(259,853)	9,126,142	9,126,142	9,126,142	-	-	-	-
Total – TVM	165,100,589	(1,774,055)	(298,627)	163,027,907	162,439,546	9,184,671	25,902,516	10,181,209	21,070,429	96,689,082
Trading securities	100,515,845	(1,774,055)	-	98,741,790	98,741,795	25,569	22,188,091	10,147,154	19,718,877	46,662,099
Available-for-sale securities	17,859,897	-	(298,627)	17,561,270	17,561,270	9,159,102	58,959	34,055	286,858	8,022,296
Held-to-maturity securities	46,724,847	-	-	46,724,847	46,136,481	-	3,655,466	-	1,064,694	42,004,687
Derivative financial instruments	260,317	-	-	260,317	260,317	-	249	6,182	6,513	247,373
Total – TVM and Derivatives	165,360,906	(1,774,055)	(298,627)	163,288,224	162,699,863	9,184,671	25,902,765	10,187,391	21,076,942	96,936,455

(1) Provision for adjustment to market value (P&L);

(2) Provision for adjustment to market value (equity). This includes the market value of the subsidiary's TVM. Marked to market effect recorded in equity is (179,176); December 31, 2011) - (49,544), net of tax effects.

Securities in the category Held-to-maturity securities, were marked to market, only for disclosure and analysis purposes; however, this marking to market does not have any effect on profit/loss or Equity. Securities in the category Trading Securities are classified in current assets, pursuant to BACEN Circular 3,068/2001.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Summary of the classification of marketable securities by maturity bucket

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.

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

(c.1) Category I - Trading Securities

INDIVIDUAL / CONSOLIDADO											
Description	12/31/2013								12/31/2012		
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Income / expense Adjustment	Market Value	Cost	Market Value	Market Value
Brazilian Government Securities	-	22,188,091	10,147,154	19,718,877	46,644,820	100,473,254	(1,774,312)	98,698,942	74,312,660	1,152,089	75,464,749
LFT	-	1,604,504	-	10,317	10,879	1,625,709	(9)	1,625,700	2,973,233	(258)	2,972,975
LTN	-	16,890,388	10,147,154	19,708,560	46,624,415	95,143,030	(1,772,513)	93,370,517	63,455,737	1,136,276	64,592,013
NTN	-	3,693,199	-	-	9,526	3,704,515	(1,790)	3,702,725	7,883,690	16,071	7,899,761
Corporate securities	25,569	-	-	-	17,279	42,591	257	42,848	78,805	956	79,761
Debentures	-	-	-	-	14,578	14,361	217	14,578	40,408	767	41,175
Investment fund shares	25,569	-	-	-	-	25,569	-	25,569	34,466	-	34,466
Mortgage-backed securities	-	-	-	-	2,701	2,661	40	2,701	3,931	189	4,120
Total	25,569	22,188,091	10,147,154	19,718,877	46,662,099	100,515,845	(1,774,055)	98,741,790	74,391,465	1,153,045	75,544,510

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

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

PARENT COMPANY											
Description	12/31/2013						12/31/2012				
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Equity Adjustment (1)	Market Value	Cost	Equity Adjustment (1)	Market Value
Brazilian Government Securities	-	-	-	-	17,242	19,064	(1,822)	17,242	95,327	397	95,724
LFT	-	-	-	-	-	-	-	-	75,517	(30)	75,487
NTN	-	-	-	-	6,921	4,728	2,193	6,921	4,496	3,897	8,393
Federal Treasury/Securitization	-	-	-	-	10,321	14,336	(4,015)	10,321	15,314	(3,470)	11,844
Corporate securities	8,537,334	58,959	34,055	286,858	8,005,054	17,743,193	(820,933)	16,922,260	17,190,744	(718,408)	16,472,336
Debentures	-	58,959	34,055	-	6,848,219	7,009,647	(68,414)	6,941,233	6,569,932	(15,666)	6,554,266
Real Estate Credit Notes	-	-	-	197,384	384,546	582,007	(77)	581,930	324,929	(98)	324,831
Financial Notes	-	-	-	89,474	122,229	211,709	(6)	211,703	82,361	42	82,403
Investment fund shares	32,960	-	-	-	-	32,960	-	32,960	12,780	-	12,780
Mortgage-backed securities	-	-	-	-	650,060	618,515	31,545	650,060	682,819	96,210	779,029
Shares	8,504,374	-	-	-	-	9,288,355	(783,981)	8,504,374	9,517,923	(798,896)	8,719,027
Total	8,537,334	58,959	34,055	286,858	8,022,296	17,762,257	(822,755)	16,939,502	17,286,071	(718,011)	16,568,060

1) The mark-to-market effect recorded in Equity is (470,697); December 31, 2012 – (410,774), net of tax effects. .

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED											
Description	12/31/2013								12/31/2012		
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Equity Adjustment (1)	Market Value	Cost	Equity Adjustment (1)	Market Value
Brazilian Government Securities	-	-	-	-	17,242	19,064	(1,822)	17,242	95,327	397	95,724
LFT	-	-	-	-	-	-	-	-	75,517	(30)	75,487
NTN	-	-	-	-	6,921	4,728	2,193	6,921	4,496	3,897	8,393
Federal Treasury/Securitization	-	-	-	-	10,321	14,336	(4,015)	10,321	15,314	(3,470)	11,844
Corporate securities	9,159,102	58,959	34,055	286,858	8,005,054	17,840,833	(296,805)	17,544,028	17,327,958	(357,178)	16,970,780
Debentures	-	58,959	34,055	-	6,848,219	7,009,647	(68,414)	6,941,233	6,569,932	(15,666)	6,554,266
Real Estate Credit Notes	-	-	-	197,384	384,546	582,007	(77)	581,930	324,929	(98)	324,831
Financial Notes	-	-	-	89,474	122,229	211,709	(6)	211,703	82,361	42	82,403
Investment fund shares	32,960	-	-	-	-	32,960	-	32,960	52,351	-	52,351
Mortgage-backed securities	-	-	-	-	650,060	618,515	31,545	650,060	682,819	96,210	779,029
Shares	9,126,142	-	-	-	-	9,385,995	(259,853)	9,126,142	9,615,566	(437,666)	9,177,900
Total	9,159,102	58,959	34,055	286,858	8,022,296	17,859,897	(298,627)	17,561,270	17,423,285	(356,781)	17,066,504

(1) Mark-to-market adjustment (Equity) includes the mark-to-market adjustment of marketable securities of the subsidiary. The effect of the mark-to-market recorded in Equity is (179,176); December 31, 2012 – (49,544), net of tax effects.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c.3) Category III - Held-to-maturity securities

CAIXA has financial capacity to hold these securities to their respective maturities, in accordance with Management's intention.

PARENT COMPANY /CONSOLIDATED								
Description	12/31/2013					12/31/2012		
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Market Value	Cost	Market Value
Brazilian Government Securities	3,655,466	-	1,064,694	41,608,508	46,328,668	45,740,302	46,058,085	54,225,211
LFT	3,055,652	-	489,916	-	3,545,568	3,545,716	3,305,191	3,305,164
LTN	599,814	-	-	9,451,281	10,051,095	10,015,601	9,037,896	9,660,211
NTN	-	-	574,778	32,157,227	32,732,005	32,178,985	33,714,998	41,259,836
Corporate securities	-	-	-	396,179	396,179	396,179	212,534	260,737
Mortgage-backed securities	-	-	-	396,179	396,179	396,179	212,534	260,737
Total	3,655,466	-	1,064,694	42,004,687	46,724,847	46,136,481	46,270,619	54,485,948

(d) Income from securities

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Financial assets held for trading	3,589,485	4,099,362	2,993,551	6,563,973
Financial assets available for sale	561,897	872,543	301,780	527,669
Financial assets held to maturity	2,216,061	4,914,656	2,822,805	5,906,248
Other	(1,839)	(4,957)	958	1,780
Total	6,365,604	9,881,604	6,119,094	12,999,670

Notas Explicativas da Administração às Demonstrações Contábeis

Em milhares de reais, exceto quando indicado de outra forma

(e) Derivative financial instruments

CAIXA uses derivative financial instruments (IFD) recorded in balance sheet and memorandum accounts, which are used to meet its own needs to manage exposures to manage its risk exposure (hedge). These operations involve DI futures contracts, US dollars, exchange coupons, and swap contracts.

Derivative financial instruments, when used as hedging instruments, are designed to hedge changes in foreign exchange rates and variations in the interest rates of assets and liabilities.

Derivatives usually represent future commitments to exchange currencies or indexes, or to purchase or sell other financial instruments under the terms and dates set forth in the contracts.

Swap contracts are recorded with or without guarantee in BM&FBovespa or CETIP.

In case they are registered with collateral, there is a clearing that becomes responsible for calculating the daily adjustments and the guarantee margin to be deposited for payment in the event of default of any party. Thus, it is the clearing that becomes the counterparty to the contracts. In this type of registration, there is no credit risk.

In case they are registered without collateral, there is no clearing calculating the daily adjustments that guarantee the payments. These amounts are calculated between the parties. In this type of registration, however, there is the possibility of entering into contracts (Master Derivative Agreement – CGD and Assignment in Trust), which establish clauses guaranteeing the payment between the parties. Furthermore, in this type of registration, there is a defined credit which, when exceeded, requires the need to have assets deposited in an escrow account, which is managed by the parties. In this case, there is a credit risk, up to the limit set in the agreement.

The reference values of these derivatives are recorded in memorandum accounts, and the differences receivable or payable in balance sheet accounts

(f) Hedge Accounting**(f.1) External issue - Senior notes of 1st and 2nd series**

On November 11, 2012, CAIXA issued overseas two series of securities falling due in 2017 (1st series - US\$ 1,000,000,000) and in 2022 (2nd series - US\$ 500,000,000), in US dollars and with payment of fixed semi-annual interest of 2.375% p.a. and 3.5% p.a., respectively.

Additionally, the semi-annual payments require the payment of 15% on each portion of interest as tax payable in the country of issue

Held in the country of issue, the transaction exposes CAIXA to US dollar exchange variation. However, US dollar variation risk is added to the funds raised, which led to realization of swap transactions to hedge against these risks, formalized as fair value hedge, as follows:

- Swap long position: US Dollar variation + foreign exchange rate;
- Swap short position: DI variation %

The purpose of the fair value hedge is hedging US Dollar variation and exchange rate of senior notes, object of hedge, as follows:

- Foreign exchange rate variation:
 - 1st series, 2.375% p.a. over US\$ 1 billion or US\$ 11.9 million for six-month period, maturing from 2014 to 2017;
 - 2nd series, 3.50% p.a. over US\$ 500 million or US\$ 8.8 million for six-month period, maturing from 2014 to 2022.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

- Foreign exchange rate of the principal:
 - 1st series, US\$ 1 billion, maturing in 2017;
 - 2nd series, US\$ 500 million, maturing in 2022.
- Foreign exchange of tax due of 15% over the rate payable:
 - 1st series, US\$ 2.1 million for six-month period;
 - 2nd series, US\$ 1.5 million for six-month period;

Fair Value of Hedged Item		
Senior notes	12/31/2013	12/31/2012
1st series	2,357,153	2,048,222
2nd series	1,153,619	1,057,725
Total	3,510,772	3,105,947

Because future flows of the hedged object are matched against with the swap long position, the effectiveness of this transaction remained at 100%, within the gap of 80% and 125% defined in BACEN Circular Letter No. 3082/2002 for hedge effectiveness.

(f.2) Financial bills – IPCA rate

In August, September, November and December 2013, CAIXA raised funds by means of Financial Bills at IPCA rate, hedging against liability fair value with engagement in swap transactions.

The transactions were formally classified as fair value hedging account, in order to hedge from IPCA variation and IPCA rate, object of hedge, as follows:

- Swap long position: IPCA variation + rate;
- Swap short position: DI variation %

Hedge Object Fair Value		
Financial Bill	12/31/2013	Value at issue date
08/15/2023	195,550	200,000
09/18/2023	29,789	30,000
11/13/2023	345,899	332,000
12/23/2020	10,316	10,000
Total	581,554	572,000

Because future flows of the hedged object are matched against with the swap long position, the effectiveness of this transaction is 94.08%, within the gap of 80% and 125% defined in BACEN Circular Letter No. 3082/2002 for hedge effectiveness.

(g) Analysis of the portfolio of derivative financial instruments by type of instrument, maturity, stated at market value:

PARENT COMPANY / CONSOLIDATED						
Description	12/31/2013				12/31/2012	
	1 – 90 days	91 - 180 days	181 - 360 days	More than 360 days	Market Value	Market Value
Memorandum Accounts/ Reference Value						
Futures	20,813,123	9,949,570	16,748,077	46,475,278	93,986,048	67,244,406
Swap Contracts	4,750	61,954	65,737	5,604,791	5,737,232	225

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

PARENT COMPANY / CONSOLIDATED						
Description	12/31/2013					12/31/2012
	1 - 90 days	91 - 180 days	181 - 360 days	More than 360 days	Market Value	Market Value
Balance Sheet Accounts						
Swap long position – receivable	249	6,182	6,513	247,373	260,317	82,128
Swap short position – payable	185	15	224	88,747	89,171	539

(h) Realized and unrealized gains (losses) in the portfolio of derivative financial instruments

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Swap	143,000	175,396	(67)	(107)
Futures	510,503	2,436,291	(527,162)	(1,431,143)
Total realized	653,503	2,611,687	(527,229)	(1,431,250)
Swap – unrealized	-	-	5,163	5,163

(i) Securities tied to BACEN and offered as collateral

The guarantee margin is the deposit required from all parties that have outstanding risk positions, with the purpose of ensuring performance of all the related contracts. The guarantee margin on transactions with financial instruments is as follows:

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Brazilian Government Securities	4,288,756	1,684,392
Financial Treasury Bills	5,039	4,656
Federal Treasury Bills	4,280,627	1,676,135
Federal Treasury Notes	3,090	3,601

Note 7 – Interbank accounts

(a) The deposits with the Brazilian Central Bank mainly comprise compulsory deposits which are adjusted for inflation by official indexes and interest rates, except for those relating to demand deposits, and are not available to fund CAIXA's routine operations, therefore are not considered as cash equivalents.

PARENT COMPANY / CONSOLIDATED			
Description	Yield	12/31/2013	12/31/2012
Compulsory deposits on demand deposits	None	5,248,104	6,564,440
Compulsory deposits on savings deposits (1)	TR + 6.17% p.a.	41,509,247	34,991,876
Compulsory deposits on time deposits	SELIC rate	10,127,075	6,900,303
Rural credits	Not remunerated	1,021,462	-
Additional compulsory deposits	SELIC rate	28,282,632	23,742,887
Total		86,188,520	72,199,506

(1) For deposits made as from May 4, 2012, when the SELIC rate is lower than or equal to 8.5% per year, the yield of the compulsory deposits on savings deposits will be the Referential Interest Rate (TR) + 70% of the annual SELIC rate.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Account "Linked credits – SFH" includes amounts to be refunded to FGTS and residual amounts of contracts ended to be reimbursed by FCVS which are in novation process with that Fund.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
	Total Credit	Total Credit
FGTS reimbursable	81,879	64,996
FCVS receivable	23,903,656	21,727,118
Not yet qualified (1)	1,359,783	1,702,295
Qualified and awaiting approval (2)	7,139,629	6,534,937
Qualified and approved (3)	15,404,244	13,489,886
Provision of FCVS receivable	(3,187,964)	(3,015,221)
Total (net of provision)	20,797,571	18,776,893

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

(2) Contracts already qualified by CAIXA, which are under analysis by FCVS for final approval of the FCVS.

(3) Qualified and approved credits represent the contracts already analyzed and accepted by the FCVS and which depend on the process of securitization, as set forth in Law 10,150/2000, for their realization.

The contracts to be reimbursed by FCVS accrue interest of up to 6.17% per year and are adjusted for inflation based on 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 compliance with 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. The provision for credits with the FCVS is based on half-yearly statistical studies and takes into account the history of loss due to the Fund's refusal to accept liability.

CAIXA has a total of 6,658 financing contracts entered into up to December 5, 1990, for which the coverage of the Salary Variation Compensation Fund (FCVS) was denied, due to the multiple financing contracts submitted to the National Registration of Borrowers (CADMUT), which amount to R\$ 986.531. For these cases, the position adopted by the FCVS Board of Trustees (CCFCVS) is that the borrowers disregarded the SFH/FCVS legislation, particularly in respect of the provisions initially set forth in paragraph 1, article 9 of Law 4,380/64, which was in force when the financing contracts were entered into by the Financing Agents. However, the Superior Court of Justice (STJ), in the trial of a Special Appeal (RESP 1133769/RN), whose subject matter involved multiple financing contracts signed with the SFH, recognized the legal status of the housing contracts signed up to December 5, 1990 to be covered by the FCVS and determined the Fund's responsibility for the remaining debt balance.

Considering that the settlement of the debts by the FCVS has been judicially assured, CAIXA awaits the required procedures by the FCVS in order to recognize the automatic application of the court decision to the contracts with denied coverage due to the existence of multiple financing contracts signed up to December 5, 1990. Until December 2012, this amount was recorded in a depreciation account of the FCVS receivable. In 2013, this amount was reclassified to liabilities in Other liabilities.

(c) Income from compulsory investments

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Compulsory deposits at BACEN	2,952,769	5,052,264	2,072,862	4,389,516
Compulsory deposits at SFH	634,370	1,433,806	591,103	1,296,781
Total	3,587,139	6,486,070	2,663,965	5,686,297

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 8 – Loan portfolio
(a) Analysis of the loan portfolio by type of transaction and risk levels

PARENT COMPANY / CONSOLIDATED											
Loan transactions	AA	A	B	C	D	E	F	G	H	12/31/2013	12/31/2012
Loans and bills discounted	22,822,181	65,858,129	19,890,769	18,273,070	5,337,609	2,765,182	947,882	831,985	4,313,112	141,039,919	102,241,779
Financing	9,494,740	11,725,435	2,285,523	2,249,035	2,133,694	360,116	257,954	233,370	2,265,598	31,005,465	19,589,276
Rural and agribusiness financing	235,868	670,679	451,786	563,426	74,593	224	-	52	771	1,997,399	157,520
Real estate financing	4,037,249	175,192,615	31,225,619	45,866,208	3,420,983	1,216,190	859,916	548,814	8,024,708	270,392,302	205,788,891
Infrastructure and development financing	17,903,093	8,801,051	4,205,440	4,507,949	494,874	744,685	-	137,900	42,636	36,837,628	23,536,770
Loan operations linked to assignments	-	4,136,333	32,324	25,018	10,565	4,465	2,657	1,897	1,814	4,215,073	2,425,267
Other receivables (Note 9 (d))	181,918	4,939,719	2,281,324	809,165	146,750	201,092	17,204	12,502	159,620	8,749,294	7,499,866
Total	54,675,049	271,323,961	60,372,785	72,293,871	11,619,068	5,291,954	2,085,613	1,766,520	14,808,259	494,237,080	361,239,369
Allowance for loan losses	-	(1,356,620)	(603,727)	(2,168,816)	(1,161,906)	(1,587,597)	(1,042,807)	(1,236,564)	(14,808,259)	(23,966,296)	(19,921,098)
Total net provisions at 12/31/2013	54,675,049	269,967,341	59,769,058	70,125,055	10,457,162	3,704,357	1,042,806	529,956	-	470,270,784	-
Total net provisions at 12/31/2012	33,181,473	178,822,947	55,777,329	60,943,213	9,692,937	1,770,031	846,915	283,426	-	-	341,318,271

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Analysis of allowance for loan losses

PARENT COMPANY / CONSOLIDATED										
Loan transactions	A	B	C	D	E	F	G	H	12/31/2013	12/31/2012
Loans and bills discounted	(329,291)	(198,908)	(548,192)	(533,761)	(829,555)	(473,941)	(582,390)	(4,313,112)	(7,809,150)	(6,362,200)
Financing	(58,627)	(22,855)	(67,471)	(213,369)	(108,035)	(128,977)	(163,359)	(2,265,598)	(3,028,291)	(1,738,562)
Rural and agribusiness financing	(3,353)	(4,518)	(16,903)	(7,459)	(67)	-	(36)	(771)	(33,107)	(2,651)
Real estate financing	(875,963)	(312,256)	(1,375,986)	(342,098)	(364,857)	(429,958)	(384,170)	(8,024,708)	(12,109,996)	(11,302,523)
Infrastructure and development financing	(44,005)	(42,054)	(135,238)	(49,487)	(223,406)	-	(96,530)	(42,636)	(633,356)	(246,826)
Loan operations linked to assignments	(20,682)	(323)	(751)	(1,057)	(1,340)	(1,329)	(1,328)	(1,817)	(28,627)	(64,441)
Other receivables (Note 9 (d))	(24,699)	(22,813)	(24,275)	(14,675)	(60,337)	(8,602)	(8,751)	(159,617)	(323,769)	(203,895)
Total	(1,356,620)	(603,727)	(2,168,816)	(1,161,906)	(1,587,597)	(1,042,807)	(1,236,564)	(14,808,259)	(23,966,296)	(19,921,098)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Maturity buckets and risk levels

In relation to the loan amount in the Abnormal Status (Note 8 (c2)), we point out the change in the classification criterion of the Real Estate Credit. Up to December 31, 2012, CAIXA considered as abnormal status any housing loan contract in good standing, but with residual amounts of paid installments to be settled. As of the fiscal year of 2013, these contracts have been classified as normal status, reflecting the current status of the transactions. The amounts of December 31, 2012 and June 30, 2012 were adjusted according to the new criterion for comparison purposes.

(c.1) Normal status

PARENT COMPANY / CONSOLIDATED											
Description	AA	A	B	C	D	E	F	G	H	12/31/2013	12/31/2012
1 to 30 days	1,938,043	9,115,128	2,149,214	2,099,854	659,315	178,150	51,040	38,143	367,977	16,596,864	12,366,352
31 to 60 days	1,016,301	6,192,173	1,318,383	1,429,614	339,403	116,045	22,553	18,501	209,593	10,662,566	7,277,410
61 to 90 days	845,765	5,698,527	1,245,192	1,333,390	300,883	99,640	20,664	16,688	187,509	9,748,258	6,646,099
91 to 180 days	2,301,924	15,386,039	3,540,274	3,688,700	813,220	274,120	56,337	44,386	502,940	26,607,940	18,354,537
181 to 360 days	4,001,470	24,988,463	5,756,857	5,826,293	1,247,525	445,920	64,407	49,654	608,893	42,989,482	30,563,924
More than 360 days	43,448,823	203,227,568	36,848,693	48,115,707	4,721,901	2,099,088	359,321	157,361	4,351,963	343,330,425	252,660,073
Total	53,552,326	264,607,898	50,858,613	62,493,558	8,082,247	3,212,963	574,322	324,733	6,228,875	449,935,535	327,868,395

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c.2) Abnormal status

PARENT COMPANY / CONSOLIDATED											
Description	AA	A	B	C	D	E	F	G	H	12/31/2013	12/31/2012
Past-due Installments	5,960	83,403	477,404	745,768	867,113	551,289	510,888	496,343	2,987,698	6,725,866	4,839,051
1 to 30 days	5,960	83,403	399,168	290,393	355,755	67,790	43,048	38,037	245,452	1,529,006	1,284,166
31 to 60 days	-	-	77,044	395,819	103,881	55,920	37,187	31,847	188,192	889,890	486,903
61 to 90 days	-	-	1,192	44,170	374,227	104,350	51,986	39,946	212,905	828,776	581,120
91 to 180 days	-	-	-	15,386	32,796	309,471	360,981	332,910	674,804	1,726,348	1,182,001
181 to 360 days	-	-	-	-	454	13,758	17,686	53,143	1,630,032	1,715,073	1,289,982
More than 360 days	-	-	-	-	-	-	-	460	36,313	36,773	14,879
Falling due Installments	1,116,763	6,632,660	9,036,768	9,054,545	2,669,708	1,527,702	1,000,403	945,444	5,591,686	37,575,679	28,531,923
1 to 30 days	6,948	84,382	147,149	176,504	71,850	46,724	30,832	28,969	159,149	752,507	716,450
31 to 60 days	6,226	80,695	142,480	142,529	68,327	44,260	29,164	27,964	149,464	691,109	581,488
61 to 90 days	6,162	80,385	140,187	139,682	66,485	43,021	28,481	26,341	145,019	675,763	570,866
91 to 180 days	18,442	236,690	404,172	401,373	190,731	123,405	77,740	74,993	408,682	1,936,228	1,656,441
181 to 360 days	36,776	461,772	749,129	742,696	341,696	210,440	136,054	133,794	715,152	3,527,509	3,009,399
More than 360 days	1,042,209	5,688,736	7,453,651	7,451,761	1,930,619	1,059,852	698,132	653,383	4,014,220	29,992,563	21,997,279
Total	1,122,723	6,716,063	9,514,172	9,800,313	3,536,821	2,078,991	1,511,291	1,441,787	8,579,384	44,301,545	33,370,974

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(d) Breakdown of the loan portfolio by industry

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
PUBLIC SECTOR	37,076,753	27,904,029
Direct administration	20,202,347	15,529,379
Indirect Administration – Petrochemicals	11,241,113	8,152,428
Indirect Administration – Basic Sanitation and Infrastructure	3,643,837	3,128,485
Indirect Administration – Other	1,989,456	1,093,737
PRIVATE SECTOR	457,160,327	333,335,340
LEGAL ENTITIES	104,196,494	73,585,184
Retail trade	23,923,477	14,969,525
Civil construction	11,450,176	9,120,387
Steelmaking and metallurgy	9,520,536	8,758,384
Electricity	7,845,936	4,486,336
Financial services	5,081,949	5,040,876
Other industries	6,800,733	4,512,659
Transport	6,729,159	2,888,413
Agribusiness and harvesting of natural resources	4,156,287	4,518,545
Wholesale trade	4,989,191	2,820,862
Healthcare	3,393,988	2,505,327
Basic Sanitation and Infrastructure	2,713,321	1,957,710
Petrochemicals	2,190,992	1,832,630
Textile	1,979,412	1,403,222
Communications	1,672,045	1,398,838
Foodstuffs	1,808,854	1,234,634
Personal services	344,604	193,357
Other services	9,595,834	5,943,479
INDIVIDUALS	352,963,833	259,750,156
Total	494,237,080	361,239,369

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(e) Income from loan operations

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Loans, discounted bills and financing	13,847,803	24,971,831	9,422,097	18,098,569
Rural and agribusiness financing	26,325	30,929	434	434
Real estate financing	10,540,603	19,280,128	7,752,941	14,852,661
Infrastructure and development financing	1,249,843	2,201,374	672,331	1,428,464
Other receivables	3,870	9,416	5,168	10,456
Total	25,668,444	46,493,678	17,852,971	34,390,584

(f) Concentration of the main debtors

PARENT COMPANY / CONSOLIDATED				
Description	12/31/2013	%	12/31/2012	%
Main debtor	11,241,112	2,27	8,152,429	2,26
10 largest debtors	37,348,218	7,56	34,069,804	8,46
20 largest debtors	48,329,868	9,78	42,701,135	10,78
50 largest debtors	62,507,566	12,65	54,452,947	13,81
100 largest debtors	71,162,847	14,40	61,171,521	15,67

(g) Breakdown of renegotiation portfolio

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd-six month period	Year
Renegotiated Operations	3,324,989	6,021,599	2,095,497	3,796,415
Commercial Operations	3,210,449	5,629,490	1,584,785	2,850,959
Housing Loan Operations	114,540	392,109	510,712	945,456
Recovered Operations	571,360	929,284	510,110	951,941
Commercial Operations	543,468	843,836	152,976	300,594
Housing Loan Operations	27,892	85,448	357,134	651,347

(h) Changes in the allowance for loan losses

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Opening balance	(21,638,011)	(19,921,098)	(17,706,331)	(15,837,093)
Provision set up for the period	(7,289,730)	(13,256,408)	(5,551,791)	(11,063,211)
Reversal of provision for the period	2,420,724	4,065,773	1,506,866	3,383,290
Losses	2,165,468	4,770,165	1,830,158	3,595,916
Reversal of loss (1)	375,253	375,272	-	-
Closing balance	(23,966,296)	(23,966,296)	(19,921,098)	(19,921,098)

(1) Credits received with FGO guarantee.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 9 – Other receivables
(a) Analysis

PARENT COMPANY		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Receivables from guarantees honored	26,042	31,799
Foreign exchange portfolio – Note 9 (c)	686,732	114,195
Income receivable	2,019,622	1,623,801
Agreements with the private sector	121,777	96,011
Agreements with the public sector	462,927	347,920
Management of investment funds	107,829	75,480
Management of social funds and programs	1,098,764	978,156
Onlending - OGU	178,788	126,234
Other receivables	49,537	-
Negotiation and intermediation of securities	864	4,714
Specific receivables	716,094	692,906
Sundry – Note 9 (b)	55,433,625	43,701,052
Provision for losses on other receivables – Note 9 (d)	(323,769)	(203,895)
Total	58,559,210	45,964,572
Current assets	38,317,229	29,403,813
Non-current assets	20,241,981	16,560,759

CONSOLIDATED		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Receivables from guarantees honored	26,042	31,799
Foreign exchange portfolio – Note 9 (c)	686,732	114,195
Income receivable	2,180,487	1,764,138
Dividends and interest on own capital receivable	160,865	140,337
Agreements with the private sector	121,777	96,011
Agreements with the public sector	462,927	347,920
Management of investment funds	107,829	75,480
Management of social funds and programs	1,098,764	978,156
Onlending - OGU	178,788	126,234
Other receivables	49,537	-
Negotiation and intermediation of securities	864	4,714
Specific receivables	716,094	692,906
Sundry – Note 9 (b)	55,432,952	43,703,891
Provision for losses on other receivables – Note 9 (d)	(323,769)	(203,895)
Total	58,719,402	46,107,748
Current assets	38,477,421	29,546,989
Non-current assets	20,241,981	16,560,759

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Other receivables - sundry

Description	PARENT COMPANY		CONSOLIDATED	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
Tax credits - Note 20	20,165,547	16,751,431	20,165,575	16,751,453
Receivables from escrow deposits - Note 30	11,290,593	10,342,797	11,290,593	10,342,797
Salary advances and prepayments	172,667	142,038	172,667	142,038
Payments to be reimbursed	4,097,762	5,188,673	4,097,762	5,188,673
Prepaid profit sharing (1)	488,536	146,398	489,991	150,437
Taxes and contributions to be offset	6,353,846	4,666,011	6,353,846	4,666,011
Credit cards (2)	1,117,851	618,295	1,117,851	618,295
Premium on purchase of loan portfolios	102,601	65,924	102,601	65,924
Insurance receivable	2,422,528	2,838,928	2,422,528	2,838,928
Receivables – fund administration and social programs	3,179,808	634,410	3,179,808	634,410
Receivables – royalties (3)	2,458,311	2,340	2,458,311	2,340
Receivables – FND	386,846	366,930	386,846	366,930
Receivables - correspondents	196,488	152,270	196,488	152,270
Receivables – redemption of bonus	91,515	86,034	91,515	86,034
Receivables – collection agreements	35,083	5,381	35,083	5,381
Receivables – administered credits	28,246	31,764	28,246	31,764
Receivables – health plans – self-management	20,220	14,578	20,220	14,578
Receivables – credit assignment	106,375	100,330	106,375	100,330
Unrecognized amounts	2,560,068	1,396,471	2,560,068	1,396,471
Other debtors	215,763	202,638	213,607	201,416
Provision for losses - Sundry (4)	(57,029)	(52,589)	(57,029)	(52,589)
Total	55,433,625	43,701,052	55,432,952	43,703,891
Current assets	35,143,263	27,091,674	35,142,590	27,094,513
Non-current assets	20,290,362	16,609,378	20,290,362	16,609,378

(1) Payment of interim dividends and interest on capital transferred to the Federal Government .

(2) This includes credits with credit lending characteristics (Note 9d) and credit card annual fee, with no credit lending characteristic.

(3) Contract referring to royalties and special interest arising from oil and natural gas exploitation by RIOPREVIDENCIA.

(4) Provision for final net losses and indemnity claims related to housing financing.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Foreign exchange portfolio

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Assets – Other receivables		
Foreign exchange purchases pending settlement – Foreign currency	5,366	20,119
Receivables from foreign exchange sales – Local currency	687,540	117,007
(-)Advances received – Local currency	(6,174)	(22,931)
Current assets	686,732	114,195
Liabilities - Other liabilities		
Foreign exchange sales pending settlement – Foreign currency	21,402	48,336
Payables for foreign exchange purchases – Local currency	17,916	44,769
Current liabilities	39,318	93,105

(c.1) Results of foreign exchange transactions

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Income	3,863,648	5,452,090	776,054	1,038,570
Funds in foreign currency	3,863,648	5,452,090	776,054	1,038,570
Expenses	(4,126,915)	(5,900,843)	(759,249)	(1,012,243)
Expenses on exchange rate variations and differences	(4,126,915)	(5,900,843)	(759,249)	(1,012,243)
Profit of foreign exchange transactions	(263,267)	(448,753)	16,805	26,327

(d) Other receivables with characteristics of loans

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Receivables	8,749,294	7,499,866
Credit cards	6,279,297	4,610,807
Receivables from guarantees honored	26,042	31,799
Debtors for purchase of assets	21,427	18,332
Credits acquired (1)	2,422,528	2,838,928
Provision (2)	(323,769)	(203,895)
Credit cards	(218,995)	(142,463)
Receivables from guarantees honored	(1,245)	(1,178)
Debtors for purchase of assets	(26,042)	(3,966)
Credits acquired (1)	(77,487)	(56,288)
Receivables - net of provision	8,425,525	7,295,971

(1) Credits acquired with guarantees from Cruzeiro do Sul, BMG, Bonsucesso and BMB banks.

(2) According to BACEN Circular Letter No. 3048/2002, provision for notes and credits receivable is classified as having "credit assignment characteristics".

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 10 – Other assets

Comprised of assets not for own use (properties adjudicated, properties received as payment of loans, and properties that are no longer used in CAIXA's operations), submitted to impairment tests.

They are also comprised of prepaid expenses that mainly relate to prepayments of ordinary contributions to FGC - *Fundo Garantidor de Créditos* (Credit Guarantee Fund) and of the inventory of consumption material.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Assets not for own use	993,843	773,895
Properties not in use	146,510	124,634
Adjudicated/auctioned properties	847,333	649,261
Prepaid expenses	66,890	260,216
Consumption mate	26,326	24,332
Receivables from sales or transfers of assets (Note 10 (a))	(31,614)	(103,028)
Total	1,055,445	955,415

(a) Provisions for loss on devaluation of properties

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Opening balance	(26,291)	(103,028)	(113,128)	(122,953)
Provisions	(14,158)	(24,193)	(8,281)	(18,662)
Write-offs	8,835	95,607	18,381	38,587
Closing balance	(31,614)	(31,614)	(103,028)	(103,028)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 11 – Investments in subsidiary and associated companies

Investments in subsidiaries and affiliates in CAIXA – Individual include mainly Caixa Participações S.A (CAIXAPAR) which represents around 93% of the investments, which reached the amount of R\$ 4,272,753 in the period (12/31/2012 – R\$ 3,964,971). Equity pickup for the period was R\$ 360,793 (12/31/2012 – R\$ 197,042).

In the period, the consolidated investment portfolio totaled R\$ 3,340,772 (12/31/2012 – R\$ 3,278,656). This includes affiliate and jointly-controlled companies, over which CAIXAPAR has significant influence or has joint control, evaluated under the equity method.

CAIXAPAR equity interest portfolio				
Description	Number of shares		Interest	
	common	preferred	Voting capital%	Equity capital%
Banco PAN	143,307,049	54,802,722	49,00	37,00
Branes	3,400,010	-	2,00	2,00
CAIXA Seguros Holding S.A.	8,161,452	-	48,21	48,21
Capgemini (1)	63,764,544	-	24,19	22,05
Caixa Seguros Participações - CSP	34,245,712	-	-	48,21
Cia. Brasileira de Securitização - CIBRASEC	6,000	-	9,09	9,09
Crescer	17,635,100	-	49,00	49,00
Elo Serviços	62,754	836,698,278	0,01	33,33

Description	Investment		Equity pick-up result			
	12/31/2013	12/31/2012	2013 (1)		2012 (2)	
			2nd six-month period	Year	2nd six-month period	Year
CAIXA Seguros Holding S.A.	2,082,025	1,918,861	328,050	642,050	296,912	534,343
Banco PAN	494,554	802,337	(145,541)	(295,557)	(271,803)	(365,991)
Capgemini	269,345	298,898	(11,737)	(29,244)	(22,772)	(22,772)
Elo Serviços	13,318	10,788	3,505	2,531	(1,633)	(7,489)
Cia. Bras. de Securitização - CIBRASEC	6,832	7,692	116	325	147	834
Caixa Seguros Participações - CSP	41,138	-	3,105	3,105	-	-
Crescer	9,323	102	(10,301)	(11,849)	-	-
Branes	1,897	1,373	(122)	(303)	-	-
BIAPE	788	1,248	153	-	91	163
FGO	201,552	113,208	-	-	-	-
FGHAB	166,958	117,275	-	-	-	-
Equity interest investment fund	39,029	-	(442)	(1,359)	-	-
Other investments (3)	14,014	6,874	-	-	-	-
Total	3,340,773	3,278,656	166,786	309,699	942	139,088

(1) Equity pickup computed based on financial statements as of December 31, 2013 of CAIXAPAR's investees.

(2) Equity pickup computed based on financial statements as of December 31, 2012 of CAIXAPAR's investees.

(3) Investments assessed at acquisition cost.

Goodwill on acquisition of investments

Change in Goodwill	2013	2012
Opening balance	354,058	151,403
Acquisitions	-	269,707
Amortizations	(81,339)	(67,052)
Closing balance	272,719	354,058

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Nota 12 – Fixed assets in use

Information of Property and Equipment in Use						
Description	12/31/2013			12/31/2012		
	Cost	Depreciation	Net	Cost	Depreciation	Net
Properties in use	770,513	(182,191)	588,322	310,261	(105,760)	204,501
Buildings	713,871	(182,191)	531,680	257,059	(105,760)	151,299
Land	56,642	-	56,642	53,202	-	53,202
Revaluations of properties in use	743,272	(157,772)	585,500	744,011	(137,648)	606,363
Buildings	543,219	(157,772)	385,447	543,592	(137,648)	405,944
Land	200,053	-	200,053	200,419	-	200,419
Other assets in use	5,667,682	(3,815,182)	1,852,500	4,697,398	(3,343,320)	1,354,078
Construction in progress	41,928	-	41,928	30,959	-	30,959
Facilities, furniture and equipment in use	1,293,521	(664,611)	628,910	1,065,680	(572,416)	493,264
Communications systems	91,387	(70,177)	21,210	84,315	(66,209)	18,106
Data processing system	3,919,076	(2,856,838)	1,062,238	3,254,641	(2,489,587)	765,054
Transport and security system	321,770	(223,556)	98,214	261,803	(215,108)	46,695
Total	7,181,467	(4,155,145)	3,026,322	5,751,670	(3,586,728)	2,164,942

Information of Property and Equipment in Use					
Description	December 31, 2012	Additions	Disposals	Depreciation	December 31, 2013
Properties in use	204,501	476,250	7,491	(99,920)	588,322
Buildings	151,299	472,159	8,142	(99,920)	531,680
Land	53,202	4,091	(651)	-	56,642
Revaluations of properties in use	606,363	-	(1,065)	(19,798)	585,500
Buildings	405,944	-	(699)	(19,798)	385,447
Land	200,419	-	(366)	-	200,053
Other assets in use	1,354,078	978,821	(8,562)	(471,837)	1,852,500
Construction in progress	30,959	19,494	(8,525)	-	41,928
Facilities, furniture and equipment in use	493,264	227,846	(6)	(92,194)	628,910
Communication systems	18,106	7,073	-	(3,969)	21,210
Data processing system	765,054	664,441	(31)	(367,226)	1,062,238
Transport and security system	46,695	59,967	-	(8,448)	98,214
Total	2,164,942	1,455,071	(2,136)	(591,555)	3,026,322

Considering the construction in progress rate of 12.85% (12/31/2012 - 12.58%), CAIXA is classified as defined by CMN Decision No. 2669/1999, which determines a 50% limit of adjusted equity as from December 31, 2002.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 13 – Intangible assets and deferred charges
(a) Intangible assets

PARENT COMPANY / CONSOLIDATED						
Description	December 31, 2013			December 31, 2012		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Payroll acquisitions	2,565,970	(909,854)	1,656,116	2,318,971	(777,678)	1,541,293
Other intangible assets	324,200	(29,715)	294,485	324,200	(15,402)	308,798
Logistics projects- Software	727,408	(144,026)	583,382	347,675	(75,528)	272,147
Total	3,617,578	(1,083,595)	2,533,983	2,990,846	(868,608)	2,122,238

PARENT COMPANY / CONSOLIDATED					
Description	December 31, 2012	December 31, 2013			Net book value
	Net book value	Changes			
		Additions	Disposals	Amortizations	
Payroll acquisitions	1,541,293	615,255	(14,946)	(485,486)	1,656,116
Other intangible assets	308,798	-	-	(14,313)	294,485
Logistics projects Software	272,147	382,154	-	(70,919)	583,382
Total	2,122,238	997,409	(14,946)	(570,718)	2,533,983

(b) Deferred charges

In accordance with CMN Resolution 3,617/2008, the balances of deferred charges that existed prior to the enactment of this resolution, recorded in September 2008, will be maintained until their effective realization through amortization. The amount presented in Note 25, under "Amortization", is increased by the amount of R\$ 2,460 (R\$ 31,905 –December 31, 2012) to the amortization of deferred charges during this period.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 14 – Deposits
(a) Analysis

Description	PARENT COMPANY		CONSOLIDATED	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
		(Note 3 (t))		(Note 3 (t))
Demand deposits – without yield	25,170,971	27,385,571	25,170,971	27,385,567
Individuals	10,193,256	10,611,223	10,193,256	10,611,223
Companies	11,822,111	12,418,171	11,822,111	12,418,167
Restricted	1,791,248	1,567,155	1,791,248	1,567,155
Government	1,055,105	2,128,596	1,055,105	2,128,596
Foreign currencies	4,980	817	4,980	817
Financial institutions	40,902	34,459	40,902	34,459
Public entities	152,943	553,771	152,943	553,771
Other	110,426	71,379	110,426	71,379
Savings deposits – floating-rate yield	209,573,848	176,298,622	209,573,848	176,298,622
Individuals	205,688,360	173,221,588	205,688,360	173,221,588
Companies	3,882,990	3,074,134	3,882,990	3,074,134
Restricted	2,498	2,900	2,498	2,900
Interbank deposits	2,353,562	10,293,433	2,353,562	10,293,433
Time deposits	113,801,680	96,534,906	113,516,246	96,534,780
Fixed-rate yield	50,530,631	38,931,575	50,245,198	38,931,448
Time deposits in local currency	50,530,631	38,931,575	50,245,198	38,931,448
Floating-rate yield	63,271,049	57,603,331	63,271,048	57,603,332
Time deposits in local currency	18,942,280	20,078,207	18,942,280	20,078,208
Remunerated judicial deposits	44,328,769	37,525,124	44,328,768	37,525,124
Special deposits and deposits of funds and programs	10,155,127	9,267,564	10,155,127	9,267,564
Without yield	243,494	217,020	243,494	217,020
Fixed-rate yield	452,372	406,556	452,372	406,556
Floating-rate yield	9,459,261	8,643,988	9,459,261	8,643,988
Total	361,055,188	319,780,096	360,769,754	319,779,966
Current liabilities	304,015,240	280,729,181	303,729,806	280,729,051
Non-current liabilities	57,039,948	39,050,915	57,039,948	39,050,915

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Deposits by maturity

Deposits	PARENT COMPANY					CONSOLIDATED		
	No maturity	1 to 90 days	91 to 360 days	More than 360 days	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
Demand deposits	25,170,971	-	-	-	25,170,971	27,385,571	25,170,971	27,385,567
Savings deposits	209,573,848	-	-	-	209,573,848	176,298,622	209,573,848	176,298,622
Interbank deposits	-	85,174	2,141,199	127,189	2,353,562	10,293,433	2,353,562	10,293,433
Time deposits	44,386,556	3,938,282	8,564,083	56,912,759	113,801,680	96,534,906	113,516,246	96,534,780
CDB	32,425	3,938,282	8,564,083	56,912,759	69,447,549	58,984,087	69,162,115	58,983,961
Judicial deposits	44,328,768	-	-	-	44,328,768	37,525,124	44,328,768	37,525,124
Other	25,363	-	-	-	25,363	25,695	25,363	25,695
Special deposits and deposits of funds and programs	10,155,127	-	-	-	10,155,127	9,267,564	10,155,127	9,267,564
Total	289,286,502	4,023,456	10,705,282	57,039,948	361,055,188	319,780,096	360,769,754	319,779,966

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Expenses with deposits

Description	SEPARATE CASH			
	2013		2012	
	2nd six-month period	Year	2nd six-month period (Nota 3 (t))	Year (Note 3 (t))
Savings deposits	(6,089,293)	(10,963,146)	(4,758,712)	(9,609,998)
Interbank deposits	(38,866)	(78,765)	(356,663)	(639,968)
Time deposits CDB/RDB	(3,149,983)	(5,363,500)	(1,923,907)	(3,868,121)
Judicial deposits	(1,091,516)	(1,969,409)	(824,410)	(1,598,557)
Special deposits and deposits of funds and programs (d.1)	(466,987)	(1,059,422)	(369,341)	(812,381)
Other funding	(255,903)	(481,754)	(201,209)	(378,311)
Total	(11,092,548)	(19,915,996)	(8,434,242)	(16,907,336)

Description	CONSOLIDATED CASH			
	2013		2012	
	2nd six-month period	Year	2nd six-month period (Note 3 (t))	Year (Note 3 (t))
Savings deposits	(6,089,293)	(10,963,146)	(4,758,712)	(9,609,998)
Interbank deposits	(38,866)	(78,765)	(356,663)	(639,969)
Time deposits CDB/RDB	(3,137,647)	(5,347,683)	(1,923,806)	(3,867,082)
Judicial deposits	(1,091,516)	(1,969,409)	(824,410)	(1,598,557)
Special deposits and deposits of funds and programs (d.1)	(466,987)	(1,059,422)	(369,341)	(812,381)
Other funding	(255,903)	(481,754)	(201,209)	(378,311)
Total	(11,080,212)	(19,900,179)	(8,434,141)	(16,906,298)

(d) Special deposits and deposits of funds and programs

Special deposits and deposits of funds and programs comprise FGTS deposits and deposits of other funds.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Deposits – FGTS	4,719,449	2,956,080
Special deposits with yield	1,729,558	1,553,913
Deposits - FAT (d.2)	1,794,679	2,450,151
Deposits – FISANE	8,428	7,935
Deposits – PRODEC	49,682	46,862
Deposits – PIS	122,945	25,706
Deposits – FGS	30,527	8,877
Deposits – FAR	76,925	294,523
Deposits – FDS	334,259	448,869
Deposits - Program for Expansion and Modernization of the Brazilian Fishing Fleet	8,114	8,445
Saúde CAIXA – FAS Saúde CAIXA	4,526	4,646
Deposits – PREVHAB	523,094	486,031
Saúde CAIXA	243,494	215,002
Other	509,447	760,524
Total	10,155,127	9,267,564

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(d.1) Expenses com Special deposits and deposits of funds and programs

PARENT COMPANY / CONSOLIDATED					
Description	Yield rate	2013		2012	
		2nd six-month period	Year	2nd six-month period	Year
Deposits – FGTS	Selic	(256,074)	(488,593)	(156,641)	(375,666)
Deposits - FAT	Selic and Long-term Interest Rate	(53,573)	(109,354)	(91,320)	(167,698)
Deposits - FISANE	TR	(258)	(492)	(230)	(471)
Deposits - PRODEC	TR + Interest 0.4868% p.m.	(1,611)	(3,086)	(1,454)	(2,984)
Deposits – PIS	Extra markt	(14,921)	(27,069)	(16,087)	(40,941)
Deposits – FGS	Selic day factor /Extra market	(3,612)	(5,289)	(3,448)	(7,108)
Deposits – FAR	Selic	(11,371)	(27,716)	(12,534)	(30,671)
Deposits – FDS	Selic day factor	(16,298)	(30,684)	(16,869)	(41,042)
Deposits – Federal Treasury	Selic	(12,192)	(21,145)	(8,913)	(19,467)
Deposits – FAS	TR	(7)	(7)	(1)	(8)
Deposits - PREVHAB	Selic	(24,757)	(43,278)	(18,798)	(41,603)
Deposits – Guarantee	TR	(3,726)	(183,091)	(934)	(2,616)
Environmental offset account s- CCA	Extra - market	(17,374)	(30,206)	(13,154)	(23,722)
Other		(51,213)	(89,412)	(28,958)	(58,384)
Total		(466,987)	(1,059,422)	(369,341)	(812,381)

(d.2) Special deposits and deposits of funds and programs – FAT

FAT is a special accounting and financial fund established by Law 7,998/1990, linked to the Ministry of Labor and Employment and managed by the Executive Council of the Workers' Assistance Fund (CODEFAT).

The main actions funded with FAT funds to promote employment are structured around the programs for the creation of jobs and income, whose resources are allocated through the special deposits established by Law 8,352/1991, in official federal financial institutions, according to the programs and credit facilities presented in the previous table.

The special FAT deposits, while available, incur interest on a daily pro rata basis based on the Average SELIC Rate (TMS); as these deposits are allocated to financing, the TMS is replaced with the Long-term Interest Rate - TJLP throughout the term of the financing.

The interest on the deposits is paid to FAT on a monthly basis, as set forth in CODEFAT Resolutions 439/2005 and 489/2006.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Description	Resolution TADE	Return of FAT Resources			12/31/2013			12/31/2012		
		Type	Date	Deadline	Available	Invested	Total	Available	Invested	Total
Programs					136,093	1,584,128	1,720,221	640,277	1,730,744	2,371,021
Proger - Urban					67,245	1,116,098	1,183,343	568,656	1,176,271	1,744,927
Investment	ago/05	RA	10/10/2005	-	67,243	1,111,422	1,178,665	568,630	1,170,618	1,739,248
Isolated working capital	16/2005	RA	09/12/2005	-	-	-	-	-	-	-
Proger export	17/2005	RA	09/12/2005	-	-	26	26	-	32	32
FAT popular entrepreneur	23/2005	RA	09/12/2005	-	2	4,650	4,652	26	5,621	5,647
FAT – housing	May/07	SD	09/11/2007	-	1,120	6,735	7,855	1,154	18,503	19,657
FAT infrastructure				-	66,779	458,011	524,790	68,364	528,992	597,356
Infrastructure economical	13/2006	RA	08/08/2008	-	66,779	458,011	524,790	68,364	528,992	597,356
FAT – PNMPO				-	949	3,284	4,233	2,103	6,978	9,081
FAT – microcredit	15/2006	RA	10/05/2007	-	949	3,284	4,233	2,103	6,978	9,081
Special credit facilities					299	74,159	74,458	3,758	75,372	79,130
FAT - Pan-American village	Jan/05	SD	09/12/2005	-	299	74,159	74,458	327	74,188	74,515
FAT - sector turnover				-	-	-	-	3,431	1,184	4,615
Micro and small businesses	22/2006	RA	10/03/2008	-	-	-	-	2,102	711	2,813
Medium and large businesses	23/2006	RA	10/03/2008	-	-	-	-	1,329	473	1,802
Total					136,392	1,658,287	1,794,679	644,035	1,806,116	2,450,151

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 15 – Deposits obtained in the open market
(a) Analysis

Description	PARENT COMPANY		CONSOLIDATED	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Own portfolio (1)	83,815,366	47,601,744	83,730,605	47,402,335
Financial Treasury Bills	4,627,738	5,726,127	4,627,738	5,726,127
Federal Treasury Bills	49,660,494	31,323,880	49,660,494	31,323,880
Federal Treasury Notes	26,052,299	10,498,921	25,967,539	10,299,512
Debentures	3,474,835	52,816	3,474,834	52,816
Third-party portfolio	32,759,024	46,506,234	32,759,024	46,506,234
Financial Treasury Bills	11,103,849	14,485,341	11,103,849	14,485,341
Federal Treasury Bills	10,315,230	11,309,679	10,315,230	11,309,679
Federal Treasury Notes	11,339,945	20,711,214	11,339,945	20,711,214
Total	116,574,390	94,107,978	116,489,629	93,908,569
Current liabilities	115,453,523	90,984,561	115,368,762	90,785,152
Non-current liabilities	1,120,867	3,123,417	1,120,867	3,123,417

(1) Amounts calculated considering the "Guaranteed unit price" of the paper.

(b) Expenses of funds obtained in the open market

Description	SEPARATE CASH			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Own portfolio	(3,002,098)	(5,198,342)	(1,901,866)	(3,617,312)
Third-party portfolio	(3,396,625)	(5,151,258)	(1,938,564)	(4,099,346)
Unrestricted portfolio	-	-	-	(103)
Total	(6,398,723)	(10,349,600)	(3,840,430)	(7,716,761)

Description	CONSOLIDATED CASH			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Own portfolio	(2,998,350)	(5,188,300)	(1,894,270)	(3,589,130)
Third-party portfolio	(3,396,625)	(5,151,258)	(1,938,564)	(4,099,346)
Unrestricted portfolio	-	-	-	(103)
Total	(6,394,975)	(10,339,558)	(3,832,834)	(7,688,579)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 16 – Funds from acceptance and issuance of securities
(a) Funds from notes

PARENT COMPANY / CONSOLIDATED							
Deposits	Index	Maturity				12/31/2013	12/31/2012
		1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Mortgage Note	IGP-M	-	-	-	600,065	600,065	568,713
Mortgage Note	INPC	-	-	-	12,723	12,723	12,052
Mortgage Note	TR	-	-	-	9,913	9,913	17,958
Housing Bond	IGP-M	-	-	-	8,691	8,691	8,236
Housing Bond	CDI	4,175,747	5,698,018	11,656,523	29,501,100	51,031,388	26,586,977
Financial Bond	CDI	1,675,799	2,768,006	10,260,036	8,112,248	22,816,089	17,626,747
Agribusiness Bill	CDI	112,598	127,487	788,861	1,395,305	2,424,251	1,055,828
Financial Bill	IPCA	-	-	-	587,701	587,701	-
Total		5,964,144	8,593,511	22,705,420	40,227,746	77,490,821	45,876,511
Current liabilities						37,263,075	13,708,836
Non-current liabilities						40,227,746	32,167,675

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Expenses related to funds from notes

SEPARATE/CONSOLIDATED CASH				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Mortgage Notes	(1,786,131)	(2,750,348)	(716,531)	(1,392,777)
Housing Bonds	(52,358)	(92,223)	(53,820)	(98,448)
Financial Notes	(962,973)	(1,655,056)	(562,509)	(872,063)
Agribusiness Credit Bills	(73,779)	(124,212)	(4,127)	(4,126)
Total	(2,875,241)	(4,621,839)	(1,336,987)	(2,367,414)

(c) Securities issued overseas

In November 2012, CAIXA made its first issue of securities denominated in US dollars, so as to open a long-term financing channel for its operations.

In October 2013, CAIXA made a new issue of securities denominated in US Dollar, in order to finance its asset transactions. US\$ 1.250 billion were placed, maturing in five years, remunerated at the annual rate of 4.651% (interest rate of 4.50%)

PARENT COMPANY / CONSOLIDATED							
Security	Currency	Amount issued	Yield p.a.	Date of funding	Maturity	30/12/2013 (1)	12/31/2012 (1)
Senior Notes	US\$	1,000,000,000	2,38%	Nov/12	Nov/17	2,878,261	2,109,985
Senior Notes	US\$	500,000,000	3,50%	Nov/12	Nov/22	2,302,609	1,016,698
Senior Notes	US\$	1,250,000,000	4,50%	Oct/13	Oct/18	1,151,303	-
Total						6.332.173	3,126,683

(1) Amounts in thousands of R\$..

(d) Expenses with foreign securities abroad

Expense with securities abroad referring to the 2nd six-month period of 2013 was R\$ 83,836 (2012 - R\$ 13,415). At December 31, 2013, the accumulated expense for the year was R\$ 126,825 (2012 - R\$ 13,415).

Note 17 – Local borrowings and onlendings

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Local onlendings	158,322,179	123,737,439
FGTS	132,732,425	104,796,216
BNDES	23,631,046	17,556,030
National Treasury - Social Integration Program – PIS	659,562	755,602
Other institutions	1,299,146	629,591
Foreign borrowings	3,231,933	43,300
From financial institutions abroad	896,512	40,803
Other credit facilities	2,335,421	2,497
Total de Local borrowings and onlendings	161,554,112	123,780,739
Current liabilities	3,017,150	2,399,414
Non-current liabilities	158,536,962	121,381,325

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Local onlendings

These mainly comprise funds transferred by the FGTS for investments in infrastructure, urban development and housing loan operations, and are adjusted for inflation based on the Referential Rate (TR) and an average interest rate of 6.17% per year. The average maturity of these operations is eight years.

(b) Foreign borrowings

The balance of foreign borrowings mainly comprises new credit facilities obtained from foreign financial institutions. Other foreign borrowings incur interest of up to 2.125% per year and exchange variation of the currency in which they are denominated, mainly US dollars, with maturities up to 2014.

(c) Expenses with local onlendings - official institutions

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
FGTS	(4,011,402)	(7,437,294)	(2,819,676)	(5,793,739)
BNDES	(588,712)	(1,082,045)	(341,506)	(686,868)
National Treasury – PIS	(21,691)	(42,169)	(17,845)	(37,159)
Foreign borrowings	(108,203)	(191,823)	(962)	(1,591)
Merchant Navy Fund	(91,995)	(168,844)	-	-
Other institutions (1)	(153,177)	(170,257)	(16,822)	(36,683)
Total	(4,975,180)	(9,092,432)	(3,196,811)	(6,556,040)

(1) 2013 increase in relation to 2012 represented by the difference in remuneration between SELIC and long-term interest rate (TJLP) owed to FAT.

Note 18 – Other liabilities
(a) Analysis

PARENT COMPANY		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Collections of taxes and social contributions	264,352	258,984
Foreign exchange portfolio (Note 9 (c))	39,318	93,105
Social and corporate obligations	4,523,044	5,660,303
Tax and social security obligations (Note 18 (b))	2,147,292	1,819,106
Negotiation and intermediation of securities	44,592	5,075
Funds for specific purposes (Note 18 (c))	8,852,307	7,629,604
Debt securities eligible to capital (Note 18d)	40,518,594	40,643,728
Sundry (Nota 18e)	41,046,639	34,665,808
Total	97,436,138	90,775,713
Current liabilities	57,606,259	50,958,435
Non-current liabilities	39,829,879	39,817,278

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Collections of taxes and social contributions	264,352	258,984
Foreign exchange portfolio (Note 9 (c))	39,318	93,105
Social and corporate obligations	4,523,044	5,660,303
Social and corporate obligations (Note 18 (b))	2,367,098	1,973,675
Negotiation and intermediation of securities	44,592	5,075
Funds for specific purposes (Note 18 (c))	8,852,307	7,629,604
Debt securities eligible to capital (Note 18d)	40,518,594	40,643,728
Sundry (Nota 18e)	41,047,008	34,666,083
Total	97,656,313	90,930,557
Current liabilities	57,826,434	51,113,279
Non-current liabilities	39,829,879	39,817,278

Tax and social security obligations

PARENT COMPANY		
Description	12/31/2013	12/31/2012
Taxes on salaries payable	370,617	516,487
Taxes on services payable	279,247	168,785
Taxes and contributions on profits payable	176,992	162,283
Social Contribution on Revenues – COFINS	152,285	139,903
Public Service Employee Savings Program – PASEP	24,707	22,380
Deferred taxes and contributions	1,066,177	710,680
Revaluation of buildings	154,242	162,625
Adjustments to market value - trading securities	-	493,389
Adjustments to market value - cash flow hedge	-	3,861
Futures contracts	734,097	-
Post-employment benefits	116,805	-
Fees receivables from Federal Government	61,033	50,805
Provision for tax risks (Note 30)	254,259	260,871
Total	2,147,292	1,819,106
Current liabilities	1,993,050	1,656,481
Non-current liabilities	154,242	162,625

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED		
Description	12/31/2013	12/31/2012
Taxes on salaries payable	370,617	516,487
Taxes on services payable	279,247	168,785
Taxes and contributions on profits payable	186,598	171,980
Income Tax	2,772	3
Social Contribution	3,308	4,541
Social Contribution on Revenues – COFINS	155,182	144,137
Public Service Employee Savings Program – PASEP	25,336	23,299
Deferred taxes and contributions	1,276,377	855,552
Revaluation of buildings	154,242	162,625
Adjustments to market value - trading securities	-	493,389
Adjustments to market value - available-for-sale Securities	210,201	144,872
Adjustments to market value - cash flow hedge	-	3,861
Futures contracts	734,097	-
Other	177,837	50,805
Provision for tax risks (Note 30)	254,259	260,871
Total	2,367,098	1,973,675
Current liabilities	2,212,856	1,811,050
Non-current liabilities	154,242	162,625

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Funds for specific purposes

These refer to obligations arising from lottery operations, resources from social funds and programs managed by CAIXA, and special programs supported by the Federal Government or public entities administered by CAIXA.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Social funds and programs	7,268,366	5,893,513
FGTS	3,664,692	2,749,577
"Minha Casa Minha Vida"	2,567,678	2,209,705
Housing Subsidy Program(PSH)	269,911	266,760
Income Transfer Programs	223,537	204,836
Other funds and programs	542,548	462,635
Financial and development funds	273,446	498,703
PIS	272,032	497,299
FAT	8	-
FINSOCIAL	1,406	1,404
Lottery operations	1,310,495	1,237,388
Total	8,852,307	7,629,604

(d) Debt securities eligible to capital
(d.1) Subordinated debts

A portion of the debt referring to CAIXA's loan obligation with FGTS was translated into subordinated debt and classified as debt security eligible to capital, according to CMN Decision No. 4192/13.

The total debt balance will be monetarily restated by reference to the same monthly ratio applied to FGTS blocked accounts and capitalized interest, over the grace period or the period CAIXA fails to meet criteria for the minimum regulatory capital required by prevailing legislation.

INDIVIDUAL / CONSOLIDATED								
Fundraising	Maturity	Annual remuneration	Date	Issued value	Monetary restatement and interest	Amortization	Debt balance at 12/31/2013	Debt balance at 12/31/2012
Rec. FGTS – Loan obligations	20/02/20	6,3%	Oct/05	3,439,717	2,475,626	(702,495)	5,212,848	3,083,699
Rec. FGTS – Loan obligations	20/04/26	5,996%	Aug/11	3,000,000	469,062	-	3,469,062	3,266,648
Rec. FGTS – Loan obligations	20/07/32	5,082%	Jun/12	3,000,000	240,169	-	3,240,169	5,840,388
Total							11,922,079	12,190,735

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(d.2) Hybrid capital and debt instruments eligible as capital

The Federal Government has been authorized, through Provisional Measure 347, of January 22, 2007, converted into Law 11,485/2007, to grant CAIXA a loan of R\$ 5,200,000, under financial and contractual terms and conditions that allow the transaction to be classified as a hybrid capital and debt instrument, as defined by Resolution 3,444/2007 of the National Monetary Council (CMN), with a view to increase its operating limits. The grant of the loan was formalized on May 24, 2007 through a loan agreement entered into between 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 as Tier II capital.

The debt does not have a maturity date. The debt balance is increased by interest paid annually in accordance with the terms and conditions of the agreement, at the annual average effective rate of the first stage (cash) of the auctions of series B Federal Treasury Notes, falling due on May 15, 2045, weighted by the number of these securities traded by the National Treasury in auctions held immediately prior to the release date of each installment, levied on the nominal adjusted amount of the debt, and price-level restatement calculated based on the variation of the Extended Consumer Price Index (IPCA).

On October 13, 2009, through Provisional Measure 470, a new loan agreement between CAIXA and the Federal Government was authorized, up to the limit of R\$ 5,999,999. As a result, R\$ 2,000,400 was released in the fourth quarter of 2009, and R\$ 3,999,599 in the first quarter of 2010. BACEN, through Deorf/Cofin Official Letter I 2009/10136, of November 13, 2009, authorized CAIXA to consider the funds borrowed 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.

On September 20, 2012, through Provisional Measure 581, a new loan agreement between CAIXA and the Federal Government was authorized, up to the limit of R\$12,999,999, in financial conditions and contractual framework to enable the transaction to be classified as a hybrid capital and debt instrument. The funds will be used to expand operating margins of CAIXA. The Brazilian Central Bank, through Deorf/Cofin Official Letter II 09053/2012 and 09054/2012, authorized CAIXA to consider R\$ 3,850,472 as eligible for Tiers I and II of Reference Equity, as from September 2012, R\$ 4,413,201 as from October 2012, and the remainder from the monetization of the securities received from the government.

On June 12, 2013, through Provisional Measure no. 620, a new loan agreement between CAIXA and the Federal Government was authorized, up to the limit of R\$ 8,000,000, as a hybrid capital and debt instrument. The transaction was carried out on June 28, 2013 through Federal Treasury Bills, LTN of R\$ 2,000,000 maturing in 2014, R\$ 1,000,000 in 2015, and R\$ 5,000,000 in 2016.

Below is the analysis of the principal, monetary restatement, and interest of the debt:

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Provisional Measure no. 347/07	5,200,000	5,200,000
Monetary restatement and interest – MP no. 347/07	2,287,152	1,849,933
Provisional Measure no. 470/09	5,999,999	5,999,999
Monetary restatement and interest – MP no. 470/09	1,640,874	2,125,600
Provisional Measure no. 581/12	12,999,998	12,999,998
Monetary restatement and interest – MP no. 581/12	270,932	277,463
Provisional Measure no. 620/13	8,000,000	-
Monetary restatement and interest – MP no. 620/13	197,560	-
Total	36,596,515	28,452,993

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(e) Sundry

PARENT COMPANY		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Actuarial liabilities – post-employment benefit	7,174,505	7,354,728
Saúde Caixa	6,211,755	6,276,166
Meal vouched and food basket allowance	751,678	844,804
Benefit plans – private pension plan	211,072	233,758
Provisions for amounts payable	3,901,708	3,424,430
Sundry creditors - Country (Note 18f)	12,996,143	9,504,385
Provision for labor contingencies (Note 30)	3,086,733	2,629,178
Provision for civil litigation contingencies (Note 30)	2,642,634	3,511,622
Provision for other contingencies (Note 30)	52,599	43,308
Real estate financing to be released	5,830,105	4,742,900
Funds linked to loan operations (1)	301,567	352,091
Funds linked to loans assigned	4,323,518	2,485,104
Obligations related to agreements	296,761	258,503
Contributions to the National Housing System - SFH	30,442	28,611
FGTS funds for repayment	298,937	205,722
Payables to related parties	110,182	125,067
Sundry creditors - Abroad	805	159
Total	41,046,639	34,665,808

CONSOLIDATED		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Actuarial liabilities – post-employment benefit	7,174,874	7,354,728
Saúde Caixa	6,212,124	6,276,166
Meal vouched and food basket allowance	751,678	844,804
Benefit plans – private pension plan	211,072	233,758
Provisions for amounts payable	3,901,706	3,424,705
Sundry creditors - Country (Note 18f)	12,996,143	9,504,385
Provision for labor contingencies (Note 30)	3,086,733	2,629,178
Provision for civil litigation contingencies (Note 30)	2,642,635	3,511,622
P Provision for other contingencies (Note 30)	52,599	43,308
Real estate financing to be released	5,830,105	4,742,900
Funds linked to loan operations (1)	301,567	352,091
Funds linked to loans assigned	4,323,518	2,485,104
Obligations related to agreements	296,761	258,503
Contributions to the National Housing System - SFH	30,442	28,611
FGTS funds for repayment	298,937	205,722
Payables to related parties	110,182	125,067
Sundry creditors – Abroad	806	159
Total	41,047,008	34,666,083

- (1) Funds allocated in accounts linked to loan transactions on behalf of clients, not changed by these and remunerated with the same charges applied to the respective transactions.
- (2) Housing loan transactions securitized with risk retention - CMN Decision No. 3533/2008

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(f) Sundry creditors – Brazil

SEPARATE / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Credit cards	6,130,233	4,604,588
Asset Management Company (EMGEA) (1)	255,135	253,687
Suppliers	919,673	755,547
Acquisition of payrolls - amounts pending release	499,328	495,448
Commercial loans – onlendings	118,693	395,629
Housing loans – onlendings	778,327	607,165
Federal Government obligations – onlendings	37,899	35,247
Other creditors - simplified savings	499,852	499,944
Accounts payable (2)	1,110,288	87,317
Loan Guarantee Fund – FGC	43,282	34,669
Redeemable amounts – pledge	142,265	147,547
Amounts to be allocated	2,071,678	1,412,988
Other sundry creditors	389,490	174,609
Total	12,996,143	9,504,385

(1) Asset Management Company (EMGEA): these refer to financial amounts and contracts received by EMGEA on behalf of CAIXA

(2) 2013 increase in relation to 2012 is represented by the book reclassification of amounts payable to FCVS referring to renewed credits in duplicity in CADMUT record.

Note 19 – Equity
(a) Share capital

Decree no. 7,973 of the Federal Government approved CAIXA's bylaws on March 28, 2013.

Its article 7 set the Bank's Capital at R\$ 22,054,802, exclusively paid up by the Federal Government.

(b) Debt instruments eligible as capital

Pursuant to Provisional Measures nº 600 as of December 28, 2012 and nº 620 as of June 12, 2013, CAIXA and the Federal Government signed loan agreements in the amount of R\$8.000.000.000,00 (eight billion reais). Through these agreements, CAIXA received the resources in the form of Federal Treasury Bills, classified as debt instruments eligible as capital, based on the requirements of Resolution 4,192, as of March 1st, 2013, of the National Monetary Council – CMN.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Compliance with the levels required by Resolution 2,099/94 (Basel Accord)

Pursuant to CMN Resolution 2,099/1994 and subsequent regulations, which establish the minimum levels of reference equity for financial institutions, based on the volume of their operations, CAIXA presents a ratio of 15.13% (Note 33(b)), whereas the minimum ratio required in Brazil is 11%.

(d) Revaluation and revenue reserves

The revenue reserves are formed by the legal reserve, calculated at 5% of annual net income, the lottery reserve and the operating margin reserve.

The lottery reserves are formed by 100% of the result of the management of the federal lottery for which CAIXA is responsible as the performer of such public services to add to equity, after the portion of the Lottery Development Fund has been deducted. The purpose of the Lottery Development Fund is to fund the investments necessary for modernizing the lotteries and for advertising and publicity expenses, pursuant to the applicable legislation, and may not be used to fund public services.

The operating margin reserve intended for the maintenance of the operating margin consistent with the development of CAIXA's borrowing activities is formed by the justification of the percentage considered up to 100% of the profit balance deducted from the destination to the legal reserve, to the unrealized profit reserves, to contingency reserves, to tax incentive reserves, and for the minimum payment (25% of the adjusted profit) of dividends and interest on own capital, up to the limit of eighty percent of the share capital.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Reevaluation reserves	392,929	423,165
Revenue reserves	4,902,396	2,693,064
Legal reserves	2,005,496	1,669,327
Corporate reserves - lotteries	1,454,999	928,299
Operating margin reserves	1,441,901	95,438

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(e) Dividends

Shareholders are entitled to dividends of at least 25% of the adjusted profit, after calculation of the profit for the period.

Interest on capital, calculated by applying the Long-term Interest Rate (TJLP) for the period to adjusted equity, and limited to 50% of profit, is included in the calculation of the dividend obligation.

In 2013, the Federal Government was paid the sum of R\$ 4,000,000, as interim dividends.

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Profit	6,723,372	6,066,054
Prior year adjustment	(427,681)	-
Legal reserve	(336,169)	(303,303)
Realization of reserve	11,403	42,463
Lottery reserve	(526,699)	(521,104)
Dividend calculation basis	5,444,226	5,284,110
Dividends declared	4,097,762	5,188,673
Interest on capital	1,216,534	1,106,451
Dividends	2,881,228	4,082,222

Note 20 – Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)**(a) Tax credits**

Tax credits account have significant amounts:

- CSLL credits, referring to periods ended until December 1998, at 18%, based on Article 8 of Provisional Executive Order No. 2158-35/2001;
- Corporate Income Tax (IRPJ) credit arising from accumulated imprescriptible tax losses and temporary expenses at 25%, social contribution tax (CSLL) credits from negative calculation base and temporary differences computed as from 1999 at 15%; and
- PASEP and COFINS credits from temporary differences from adjustment to market value referring to security transactions.

The information on tax credits is the same in both the parent company and consolidated financial statements, except for the item "Other", which is R\$ 1,548,179 (December 31, 2012 – R\$ 1,485,753) in the consolidated financial statements.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Tax credits						
Description	12/31/2013			12/31/2012		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	7,065,635	4,104,778	11,170,413	5,769,665	3,326,970	9,096,635
Provision SFH	796,991	478,195	1,275,186	753,805	452,283	1,206,088
Provision for contingencies	1,505,494	903,296	2,408,790	1,609,686	965,811	2,575,497
Other	1,019,124	529,036	1,548,160	972,020	513,711	1,485,731
Provision for SAÚDE CAIXA - CPC 33	1,701,895	1,021,137	2,723,032	1,521,876	913,126	2,435,002
Adjustment to market value – expense	516,435	309,861	826,296	186,784	112,071	298,855
Adjustment to market value - equity (available for sale)	196,125	117,675	313,800	171,156	102,694	273,850
Adjustment of Actuarial Losses CPC 33	-	-	-	-	-	-
Subtotal of temporary differences	12,801,699	7,463,978	20,265,677	10,984,992	6,386,666	17,371,658
Tax losses	2,973,570	-	2,973,570	2,973,570	-	2,973,570
Cumulative reductions	(1,135,979)	-	(1,135,979)	(957,538)	-	(957,538)
CSLL losses up to 2000	-	701,139	701,139	-	701,139	701,139
Cumulative reductions	-	(542,793)	(542,793)	-	(435,923)	(435,923)
Credit at 18% - 1998	-	624,515	624,515	-	624,515	624,515
Cumulative reductions	-	(379,955)	(379,955)	-	(305,146)	(305,146)
Total	14,639,290	7,866,884	22,506,174	13,001,024	6,971,251	19,972,275

Tax credits						
Description	12/31/2013			12/31/2012		
	PASEP	COFINS	Total	PASEP	COFINS	Total
Adjustment to market value – expense	12,769	78,577	91,346	3,390	20,862	24,252
Adjustment to market value - equity (available for sale)	5,348	32,910	38,258	4,667	28,720	33,387
Total	18,117	111,487	129,604	8,057	49,582	57,639

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

On a half-yearly basis, CAIXA conducts a technical analysis as for the expected realization of tax credits in 10 years. The amounts determined in the analysis of December 31, 2013 are as follows:

BOOK VALUE					
Year of Realization	Income tax losses	Social contribution losses - 15%	Credit at 18% - 1998	Temporary difference	TOTAL
2014	234,346	121,816	104,063	7,707,542	8,167,767
2015	447,145	-	114,926	5,468,417	6,030,488
2016	699,502	-	-	432,218	1,131,720
2017	395,876	-	-	419,232	815,108
2018	-	-	-	413,838	413,838
2019 a 2023	-	-	-	2,070,721	2,070,721
Total	1,776,869	121,816	218,989	16,511,968	18,629,642

PRESENT VALUE					
Year of Realization	Income tax losses	Income tax losses - 15%	Credit at 18% - 1998	Temporary difference	TOTAL
2014	231,881	120,535	102,968	7,626,472	8,081,856
2015	415,829	-	106,877	5,085,432	5,608,138
2016	610,236	-	-	377,061	987,297
2017	323,368	-	-	342,446	665,814
2018	-	-	-	316,517	316,517
2019 a 2023	-	-	-	1,372,940	1,372,940
Total	1,581,314	120,535	209,845	15,120,868	17,032,562

(b) Changes in tax credits

The information on changes in tax credits is the same in both the parent company and the consolidated financial statements, except for the item "Temporary differences recognized in the period", which is R\$ 3,774,194 in the consolidated financial statements.

Changes in Tax Credits			
Description	Gross amount	Provision	Total
Balance at December 31, 2012	20,029,914	(3,484,346)	16,545,568
Temporary differences recognized in the period	3,774,188	-	3,774,188
Reversal of Provision	(1,014,115)	1,014,115	-
PASEP/COFINS credits recorded	67,095	-	67,095
Tax credits on available-for-sale securities	44,821	-	44,821
Tax credits -Actuarial Loss CPC 33	-	-	-
Realization of IRPJ tax credits	(178,441)	-	(178,441)
Realization of CSLL tax credits	(106,870)	-	(106,870)
Tax credits written off - 2002 - Provisional Measure 2,158-35/01	(74,809)	-	(74,809)
Tax loss carry forwards recognized	93,995	-	93,995
Balance at 12/31/2013	22,635,778	(2,470,231)	20,165,547

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) IRPJ and CSLL calculation

PARENT COMPANY								
Description	2013				2012			
	2nd six-month period		Year		2nd six-month period		Year	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit	2,062,426	2,062,426	5,158,541	5,158,541	1,606,455	1,606,455	4,193,085	4,193,085
Total IRPJ (25%) and CSLL (15%)	(515,594)	(309,364)	(1,289,611)	(773,781)	(400,477)	(240,294)	(1,048,247)	(628,963)
Tax effects of additions and exclusions	221,668	133,321	124,872	75,573	148,927	89,569	215,932	130,157
Interest on capital	149,422	89,654	304,133	182,480	138,596	83,158	276,612	165,968
Employee profit sharing	170,748	102,449	265,826	159,496	164,143	98,486	237,500	142,500
Deferred tax assets – IRPJ and CSLL	(7,870)	(8,191)	178,441	181,678	(15,353)	(15,768)	95,468	97,073
Tax incentives	14,757	-	33,520	-	8,768	-	21,073	-
Revaluation reserve	2,158	1,294	5,502	3,300	15,268	9,161	18,277	10,966
Current expense	35,289	9,163	(377,317)	(171,254)	59,872	24,312	(183,385)	(82,299)
Deferred tax assets	1,408,287	859,344	2,268,474	1,239,589	1,300,551	499,464	2,012,754	843,609
Temporary differences	1,400,418	851,154	2,352,920	1,421,268	805,215	483,696	1,517,684	940,682
Income Tax Loss / CSLL Negative Basis	7,869	4,818	(84,446)	(106,870)	495,336	9,275	495,070	(57,102)
CSLL at 18%	-	3,372	-	(74,809)	-	6,493	-	(39,971)
Deferred tax liabilities	(67,965)	(40,779)	(207,097)	(124,258)	49,280	29,567	(121,347)	(72,809)
Deferred expense/ mark-to-market	(67,965)	(40,779)	(207,097)	(124,258)	49,280	29,567	(121,347)	(72,809)
IRPJ and CSLL for the period	1,375,611	827,728	1,684,060	944,077	1,409,703	553,343	1,708,022	688,501

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED								
Description	2013				2012			
	2nd six-month period		Year		2nd six-month period		Year	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit	2,078,565	2,078,565	5,175,372	5,175,372	1,624,283	1,624,283	4,214,652	4,214,652
Total IRPJ (25%) and CSLL (15%)	(519,639)	(311,785)	(1,293,829)	(776,306)	(404,934)	(242,969)	(1,053,638)	(632,198)
Tax effects of additions and exclusions	(292,754)	(175,974)	(270,557)	(162,984)	148,929	89,569	215,933	130,157
Interest on capital	149,422	89,654	304,133	182,480	138,597	83,158	276,613	165,968
Employee profit sharing	170,748	102,449	265,826	159,496	164,143	98,487	237,500	142,500
Deferred tax assets – IRPJ and CSLL	(7,870)	(8,191)	178,441	181,678	(29,650)	(30,351)	95,468	97,073
Tax incentives	14,757	-	33,520	-	7,968	-	21,073	-
Revaluation reserve	2,158	1,294	5,502	3,300	15,268	9,161	18,277	10,966
Investment in subsidiary and associated companies	59,328	35,596	136,487	81,892	43,854	26,313	101,968	61,181
Other	447,272	271,844	250,786	154,727	(37,419)	(13,783)	(112,445)	(63,667)
Current expense	23,422	4,887	(389,691)	(175,717)	46,756	19,585	(199,251)	(88,020)
Deferred tax assets	1,408,289	859,346	2,268,478	1,239,591	1,300,563	499,467	2,012,768	843,614
Temporary differences	1,400,420	851,156	2,352,924	1,421,270	805,227	483,699	1,517,698	940,687
Income Tax Loss / CSLL Negative Basis	7,869	4,818	(84,446)	(106,870)	495,336	9,275	495,070	(57,102)
CSLL at 18%	-	3,372	-	(74,809)	-	6,493	-	(39,971)
Deferred tax liabilities	(67,965)	(40,779)	(207,097)	(124,258)	49,280	29,567	(121,347)	(72,808)
Deferred expense/ mark-to-market	(67,965)	(40,779)	(207,097)	(124,258)	49,280	29,567	(121,347)	(72,808)
IRPJ and CSLL for the period	1,363,746	823,454	1,671,690	939,616	1,396,599	548,619	1,692,170	682,786

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 21 – Income from financial intermediation

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Income from loan operations	25,668,444	46,493,678	17,852,971	34,390,584
Repurchase agreements	3,975,378	6,918,465	3,242,610	6,107,695
Financial assets held for trading	3,589,485	4,099,362	2,993,551	6,563,973
Financial assets available for sale	561,897	872,543	301,780	527,669
Financial assets held to maturity	2,216,061	4,914,656	2,822,805	5,906,248
Income from derivative financial instruments	653,503	2,611,687	(527,229)	(1,431,250)
Compulsory deposits with the Central Bank of Brazil	2,952,769	5,052,264	2,072,862	4,389,516
Restricted deposits with the National Housing System - SFH	634,370	1,433,806	591,103	1,296,781
Foreign exchange gains	-	-	16,805	26,327
Other	371,625	652,631	226,831	369,651
Total	40,623,532	73,049,092	29,594,089	58,147,194

Note 22 – Expenses with financial intermediation

PARENT COMPANY				
Description	2013		2012 (Nota 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
Operations with customers	(13,461,936)	(23,399,648)	(9,045,225)	(17,822,400)
Operations with customers financial institutions	(38,866)	(78,765)	(356,663)	(639,968)
Repurchase agreements	(6,398,723)	(10,349,600)	(3,840,430)	(7,716,761)
Borrowings, assignments and onlendings	(4,975,180)	(9,092,432)	(3,196,811)	(6,556,040)
Special deposits and deposits of funds and programs	(466,987)	(1,059,422)	(369,341)	(812,382)
Allowance for loan losses	(4,869,006)	(9,190,635)	(4,044,925)	(7,679,921)
Foreign exchange transactions	(263,267)	(448,753)	-	-
Other	(157,927)	(251,067)	(63,861)	(63,861)
Total	(30,631,892)	(53,870,322)	(20,917,256)	(41,291,333)

CONSOLIDATED				
Description	2013		2012 (Nota 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
Operations with customers	(13,449,599)	(23,383,832)	(9,045,123)	(17,821,362)
Operations with customers financial institutions	(38,866)	(78,765)	(356,663)	(639,969)
Repurchase agreements	(6,394,976)	(10,339,557)	(3,832,835)	(7,688,579)
Borrowings, assignments and onlendings	(4,975,180)	(9,092,432)	(3,196,811)	(6,556,040)
Special deposits and deposits of funds and programs	(466,987)	(1,059,422)	(369,341)	(812,381)
Allowance for loan losses	(4,869,006)	(9,190,635)	(4,044,925)	(7,679,921)
Foreign Exchange transactions	(263,267)	(448,753)	-	-
Other	(157,927)	(251,067)	(63,861)	(63,861)
Total	(30,615,808)	(53,844,463)	(20,909,559)	(41,262,113)

Notes to the Financial Statements
In thousands of reais, unless stated otherwise

Note 23 – Revenues from services and banking fees

a) Revenue from provision of services

Description	INDIVIDUAL / CONSOLIDATED			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
National Treasury and administration of social funds	2,782,948	5,248,388	2,516,078	4,767,373
Unemployment Compensation Fund (FGTS) (1)	1,771,786	3,463,630	1,583,961	3,091,560
Wage Variation Compensation Fund (FCVS)	58,174	109,419	47,252	93,292
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	102,936	125,638	98,060	117,152
Federal lotteries	616,100	1,118,857	580,392	1,085,021
Student Finance (FIES)	108,001	203,162	83,940	158,042
Residential Lease Fund (FAR) (2)	40,950	84,792	46,311	92,479
Brazilian National Treasury Department (STN) - onlendings	55,036	80,526	45,616	80,336
Unemployment insurance	28,782	59,753	29,991	59,766
Other	1,183	2,611	555	(10,275)
Revenue from cards	649,518	1,244,907	450,846	880,508
Loan transactions and guarantees provided	799,158	1,677,081	792,384	1,541,176
Collection	310,206	591,474	268,350	527,975
Amounts raised (2)	1,071,253	2,129,397	971,743	1,886,542
Investment funds and administered portfolios (1)	723,668	1,372,733	598,269	1,119,831
Checking account	48,112	107,012	61,592	134,688
Income transfer program	188,344	365,151	156,767	296,018
Provided to subsidiaries and affiliates	309,211	572,678	249,448	525,888
Other services	153,406	301,593	173,508	328,017
Total	7,035,824	13,610,414	6,238,985	12,008,016

1 – The amount for 2012 was changed due to reclassification of income with administered portfolios from FGTS to Investment funds and administered portfolios;

2 – The amount for 2012 was changed due to reclassification of income from FAR management fees from "Amounts raised" to "FAR".

b) Income from bank fees

Description	INDIVIDUAL / CONSOLIDATED			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Revenue from cards	179,977	329,821	123,277	237,954
Loan and registration operations	384,382	726,608	350,185	685,290
Service package	682,507	1,244,604	521,481	971,162
Deposit accounts	162,173	296,834	132,166	253,345
Transfer of funds	69,519	133,076	60,626	114,284
Other	5,738	10,575	4,615	10,552
Total	1,484,296	2,741,518	1,192,350	2,272,587

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 24 – Personnel expenses

Description	PARENT COMPANY			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Salaries	(5,340,500)	(10,087,438)	(4,633,207)	(8,662,681)
Salaries and benefits	(4,825,006)	(9,214,292)	(4,209,758)	(7,968,396)
Labor indemnities	(515,494)	(873,146)	(423,449)	(694,285)
Benefits	(1,032,582)	(1,950,396)	(874,700)	(1,467,081)
Social charges:	(1,923,719)	(3,682,118)	(1,668,844)	(3,186,186)
FGTS	(360,242)	(688,623)	(313,949)	(600,745)
Social security	(1,123,630)	(2,138,873)	(965,545)	(1,843,550)
Private pension	(333,404)	(650,650)	(282,470)	(550,020)
Other charges	(106,443)	(203,972)	(106,880)	(191,871)
Other	(115,878)	(206,677)	(123,268)	(202,067)
Total	(8,412,679)	(15,926,629)	(7,300,019)	(13,518,015)

Description	CONSOLIDATED			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Salaries	(5,341,142)	(10,088,685)	(4,633,870)	(8,663,895)
Salaries and benefits	(4,825,648)	(9,215,539)	(4,210,421)	(7,969,610)
Labor indemnities	(515,494)	(873,146)	(423,449)	(694,285)
Benefits	(1,032,582)	(1,950,395)	(874,700)	(1,467,081)
Social charges:	(1,923,907)	(3,682,531)	(1,669,037)	(3,186,545)
FGTS	(360,282)	(688,709)	(313,988)	(600,814)
Social security	(1,123,742)	(2,139,120)	(965,667)	(1,843,768)
Private pension	(333,425)	(650,699)	(282,487)	(550,065)
Other charges	(106,458)	(204,003)	(106,895)	(191,898)
Other	(115,918)	(206,783)	(123,496)	(202,332)
Total	(8,413,549)	(15,928,394)	(7,301,103)	(13,519,853)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 25 – Other administrative expenses

Description	PARENT COMPANY			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Communications	(336,120)	(631,977)	(317,248)	(638,815)
Maintenance and repair of assets	(411,709)	(808,615)	(557,902)	(970,976)
Water and electricity	(142,664)	(289,833)	(143,674)	(287,516)
Rentals and leases	(597,051)	(1,151,013)	(481,666)	(923,859)
Materials	(101,154)	(199,300)	(115,820)	(232,823)
Data processing	(539,015)	(1,079,804)	(495,555)	(966,207)
Promotions and public relations	(193,180)	(340,295)	(105,737)	(176,273)
Advertising and publicity	(310,517)	(453,706)	(221,448)	(413,860)
Financial system services	(192,618)	(367,078)	(167,041)	(319,709)
Outsourced services	(733,073)	(1,388,746)	(641,796)	(1,171,672)
Specialized services	(312,545)	(580,718)	(279,003)	(501,116)
Surveillance and security services	(435,747)	(780,980)	(341,492)	(686,719)
Amortization	(289,393)	(577,724)	(294,671)	(498,488)
Depreciation	(308,112)	(591,556)	(239,838)	(455,951)
Other administrative expenses	(206,870)	(383,113)	(189,323)	(325,434)
Total	(5,109,768)	(9,624,458)	(4,592,214)	(8,569,418)

Description	CONSOLIDATED			
	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Communications	(336,120)	(631,977)	(317,248)	(638,815)
Maintenance and repair of assets	(411,709)	(808,615)	(557,902)	(970,976)
Water and electricity	(142,664)	(289,833)	(143,674)	(287,517)
Rentals and leases	(597,051)	(1,151,014)	(481,666)	(923,859)
Materials	(101,154)	(199,301)	(115,820)	(232,823)
Data processing	(539,015)	(1,079,804)	(495,555)	(966,208)
Promotions and public relations	(193,180)	(340,295)	(105,737)	(176,273)
Advertising and publicity	(310,517)	(453,705)	(221,448)	(413,860)
Financial system services	(192,618)	(367,078)	(167,041)	(319,710)
Outsourced services	(733,073)	(1,388,745)	(641,796)	(1,171,672)
Specialized services	(312,752)	(581,932)	(281,120)	(506,877)
Surveillance and security services	(435,747)	(780,980)	(341,492)	(686,719)
Amortization	(289,393)	(577,725)	(294,671)	(498,488)
Depreciation	(308,112)	(591,556)	(239,838)	(455,951)
Other administrative expenses	(206,968)	(383,837)	(189,539)	(325,864)
Total	(5,110,073)	(9,626,397)	(4,594,547)	(8,575,612)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 26 – Other operating income

Description	PARENT COMPANY			
	2013		2012 (Nota 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
Commissions and fees on operations	241,730	373,613	85,085	142,299
Commissions and fees on operations – FGTS financial agent	2,144,953	4,610,817	2,089,305	3,671,759
Recovery of expenses and charges (1)	698,616	1,816,598	506,901	948,270
Reversal of other operating provisions (2)	1,237,700	2,084,740	901,317	1,640,063
Revenue from credit cards	19,837	32,784	80,315	156,425
Dividend income	2,926	4,904	81	1,379
Restatement of escrow deposits	293,666	531,159	229,270	520,359
Income from specific credits	27,359	48,599	21,438	100,280
Income from mark-to-market hedge accounting	(330,383)	-	-	-
Revenue from lotteries	71,595	77,309	28,134	115,190
Reversal of expenses – IHCD renegotiation (4)	193,283	193,283	-	-
Revenue from negative goodwill on acquisition of royalties	89,724	134,560	925	3,505
Other operating income	217,738	316,715	90,673	156,433
Total	4,908,744	10,225,081	4,033,444	7,455,962

Description	CONSOLIDATED			
	2013		2012 (Note 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
Commissions and fees on operations	241,730	373,613	85,085	142,299
Commissions and fees on operations – FGTS financial agent	2,144,953	4,610,817	2,089,305	3,671,759
Recovery of expenses and charges (1)	695,988	1,811,224	504,518	943,366
Reversal of other operating provisions (2)	1,237,700	2,084,739	901,317	1,640,088
Revenue from credit cards	19,837	32,784	80,315	156,424
Dividend income	50,793	62,451	64,291	73,207
Restatement of escrow deposits	293,666	531,159	229,270	520,359
Income from specific credits	27,359	48,598	21,438	100,280
Income from mark-to-market hedge accounting	(330,383)	-	-	-
Revenue from lotteries	71,595	77,309	28,134	115,190
Reversal of expenses – IHCD renegotiation (4)	193,283	193,283	-	-
Revenue from negative goodwill on acquisition of royalties	89,724	134,560	925	3,505
Other operating income	217,850	313,958	90,677	153,361
Total	4,954,095	10,274,495	4,095,275	7,519,838

- (1) 2013 increase in relation to 2012 is mainly represented by: (i) recovery of FCVS losses; (ii) recovery of expenses of FGO onlendings referring to amounts charged on granting of loans/financing; (iii) recovery of expenses referring to preparation and remittance of documentation to the interbank clearing house; and (iv) recovery of expenses with assigned personnel and offsetting of social charges.
- (2) The increase of 2013 in relation to 2012 is mainly represented by reversal of provisions for judicial contingencies.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

- (3) Reversal of income for the first half of 2013, due to the accounting effects referring to change in criteria for classification of derivative financial instrument for hedging against external fundraising, the accounting hedge was reclassified from cash flow hedge to fair value hedge or market risk (Note 3f).
- (4) Reversal of expense of the first half of 2013 arising from renegotiation of the contracted rate for hybrid capital-debt instrument contract.

Note 27 – Other operating expenses

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Expenses with FCVS receivable -provision/losses	(390,592)	(765,161)	(297,100)	(402,637)
Expenses of obligations with funds and programs	(180,893)	(331,526)	(124,157)	(227,858)
Hybrid instruments of capital and debt - monetary restatement	(1,099,905)	(2,606,721)	(1,123,703)	(1,968,671)
Expenses with cards	(579,512)	(1,035,228)	(442,075)	(838,635)
Expenses with lotteries	(96,688)	(192,424)	(81,951)	(165,681)
Expenses with lottery resellers and business partners (1)	(1,012,758)	(2,015,173)	(888,158)	(1,674,986)
FGTS - Collection/payment	(240,725)	(480,551)	(221,819)	(449,963)
Automated services	(124,097)	(229,886)	(85,387)	(159,508)
Expenses with business promotion	(179,561)	(324,799)	(181,723)	(281,502)
Financial management with social security fund	(162,015)	(314,232)	(149,962)	(292,461)
Real estate financing operations	(307,872)	(545,135)	(293,351)	(470,973)
Goodwill on the purchase of commercial portfolios	(134,345)	(237,896)	(51,275)	(87,891)
Loan operation discounts	(229,435)	(391,357)	(204,484)	(407,362)
Improvement transactions - monetary restatement	(65,863)	(96,396)	(8,433)	(21,138)
Security abroad – marked to market	181,460	141,802	-	-
Expenses related to operating provisions	(417,869)	(728,542)	(430,893)	(909,742)
Provision for contingencies	(686,059)	(1,058,865)	(36,512)	(390,024)
Adverse legal judgments	(48,297)	(101,632)	(84,385)	(143,890)
Social benefits	(37,567)	(79,755)	(32,974)	(69,189)
Post-employment benefits	(533,428)	(885,420)	(296,188)	(593,285)
Expenses with securities issued abroad	(83,836)	(126,825)	(13,415)	(13,415)
Other	(326,170)	(571,577)	(628,148)	(825,342)
Total	(6,756,027)	(12,977,299)	(5,676,093)	(10,394,153)

(1) Combination of “Non-Banking Correspondents” and “Expenses with lottery resellers”, disclosed separately in June 2012.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 28 – Non-operating income/expenses

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Non-operating income	225,334	411,780	277,015	379,841
Gains on sales of assets	126,131	180,658	141,263	199,820
Sale of properties	13,925	99,279	13,109	27,179
Unclaimed cash surpluses	22,487	41,818	15,862	30,557
Capital gains on adjustment of outstanding amounts	867	4,933	42,660	43,041
Fines and charged	19,374	33,014	9,280	18,882
Reversal of permanent losses evaluated at cost	36,503	40,862	45,129	45,129
Other non-operating income	6,047	11,216	9,712	15,233
Non-operating expenses	(230,285)	(431,430)	(295,154)	(490,127)
Impairment of other assets	(9,183)	(12,869)	(416)	(2,470)
Indemnity for losses and damages	(97,186)	(170,328)	(79,051)	(132,905)
Losses on properties	(13,286)	(31,361)	(17,455)	(37,491)
Losses on fraudulent electronic withdrawals	(70,258)	(136,335)	(63,753)	(153,215)
Loss on sales of assets	(11,018)	(19,922)	(6,399)	(12,107)
Losses related to credit cards	(20,793)	(41,042)	(18,592)	(36,747)
Losses on permanent investments recorded at cost	(869)	(1,883)	(59,186)	(59,186)
Capital losses	(1)	(4,394)	(45,085)	(45,090)
Other non-operating expenses	(7,691)	(13,296)	(5,217)	(10,916)
Total	(4,951)	(19,650)	(18,139)	(110,286)

Note 29 – Tax expenses

Description	PARENT COMPANY			
	2013		2012 (Nota 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
COFINS	(883,667)	(1,627,565)	(689,579)	(1,354,654)
PIS/PASEP	(143,596)	(264,479)	(86,986)	(185,764)
Tax on Services - ISS	(248,118)	(471,501)	(205,830)	(386,473)
Municipal Property Tax - IPTU	(3,729)	(52,198)	(3,591)	(44,400)
Other	(2,858)	5,744	(6,773)	(33,220)
Total	(1,281,968)	(2,409,999)	(992,759)	(2,004,511)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Description	CONSOLIDATED			
	2013		2012 (Nota 3 (t))	
	2nd six-month period	Year	2nd six-month period	Year
COFINS	(886,618)	(1,630,554)	(693,814)	(1,358,896)
PIS/PASEP	(144,237)	(265,129)	(87,905)	(186,685)
Tax on Services - ISS	(248,118)	(471,500)	(205,830)	(386,473)
Municipal Property Tax - IPTU	(3,729)	(52,199)	(3,591)	(44,400)
Other	(2,858)	5,739	(6,773)	(33,593)
Total	(1,285,560)	(2,413,643)	(997,913)	(2,010,047)

Note 30 – Contingent assets and liabilities, and legal, tax, and social security obligations

Contingent assets:

CAIXA has no contingent assets.

Provisions and contingent liabilities

CAIXA is party to various judicial and administrative proceedings of tax, labor and civil nature, arising from the ordinary course of business. Based on the opinion of the legal counsel, and considering that the procedures adopted by CAIXA comply with the legal and regulatory determinations, Management understands that the provisions set up are sufficient to cover the risks arising from any unfavorable outcome.

Considering the high number of administrative and judicial proceedings, CAIXA uses the following methodology to compute the value at risk:

a) for significant proceedings, the analysis is individually made, where the probable case amount is estimated (provisioned); this calculation is based on the economic effect of the claims filed and is weighed according to the status of the proceeding and its prevailing case law in similar cases; these claims are classified as probable, possible or remote;

b) for other proceedings (not significant), the provisioned amount corresponds to the average historical case amount paid in similar proceedings in the last 36 months and are classified as probable.

The proceedings are grouped in tax, civil and labor claims, considering their subject matter and the economic significance of the group.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(a) Probable Risk:

PARENT COMPANY / CONSOLIDATED						
Description	December 31, 2012	2013				12/31/2013
		New provisions	Monetary restatement	Additions to existing provisions	Reversal / Write-off by payment	
Tax contingencies (Note 18 (b))	260,871	24,052	14,555	56,869	(102,088)	254,259
INSS	47,682	1,111	4,918	3,456	(5,051)	52,116
ISS	155,371	5,175	6,030	41,833	(55,629)	152,780
Other	57,818	17,766	3,607	11,580	(41,408)	49,363
Civil contingencies (Note 18 (e))	3,511,622	321,724	204,240	255,288	(1,650,240)	2,642,634
Losses and damage	1,311,473	223,274	101,531	39,646	(785,945)	889,979
Savings accounts	1,219,216	7,741	6,498	79,259	(583,585)	729,129
Lotteries	11,586	1,010	1,233	3,294	(5,438)	11,685
Real estate receivables	104,094	41,624	9,309	5,147	(31,686)	128,488
Contingencies related to FGTS	865,253	48,075	85,669	127,942	(243,586)	883,353
Labor contingencies (Note 18 (e))	2,629,178	464,091	144,154	762,818	(913,508)	3,086,733
Other (Note 18 (e))	43,308	9,291	-	-	-	52,599
Total	6,444,979	819,158	362,949	1,074,975	(2,665,836)	6,036,225

(i) Tax proceedings

Because CAIXA regularly complies with the tax and labor obligations affecting its activities, operations and services, it discusses, based on legislation, the lawfulness of the collection parameters adopted by finance departments from the various bodies of the Federal Government, in accordance with the corresponding specificities of each case.

Provisions set up for cases whose likelihood of loss is probable, based on the opinion of the legal counsel, refer to income and social contribution tax suits. CAIXA regularly monitors the status of the ongoing legal suits, which, in the medium and long term, may be favorable to CAIXA with the reversal of the respective provisions.

We emphasize the notices served by INSS for collection of social security taxes on payments to CAIXA employees, where the severance characteristic of certain amounts are challenged, such as meal voucher, absence allowed for personal reasons (APIP), and premium license, reclassified for December 31, 2013, corresponding to the amount of R\$ 1,416,310 (R\$ 1,390,798 at December 31, 2012), for which provision was set up based on the history of success and case laws, grounded on recent technical and legal analysis on the issue, is R\$ 52,116 (R\$ 47,682 at December 31, 2012).

As for the Service Tax, CAIXA applies the provisions of Federal Supplementary Law No. 116, of July 31, 2002, adjusting its systems and procedures for determination of the tax basis and payment of the tax on services rendered. Notwithstanding, tax audits conducted in various Brazilian cities filed suits against CAIXA alleging non-payment or underpayment of the tax, bringing to light the discussion on different interpretations of the materiality, applicable rates and location where the tax should be levied, the total amount of which at December 31, 2013 is R\$ 537,665 (R\$ 336,734 at December 31, 2012). In view of the history of success and case laws, evaluated in technical and legal analysis of this issue, the provision set up amounts to R\$ 152,780 (R\$ 155,371 at December 31, 2012).

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

CAIXA is discussing with the Administrative Board of Tax Appeals the materiality of CSLL debt arising from two PER/DCOMP proceedings not authorized amounting to R\$ 6,498 (12/31/2012 - R\$ 6,236), referring to procedural aspects of offsetting credits effectively accrued in DCTF, for which, based on jurisdictional pronouncements on the matter, the consultants suggested the setup of provision for the full amount.

On October 9, 2013, Law No. 12865, which extended until December 31, 2013 the term for adhesion to the program provided by Law No. 11941/2009, providing for, among other things, the possibility for payment, with discount, of debts referring to federal taxes. CAIXA, observing this prerogative, evaluated the issues under discussions and their respective financial and accounting impacts, not finding favorable conditions for adhesion to the program.

(ii) Labor proceedings

CAIXA is defendant in claims filed by employees, former employees of CAIXA or service providers and workers' unions, related to their labor activities, career plans, collective bargaining agreements, severance pay, benefits, retirement, subsidiarity, among others. At December 31, 2013, 56.3 thousand labor proceedings were provisioned, of which approximately 55 thousand were "not significant" and 1.3 thousand were "significant".

Aiming to reduce litigation and the amounts spent on proceedings, CAIXA continues adopting its in-court and out-of-court reconciliation policy, voluntarily fulfills certain court decisions and makes the analysis of losses incurred in order to mitigate further litigation involving similar cases. Accordingly, the significant claims are not individually disclosed in order not to adversely affect possible agreements.

(iii) Labor and civil proceedings

CAIXA is defendant in civil proceedings of indemnification/contractual nature referring to its products and services. At December 31, 2013, there were 303 thousand civil proceedings provisioned, with approximately 302.5 thousand "not significant" and 500 "significant".

We emphasize proceedings challenging the disregard of the effects of indexes of economic plans, as part of the economic policy of the Federal Government to avoid past inflation rates, upon restatement of savings accounts balances. CAIXA fulfilled the legal requirements in force at the time, however, considering the suits effectively filed and analysis of the current case laws of the High Court of Justice (STJ), at 12.31.2013 the provision set up amounts to R\$ 729,129 (12/31/2012 - R \$ 1,219,216) for these proceedings. It is worth highlighting that the statute of limitations for filing of new claims has expired, thus the absence of a representative potential liability. The High Court of Justice suspended the analysis of all appeals until a decision is rendered by this Court, binding all related cases discussing this issue.

The proceedings seeking compensation for damages involving transfer of funds from FGTS are also significant. The amount provisioned at December 31, 2013 for these proceedings is R\$ 883,353 (R\$ 865,253 at December 31, 2012).

In order to reduce litigations in 2013, CAIXA entered into 21 thousand procedural agreements, consequently decreasing the amounts that would be fully paid had the judicial decision remained the same, in addition to offering the customer a quick solution to settle the issue. Additionally, CAIXA voluntarily fulfills certain court decisions and makes the analysis of losses incurred in order to mitigate further litigation involving similar cases. Accordingly, the significant suits are not individually disclosed in order not to adversely affect possible agreements.

(b) Possible losses

In accordance with CMN Resolution 3,823/2009, companies are not required to record provisions for contingencies classified as possible losses:

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Tax proceedings	4,778,552	4,761,175
Civil Lawsuits	1,086,235	2,172,118
Labor Lawsuits	-	49,449
Total	5,864,787	6,982,742

(i) Tax proceedings

CAIXA continuously monitors administrative and legal tax proceedings in which it is defendant and claimant and, supported by the opinions of its legal units, classified as possible loss processes which amounted to R\$ 4,778,552, at December 31, 2013 (12/31/2012 - R\$ 4,761,175), among which we highlight the following claims based on the amounts under dispute:

a) PIS/PASEP deficiency notices, totaling R\$ 4,367,141 as of December 31, 2013 (12/31/2012 - R\$ 4,265,859), based on underpayment for the period from January 1991 to December 1995, when Decree-Law No. 2445 and No. 2449/1988 were effective, which changed the tax calculation system, and alleged improper offset of overpayments made from January 1992 to May 1993;

b) CSLL amounting to R\$ 138,338 as of December 31, 2013 (12/31/2012 - R 129,761) relating to credit arising from overpayment reported in DIPJ and offset in 2003, with discussion regarding procedural issues; and

c) ICMS deficiency notice served by the São Paulo State Finance Department totaling R\$ 122,196 at December 31, 2013 (12/31/2012 – R\$ 119,393), claiming the tax payment stemming from failure to withhold and collect ICMS at source on services classified under "communication" for tax purposes. This tax notice further determines that CAIXA is the ICMS taxpayer due to tax liability under the special agreement published by Brazil's National Board for Fiscal Policy (CONFAZ).

The contingent matters in dispute are followed up on considering possible consolidation or changes in case laws. This enables their maintenance as a consequence of loss risks continually assessed by CAIXA.

(ii) Civil proceedings

CAIXA, based on the opinion of its legal counsel, systematically monitors all proceedings whose likelihood of loss is possible or remote.

The amount of R\$ 1,086,235, whose likelihood of loss is possible, refers to a class action suit claiming that CAIXA is unlawfully managing funds from PREVHAB, referring to the succession of BNH.

(c) Analysis of deposits in court:

The balances of amounts deposited in escrow in connection with probable, possible and/or remote contingent liabilities are as follows:

PARENT COMPANY / CONSOLIDATED		
Description	12/31/2013	12/31/2012
Tax proceedings	8,475,837	7,869,183
Civil lawsuits	666,706	592,193
Labor lawsuits	2,148,050	1,881,421
Total	11,290,593	10,342,797

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 31 – Related parties
(a) Transactions with related parties

Transactions with related parties are carried out in connection with CAIXA's operating activities and its duties established in specific regulations.

CAIXA carries out banking transactions with related parties, such as current account deposits, interest-earning deposits, rendering of services, and rental of properties. These transactions are carried out under terms and conditions which are compatible with those used in arms' length transactions on the dates of the transactions. The related parties not included in the consolidated financial statements are:

- Banco PAN S.A.;
- Caixa Seguros Holding S.A.;
- National Treasury Office - STN; and
- Federal Savings and Loans Bank Employees' Foundation - FUNCEF.

CAIXA has an operating agreement with Banco PAN establishing a revolving limit for the acquisition of loan portfolios and for investment in interbank deposits.

ASSETS		
Description	12/31/2013	12/31/2012
Investments in interbank deposits	4,977,657	2,789,541
Banco PAN	4,977,657	2,789,541
Investments in repurchase agreements	-	499,992
Banco PAN	-	499,992
Income receivable	2,301,599	1,952,475
Caixa Seguros Holding S.A.	342	334
STN – National Treasury Office	2,301,257	1,952,141
Credits purchased	7,581,165	3,662,652
Banco PAN	7,581,165	3,662,652
Total	14,860,421	8,904,660

LIABILITIES		
Description	12/31/2013	12/31/2012
Deposits	171,758	584,727
Caixa Seguros Holding S.A.	11,680	19,015
FUNCEF	1,453	879
STN - National Treasury Office	158,625	564,833
Local onlending - official institutions	(1,131)	16,528
STN - National Treasury Office	(1,131)	16,528
Sundry liabilities	36,867	34,213
STN - National Treasury Office	36,867	34,213
Total	207,494	635,468

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The income and expenses represent the accumulated amounts in the stated periods.

INCOME				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Income from interbank deposits	189,228	296,663	84,464	173,135
Banco PAN	189,228	296,663	84,464	173,135
Income from services rendered	365,044	654,912	296,005	608,224
Caixa Seguros Holding S.A.	309,211	572,678	249,448	525,888
STN – National Treasury Office	55,833	82,234	46,557	82,336
Other operating income	56,897	242,453	67,667	159,885
STN – National Treasury Office	56,897	242,453	67,667	159,885
Total	611,169	1,194,028	448,136	941,244

EXPENSES				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Administrative expenses - rentals	(14,449)	(64,641)	(30,304)	(52,807)
FUNCEF	(14,449)	(64,641)	(30,304)	(52,807)
Other operating expenses	(1,464)	(3,010)	(1,532)	(3,191)
STN - National Treasury Office	(1,464)	(3,010)	(1,532)	(3,191)
Total	(15,913)	(67,651)	(31,836)	(55,998)

(b) Remuneration of key management personnel

The costs incurred with compensation and other benefits provided to key management personnel (Board of Directors, Statutory Audit Board, Executive Board, and Audit Committee) are shown below:

PARENT COMPANY / CONSOLIDATED				
Description	2013		2012	
	2nd six-month period	Year	2nd six-month period	Year
Short-term benefits	12,752	20,148	6,087	11,361
Salaries	9,321	14,858	4,468	8,508
Payroll charges	3,431	5,290	1,619	2,853

CAIXA does not provide variable share-based compensation and other long-term benefits, and neither does it offer post-employment benefits to its managers. Post-employment benefits are only offered to CAIXA's staff.

In accordance with prevailing standards, CAIXA does not grant loans or advances to key management personnel.

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Note 32 – Employee benefits**(a) Analysis of the provision for employee benefits**

The information on the provision for employee benefits applies to both the parent and consolidated financial statements, except for the item "Short-term, salary-related benefits" of R\$ 2,063,622 (December 31, 2012 – R\$ 1,832,486) in the consolidated financial statements.

Provision for employee benefits		
Description	12/31/2013	30/12/2012 (Note 3 (t))
Short-term benefits	2,488,533	2,303,841
Salary-related	2,063,252	1,832,211
Profit sharing	425,281	471,630
Post-employment benefits (Note 18 (e))	7,218,765	7,354,728
Saúde CAIXA (actuarial calculation)	6,211,755	6,276,166
Meal and food vouchers (actuarial calculation)	751,678	844,804
PREVHAB (actuarial calculation)	44,260	47,570
Benefit plans- private pension	211,072	186,188
Total	9,707,298	9,658,569

(a.1) Short-term benefits:

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

(a.2) Post-employment benefits:

Provisions referring to post-employment benefits include retirement, pension and healthcare plans, in addition to meal voucher and food basket allowance, as follows:

- (i) CAIXA sponsors pension plans which are managed by Fundação dos Economiários Federais (FUNCEF). These refer to REG/REPLAN, REB and Novo Plano plans.
- (ii) CAIXA manages the commitments with beneficiaries of EX-PREVHAB, referring to post-employment benefits undertaken when BNH ceased to operate.
- (iii) Saúde CAIXA is a self-management program established by CAIXA, the purpose of which is to provide medical, hospital and dental assistance
- (iv) , laboratory and radiology tests, therapy, physiotherapy, speech therapy, occupational therapy, nutritional counseling, and social services to its beneficiaries (employees and retirees linked to FUNCEF, PREVHAB, SASSE, the PMPP Fund and INSS) and their respective dependents.
- (v) The Supplementary Medical Assistance Program (PAMS) is a benefit granted by CAIXA to beneficiaries and their dependents that are subject to any type of injunction. PAMS is a program established and managed by CAIXA, which offers medical, hospital, dental and psychological assistance by a network of accredited professionals/entities all over Brazil, in accordance with the PAMS standards and price chart.
- (vi) Actuarial results of Saúde CAIXA e PAMS are grouped as both are considered healthcare plans.
- (vii) Post-employment benefits related to savings account benefits and meal/ food vouchers are managed by CAIXA.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Private pension plans**(b.1) REG/REPLAN**

The plan, structured as a Defined Benefit type, incorporates the regulations introduced in 1977 (REG) and 1979 (REPLAN), considered as a single plan, and was last amended on June 14, 2006.

The settlement of the benefits of this plan was defined through an amendment to its regulations. Such procedure means that the benefit amount is settled, calculated, and restated based on the plan's 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.

REG/REPLAN benefit plan provides its participants and payees with retirement and pension plans, funeral allowance, self-funding institutes, proportional deferred benefit, portability and withdrawal. Retirement benefits, survivorship pension, annual bonus and lump-sum payment in the event of death are provided to participants and payees who have opted for the definitive interruption of plan contributions, keeping their right to proportional payouts.

(b.2) REB

The REB benefit plan is sponsored by CAIXA and FUNCEF and managed by FUNCEF. This is a Variable Contribution Plan. The regular participant's contribution, including the self-sponsored participant, is calculated by applying a percentage on the participant's salary, defined at the time of adhesion, not lower than 2%. For programmable events, which adopted the Defined Contribution (CD) type of plan, the portion corresponding to the defined contribution of the total contributions made by the Sponsoring Entity is recorded.

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

REB benefit plan provides its participants and payees with pension, survivorship pension, annual bonus, lump-sum payment in the event of death, early income, portability, withdrawal, among other benefits.

(b.3) Novo Plano

The Novo Plano benefit plan 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 a defined benefit during the stage of receipt of benefits and in cases of risk, such as disability and death pension.

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

Administrative expenses will be equally supported by the sponsor and the participants, including the beneficiaries, and shall be approved by the Executive Board and FUNCEF's Deliberative Council, subject to the limits and criteria established by the regulating authorities.

Novo Plano provides its participants and payees with retirement and pension plans, survivorship pension, annual bonus, lump-sum payment in the event of death, early income, portability, withdrawal, among other benefits.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b.4) Discount rate adopted

The discount rate adopted in the actuarial calculation is the blue chip National Treasury Notes (NTN-B) rate, since it complies with IFRS standards. The Plan's interest rate was determined considering the position at September 30, 2012, maturing on May 15, 2035. The Plan's investments are allocated on a diversified basis, and most of them are invested in Investment Funds. The annual rate of return on assets is 12.02% and inflation is stated at 5.9% per year.

(b.5) Recognition of actuarial gains and losses

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

Pursuant to the current legislation, the surplus of the benefit plan will be allocated to create a contingency reserve, up to the limit of 25% (twenty-five percent) of the plan's mathematical reserves, with a view to ensuring the payment of the benefits contracted, in case of future unexpected events. Once the contingency reserve has accumulated resources amounting to 25% (twenty-five percent) of the plan's mathematical reserves, the remaining surplus will be allocated to the creation of a special reserve, which will be used to review the benefit plan.

(i) Main actuarial assumptions adopted in retirement plans

Key assumptions						
Description	REG/REPLAN		REB		NOVO PLANO	
	2013	2012	2013	2012	2013	2012
Finance:						
Interest rate for annual actuarial discount	12,02	9,91	12,02	9,91	12,02	9,91
Projected salary increases - annual average	8,66	8,04	8,74	8,55	8,74	8,55
Projected benefit increases- annual average	5,9	5,5	5,9	5,5	5,9	5,5
Annual average inflation rate	5,9	5,5	5,9	5,5	5,9	5,5
Expected return on plan assets	12,02	9,91	12,02	9,91	12,02	9,91
Demographic status:						
Turnover rate	Experience FUNCEF		Experience FUNCEF		Experience FUNCEF	
Mortality	AT 2000 M e		AT 2000 M e		AT 2000 M e	
	AT 2000 F		AT 2000 F		AT 2000 F	

(ii) Number of benefit plan participants

Number of benefit plan participants						
Description	REG/REPLAN		REB		NOVO PLANO	
	2013	2012	2013	2012	2013	2012
Assets	28,872	30,945	11,088	11,000	83,359	76,262
Uninterrupted	2,995	3,251	11,088	11,000	83,359	76,262
Interrupted	25,877	27,694	-	-	-	-
Payees (retirees and pensioners)	34,775	33,099	635	638	3,634	3,093
Total	63,647	64,044	11,723	11,638	86,993	79,355

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(iii) Reconciliation of present value of plan actuarial obligations

Reconciliation of present value balances of the actuarial obligation						
Description	REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial obligation at the beginning of the year	(44,902,581)	(35,033,289)	(596,455)	(412,518)	(487,761)	(254,250)
Current service cost	(30,577)	(56,245)	(2,186)	(2,850)	(44,032)	(25,060)
Interest cost	(4,358,610)	(3,967,316)	(58,801)	(47,419)	(47,873)	(28,993)
Re-measurement of actuarial gains (losses)	7,164,152	(7,497,924)	149,530	(140,980)	78,527	(187,989)
Experience adjustments	(1,150,943)	(7,497,924)	25,011	(140,980)	(86,834)	(187,989)
Changes to biometric assumptions	161	-	(22,482)	-	(323)	-
Changes to financial assumptions	8,314,934	-	147,001	-	165,684	-
Benefits paid by the plan	1,840,401	1,652,193	6,207	7,312	9,360	8,532
Present value of actuarial obligation at the end of the year	(40,287,215)	(44,902,581)	(501,705)	(596,455)	(491,779)	(487,760)

(iv) Reconciliation of fair value of plan assets

Reconciliation of fair value of plan assets						
Description	REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
Fair value of plan assets at the beginning of the year	45,650,669	41,498,618	426,035	343,455	285,803	277,166
Interest income	4,434,400	4,719,039	41,947	39,444	28,278	31,975
Gains (losses) on plan assets (excluding interest income)	(7,223,118)	1,052,777	(162,582)	49,852	(41,742)	(20,395)
Employer's contributions	16,708	16,214	351	298	4,233	2,794
Contributions paid by the participants in the plan	16,708	16,214	351	298	4,233	2,794
Benefits paid by the plan	(1,840,401)	(1,652,193)	(6,207)	(7,312)	(9,360)	(8,532)
Fair value of plan assets at the end of the year	41,054,966	45,650,669	299,895	426,035	271,445	285,802

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(v) Net value of plan assets (liabilities) recognized in balance sheets

Net value of plan assets (liabilities) recognized in balance sheets						
Description	REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial liabilities at the end of the period	(40,287,215)	(44,902,581)	(501,705)	(596,455)	(491,779)	(487,760)
Effect of restriction on actuarial liability (1)	-	-	100,905	85,210	110,167	100,979
Present value of net actuarial obligation	(40,287,215)	(44,902,581)	(400,800)	(511,245)	(381,612)	(386,781)
Fair value of plan assets at the end of the period	41,054,966	45,650,669	299,895	426,035	271,445	285,802
Surplus (deficit) of the plan	767,751	748,088	(100,905)	(85,210)	(110,167)	(100,979)
Asset ceiling effect (2)	(767,751)	(748,088)	-	-	-	-
Net asset (liability)	-	-	(100,905)	(85,210)	(110,167)	(100,979)

(1) This refers to the calculation of the effect of sharing risks with plan participants and payees, limiting the actuarial responsibility to be recognized by the Bank.

(2) This refers to calculation of the available economic benefit referred to in item 65 of CPC 33 R1 (CVM Rule No. 695/2012), in order to limit the actuarial asset to be recognized by the Bank.

Reconciliation of the asset ceiling effect		
Description	REG/REPLAN	
	12/31/2013	12/31/2012 (Note 3 (t))
At the beginning of the year	(748,088)	(6,465,329)
Interest expense / profitability	(75,789)	(751,723)
Total before recalculation	(823,877)	(7,217,052)
Recalculation	58,966	6,445,147
Cost of net service / contributions	(2,840)	23,817
Total at the end of the year	(767,751)	(748,088)

Changes in net (liabilities) / assets recognized in balance sheets						
Description	REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Nota 3 (t))
Net (liabilities)/assets recognized at the beginning of the period	-	-	(85,210)	-	(100,979)	(7,977)
Sponsor's contributions, net of administrative fee	16,708	16,214	351	298	4,233	2,794
Provision for benefit plans and other post-employment benefits	(15,288)	(40,031)	(10,613)	(14,656)	(24,022)	(22,266)
Amount recognized in other comprehensive income	(1,420)	23,817	(5,433)	(70,852)	10,601	(73,530)
(Liabilities)/assets recognized at the end of the period	-	-	(100,905)	(85,210)	(110,167)	(100,979)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(vi) Expenses/Income and payments expected for 2014

(Expenses) / Income expected – year 2014 – CPC 33 (R1)			
Description	REG/REPLAN	REB	NOVO PLANO
Current service cost, net	(3,648)	(1,303)	(37,648)
Cost of interest, net	-	(12,105)	(12,974)
Provision for benefit plans and other post-employment benefits	(3,648)	(13,408)	(50,622)
Plan management	(882)	-	(223)
Total (expense) / income to be recognized in the next year	(4,530)	(13,408)	(50,845)

Expected payments - year 2014 - CPC 33 (R1)			
Description	REG/REPLAN	REB	NOVO PLANO
ordinary / risk contributions (REB)	17,694	371	4,483
Management	882	-	223
Total expected plan payments	18,576	371	4,706

(vii) Sensitivity analysis of key assumptions

Sensitivity analysis of key assumptions – CPC 33 (R1)							
Description	Biometric table		Salary growth		Interest rate		Position at 12/31/2013
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%	
REG/REPLAN							
VP ¹ actuarial obligation	39,795,582	40,761,947	40,288,732	40,286,015	39,211,646	41,369,337	40,287,215
VJ ² assets	41,054,966	41,054,966	41,054,966	41,054,966	41,054,966	41,054,966	41,054,966
Surplus / (Deficit)	1,259,384	293,019	766,234	768,951	1,843,320	(314,371)	767,751
REB							
VP ¹ actuarial obligation	504,389	498,954	506,925	496,609	484,500	520,303	501,705
VJ ² assets	299,895	299,895	299,895	299,895	299,895	299,895	299,895
Surplus / (Deficit)	(204,494)	(199,059)	(207,030)	(196,714)	(184,605)	(220,408)	(201,810)
NOVO PLANO							
VP ¹ actuarial obligation	496,119	485,115	492,430	491,141	472,841	509,286	491,779
VJ ² assets	271,445	271,445	271,445	271,445	271,445	271,445	271,445
Surplus / (Deficit)	(224,674)	(213,670)	(220,985)	(219,696)	(201,396)	(237,841)	(220,334)

 VP¹ – Present value / VJ² – fair value

(c) Benefit plan - PREVHAB beneficiaries

CAIXA manages the remaining balance of the guarantee funds of the technical reserves of the beneficiaries of 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 from the Guarantee Funds of the Reserves of the beneficiaries of PREVHAB.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c.1) Recognition of actuarial gains and losses
(i) Key assumptions used for actuarial assessment of retirement plans

Financial and Demographic Assumptions - EX-PREVHAB		
Description	2013	2012
Financial:		
Annual actuarial discount interest rate	12.02	9.91
Projection of salary increase – annual average	N/A	N/A
Projection of benefit increase – annual average	5.9	5.5
Average annual inflation rate	5.9	5.5
Expected return on plan assets	12.02	9.91
Demographic status:		
Turnover rate	N/A	N/A
Mortality table	AT 2000 M e	
	AT 2000 F	

(ii) Number of benefit plan participants

Number of plan participants – EX-PREVHAB		
Description	2013	2012
Payees (retirees and pensioners)	68	71
Total	68	71

(iii) Reconciliation of present value of plan actuarial obligations

Reconciliation of present value of the actuarial obligation – EX-PREVHAB		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial obligation at the beginning of the year	(47,121)	(37,535)
Cost of interest	(4,488)	(4,127)
Recalculation of actuarial gains (losses):	2,435	(9,355)
Experience adjustments	(4,820)	(9,355)
Changes to financial assumptions	7,255	-
Benefits paid by the plan	3,655	3,897
Present value of actuarial obligation at the end of the year	(45,519)	(47,120)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(iv) Reconciliation of fair value of plan assets

Reconciliation of fair value of assets – EX-PREVHAB		
Description	12/31/2013	12/31/2012
		(Note 3 (t))
Fair value of plan assets at the beginning of the year	42,019	43,649
Interest income	3,982	4,836
Gains (losses) on plan assets (excluding interest income)	3,173	(2,570)
Benefits paid by the plan	(3,655)	(3,897)
Fair value of plan assets at the end of the year	45,519	42,018

(v) Net value of plan assets (liabilities) recognized in balance sheets

Net value of plan assets (liabilities) recognized in balance sheets – EX-PREVHAB		
Description	12/31/2013	12/31/2012
		(Note 3 (t))
Present value of net actuarial obligation	(45,519)	(47,120)
Fair value of plan assets at the end of the period	45,519	42,018
Surplus (deficit) of the plan	-	(5,102)
Net asset / (liability) recognized in the balance sheets	-	(5,102)

Changes in net (liabilities) / assets recognized in balance sheets – EX-PREVHAB		
Description	12/31/2013	12/31/2012
		(Note 3 (t))
Net (liabilities)/assets recognized at the beginning of the period	(5,102)	3,684
Provision for benefit plans and other post-employment benefits	(505)	709
Amount recognized in other comprehensive income	5,607	(9,495)
(Liabilities)/assets recognized at the end of the period	-	(5,102)

k) Sensitivity analysis of key assumptions

Sensitivity analysis of key assumptions – EX-PREVHAB					
Description	Biometric table		Interest rate		Position at 12/31/2013
	+ 1 age	- 1 age	+ 0,25%	- 0,25%	
VP ¹ actuarial obligation	44,631	46,383	44,547	46,531	45,519
VJ ² assets	45,519	45,519	45,519	45,519	45,519
Surplus / (Deficit)	888	(864)	972	(1,012)	-

*VP – Present value / **VJ – fair value

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In thousands of reais, unless stated otherwise

(d) Health Plans – Saúde CAIXA and PAMS

CAIXA has offered health care to its employees and their families since 1977 through Saúde CAIXA, a program established and managed by CAIXA itself. The plan offers medical, hospital, dental and psychological assistance, therapy, physiotherapy, speech therapy, occupational therapy, and nutritional counseling and social services, provided by a network of accredited entities and through a reimbursement system all over Brazil.

This benefit is granted by CAIXA to beneficiaries who choose to enroll in the plan and their related dependents, beneficiaries meaning employees and retirees linked to FUNCEF, PREVHAB, the PMPP Fund and the National Institute of Social Security (INSS). The costs of the Saúde CAIXA Healthcare Plan are defrayed by CAIXA through contributions equivalent to 70% of the assistance expenditures, with a minimum limit of 3.5% of personnel expense, including social charges. The beneficiary defrays 30% of the assistance expenditures through monthly payments of 2% on the base remuneration 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 for each indirect dependent enrolled.

Saúde CAIXA plan does not have financial assets, 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 completed the full length of service. As to active employees, the actuarial provision was calculated taking into consideration the ratio between the length of service at the valuation date and at the retirement date.

The amount of the actuarial provision obtained through the discount to present value of all the flows of assistance expenses relating to current and future retirees and pensioners is R\$ 6,211,755 (December 31, 2012 – R\$ 6,276,166).

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.

This program follows a financial model that is being discontinued and its duration depends on injunctions awaiting judicial decisions and lawsuits.

(d.1) Recognition dos actuarial gains and losses
(i) Main actuarial assumptions adopted in the valuation of the plan

Financial and demographic assumptions - Saúde CAIXA		
Description	2013	2012
Financial:		
Interest rate for annual actuarial discount	12,02	9,91
Projected annual salary increase	9,13	8,55
Projected annual increase of benefits	5,9	5,5
Aging Factor	Experience CAIXA	
Projected actual increase in healthcare costs (HCTR) - annual average	1,5	1,5
Average annual inflation rate	5,9	5,5
Demographics:		
Turnover rate	3,02	3,06
Mortality table	AT 2000 M e	
	AT 2000 F	

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In thousands of reais, unless stated otherwise

(ii) Number of plan participants

Number of plan participants – Saúde CAIXA		
Description	2013	2012
Employees	95,243	87,510
Employees' dependents	132,024	128,807
Payees (former employees, retirees and pensioners)	21,997	22,135
Assisted dependents	27,018	29,350
Total	276,282	267,802

(iii) Reconciliation of present value of plan actuarial obligations

Reconciliation of present value of the actuarial obligation – Saúde CAIXA		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial obligation at the beginning of the year	(6,317,036)	(4,637,895)
Current service cost	(352,180)	(288,160)
Interest cost	(611,146)	(525,743)
Recalculation of actuarial gains (losses):	784,486	(1,134,176)
Experience adjustment	(857,351)	(1,134,176)
Changes to biometric assumptions	1,641,837	-
Benefits paid by the plan	284,121	268,938
Present value of actuarial obligation at the end of the year	(6,211,755)	(6,317,036)

(iv) Net value of plan assets (liabilities) recognized in balance sheets

Net value of plan assets (liabilities) recognized in balance sheets – Saúde CAIXA		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial obligation	(6,211,755)	(6,317,036)
Net asset / (liability) recognized in the balance sheets	(6,211,755)	(6,317,036)

Changes in net (liabilities) / assets recognized in balance sheets – Saúde CAIXA		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Net (liabilities)/assets recognized at the beginning of the period	(6,317,036)	(5,632,367)
Payment of benefits, net of administrative fee	284,121	268,938
Provision for benefit plans and other post-employment benefits	(963,326)	(813,903)
Amount recognized in other comprehensive income	784,486	(139,704)
(Liabilities)/assets recognized at the end of the period	(6,211,755)	(6,317,036)

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(v) Expenses/Income and payments expected for 2014

Expected expense/income – year 2014 – Saúde CAIXA	
Description	CPC 33 (R1)
Current service cost, net	(400,434)
Cost of interest, net	(728,631)
Total (expense) / income to be recognized in the next year	(1,129,065)

Expected payments – year 2014 – Saúde CAIXA	
Description	CPC 33 (R1)
Benefits	300,885
Total expected plan payments	300,885

(vi) Sensitivity analysis of healthcare costs

Sensitivity analysis of main assumptions – Saúde CAIXA							
Description	Biometric table		HCTR		Interest rate		Position at 12/31/2013
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%	
Amounts of							
VP ¹ actuarial obligation	6,054,579	6,368,710	6,219,400	6,204,100	6,005,930	6,429,483	6,211,755
Surplus / (deficit)	(6,054,579)	(6,368,710)	(6,219,400)	(6,204,100)	(6,005,930)	(6,429,483)	(6,211,755)

 VP¹ – Present value

(e) Meal Vouchers and Food Basket Allowance

The monthly value of the meal vouchers and food baskets provided by CAIXA for employees and management is defined in September of each year. For the period from September 2013 to August 2014, the value of the meal voucher is R\$ 509.96 per month to pay for meals at restaurants and similar establishments. The value of the food basket allowance is R\$ 397.36 per month to purchase food from supermarkets or similar commercial establishments.

The amount of the actuarial provision obtained through the discount to present value of all the flows of meal and food voucher expenses relating to current and future retirees and pensioners is R\$ 751,678 (December 31, 2012 - R\$ 844,804).

(i) Main actuarial assumptions adopted in the actuarial valuation of the plans

Financial and demographical assumptions – Meal Voucher and Food Basket Allowance		
Description	2013	2012
Financial:		
Interest rate for annual actuarial discount	12,02	9,91
Projection of annual salary increase	N/A	N/A
Projected annual increase of benefits	5,9	5,5
Annual average inflation rate	5,9	5,5
Expected return on plan assets	N/A	N/A
Demographics:		
Turnover rate	N/A	N/A
Mortality table	AT 2000 M and AT 2000 F	

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In thousands of reais, unless stated otherwise

(ii) Number of benefit plan participants

Number of plan participants – Meal Voucher and Food Basket Allowance		
Description	2013	2012
Retirees with meal voucher	10,892	10,394
Retirees with food basket	761	741
Pensioners with meal voucher	604	2,082
Pensioners with food basket	22	71
Total	12,279	13,288

(iii) Reconciliation of present value of plan actuarial obligations

Reconciliation of present value of actuarial obligation - Meal Voucher and Food Basket Allowance		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Present value of actuarial obligation at the beginning of the year	(844,804)	(624,439)
Interest cost	(75,413)	(68,856)
Recalculation of actuarial gains (losses):	82,387	(230,743)
Experience adjustments	(39,953)	(230,743)
Changes in financial assumptions	122,340	-
Benefits paid by the plan	86,152	79,234
Present value of actuarial obligation at the end of the year	(751,678)	(844,804)

(iv) Net value of plan assets (liabilities) recognized in balance sheets

Net value of plan assets (liabilities) recognized in balance sheets – Meal Voucher and Food Basket Allowance		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Present value of net actuarial obligation	(751,678)	(844,804)
Surplus (deficit) of the plan	(751,678)	(844,804)
Net asset / (liability) recognized in the balance sheets	(751,678)	(844,804)

Changes in net (liabilities)/assets recognized in balance sheets – Meal Voucher and Food Basket Allowance		
Description	12/31/2013	12/31/2012 (Note 3 (t))
Net (Liabilities)/assets recognized at the beginning of the period	(844,804)	(638,356)
Sponsor's contributions, net of administrative fee	86,153	79,234
Provision for benefit plans and other post-employment benefits	(75,413)	(68,856)
Amount recognized in other comprehensive income	82,386	(216,826)
(Liabilities)/assets recognized at the end of the period	(751,678)	(844,804)

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(v) Expenses/Income and payments expected for 2014

Expected expense/income – year 2014 – Meal Voucher and Food Basket Allowance	
Description	CPC 33 (R1)
Cost of interest, net	(84,876)
Total (expense) / income to be recognized in the next year	(84,876)

Expected payment – year 2014 – Meal Voucher and Food Basket Allowance	
Description	CPC 33 (R1)
Standard	91,235
Total expected plan payments	91,235

(vi) Sensitivity analysis of key assumptions

Sensitivity analysis of main assumptions – Meal Voucher and Food Basket Allowance					
Description	Biometric table		Interest rate		Position at 12/31/2013
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	
Amount of					
VP ¹ actuarial obligation	735,703	767,382	735,362	767,696	751,678
Surplus / (deficit)	(735,703)	(767,382)	(735,362)	(767,696)	(751,678)

 VP¹ – Present value

Notes to the Financial Statements

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Note 33 – 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 understood by Senior Management as a distinguishing feature for financial market competitiveness and the best way of safeguarding CAIXA's solvency, liquidity and profitability.

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

The Risk Management Policy and the exposure limits are reviewed at least annually, based on the strategy, macroeconomic factors, the business environment, and on the ability to take risks, and are clearly communicated to all employees in the internal system for disclosure of standards.

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

(a) Basel II

The necessary measures for implementation of the Basel II New Capital Agreement are monitored by the National Superintendence of Corporate Risk Management, linked to Management of risks and Vice-Presidency of Risks.

The activities carried out aim at ensuring the improvement, development, implementation and certification of the basic/standard and internal/advanced models for market risk, credit risk and operating risk, in addition to various activities for qualification of human resources and dissemination of CAIXA's risk and capital management culture.

CAIXA has fully complied with the requirements of the Brazilian Central Bank (BACEN) regarding the implementation stages of the New Accord in Brazil, showing its ability to use the internal market risk model. CAIXA continues to improve its practices, processes, models and systems to ensure that CAIXA is capable of adopting the internal models in other risk categories, following the implementation schedule 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 arising from the decrease in minimum required capital and strengthen the strategic priority given to risk management as an essential pillar for sustainability, business responsibility, and the for fulfillment of its strategic mission.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(b) Regulatory Capital Requirements

The table below presents the calculation of the regulatory capital requirement:

Calculation of the regulatory capital requirement		
Description	12/31/2013 ¹	12/31/2012 ²
PR – REFERENCE EQUITY	71,440,993	56,328,755
TIER I	59,518,914	28,689,489
Principal capital – CP	34,437,984	24,386,066
Equity	27,373,363	25,056,944
Hybrid capital and debt instruments, authorized according to CMN Decision No. 4192/2013	8,000,000	-
Prudential adjustments	(935,379)	-
Revaluation reserves	-	(423,165)
Tax credits excluded from PR Level I	-	(154,673)
Deferred permanent assets	-	(2,425)
Adjustments to market value	-	(90,615)
Supplementary capital - CC	25,080,930	4,303,423
Hybrid capital and debt instruments, authorized according to CMN Decision No. 3444/2007	25,080,930	4,303,423
Level II	11,922,079	28,689,489
Subordinated debt instruments, authorized according to CMN Decisions No. 3444/2007 and 4192/2013	11,922,079	12,190,735
Revaluation reserves	-	423,165
Hybrid capital and debt instruments, authorized according to CMN Decision No. 3444/2007	-	15,984,974
Adjustments to market value	-	90,615
Deductions from PR	-	(1,050,223)
Shares issued by financial institutions	-	(1,048,975)
Interest in financial institution abroad	-	(1,248)
Risk-weighted assets (RWA)	472,075,444	433,691,244
Credit risk - RWA_{CPAD}	450,874,561	410,363,711
Market risk – negotiation portfolio - RWA_{MPAD}	1,447,893	5,126,370
Interest rate – RWA_{JUR}	1,447,893	5,126,370
Commodities – RWA_{COM}	-	-
Shares – RWA_{ACS}	-	-
Foreign exchange – RWA_{CAM}	-	-
Operating risk - RWA_{OPAD}	19,752,990	18,201,163
Minimum Required Reference Equity ($RWA \cdot 0.11$) - PRMR	51,928,299	47,706,037
Market risk – non-negotiation portfolio- R_{BAN}	3,923,466	2,473,008
Capital margin (PR - PRMR - R_{BAN})	15,589,228	6,149,710
Principal capital rate (CP / RWA)	7.30%	5.62%
Capital rate – Level I (Level I / RWA)	12.61%	6.62%
Basel rate (PR / RWA)	15.13%	12.99%

(1) Basel III Rules, effective as from October 2013. Reference equity amounts and minimum capital requirements computed according to CMN Decisions No. 4192/2013 and No. 4193/2013, respectively, and other related rules.

(2) Basel II rules, effective until September 2013. Reference equity values, and minimum capital requirements determined according to CMN Decisions No. 3444/2007 and 3490/2007, respectively, and other related rules.

Notes to the Financial Statements

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(c) Basel III

Observing the implementation of Basel III in Brazil, on March 1, 2013, CMN Decisions No. 4192, 4193 and 4195, referring to the new prudential rules, were disclosed. The Regulatory body determined the compliance with these rules as from October 1, 2013. In Basel III rules, the capital management components, such as Reference Equity (PR) and Required Reference Equity (PRE), are modified.

PR still corresponds to the sum of Level I and Level II; however, Level I is segregated into Principal Capital and Supplementary Capital, with addition of indicators to be observed, such as Level I and Principal Capital indicators, in addition to Basel Index. Other indicators also need to be observed, such as Additional Principal Capital, as from 2016.

$$PR = NívelII + NívelIII$$



$$PR = Capital Pr incipal + CapitalCom plementar + NívelIII$$

The PRE (Required Reference Equity), sum of the credit, operating, and market risk portions, except for non-trading portfolio, is now considered directly as assets weighted by the risk (RWA) for the ascertainment of the indexes.

Capital Management

Capital management structure, capital management process, and capital adequacy evaluation internal process (ICAAP) are implemented for CAIXA, in compliance with CMN Decision No. 3988/11, BACEN Letter No. 3547/2011 and BACEN Letter No. 3565/12. In September 13, CAIXA forwarded the ICAAP extraordinary report to BACEN, base date June 2013.

CAIXA adopts the best national and international capital management practices in compliance with principles, values, guidelines and limits defined by the Board of Directors, and recommendations of Basel Committee and other regulatory bodies.

The purpose of capital management is ensuring that there is sufficient capital to carry out the Company's strategies and businesses, given that the process is compatible with the nature of its operations, complexity of the products and services offered and the dimension of its exposure to risks.

Accordingly, capital is managed through:

- Mechanisms enabling the identification and evaluation of significant risks incurred by CAIXA;
- Capital management policies and strategies establishing mechanisms and procedures to keep the capital compatible with the risks incurred by CAIXA;
- Capital plan covering a minimum 3-year period;
- Simulation of severe events and extreme market conditions (stress tests) and evaluation of their impacts on capital;
- Periodical management reports on adequacy of capital for Management and Board of Directors, if any; and
- Internal Capital Evaluation and Adequacy Process (ICAAP).

With this management, CAIXA controls and assesses the need for capital in order to avoid risks, evaluates impacts thereof, plans goals through strategic objectives and complies with the guidelines of the Board of Directors. CAIXA also seeks the prospective adoption, with application of ordinary and stress scenarios in order to check and plan its capital use.

Notes to the Financial Statements

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Credit Risk

Credit risk is defined as the possibility of incurring losses because a borrower or counterparty fails to perform its financial obligations in accordance with the terms and conditions of the agreement entered into with CAIXA, as well as losses arising from the impairment of loan agreements as a result of the deterioration in the borrower's risk rating, decrease in gains or remuneration, advantages granted upon renegotiation and recovery costs.

Credit risk is controlled and monitored through the identification, measurement, assessment and follow-up of delay and exposure indicators, credit limit by borrower, transaction, segment, geographic region and economic activity sector; incurred, expected and unexpected losses; provisions; transaction ratings; regulatory and economic capital requirements; alternatives proposed to mitigate credit risk and reporting to product and service managers and CAIXA's decision-making levels.

All credit exposures of CAIXA are assessed based on consistent and verifiable criteria which are capable of measuring and classifying the risks involved in each transaction. Furthermore, new transactions are evaluated based on Credit Scoring - CS models or analyses performed by experts, depending on the characteristics of the borrower and transaction. Transactions in the portfolio are periodically reviewed; retail transactions make use of Behavioral Scoring - BS models, and rating re-evaluation is used for the other exposures.

As part of the ongoing improvement of the process for controlling and monitoring credit risk, CAIXA annually reviews its models, policies, strategies, exposures or extrapolation limits for purposes of reporting and approval by the Executive Board and Board of Directors. The purpose of the periodic reviews of policies, strategies, practices, processes, models and systems is to ensure compliance with the best market practices and the requirements of the New Capital Accord and regulatory authorities.

All processes and models adopted are previously evaluated and approved by an internal and independent unit for the monitoring and validation of models, whose predictive ability is constantly monitored.

Market Risk

Market risk consists of the possibility of losses arising from changes in the market values of the positions held by the Institution, including transactions subject to foreign exchange variation and fluctuations in interest rates and prices of shares and commodities.

CAIXA's risk area maintains a market risk management structure which is compatible with the nature and complexity of financial instruments, products, transactions and the extent of the exposure to this risk.

CAIXA's risk area maintains activities of market risk management are separated from business and audit activities, with independent structures for the development and monitoring of models, in order to avoid conflicts of interest and to safeguard the impartiality of the work performed.

The Market Risk Management Policy, which is approved by the Board of Directors, establishes a set of principles and guidelines that govern the measurement, control, monitoring and mitigation of the exposures to market risk, with a view to minimizing the impacts of unexpected and undesirable events on CAIXA's ability to generate profits and fulfill its strategic goals.

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

Market Risk Measurement

Market risk measurement begins with the marking-to-market of securities, i.e., with the calculation of the trading prices of these instruments in the secondary market, based on the identification of all the positions held by CAIXA and the calculation of their cash flows, discounted at the market interest rates for each instrument.

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These interest rates are shown by the term structure of interest rates, which is a graphical depiction of the relationship between the interest rates of instruments of the same credit quality, but with different maturities, and whose main objective is to serve as the basis for the pricing of fixed-income instruments.

At CAIXA, this structure is estimated using information on rates or prices traded in the secondary and derivative markets, or, in the case of assets which 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 the returns on the portfolio are normally distributed.

Volatilities and correlations are calculated daily for a historical data period of 252 business days based on the series of the returns of the market curves of the various risk factors.

To calculate the VaR, the market risk measurement system uses a data weighting technique, the EWMA - Exponentially Weighted Moving Average, a method that applies weighting factors that decrease exponentially in accordance with the decrease parameter selected, provided that the VaR result is more conservative than that obtained through sample variance.

The accuracy of this model is daily monitored based on a compliance test program, using two methodologies which count the number of violations, a standard procedure established in the Basel Accord and Kupiec's Proportion of Failure (POF) Test. These tests verify whether unrealized gains or losses are lower than the VaR calculated for the 95%, 97.5% and 99% confidence levels.

The determination of the number of violations for the application of these methodologies is carried out by measuring unrealized losses and actual results.

Under the first methodology, violation is defined as the negative result arising from unrealized losses which exceeds the VaR projected for the day. Under the second methodology, violation is defined as the negative result arising from changes in the value of the portfolio, considering the trading activities performed during the day, which is higher than the VaR projected for the day. In both cases, the number of violations in a certain period must be consistent with the confidence interval established for the model.

Stress Testing

The Stress Testing Program, which supplements the information provided by the VaR calculation, adopts historical scenarios and dates, prospective scenarios and sensitivity analyses to reproduce historical periods and important dates, and simulate adversities based on the characteristics of the portfolio and the macroeconomic environment which represent severe conditions and gradual changes in market yield curves, respectively.

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

The analysis of historical dates calculates the VaR based on important and known stress dates which took place from 2000 to 2003. The worst shocks observed in this period are determined and applied to the yield curves with a view to measuring the impairment in the value of the portfolio should these shocks occur again.

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

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

- Basic scenario, considering the most likely changes in variables and macroeconomic indicators;
- High-stress scenario, weighting possible internal and external adversities which lead to an increase in the interest rate above that considered in the basic scenario; and
- Low-stress scenario, considering alternative events which lead to a decrease in the interest rate below that considered in the basic scenario.

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

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

Trading portfolio

CAIXA's trading portfolio comprises all transactions involving securities, financial instruments, and commodities, including derivatives held for trading or to hedge other components of the portfolio that are not subject to trading limitations. The changes in the portfolio's value at risk, by risk factor, are as follows:

Value at Risk - Normal Scenario (1)		
Risk Factors	12/31/2013	12/31/2012
PRE	12,905	12,712
IPCA Coupon	7	5,985
SELIC Coupon	-	(3)
TR Coupon	1	6
VaR without ED	12,913	18,700

(1) All amounts considering the portfolio diversification effect.

Operations not classified in the trading portfolio

These refer to securities classified in categories II - available-for-sale and III - held-to-maturity, the loan operations of the commercial, housing, sanitation, and infrastructure portfolios and the funding and deposit liability operations.

With a view to ensuring that the Reference Equity (PR) is sufficient to cover the market risks taken by CAIXA, the risk area measures and assesses the interest rate risk of these operations, considering their nature, the complexity of the products and the extent of the exposure to this risk.

The methodology for measuring the risk of the operations not included in the trading portfolio and subject to fluctuations in interest rates is based on the concepts presented in the document entitled "International Convergence of Capital Measurement and Capital Standards - A Revised Framework - Comprehensive Version", as well as on the assumptions presented in the document entitled "Principles for the Management and Supervision of Interest Rate Risk". To supplement this measurement, a monthly stress test is performed, as established in BACEN Circular 3,365/2007.

The monitoring of the levels of exposure of these operations to interest rate risk and the compliance with the limits established are reported to Senior Management on a monthly basis.

Currently, CAIXA maintains exposures in foreign currency and in assets subject to the foreign exchange variation (PCAM), hedged through hedge transactions with futures contracts and swap transactions, which result in an exposure below 2% of the Reference Equity. Consequently, PCAM is equal to zero, pursuant to BACEN Circular 3,608/2012.

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Financial Instruments – Marked-to-Market Value

Description	Book Value		Marked-To-Market Value		Gains / (losses)	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value– ASSET						
Investments in interbank deposits	7,671,673	3,078,676	7,671,035	3,078,687	(638)	11
Investments in repurchase agreements	37,232,669	72,104,596	37,229,588	72,104,596	(3,081)	-
Securities and Financial Instruments	162,406,138	138,383,189	161,826,343	146,598,519	(579,795)	8,215,330
Trading securities	98,741,794	75,544,509	98,741,794	75,544,509	-	-
Available-for-sale securities	16,939,498	16,568,059	16,939,498	16,568,059	-	-
Held-to-maturity securities	46,724,846	46,270,621	46,145,051	54,485,951	(579,795)	8,215,330
Loan operations, leases and other receivables	488,024,608	361,239,369	475,469,738	371,360,456	(12,554,870)	10,121,087
Commercial	172,045,384	124,413,843	177,940,009	139,088,074	5,894,625	14,674,231
Housing	270,392,302	205,788,891	259,412,788	203,587,803	(10,979,514)	(2,201,088)
Infrastructure/Development	36,837,628	23,536,769	29,367,647	21,184,713	(7,469,981)	(2,352,056)
Other receivables	8,749,294	7,499,866	8,749,294	7,499,866	-	-
Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value – LIABILITY						
Funding Transactions	153,295,906	108,012,976	155,484,450	111,612,392	2,188,544	3,599,416
CDB/RDB	69,472,911	59,009,782	68,403,221	59,025,574	(1,069,690)	15,792
LCI LH	77,490,821	45,876,511	80,521,427	49,480,871	3,030,606	3,604,360
Securities Obligations Abroad	6,332,174	3,126,683	6,559,802	3,105,947	227,628	(20,736)
Funds obtained from repurchase agreements	116,574,390	94,107,978	116,570,767	92,167,879	(3,623)	(1,940,099)
Local borrowings and onlendings and Other	141,593,461	96,968,496	113,389,821	89,987,254	(28,203,640)	(16,981,242)
Abroad	3,231,933	43,300	3,227,204	43,559	(4,729)	259
Treasury	36,868	34,213	38,427	35,470	1,559	1,257
Employee Severance Indemnity Fund - FGTS	132,732,425	92,605,481	102,947,269	84,625,048	(29,785,156)	(7,980,433)
BNDES	4,404,660	2,526,878	6,107,360	3,636,129	1,702,700	1,109,251
Deposits without yield	1,187,575	1,758,624	1,069,561	1,647,048	(118,014)	(111,576)
Hybrid capital and debt instruments	48,518,594	40,643,728	36,496,451	37,432,524	(12,022,143)	(3,211,204)

(1) 2012 subordinated debt value was reclassified from FGTS for Capital eligible debt instruments (book value of R\$ 12,190,735; marked to market value R\$ 10,479,497).

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

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

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

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

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

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

The marking-to-market of the other transactions not classified in the trading portfolio and subject to interest rate risk is based on the construction of the cash flows of assets and liabilities and of the term structures of market interest rates.

The cash flows are constructed based on the characteristics of the operations, using statistical models for those without a defined maturity. These cash flows are discounted by the term structures estimated based on available information on rates and trading market prices of the financial instruments available, such as futures contracts, public securities or swap transactions.

Sensitivity analysis of the significant positions - CVM Instruction no. 475

The sensitivity analysis enables the verification of the impact of interest rate changes on the prices of assets and liabilities by risk factor. These hypothetical studies become a market risk management tool, allowing the definition of mitigation measures in the event such scenarios take place, since the exposures are monitored on a daily basis, and adverse changes in the market result in prompt actions by the units involved in the process with a view to minimizing any possible losses.

In compliance with CVM Instruction 475, of December 17, 2008, the sensitivity analyses for each type of market risk deemed significant by Senior Management, to which CAIXA was exposed at December 31, 2011, included all the relevant transactions with financial instruments and considered the most significant losses in each of the following scenarios:

Scenario I: Probable scenario which considers the most likely trend for the variables and macroeconomic indicators;

Scenario II: Possible scenario which considers a +25% or -25% parallel shock in scenario I in the risk variables at the balance sheet date;

Scenario III: Second possible scenario which considers a +50% or -50% parallel shock in scenario I in the risk variables at the balance sheet date, which are deemed the worst possible losses;

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The results calculated are summarized in the following table:

Sensitivity analysis of significant positions - CVM Instruction No. 475				
Financial instruments – 12/31/2013				
Description	Risk	Probable scenario	25% shift	50% shift
Fixed rate	Increase in interest rate	(200,377)	(4,748,683)	(8,991,157)
Price index	Increase in price index coupons	(17,960)	(432,859)	(833,352)
TR/TBF/TJLP	Increase in TR coupon	(477,466)	(10,925,068)	(20,054,363)
Foreign exchange variation	Decrease in exchange rates	(13,221)	(13,276)	(15,160)

Liquidity Risk

Liquidity risk is defined as:

I - the possibility that CAIXA will be unable to efficiently fulfill its expected and unexpected, current and future, commitments, including those arising from offered guarantees, without affecting its daily operations or incurring significant losses; and

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

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

Liquidity risk is managed by using internal models for projecting the financial flows of CAIXA's products, services and transactions under normal and stress circumstances.

In order to deal with stress situations, a Liquidity Contingency Plan has been established to identify in advance and increase CAIXA's ability to handle internal or external liquidity crises, minimizing their potential effects on the continuity of CAIXA's businesses, its ability to generate profits and reputation. This Plan describes the parameters used to identify crises, the responsibilities of the units and levels involved in the carrying out of the plan, and the procedures to be followed to ensure an acceptable situation for CAIXA, or restore the liquidity level it had prior to the onset of the crisis.

The measurement and monitoring of the levels of exposure to liquidity risk are reported to the Vice-Presidents of Control, Risk and Finance on a daily basis; to the Risk Committee on a monthly basis; and to the Board of Directors on a half-yearly basis.

Operational Risk

Operating risk refers to the risk of losses resulting from internal processes, persons, inadequate systems or system failures and external events. This definition includes legal risk, but does not cover strategic and reputation risks.

The perfect cycle for Operating Risk Management and Management of Information on Operating Risks is made up of identification, assessment, measurement, mitigation, and control stages.

CAIXA's Operating Risk Management is supported by a structure that follows three basic assumptions:

- Adequate management environment;
- Management process; and
- Disclosure.

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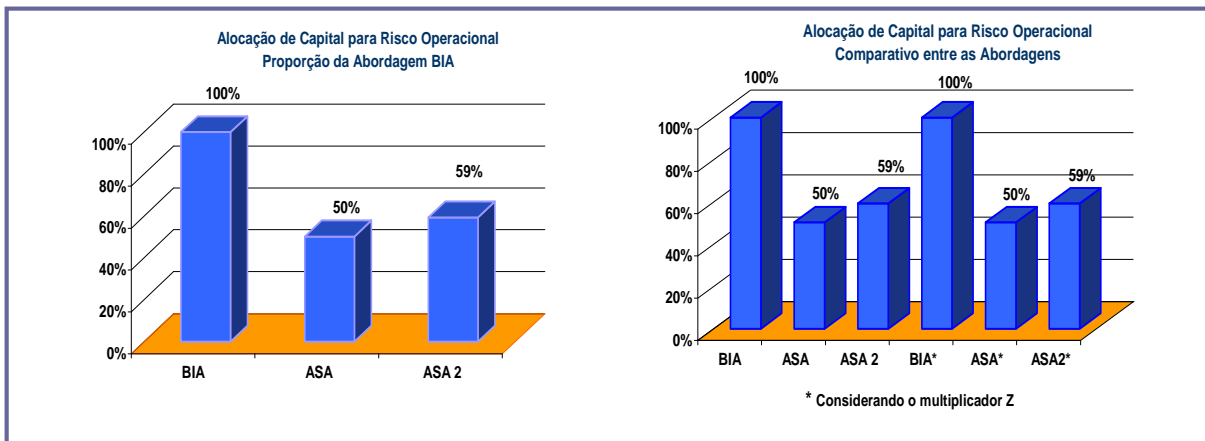
In thousands of reais, unless stated otherwise

An adequate Operating Risk Management environment involves support from Senior Management, a set of policy and rules and an audit process. CAIXA's Operating Risk Management process is made up of the following stages: Identification, Assessment, Control/Mitigation, Monitoring, and Reporting. All these stages are interconnected in a manner that the analysis flow has a well-defined beginning, middle and end. At CAIXA, the disclosure of information on Operating Risk is defined in accordance with the intended goal and target audience.

At CAIXA, Operating Risk is realized through two analyses: a preventive and a reactive analysis. The preventive analysis seeks variables and indicators that may reveal probable occurrences so that actions can be taken before these events take place. The reactive analysis seeks to study the behavior of losses with a view to identifying their possible causes. In both cases, the assessment seeks to provide instruments and sufficient information for the risk to be controlled/mitigated, monitored and reported. The various managing units of CAIXA are the greatest sources of information for the Identification and Assessment of Operating Risk.

Calculation Methodology Adopted by CAIXA

The Alternative Standardized Approach (ASA) is the current calculation methodology adopted by CAIXA; this tool has been developed to promote the integration of the calculations performed in accordance with the three methods mentioned above, as provided for in Circular 3,383/2008.



Internal Models

The internal model for the assessment and allocation of capital to Operating Risk is governed by BACEN Circular no. 3.647/13. CAIXA is developing its own internal model based on the assumptions provided for in this Circular and other articles and documents known by the market. The internal model seeks to explain the allocation of capital as part of a large and strong process based on best practices.

The minimum requirements for CAIXA to qualify for the use of the internal model are the following:

- Internal database - The internal database on the events associated with operational risks and losses, which should comprise information from managerial areas consistent with the information from the accounting area;
- External database - This database helps to quantify operational risk events which have occurred in other financial institutions, as well as to quantify events which never or seldom occur at CAIXA;
- Factors related to internal controls and the business environment - These factors reflect the internal controls and the business and operating environments to which CAIXA is exposed, and which will act as exposure mitigation factors; and
- Analysis of scenarios – opinions of specialists and managers that allow the depiction of changes in the internal and external business environment, including situations that are not covered by internal data, since it enables the consideration of the impacts of extreme events on CAIXA's operations.

Monitoring, Operating Control and Mitigation

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The interconnection between identification and assessment activities and mitigation, monitoring and control activities makes it possible for the Operating Risk Management area to take a proactive and preventive approach, enabling the delivery of ready and timely solutions.

Monitoring actions are given special attention, since they give continuity to the management cycle and show the effectiveness of this management through CAIXA's solidity and sustainability indicators.

The losses arising from operational risk events are monitored and reported with a view to improving the decision-making process related to the mitigation actions. Moreover, information on the indicators of CAIXA's exposure to the occurrence of operational risk events is regularly monitored

The effective operational risk management cycle ends with the mitigation and control of operational risk events, seeking to provide CAIXA with solidity and sustainability.

The operational control of products and services to be launched is carried out using a specific tool which consolidates opinions from various areas, making contributions that range from the presentation of projects to the assessment of the behavior of products and services in relation to projected risk levels.

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

Business Continuity Management

Business continuity management is an essential part of operational risk management and has been a focus of CAIXA, through its Business Continuity Program (PCN CAIXA), to be implemented whenever there is an interruption in services and activities, as a key factor for the success of any initiative for the preservation or restoration of CAIXA's ability to do business.

Information Security is another key element in the operational risk management process, involving all CAIXA's areas in the construction and consolidation of models, procedures, structures, tools and a corporate culture that lead to a management whose main focus is the protection of CAIXA's assets and information

Crisis Management

This is a process of managing crisis situations, where urgent and coordinated decision-making is required, through the allocation of human and material resources to mitigate possible adverse financial, operational, and reputational impacts on CAIXA.

The adoption of these actions plays an important role in the definition of strategies for the preservation of the physical integrity of CAIXA's employees and customers, as well as the protection of its assets.

In a crisis situation, before actions are taken, the Management Group provides guidance for the areas involved, with the objective of choosing the best alternative to mitigate the adverse impacts

Transparency and Disclosure

Transparency and disclosure of information on CAIXA's operational risk management are indispensable factors for market players 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 CAIXA's commitment to the consistency of the data, banking environment, and to the Brazilian society.

"CAIXA University" offers employees two courses on operational risk, a basic and an advanced module, of easy access, aimed at disseminating the operational risk management culture. In addition, manuals on the Operational Risk Policy, as well as procedures associated with the management cycle of this risk, are also made available.

The report on CAIXA's operational risk management structure is available at: <http://www.caixa.gov.br> , under the "[About Caixa](#)" menu.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Note 34 – Other information**(a) Conversion with the International Financial Reporting Standards (IFRS)**

In order to converge the accounting practices adopted in Brazil (BRGAAP) with the International Financial Reporting Standards (IFRS), Brazilian Monetary Council (CMN) approved the following accounting pronouncements issued by the Brazilian FASB (CPC):

- CMN Decision No. 3566/2008: **CPC 01** Impairment of Assets;
- CMN Decision No. 3604/08: **CPC 03** Statement of Cash Flows;
- CMN Resolution No. 3750/2009: **CPC 05** Related-Party Disclosures;
- CMN Decision No. 3823/2009: **CPC 25** Provisions, Contingent Liabilities and Contingent Assets;
- CMN Decision No. 3973/2011: **CPC 24** Subsequent Event; and
- CMN Decision No. 3989/2011: **CPC 10** Share-Based Payment;
- CMN Decision No. 4007/2011: **CPC 23** Accounting Policies, Changes in Estimates, and Correction of Errors;
- CMN Decision No. 4144/2012: **CPC 00** Basic Conceptual Pronouncement;

CPC pronouncements No. 00, 01, 03, 05, 23, 24, and 25 were already adopted during the preparation of these financial statements, as well as other pronouncements approved by the Brazilian National Association of State Boards of Accountancy (CFC) which are not different from the standards issued by the regulatory body.

(b) Net assets of the social funds and programs managed by CAIXA:

Net assets of social funds and programs		
Description	12/31/2013 (1)	12/31/2012 (2)
PIS (3)	28,415,317	28,581,836
FGTS	62,978,979	46,787,221
FAR	18,316,041	8,058,235
FDS	1,190,819	1,147,428
FAS (3)	24,495	27,953
FGS	137,246	65,540
FGHAB	1,364,939	1,207,139
CCA	45,725	33,333
CCAM	21	17
FGCN	3,941,813	3,505,323
FCE	98	15
Total	116,415,493	89,414,040
FCVS	(90,620,246)	(87,053,639)

(1) Position in November 2013.

(2) Position in November 2012.

(3) Position in December 2013.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

(c) Guarantees provided to third parties

These guarantees amount to R\$ 69,554 (December 31, 2012 - R\$ 69,554) and refer to properties and securities pledged as collateral offered to third parties in connection with lawsuits filed against CAIXA

(d) FGTS

The credit risk from transactions contracted as from June 1, 2001 falls on CAIXA, which is the Operator, while the Federal Government is subject to risk arising from investments made to such date, as established in article 9 of Law No. 8036/1990, amended by article 12 of Provisional Executive Order No. 2196-3/2001. Based on CAIXA's risk management structure, no provisions are required to be set up to cover such credit risk.

(e) FIES

The credit risk of operations contracted as of June 12, 2001 lies with CAIXA in its capacity of Financing Agent and joint debtor, up to the limit of 25%, as established in article 5 of Law 10,260/2001, amended by Law 11.552/2007. The result of the assessment of this credit risk is recognized by CAIXA as a provision under "Sundry liabilities" in the amount of R\$ 167,717 (December 31, 2012 - R\$ 160,608).

(f) Provisional Executive Order No. 627

Provisional Executive Order No. 627 was published on November 11, 2013, establishing, among other provisions:

- Amendment to federal law on IRPJ, CSLL, PIS/PASEP and COFINS, adjusting it to accounting standards based on international accounting standards, determining adjustments to calculate the referred to taxes;
- Repeal of the Transition Tax Regime;
- Taxation on legal entity domiciled in Brazil, regarding equity increase arising from participation in profits accrued abroad by subsidiaries and affiliates.

As MP 627 has not yet been converted into law, it is not possible to provide a conclusive analysis of the matters addressed thereby. However, considering the current provisions, we understand that the related impacts are not significant.

Notes to the Financial Statements

In thousands of reais, unless stated otherwise

Jorge Fontes Hereda
President

Fábio Lenza
Vice-President

Joaquim Lima de Oliveira
Vice-President

José Urbano Duarte
Vice-President

Paulo Roberto dos Santos
Vice-President

Roberto Derzie de Santanna
Vice-President

Marcos Brasiliano Rosa
National Chief Executive Officer
Accountant CRC 022351/O-1-DF

Gilberto Magalhães Occhi
Vice-President

José Henrique Marques da Cruz
Vice-President

Márcio Percival Alves Pinto
Vice-President

Raphael Rezende Neto
Vice-President

Sérgio Pinheiro Rodrigues
Vice-President