



PRESS RELEASE 2016



This document is based on the Consolidated Financial Statements of CAIXA on December 31 2016, and contains statements about expectations, growth estimates, projections of results. These statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of Management, and may thus result in balances, incomes, expenses and results different from those anticipated and discussed herein.

The information presented in this report is consolidated and includes statements from CAIXA Financial Institution and its subsidiaries CAIXA Seguridade and CaixaPAR.

Managerial statements for previous periods may have been reclassified for comparative purposes, generating possible differences with accounting publications due to reallocations or any grouping of items, which aim to provide a better understanding or vision of changes in assets, liabilities and results, or preserve data comparability between periods.

The figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them due to rounding adjustments. All indexes and variations presented were calculated based on whole numbers, there may be divergence when the calculation is made on the rounded values.

Abbreviations and signs;

- p.p. - percentage points: the algebraic difference between percentage
- Δ - Variation

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Highlights

Result

In 2016, Caixa Economica Federal reached a net profit of R\$ 4.1 billion, of which R\$ 691 million in fourth quarter. Operating profit reached R\$ 4.0 billion, growth of 271.7% in relation to 2015, due to the advances made in the result of financial intermediation, in the income from service, in loan portfolio quality and improvements in operating efficiency .

Managerial Financial Margin

The managerial financial margin totaled R\$ 47.0 billion in the year, growth of 7.4% in 12 months, influenced by the evolution of 8.8% in loans operations income and the lower growth of funding expenses that increased just 2.0% in 12 months. In the fourth quarter, the Margin reached R\$ 11.8 billion with an evolution of 5.8% in comparison over the same period last year.

Credit Portfolio

Amplified credit portfolio reached a balance of R\$ 709.3 billion, advance of 4.4% in 12 months and 22.4% of market share. The growth of Housing loans, sanitation and infrastructure, and payroll deduction, which have low risk, were the main responsible for the increase of the credit portfolio.

Housing loan totaled a balance of R\$ 406.1 billion, growth of 5.6% in the year, which represents 67.0% of the market. Operations with sanitation and infrastructure showed a balance of R\$ 78.6 billion, advance of 10.8% in 12 months.

Commercial operations with individuals and corporate totaled R\$ 191.0 billion, decrease of 4.0% in 12 months, influenced, mainly, by the corporate segment, which presented a decrease of 7.4%, following the Brazilian economic scenario.

Quality of the Loan Portfolio

Delinquency ratio closed December with a reduction of 0.7 p.p. in the year, reaching 2.88%, significantly below the market average of 3.71%.

The delinquency behavior demonstrates that the actions of improvement of risk management, recovery and all the other elements of the credit cycle continues to produce the desired effects.

The allowance for loan losses totaled R\$ 20.1 billion, increase of 2.3% in 12 months.

Administrative Expenses

In 2016, other administrative expenses increased 5.8% compared to 2015. Personnel expenses were impacted by the collective work agreement, and grew 6.5%. Disregarding this effect, the personal expenses would grow 4.3% below the accumulated inflation of the period.

Income from Services

The expansion of the relationship with customers generated an increase of 8.4% in revenues from services and banking fees in 12 months, totaling R\$ 22.5 billion. The main highlights were the evolution of revenue from current accounts, covenants and recovery, and revenues from investment funds, which grew 23.7%, 12.7%, and 6.8% respectively, in 12 months.

Operating Efficiency and Coverage

In 2016, the operating efficiency ratio reached the best mark of the last 10 years, totaling 52.1%, reduction of 1.6 p.p. in 12 months and of 2.3 p.p. in relation to the third quarter.

The coverage of personnel expenses and administrative expenses ratio improved 1.9 p.p. and 1.4 p.p. in 12 months, reaching 106.7% and 67.6%, respectively.

Funding

CAIXA funding balance reached R\$ 984.1 billion in 2016, growth of 4.6% in 12 months, and in a sufficient volume to cover 138.7% of the credit portfolio. The evolution of balance was influenced, mainly, due to the increases of 24.7% in time deposits and 16.3% in demand deposits.

Customers and Network

At the end of December 2016, CAIXA had 87.1 million account holders and savers, increase of 5,0% in 12 months, of which 84.6 million individuals, and 2.5 million corporate.

CAIXA network has 60.0 thousand service points. There are 4.2 thousand of branches and banking service points, 24.5 thousand CAIXA Aqui correspondents and lottery outlets, and 31.2 thousand ATMs distributed in banking and electronic service points.

Key Numbers

Items of Statement of Income (R\$ million) ¹	4Q15	1Q16	2Q16	3Q16	4Q16	Δ%		2015	2016	Δ%
						4Q16/4Q15	4Q16/3Q16			
Net Profit	621	838	1.610	998	691	11,2	(30,8)	7.112	4.137	(41,8)
Operating Profit	(322)	385	390	811	2.449	861,1	201,9	1.086	4.035	271,7
Managerial Financial Margin	11.140	11.545	11.714	11.907	11.789	5,8	(1,0)	43.707	46.955	7,4
Results from Securities and Derivatives	11.513	10.160	10.367	11.307	9.954	(13,5)	(12,0)	43.667	41.788	(4,3)
Loans Operations Income	22.725	22.495	23.331	24.473	23.893	5,1	(2,4)	86.600	94.192	8,8
Income from Services and Banking Fees	5.573	5.293	5.578	5.642	5.951	6,8	5,5	20.715	22.463	8,4
Funding Expenses	(11.530)	(24.317)	(25.303)	(27.540)	(25.680)	122,7	(6,8)	(100.687)	(102.651)	2,0
Allowance for loan losses	(3.951)	(3.809)	(6.259)	(5.105)	(4.937)	25,0	(3,3)	(19.657)	(20.109)	2,3
Personal Expenses	(5.463)	(5.020)	(5.040)	(5.542)	(5.445)	(0,3)	(1,8)	(19.757)	(21.048)	6,5
Other Administrative Expenses	(2.964)	(2.879)	(2.986)	(2.977)	(3.358)	13,3	12,8	(11.529)	(12.200)	5,8
Items of Balance Sheet (R\$ million)	4Q15	1Q16	2Q16	3Q16	4Q16	Δ%		2015	2016	Δ%
						4Q16/4Q15	4Q16/3Q16			
Total Assets	1.203.386	1.241.554	1.213.462	1.231.185	1.255.452	4,3	2,0	1.203.386	1.255.452	4,3
Securities and Derivative Financial Instruments	181.978	180.290	181.222	181.997	181.344	(0,3)	(0,4)	181.978	181.344	(0,3)
Amplified Loan Portfolio ²	679.487	684.162	691.578	699.588	709.289	4,4	1,4	679.487	709.289	4,4
Commercial Loan	198.944	197.626	195.536	193.519	190.983	(4,0)	(1,3)	198.944	190.983	(4,0)
Individuals Loan	102.704	102.508	103.174	103.394	101.860	(0,8)	(1,5)	102.704	101.860	(0,8)
Corporate Loan	96.240	95.118	92.362	90.125	89.123	(7,4)	(1,1)	96.240	89.123	(7,4)
Housing Loan	384.686	389.436	393.724	401.502	406.106	5,6	1,1	384.686	406.106	5,6
Infrastructure	70.869	73.079	75.894	77.821	78.554	10,8	0,9	70.869	78.554	10,8
Rural and Agroindustrial	7.489	7.176	6.155	6.596	7.217	(3,6)	9,4	7.489	7.217	(3,6)
Credit Linked Assignment	5.361	5.198	8.334	8.130	13.868	158,7	70,6	5.361	13.868	158,7
Other Credits	12.137	11.649	11.935	12.019	12.561	3,5	4,5	12.137	12.561	3,5
Allowance for Loan losses	(33.881)	(34.704)	(36.769)	(36.707)	(35.775)	5,6	(2,5)	(33.881)	(35.775)	5,6
Deposits	455.659	450.300	462.379	487.685	512.191	12,4	5,0	455.659	512.191	12,4
Demand deposits	27.415	25.961	26.577	25.850	31.883	16,3	23,3	27.415	31.883	16,3
Saving deposits	242.360	238.408	238.702	241.111	252.403	4,1	4,7	242.360	252.403	4,1
Time deposits	168.918	174.096	185.386	206.888	210.689	24,7	1,8	168.918	210.689	24,7
Notes	153.687	150.423	151.079	140.483	140.913	(8,3)	0,3	153.687	140.913	(8,3)
Net Equity ³	62.311	62.955	62.349	63.379	63.634	2,1	0,4	62.311	63.634	2,1
Reference Equity	78.962	75.441	72.076	76.743	77.719	(1,6)	1,3	78.962	77.719	(1,6)
Asset Management - Total	2.008.591	2.065.256	2.050.260	2.088.608	2.136.425	6,4	2,3	2.008.591	2.136.425	6,4
FGTS's Asset Management	460.745	475.084	483.716	490.395	502.029	9,0	2,4	460.745	502.029	9,0
Investment Funds ⁴	255.508	262.443	268.903	278.392	287.404	12,5	3,2	255.508	287.404	12,5
Financial Ratios (%) ⁵	4Q15	1Q16	2Q16	3Q16	4Q16	Δp.p.		2015	2016	Δp.p.
						4Q16/4Q15	4Q16/3Q16			
Return on Average Assets ⁶	0,63	0,55	0,51	0,34	0,34	(0,30)	0,00	0,63	0,34	(0,30)
Return on Average Equity ⁶	11,41	10,25	9,73	6,47	6,57	(4,84)	0,10	11,41	6,57	(4,84)
Operating Efficiency Ratio ⁶	53,69	53,52	53,57	54,40	52,06	(1,63)	(2,34)	53,69	52,06	(1,63)
Coverage Ratio of Administrative Expenses ⁶	66,21	67,00	67,77	67,19	67,56	1,35	0,37	66,21	67,56	1,35
Coverage Ratio of Personnel Expenses ⁶	104,85	106,49	107,25	104,84	106,72	1,88	1,88	104,85	106,72	1,88
Allowance for loan losses / Loan Operations	4,99	5,07	5,32	5,25	5,04	0,06	(0,20)	4,99	5,04	0,06
Basel Ratio	14,43	13,69	12,78	13,46	13,54	(0,89)	0,08	14,43	13,54	(0,89)
Fixed asset ratio	14,34	14,48	15,39	14,61	14,45	0,11	(0,16)	14,34	14,45	0,11
Reference Equity exposure to Public Sector	30,55	32,68	36,29	35,74	37,58	7,03	1,84	30,55	37,58	7,03
Delinquency Rates in Credit Portfolio (past due > 90 days) ⁷	3,55	3,51	3,20	3,48	2,88	(0,67)	(0,60)	3,55	2,88	(0,67)
Commercial Loan delinquency rate	6,64	6,60	6,57	6,45	5,97	(0,66)	(0,48)	6,64	5,97	(0,66)
Individuals delinquency rate	7,24	6,68	6,88	6,88	6,16	(1,09)	(0,72)	7,24	6,16	(1,09)
Corporate delinquency rate ⁷	5,97	6,52	6,19	5,92	5,73	(0,24)	(0,19)	5,97	5,73	(0,24)
Housing delinquency rate ⁸	2,26	2,33	1,85	2,03	1,63	(0,63)	(0,40)	2,26	1,63	(0,63)

- Refers to classified credit portfolio according to the criteria of the Central Bank of Brazil.
- According to Resolution CMN 4,192/13, includes the Hybrid capital and debt instruments in the value of R\$ 36.5 billion
- Not including managed portfolios of funds and government programs, Fund and FIC FI and FI FGTS Program Portfolios.
- The indicators were calculated according to the periods indicated in the columns.
- Accumulated 12 months.
- Considers financing transactions for the purchase of construction materials.

Key Numbers

Market Share ⁹ (in %)	4Q15	1Q16	2Q16	3Q16	4Q16	Δp.p. 4Q16/4Q15	Δp.p. 4Q16/3Q16	2015	2016	Δp.p. 2016/2015
Savings deposits	36.76	36.99	37.40	37.50	37.96	1.20	0.46	36.76	37.96	1.20
Demand deposits	18.47	19.62	19.90	19.38	20.84	2.37	1.47	18.47	20.84	2.37
Certificate of Bank Deposit	21.40	22.47	24.74	28.15	27.04	5.65	(1.11)	21.40	27.04	5.65
Mortgage Linked Notes	54.53	53.82	52.61	51.47	50.09	(4.44)	(1.38)	54.53	50.09	(4.44)
Capital Markets Instruments	12.35	11.01	12.12	10.21	12.10	(0.25)	1.89	12.35	12.10	(0.25)
Asset Management	8.35	8.31	8.28	8.21	8.12	(0.23)	(0.09)	8.35	8.12	(0.23)
Amplified Loan Portfolio ²	20.92	21.47	21.80	22.20	22.37	1.45	0.17	20.92	22.37	1.45
Total Individuals Loans	31.92	32.03	32.13	32.42	32.30	0.39	(0.12)	31.92	32.30	0.39
Total Corporate Loans	11.18	11.67	11.93	12.15	12.34	1.15	0.19	11.18	12.34	1.15
Total Housing	67.16	66.93	66.73	66.77	66.98	(0.18)	0.21	67.16	66.98	(0.18)
Total Rural and Agroindustrial	3.24	3.06	2.60	2.79	2.99	(0.25)	0.19	3.24	2.99	(0.25)
Network	4Q15	1Q16	2Q16	3Q16	4Q16	Δ 4Q16/4Q15	Δ 4Q16/3Q16	2015	2016	Δ 2016/2015
Branches	3,404	3,407	3,407	3,411	3,412	8	1	3,404	3,412	8
PA (Banking Service Point)	842	842	838	835	837	(5)	2	842	837	(5)
PAE (ATM located in the premises of a company)	2,439	2,206	2,105	1,932	1,850	(589)	(82)	2,439	1,850	(589)
Electronic Service Points	4,465	4,457	4,445	4,416	4,380	(85)	(36)	4,465	4,380	(85)
Lottery outlets	13,161	13,151	13,099	13,096	13,079	(82)	(17)	13,161	13,079	(82)
Correspondent CAIXA AQUÍ	14,421	13,357	12,406	11,931	11,441	(2,980)	(490)	14,421	11,441	(2,980)
ATM's	31,740	31,626	31,541	31,376	31,212	(528)	(164)	31,740	31,212	(528)
Bank 24 hours	16,229	16,189	16,189	17,912	18,550	18,504	18,935	19,456	19,868	1,318
Transactions (in millions)	4Q15	1Q16	2Q16	3Q16	4Q16	Δ% 4Q16/4Q15	Δ% 4Q16/3Q16	2015	2016	Δ% 2016/2015
Transactions	1,989	2,042	2,039	2,128	2,219	11.6	4.3	7,895	8,429	6.8
Branches and PA (Banking Service Points)	97	109	110	91	100	2.5	9.5	444	409	(7.9)
PAE (ATM located in the premises of a company)	29	27	22	19	17	(43.3)	(12.7)	141	84	(40.7)
Electronic Service Points	523	551	534	563	579	10.6	2.7	2,221	2,227	0.3
Banco 24h Network & BB partake	112	116	117	128	134	19.9	4.5	390	494	26.6
Lottery outlet ¹⁰	683	681	687	712	706	3.5	(0.9)	2,671	2,787	4.3
Internet Banking	348	351	354	381	403	15.7	5.8	1,363	1,489	9.2
Mobile Phone and Smartphone	117	128	134	150	197	68.0	31.4	365	610	67.0
Correspondent CAIXA AQUÍ	80	79	83	83	84	4.8	0.8	299	329	10.1
Costumers and Accounts (in thousands)	4Q15	1Q16	2Q16	3Q16	4Q16	Δ 4Q16/4Q15	Δ 4Q16/3Q16	2015	2016	Δ 2016/2015
Costumers	82,923	83,486	85,080	85,917	87,074	4,152	1,157	82,923	87,074	4,152
Individuals	80,683	81,202	82,906	83,386	84,605	3,921	1,219	80,683	84,605	3,921
Corporate	2,239	2,285	2,174	2,531	2,470	230	(61)	2,239	2,470	230
Accounts Total	88,722	89,773	91,266	92,474	93,713	4,991	1,239	88,722	93,713	4,991
Current Accounts ¹¹	24,927	24,875	24,757	24,923	24,939	11	16	24,927	24,939	11
Individuals	22,685	22,672	22,605	22,640	22,749	64	109	22,685	22,749	64
Corporate	2,243	2,202	2,152	2,283	2,190	(53)	(93)	2,243	2,190	(53)
Savings Accounts	63,795	64,899	66,508	67,552	68,774	4,980	1,223	63,795	68,774	4,980
Collaborators	4Q15	1Q16	2Q16	3Q16	4Q16	Δ 4Q16/4Q15	Δ 4Q16/3Q16	2015	2016	Δ 2016/2015
CAIXA Employees	97,458	96,991	95,687	95,094	94,978	(2,480)	(116)	97,458	94,978	(2,480)
Apprentices and trainees	14,981	14,219	14,893	14,754	14,355	(626)	(399)	14,981	14,355	(626)
Economic Indicators	4Q15	1Q16	2Q16	3Q16	4Q16	Δp.p. 4Q16/4Q15	Δp.p. 4Q16/3Q16	2015	2016	Δp.p. 2016/2015
CDI - end of period (% p. a.)	14.1	14.1	14.1	14.1	13.6	(0.5)	(0.5)	14.1	13.6	(0.5)
CDB - end of period - prefixed (% p. a.) ¹²	13.2	12.6	12.2	12.2	11.8	(1.4)	(0.4)	13.2	11.8	(1.4)
Ibovespa - end of period	43,349	50,055	51,526	58,367	60,227	16,878	1,860	43,349	60,227	16,878
USD Commercial Rate - end of period (purchase)	3.9	3.6	3.2	3.2	3.3	(0.65)	0.0	3.9	3.3	(0.6)
IGP-M - Acum. in the period (%)	3.9	3.0	2.9	0.5	0.7	(3.3)	0.2	3.9	0.7	(3.3)
IPCA - IBGE - Acum. in the period (%)	2.8	2.6	1.7	1.0	0.7	(2.1)	(0.3)	2.8	0.7	(2.1)
TJLP	7.0	7.5	7.5	7.5	7.5	0.5	-	7.0	7.5	0.5
TR - average rate (%)	0.2	0.2	0.2	0.2	0.2	0.00	(0.01)	0.17	0.00	0.00
Saving - average rate (New Rule)	0.7	0.7	0.7	0.7	0.7	0.00	(0.01)	0.7	0.7	0.00
Selic rate over - average rate (% p. a.)	14.2	14.2	14.2	14.2	13.9	(0.3)	(0.3)	14.2	13.9	(0.3)
Taxa Selic over - end of period (% p. a.)	14.2	14.2	14.2	14.2	13.7	(0.5)	(0.5)	14.2	13.7	(0.5)

⁷ Based on information from the Press Release of Central Bank on 26/01/2017 and ANBIMA (National Association of Capital Markets Participants) for assets management in December, 2016 position. Share of loans were calculated following new Central Bank methodology.

⁸ Consider banking transactions in lottery channel, excluding games.

⁹ Cash deposit accounts, except for Salary Accounts.

Economic Environment - 4Q16

On the international scenario, political developments have become increasingly relevant. The option of Britain's exit from the European Union and Donald Trump's victory in the US presidential election has made the external environment more uncertain.

In the United States, the moderate expansion of the economy continued its course and in the euro zone activity data surprised positively, contrary to expectations that the economy would suffer the negative effects of the uncertainties generated by the UK referendum in the short term. In China, recent economy indicators showed a stabilization of the growth rate. The acceleration of public investment provided this accommodation, in contrast to the weakening of the private sector.

In Brazil, the current account deficit declined, with a surplus in the trade balance and reduction of the deficit in services and income accounts. Direct investment in the country remains high, while investment in fixed income still feels the effects of the loss of investment grade.

Domestic economic activity performed weakly throughout 2016. At the end of the year, performance in industry and trade suggests that the recovery will be more gradual than previously thought. Faced with this situation, the confidence of the agents recovered in a cautious way.

In relation to the labor market, the process of deterioration is still ongoing, with the unemployment rate rising. Labor income continues to decline in real terms, influenced by inflation, weak activity and rising unemployment.

Inflation showed a deceleration movement throughout 2016, influenced by the lower pressure of free and administered prices. Among the free prices, we highlight the decrease of food inflation, with the end of El Niño effects, and services, which respond to the restrictive monetary policy. With this deceleration, the IPCA ended the last year at 6.30%, below the target ceiling of 6.50%. Faced with a more well-behaved inflation environment and advances in the fiscal field, the Selic rate was reduced by 0.25 percentage points in the meetings of October and November, closing 2016 at 13.75% per year.

The total credit balance continued in a downward trend, influenced, more intensely, by the credit with free resources to Legal Entities and credit directed with BNDES funds. This result reflected the context of economic activity contraction, low agent confidence, fiscal adjustments in progress and the still high level of the basic interest rate.

Performance

In 2016, CAIXA registered a net profit of R\$ 4.1 billion, 41.8% lower in 12 months. The recurring net profit, which disconsider extraordinary effects, totaled R\$ 5.0 billion, being 3.0% lower than in 2015.

The operating profit reached R\$ 4.0 billion in 2016, with a nominal growth of R\$ 2.9 billion, and evolution of 27.7% in 12 months. In the fourth quarter, the operating profit was R\$ 2.4 billion, R\$ 2.8 billion higher if compared with the fourth quarter in 2015.

The increase of the operating profit was due to advance of the managerial financial margin, of lower growth of the allowance for loan losses, influenced by improvements in the management of the credit cycle, the recovery of credit, the increase in income from service and control of expenses.

Managerial Statement of Income	2015	2016	Δ%	4T15	3T16	4T16	R\$ million	
							2016/2015	Δ%
Financial Margin	43,741	46,955	7.3	11,140	11,907	11,789	5.8	(1.0)
Allowance for Loan Losses ¹	(22,394)	(22,854)	2.1 -	4,951 -	5,306	(5,251)	6.1	(1.0)
Income from Financial Intermediation	21,346	24,101	12.9	6,190	6,601	6,538	5.6	(1.0)
Income from Services and Banking Fees ²	20,715	22,463	8.4	5,573	5,642	5,951	6.8	5.5
Personnel Expenses	(19,757)	(21,048)	6.5 -	5,463 -	5,542	(5,445)	(0.3)	(1.8)
Other Administrative Expenses	(11,529)	(12,200)	5.8 -	2,964 -	2,977	(3,358)	13.3	12.8
Other Operating Revenues/Expenses	(9,656)	(9,282)	(3.9) -	3,656 -	2,913	(1,237)	(66.2)	(57.5)
Operating Profit	1,086	4,035	271.7 -	354	811	2,449	(791.8)	201.9
Income Tax and Social Contribution	7,944	1,549	(80.5)	828	390	(1,016)	(222.7)	(360.7)
Net Profit	7,132	4,137	(42.0)	621	998	691	11.2	(30.8)

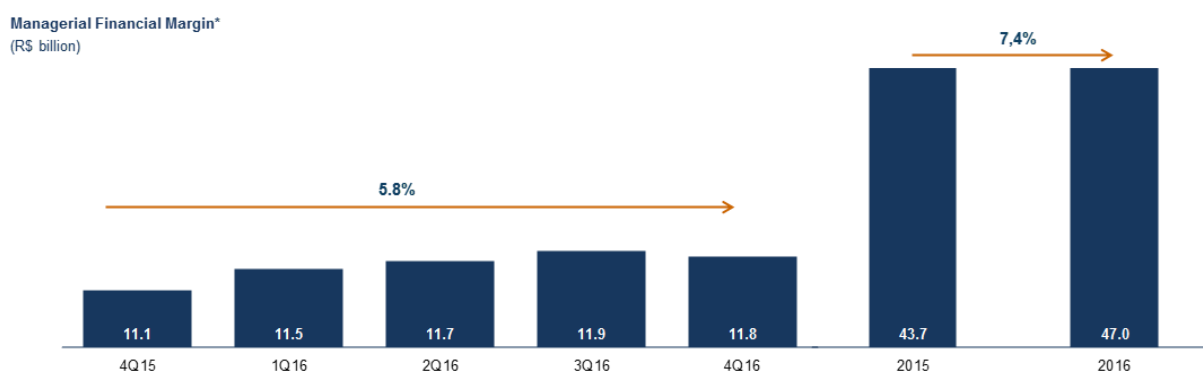
¹Excluding sells or transfers of assets.

²Including income from Banking Fees

Managerial Financial Margin

Managerial financial margin reached R\$ 47.0 billion in the end of 2016, evolution of 7.4%, in relation to 2015. The improvement in the margin is due to the advance in the loan operations income in 8.8%, and the lower growth of funding expenses that grew 2.0% in the last 12 months.

The results from securities and derivatives reached R\$ 41.8 billion in 2016, decrease of 4.3% in 12 months and of 13.5% in comparison between the fourth quarter of 2016 and 2015, influenced by the SELIC rate reduction.



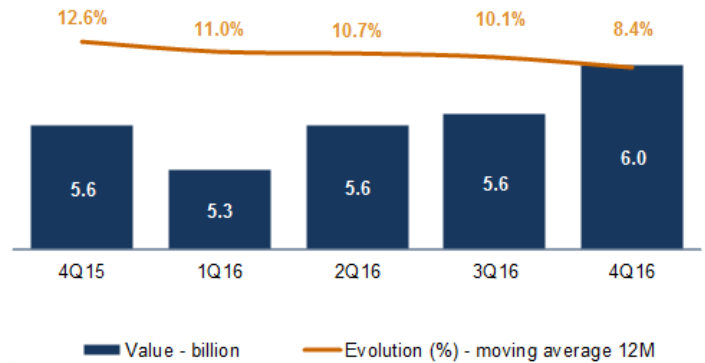
*Composed of the Gross Profit from Financial Intermediation, excluding Allowance for Loan Losses and Sales or Transfers of Financial Assets.

Income from Services and Banking Fees

Income from services plus banking fees totaled R\$ 22.5 billion in 2016, growth of 8.4% in 12 months. The highlights were the revenues from current accounts, covenants and recovery, and investment funds management, which grew, respectively, 23.7%, 12.7% and 6.8% in 12 months.

In the fourth quarter the income from services and banking fees reached R\$ 6.0 billion, 6.8% higher than the same period in 2015.

Income from Service and Banking Fees

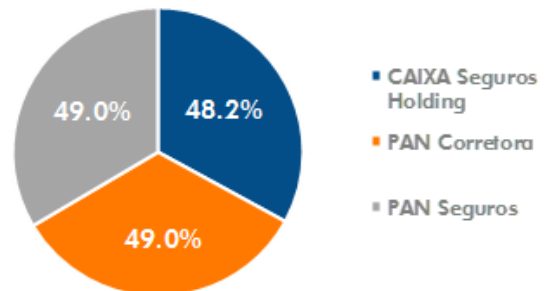


Insurance, Pension Plans and Capitalization

CAIXA works in the segments of insurance, pension plans, capitalizations and consortiums through direct and indirect participation of the integral subsidiary CAIXA Seguridade S/A, constituted in 2015. Among its main participations are CAIXA Seguros Holding S.A., PAN Seguros, and PAN Corretora.

Through these companies CAIXA focuses its activities in the insurance, pension plan, capitalization and consortium management, which generated revenues of R\$ 992.1 million in 2016, reduction of 15% in 12 months, including the provision of services and the result equity.

% of participation



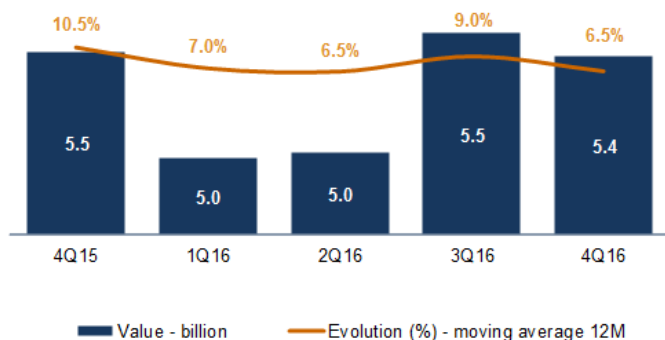
Digital Strategy

CAIXA invests in the constant improvement of the applications, providing various services to its customers via smartphone and internet banking, reaching in the period a base of 17.3 million users, growth of 0.8% p.p. in 12 months.

The number of transactions performed on these channels totaled 2.1 billion in 2016, evolution of 21.4% in relation to 2015. Transactions via smartphone increased 67.0% in 12 months with 610 million transactions effected. In addition, the transactions in these channels were 5.1 times higher than those in the branches and banking service points.

Personnel Expenses

Personnel Expenses



In 2016, personnel expenses totaled R\$ 21.0 billion, an increase of 6.5% in relation to 2015, influenced mainly, by the collective agreement of 2016–2018. Without this impact the evolution would be 4.3%.

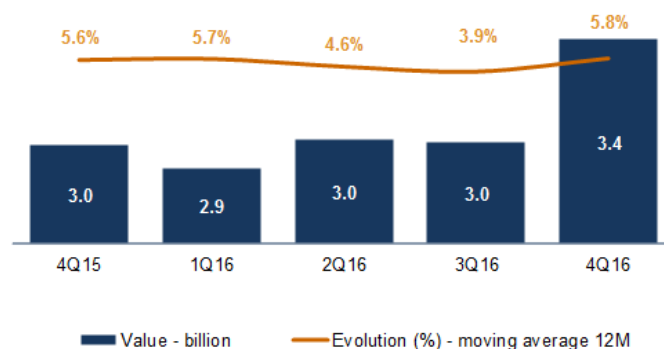
In the fourth quarter of 2016, personnel expenses totaled R\$ 5.4 billion, reduction of 1.8% over the previous quarter and 0.3% p.p. in 12 months. These expenses corresponds to 63.3% of total administrative expenses in the year.

Other Administrative Expenses

The actions focused on increasing operating efficiency, resulted in a growth of 5.8% in other administrative expenses, in relation to 2015, below the accumulated inflation in the last 12 months, which stood at 6.3%.

In the fourth quarter, other administrative expenses totaled R\$ 3.4 billion, evolution of 13.3% in relation to the fourth quarter of 2015 and 12.8% in the quarter.

Other Administrative Expenses



The main highlight was the low growth of structural expenses of 3.1%, due to the lower expenses with communications and stuff. Also worth mentioning is the small growth with maintenance and repairs and advertising, promotions and publications.

Other Administrative Expenses	2015	2016	Δ% 2016/2015	2016			Δ%	
				4Q15	3Q16	4Q16	4Q16/4Q15	4Q16/3Q16
Infrastructure	4,376	4,511	3.1	1,074	1,099	1,172	9.1	6.7
Maintenance and Repairs	902	933	3.4	229	224	268	16.9	19.8
Rent and leasing of real	1,458	1,533	5.2	363	383	391	7.8	2.1
Surveillance and security	801	850	6.2	210	223	221	5.3	(0.7)
Communications	590	569	(3.5)	131	140	134	2.2	(4.0)
Stuff	178	139	(22.1)	32	37	34	5.1	(7.8)
Water, electricity and gas	447	486	8.7	108	92	123	14.2	33.3
Others	3,768	4,065	7.9	1,890	1,878	2,186	15.7	16.4
Data Processing	1,436	1,644	14.5	366	425	418	14.5	(1.5)
Outsourced Services	1,700	1,803	6.0	441	455	477	8.3	4.9
Amortization / Depreciation	1,650	1,801	9.1	429	454	464	8.2	2.2
Advertising, Promotions and Publications	752	777	3.3	264	183	253	(4.3)	38.2
Specialized Technical Service	654	551	(15.8)	155	123	162	4.8	31.3
Financial System	517	554	7.1	137	140	141	2.9	1.0
Others	443	560	26.3	99	99	271	173.8	175.1
Total	11,529	12,200	5.8	2,964	2,977	3,358	13.3	12.8

Operating Efficiency Ratio

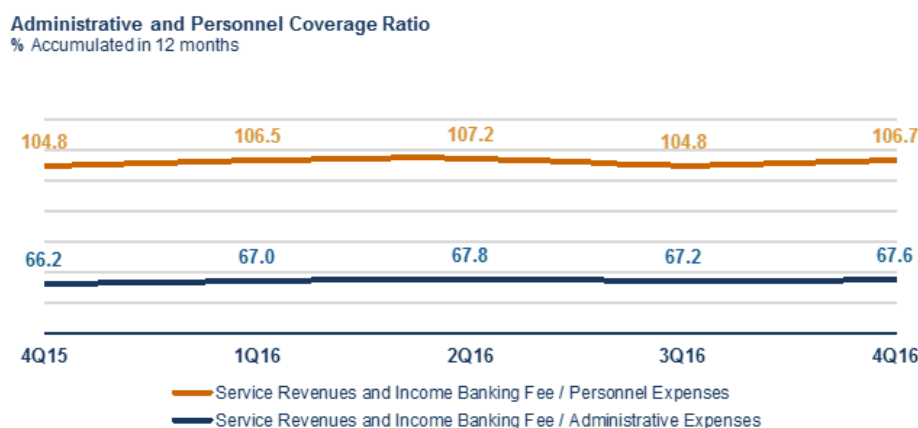
The pursuit of increased operational efficiency is a management goal and necessity to ensure the economic-financial sustainability of CAIXA. The actions aimed at improving operational efficiency involve reviewing processes, increasing productivity, increasing revenues, digitalizing and automating processes, and reducing costs with logistics and operations.

These improvement actions generated a result of R\$ 2.6 billion, in 2016. As a result, CAIXA's operating efficiency ratio reached the best level in the historical series, totaling 52.1%, with a reduction of 1.6 p.p. in 12 months.



In March 2016, the calculation formula for the operating efficiency ratio was reviewed to allow a better comparison with the market, by excluding the sale and transfer operations of assets. The ratio values were reprocessed to allow comparability between periods.

In 2016, the relation of income from service and banking fees and administrative expenses reached 67.6%, a growth of 1.4 p.p. in 12 months. The relation between income from service and banking fees and personnel expenses, resulted in 106.7%, an increase of 1.9 p.p. in the last 12 months. The indicators reflect the improvement in coverage by the greater contribution of income from service and by corporate actions to increase operational efficiency.

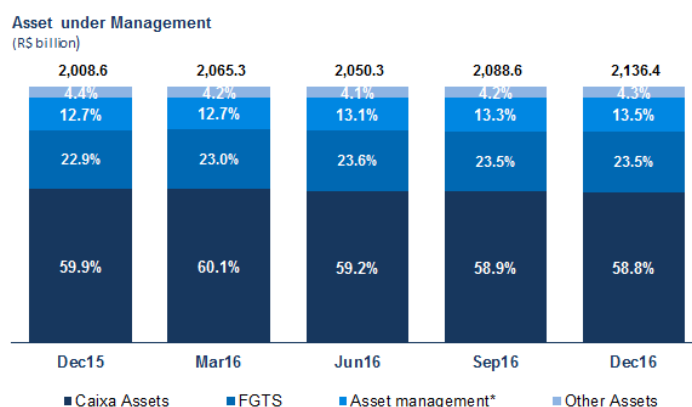


*Efficiency =
$$\frac{\text{(Personnel Expenses + Other Administrative Expenses)}}{\text{(Managerial Financial Margin + Income from services + result subsidiaries and affiliates + Other operational incomes and expenses)}}$$

Third-Party Assets

At the end of 2016, CAIXA had R\$ 2.1 trillion of assets under management, increment of 6.4% in 12 months, mainly driven by growth of 4.3% of own assets.

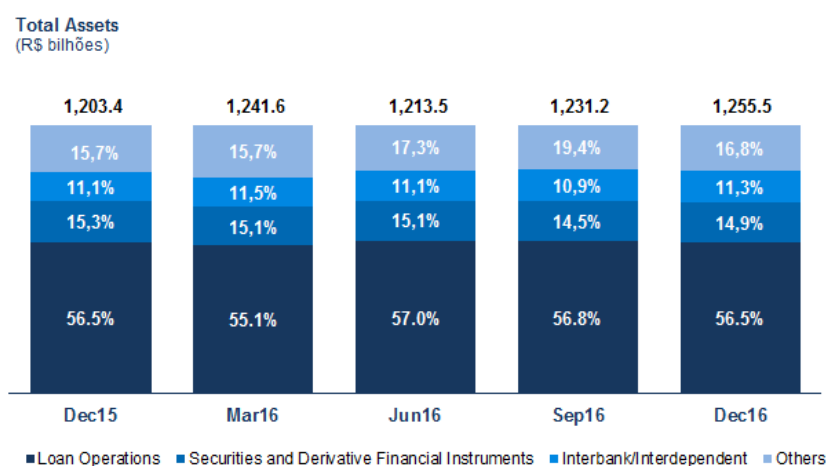
Among the R\$ 881.0 billion of third-party resources managed by CAIXA, we highlight FGTS resources with a balance of R\$ 502.0 billion and asset management with R\$ 287.4 billion, which increased 9.0% and 12.5%, respectively, compared to 2015.



* Excluded portfolio of Funds and Programs, FI of FIC, and FI FGTS.

Caixa Assets

CAIXA ended 2016 with R\$ 1,3 trillion of assets, increment of 4.3% in 12 months, driven mainly by the expansion of the loan portfolio in 4.4%.



In December 2016, loan portfolio and securities and derivatives portfolio were the most representatives in CAIXA's assets composition, with a balance of R\$ 709.3 billion and R\$ 181.3 billion, respectively. The loan portfolio showed a nominal growth of R\$ 29.8 billion while securities and derivatives portfolio remained stable in the last quarters.

Assets Items (R\$ Million)	Dez15	Set16	Dez16	Δ% 12 months	Δ% Quarter
Availabilities	11,511	9,483	10,764	(6.5)	13.5
Short - Term Interbank Deposits	153,489	146,154	157,075	2.3	7.5
Interbank and Interdepartmental Accounts	133,326	147,019	148,612	11.5	1.1
Securities and Derivative Financial Instruments	181,978	181,997	181,344	(0.3)	(0.4)
Loan Operations	679,487	699,588	709,289	4.4	1.4
Allowance for loan losses	(33,881)	(36,707)	(35,775)	5.6	(2.5)
Other credits	62,897	67,395	66,882	6.3	(0.8)
Other assets	2,577	4,349	5,183	101.2	19.2
Permanent Assets	12,002	11,908	12,079	0.6	1.4
Total Assets	1,203,386	1,231,185	1,255,452	4.3	2.0

Securities and Derivatives Result and Derivative Financial Instruments

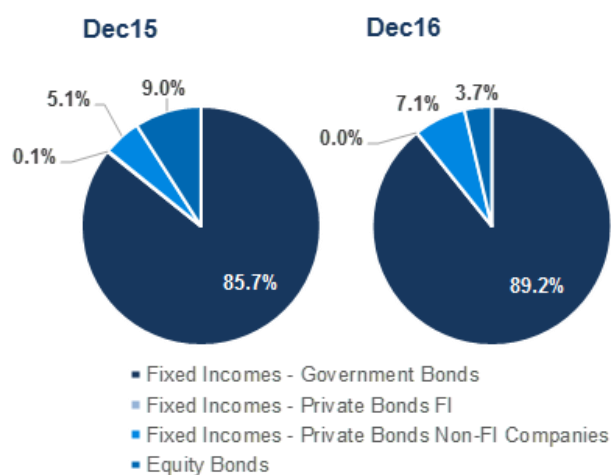
CAIXA's securities and derivative portfolio ended 2016 with a balance of R\$ 181.3 billion, which represents 14.4% of total assets, ensuring the maintenance of a robust treasury and an adequate level of liquidity to the Institution.

The decrease of R\$ 634 million in comparison to December 2015, was influenced by the growth of 49.4% and 10.0%, respectively, in the available-for-sale securities and in the trading securities portfolio, and compensated by the reduction of 22.9% in the held-to-maturity securities portfolio.

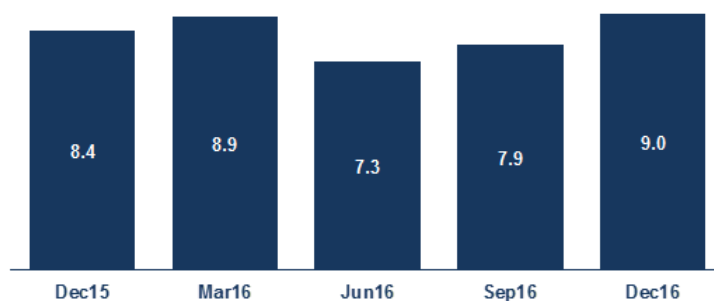
Securites (R\$ million)	Dec15		Sep16		Dec16	
		%		%		%
Trading securities	98,480	54.1	112,278	61.7	108,346	59.7
Available-for-sale securities	15,144	8.3	18,520	10.2	22,627	12.5
Held-to-maturity securities	64,212	35.3	50,002	27.5	49,492	27.3
Derivative Financial Instruments	4,141	2.3	1,197	0.7	879	0.5
Total	181,978	100.0	181,997	100.0	181,344	100.0

In December 31, 2016, the balance of debentures and promissory notes reached R\$ 9.0 billion, registering an increase of 13.9% in the quarter and 7.1% in the year.

Treasury Applications Balances Composition

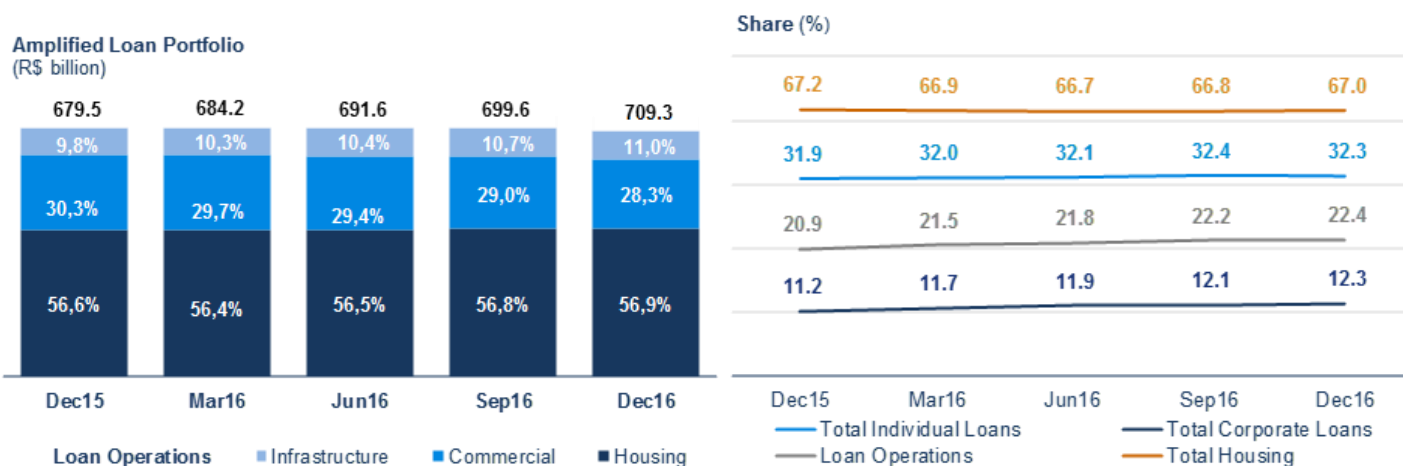


Stock of Debentures and Promissory notes of Securites and Derivatives Portfolio. (R\$ billion)



Amplified Loan Portfolio

The amplified loan portfolio totaled R\$ 709.3 billion in December 2016, evolution of 4.4% in 12 months, and 1.4% in the quarter, which resulted in a 22.4% share of total credit in National Financial System, a gain of 1.4 p.p. in 12 months.



The commercial loan presented balance totaled R\$ 191.0 billion in 2016. The individual segment registered a balance of R\$ 101.9 billion, against R\$ 102.7 billion in the fourth quarter of 2015. Corporate lending registered a balance of R\$ 89.1 billion, reduction of 7.4% in the year.

Real estate loan grew 5.6% in 12 months and 1.1% in the quarter, ending December with a balance of R\$ 406.1 billion, which corresponds to 67.0% of the market.

The balance of Infrastructure and sanitation portfolio increased 10.8% in 12 months and 0.9% in the quarter, totaling R\$ 78.6 billion. This segment is important for the promotion of the social and economic development of the country and CAIXA works as a partner of the Federal Government in the elaboration and implementation of incentive programs for investment in the sector.

Rural credit grew 9.4% in the quarter and reached a balance of R\$ 7.2 billion, reaching 3.0% of market share.

Loan Operations	(R\$ million)					
	Dec15	Sep16	Dec16	Δ% 12 months	Δ% Quarter	
Loan Operations	667,349	687,569	696,728	4.4	1.3	
Commercial Lending	198,944	193,519	190,983	(4.0)	(1.3)	
Individuals Lending	102,704	103,394	101,860	(0.8)	(1.5)	
Corporate Lending	96,240	90,125	89,123	(7.4)	(1.1)	
Housing Lending	384,686	401,502	406,106	5.6	1.1	
Infrastructure	70,869	77,821	78,554	10.8	0.9	
Rural and Agroindustrial	7,489	6,596	7,217	(3.6)	9.4	
Credit Linked Assignment	5,361	8,130	13,868	158.7	70.6	
Other receivables	12,137	12,019	12,561	3.5	4.5	
Total Credit	679,487	699,588	709,289	4.4	1.4	

Loan to individuals ended December with a balance of R\$ 497.5 billion, evolution of 4.2% in 12 months. The main highlights were housing financing that reached R\$ 391.7 billion, growth of 5.8% in 12 months, and payroll deduction loans, with R\$ 63.9 billion of balance and 7.2% of increase compared to December 2015.

	(R\$ million)				
Total Individual Loans	Dec15	Sep16	Dec16	Δ% 12 Months	Δ% Quarter
Individual Commercial Loans	102,704	103,394	101,860	(0.8)	(1.5)
Overdraft	4,676	4,771	4,031	(13.8)	(15.5)
Installment Loans	98,028	98,622	97,828	(0.2)	(0.8)
Housing Loans	370,174	387,178	391,717	5.8	1.2
Rural and Agroindustrial Lending	4,616	3,818	3,899	(15.5)	2.1
Total Individual Lending	477,494	494,389	497,476	4.2	0.6

The balance for corporate was R\$ 185.4 billion in December 2016, remaining stable in 12 months. We highlight sanitation and infrastructure operations that reached a balance of R\$ 78.6 billion, addition of 10.8% in relation to December of the previous year.

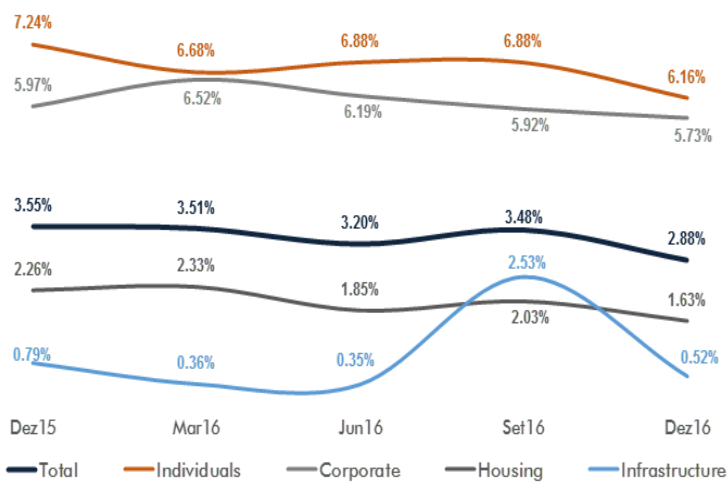
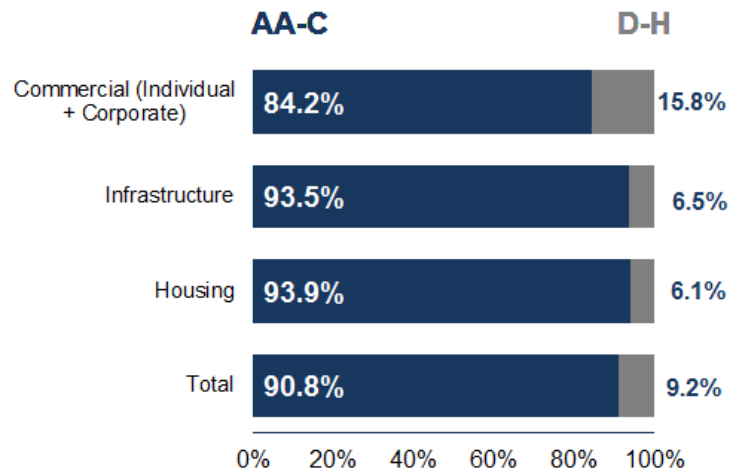
	(R\$ million)				
Total Corporate Loans	Dec15	Sep16	Dec16	Δ% 12 months	Δ% quarter
Corporate Commercial Loans	96,240	90,125	89,123	(7.4)	(1.1)
Overdraft	5,295	4,680	4,012	(24.2)	(14.3)
Working Capital	82,987	77,754	77,323	(6.8)	(0.6)
Investment	7,958	7,691	7,788	(2.1)	1.3
Housing Loans	14,512	14,324	14,388	(0.9)	0.4
Sanitation and Infrastructure Lendings	70,869	77,821	78,554	10.8	0.9
Rural and Agroindustrial Lendings	2,872	2,779	3,318	15.5	19.4
Total Corporate Loans	184,494	185,049	185,384	0.5	0.2

Quality of the Loan Portfolio

In 2016, the loan portfolio remained concentrated in higher quality ratings, with 90.8% of its total ranked in the ratings between AA-C, keeping the historic profile of the portfolio.

Commercial loan operations, which represent 26.9% of the amplified loan portfolio, presented 84.2% of its total classified in the ratings between AA-C.

Housing loans, that corresponds to 57.3% of the portfolio and sanitation and infrastructure operations, that corresponds to 11.1% of the portfolio, has 93.9% and 93.5% of the balances classified in the ratings between AA-C, respectively.

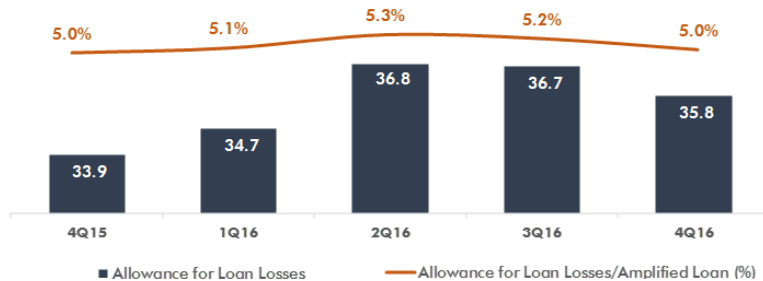


In December, the delinquency ratio over 90 days was 2.88%, decrease of 0.67 p.p. compared to 2015 and 0.60 p.p. in relation to September 2016, below the market average, of 3.71%.

The delinquency ratio of real state loan portfolio and infrastructure and sanitation reduced 0.63 p.p. and 0.27 p.p. in the same comparison. Particularly noteworthy is the default in the portfolio of individuals, which had the lowest reduction among the portfolios with a drop of 1.09 p.p. in relation to 2015.

The behavior of delinquency reflects the improvement of risk management, collection and all other elements of the credit cycle, which produced the expected effects of CAIXA even in the face of a challenging economic scenario.

The provision balance totaled R \$ 35.8 billion at the end of 2016, an increase of 5.6% in 12 months, maintaining the same level of portfolio coverage at the end of 2015.



Debt and Credit Cards

In 2016, customers of CAIXA's cards performed 1.8 billion of transactions, 14.4% more than in 2015, representing a financial volume of R\$ 128.4 billion due to use of the 105.5 million CAIXA cards.

Cards	9M15	9M16	Δ% 12 months	4Q15	3Q16	4Q16	Δ% 12 months	Δ% Quarter
Quantity of Cards (in million)*	101.7	105.5	3.7	101.7	104.2	105.5	3.7	1.3
Quantity of Transactions (in million)**	1,530.8	1,751.3	14.4	421.5	442.3	494.4	17.3	11.8
Total Value Transacted (R\$ million)	116,895	128,433	9.9	32,704	31,549	36,806	12.5	16.7

* Amount of cards at the end of the period

** Accumulated transactions

CAIXA's credit card basis, in December 2016, was comprised of 7.0 million plastics that performed 336.6 million of transactions in 2016, totaling R\$ 39.1 billion.

Credit Cards	9M15	9M16	Δ% 12 months	4Q15	3Q16	4Q16	Δ% 12 months	Δ% Quarter
Quantity of Cards (in million)*	7.4	7.0	(6.0)	7.4	6.4	7.0	(6.0)	9.0
Quantity of Transactions (in million)**	340.6	336.6	(1.2)	88.1	83.8	90.5	2.7	8.1
Total Value Transacted (R\$ million)	40,994	39,126	(4.6)	10,872	9,483	10,752	(1.1)	13.4

* Amount of cards at the end of the period

** Accumulated transactions

During the year of 2016, were registered 1.4 billion of transactions with debit cards, 18.9% higher than the registered in 2015, totaling R\$ 89.3 billion. In December, the base of these cards totaled 98.5 million units.

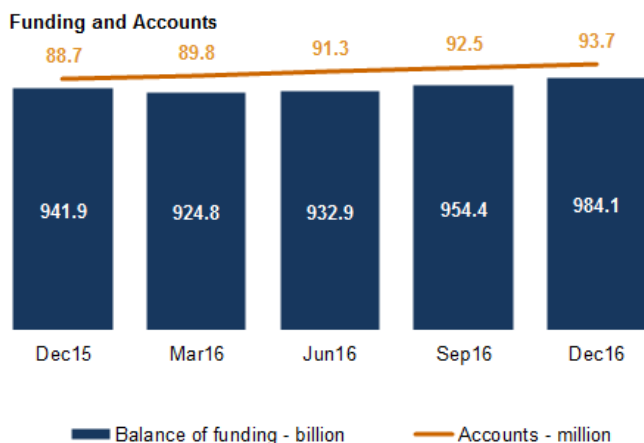
Debit Cards	9M15	9M16	Δ% 12 months	4Q15	3Q16	4Q16	Δ% 12 months	Δ% Quarter
Quantity of Cards (in million)*	94.3	98.5	4.5	94.3	97.8	98.5	4.5	0.8
Quantity of Transactions (in million)**	1,190.2	1,414.7	18.9	333.4	358.5	403.9	21.2	12.7
Total Value Transacted (R\$ million)	75,901	89,307	17.7	21,832	22,066	26,055	19.3	18.1

* Amount of cards at the end of the period

** Accumulated transactions

Funding

The balance of CAIXA total funding reached R\$ 984.1 billion in December 2016, increase of 4.5% in 12 months. The relation between the total funding and the loan portfolio corresponded to 138.7%.



The evolution of the balance in the year was influenced by the increment in 24.7% in time deposits and 16.3% in demand deposits.

Deposits had a nominal growth of R\$ 56.5 billion in 12 months, totaling R\$ 512.2 billion in December 2016. Savings, with a balance of R\$ 252.4 billion, remains the most important funding of CAIXA with growth of 4.1% in relation to the same period of 2015.

Main Items of Funding	Dec15	Sep16	Dec16	Δ% Months	Δ% Quarter
Deposits	455,659	487,685	512,191	12.4	5.0
Demand deposits	27,415	25,850	31,883	16.3	23.3
Savings accounts	242,360	241,111	252,403	4.1	4.7
Time deposits	168,918	206,888	210,689	24.7	1.8
Other Deposits	16,967	13,836	17,215	1.5	24.4
Notes ¹	153,687	140,483	140,913	(8.3)	0.3
International Funding	15,703	13,366	13,181	(16.1)	(1.4)
Repurchase agreements - own portfolio	94,785	75,965	73,382	(22.6)	(3.4)
Local borrowings and onlendings	222,079	236,933	244,446	10.1	3.2
Total	941,914	954,433	984,113	4.5	3.1

¹ Including housing bonds, financial bills and rural notes.

Managerial Analysis of Funding

In the fourth quarter, net funding reached R\$ 9.0 billion, increment of R\$ 10.6 billion in comparison to 4Q15, influenced by the funding of demand deposits (R\$ 6.0 billion) and savings (R\$ 6.5 billion).

The net funding with judicial deposits was R\$ 3.9 billion in the fourth quarter of 2016 and R\$ 7.6 billion in 2016, evolution of 55.9% in relation to 2015.

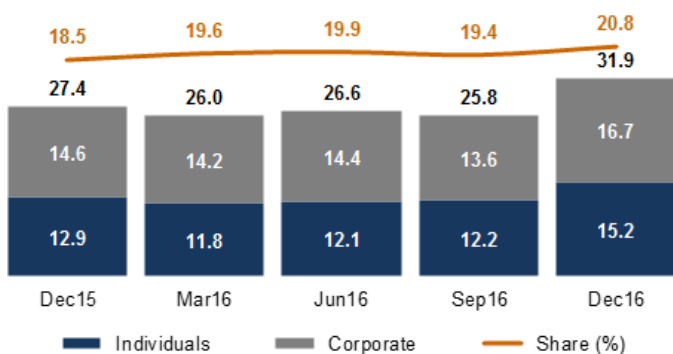
The balance of time deposits increased 24.7% comparing to the fourth quarter of 2015, influenced by the increase in CBD/RDB, which in 12 months gained 5.6 p.p. and reached 27.0% of market share, with a balance of R\$ 136.5 billion corresponding to 64.8% of the total time deposits.

The savings balance, important source of funding, had a nominal increase of R\$ 10.0 billion in relation to 4Q15, 4.1% higher in 12 months, and an increasing of 1.0 p.p. of market share, reaching 38.0%. The relation between credit and funding was 72.2%, decrease of 0.1 p.p. showing an stable liquidity situation.

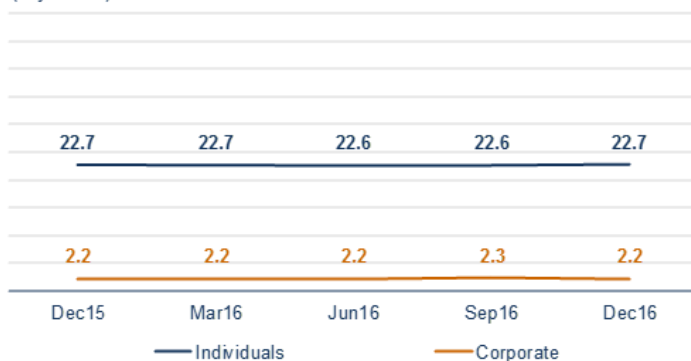
Demand Deposits

The demand deposits showed, in December 2016, a balance of R\$ 31.9 billion, 20.8% of market share, growth of 2,4 p.p. in relation to the same period of the previous year. Corporate deposits ended 2016 with a balance of R\$ 16.7 billion, growth of 14.4% and individual deposits reached R\$ 15.2 billion, advance of 17.8%.

Demand deposits
(R\$ billion)



Accounts - Demand Deposits
(Qty million)



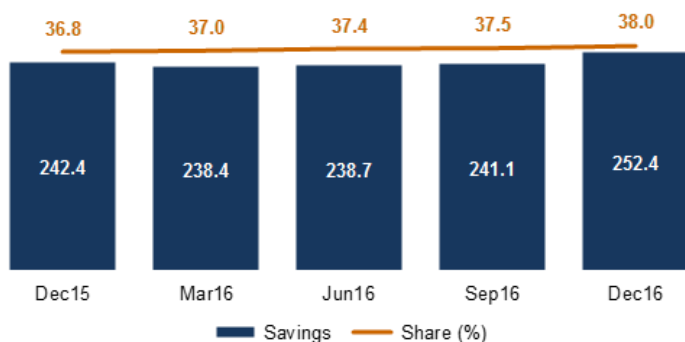
The basis of current accounts ended the year with 24.9 million, of which 22.7 million accounts were intended to individuals, including 9.5 million of CAIXA Easy Account (Caixa Fácil), and 2.2 million corresponded to corporate.

Saving

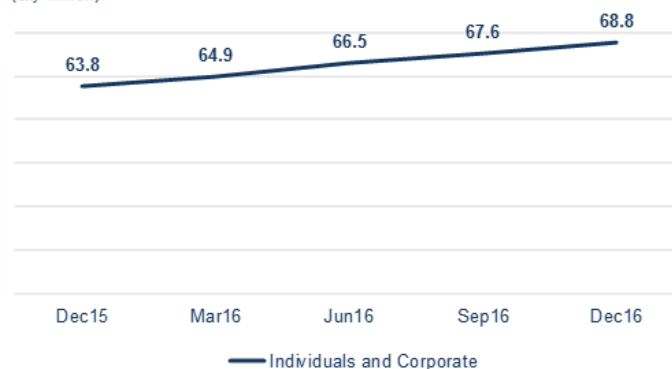
One of the major source of funds to housing, CAIXA's savings totaled a balance of R\$ 252.4 billion in December 2016, increment of 4.1% in 12 months. With this value, CAIXA kept the market leadership with 38.0% of market share, gain of 1.0 p.p. in 12 months.

In December 2016, the Institution had 68.8 million of saving accounts, increment of 5.0 million savings accounts in relation to December 2015.

Savings
(Balance in R\$ billion)



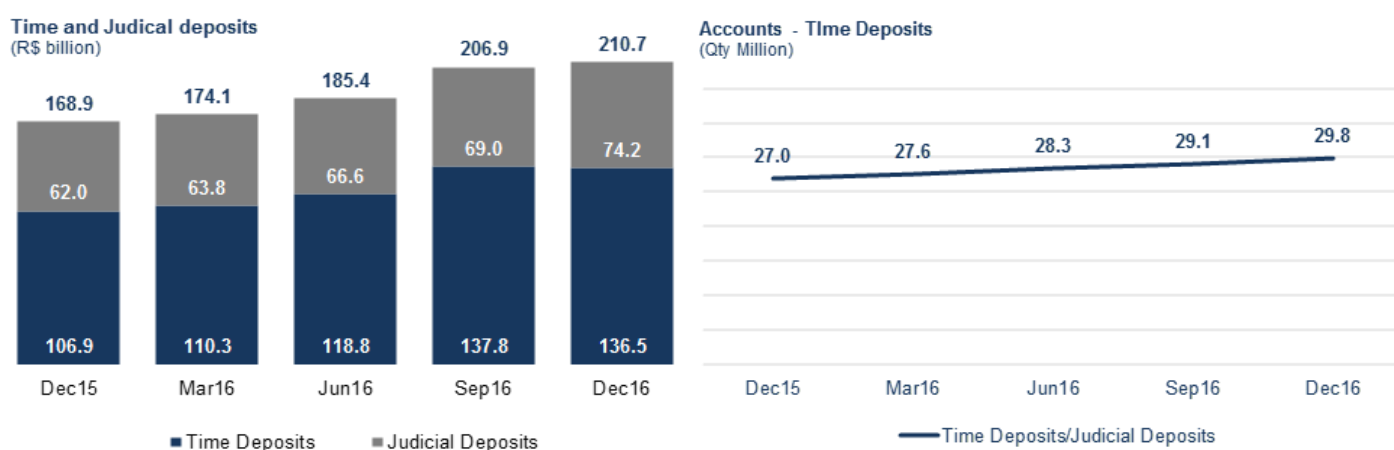
Accounts - Saving Deposits
(Qty Million)



Time Deposits

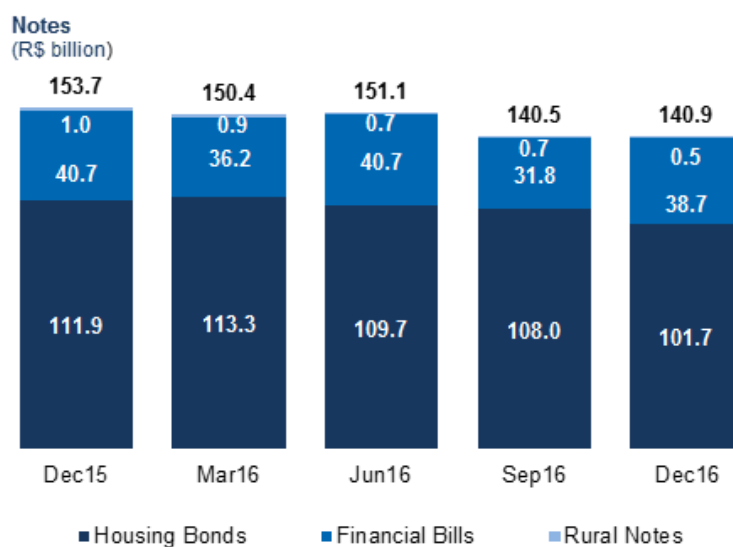
Time deposits totaled R\$ 210.7 billion in December 2016, evolution of 24.7% in 12 months and 1.8% in the quarter. Judicial deposits increased 19.6% in 12 months and 7.4% in the quarter, reaching a balance of R\$ 74.2 billion.

In December 2016, CAIXA had 29.8 million of time deposits accounts, increment of 10.7% in relation to the previous year and 2.5% higher than the third quarter of 2016.



Notes

In 2016, notes reached a balance of R\$ 140.9 billion and 19,8% of market share. The mortgage linked notes balance was R\$ 101.7 billion and the local credit notes was R\$ 38.7 billion. The balance of rural notes reached R\$ 511 million in December 2016.

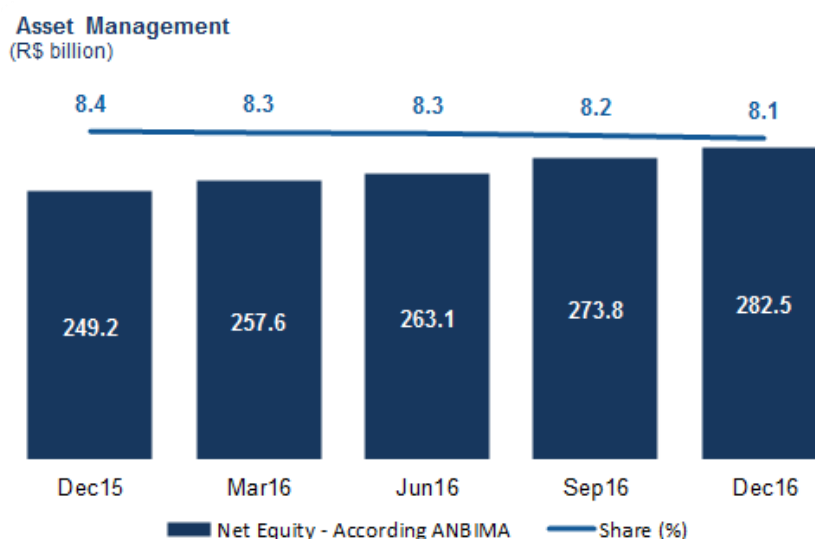


Asset Management and Managed Portfolio

In 2016, CAIXA was responsible for managing R\$ 596.1 billion of asset management and managed portfolio, including FI de FIC, evolution of 2.0% in relation to the previous quarter. Retail and exclusive funds totaled R\$ 320.5 billion in comparison to R\$ 288.3 billion in the fourth quarter of 2015, growth of 11.2%.

	Dez15	Set16	Dez16	Δ% 12M	Δ% Trî
Fundos de Inv. e Carteiras Adm					
Fundos de Rede e Não Rede	288,286	310,499	320,452	11.2	3.2
Fundos Rede	121,044	136,499	143,296	18.4	5.0
Fundos Não Rede	167,242	174,000	177,156	5.9	1.8
Carteiras Administradas	159,643	163,782	160,369	0.5	(2.1)
Carteiras Sociais	158,380	162,334	158,896	0.3	(2.1)
Carteiras Comerciais	708	788	783	10.7	(0.6)
Carteiras RPPS	555	660	689	24.2	4.4
FI de FIC	159,643	110,098	115,271	(27.8)	4.7
Total	607,572	584,380	596,092	(1.9)	2.0

In the year, CAIXA managed 8.1% of market funds, according to National Association of Capital Markets Participants (ANBIMA), occupying the 4th place among resource managers. In December 2016, net equity totaled R\$ 282.5 billion, evolution of 13.4% in 12 months and 3.2% in relation to the previous quarter.



Risk and Capital Management¹

The Central Bank of Brazil announced in 2013 the Resolutions of the National Monetary Council No. 4,192 and 4,193 that regulate in the country, recommendations of Banking Supervision Basel Committee regarding the capital structure of financial institutions, introducing new concepts to the Reference Equity and minimum capital requirements.

In that year, through the resolution CMN No. 4,280, the rules for the composition of the Conglomerate Prudential were defined. Since January 2015, the calculation of installments of capital and minimum requirements are defined based on Conglomerate Prudential.

The structure of capital management and internal capital adequacy assessment process (ICAAP) are implemented at CAIXA in accordance with CMN Resolution No. 3,988/2011.

In 2016, the reference equity and risk weighted assets (RWA) totaled R\$ 77.7 billion and R\$ 574.2 billion, respectively.

Thus, the Common Equity, Tier I and Total Capital Ratio recorded 9.5%, 9.5% and 13.5%, above the minimum required.

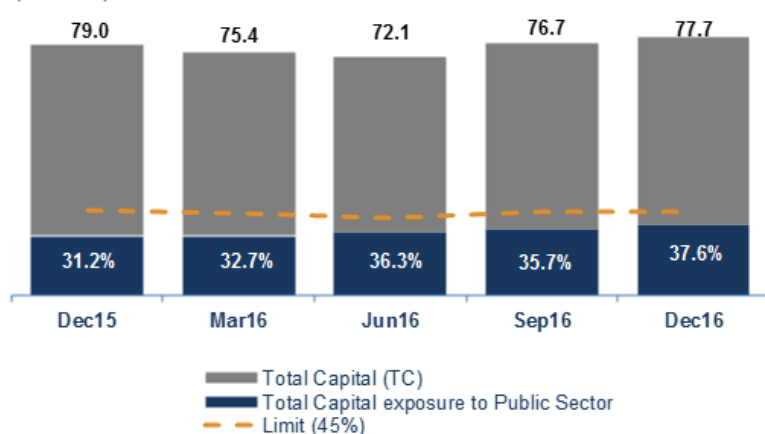
Reference Equity	Dec15	Sep16	Dec16	(R\$ million)	
				Δ 12 months	Δ Quarter
Total Capital (TC)	78,962	76,743	77,719	-1.6%	1.3%
Tier 1	55,537	53,761	54,397	-2.1%	1.2%
Common Equity Tier 1 (CET1)	55,537	53,761	54,397	-2.1%	1.2%
Additional Tier 1 Capital	-	-	-	0.0%	0.0%
Tier 2	23,425	22,982	23,322	-0.4%	1.5%
Risk Weighted Assets (RWA)	547,137	570,048	574,167	4.9%	0.7%
CET1 ratio (CET1/RWA)	10.15%	9.43%	9.47%	-0,68 p.p.	0,04 p.p.
Tier 1 ratio (Tier 1/RWA)	10.15%	9.43%	9.47%	-0,68 p.p.	0,04 p.p.
Total Capital ratio (TC/RWA)	14.43%	13.46%	13.54%	-0,89 p.p.	0,08 p.p.

¹ More information can be found in Pillar III report available in CAIXA's website: <http://www.caixa.gov.br>, about CAIXA menu, Corporate Governance

Fixed Asset Ratio was 14.5%, keeping CAIXA in accordance to the CMN Resolution No. 2,669/1999, which sets the limit of 50%.

Fixed Asset	Dec15	Sep16	Dec16	(R\$ million)	
				Δ 12 months	Δ Quarter
(A) Fixed Asset Adjusted	11,466	11,213	11,231	-2.0%	0.2%
(B) Total Capital	78,962	76,743	77,719	-1.6%	1.3%
(C) Fixed Asset Adjusted Ratio ((A / B) x 100)	14.52%	14.61%	14.45%	-0,07 p.p.	-0,16 p.p.

Public Sector Debt
(R\$ billion)



Public sector debt with CAIXA was 37.6% in the period, increase of 6.4 p.p. in 12 months. According to the CMN Resolution No. 2,827/2001, loan operations of a financial institution with public agencies and institutions are limited to 45% of its reference equity.



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