

MANAGEMENT REPORT

This report is based on Caixa's Consolidated Accounting Statements on March 31, 2014. 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 indexes and variations shown were calculated based on whole numbers, there may be divergence when the calculation is made on the rounded values.

Hereafter, we present the results achieved and actions taken by Caixa in the first quarter of 2014, according to the accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

Management Report – 1Q14

INTRODUCTION

In the first quarter of 2014, Caixa figured for the first time in the ranking of the top 50 global brands in the financial sector, even if not being an institution listed in the stock exchange, Caixa was included in the list due to strong performance in 2013, the estimated value of brand was US\$ 4.7 billion.

Continuing with the strategy that yielded the results achieved in 2013, in the first three months of 2014, the Caixa recorded net profit of R \$ 1.5 billion, 15.3% higher than in the same period of 2013, driven value mainly by revenues from loans and income from securities and derivatives transactions.

Amplified loan portfolio reached a balance of R\$ 519.8 billion, growth of 33.1% in 12 months, highlighting sanitation, infrastructure operations and commercial loan operations, that evolved 50.9% and 35.3%, respectively.

In relation to funding, the Institution continued its strategy of diversification of funding sources used in financial intermediation. During the period, total deposits reached R\$ 374.6 billion and notes, R\$ 90.5 billion, highlighting the mortgage-linked notes, which grew by 68.6% in 12 months.

Continuing the pioneering initiative of Caixa to meet the riverine communities and from distant localities, the second riverboat branch was inaugurated in the first quarter, named Ilha do Marajó, the vessel meets the needs of banking services imposed by the natural difficulties of the region. Partnerships were also signed to the unit makes possible support for actions to promote health, education, environmental protection and citizenship.

Moreover, as the main financial agent of the Federal Government in the implementation of government programs, Caixa paid during the first quarter of 2014, R\$ 6.5 billion in social benefits and R\$ 43.9 billion in benefits for workers.

These were some highlights of the first quarter. Following, we present the results of the Caixa in the period, the Institution's performance and the benefits it brought to society.

CUSTOMERS AND SERVICE CHANNELS

In the first quarter of 2014, Caixa continued its project of network expansion, whose goal is to open 2.5 thousand branches to 2015, easing people's access to their services and products, reaching new markets and promoting banking inclusion. Since the launch of this project 1,218 agencies, 69 have been inaugurated only in the first quarter.

According to the project, Caixa launched in January this year, its second riverboat branch, whose name - Ilha the Marajo - pays homage to the ten municipalities that will be served by the new agency. The boat will make one trip per month, always leaving the city of Belém and stay on average two days in each location, fulfilling the goal of providing banking services to coastal populations and expand the supply of products and services from Caixa and promote the socioeconomic development of the region.

The new riverboat branch integrates the service network of the Institution that currently has more than 68 thousand service points. There are 4.1 thousand of branches and banking service points, 33.7 thousand correspondent Caixa Aqui and lottery outlets, 30.3 thousand ATMs spread in banking and electronic service points, beyond 2 riverboat branches and 18 truckbased units.



Ilha do Marajó Riverboat Branch, launched in January, 2014.

To support one of the largest service networks in the country, Caixa invested in the quarter, R\$ 563.8 billion in the expansion project, of which R\$ 52.5 million were invested in the opening of new branches and banking service points and R\$ 502.4 billion invested in business support infrastructure, besides R\$ 8.8 million in security.

Besides the physical network, Caixa also offers to its customers the application "access to the account" via smartphones and tablets and in the Internet Banking, which reached a basis of 968 thousand and 10.9 million users, respectively, in the first quarter of 2014.

Even in the virtual environment, Caixa began a new phase in relationships with their customers on social networks. With this purpose, the institution opened in March, his first mural on Facebook.

Further actions are planned that include attendance at Twitter and Youtube.

The Contact Us channel, available at Caixa's website, is more modern and with a new layout. The main novelty is that the client receives a protocol to follow its attendance.

SAC - Customer Service has served approximately 5.1 million occurrences and the Citizen Service has answered 12 million calls, regarding Social Integration Program - PIS, unemployment

Insurance, Severance Indemnity Fund for Employees - FGTS, Social Card and Citizen Information Service.

With continuous investments and improvements in relationship channel, Caixa customer base grew 10.8% in the first quarter of 2014, reaching 73.7 million account holders and savers, of which 71.7 million in the individual portfolio, increment of 10.4% in 12 months and 2.0 million of corporate, evolution of 23.6% in comparison to the same period last year.

ECONOMIC-FINANCIAL PERFORMANCE

In 12 months, Caixa assets expanded 24.4%, from R\$ 731 billion to R\$ 910.1 billion, loan operations represented 57.1% of this amount, with R\$ 519.8 billion, and securities with R\$ 151.3 billion, corresponded to 16.6%.

Third-party assets managed by Caixa totaled R\$ 1.6 trillion, increasing of 18.6% in 12 months, highlighting FGTS that reached a balance of R\$ 378.5 billion, growth of 12.3% and asset management that reached the amount of R\$ 227.8 billion, evolution of 11.6% in 12 months.

Items (in R\$ Billion)	1Q12	1Q13	1Q14
Caixa's Asset	558	731	910
Amplified Loan Portfolio	273	391	520
Saving Deposits	155	182	215
Managed assets (Third party)	503	603	673

Of the total liabilities, 41.2% consisted in deposits and 25.0% corresponded open Market fund raising and notes. Time depositis growth 16.0% and demand deposits decrease 1.3% in 12 months.

Net equity totaled R\$ 34.7 billion in the first quarter of 2014. From December 2013, Hybrid capital and debt instruments eligible as capital in the value of R\$ 8.0 billion is part of the net equity balance, according to CNM Resolution 4,192/13. Thus, the return on average net equity stood at 23.5% in the quarter.

In the quarter, Caixa's net profit was R\$ 1.5 billion, 15.3% higher than in the first quarter of 2013, the factors that most influenced the outcome were the evolution of 28.9% in the result from financial intermediation, highlighting the growth of 46.4% in revenue from loan operations, and an increase of 51.3% in income from securities, in 12 months. The operating profit was R\$ 2.0 billion, enlargement of 42.9% compared to March 2013.

BIS Ratio ended the period in 13.7%, 2.7 above the legal requirement of 11%.

Ratios (em %)	1Q12	1Q13	1Q14
Return on Average Assets (acum 12 months)	1.1	0.9	0.8
Return on Average Equity (acum 12 months)	29.5	25.2	23.5
BIS Ratio (or Basel II Index)	12.8	14.2	13.7
Public Sector Debt	30.7	29.3	27.6
Fee Income / Administrative Expenses (acum. 12m)	67.6	64.0	63.5
Fee Income / Personnel Expenses (acum. 12m)	110.7	103.7	102.2
Operating Efficiency Ratio (acum. 12m)	57.9	61.4	59.5

SECURITIES AND DERIVATIVES FINANCIAL INSTRUMENTS

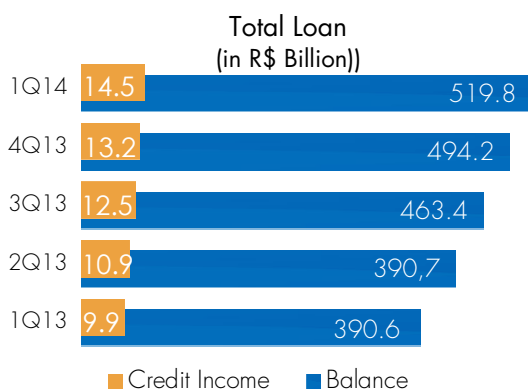
In March 2014, securities portfolio had R\$ 151.3 billion of balance, of which R\$ 133.8 billion were represented by government bonds and R\$ 17.5 were private-issued securities.

Operations with securities and derivatives achieved R\$ 6.1 billion of result, 51.3% higher than in the first quarter of 2013.

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\$ 46.0 billion, till their respective maturities, and also states to have the financial capability required to do so.

AMPLIFIED LOAN PORTFOLIO

In the first quarter of 2014, amplified loan portfolio, which includes other receivables with characteristics of lending, reached R\$ 519.8 billion of balance, increment of 33.1%, in comparison to the same period last year.

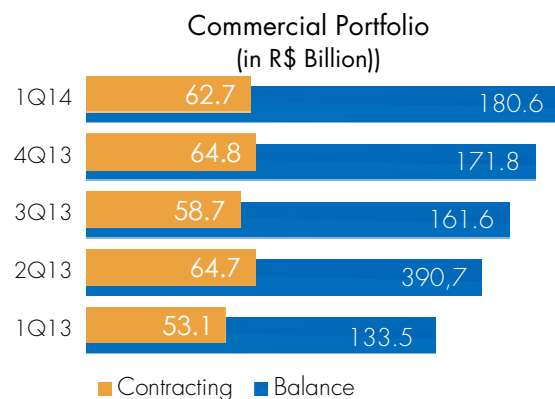


The total contracting increased 7.2% in comparison to the first quarter of 2013 and reached R\$ 94.2 billion. We highlight commercial loan portfolio with R\$ 62.7 billion engaged in the quarter, 18.2% higher than the first quarter of 2013.

Commercial contracts with individuals totaled R\$ 34.8 billion in the quarter, growth of 18.7% in relation to the same period of 2013. Corporate contracts totaled R\$ 27.9 billion, increment of 17.5%.

This segment presented R\$ 180.6 billion of balance, an increase of 35.3% in 12 months. Operations with individuals registered R\$ 86.3 billion and corporate reached R\$ 94.4 billion, growth of 38.5% and 32.5% in 12 months, respectively.

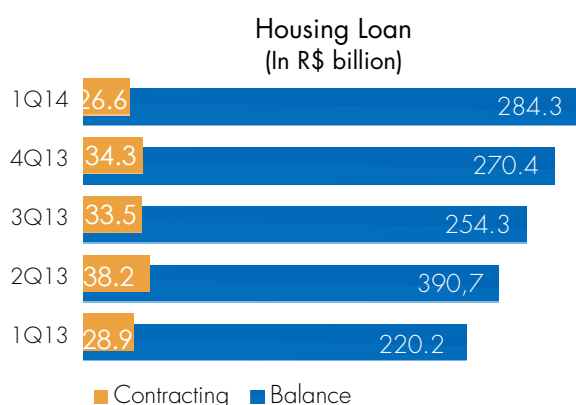
In the commercial loan operations we highlight the vehicle portfolio, with increment of 43.5% in 12 months and R\$ 7.4 billion of balance. Contracting in this segment, including acquired portfolio, totaled R\$ 714.7 million, growth of 18.1% in comparison to the same period last year.



Another important highlight was the sanitation and infrastructure operations that ended March with R\$ 39.8 billion of balance, growth of 50.9% in 12 months. Contracts to this segment totaled R\$ 4.2 billion, increment of 10.4% compared to the first quarter of 2013. From these amounts, R\$ 2.5 billion were applied in urban mobility and R\$ 1.3 billion in sanitation.

The real estate loan portfolio reached R\$ 284.3 billion of balance, evolution of 29.1% in 12 months. Caixa remained the market leader with a 67.6% of market share, not including mortgage-backed securities.

Housing loan portfolio engaged in R\$ 26.6 billion in the quarter, from this, R\$ 8.2 billion were engaged in with FGTS resources and R\$ 14.3 billion with Brazilian Savings and Loans System (Sistema Brasileiro de Poupança e Empréstimo, or SBPE) resources and R\$ 4.1 billion engaged with other resources.



To “My House, My Life” Program, R\$ 8.8 billion were engaged in the first quarter, totaling 112 thousand housing units. Of this amount, 40% were destined to families with maximum income of R\$ 1.6 thousand fully subsidized by the program.

In the last 12 months, the balance of Caixa’s Rural Credit increased from R\$ 207 million to R\$ 2.7 billion. Contracting in the period totaled R\$ 738 million. The resources are destined to agricultural and cattle breeding, investment operations in machines and equipment, animal acquisition and rural infrastructure projects.

In relation to foreign trade, Caixa engaged in R\$ 181.7 million in exchange and working capital operations to finance the production, increase of 42.0% in relation to the first quarter of 2013.

In the period, we highlight the increment of 59% in ACC/ACE (advancements on foreign exchange contracts / Advances on foreign exchange delivered) hiring contracts in comparison to the first quarter of 2013, which reflects Caixa’s commitment of increasing the participation of Brazilian companies in trade international.

Considering the credit portfolio quality, 92.4% of the operations were concentrated in the ratings from AA to C. The quality of the credit portfolio reflects the number of more than 80% applied in low risk operations.

The total delinquency rate increased 0.3 p.p in the quarter, ending the period in 2.6%.

The delinquency in commercial operations ended the period in 4.1%, increase of 0.7 p.p. in relation to March 2013, of which 5.5% in individual portfolio and 2.7% in the corporate portfolio. For real estate loans, the indicator maintained the same percentage presented at the end of the previous year of 1.9%.

Coverage ratio was 176.1%, enough to cover almost twice the value of delinquent balance.

DEPOSITS AND FUNDING

The total funding reached at the end of the first quarter, a balance of R\$ 608.5 billion, 17.1% more than Caixa's amplified loan portfolio, which shows the financial equilibrium between grants and funding in the Company.

Demand deposits totaled R\$ 24.3 billion. Time deposits grew 16.0% in comparison to the balance registered in the first quarter of 2013, reaching the mark of R\$ 121.9 billion. CDB (certificate of bank deposit) resources represented 61.9% from this total, accounting R\$ 75.5 billion and increment of 13.9% in 12 months.

Caixa's current account basis increased 12.3%, from 23.3 million to 26.2 million distributed as follows: 24.1 million of individual accounts, which 10.6 million were Caixa Easy Account (Caixa Fácil), and 2.1 million of corporate accounts.

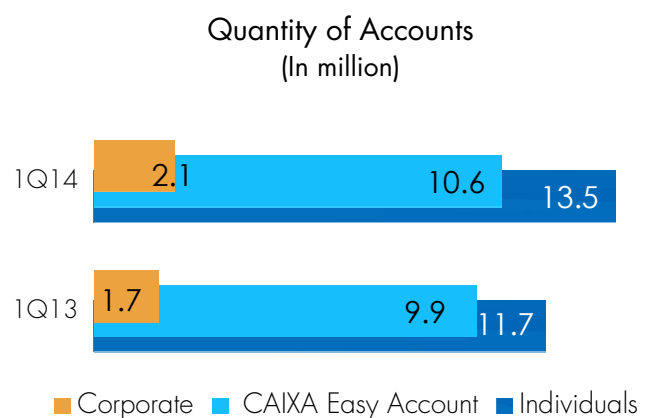
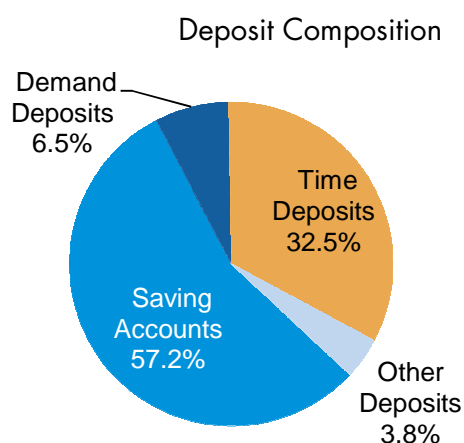
Judicial deposits expanded 19.5% compared to the first quarter of 2013, reaching a balance of

R\$ 46.4 billion. The remaining deposits ended the period with R\$ 13.8 billion.

Caixa' saving account reached a balance of R\$ 214.6 billion, an increment of 18.2% in a year. The accumulated net funding in the quarter were R\$ 1.7 billion. With this balance Caixa' saving accounts remained the market leader with a 35.0% of market share.

The base of savings accounts has expanded in 12.5% in the period, with 2.1 million of new accounts in 12 months, totaling 53.8million in March 2014.

Mortgage linked notes, local credit notes and agribusiness Credit Notes ended the first quarter with R\$ 11.9 billion of net funding and R\$ 90.5 billion of balance, increment of 68.6% in comparison the first quarter of 2013.



A CAIXA EM NÚMEROS

R\$ 1.6
TRILLION

Asset under management

+18.6%
in 12 months

R\$ 519.8
BILLION

Amplified loan portfolio

+33.1%
in 12 months

R\$ 910
BILLION

Caixa's Assets

+24.4%
More than 1Q13

R\$ 151.3
BILLIONS

Securities portfolio

+7.8
in 12 months

Net Profit

R\$ 1.5
BILLION

1Q14

15.3%

Higher than 1Q13

1.7

BILLION

Bankin transactions
in the period

99.3 THOUSAND
employees

6.8 THOUSAND
Hired in 12 months

R\$ 17.2
MILLION

Invested in training pro-
grams



CAIXA

CAIXA IN NUMBERS

**R\$ 23.1
BILLION**

Financial volume moved
by CAIXA cards

+ 35.0%

More than 1Q13

Almost
**R\$ 35.0
MILLION**

Invested in culture in
1Q14

**R\$ 109.0
MILLION**

Invested in sport in
1Q14

HOUSING

67.6%

Of Market share

SAVING

35.02%

Of Market share

TOTAL LOAN

18.6%

Of Market share

**ASSET MANAGE-
MENT**

8.7%

Of Market share

**73.7
MILLION**

Clients

+ 10.8%

1Q13

ASSET MANAGEMENT

At the end of the first quarter, the net equity of asset managements and managed portfolio totaled R\$ 466.3 billion in 2013. Exclusive funds, with R\$ 105.5 billion, grew 14.0% in comparison to the same period last year, and retail funds ended the quarter with R\$ 95.7 billion, increment of 3.1% over the first quarter of 2013.

Fixed income funds ended the period with R\$ 176.0 billion of balance, increment of 13.0% in 12 months.

CREDIT AND DEBT CARD

In the quarter, the Caixa's cards costumers performed 300.4 million of transactions, moving a financial volume of R\$ 23.1 billion, evolution of 30.0% in relation to the number of transactions and 35.0% in relation to the turnover, in comparison to the first quarter of 2013.

Debit cards reached a basis of 82 million in MasterCard, VISA Electron and Elo banners, 10.0% higher in comparison to the same period last year. These cards performed more than 226.4 million of transactions, which represented an increment of 30.8% in the period and a financial volume of R\$ 14.6 billion.

Equity funds, on the other hand, evolved 0.8% ended the quarter with R\$ 22.2 billion.

In this period, Caixa managed 394 funds (not including FI de FIC), 9 launched this quarter. Thus, the Institution participates with 8.7% of market funds, according to ANBIMA, growth of 0.38p.p. in 12 months

Credit cards reached a basis of 10.9 million in Elo, MasterCard and VISA banners, increment of 13.6% in 12 months. Through these cards, more than 74.0 million of transactions were performed, growth of 26.1% in relation to the same period last year, a financial volume of R\$ 8.6 billion.



Caixa is the largest issuer of Elo cards, owning more than 20.2 million of the 40 million cards issued. The Elo cards are accepted currently in over 1.4 million outlets in the country.

BANKING SERVICES

During the first quarter, 1.7 billion of banking transactions were made, evolution of 18.0% in comparison to the same period of 2013. Only Internet Banking reached 318.7 million transactions among withdrawals, Deposits, payments and transfers. As a result, income from services and banking fees totaled R \$ 4.3 billion, 13.4% more than the same period last year.

With the purpose of providing greater convenience and facilitate the access to their products and services, Caixa provided via Internet Banking, a tool that allows the realization of applications and redemptions in the CBD and LCI, and the balance inquiries by customers who apply in fixed income products.

Even in the IBC the option of hiring payroll credit was offered. The service is available to clients of institutions that maintain a partnership with Caixa, beyond retired employees and pensioners of INSS.

In this new option, users can make simulations, change the value of the contract, term and the value of installment.

At the Caixa website, the housing simulator was redesigned. The new version includes improvements in its layout, which made the most simple and intuitive

Besides, through a partnership with Caixa Seguros Group, the Institution provides products as life, real estate and vehicle insurance, capitalization certificates, private pension and consortium which moved R\$ 927.4 million of resources in the first quarter of 2014. These products paid R\$ 67.0 million in fees in the year, increment of 65.8% in relation to the same period last year.



318,7 million transactions in the Internet Banking CAIXA in 1Q14

GOVERNMENT SERVICES

As the main operating agent of the Federal Government social programs, Caixa actively contributes to eradicating poverty and improving income distribution of the population. In the first quarter of 2014, we paid approximately 45.4 million of benefits totaling R\$ 6.5 billion.

The main income transfer program, Family Allowance, paid about 40.1 million of benefits in the period, which totaled R\$ 5.9 billion, growth of 4.3% compared to the first quarter of 2013.

About the programs intended for workers, we paid 36.5 million of benefits, including Unemployment Insurance (Seguro Desemprego), Salary Allowance (Abono Salarial) and Brazilian Social Integration Program—PIS (which we pay quotas and revenues) and Social Security, corresponding to R\$ 43.9 billion.

Moreover, we paid 16.3 million of retirement and pensions to the beneficiaries of National Institute of Social Security—INSS, representing an amount of R\$ 15.1 billion. In the same period, FGTS collection was R\$ 26.4 billion and withdrawals totaled R\$ 19.5 billion. At the end of the period, the Fund 126.2 million of active accounts.

Caixa and the Superior Council of the Labour Court signed an agreement that will give to magistrates access to queries in the FGTS' system which hosts the accounts of authors of labor actions. The information will be accessed in real time, and the judge can see at the time of the decision or conciliation if the FGTS was deposited.

LOTTERIES

In the first quarter of 2014, the collection of Lotteries was R \$ 2.9 billion, increment of 17.9% compared to the total collected in the same period of 2013. Timemania, Dupla-Sena and Mega-Sena were the highlights, which had an increase of 128.7%, 65.6% and 41.7%, respectively, compared to the first quarter of 2013.

Only in this quarter, the amounts collected from the Lotteries, R\$ 1.1 billion was transferred to the social programs from the Federal Government in the areas the areas of social security, education, culture, sport, health and public safety.

Lotteries Destination (in R\$ million)	1Q12	1Q13	1Q14
Social destination	818	894	1,055
Prizes	810	890	1,068
Taxes	185	197	214
Expenses of Costs and Maintenance	436	472	556
Total	2,249	2,453	2,893

STRATEGIC INVESTMENTS

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

The main activities we perform are related to new business prospects, to the management and governance of our equity participations.

Currently, among the companies included in the portfolio holdings of CAIXAPAR include:

Caixa Seguros, Banco Panamericano, CPM Braxis, Link Services, Cia Brasileira Securitization - CIBRASEC, Interbank Payment - CIP, BIAPE, CIELO - Tecban Banking and Technology.

Composição da Carteira de Participações (em R\$ milhões)	1Q12	1Q13	1Q14
CAIXA Seguros Holding S.A.	1,859	2,082	2,188
Banco PAN	710	495	461
Capgemini	299	269	248
Elo Serviços	10	13	15
CIBRASEC – Cia Brasileira de Securitização	7	7	7
Caixa Seguros Participações - CSP	-	41	42
Crescer	-	9	8
Branes	-	2	2
BIAPE	1	1	1
FGO - Fundo de Garantia de Operações	121	202	271
FGHAB - Fundo Garantidor da Habitação Popular	129	167	176
Asset Management - Share	40	39	39
Others	11	14	18
TOTAL	3,184	3,341	3,476

INTERNATIONAL OPERATIONS

Caixa's international operations is aligned to the expectations of the Federal Government to support both Brazilians living abroad as the institutions of various countries, through the provision of services, products and sending remittances to Brazil.

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

Caixa also provides, the Remittance Program whereby, living abroad customers can send money to Brazil. The program raised in the quarter, R\$ 92.8 million through the corresponding banks (SWIFT) and partner banks (insured), representing a growth of 38% over the first quarter of 2013.

Caixa promoted in the first quarter, training workshop of FGTS withdrawal abroad, to Brazilian servers in the Consulates in Asunción (Paraguay), Buenos Aires (Argentina), La Paz (Bolivia) and Montevideo (Uruguay). The purpose is extend to Brazilian workers the right to serve the values FGTS beyond the national territory.

Also in the first quarter, Caixa took part in the annual event of the Inter-American Development Bank, which gathered economic leaders of the 48 countries, members of Parliament and of the Inter-American Investment Cooperation. the event is the major in the financial área.

CORPORATE GOVERNANCE

In order to improve the performance of the Company, protecting the rights of all interested parties in their business relationships, Caixa invests in Corporate Governance.

In the first quarter of 2014, Caixa promoted changes of its Statute, through Decree No. 8,199, of 02.26.2014, related to employee representatives on the Board. The participation of such a representative on the boards of state companies, with more than 200 (two hundred) employees, it has become mandatory from the Law 12,353/2010.

The Company continued its search to become reference in corporate governance practices, either by the current management model, which has governance as one of its aspects, or the adoption of management practices aligned to accountability, corporate social responsibility, compliance, strategic management risks and sustainability, which are realized in various management tools, such as the Code of Ethics and Caixa Performance Policies.

The adoption of best practices in corporate governance has enabled Caixa to answer the main challenge of modern organizations: integrating the social, economic and environmental dimensions, in the search for sustainability through responsible business performance that prioritizes transparency and ethics in generating value to society.

To learn more about the Caixa's corporate governance, the Institution provides information that can be accessed on the website <http://www14.caixa.gov.br/portal/governanca>.



INTERNAL CONTROLS

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

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

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

The process of recording information regarding the activities of Internal Controls developed by the Institution's various units is automated, supporting the monitoring of the SCI and the preparation of Internal Control Reports for compliance with Resolution CMN 2,554/1998,

Circular BACEN 3,467/2009 and IBRACON Technical Communication 003/2010, as well as CVM Instruction 505/2011.

RISK AND CAPITAL MANAGEMENT

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

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

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

The risk management activities are segregated of the business and audit activities, and they are structured independent of development and monitoring model, in order to avoid conflicts of interest and protect the impartiality of the work performed.

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

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

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

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

Improving the management of liquidity and market risks, in accordance with the principles of Basel, was vital importance to the advance of corporate management to meet the challenges presented by the new style of operation of Caixa, which is of greater diversification and sophistication of operations and increasing loans.

INFORMATION TECHNOLOGY

Caixa has been improving its technological processes, promoting improvements and increasing capacity of processing, availability, safety and quality of their services.

In this sense, the Institution launched at the end of the first quarter of 2014, the "Digite Caixa" campaign. When you type the word "Caixa" in the internet search portals, the return will be an online solution that meets customer needs.

The campaign will go through several phases and for the launch, there was emphasis on the improvements in the Caixa mobile application and reorganization of the site of the company, providing greater security, with modern layouts and quick to navigate, reaffirming the company's commitment of becoming an even more digital bank.

In the first quarter of 2014, Caixa invested R\$ 435.6 million in TI providing improvements in Information and Communication Technology to ensure growth and to provide support to businesses.

SOCIO-ENVIRONMENTAL RESPONSABILITY

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

This fund seeks to support financially projects and investments in social and environmental character, aims to consolidate and expand the performance of Caixa in encouraging actions that promote sustainable development.

In the first quarter of 2014, the Social-Environmental Fund has invested R\$ 2.6 million to support projects and investments in environmental management, generation of employment and income, culture, health and education, among other areas related to sustainable development, benefiting primarily the low-income population.

For more information on the subject, Caixa provides on its website the 2013 Sustainability Report, which presents data sustained on sectorial indicators and environmental responsibility.

PEOPLE MANAGEMENT

In the first quarter of 2014, Caixa totaled in its staff 99.3 thousand gazetted employees and 15.5 thousand trainees and apprentices. Due to the expansion of the branch network were hired 4.9 thousand employees.

The payroll expenditure totaled R\$ 4.3 billion in the quarter, contemplating the benefits provided to employees and their dependents in the amount of R\$ 1.0 and employees' remuneration plus charges.

The Institution offers to its employees the opportunity to supplement their income after retirement, with pension funds through sponsorship administered by the Caixa's Employee Foundation - FUNCEF, which reached 96% of the staff by the end of the quarter. FUNCEF completed the mark of 135.3 thousand associates. Within this number 98.8 thousand are active employees, 29.5 thousand are retirees and 7.0 thousand pensioners.

In addition to the many programs for health and safety of employees, the Institution seeks to integrate to the management of performance and skills, and to the knowledge management the corporate education, through training, creation and maintenance of systems and processes of knowledge dissemination and skills development. In this sense, Caixa invested R\$ 17.2 million, in the period, in training programs and higher education.

Caixa opened in March, the new unit of Caixa University in Recife. The campus provides the classroom training of employees working in the states of Alagoas, Paraíba, Pernambuco and Rio Grande do Norte. The new facility was designed with the aim of mediating educational actions, focusing on the development and enhancement of personal skills, assessing individual performance and talent management

SUPPORT FOR CULTURE AND SPORTS

Caixa continued sponsorship of the Brazilian Confederation of Athletics, Gymnastics, Olympic Wrestling, Brazilian Paralympic Committee, the circuit races and road races around the country, and Brazilian Confederations Cycling and Shooting Sports, which began to be sponsored in 2013. Institution also acts in football, sponsoring clubs, arenas and championships. In the sports segment were invested approximately R\$ 109.0 million in the first quarter of 2014.

Caixa, the prefecture of São Bernardo do Campo, the Ministry of Sports and the Brazilian Athletics Confederation opened in the city of São Paulo, the Arena Caixa - Centre Athletics Professor Oswaldo Terra. One of the most modern in Latin America, the sporting complex located in Vila do Tanque will meet professional athletes and beginners talents.

The Olympic Public Authority released at the beginning of the quarter, the Responsibility Matrix of the Olympic and Paralympic Games in 2016 in the city of Rio de Janeiro. All funding for the Athletes' Village is being made possible by Caixa to act in financing the construction and subsequent funding to borrowers. The funds totaled R\$ 5.6 billion.

In relation to supporting culture, Caixa invested in the quarter, approximately R\$ 35.0 billion in projects distributed among Caixa programs that occupy its spaces, support for crafts, festivals, equity, partnership projects with government agencies and festivals of theater and dance. In this context, 105 events were held in the seven spaces Caixa Cultural.

To facilitate access to cultural agenda of the Caixa Cultural units, the Institution launched an application with official agenda, available in versions for iOS and Android, which integrates #vivamaiscultura (live more culture) campaign. The user can search the schedule, be reminded of the events in the calendar of your smartphone, share them on social networks, enjoy works from the collection and useful facts about the units of Brasília, Curitiba, Fortaleza, Recife, Rio de Janeiro, Salvador and Sao Paulo. The app also has features for cultural producers, who may have access to notices and other information.

AWARDS AND RECOGNITION

The British consultancy Brand Finance has published the 2014 ranking of the most valuable brands in the world. Caixa brand is among the most valuable segment "banks," worldwide, with an estimated \$ 4.7 billion, the 49th value.

Caixa was also voted the most prestigious institution in the financial sector in Brazil. The information is from *Época Negócios Magazine*, conducted by Troiano Branding Group. Besides voted the most prestigious brand in the sector, Caixa still stood in the general ranking. It is among the 10 most prestigious companies in Brazil.

Also in the first quarter, the Bank received the "Best Bank for Investing (MBI) in Fixed Income Category" award, created by the Center for Studies in Finance from FGV, the MBI aims to reward the banks that offered the best services and products investments for public retail and selective retailing.

Another recognition in the category banks, was that the Caixa is more committed to women. This is shown by the study Consumer Commitment. Index, created by Oficina Sophia Retail and Bridge Research, specializing in market research companies and members of HSR Specialist Researchers holding.

ACKNOWLEDGEMENTS

The results achieved in the period reflect the commitment and tireless work of all our employees and contractor, which we appreciate the effort. We also thank our customers and partners for their trust and loyalty, which drive us in the constant search for improvement, essential to the development of the Caixa and Brazil.

CAIXA

A vida pede mais que um banco