

# **MANAGEMENT REPORT**

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

## **MANAGEMENT REPORT – 1Q13**

### **INTRODUCTION**

The year 2013 began with important challenges to CAIXA. The winning of new customers, the credit expansion and the profit earned in 2012 established new businesses levels to be persecuted.

Under this premise, the Company invested in innovative technologies, in the opening of new units and in the hiring new employees, aiming to improve the quality of customer support and the provided products and services.

Furthermore, CAIXA celebrated, in the quarter, one year of the Programa CAIXA Melhor Crédito (“Caixa Best Credit Program” – PCMC). Since the launching of PCMC, the Company expanded its base from 60.5 million to 66.6 million customers, at the end of March 2013. Another important result of the Program was the achievement of the second greatest credit portfolio of the country, which increased 43% in 12 months, reaching a balance of R\$ 390.6 billion.

The offered credit volume increase, even with the strong lowering of interest rates and taxes, raised the revenues and influenced the balance in the quarter, that was of R\$ 1.3 billion, 12.5% higher than the results recorded in 1Q12.

CAIXA also contributes to the development the country’s development acting as a financial agent for major Government programs, such as Programa Minha Casa Minha Vida (“My Home, My Life Program”), Programa de Aceleração do Crescimento (“Growth Acceleration Program” – PAC) and the Programa Bolsa Família (“Family Allowance Program”). Besides, the Company is present in the lives of thousands Brazilian workers through the distribution of benefits such as the PIS, Unemployment Insurance, INSS e Salary Bonus.

Demonstrating the confidence of the Institution’s customers, CAIXA Savings reached the net funding record of R\$ 3.6 billion in the first quarter, an increase of 87.0% compared to the same period of 2012. With a balance of R\$ 181.5 billion, the Company remains in the leadership of this market, with a share of 35.3%.

The following are the CAIXA detailed results in the quarter and the benefits it brought to society.

## CUSTOMERS AND SERVICE CHANNELS

In this year, CAIXA shall continue its network expansion project, started in 2012. The target is to open 482 new branches and 100 service points, providing significant improvements in customer service.

For this reason, in the first quarter of 2013, R\$ 688.0 million were invested in the network expansion, of which R\$ 166.0 million were applied in the opening of 108 new branches and service points, and R\$ 522.0 million were allocated in business supporting infrastructure.

In this sense, the Company opened, in February, the first service point exclusively dedicated to university students, a new branch concept in Brazil. Situated at the Centro de Convenções da Universidade Federal de Pernambuco (“Convention Center of the Federal University of Pernambuco” - UFPE) the unit counts on a modern and futurist environment, and provides to its customers: Wi-Fi network, smartphones, CAIXA products that can be accessed by tablets and two ATM machines for withdrawals, payments and other operations. With this strategy, the Company aims to increasingly approach the young audience and to support the massive use of digital devices in banking operations.



First Service Post CAIXA Universit. Installed at the Convention Center of the Federal University of Pernambuco (UFPE).

CAIXA has also made available, in this quarter, to its account holders, corporations or citizens that use its services, a network of 62.7 thousand service points. There are 3.6 thousand branches and service points, 33.4 thousand CAIXA AQUI correspondents and lottery outlets, and 25.6 thousand ATM machines spread through service points and ATM rooms, besides 1 Riverboat Branch e 18 Truck-Branched.

Besides its physical network of services, the Company made available CAIXA Internet Banking to more than 9.4 million checking and saving account holders and the application “Access to the Account” to smartphones – which had its layout totally remodeled in this quarter, including a more intuitive navigation and a bar code reader. At the end of March, 10 days after the launching of the new version of the application, more than 197.1 thousand users were registered.

Searching for innovations in its products, CAIXA announced in this quarter, the development of a new payment option by mobile phones, in a partnership with MasterCard and the mobile phone operating company TIM, the Mobile Money. With a pre paid virtual account, TIM customer shall be able to carry out purchasing and other financial transactions using its own mobile phone or a magnetic card linked to its phone number. The product shall be available for the Brazilian market in the second half of 2013.

These actions, among others, resulted in the acquisition of 1.3 million new customers in the first quarter of 2013, totaling 66.6 million customers among checking and savings account holders. Individual Portfolio amounted 64.9 million, an increase of 9.8% compared to the same period of 2013, while the corporate customer base was 1.6 million, nearly 279.0 thousand new companies in 12 months.

In order to better serve these customers, the Company has the Customer Service - SAC, which in the first quarter answered nearly 6.0 million calls, and the CAIXA Citizen Service, with more than 15.0 million calls answered in the period. This channel meets the demands regarding PIS, Unemployment Insurance, FGTS, Social Card and Citizen Information Service.

Highlights to the launching in March of the "Programa CAIXA de Olho na Qualidade do MCMV" ("Monitoring the Quality of My Home, My life, Program"), which performs several actions regarding the expansion of services to the beneficiaries of My Home, My Life Program, and monitors the quality of the delivered units.

Among these actions, a service channel was created exclusively for the Program, through which the beneficiaries are able to ask questions, complain, praise or make suggestions for the improvement of the units through the toll free number 0800 721 6268, as well as the website [www.mcmv.caixa.gov.br](http://www.mcmv.caixa.gov.br) that contains several updated information on the Program.

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## ECONOMIC-FINANCIAL PERFORMANCE

CAIXA ended the quarter with a net income of R\$ 1.3 billion, overcoming in 12.5% the result recorded in the same period of 2012, with a return over the average net equity of 22.4%.

The assets of the company expanded 31.0%, rising from R\$ 558.1 billion in March 2012 to R\$ 731.0 billion. With R\$ 390.6 billion in the first quarter of 2013, the loan portfolio represented 53.4% of the total, and Bonds and Securities, with R\$ 140.4 billion, corresponded to 19.2% of the assets.

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<b>Ratios ( %)</b>	<b>1Q12</b>	<b>2Q12</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1Q13</b>
Return on Average Assets (annualized)	0.9	1.2	0.9	1.1	0.7
BIS Ratio (or Basel II Index)	12.8	12.9	12.6	13.0	14.2
Public Sector Debt	30.7	28.6	27.9	29.0	29.3
Fee Income / Administrative Expenses	66.3	67.9	67.8	58.0	63.6
Fee Income / Personnel Expenses	108.5	111.7	113.7	92.4	100.6
Return on Average Equity (annualized)	25.3	36.2	27.0	35.4	22.4
Operating Efficiency Ratio Adjusted	57.9	57.3	58.1	60.0	60.2

From the liabilities, 44.2% were deposits and 21.8% corresponded to funding in bills and open market. Net equity expanded 23.9% in 12 months and ended the quarter with R\$ 25.4 billion. Social and authorized capital, according to the new statute, totaled R\$ 22.0 billion and R\$ 35.0 billion respectively.

<b>Items (em R\$ billion)</b>	<b>1Q12</b>	<b>2Q12</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1Q13</b>
Asset	558	596	673	703	731
Loan Portfolio	273	303	331	361	391
Saving Deposits	155	162	170	176	182
Asset Management	503	517	545	557	603

The expansion in the Company's operation resulted, in the quarter, R\$ 9.9 billion in credit revenues and R\$ 3.8 billion in service provision and banking fees revenues, increases of 21.1% and 13.4% respectively, compared to the previous year.

The operational result of the quarter was R\$ 1.4 billion, an increase of 5.8% over the result recorded in the same period of 2012.

In the quarter, CAIXA was responsible for the injection of about R\$138.9 billion in the economy, through credit contractions, payment of social benefits, investments in its own infrastructure, personnel remunerations and others.

## OPERATIONS WITH SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

Bonds and Securities Portfolio – TVM, at the end of the period, had a balance of R\$ 140.4 billion, of which R\$ 123.4 billion were federal public bonds and R\$ 17.0 billion corresponded to private issued securities.

The result of the operations with TVM and Derivatives was R\$ 4.0 billion, 11.6% less than the result recorded in the first quarter of 2012, influenced by the marking to market of the securities from categories I e II.

Meeting the dispositions of BACEN Circular 3.068/2001, article 8º, CAIXA states the intention of maintaining the securities classified Tier III, which totaled R\$ 46.9 billion in March 2013, to their respective maturities, and also states to have the financial capability required to do so.

## LOAN PORTFOLIO

In April 9 of 2013, the program CAIXA Best Credit completed one year of existence. By virtue of this program, the Company has taken the lead in the process of taxes reduction adopted by Brazilian banks, which, in association with the extension of the terms, improved the conditions of credit concession.

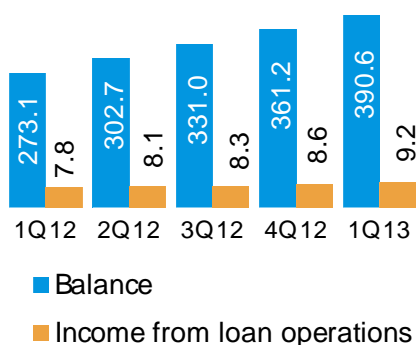
With the Program, CAIXA won new customers and expanded the number of available products, finding in this increase of scale a compensation for the lower charges and fees. Boosted by the Program, the Company reached the second greatest loan portfolio of the country, and aims in 2013 to keep the rhythm of credit contraction, closing the year with a growth between 30% and 35%.

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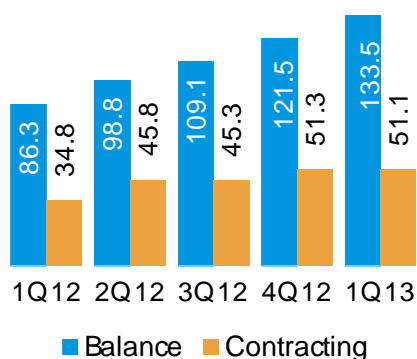
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Loan Portfolio  
(in R\$ billion)



Commercial Credit Portfolio  
(in R\$ billion)



In the quarter, the amplified loan portfolio of CAIXA, which includes loan operations and other loans (with credit features) reached a balance of R\$ 390.6 billion, an increase of 43.0% compared to the same period of the previous year, representing 16.0% of the total loan of the National Finance System.

Commercial loans presented a balance of R\$ 133.5 billion, a growth of 54.8% compared to the same period of 2012. Commercial operations totaled R\$ 51.1 billion, increase of 54.5% in relation to the total contractions of the first quarter of 2012. The individuals operations recorded a balance of R\$ 62.3 billion, an expansion of 53.1%, and the contractions totaled R\$ 27.3 billion, an increase of 50.9%.

In addition, CAIXA had hit a record in the corporate commercial loan. The volume of the portfolio reached R\$ 71.2 billion in March 2013, which corresponds to a growth of 56.2% in relation to the same period of 2012 and an increase of more than R\$ 25.6 billion in 12 months. Corporate contractions totaled 23.8 billion in the quarter, increase of 59.0%, over the same period of the previous year.

The products that contributed most for this increase, also comprised by the PCMC, were Giro CAIXA Fácil (a working capital credit line), with R\$ 4.4 billion applied resources, from January to March 2013 and Cheque Empresa CAIXA ("CAIXA Corporate Check"), that reached the mark of R\$5.2 billion. Besides these, we highlight Conta Garantida CAIXA ("CAIXA Guaranteed Account") with R\$ 4.0 billion, and Desconto de Títulos ("Securities Settlement"), which counts on more than R\$ 2.9 billion in funding in the first quarter of 2013.

Rural Credit CAIXA, launched in September 2012, contracted R\$ 48.4 million in the quarter and closed March with a balance of R\$ 206.9 million, an expansion of 31.4% compared to the end of 2012.

In foreign trade segment, CAIXA carried out in the first quarter of 2013, R\$ 128.0 million in foreign exchange operations and working capital operations for export funding.

Highlights to the expansion, in relation to the last quarter of 2012, of 21.2% in the operations of Advance on Exchange Contracts and Advance on Delivered Exchange Instruments (ACC/ACE), which reflects the efforts of CAIXA to increase the participation of Brazilian companies in the foreign market.

Housing operations, including subsidies, ended the first quarter of 2013 with R\$ 28.9 billion contracted, growth of 31.7% over the same period of 2012, when the contractions reached R\$ 21.9 billion. Operations with savings resources - SBPE – totaled R\$ 12.5 billion, and the lines which use FGTS resources, including subsidies, R\$ 10.9 billion. Regarding PMCMV, CAIXA contracted 173.8 thousand new units, 80.3 thousand of which were destined to families with maximum income of 3 minimum salaries, totaling a R\$ 13.0 billion balance in the period.

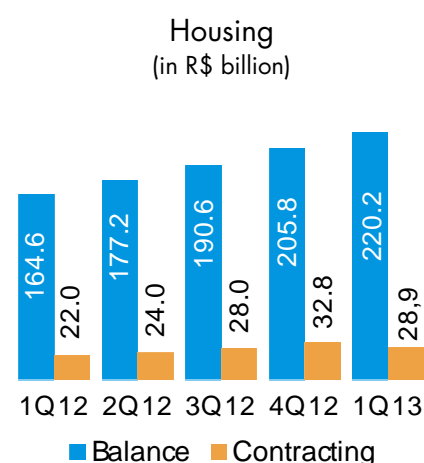
The balance of the housing portfolio expanded 33.8% in 12 months and closed the quarter with R\$ 220.2 billion. In this segment, CAIXA has 69.2% of share, not including mortgage backed securities, according to the new disposition of the Central Bank of Brazil.

Operations of sanitation and infrastructure ended March with balance of R\$ 26.4 billion, a 47.0% increase in relation to the same period of the previous year. Total contractions in the first quarter of 2013 was R\$ 3.5 billion.

In the financing to energy and logistics, CAIXA has been supporting the performance of projects regarding the generations, transmission and distribution of energy, besides enterprises regarding road transport, railroads, harbors and airports, which require long terms and high levels of investments. From January to March, the financing contracts destined to the improvement of the road system totaled R\$ 1.9 billion, of which R\$1.5 billion were BNDES resources and R\$ 365 million with resources from FINISA (Infrastructure and Sanitation Financing), a credit line destined to projects of environmental sanitation, energy, transport and logistics, supported by CAIXA resources.

For the segment Oil, Gas and Marine Industry, there were R\$ 1.1 billion in contractions, comprised by the PAC II, with resources originated from the Merchant Marine Fund – FMM, used for the construction, in Brazilian docks, of 14 ships for the transport of products (oil, gas etc) and for the marine support to the platforms of oil production an exploration.

In addition to this, as an operator agent of programs with funds from the General Budget of the Federal Government, the Company contracted R\$ 457.0 million in housing, sanitation, infrastructure, tourism and health sectors.



## DEPOSITS AND FUNDING

In March, deposits totaled R\$ 323.3 billion, growth of 20.3% in 12 months. Of those, R\$ 24.6 billion were demand deposits, excepting foreign currency deposits, with an evolution of 4.0% in relation to 2012.

Time deposits grew 40.8% in comparison to the balance recorded in 12 months, reaching R\$ 105.1 billion. CDB resources represented 63.1% of the total, with R\$ 66.3 billion, an increase of 49.1% in 12 months.

By the same comparison, judicial deposits grew 28.5% or, in absolute terms, R\$ 8.6 billion, reaching the balance of R\$ 38.8 billion at the end of 1Q13. Other deposits ended the quarter with R\$ 12.0 billion.

CAIXA ended March with 23.3 million checking accounts, an increase of 748.3 thousand accounts in the quarter. Of these, corporate accounts totaled 1.6 million and individual accounts amounted 21.6 million, including the mode Conta CAIXA Fácil, which has a base of 9.9 million active accounts.

CAIXA Savings had R\$ 3.6 billion of net income in the first quarter, an expansion of 87.0% compared to the same period of 2012.

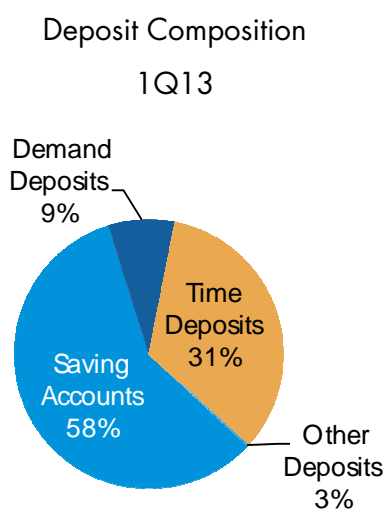
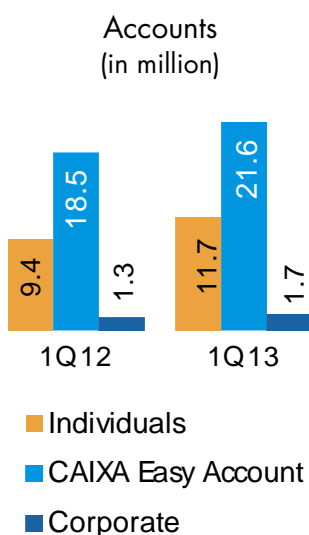
With a balance of R\$181.5 billion, the Company holds the leadership of the savings market, with 35.4% of share.

The opening of 1.1 million savings accounts in the quarter contributed for this result, reaching the total of 47.7 million savings accounts, an increase of 9.1% in relation to the same quarter of the previous year.

Bonds and securities have ended the quarter with a net income of R\$ 6.4 billion and balance of R\$ 52.0 billion, increase of 66.4% compared to the same period of the previous year. The Agribusiness Letter of Credit (LCA), launched in November 2012, reached the balance of R\$ 1.7 billion in this quarter.

## INVESTMENT FUNDS

At the end of the first quarter, the assets under management of the investment funds and portfolios was R\$ 433.0 billion. Exclusive funds, with R\$ 133.5 billion, presented a growth of 57.8% in comparison to the same period of the previous year, while retail funds ended the quarter with R\$ 92.8 billion, increase of 20.8% over the first quarter of



2012.

Fixed income funds has ended 1Q13 with a balance of R\$ 204.3 billion (90.3% of the investment funds) and increased 31.8% in 12 months. Equity funds, in turn, grew 241.2%, ending 1Q13 with R\$ 22.0 billion.

In the quarter, CAIXA managed 375 funds (not including FI of FIC), of whom 26 were launched in this period. With this, the company has 8.28% of the market share according to ANBIMA, a growth of 1.63 p.p. in 12 months.

Due to the achieved results, in this quarter the CAIXA Funds were rated MQ1 by the risk rating agency Moody's Latin America, the maximum rate for this type of evaluation. The rating is attributed to resources managers that have an environment of quality and excellent control in the managing of investments.

In addition to this, in February 2013, FichRating has rated CAIXA Funds M1(bra), that is attributed to managers that shows a very low vulnerability to operational flaws and assets management.

## BANKING SERVICES

In this quarter, CAIXA restated the aim to provide the best conditions of market banking services. In the period 1.5 billion banking operations were carried out, an expansion of 14.1 % compared to the first quarter of 2012. Internet Banking CAIXA alone has 275.3 million operations, among balance and statements checking, payments and transfers. As a result, revenues from service provision and banking fees totaled R\$ 3.7 billion, 13.4% more than the same period of the previous year.

CAIXA also steadily presents innovations to its customers, in order to bring more convenience and to favor the access to its products and services.

In this sense, the Institution launched a new solution for the settlement of checks. The new product was made available at Internet Banking, through which the companies will be able to send the list of check settlements and monitor the portfolio.

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Another differential is the online credit of the resources, which allows the customers to carry out operations of check settlement and immediately make the values available.

In addition to these services, the Company provides the customers with products like housing, life and car insurance, private pension plans and leasing, through a partnership with CAIXA Seguros Group, which moved R\$1.2 billion resources in the quarter, 21.9% more than the amount moved in the same period of 2012. These products recorded an income of R\$ 40.4 million in fees in the first quarter of 2013, an increase of 16.6% in relation to the same period of the previous year.

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*Credit and Debit cards with the Elo banner ended the quarter with a base of more than 7.6 million cards and 11.3 million transactions.*

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## DEBIT AND CREDIT CARDS

CAIXA Cards customers carried out 77.1 million transactions in the period, representing a financial volume of R\$ 5.7 billion and an increase of 32.6% in the operations, and 44.8% in banked value compared to the same period of 2012.

Debit Cards reached a base of 74.6 million cards with MasterCard, VISA Electron and Elo banners, an increase of 7.7% in relation to the first quarter of the previous year. These cards carried out more than 173.1 millions of transactions, which represent an increase of 32.3% in the period.

Credit Cards recorded a base of 9.6 million with MasterCard and VISA banners, a growth of 35.0% in relation to the same period of the previous year.

Those cards carried out more than 58.7 million transactions, a growth, in relation to the same period of the previous year, of 36.2%.

Among these, credit and debit cards with the Elo banner ended the quarter with a base of more than 7.6 million cards and 11.3 million transactions.

Focusing the expansion of this portfolio and the consolidation of the banner, CAIXA launched the Credit Cards Azul CAIXA Elo and Crédito Nacional Elo ("Elo National Credit"), which in three months surpassed the mark of 70 thousand cards.



CAIXA also launched in the quarter the service “There is Credit in Debit”, consisting in the exemption of interest rates of a part of the limit of Cheque Azul or of Crédito CAIXA Fácil Rotativo if the customers pay their bills with the debit function, using their limits.

## GOVERNMENT SERVICES

The income transfer programs, which aim the financial emancipation and the eradication of poverty in the socially vulnerable population, distributed nearly R\$ 6.2 billion in the first quarter of 2013, totaling 43.6 million paid benefits. Family Allowance, the main program, paid about 38.7 million of benefits in the period, totaling R\$ 5.6 billion, an increase of 28.7% in relation to the first quarter of 2012.

In the quarter, CAIXA launched the NIS Record – Social Register Number, which substitutes the PIS system and the Social Information System, and shall be the identification key for all the social programs and benefits operated by the Company, containing information regarding the worker.

The new system will bring more flexibility, autonomy and control over the citizen identification system.

About the workforce related programs, in the first quarter of 2013, the Institution was responsible for the payment of 35.0 million benefits, corresponding to R\$ 38.7 billion by way of Unemployment Insurance, Salary Bonus and Social Integration Program - PIS).

In the quarter, CAIXA paid 10.6 million retirements and pensions for the INSS beneficiaries, handling nearly R\$ 13.6 billion. In the same period, FGTS income was R\$ 23.4 billion and withdrawals totaled R\$ 17.1 billion. At the end of March, the Fund had 114.7 million active accounts.

CAIXA also launched the strategy of Customer Service Replacement to the FGTS customer, which aims at providing a better and personalized service, with more convenience to the worker and the employer, besides expanding the business opportunities.

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Furthermore, the Company is already collecting the FGTS related to PEC 066/2012, known as the “PEC of the household employees”. However, this obligation shall be required to the employer only after the regulation of the 2013 Constitutional Amendment No. 72.

## LOTTERIES

In the first quarter of 2013, CAIXA Lotteries presented an income of R\$ 2.4 billion, standing 7.7% higher than the sales of the same period of 2012. The highlights were the Loteca, Lotomania and Quina, which had an increase of 38.3%, 17.5% and 5.6% in relation to 2012.

*From the income of CAIXA Lotteries, in this quarter R\$ 894.3 million were transferred to the social programs of the federal government in the areas of social security, sports, culture, public security, education and health.*

CAIXA received, in March 2013, the WLA Label – Responsible Gaming (level 2), which recognizes the meeting of CAIXA activities with the best practices provided in the Responsible Gaming Principles of the World Lottery Association.

<b>Lotteries Destination - 1Q13 (in R\$ million)</b>	<b>1Q12</b>	<b>2Q12</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1Q13</b>
Social destination	818	862	960	1,140	894
Prizes	810	828	943	1,169	890
Taxes	185	217	225	306	197
Expenses of Costs and Maintenance	436	458	511	623	472
<b>Total</b>	<b>2,249</b>	<b>2,365</b>	<b>2,639</b>	<b>3,238</b>	<b>2,453</b>

From the income of CAIXA Lotteries, in this quarter R\$ 894.3 million were transferred to the social programs of the federal government in the areas of social security, sports, culture, public security, education and health.

Besides, according to Law No. 9.649/98, CAIXA is responsible for the issuance of authorization and monitoring charitable lotteries and the free distribution of prizes for matters of advertising of non financial companies of the country. The company authorized 345 lotteries and raffles in the period, an increase of 20.6% compared to the first quarter of 2012.

## INTERNATIONAL OPERATIONS

CAIXA international operations are aligned to the Federal Government's expectations of supporting both Brazilians living abroad as institutions from several countries, through the offering of services, products and money transfers to Brazil.

The Company has representative offices in the cities of Tokyo - Japan, New Jersey State – United States and Caracas - Venezuela.

For the customers living abroad, the Company provides the International Remittance Program through which they can send resources to Brazil. In this quarter, the Program raised R\$ 67.2 million through correspondent (SWIFT) and partner banks.

The Company participated of the Global Conference for Investors in Emerging Countries, in Miami – United States, which counted with investor meetings and a presentation in a specific panel about the Institution.

During the quarter, CAIXA received missions from Tanzania and Uganda to know the project of Banking Correspondents. Regarding the Technical Cooperation Projects, a mission was sent to Mozambique to support the development of the local Costs and Indexes of Civil Construction Monitoring System.

Furthermore, CAIXA is one of the institutions that are part of Portal do Retorno ("Returning Portal"), a website launched in March by the Ministry of Foreign Affairs.

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## STRATEGIC PARTICIPATIONS

CAIXA Participações S/A ("Caixa Participations" – CAIXAPAR), wholly affiliate of CAIXA, is CAIXA's strategic arm in business related to participations in other companies, operating in supplementary and similar economy sectors and activities to the Institution's business.

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

*In March 28 2013, the Decree No. 7.973 was published, approving the new CAIXA Statute, contemplating some important amendments for the Company*

<b>Compositions of Investments (in R\$ million)</b>	<b>1Q12</b>	<b>2Q12</b>	<b>3Q12</b>	<b>4Q12</b>	<b>1Q13</b>
CAIXA Seguros Holding S.A.	1,481	1,620	1,760	1,919	1,859
Banco Panamericano	894	1,075	898	802	710
CPM BRAXIS	-	322	320	299	299
Elo Serviços	18	12	12	11	10
CIBRASEC – Cia Brasileira de Securitização	7	7	7	8	7
CIP – Câmara Interbancária de Pagamento	3	3	3	3	3
BIAPE	1	1	1	1	1
Fundo de Investimento em Participações	-	-	-	-	40
Other Investments	200	211	226	236	257
<b>Total</b>	<b>2,603</b>	<b>3,251</b>	<b>3,226</b>	<b>3,279</b>	<b>3,184</b>

## CORPORATE GOVERNANCE

In March 28 2013, the Decree No. 7.973 was published, approving the new CAIXA Statute, contemplating some important amendments for the Company, such as:

- Adjustments in the objectives of CAIXA, in order to contemplate the issuance of food and meal cards;
- Change in the authorized and social capital of CAIXA;
- Changes in the Governance, such as the creation of “Executive Directors” as CAIXA leaders, and the addition of a Vice-President in the composition of the Directing Counsel, in order to face the challenges that are being presented to the Company;
- Adequacy in the structure of the Administrative Counsel, by the inclusion of the employee’s representative member;
- Adequacy of the constitution and objectives of statute Committees and Commission, excluding the management counsels of the Vice-Presidencies of the segregated areas, which are now part of CAIXA management bodies, including the Remuneration Committee;

Amendments due to the laws disposed below:

- Resolution CMN No. 3.849/2010, that disposes about the institution of an organizational ombudsman component;

- Resolution CMN No. 3.921/2010, that disposes about the managers remuneration policy and the constitution of the Remuneration Committee in financial institutions and other institutions authorized to operate by the Central Bank of Brazil;
- Resolutions CGPAR Nos. 2 e 3/2010, which determine the adoption, by state companies, of guidelines that aim to improve the corporate governance practices;
- Law 12.353/2010 and Ordinance 26/2011, from the Ministry of Planning, Budget and Management, which dispose about the participation of employees in the managing counsels of public companies and mixed economy societies, their affiliates and subsidiaries and other companies which have the majority of their social capital with the right to vote owned by the Government.
- Resolution CMN No. 3.988/2011, that disposes about the implementation of a capital management structure.

The adequacies shall enable the strengthening of CAIXA's Corporate Governance System, besides providing the Administrative Counsel and the Directing Counsel improvements in the performance managing and monitoring of the Company's strategy. Other information about the new statute may be accessed at: <http://www14.caixa.gov.br/portal/governanca/>.

## INTERNAL CONTROLS

CAIXA Internal Control System - SCI CAIXA - is the set of elements consisting of policies, rules, standards of conduct and culture adopted by the Company in order to achieve its objectives, to maintain and provide managerial and financial information, to carry out all its activities according to the laws, internal and external rules applicable to them and to reduce the risks of damage to its image.

The Company also monitors its evaluation models of loan, operational and market risks, observing the guidelines, principles and procedures approved by its Risk Committee, as well as the external rules disclosed by the Central Bank of Brazil and the Bank for International Settlements—BIS.

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*The adequacies shall enable the strengthening of CAIXA's Corporate Governance System, besides providing the Administrative Counsel and the Directing Counsel improvements in the performance managing and monitoring of the Company's strategy.*

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In the quarter, CAIXA has concluded the process of authentication of the digital accounting books of the period between 2008 and 2011, meeting the decree that instituted the Public Digital Bookkeeping System – SPED. With this system, the digital certification is required for the execution of electronic documents, ensuring their judicial validity.

CAIXA also plays a fundamental role in the performance of actions that contribute to the promotion in the fighting of corruption the fighting of terrorism financing, integrating the National Strategy of Fighting Corruption and Money Laundry – ENCCLA – since the first edition, and participation not only of the annual meetings, but also of the Work Groups responsible for developing the actions established in each forum.

The National Program for Training on Corruption and Money Laundry Fighting – PNLD – may be highlighted as a result of this work, having trained private sector representatives and more than 11 thousand public agents, among them CAIXA employees of several regions of the country, disseminating the importance of each one of the bodies for the integral operation of the corruption and illegal activities prevention and fighting system. In this first quarter, the PNLD happened in the city of Rio de Janeiro, in partnership with the Civil Police of that State.

Moreover, the concern with the preservation of the employee's and customer's integrity and of the physical heritage is a relevant theme for CAIXA. For this reason, during this quarter, R\$ 18.2 million were invested in security actions and equipment.

Among these investments, we highlight the implementation of a technological solution that shall enable the remote opening of CAIXA's branches and service point through a remote control.

With the implementation of this procedure, CAIXA will present several gains with the reduction of the employees exposure to risks and the cost reduction of supervision, control and monitoring by its Monitoring Centers. Remote opening is predicted to happen in 100% of the branches and ATMs through the year 2013.

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## RISK MANAGEMENT

During the quarter, CAIXA maintained the systematic monitoring of the enlargement of the loan operations. At the end of March, 91.3% of the operations were with ratings from AA to C.

The total delinquency rate of the Institution (more than 90 days) ended 2.3%, a difference of 0.2 p.p. in relation to 4Q12, due to the change in the portfolio composition, and aligned with the predicted behavior of the Institution's plan. The market average delinquency rate was 3.6%.

The delays in commercial operations ended the period in 3.3%, of which 4.9% in individuals portfolio and 1.9% in corporate portfolio. For housing credit, this indicator was 1.9%.

At the end of the first quarter of 2013, Reference Equity and the Required Reference Equity were R\$ 57.0 billion and R\$ 44.2 billion respectively, meeting the requirements of CMN Resolutions Nos. 3.444/07 and 3.490/07, which state the ascertainment methodologies.

Credit Risk Tranche ( $P_{EPR}$ ) ended March representing 94.0% of the Required Reference Equity. The new rules for Credit Risk, following the disclosure of the BACEN Circular No. 3.644/13, have modified risk weights for housing operations, payrolls and large companies, reducing the capital allocation for these segments from March 2013.

This way, the Basel Index was 14.2% at the end of March, above the legal requirement of 11% and 1.4 p.p. above the index recorded in March 2012.

In the capital managing process, CAIXA, in order to face the risks to which it is exposed, elaborates its planning according to strategic objectives and targets in stressed and normal scenarios.

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## INFORMATION TECHNOLOGY

The Company has been upgrading its technological process, promoting improvements and expanding the availability, capacity, security and quality of data processing services.

In this sense, CAIXA opened in the quarter the Complexo Datacenter Capital Digital ("Digital Capital Datacenter Complex"), in the Digital Capital Technological Park, in Brasília (DF).

The Complex has the objective of ensuring the continuity and expansion of CAIXA business for the next 15 years, besides reducing the operational risks and following the international rules related to IT security.

The Complex is the first Federal Private-Public Partnership (PPP) of the administrative concession kind, and Banco do Brasil is the other owner. The facilities of the complex received the maximum security rate for data processing centers, TIER 4, for have being built according to international rules and with the best building and electro-mechanical infrastructure practices.

The PPP shall also guarantee, for a 15-year term, specific services of infrastructure, electric energy, water, systems of fire detection and firefighting and all the applied condominium services, such as security, cleaning, concierge and access control.

The Datacenter comprises three facilities: infrastructure block, which stores the supporting equipment to IT hardware; production block, a bunker kind of building to store the IT equipment – of processing and storage; and the united monitoring block, with the building for quarantine of the equipments. The facilities count on more than 100 km of optic fiber.

Furthermore, R\$ 465.5 million were applied in the maintenance, expansion and substitution of equipment in the technological park during the first quarter of 2013.



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*Digital Capital  
Datacenter Complex,  
in the Digital Capital  
Technological Park, in  
Brasília (DF).*

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Highlights go to the acquisition of 500 mobile stations for biometrical data collecting, for the capture of digital impressions, digital pictures and signatures of the customers.

The identification by digital impressions substitutes, for the beneficiaries of INSS, the conventional proof of life, which is carried out annually and demands a greater waiting time and the conference of documents. Thereby, these beneficiaries shall be able to realize the proof of life and the withdrawal using ATM, lottery outlets and CAIXA Aqui.

The Company also developed in the quarter the project e-Caixa, aiming to provide advanced services and innovations to internal and external customers. The Project has been performing several actions of innovation, improvement and evolution of the Information and Communication Technology (TIC), resulting in cost reductions. The economy predicted by CAIXA in the next five years shall be more than R\$ 800 million.



## HUMAN RESOURCES MANAGEMENT

In the first quarter of 2013, CAIXA had in its staff 94.4 thousand employees admitted by public examination and 15.0 thousand apprentices and trainees. During the period, 2.6 thousand new employees were hired, due to the expansion in the network of branches, and 1.0 thousand left the Company, 687 of them in the Retirement Support Program.

The employee's fixed compensation, plus charges and benefits, totaled R\$ 3.7 billion, highlighting the social benefits provided to collaborators and their dependents to the amount of \$ 880.3 million.

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

In addition to the several programs regarding the health and safety of the employees, the Company also aims to integrate corporate education, performance, skill and knowledge management, through the supporting

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In this sense, during this quarter CAIXA invested R\$ 17.3 million in training and scholarship improvement programs.

Highlights go to the launching, in this quarter, in the physical campus of CAIXA University in Brasília, of the MBA IT Management in Financial Institutions, offered by FEBRABAN in partnership with Universidade Municipal de São Caetano do Sul ("Municipal University of São Caetano do Sul city"). The MBA has the objective of guiding the employees in fundamental matters to IT with specific purposes of professional development and improvement in competences related to CAIXA business.

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CAIXA also launched the Web Portal Educação Financeira ("Financial Education"), which shall be accessed at: [www.caixa.gov.br/educacaofinanceira](http://www.caixa.gov.br/educacaofinanceira), with the objective of reinforcing the rule of the company as an agent of financial solutions, responsible credit and conscious consumption.

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## CORPORATE SOCIAL RESPONSIBILITY

In the first quarter of 2013, CAIXA launched the website of the Programa CAIXA Melhores Práticas em Gestão Local ("CAIXA Best Practices in Local Management Program"), [www.caixa.gov.br/melhorespraticas](http://www.caixa.gov.br/melhorespraticas). Inspired in the "Best Practices and Local Leadership Programme", of the United Nations - UN, the program aims to identify, register, elect, award and disclose the best experiences of local management in the country, in several categories, such as: housing, sanitation, environment, urban management and social development and social inclusion.

CAIXA also launched the Web Portal Educação Financeira ("Financial Education"), which shall be accessed at: [www.caixa.gov.br/educacaofinanceira](http://www.caixa.gov.br/educacaofinanceira), with the objective of reinforcing the rule of the company as an agent of financial solutions, responsible credit and conscious consumption for its employees and public, supporting and guiding the citizen about the ways of saving and investing their money.

Therewithal, the Company participated of the fourth edition of "Programa Pró-Equidade de Gênero e Raça" ("Race and Gender Pro-Equity Program"), promoted by Secretaria de Política para as Mulheres da Presidência da República ("Office for the Woman Policies of the Presidency of the Republic"), and received in this quarter the label "Pró-Equidade de Gênero e Raça" ("Race and Gender Pro-Equity").

CAIXA has also executed a commitment term with the Inter American Development Bank for the implementation of the Iniciativa de Fomento às Cidades Emergentes e Sustentáveis (“Supporting Initiative to Emergent and Sustainable Cities”).

The term shall enable the technical and financial support for the sustainable development of Brazilian cities that stand out for their economic and demographic growth. The target is to implement the Initiative in four cities by the end of 2014.

## SUPPORT TO SPORT AND CULTURE

In the sports segment, CAIXA maintained the sponsorship to the Brazilian Athletic, Gymnastic and Olympic Fighting Federations to the Brazilian Paralympic Committee and to the circuits and street running races of the country, besides including, in this year, two Brazilian Federations to be sponsored: BMX Cycling and Shooting Sport.

In the first quarter of 2013, CAIXA supported 120 projects, allocated in CAIXA Programs of occupation of its cultural facilities, support to handicraft, to heritage and to theater and dance festivals.

In this context, 74 events were realized in the seven cultural facilities of CAIXA, distributed in the segments of visual arts, theater, dance, music and cinema; 5 projects regarding the adequacy of museums for accessibility and security; 3 supporting projects for dance and theater festivals; and 4 Brazilian Cultural Heritage Supporting Program.

Therefore, CAIXA invested R\$ 75.1 million in the support to sport and R\$ 32.0 million supporting culture in the first quarter.

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## AWARDS AND RECOGNITION

Marketing Magazine, a reference in Brazilian communication and marketing, has elected CAIXA as the Company of the Year in the banking segment, in its January/ February 2013 issue, highlighting the new position of the CAIXA brand: “A vida pede mais que um banco” (“Life asks for more than a bank”).

Other highlights were the advertising campaigns of the Programa CAIXA Melhor Crédito (“CAIXA Best Credit Program”), starring the actress Camila Pitanga, and of Mega da Virada (“New Years Eve Lottery”), besides Feirão CAIXA da Casa Própria (“CAIXA Owned House Fair”) and the sports marketing campaign.

CAIXA also received the award Grandes Sacadas de Marketing do Brasil (“Great Marketing Ideas from Brazil”), promoted by Centro Nacional de Modernização Empresarial (“National Center for Corporate Modernizing” – CENAM), for the CAIXA credit cards entitled “Desafio Cartões CAIXA” (“CAIXA Cards Challenge”).

Furthermore, Caixa was recognized as one of the 100 best companies in IDHO (Indicator of Organizational Human Recognition) in a ceremony that happened in Teatro Juca Chaves (“Juca Chaves Theater”), in São Paulo (SP). Created by Gestão & RH Editors in 2006, the award aims to identify the companies that stood out for five items of evaluation that compose the IDHO: Sustainability, Corporate Citizenship, Corporate Governance, Human Capital and Transparency.

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CAIXA University was awarded third place in category Best Global Corporate University of The GlobalCCU Award – Global Council of Corporate Universities Awards 2013. The ceremony, that happened in the Microsoft headquarter in Paris, recognizes the best corporate education practices, which creates strategic values to the companies, people, organizations and society, besides rewarding corporate universities from all over the world.

## **ACKNOWLEDGEMENTS**

The results achieved in the period reflect the committed and unwearying work of our employees and collaborators, to whom we thank the effort.

We also thank our customers and partners for their trust and loyalty, which drives us in the search of improvement and are essential for CAIXA’s and Brazil’s development.

**CAIXA**

A vida pede mais que um banco