

MANAGEMENT REPORT

This report is based on CAIXA's Consolidated Financial Statements on June 30, 2013. However, the amounts and their forms of presentation are the result of managerial adjustments, and there may be differences with the accounting publications due to possible reallocations or agglomerations of items, which aim to provide a better understanding or view of changes in assets, liabilities and incomes, or to preserve data comparability between the periods.

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

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

All the indexes and variations presented in this release were calculated with whole numbers, and there may be divergence when calculation is made on rounded amounts. Variations exceeding 1,000% are not shown.



We present Caixa Econômica Federal – CAIXA’s Management Report and the Consolidated Financial Statements, for the first half of 2013, according to the accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

MANAGEMENT REPORT – 1H13

INTRODUCTION

Over the past five years, CAIXA has changed levels. Assets increased from R\$ 295.9 billion at the end of 2008 to R\$ 814.3 billion in June 2013. The loan portfolio reached a balance of R\$ 431.3 billion, an increase of 42.5% over 12 months, consolidating the Institution as an important driver of credit in the country with a 16.95% market share.

The conquest of customers also reached new brands. In five years, CAIXA increased its customer base in 20.8 million customers, totaling 68.8 million. To serve them, it was necessary to expand and modernize the service structure, with investments of \$ 6.8 billion over the past two years.

In this new scenario, the Institution put forward adjustments in the manner of conducting the processes, presenting the new CAIXA management model, in order to strengthen its market competitiveness and enabling the continued expansion of its business.

The new model provides changes involving the strengthening of risk management and control and corporate governance, giving more flexibility to the business areas. Some Vice Presidencies changed their operational focus and incorporated new areas and responsibilities. Sectors were also created with the purpose to think and implement process improvements.

These improvements consist of adjustments aimed to simplify the execution of the work and speed up the decision-making process in order to provide a more comprehensive, distinctive and innovative products for customers. For this purpose, CAIXA created the Vice Presidency of Emerging Businesses, whose responsibility involves priority businesses, which the market share needs to be expanded, such as insurance cards, vehicles and rural credit.

Hereafter, this report demonstrates the results achieved and actions taken by CAIXA during the first semester of 2013 as a financial institution, an agent of public policy and a strategic partner of the Brazilian government.

CUSTOMERS AND SERVICE CHANNELS

During this semester, with the new management model, CAIXA took an important step towards the improvement in its relationship with customers. The goal is to innovate in the way of performing routine activities, simplifying processes and providing important gains in terms of customer service.

This improvement is directed to its 68.9 million customers, 3.6 million conquered during this semester. The portfolio of individual customers totaled 67.1 million, up 10.7% compared to the end of the first semester of 2012, and corporations, 1.7 million, more than 312 thousand new companies in 12 months.

Focusing on these clients, CAIXA continued the network expansion, which began in 2012. Besides, it also made improvements in the channels, aiming availability, convenience and comfort for all who use the services. As an example, the computers operating system installed in branches.

To make it possible, R\$ 1.6 billion were invested in the expansion of network project, R\$ 402.4 million were invested in the opening of new branches and service points, and R\$ 1.2 billion invested in the business support infrastructure.

Through these investments, CAIXA offered to customers, businesses and citizens a network with 63.7 thousand service points. There are a total of 3.8 thousand branches and service points (734 new units in 12 months), 33.6 thousand CAIXA Aqui correspondents and lottery outlets, 26.4 thousand ATM spread through service points and ATM rooms, in addition to the Riverboat Branch and 18 Truck Branches.

Only in this first semester, we opened 223 service points; more than 1 unit inaugurated a day. The perspective is to end 2013 with more than 580 new branches and service points.

68.9
MILLION
customers,
+3.6
MILLION
in the semester



Centro Oeste Branch



In addition to the physical network of services, from January to June of 2013, CAIXA provided the Internet Banking service for more than 8.7 million customers and saving account holders, and the application "Access to the Account" to smartphones for more than 292 thousand customers, with 170 thousand new users only in the first semester.

For customers who use the Internet Banking service, we created a new security tool; it is possible to register computers using Linux or MacOS, giving freedom of choice and security to their users.

CAIXA also seeks to approach of its customers on the social networks. For this reason, the Company is present on Twitter, YouTube and Facebook. In the latter, the profile is split into multiple pages according to the different audiences and subjects. With this, the institution already had 519 thousand fans by the end of June of 2013.

On YouTube, the CAIXA Channel surpassed 1.3 million views, which means an increase of 100% compared to the previous quarter. On Twitter, we had approximately 18 thousand followers by the end of the semester.

In order to serve its customers, the Customer Service - SAC is also available, which has served approximately 11.9 million occurrences, and the CAIXA Citizen Service, with more 31.3 million calls answered during the period. This channel meets the demands regarding PIS, Unemployment Insurance, FGTS, Social Card and Citizen Information Service.

In addition, the new exclusive channel for users of My House, My Life Program, the "Monitoring the Quality of My House, My Life Program" received 43.3 thousand calls concerning questions, complaints, compliments or make suggestions.

Due to the advances obtained in channels and customer service, in this semester CAIXA was elected the best Brazilian bank, according to the Brazilian Customer Satisfaction Index (BCSI), which reflects the commitment in providing the best services to customers and society.



Ipê Branch in Várzea Grande opened this semester

Follow the CAIXA pages on social networks :

twitter.com/caixa

youtube.com/canalcaixa

www.facebook.com/caixa

www.facebook.com/LoteriasCaixaOficial

www.facebook.com/CaixaEsportes

www.facebook.com/seliganaCaixa

ECONOMIC-FINANCIAL PERFORMANCE

R\$814.3
BILLION
of Assets
+36.7%
own 12 months

During the first semester of 2013, CAIXA's net profits reached R\$ 3.1 billion, 10.3% higher than the first semester of 2012, with an annualized return over the average net equity of 26.65%.

Contributions to this result were the evolution in revenues from loan operations of 25.9%, and an the increase of 14,3% in revenues from service provision and banking fees, and the evolution of 12.1% in income from financial intermediation, in 12 months. Operating profit was of R\$ 3.1 billion, up 8.1% over the same period.

Ratios (%)	1H12	2H12	1H13
Return on Average Assets (annualized)	1.03	0.99	0.83
BIS Ratio (or Basel II Index)	12.91	12.99	14.70
Public Sector Debt	28.56	28.99	32.92
Fee Income / Administrative Expenses (acum. 12m)	66.63	64.63	63.79
Fee Income / Personnel Expenses (acum. 12m)	109.07	105.63	103.7
Return on Average Equity (annualized)	29.28	29.64	26.65
Operating Efficiency Ratio Adjusted (acum. 12m)	57.28	59.96	60.30

Items (em R\$ billion)	1H12	2H12	1H13
Asset	596	703	814
Loan Portfolio	303	361	431
Saving Deposits	162	176	190
Asset Management	517	557	618

The loan portfolio represented 53.0% of total assets and securities and bonds corresponded to 19.1%

Assets under management amounted to R\$ 1.4 trillion, and the net equity totaled R\$ 25.6 billion in June 2013, with respective growths of 28.6% and 16.5% in the last 12 months.

Owned assets totaled R\$ 814.3 billion, an increase of 36.7% compared to June 2012. The loan portfolio represented 53.0% of this total, and Bonds and Securities accounted for 19.1%. From the liabilities, 42.0% were deposits and 16.7% corresponded to funding in bills and open market and letters.



The Basel Index was at 14.70% at the end of June, above the legal requirement of 11% and 1.8 pp above the index in June 2012.

In March, the Decree 7,973/2013 was published, approving, the new CAIXA Statute, contemplating an increase of 45.5% in the Institution Social Capital, totaling R\$ 22.1 billion, fully paid by the Union.

OPERATIONS WITH SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

At the end of the period, the Bonds and Securities – TVM portfolio had a balance of R\$ 155.8 billion, of which R\$ 139.4 billion were federal public bonds and R\$ 16.3 billion corresponded to private issued bonds.

The result of operations with TVM and Derivatives was of R\$ 8.5 billion, 4.6% less than the result in the first semester of 2012, influenced by the marking to market of category 1 securities.

Meeting the dispositions of BACEN Circular 3,068/2001, Article 8°, CAIXA states the intention of maintaining the securities classified Tier III, which totaled R\$ 40.4 billion, to their respective maturities, and also states to have the financial capability required to do so.

R\$ 155.8
BILLION
Securities portfolio
+21.6%
in 12 months

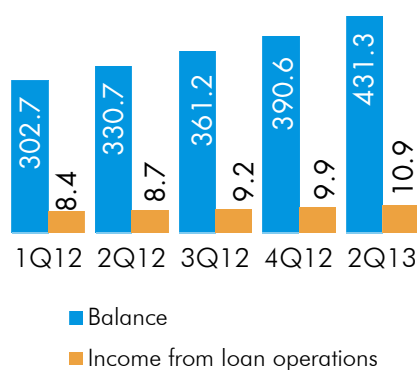
LOAN PORTFOLIO

In the semester in which the CAIXA Best Credit celebrated its first year, the Company continued to offer credit lines with the best market conditions. Moreover, it diversified its portfolio and invested in segments with low representation, seeking to expand the product portfolio offered to its customers.

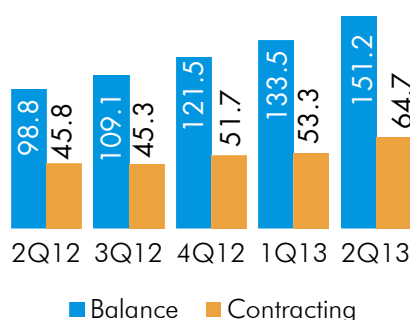
As a result of this performance, during the first semester of 2013, the amplified loan portfolio of CAIXA, which comprises other receivables with credit characteristics, reached R\$ 431.3 billion, an increase of 42.5%, compared to the same period of last year and accounting for 16.95% of loans of the National Financial System.

R\$ 431.3
BILLION
expanded loan
portfolio
+42.5%
in 12 months

Loan Portfolio
(in R\$ billion)



Commercial Loan Portfolio
(in R\$ billion)



Card of My House Improved with interest rate of 0.4% a month

Commercial loans presented a balance of R\$ 151.2 billion, an increase of 53.1% in 12 months. Commercial operations totaled R\$ 118.0 billion, expansion of 45.0% compared to the total contracted in the first semester of 2012.

The individual operations recorded a balance of R\$ 69.2 billion, and corporate operations totaled R\$ 82.0 billion in June of 2013, a 50.3% and 55.6% growth in 12 months, respectively.

The contracts with individuals totaled R\$ 62.4 billion, up 37.5% over the first semester of 2012, and corporate contracts totaled R\$ 55.6 billion, an increase of 54.5%.

CAIXA's Rural Credit hiring R\$ 162.9 million in the first semester of the year, reaching a balance of R\$ 289.6 million, up 83.8% compared to the end of 2012.

CAIXA began to operate this credit line in September of last year, and intends to expand its market share providing more than R\$ 2.0 billion for the 2013/2014 harvest. Thus, the Institution expanded its number of authorized branches to 1 thousand in order to offer this service, operating in all capital cities and cities that have a strong presence in agribusiness.

CAIXA also seeks to increase its performance in financing vehicles. The balance of this portfolio reached R\$ 2.6 billion, an increase of 100% in 12 months. The contracts totaled R\$ 1.1 billion, an increase of 106% compared to the same period last year.

Another highlight of the period was the launching of My House Improved credit line on June 12th, in order to provide funding for the purchase of furniture and appliances for the "My House, My Life" beneficiaries. The loan limit for this line is of R\$ 5.0 thousand, the installments are paid within to 48 months and the interest rate is 0.4% per month. Within 18 days of marketing, CAIXA contracted R\$ 484.6 million for this product.



The Company also held, during the semester, the 9th edition of the “Feirão CAIXA da Casa Própria” (Housing Funding Program), which traveled 13 cities and received about 407 thousand visitors. The total contracted was R\$ 14.0 billion, an increase of 14.8% compared to the total contracted in 2012, which totaled R\$ 12.2 billion.

The innovation of this edition was the possibility of beginning the payment of installments in January of 2014, which provided customers rebalance their budgets when buying their properties.

The balance of the housing loan portfolio increased 34.6% compared to June 2012, closing the year with R\$ 238.5 billion, which represented 69.08% of the market share, not including mortgage-backed securities.

Real estate contracts totaled R\$ 66.1 billion in the first semester of 2013, an increase of 43.9% compared to the same period of 2012. Operations with savings resources - SBPE totaled R\$ 30.0 billion, and the lines using FGTS resources, including subsidies, totaled R\$ 23.0 billion.

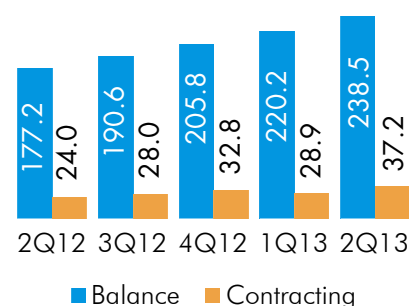
Within the scope of the “My House, My Life” Program, CAIXA contracted R\$ 28.5 billion during the period, benefiting 1.5 million people with 378.8 thousand housing units. Of this amount, 40.3% were destined to families with maximum income of 3 minimum salaries.

Regarding the foreign trade segment, CAIXA carried out R\$ 3.6 billion in foreign exchange and working capital operations to finance production, up 635% compared to the first semester of 2012, reflecting the Company’s commitment of increasing the participation of Brazilian companies in international trade.

On the other hand, sanitation and infrastructure contracts ended the month of June with R\$ 13.2 billion, an increase of 90.7% comparing to the first semester of 2012. The total balance of these operations in the same period was of R\$ 30.3 billion, an increase of 40.5% in 12 months.

At the end of June, 92.5% of the operations were concentrated in the ratings from AA to C. The total delinquency rate increased 0.2 p.p. in 12 months, in line with the behavior expected in the Institution planning, ending the period at 2.27%, while the average indicator for the market was of 3.4 %

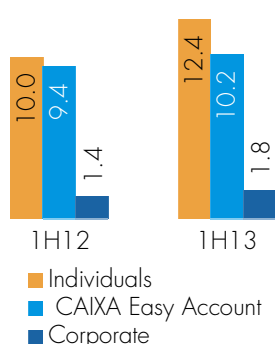
Housing
(in R\$ billion)



The delays in commercial operations ended the period in 3.33%, of with 5.14% in individual portfolio and 1.76% in the corporate portfolio. For housing loans, this indicator was of 1.75%.

DEPOSITS AND FUNDING

Accounts
(in million)

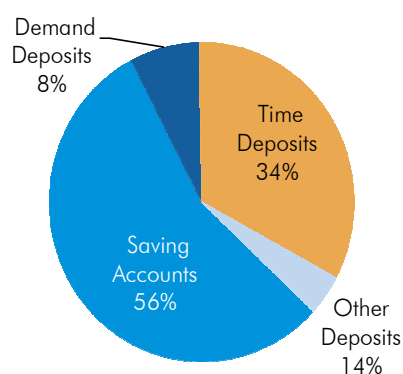


In one year, CAIXA increased its checking accounts base in 3.6 million, expanding from 20.8 million to 24.4 million, distributed as follows: 12.4 million individual checking accounts, 1.8 million corporate accounts and 10.2 million simplified accounts (CAIXA Fácil).

The base of savings accounts was also expanded, with the 3.8 million new accounts in the first semester, totaling 49.1 million in June 2013, an increase of 10.6% compared to the same period of the last year.

This performance contributed for savings accounts to obtain R\$ 9.3 billion in net incomes during this semester, an increase of 37.9% compared to the first semester of 2012. With a balance of R\$ 189.7 billion, an increase of 17.2% in 12 months, the CAIXA savings accounts remained the market leader with a 35.2% of market share.

Deposit Composition



Demand deposits advanced 5.3% in 12 months, totaling R\$ 25.2 billion. Time deposits grew 40.4% compared to the balance recorded in June 2012, reaching R\$ 113.3 billion. CDB resources represented 63.5% of the total R\$ 72.0 billion, an increase of 51.1% in 12 months.

In the same comparison, judicial deposits increased 25.0%, reaching a balance of R\$ 41.3 billion in June 2013. The remaining deposits ended the year with R\$ 13.9 billion.

Bonds and Securities ended the semester with a net income of R\$ 13.6 billion and a balance of R\$ 60.1 billion, up 98.1% compared to the same period of last year. The Agribusiness Credit Bonds (LCA), launched in November of 2012, reached a balance of R\$ 1.5 billion in June 2013.



INVESTMENT FUNDS

In the first semester of 2013, the equities under management of the investment funds and portfolios corresponded to R\$ 441.6 billion. Exclusive funds, with R\$ 143.8 billion, increased 61.4% in 12 months, and retail funds ended the period with R\$ 92.0 billion, growth of 13.5% in comparison the first semester of 2012.

Among them, the equity funds went from R\$ 5.6 billion to R\$ 22.2 billion in 12 months, an increase of 293.9%. Fixed income funds has ended the semester with a balance of R\$ 213.6 billion, an increase of 29.8% in 12 months.

At the end of June, the Company managed 384 funds (not including FI of FIC) highlighting, with the launch of CAIXA FIC Multimarket Allocation, which aims to provide investors the opportunity to diversify the risk of their investments in a single fund, which will seek to achieve returns from several markets.

CAIXA ended the semester with 8.38% market share of investment funds, according to ANBIMA, a growth of 1.6p.p in 12 months.

In addition, the Institution operated, for the first time, as coordinator of an initial public offering - IPO process for the distribution of Units, security classes traded jointly with Alupar Investimento S.A.

The fund-raising goal was to obtain new concessions, authorizations and/or permissions to acquire new projects and explore the existing transmission or generation of electricity.

The offer was made in Brazil, with efforts for placement abroad, and reached the volume of funding of R\$ 851.0 million. CAIXA was responsible for placing more than 10% of the Alupar Units book, a relevant result for the institution, especially because it was the first experience as a coordinator of a public offering of equity assets.

8.4%

market share of
investment funds,
in the semester

*CAIXA operated, for the
first time, as coordinator
of an initial public offering
- IPO*

BANKING SERVICES

During the semester, more than 3.0 billion banking transactions were carried out. Transactions performed via CAIXA Internet Banking alone totaled 572.6 million, among balance and statement checking, payments and transfers.

over
3.0
BILLION
banking transactions in
half

With an increase in the customer base, the revenues from service provision and banking fees totaled R\$ 7.8 billion, an increase of 14.3% in comparison the first semester of 2012, maintaining CAIXA's position of offering the best rates in the market.

Through partnership with the CAIXA Seguros Group, the Company also provides the customers with products such as life, housing and car insurance, private pensions and leasing, which moved R\$ 2.0 billion of resources in the period, an amount 16.1% higher than the amount moved during the same period of 2012. These products yielded R\$ 89.9 million in fees during the first semester of 2013.

CREDIT AND DEBIT CARDS

CAIXA card customers performed 481.9 million transactions during January and June of this year, equivalent to the financial volume of R\$ 35.7 billion, an increase of 34.9% compared to the number of transactions, and 44.6% more than the value of the same period of last year.

R\$35.7
BILLION
resources handled by
CAIXA cards
+44.6%
compared to June
2012

MasterCard, VISA Electron and Elo debit cards reached a base of 76.4 million, an 8.3% increase compared to the first semester of the previous year. More than 357.1 million transactions were made with these cards, representing an increase of 34.7% in comparison the period.



At the end of June, credit cards recorded a base of 10.7 million in Elo, MasterCard and VISA cards, an increase of 34.0% in 12 months. There were over 124.8 million transactions with these cards, an increase of 35.6% over the first semester of 2012.

Elo credit and debit cards alone reached the brands of more than 9.6 million units issued. This banner was created with the purpose of promoting financial inclusion and democratization of electronic payment.

During this period, CAIXA was also the first financial institution to operate, under its own platform, transactions with the National CAIXA Elo card, using a specific chip for Elo.



GOVERNMENT SERVICES

During the first six months of the year, the income transfer programs distributed nearly R\$ 12.9 billion amid 88.7 million of benefits paid. The Family Allowance, the main program, paid about 78.3 million in benefits, totaling R\$ 11.6 billion, an increase of 25.5% comparing to the first semester of 2012.

About the programs concerning workforce, in the first semester of 2013, the Company was responsible for the payment of 70.2 million benefits, or the equivalent to R\$ 80.1 billion, distributed among Unemployment Insurance, Salary Bonus and Social Integration Program - PIS (quotas and profits).

Furthermore, it also paid 30.8 million in retirement and pensions for the INSS beneficiary, handling approximately R\$ 27.4 billion. In the same period, the FGTS income was R\$ 45.9 billion, with R\$ 36.0 billion in withdrawals. In late June, the Fund had 117.6 million active accounts.

Additionally, in the pursuit of process improvements and the rationalization of costs, CAIXA partnered with the National Council of Justice in order to simplify FGTS withdrawals for the workers that are serving a prison sentence.

CAIXA was also the first financial institution to operate, under its own platform, transactions with the National CAIXA Elo card, using a specific chip for Elo

The agreement prevents the mobilization of a task force to bring the beneficiary to the branch, promoting the savings of public funds.

LOTTERIES

In the first semester of 2013, CAIXA Lotteries is presented an income of R\$ 5.2 billion, 12.5% higher than the amount received during the first semester of 2012. The products that contributed to this result were Mega-Sena, Quina and Lotofácil, respectively responsible for 37.4%, 26.9% and 18.8% of the sales.

Quina de São João, a special contest held in June, paid approximately R\$ 97.5 million in prizes, the largest amount paid for the modality since its inception. In this contest more than R\$ 133.4 million was collected.

Lottery Allocation (in R\$ million)	1H12	2H12	1H13
Social Allocation	1,680	2,100	1,891
Bonuses	1,638	2,112	1,864
Taxes	402	531	434
Expenses and Maintenance	893	1,134	1,000
Total Collected	4,613	5,877	5,188

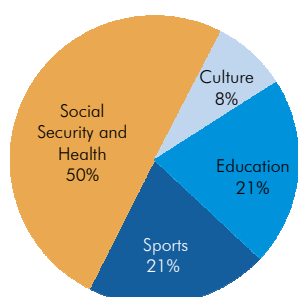
In addition, from January to June, CAIXA Lotteries held 495 raffles, most of them in Lucky Truck (Caminhão da Sorte). This modality, held exclusively in Brazil, is recognized as an important initiative for granting several municipalities the opportunity to attend and take part in the raffles. Until the end of the semester, the truck visited 26 cities of 12 different states.

With this performance, the Company transferred R\$ 1.9 billion, 12.6% higher than the same period of 2012, to the social programs of the federal government in the areas of social security, sports, culture, public security, education and health areas.

**R\$ 1.9
BILLION**

transferred to the social programs of the Federal Government

Lotteries Destination





INTERNATIONAL OPERATIONS

CAIXA international operations are aligned to the Federal Government's expectation to support Brazilians living abroad, by offering services, products, and transferring funds to Brazil, and promoting technical cooperation with institutions from several countries. The International Remittance Program received R\$ 144.7 million during the first semester.

Through its representative offices in Venezuela, Japan and the United States, CAIXA is present at several international events, with particular emphasis on the Statutory Meetings of the World Savings Banks Institute - WSBI and the First Round Table of the leaders of the Strategic Regional Group of Latin America and the Caribbean - GRULAC / WSBI, held in Berlin, Germany.

Also during the period, the FGTS withdrawal request service was extended for Brazilians living in Germany, Austria, Spain, Italy, Portugal and Switzerland. The service was already available in Brazil representations in Belgium, USA, France, Holland, England, Ireland and Japan, and is now available for over 2.5 million Brazilians living abroad.

The Company also continued its International Technical Cooperation Project, receiving missions from São Tomé e Príncipe to attend the Housing Funds Management Training Workshop, and sending a technical mission to Mozambique to support the monitoring system of building costs.

Furthermore, CAIXA received the Ethiopian mission and, in support to the Central Bank of Brazil, the delegations from Nepal, Fiji and Nigeria to learn about the Banking Correspondents program. It also received the visit from the Vice-President of Cuba, Marino Murillo, and the delegation from Saudi Arabia to learn about My House, My Life Program.

CAIXA received the Ethiopian mission and, in support to the Central Bank of Brazil, the delegations from Nepal, Fiji and Nigeria to learn about the Banking Correspondents program

STRATEGIC INVESTMENTS

CAIXA Participações S/A (CAIXA Participation – CAIXAPAR), a whole affiliate of CAIXA, is the strategic arm of the Institution in business related to investments in other companies, working in economic sectors and activities similar and complementary to the Company business.

Its main activities regard the prospection of new business, management and governance of the participations invested.

A CAIXAPAR, wholly affiliate of CAIXA, focuses on expanding the activities of the institution in the market

Portfolio of Investments (in R\$ million)	1S12	2S12	1S13
CAIXA Seguros Holding S.A.	1,620	1,919	1,924
Banco PAN (Bank)	1,075	802	652
Cappemini	322	299	294
Elo Serviços (Services)	12	11	10
CIBRASEC – Cia Brasileira de Securitização (Brazilian Social Security Company)	7	8	7
Câmara Interbancária de Pagamento (Interbanking Payment) – CIP	3	3	3
BIAPE	1	1	1
Investment Fund	-	-	39
Other investments	211	236	263
Total	3,251	3,279	3,194

In the first semester of 2013, in line with the Institution's strategies, CAIXA Crescer was launched, a company linked to CAIXAPAR, which has the function of being a source of credit from the direct relationship with the customer, fostering entrepreneurship and contributing to the socioeconomic development in Brazil.

CORPORATE GOVERNANCE

The adoption of best practices in corporate governance has enabled CAIXA to respond to the challenge of integrating the social, economic and environmental dimensions, in pursuit of sustainability through the performance of responsible business that prioritizes transparency and ethics in generating value for society.

During the semester, CAIXA restructured its management model aimed at strengthening governance, simplifying operations and ensuring faster decision-making processes. These adjustments were grouped into five elements: structure, governance, strategy, processes and organizational culture.



Organizational Structure: the Vice Presidencies begin to act as Business Units (BU) or Functional Units (FU). The BU's will manage key elements needed to conduct its business. The FU's on the other hand, are those that perform functions that support business achievements.

Governance: the adoption of a more agile and assertive model. The committees and decision-making processes among units were reviewed, seeking a fast, effective and non-bureaucratic decision flow.

Strategic Planning for Performance Evaluation: the planning process becomes more integrated and guided by corporate strategy.

Processes: functions are structured to leverage the productivity of processes and the people allocated to them, improving the organization's productivity and efficiency index.

Organizational Culture: covers two essential movements for CAIXA's transformation – the development of leaders and the identification and management of talent.

CAIXA restructured its management model aimed at strengthening governance, simplifying operations and ensuring faster decision-making processes

The purpose of these actions is to make CAIXA competitive and its results more sustainable, and to provide its customers with more comprehensive, differentiated and innovative products.

During the same period, registration was opened for candidates to the election of the representative employee at CAIXA's Board of Directors. The employee will act as a full member of the Board, actively participating in the definitions of the institution's business objectives and guidelines.

During the first semester of 2013, we highlight the launching of the Code of Conduct for CAIXA Employees and Managers, which demonstrates CAIXA's formal statement of expectations regarding the conduct of its employees and managers, as well as defining how the institution conducts its business.

*Registration was opened
for candidates to the
election of the
representative employee
at CAIXA's Board of
Directors*

INTERNAL CONTROLS

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

The Institution's Internal Controls and Compliance aims at establishing principles and guidelines that promote conditions to ensure the effectiveness of CAIXA's Internal Control System, structured according to the five COSO (Committee of Sponsoring Organizations of the Treadway Commission) components: Control Environment, Risk Assessment, Control Activities and Compliance, Information & Communication and Monitoring.



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

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

CAIXA has duly established and developed the monitoring activity for Strategic and Corporate Investments and the Closed Sponsored Pension Fund Entity (FUNCEF).

Among CAIXA's control activities, we highlight the prevention of money laundering and the fight against the terrorism financing and corruption, in which CAIXA, as a Financial Institution, recognizes its role of prevention and fight such crimes. The guidelines related to this activity are consolidated in the Prevention of Money Laundering and Terrorism Financing Policy.

CAIXA monitors Strategic and Corporate Investments and the Closed Sponsored Pension Fund Entity (FUNCEF).

RISK MANAGEMENT

CAIXA's Risk management is based on the best market practices and in compliance with the standards issued by the Central Bank of Brazil - BACEN, being conducted through appropriate structures for the management of credit, operational, market, liquidity and other risks.

Policies and risk models are reviewed periodically and subject to independent validation, being approved by CAIXA's senior management.

The growth of the institution credit operations has strict risk management monitoring, in particular portfolios that demonstrated a significant increase, as is the case of commercial credit.

As a result of this monitoring, the delinquency indicators, the provision for doubtful debtors and loss of the portfolio remained at satisfactory levels.

During this semester, we created a specific Capital Management unit, responsible for coordinating the Internal Process for the Assessment of Capital Conformity.

CAIXA's capital management is aligned with the Business Plan that considers business goals, macroeconomic scenarios and the risks to which the institution is subject, drafting a Capital Plan for a minimum scope of 3 years, during normal and stressful scenarios.

The delinquency indicators, the provision for doubtful debtors and loss of the portfolio remained at satisfactory levels.

INFORMATION TECHNOLOGY

CAIXA continued to invest in improving and enhancing the Information Technology and Communication services. During the semester, we invested R\$ 1.1 billion in maintenance, expansion and replacement of the technology park.

During the period, we began the upgrading of the Windows 8 operating system installed in branch and service points computers. Furthermore, 1.5 thousand branches were provided with additional network connection for banking transactions. These actions provide greater capacity, availability and priority to essential customer services.

We also completed the migration of the first services to the Technology Center Datacenter in Digital City in Brasilia, an important mark in the process of installing the new CAIXA data processing model.

**R\$ 1.1
BILLION**

invested in maintenance and improvement of the technological structure



Besides the Datacenter complex, the Institution is building the CAIXA Technology Center, in the Setor de Indústrias Gráficas (Graphic Arts' Sector) in Brasilia. With a budget of R\$ 119.0 million, the building will be integrated to the Datacenter. The conclusion of the works is scheduled for 2014.

Additionally, CAIXA purchased the ERP (Enterprise Resource Planning) solution, covering the provision of licenses, customization, parameterization and implementation of the solution, which will be completed over the next few years.

PEOPLE MANAGEMENT

During the first semester of 2013, the Company hired 4.2 thousand people, totaling 95.6 thousand registered employees and 16.2 thousand trainees and apprentices. On the other hand, 1.5 thousand were dismissed, of which 748 participating in the Retirement Support Program.

The employees' fixed remuneration, plus charges and benefits, totaled R\$ 7.5 billion, highlighting the social benefits provided to employees and their dependents in the amount of R\$ 919.8 million.

CAIXA sponsors supplementary pension plans managed by the Federal Economists Foundation – FUNCEF, reaching 96% of the staff.

In addition to the various programs aimed at employee health and safety, the Company also seeks to integrate cooperative education performance for the management of the performance and skills and the management of knowledge through incentives for the training and the dissemination of skill development processes. Thus, during this semester, we invested R\$ 48.0 million in training programs and in the expansion of education.

95.6 thousand
employees

4.2 thousand
hired only this semester

R\$48.0
MILLION

invested in training programs and in the expansion of education.

ENVIRONMENTAL SOCIAL RESPONSIBILITY

CAIXA's management model is guided by principles that aim at promoting sustainable development through positive interaction by economic and social development and environmental conservation.

Since 2010, the Institution offers in its portfolio CAIXA's Environmental Fund, which allocates resources corresponding to 2% of the profits to support environmental projects. During the semester, the fund has invested R\$2.3 million in 67 projects aimed at promoting the country's sustainable development.

Among the projects supported we highlight the recycling of electronic waste, which will benefit 220 families, enabling six recycling cooperatives for the collection, processing, and commercialization of electronic waste in the cities of São Paulo, Brasília and Salvador.

During the same period, the seminar for the training to implement the Emerging and Sustainable Cities Initiative (ICES) was held at the CAIXA University. The seminar featured lectures by specialists from the IDB headquarters in Washington, and municipal officials from João Pessoa - Paraíba, consultants, and CAIXA employees that will supervise the project, whose focus is to facilitate the technical and financial support to the sustainable development of Brazilian cities.

CAIXA posted the 2012 Sustainability Report on its website, which presents data for the entire Institution from sectorial and environmental responsibility indicators. The report is available at CAIXA's website: www1.caixa.gov.br/relatorio_sustentabilidade_2012/

**R\$2.3
MILLION**

invested in promoting the sustainable development of the country

SUPPORT FOR CULTURE AND SPORTS

CAIXA has standing as one of the institutions that support culture in the country. During the first semester of this year, we invested more than R\$ 37.1 million in this area. In addition to direct investments, the Company provides seven spaces to promote and disseminate the most diverse cultural manifestations in the country.

**R\$37.1
MILLION**

invested in culture this semester

Over
R\$ 182
MILLION
invested in sport in 1H13

CAIXA Cultural is present in Brasília, Curitiba, Fortaleza, Recife, Rio de Janeiro, Salvador and São Paulo, and soon, in Porto Alegre.

The main sponsored cultural segments include Brazilian visual arts, theater, dance, music and crafts. Moreover, it develops actions aimed at recovering and maintaining museums and public collections in the country.

In the sports segment, CAIXA continued with its sponsorship of the Brazilian Athletics and Gymnastics Confederations, Olympic Wrestling and the Brazilian Paralympic Committee.

Furthermore, the Company supports racing circuits and road races throughout the country, as well as social sports projects, ensuring opportunities for social inclusion and improving the quality of life through sports to thousands of Brazilian children and teenagers. Thus, we invested approximately R\$ 182.4 million in sports during the semester.

AWARDS AND ACKNOWLEDGMENTS

CAIXA was selected as a Latin American finalist in the Sustainable Finance Award, promoted by the British newspaper Financial Times, and also in the International Finance Corporation, which is the top prize in the world for financial institutions that integrate environmental, social and corporate governance principles in their business.

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The Institution has received three awards at the XXI e-Finance Awards, sponsored by the Executivos Financeiros Magazine, awards that highlight the most innovative implementations, applications and solutions in the areas of information technology and telecommunications.

CAIXA was also featured in the National Credit Card Survey - 2013 edition of CardMonitor magazine. The CAIXA Card received the award for the highest score in the *Net Promoter Score* in the market with the public who actually uses the card as a credit instrument, i.e. which funds part of the invoices.

1st

PLACE

CAIXA was the highlight
in the Best Brazilian
Market Investment Fund
ranking

CAIXA ranked first place in the top hedge fund management for institutional investors ranking in the April 2013 issue of the Investidor Institucional Magazine, with six of its eight funds in this category being considered as the best investment options.

Furthermore, once again CAIXA was the highlight in the Best Brazilian Market Investment Fund ranking (Star Ranking), published in the June issue of the Valor Invest Magazine. Drafted by Standard & Poor's, the ranking uses a methodology that takes into account the risk and absolute return of the funds and reflects the peculiarities of the local market. CAIXA received seven awards, with two of its products reaching the maximum Five-Star rating.

ACKNOWLEDGEMENTS

The results achieved during the period reflect the commitment and tireless work of all of our employees and collaborators, whose effort is appreciated.

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

CAIXA

A vida pede mais que um banco