
Caixa Econômica Federal - CAIXA

***Consolidated interim financial
statements at September 30, 2018
and report on review***

(A free translation of the original in Portuguese)



Consolidated Interim Financial Statements BrGaap

September 30, 2018

CONTENTS	Page
Independent Auditor's Report	02
Financial Statements	05
Notes to the Financial Statements	15



(A free translation of the original in Portuguese)

Report on review of consolidated interim financial statements

To the Board of Directors and Stockholder
Caixa Econômica Federal - CAIXA

Introduction

We have reviewed the accompanying consolidated interim financial statements of Caixa Econômica Federal - CAIXA and its subsidiaries ("CAIXA" or "Institution"), which comprise the balance sheet as at September 30, 2018 and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of this interim financial information in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN), applicable to the preparation of the consolidated interim financial statements. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Note 2(d) to the consolidated interim financial statements discloses that, in connection with the investigation procedures carried out by the public federal authorities on the operations mentioned in that Note, CAIXA's management became aware of alleged illegal acts performed by certain officers and former officers. In this context, a specific Board-approved Independent Committee was established and independent experts were hired to conduct investigation activities related to those allegations and to identify any breaches of law and regulations as well as the consequent impacts on CAIXA's internal controls and consolidated interim financial statements.

Considering that the actions related to the investigation of these matters are in progress, the possible impacts arising from the eventual resolution are unknown. Consequently, we were unable to determine whether any adjustments or additional disclosures to the consolidated interim financial statements at September 30, 2018 are necessary regarding this matter.



Caixa Econômica Federal - CAIXA

Qualified conclusion

Based on our review, except for the possible effects of the matter described in the "Basis for qualified conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above have not been prepared, in all material respects, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Emphases of matter

Credits with the FCVS

We draw attention to Note 7(b) to the consolidated interim financial statements, which describes that, at September 30, 2018, CAIXA had credits with the "Fundo de Compensação de Variações Salariais" (FCVS) fund amounting to R\$ 28,501 million. Housing financing settled with coverage from the FCVS, still pending approval, amounts to R\$ 13,351 million, and the effective realization depends on the compliance with a set of standards and procedures defined in regulations issued by the FCVS. CAIXA established statistical criteria to estimate losses from operations that may fail to comply with those standards and recorded a provision for these losses amounting to R\$ 3,652 million. Pursuant to Law 10,150/2000, there is an ongoing securitization process (securities issued by the Federal Government) related to the realization of the credits linked to FCVS-approved housing financing, amounting to R\$ 18,801 million at September 30, 2018. Our conclusion is not qualified in respect of this matter.

Tax credits

We draw attention to Note 20(d) to the consolidated interim financial statements, which describes that, at September 30, 2018, CAIXA had R\$ 39,276 million of credits of income tax, social contribution, Public Services Employee Savings Program (PASEP) and Social Contribution on Revenues (COFINS) recorded on tax losses, temporary differences and social contribution to be offset, net of provision for the realization of these credits in the amount of R\$ 1,084 million. The amount recorded in assets refers to management's estimate considering the realization for the next ten fiscal years. The realization of these tax credits is directly related to the generation of future taxable profit, which may vary in relation to the management's current estimates. Our conclusion is not qualified in respect of this matter.

Tax credits in jointly-controlled subsidiary

At September 30, 2018, the jointly-controlled subsidiary Banco Pan S.A., which is accounted for under the equity accounting method, had income tax and social contribution credits of R\$ 957 million, already considering CAIXA's percentage, mainly recognized based on studies of the current and future scenarios approved by the Board of Directors of Banco Pan S.A. on August 3, 2018. The main assumptions used were the macroeconomic indicators of production and funding cost. The realization of these tax credits is contingent on the attainment of the projected amounts and the implementation of the business plan as approved by the management of Banco Pan S.A. Our conclusion is not qualified in respect of this matter.

The parent company interim financial statements were not presented

As mentioned in Note 2(a) to the consolidated interim financial statements, as from March 31, 2015, CAIXA's management decided not to present the parent company interim financial statements, therefore, only the consolidated interim financial statements of CAIXA and its subsidiaries are presented. Our conclusion is not qualified in respect of this matter.



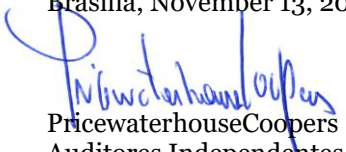
Caixa Econômica Federal - CAIXA

Other matters

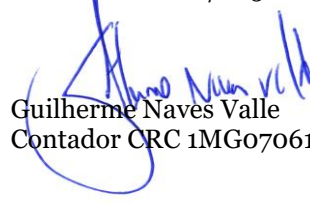
Statements of value added

We have also reviewed the statements of value added for the quarter and nine-month period ended September 30, 2018, which are the responsibility of CAIXA's management and are being presented on a voluntary basis. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the consolidated interim financial statements taken as a whole.

Brasília, November 13, 2018



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



Guilherme Naves Valle
Contador CRC 1MG070614/O-5

CONSOLIDATED INTERIM BALANCE SHEET

All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	9/30/2018	12/31/2017	9/30/2017
CURRENT	575.366.310	578.542.521	588.652.377
CASH AND BANKS (Note 4)	10.610.264	11.451.854	9.214.815
INTERBANK INVESTMENTS (Note 5)	184.590.907	144.232.795	161.670.778
Money market investments	173.754.421	130.911.089	149.348.174
Investments in interbank deposits	10.836.615	13.322.183	12.322.613
Provisions for losses	(129)	(477)	(9)
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	115.281.192	123.013.495	114.263.341
Own portfolio - unrestricted	70.067.854	34.812.304	31.567.718
Subject to repurchase agreements	37.561.003	83.718.783	71.866.011
Derivative financial instruments	783.833	35.581	119.179
Linked to the Brazilian Central Bank	1.235.672	1.178.579	1.158.187
Linked to guarantees given	5.632.830	3.268.248	4.437.849
Unrestricted portfolio			5.114.397
INTERBANK ACCOUNTS	101.842.797	127.568.940	123.131.557
Payments and receipts pending settlement	1.653.200	25.515	1.012.285
Restricted deposits with the Brazilian Central Bank (Note 7(a))	99.247.359	126.690.810	121.259.257
Correspondent banks	942.238	852.615	860.015
INTERDEPARTMENTAL ACCOUNTS	37.540	28.068	24.160
Third-party funds in transit	453	326	1.312
Internal transfers of funds	37.087	27.742	22.848
LOAN OPERATIONS (Note 8)	121.491.160	129.931.721	133.225.398
Public sector	7.567.503	8.044.383	6.100.106
Private sector	127.217.733	136.716.197	141.809.281
Loan operations linked to assignments	1.596.150	1.752.600	1.804.763
Provision for loan losses	(14.890.226)	(16.581.459)	(16.488.752)
OTHER RECEIVABLES (Note 9)	31.392.396	34.028.485	40.054.611
Receivables from guarantees honored	35.900	31.336	31.862
Foreign exchange portfolio	3.696.977	3.549.748	4.383.789
Income receivable	2.759.575	2.294.687	2.330.263
Negotiation and intermediation of securities	89.176	813	16.956
Specific receivables	1.036.053	1.001.150	984.237
Sundry	24.337.208	27.727.294	32.925.519
Provision for losses	(562.493)	(576.543)	(618.015)
OTHER ASSETS (Note 10)	10.120.054	8.287.163	7.067.717
Other assets	10.219.471	7.948.678	7.129.527
Provisions for losses	(855.002)	(272.551)	(251.819)
Prepaid expenses	755.585	611.036	190.009

CONSOLIDATED INTERIM BALANCE SHEET

All amounts in thousands of reais

(continued)

ASSETS	9/30/2018	12/31/2017	9/30/2017
NON-CURRENT ASSETS	706.403.367	682.225.054	681.503.904
LONG-TERM RECEIVABLES	694.767.108	670.404.216	670.042.421
INTERBANK INVESTMENTS (Note 5)	2.008.706		
Investments in interbank deposits	2.008.706		
MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6) DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	86.774.027	65.121.666	65.936.163
Own portfolio - unrestricted	63.154.141	35.972.597	15.154.170
Subject to repurchase agreements	17.614.368	27.006.500	49.261.395
Derivative financial instruments	524.756	961.631	360.178
Linked to guarantees given	5.480.762	1.180.938	1.160.420
INTERBANK ACCOUNTS	28.604.900	27.919.116	29.361.172
Linked credits - National Housing System (SFH) (Note 7(b))	28.604.900	27.919.116	29.361.172
LOAN OPERATIONS (Note 8)	527.420.453	528.303.295	532.179.168
Public sector	50.290.248	49.600.219	47.807.277
Private sector	488.155.442	488.681.532	492.474.204
Loan operations linked to assignments	9.135.274	10.355.526	10.726.513
Provision for loan losses	(20.160.511)	(20.333.982)	(18.828.826)
OTHER RECEIVABLES (Note 9)	49.959.022	49.060.139	42.565.918
Sundry	49.970.425	49.070.794	42.576.530
Provision for losses	(11.403)	(10.655)	(10.612)
PERMANENT ASSETS	11.636.259	11.820.838	11.461.483
INVESTMENTS (Note 11)	5.917.389	5.540.551	5.535.111
Investments in associates and subsidiaries:	5.218.213	4.869.969	4.868.557
In Brazil	5.218.213	4.869.969	4.868.557
Other investments	782.680	782.680	782.680
Provision for losses	(83.504)	(112.098)	(116.126)
PROPERTY AND EQUIPMENT (Note 12)	2.932.575	3.065.388	2.934.397
Properties in use	2.591.409	2.292.598	2.021.551
Revaluations of properties in use	690.104	693.987	706.183
Other property and equipment in use	8.028.745	7.776.974	7.702.956
Accumulated depreciation	(8.377.683)	(7.698.171)	(7.496.293)
INTANGIBLE ASSETS (Note 13)	2.786.295	3.214.899	2.991.975
Intangible assets	4.788.948	5.115.260	4.987.774
Accumulated amortization	(2.002.653)	(1.900.361)	(1.995.799)
TOTAL	1.281.769.677	1.260.767.575	1.270.156.281

CONSOLIDATED INTERIM BALANCE SHEET

All amounts in thousands of reais

(continued)

LIABILITIES AND EQUITY	9/30/2018	12/31/2017	9/30/2017
CURRENT	689.417.034	679.973.805	669.950.392
DEPOSITS (Note 14)	438.794.333	412.992.266	403.203.099
Demand deposits	28.306.129	32.398.707	28.150.331
Savings deposits	291.400.033	276.693.320	267.000.613
Interbank deposits	370.969	425.953	463.350
Time deposits	109.054.680	92.561.172	97.182.247
Special deposits and deposits of funds and programs	9.662.521	10.913.088	10.406.519
Other deposits	1	26	39
FUNDS OBTAINED IN THE OPEN MARKET (Note 15)	149.193.536	140.486.574	155.462.097
Own portfolio	42.059.456	101.921.284	119.902.570
Third-party portfolio	107.134.080	38.565.290	31.123.088
Unrestricted portfolio			4.436.439
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16 (a) and (c))	39.389.076	62.515.796	49.849.329
Funds from housing bonds, mortgage notes, credit bills and similar	39.099.179	62.361.482	49.581.429
Marketable securities issued abroad	289.897	154.314	267.900
INTERBANK ACCOUNTS	1.671.273	80.162	1.617.532
Receipts and payments pending settlement	1.654.166	58.113	1.602.508
Correspondent banks	17.107	22.049	15.024
INTERDEPARTMENTAL ACCOUNTS	797.640	1.366.748	676.523
Third-party funds in transit	629.747	1.260.046	616.392
Internal transfers of funds	167.893	106.702	60.131
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	1.211.639	1.507.793	1.265.364
Federal Treasury – Social Integration Program (PIS)	116.710	399.970	354.121
National Bank for Economic and Social Development (BNDES)	482.062	1.024.075	866.164
Government Severance Indemnity Fund for Employees (FGTS)	611.210	81.972	43.264
Other	1.657	1.776	1.815
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (i))	348.130	230.448	70.744
Derivative financial instruments	348.130	230.448	70.744
OTHER LIABILITIES (Note 18)	58.011.407	60.794.018	57.805.704
Collection and payment of taxes and social contributions	1.317.565	416.763	2.016.494
Foreign exchange portfolio	985.749	149.371	373.454
Social and statutory obligations	3.240.855	3.686.370	2.291.821
Tax and social security obligations	1.649.578	2.285.716	2.701.832
Negotiation and intermediation of securities	2.503	45.770	51.357
Funds for specific obligations:	10.309.098	13.766.453	8.214.764
Lottery operations	728.291	944.164	814.970
Social funds and programs	7.231.488	6.076.527	6.286.756
Financial and development funds	2.349.319	6.745.762	1.113.038
Hybrid capital and debt instruments	1.258.291	54.115	1.156.727
Subordinated debts	1.161.414	1.047.814	1.031.590
Sundry	38.086.354	39.341.646	39.967.665

CONSOLIDATED INTERIM BALANCE SHEET

All amounts in thousands of reais

(continued)

LIABILITIES AND EQUITY	9/30/2018	12/31/2017	9/30/2017
NON-CURRENT LIABILITIES	507.809.658	509.410.217	532.921.145
LONG-TERM PAYABLES	507.809.658	509.410.217	532.921.145
DEPOSITS (Note 14)	76.031.185	93.233.297	106.858.701
Interbank deposits	20.559	151.448	185.232
Time deposits	76.010.626	93.081.849	106.673.469
FUNDS OBTAINED IN THE OPEN MARKET (Note 15)	12.855.218	8.040.692	1.365.235
Own portfolio	12.855.218	8.040.692	1.365.235
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16 (a) and (c))	55.127.538	65.694.389	89.159.445
Funds from housing bonds, mortgage notes, credit bills and similar	43.011.390	55.166.852	76.324.539
Marketable securities issued abroad	12.116.148	10.527.537	12.834.906
BORROWINGS (Note 17)	2.505.371	2.147.951	3.294.585
Foreign borrowings	2.505.371	2.147.951	3.294.585
LOCAL ONLENDINGS - OFFICIAL INSTITUIONS (Note 17) INSTITUIONS (Note 17)	290.849.844	268.046.149	258.806.733
Federal Treasury – Social Integration Program (PIS)	38.554		172.368
National Bank for Economic and Social Development (BNDES)	28.525.591	29.790.078	30.318.473
Government Severance Indemnity Fund for Employees (FGTS)	259.318.425	235.538.406	225.666.488
Other	2.967.274	2.717.665	2.649.404
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (i))	50	400.763	1.086.504
Derivative financial instruments	50	400.763	1.086.504
LIABILITIES FOR FOREIGN ONLENDINGS (Note 17)	67.615	55.530	53.806
Foreign onlendings	67.615	55.530	53.806
OTHER LIABILITIES (Note 18)	70.372.837	71.791.446	72.296.136
Tax and social security obligations	120.233	127.958	130.327
Funds for specific obligations:	5.773.276	4.083.821	3.669.857
Social funds and programs	5.773.276	4.083.821	3.669.857
Hybrid capital and debt instruments	1.219.280	3.266.583	
Subordinated debts	9.282.674	9.695.095	9.813.289
Debt instruments eligible to capital	25.714.198	24.956.210	24.207.963
Sundry	28.263.176	29.661.779	34.474.700
EQUITY (Note 19)	84.542.985	71.383.553	67.284.744
Share capital:	30.193.024	29.630.119	24.837.171
Capital - local residents	45.000.000	45.000.000	35.000.000
Capital increase	562.905	4.792.948	
Unpaid capital	(15.369.881)	(20.162.829)	(10.162.829)
Instrument eligible to capital	40.242.618	36.975.702	36.975.702
Revaluation reserve	341.278	352.348	350.329
Revenue reserves	13.910.195	13.923.642	9.527.076
Carrying value adjustments	(7.620.629)	(9.498.258)	(8.848.625)
Retained earnings/accumulated deficit	7.476.499		4.443.091
TOTAL	1.281.769.677	1.260.767.575	1.270.156.281

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

CONSOLIDATED INTERIM STATEMENT OF INCOME

All amounts in thousands of reais

(A free translation of the original in Portuguese)

DESCRIPTION	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September (Note 3(n))
INCOME FROM FINANCIAL INTERMEDIATION	28.389.815	84.271.599	31.404.023	102.163.194
Loan operations (Note 8 (e))	19.733.384	59.174.312	21.594.062	67.285.672
Marketable securities (Notes 5 (b) and 6 (d))	6.294.044	18.198.890	9.456.336	29.837.726
Derivative financial instruments (Note 6 (j))	384.445	557.122	(2.212.412)	(3.887.438)
Foreign exchange (Note 9 (c.1))	277.412	1.125.353		25.228
Compulsory deposits (Note 7 (c))	1.689.847	5.181.617	2.549.743	8.843.331
Sales or transfers of financial assets (Note 8 (f.1))	10.683	34.305	16.294	58.675
EXPENSES ON FINANCIAL INTERMEDIATION	(18.222.099)	(56.249.468)	(22.249.966)	(78.313.733)
Money market funds (Notes 14 (b); 15 (b); 16 (b) and 16 (d))	(10.754.544)	(32.418.913)	(14.379.823)	(51.065.052)
Loans, assignments and onlendings (Note 17 (d))	(4.536.034)	(13.349.432)	(4.183.126)	(12.873.747)
Foreign exchange (Note 9 (c.1))			(206.978)	
Sales or transfers of financial assets (Note 8 (f.2))	(221.451)	(693.622)	(276.678)	(924.600)
Provision for loan losses (Note 8 (i))	(2.710.070)	(9.787.501)	(3.203.361)	(13.450.334)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	10.167.716	28.022.131	9.154.057	23.849.461
OTHER OPERATING INCOME (EXPENSES)	(3.539.335)	(12.262.879)	(5.734.584)	(16.407.029)
Service revenues (Note 21 (a))	5.412.631	15.064.935	4.815.805	14.292.401
Income from banking fees (Note 21 (b))	1.698.205	5.069.835	1.483.628	4.236.562
Personnel expenses (Note 22)	(5.252.784)	(15.669.482)	(5.598.158)	(16.862.701)
Other administrative expenses (Note 23)	(3.018.560)	(8.663.868)	(2.924.540)	(8.702.795)
Taxes (Note 27)	(1.027.423)	(3.060.523)	(971.504)	(2.953.119)
Equity in the results of investees (Note 11 (b))	324.965	1.021.749	259.098	570.685
Other operating income (Note 24)	2.429.505	6.376.707	2.718.146	6.661.769
Other operating expenses (Note 25)	(4.105.874)	(12.402.232)	(5.517.059)	(13.649.831)
OPERATING PROFIT	6.628.381	15.759.252	3.419.473	7.442.432
NON-OPERATING EXPENSES (Note 26)	(236.238)	(983.271)	(211.694)	(418.849)
PROFIT BEFORE TAXATION	6.392.143	14.775.981	3.207.779	7.023.583
INCOME TAX AND SOCIAL CONTRIBUTION (Note 20 (a))	(843.574)	(1.568.188)	(726.937)	(52.701)
Current taxes	(617.123)	(2.864.916)	(296.509)	(1.537.343)
Deferred tax assets	(376.061)	350.965	(146.542)	2.037.982
Deferred tax liabilities	149.610	945.763	(283.886)	(553.340)
EMPLOYEE PROFIT SHARING	(735.136)	(1.739.336)	(312.391)	(728.087)
PROFIT FOR THE PERIOD	4.813.433	11.468.457	2.168.451	6.242.795

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of reais

(A free translation of the original in Portuguese)

EVENTS	SHARE CAPITAL	INSTRUMENT ELIGIBLE TO CAPITAL	REVALUATION RESERVE	REVENUE RESERVES		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS / ACCUMULATED DEFICIT	TOTAL
				LEGAL	STATUTORY			
BALANCES AT DECEMBER 31, 2016	24.837.171	36.453.645	379.098	2.802.528	6.272.182	(7.111.035)		63.633.589
CARRYING VALUE ADJUSTMENTS						(1.737.590)		(1.737.590)
TAX CHARGES ON REVALUATION			(8.512)					(8.512)
PAYMENT OF TAXES ON REVALUATION RESERVE							(7.185)	(7.185)
REALIZATION OF RESERVE			(20.257)				20.257	
INCORPORATION OF IHCD REMUNERATION		522.057						522.057
OTHER TAX IMPACTS							73	73
PROFIT FOR THE PERIOD							6.242.795	6.242.795
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				203.690			(203.690)	
Lottery reserve (revenue reserves)					248.676		(248.676)	
Operating margin reserve (revenue reserve)								
Interest on capital proposed							(1.359.937)	(1.359.937)
Interest on debt instrument eligible to capital							(546)	(546)
BALANCES AT SEPTEMBER 30, 2017	24.837.171	36.975.702	350.329	3.006.218	6.520.858	(8.848.625)	4.443.091	67.284.744
BALANCES AT DECEMBER 31, 2017	29.630.119	36.975.702	352.348	2.024.337	11.899.305	(9.498.258)		71.383.553
CARRYING VALUE ADJUSTMENTS						1.877.629		1.877.629
CAPITAL INCREASE	562.905					(562.905)		
TAX CHARGES ON REVALUATION			7.725					7.725
PAYMENT OF TAXES ON REVALUATION RESERVE							(6.627)	(6.627)
REALIZATION OF RESERVE			(17.263)				17.263	
ADJUSTMENT TO REVALUATION RESERVE			(1.532)					(1.532)
INCORPORATION OF IHCD REMUNERATION		3.266.916						3.266.916
PROFIT FOR THE PERIOD							11.468.457	11.468.457
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				291.633			(291.633)	
Lottery reserve (revenue reserves)					257.825		(257.825)	
Operating margin reserve (revenue reserve)								
Interest on capital proposed							(2.179.572)	(2.179.572)
Dividends proposed							(15.287)	(15.287)
Interest on debt instrument eligible to capital							(1.258.277)	(1.258.277)
BALANCES AT SEPTEMBER 30, 2018	30.193.024	40.242.618	341.278	2.315.970	11.594.225	(7.620.629)	7.476.499	84.542.985

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of reais

(continued)

EVENTS	SHARE CAPITAL	INSTRUMENT ELIGIBLE TO CAPITAL	REVALUATION RESERVE	REVENUE RESERVES		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS / ACCUMULATED DEFICIT	TOTAL
				LEGAL	STATUTORY			
BALANCES AT JUNE 30, 2017	24.837.171	36.975.702	364.105	3.006.218	6.520.858	(8.439.954)	2.612.740	65.876.840
CARRYING VALUE ADJUSTMENTS						(408.671)		(408.671)
CAPITAL INCREASE								
TAX CHARGES ON REVALUATION			(8.512)					(8.512)
PAYMENT OF TAXES ON REVALUATION RESERVE							(2.369)	(2.369)
REALIZATION OF RESERVE			(5.264)				5.264	
OTHER TAX IMPACTS							73	73
PROFIT FOR THE PERIOD							2.168.451	2.168.451
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)								
Lottery reserve (revenue reserves)								
Operating margin reserve (revenue reserve)								
Interest on capital proposed							(341.068)	(341.068)
BALANCES AT SEPTEMBER 30, 2017	24.837.171	36.975.702	350.329	3.006.218	6.520.858	(8.848.625)	4.443.091	67.284.744
BALANCES AT JUNE 30, 2018	29.630.119	40.242.618	345.933	2.315.970	12.157.130	(8.290.875)	3.967.020	80.367.915
CARRYING VALUE ADJUSTMENTS						670.246		670.246
CAPITAL INCREASE	562.905					(562.905)		
TAX CHARGES ON REVALUATION			2.445					2.445
PAYMENT OF TAXES ON REVALUATION RESERVE							(1.093)	(1.093)
REALIZATION OF RESERVE			(7.100)				5.568	(1.532)
ADJUSTMENT TO REVALUATION RESERVE								
PROFIT FOR THE PERIOD							4.813.433	4.813.433
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)								
Lottery reserve (revenue reserves)								
Operating margin reserve (revenue reserve)								
Interest on capital proposed							(872.519)	(872.519)
Interest on debt instrument eligible to capital							(435.910)	(435.910)
BALANCES AT SEPTEMBER 30, 2018	30.193.024	40.242.618	341.278	2.315.970	11.594.225	(7.620.629)	7.476.499	84.542.985

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
CASH FLOWS FROM OPERATING ACTIVITIES				
ADJUSTED PROFIT	9.275.341	24.414.245	7.238.109	20.777.315
Profit for the period	4.813.433	11.468.457	2.168.451	6.242.795
Adjustments to profit:	4.461.908	12.945.788	5.069.658	14.534.520
Fair value adjustments of marketable securities and derivative financial instruments (assets/liabilities)	213.422	(354.532)	(335.153)	(2.535.058)
(Gain)/Loss on investments	10.561	644.911	(104.016)	209.588
(Gain)/Loss on sale of property and equipment	(145)	(59)		(10)
(Gain)/Loss on sale of property and equipment not for own use	(9.972)	96.522	53.115	112.885
Allowance for loan losses	2.710.070	9.787.501	3.203.361	13.450.334
Actuarial liabilities/assets (employee benefits)	432.400	1.466.318	638.354	1.755.375
Depreciation and amortization	434.560	1.325.300	451.069	1.360.083
Deferred taxes	226.451	(1.296.728)	430.428	(1.484.642)
Expenses with provision for contingencies	312.505	1.077.436	586.189	1.061.886
Equity in the results of investees	(324.965)	(1.021.749)	(259.098)	(570.685)
Expenses on subordinated debt and hybrid instruments	457.021	1.220.868	405.409	1.174.764
CHANGES IN WORKING CAPITAL	(8.988.190)	19.375.549	14.912.169	(4.734.972)
(Increase) decrease in interbank investments	(8.360.628)	(20.449.742)	2.598.547	4.679.023
(Increase) decrease in marketable securities held for trading	(2.886.768)	10.669.831	18.656.633	11.631.088
(Increase) decrease in compulsory deposits with the Brazilian Central Bank	3.507.714	27.443.451	6.491.093	(1.600.481)
(Increase) decrease in interbank accounts (assets/liabilities)	(993.313)	(811.981)	(514.465)	(1.196.337)
Increase in interdepartmental accounts (assets/liabilities)	39.097	(578.580)	46.566	(565.825)
(Increase) decrease in loan operations	(1.387.546)	59.490	(31.674)	(17.148.338)
(Increase) in other receivables	(1.193.702)	2.510.346	(1.008.269)	(2.447.562)
(Increase) decrease in other assets	(962.126)	(1.929.413)	(566.553)	(1.997.383)
(Decrease) increase in deposits	4.303.097	8.599.955	(17.970.481)	(2.128.711)
(Decrease) increase in deposits obtained in the open market	11.786.900	13.521.488	10.799.888	(2.600.665)
(Decrease) increase in funds from issuance of securities	(10.367.400)	(33.693.571)	(6.310.373)	(15.085.655)
(Decrease) increase in derivative financial instruments	(155.961)	(283.031)	150.834	84.437
(Decrease) increase in borrowings and onlendings	6.568.639	22.877.046	6.429.889	18.974.321
(Decrease) increase in other liabilities	(10.049.148)	(11.449.485)	(4.344.593)	3.576.847
Income and social contribution taxes paid	1.162.955	2.889.745	485.127	1.090.269
NET CASH PROVIDED BY OPERATING ACTIVITIES	287.151	43.789.794	22.150.278	16.042.343
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition and redemption of marketable securities available for sale	(21.625.210)	(22.413.146)	(11.457.051)	(16.968.064)
Acquisition and redemption of marketable securities held to maturity	2.543.631	55.418	(299.749)	8.972.251
Sale of property and equipment in use	4.984	29.998	278	3.831
Acquisition of property and equipment in use	(258.112)	(589.423)	(93.760)	(238.101)
Write-off of intangible assets		1.790	1.395	298.046
Acquisition of intangible assets	(78.239)	(206.189)	(227.466)	(445.728)
NET CASH USED IN INVESTING ACTIVITIES	(19.412.946)	(23.121.552)	(12.076.353)	(8.377.765)
CASH FLOWS FROM FINANCING ACTIVITIES				
Incorporation of IHCD remuneration		3.266.916		522.057
Dividends/Interest on capital paid		(2.804.317)		
IHCD remuneration paid		(55.355)		(460.780)
NET CASH USED IN FINANCING ACTIVITIES	-	407.244	-	61.277
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19.125.795)	21.075.486	10.073.925	7.725.855
CHANGES IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	182.564.223	142.362.942	148.489.064	150.837.134
Cash and cash equivalents at the end of the period	163.438.428	163.438.428	158.562.989	158.562.989
Net increase (decrease) in cash and cash equivalents	(19.125.795)	21.075.486	10.073.925	7.725.855

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

CONSOLIDATED INTERIM STATEMENT OF VALUE ADDED

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	2018				2017			
	3rd quarter		Nine-month period ended September		3rd quarter		Nine-month period ended September	
	R\$	%	R\$	%	R\$	%	R\$	%
1. REVENUES	34.983.848		100.012.304		36.799.569		113.484.743	
Financial intermediation	28.389.815		84.271.599		31.197.045		102.163.194	
Rendering of services	7.110.836		20.134.770		6.299.433		18.528.963	
Provision for loan losses - constitution	(2.710.070)		(9.787.501)		(3.203.361)		(13.450.334)	
Others	2.193.267		5.393.436		2.506.452		6.242.920	
2. EXPENSES ON FINANCIAL INTERMEDIATION	15.512.029		46.461.967		18.839.627		64.863.399	
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	6.324.969		18.633.067		7.610.671		19.844.253	
Materials, energy and others	651.140		1.921.707		617.718		1.842.517	
Data processing and communications	548.758		1.522.522		485.833		1.499.903	
Advertising, publicity and promotions	185.174		378.710		147.964		374.288	
Outsourced and specialized services	610.382		1.745.374		613.298		1.808.723	
Surveillance and security services	223.641		662.522		228.799		668.991	
Others	4.105.874		12.402.232		5.517.059		13.649.831	
- Services delegated by the Federal Government	415.382		1.053.580		661.529		1.760.170	
- Expenses with lottery and business partners	884.399		2.350.133		672.543		1.894.507	
- Discounts on loan operations	108.008		530.194		794.324		1.109.583	
- Expenses on credit/debit cards	215.647		709.024		260.384		691.321	
- Post-employment benefits	432.400		1.466.318		638.354		1.755.375	
- Sundry operating provisions	738.189		2.404.875		1.354.377		3.706.018	
- Sundry	1.311.849		3.888.108		1.135.548		2.732.857	
4. GROSS VALUE ADDED (1-2-3)	13.146.850		34.917.270		10.349.271		28.777.091	
5. RETENTIONS	434.560		1.325.300		451.069		1.360.083	
Depreciation, amortization and depletion	434.560		1.325.300		451.069		1.360.083	
6. NET VALUE ADDED (4-5)	12.712.290		33.591.970		9.898.202		27.417.008	
7. VALUE ADDED RECEIVED THROUGH TRANSFER	324.965		1.021.749		259.098		570.685	
Equity in the results of investees	324.965		1.021.749		259.098		570.685	
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	13.037.255		34.613.719		10.157.300		27.987.693	
9. DISTRIBUTION OF VALUE ADDED	13.037.255	100,00	34.613.719	100,00	10.157.300	100,00	27.987.693	100,00
Personnel	5.254.925	40,31	15.297.128	44,19	5.199.086	51,19	15.471.328	55,28
- Direct compensation	4.083.022		11.750.816		4.088.314		11.966.471	
- Benefits	934.728		2.858.016		877.766		2.805.447	
- FGTS	237.175		688.296		233.006		699.410	
Taxes, fees and contributions	2.603.992	19,97	6.740.401	19,47	2.409.904	23,73	5.125.280	18,31
- Federal	2.403.571		6.069.058		2.213.271		4.476.417	
- State	226		1.045		410		924	
- Municipal	200.195		670.298		196.223		647.939	
Remuneration of third-party capital	364.905	2,80	1.107.733	3,20	379.859	3,74	1.148.290	4,10
- Rentals	364.905		1.107.733		379.859		1.148.290	
Remuneration of own capital	1.308.430	10,04	3.437.850	9,93	341.069	3,36	1.360.484	4,86
- Interest on capital and dividends	872.519		2.179.572		341.069		1.359.938	
- Interest on debt instruments eligible to capital	435.911		1.258.278				546	
Retained earnings	3.505.003	26,88	8.030.607	23,20	1.827.382	17,99	4.882.311	17,44

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

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Contents	Page
Note 1 - General information	15
Note 2 - Presentation of the consolidated financial statements	17
Note 3 - Significant accounting policies	19
Note 4 - Cash and cash equivalents	25
Note 5 - Interbank investments	25
Note 6 - Marketable securities and derivative financial instruments	27
Note 7 - Interbank accounts	36
Note 8 - Loan operations	38
Note 9 - Other receivables	44
Note 10 - Other assets	46
Note 11 - Investments	48
Note 12 - Property and equipment in use	50
Note 13 - Intangible assets	52
Note 14 - Deposits	53
Note 15 - Funds obtained in the open market	57
Note 16 - Funds from acceptance and issuance of securities	58
Note 17 - Borrowings and onlendings	59
Note 18 - Other liabilities	60
Note 19 - Equity	65
Note 20 - Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)	67
Note 21 - Income from services and banking fees	69
Note 22 - Personnel expenses	70
Note 23 - Other administrative expenses	70
Note 24 - Other operating income	71
Note 25 - Other operating expenses	71
Note 26 - Non-operating income (expenses)	72
Note 27 - Tax expenses	72
Note 28 - Provisions, contingent assets and liabilities, and legal obligations - tax and social security	73
Note 29 - Employee benefits	77
Note 30 - Related parties	98
Note 31 - Capital and risk management	103
Note 32 - Other information	105
Note 33 - Subsequent events	105

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 1 - General information

Caixa Econômica Federal ("Caixa" or "Institution") is a financial institution constituted by Decree Law 759 of August 12, 1969, as a private government entity, linked to the Ministry of Finance, headquartered in Brasília - Federal District. In conformity with article 163 of the Federal Constitution and with article 2, Paragraph 1 of Law 13,303 of 6/30/2016, its establishment as a publicly-held company is justified by the significant collective interest marked by the promotion of citizenship and the country's development, either as a financial institution or as an agent of public policies and main strategic partner of the Brazilian Government.

The Institution offers to its customers a service network of 55.5 thousand service points in all the country. There are 4.2 thousand branches and service stations, 29.5 thousand machines in gas stations and self-service rooms, 8.7 thousand CAIXA Aqui agents, 13.0 thousand lottery retailers and 8 truck-units. It also has electronic and digital channels to expand its service and the convenience for its customers and, reinforcing its commitment to banking inclusion, it counts with 3 boat branches, bringing development and citizenship to riverside population. Abroad, CAIXA operates through representation offices in the United States of America.

CAIXA conducts its bank activities by raising, specially through saving accounts, and investing funds in various operations related to commercial portfolios; foreign exchange transactions; consumer credit, real estate and rural credit and the provision of banking services, credit and debit card business, administration of funds and activities related to the intermediation of securities. The Institution also operates in the insurance, private pension plan, capitalization and consortium management segments, through investments held in CAIXA Seguridade S.A.

As a form of long-term financing of its operations, CAIXA issues debt bonds in the international market through senior and subordinated bonds eligible to comprise Level II Capital under Basel III rules.

As determined by the Federal Government, CAIXA exclusively manages federal lottery services and holds a monopoly on civil pledge transactions, on an ongoing and continuous basis. CAIXA Lotteries are an important source of funds for the country's social development and until September it had raised R\$ 9.9 billion, of which R\$ 3.7 billion were transferred to social programs from the federal government in the areas of social security, sports, culture, public safety, education and health.

The Institution leads the housing loan market with a portfolio of R\$ 439.9 billion, and it operates as the main financial agent of the My House My Life program.

Caixa has a tradition and leadership in the Savings market, an important source of funds for the housing loan and the formation of the Brazilian population's wealth. In September, the 78.1 savings accounts held in CAIXA reached R\$ 291.4 billion.

The Institution provides important advances in the Country's economic development in the segments of credit intended for Sanitation and Infrastructure, which reached a balance of R\$ 83.1 billion in September. It fosters the local sustainable development and improvement to rural producers' life quality through the rural credit, which recorded a balance of R\$ 7.4 billion in September.

As the main partner of the Federal Government in promoting social programs, CAIXA actively contributes to the poverty eradication and improvement of income distribution of the Brazilian population. The Institution operates in the payment of the "Bolsa Família" program, which is fundamental for the reduction of child mortality and school dropout, Unemployment Insurance, Government Severance Indemnity Fund for Employees (FGTS), Salary Allowance, Social Integration Program (PIS), retirement and pension (INSS).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The table below shows the quantity of benefits paid in the period, as well as the amount transferred to the program beneficiaries:

Social program	9/30/2018		9/30/2017	
	Quantity in thousands	Amount	Quantity in thousands	Amount
FGTS	27,317	82,147,015	151,675	139,925,548
“Bolsa Família” Program	118,143	21,521,137	113,057	20,465,402
Unemployment Insurance, Salary Allowance, PIS and other employee benefits	55,058	53,121,089	46,565	40,656,776
Total	200,518	156,789,241	311,297	201,047,726

As determined by the Federal Government, CAIXA exercises the role of an operating agent of funds and social programs, with emphasis on the Government Severance Indemnity Fund for Employees (FGTS), being the main financial agent, Compensation Fund for Salary Variations (FCVS), Social Integration Program (PIS), Social Development Fund (FDS), Residential Lease Fund (FAR), among others. The administered funds are independent legal entities, managed by specific regulations and governance structure, and they have their own accounting, thus not generating effects on CAIXA's balance sheets.

Main Funds and Social Programs

Description	9/30/2018 (1)	12/31/2017	9/30/2017
FGTS	518,733,698	489,114,370	505,799,683
PIS	20,534,180	31,240,929	32,113,726
FAR	37,592,785	39,844,589	40,600,217
FCVS	14,267,114	13,800,682	13,696,520
FDS	3,158,974	3,011,455	2,891,595
FGCN	50,633	50,440	51,391
FGHAB	1,987,611	1,868,767	1,827,591
FGS	2,376,634	1,901,419	1,655,059
Others	23,583	25,252	25,402
Total	598,725,212	580,857,903	598,661,184

(1) Position at 8/31/2018 in accordance with the Funds' balance sheets

CAIXA invests in projects aimed at encouraging practicing sports and at social inclusion of children and teenagers through sports and cultural and artistic activities and sponsors several modalities of sports such as Athletics, Gymnastics, Basketball, Soccer, Olympic and Paralympic sports. Reinforcing its commitment to being a bank for all Brazilians, it promotes the accessibility in Brazilian Sign Language (LIBRAS) in its digital and physical channels, with professionals trained to provide this type of inclusive service.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 2 - Presentation of the consolidated financial statements**a) Overview**

CAIXA's consolidated financial statements are the responsibility of management.

The consolidated financial statements at 9/30/2018 were approved by the Managing Board on 11/6/2018 and by the Board of Directors on 11/13/2018.

Based on the orientation of BACEN to classify hybrid capital and debt instruments as liabilities in the individual financial statements, CAIXA's management chose to present only the Consolidated Financial Statements at September 30, 2018, on the website: <http://www.caixa.gov.br>, as it believes that these consolidated financial statements provide the elements needed for a better understanding of CAIXA's financial position, the total volume of its operations and compliance with the regulatory and prudential limits of the Brazilian Central Bank, where hybrid capital and debt instruments are classified as eligible to capital and comprise the equity.

b) Basis of preparation and statement of compliance

The consolidated financial statements of CAIXA were prepared based on the accounting guidelines established by Law 4,595/64 (National Financial System Law) and BACEN Circular Letter 1,273/87 (COSIF). In addition to these standards, they were also based on Law 6,404/1976 (Corporation Law), including changes introduced by Law 11,638/2007 and 11,941/2009 and in accordance with the standards and rules of the Brazilian Monetary Council (CMN), the Brazilian Central Bank (BACEN), Brazilian Federal Accounting Council (CFC), and the accounting practices adopted in Brazil.

The disclosure of the consolidated financial statements at a website are in compliance with the provisions of Law 13,303/2016 (Provisions Applicable to Publicly-held and Mixed-Capital Companies), regulated by the Federal Government under Decree 8,945/2016 of the President of the Republic.

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

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

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

c) Basis of consolidation

The consolidated financial statements include CAIXA and its subsidiaries CAIXAPAR, CAIXA Instantânea and CAIXA Seguridade, and were prepared considering the elimination of assets, liabilities, revenues, expenses and unrealized profits between the companies.

The financial statements of CAIXAPAR, CAIXA Instantânea, CAIXA Seguridade and CAIXA are prepared using consistent accounting practices. Investments in jointly-controlled entities and in associates are accounted for under the equity method of accounting.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The results of subsidiaries acquired or disposed of in the period are included in the consolidated statements of income as from the acquisition or disposal date. The acquisition cost of a subsidiary is measured at fair value of the offered assets, equity instruments issued, and liabilities incurred or assumed at the trade date.

The identifiable assets acquired and contingencies and liabilities assumed in a business combination are initially measured at their fair value on the acquisition date, irrespective of the proportion of any non-controlling interests.

The excess of the acquisition cost of the net identifiable assets in relation to the fair value of the investment is recorded as goodwill based on future profitability.

When the acquisition cost is lower than the fair value of a subsidiary's net assets, CAIXA recognizes the difference directly in the statements of income.

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

(d) Risks related to non-compliance with laws and regulations

Due to news disclosed in the media as from 2015, in connection with the operation known as "A Origem" (Origin) and, as from 2017, in connection with the operations known as "Cui Bono?", "Sepsis" and "Patmos", conducted by the Brazilian Federal Police and the Federal Public Prosecution Office, CAIXA's management adopted in-house precautionary actions in order to detect non-compliance with laws and regulations by its employees, officers and suppliers and any impacts on the internal controls and consolidated financial statements of CAIXA, and began to collaborate actively with the public authorities responsible for those investigations.

In addition, in August 2017, the Board of Directors of CAIXA decided to contract an independent investigation, conducted by a law firm with recognized capacity in the matter, with the support of other external specialists and supervised by an Independent Committee, in order to ensure the development of the work without any undue interference.

The first phase of the independent investigation, already completed, generated several recommendations that have already been adopted or are in process of adoption by CAIXA, especially the amendments to the bylaws approved at the Extraordinary General Meeting (EGM) of January 19, 2018, which included a new process to elect and appoint Vice-Presidents, as well as the admission of independent members to the Board of Directors. To date, this independent investigation has not indicated the existence of any event that would generate a material impact on the financial statements.

New independent investigations are in progress, being conducted by a law firm known for its expertise on the matter and supervised by the Independent Committee. CAIXA will continue to monitor and support the investigation processes conducted by the appropriate authorities until their conclusion, systematically assessing any new information that may demand additional measures.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 3 - Significant accounting policies

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

(a) Foreign currency translation

The consolidated financial statements are presented in reais, which is CAIXA's functional currency. Items included in the consolidated financial statements of each of the group's entities are measured using the same functional currency.

Transactions in foreign currency are initially recorded at the exchange rate of the functional currency prevailing at the transaction date. Assets and liabilities denominated in foreign currency are translated at the foreign exchange rate of the functional currency at the balance sheet date. Gains or losses arising from the translation process are allocated to the result for the period.

(b) Computation of the result

In accordance with the accrual basis, income and expenses are recorded on the occurrence of the related generating event, simultaneously, when they correlate and irrespective of their receipt or payment.

Transactions with fixed financial charges are recorded at redemption value, and the income and expenses corresponding to future periods are presented as a reduction of the respective assets and liabilities. Floating rate transactions or transactions indexed to foreign currencies are restated up to the balance sheet date.

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

(c) Cash and cash equivalents

The amount of cash and cash equivalents in Brazilian currency is stated at its face value, while the amounts in foreign currencies are translated at the foreign exchange rate disclosed by BACEN at the end of the reporting period.

Cash equivalents are characterized by their high liquidity (interbank investments), are contracted to mature within 90 days, and present an immaterial risk of changes in value.

The composition of cash and cash equivalents is presented in Note 4.

(d) Interbank investments

Interbank investments are stated at acquisition cost, plus earnings computed through the balance sheet date, less a provision for loss in value, where applicable.

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

(e) Marketable securities

The marketable securities acquired for the Institution's own portfolio are recorded at the amount actually paid, in accordance with BACEN Circular Letter 3,069/2001, and are classified into three specific categories, according to Management's intent:

- **Trading securities** - securities acquired to be actively and frequently traded, which are adjusted to market value with a corresponding entry to the result for the period.
- **Available-for-sale securities** - instruments held for an indefinite period and that can be sold in response to the need for liquidity or changes in market conditions. They are adjusted at market value, net of tax effects, with a corresponding entry to "Carrying value adjustments" in Equity. Gains and losses on the market value are recorded as income or expense for the period, net of tax effects, upon the realization of the respective securities.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

- **Held-to-maturity securities** - acquired with the institution's intention and financial capacity to hold them to maturity in the portfolio and are stated at cost or market value when reclassified from another category. They include income earned, with a corresponding entry in P&L for the period and are not measured at market value.

The income from securities, irrespective of their classification, is recorded on a daily pro rata basis, on the accrual basis, based on the remuneration clauses, and is recognized in the statement of income. Losses are recognized directly in profit or loss for the period and are then included in the new cost base of the asset.

Losses on available-for-sale securities and held-to-maturity securities, which are not considered temporary, are recognized in profit or loss for the period as realized losses.

The classification, composition and segmentation of the securities are presented in Note 6.

(f) Derivative financial instruments

CAIXA utilizes derivative financial instruments for purposes of hedge (accounting or financial), directional, arbitration or to obtain benefits from fluctuations in actual or expected prices, accounted for in accordance with BACEN Circular Letter 3,082/2002.

Adjustments are accounted for at market value and maintained as assets when positive and liabilities when negative. They are subsequently revalued also at market value, and the corresponding increases or decreases are recognized directly in profit or loss for the period, except for the effective portion of the cash flow hedge, which is recognized directly in equity.

Derivative financial instruments utilized to offset fully or partially the risks from foreign exchange and interest rate fluctuations and income tax on financial liabilities qualified for accounting hedge are classified as Market Risk Hedge. Financial instruments classified under this category, as well as the related financial assets and liabilities, are adjusted to market value with the gains and losses recognized directly in the statement of income;

The composition of the values recorded in derivative financial instruments, both in balance sheet accounts and memorandum accounts, is presented in Note 6(g), (h), (i) and (j).

(g) Determination of the market value of financial instruments

The market value is determined based on consistent and verifiable criteria, which considers the average negotiation price of financial instruments at the determination date or, on the lack of an active market, the quotations of market prices for assets or liabilities with similar characteristics are considered. If the market for similar instruments is not available, the market value is obtained by quotations from market operators or valuation models that could require judgment by Management.

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

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

(h) Loan operations, advances on exchange contracts, other receivables with characteristics of credit concessions and provision for loan losses

Loan operations, advances on exchange contracts and other receivables with credit concession characteristics are classified into nine levels, of which "AA" (minimum risk) and "H" (maximum risk), according to the parameters established by CMN Resolution 2,682/1999, and in line with Management's periodic assessment, which considers the economic scenario, past experience, and specific and global risks in relation to the operations, debtors and guarantors.

Interest accrued on loans overdue by up to 59 days is recorded as income from loans, and, after the 60th day, is recognized as income only when effectively received.

CAIXA constitutes monthly provisions to cover doubtful loans pursuant to CMN Resolution 2,682/1999 and in amounts sufficient to cover probable loan losses.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The operations classified as risk level "H", after six months classified in this risk level, are written off against the existing provision, and controlled for at least five years in memorandum accounts.

Renegotiated operations are maintained, at least, at the same level in which they were classified at the moment of renegotiation. Renegotiations of loans already written off as losses are classified as being of risk level "H". Any gains from renegotiation are only recognized when effectively received. When there is a significant amortization of the operation, or new relevant facts, justifying a change in the risk level, the operation is reclassified to a lower risk level category.

In accordance with the parameters established by CMN Resolution 3,533/2008, the results of loan assignments with substantial retention of risks and benefits remain recorded in assets under "Loan operations". The amounts received under assignment agreements are recorded in assets, with a corresponding entry in liabilities, according to the obligation assumed. Income and expenses relating to realized loan assignments are recognized in profit or loss, over the remaining term of the transactions.

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

(i) Income tax and social contribution on net income

The constitution of tax credits is based on the estimate of their realization, in accordance with technical and other analyses realized by Management, considering the tax rates in effect in the period of realization of these assets. Deferred income tax and social contribution, calculated based on income tax and social contribution losses and temporary differences, are recorded as tax credits in "Other receivables - Sundry", according to the expectation of the generation of future taxable income, in compliance with the criteria for the constitution, maintenance and write-off determined by CMN Resolution 3,059/2002, amended by CMN Resolution 3,355/2006.

The realization of tax credits depends on their origin. Those originated from temporary differences are realized by the utilization or reversal of provisions that were the basis for their recognition. The tax credits on income tax and social contribution losses are realized on the generation of taxable income, through the offset in the basis of the related taxes, limited to 30% of the taxable income for each year. CAIXA recognizes IRPJ, CSLL, PASEP and COFINS tax credits on the negative adjustments arising from the marking to market of marketable securities and derivative financial instruments recognized in the statement of income and in a separate account in equity.

The provision for income tax is recorded at the rate of 15% of taxable income plus a surcharge of 10% on the exceeding income, pursuant to the Income Tax Regulation. For CAIXA, CSLL was calculated considering the rate of 15%, until August 2015. From September 2015 to December 2018, the rate was altered to 20%, under Law 13,169/2015, decreasing to 15% as from January 2019. For the other companies, the social contribution is calculated considering the rate of 9%.

Since CSLL has been increased from September 15 to December 2018, CAIXA constituted supplementary CSLL credits, considering tax credits realizable during the period subject to the increased rate, estimated in accordance with technical studies supporting the recognition of such assets.

The composition of income tax and social contribution amounts, evidence of calculations, the origin and estimate for the realization of tax credits are presented in Note 20.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(j) Deposits, funds obtained in the open market, funds from acceptance and issuance of securities, and borrowings and onlendings

These liabilities are stated at the amounts payable and include, when applicable, charges accrued up to the balance sheet date on a daily pro rata basis. Deposits and funds obtained in the open market, funds from acceptance and issuance of securities, and borrowings and onlendings are recognized in the balance sheet and statement of income accounts, and their charges are appropriated monthly in accordance with the flow of their terms, as disclosed in Notes 14, 15, 16 and 17, respectively.

For fundraising operations through the issuance of marketable securities, considering that they have fixed rates, the expenses are appropriated to the result over the operation term, as a charge to subaccounts as a reduction of the corresponding liability.

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

The recognition, measurement and disclosure of provisions, asset and liability contingencies, and legal obligations are performed according to the criteria defined by Pronouncement No. 25 of the Brazilian Accounting Pronouncements Committee - CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Resolution 3,823/2009:

- **Contingent assets** - recognized only when there are real guarantees or unappealable favorable judicial decisions, making the gain practically certain, and for the capacity of its recovery by receipt or offset with other liability. The contingent asset, in respect of which a positive outcome is probable, is disclosed in explanatory notes.
- **Contingent liabilities** - as determined by CPC 25, provisions for contingent liabilities are not constituted for administrative or legal proceedings classified as possible losses, and these are only disclosed in the notes to financial statements when individually significant. Proceedings classified as remote losses require neither provision nor disclosure. The analysis and classification of loss is based on the opinion of legal advisors and management.
- **Provisions** - constituted considering the opinions of legal counsel and management, the nature of the proceeding, similarity with prior proceedings, complexity and positioning of the courts, whenever the likelihood of loss is considered probable, which will lead to a probable outflow of resources to settle the obligations, and when the amounts involved can be reliably measured.
- **Legal, tax and social security obligations** - involve ongoing judicial proceedings challenging the enforceability and constitutionality of the obligation and which, regardless of the likelihood of loss, have their amounts fully recognized in the consolidated financial statements.

The details of contingent assets and liabilities, as well as on provisions, in addition to their corresponding changes, are presented in Note 28.

(l) Provision for financial guarantees provided

The provision for financial guarantees provided is constituted based on the expected loss model, which is sufficient to cover probable losses over the term of the guarantee provided and is recognized in liabilities with a corresponding entry to the result for the period, as required by CMN Resolution 4,512/2016.

(m) Employee benefits

Benefits to employees, related to short-term benefits for current employees, are recognized on the accrual basis in accordance with the services provided. Post-employment benefits under the responsibility of CAIXA and related to supplementary retirement and healthcare are recognized in accordance with Technical Pronouncement CPC 33 (R1), approved by the Brazilian Central Bank through CMN Resolution 4,424/2015. The actuarial assessments are semi-annual.

Pronouncement CPC 33 (R1) stipulates, for the sponsoring company, the specific parameters for measuring assets, liabilities and, consequently, the surplus and deficit of pension plans. However, due to legal provisions in Brazil, the financial statements of the respective plans should be prepared in accordance with the provisions introduced by the corresponding Brazilian authority, resulting in different calculations of the surplus and deficit.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Considering that CAIXA has already constituted an actuarial reserve, in compliance with CPC 33 (R1), this reserve should only be supplemented if the deficit, the object of the equation of the plan, calculated in accordance with local legislation, is higher than that defined in CPC 33 (R1).

In this case, the increase in the reserve is affected with a corresponding entry to equity, in accordance with ICPC 20 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The composition of employee benefits and the changes are presented in Note 29.

(n) Reclassification of comparative balances**(n.1) Quita-fácil Campaign ("Easy settlement")**

At December 31, 2017, the discounts granted on loan operations in default related to the Quita-fácil Campaign, computed in the 1st semester of 2017, were reclassified from "Other operating expenses" to "Allowance for loan losses" which is included in "Expenses on financial intermediation".

(n.2) Detail of restatement adjustments in the financial statements

As established by Technical Pronouncement CPC 23 - Accounting Policies, Change in Accounting Estimates and Errors, the reclassification mentioned in the item above was applied on a retrospective manner, causing effects on the comparative consolidated financial statements, as presented below:

▪ Consolidated Statement of Income

The comparative consolidated statement of income for the nine-month period ended September 2017 is being restated due to the reclassification described in item (n.1), as shown below:

Description	Nine-month period ended September 2017		
	Originally presented	Adjustments	Adjusted amount
STATEMENT OF INCOME			
Income from financial intermediation	102,163,194	-	102,163,194
Expenses on financial intermediation	(77,800,074)	(513,659)	(78,313,733)
Allowance for loan losses	(12,936,675)	(513,659)	(13,450,334)
Gross profit from financial intermediation	24,363,120	(513,659)	23,849,461
Other operating income/expenses	(16,920,688)	513,659	(16,407,029)
Other operating expenses	(14,163,490)	513,659	(13,649,831)
Operating profit	7,442,432	-	7,442,432
Nonoperating income (expenses)	(418,849)	-	(418,849)
Profit before taxation	7,023,583	-	7,023,583
Income tax and social contribution	(52,701)	-	(52,701)
Profit sharing	(728,087)	-	(728,087)
Profit for the period	6,242,795	-	6,242,795

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Consolidated Statement of Cash Flows

The comparative consolidated statement of cash flows for the nine-month period ended September 2017 is being restated due to the reclassification described in item (n.1), as shown below:

Description	Nine-month period ended September 2017		
	Originally presented	Adjustments	Adjusted amount
CASH FLOWS FROM OPERATING ACTIVITIES			
ADJUSTED PROFIT	20,263,656	513,659	20,777,315
Profit for the period	6,242,795	-	6,242,795
Adjustments to profit:	14,020,861	513,659	14,534,520
Allowance for loan losses	12,936,675	513,659	13,450,334
CHANGES IN WORKING CAPITAL	(4,221,313)	(513,659)	(4,734,972)
(Increase) decrease in loan operations	(16,634,679)	(513,659)	(17,148,338)
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,042,343	-	16,042,343

Consolidated Statement of Value Added

The comparative consolidated statement of value added for the nine-month period ended September 2017 is being restated due to the reclassification described in item (n.1), as shown below:

Description	Nine-month period ended September 2017		
	Originally presented	Adjustments	Adjusted amount
1. REVENUES	113,998,402	(513,659)	113,484,743
2. EXPENSES ON FINANCIAL INTERMEDIATION	64,863,399	-	64,863,399
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	20,357,912	(513,659)	19,844,253
4. GROSS VALUE ADDED (1-2-3)	28,777,091	-	28,777,091
5. RETENTIONS	1,360,083	-	1,360,083
6. NET VALUE ADDED (4-5)	27,417,008	-	27,417,008
7. VALUE ADDED RECEIVED THROUGH TRANSFER	570,685	-	570,685
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	27,987,693	-	27,987,693
9. DISTRIBUTION OF VALUE ADDED	27,987,693	-	27,987,693
Retained earnings/accumulated losses	4,882,311	-	4,882,311

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 4 - Cash and cash equivalents

The amounts recognized as cash and cash equivalents are represented by funds in local currency and foreign currency and interbank investments made for a period of up to 90 days and with an insignificant risk of change in fair value.

Description	9/30/2018	12/31/2017	9/30/2017
Total cash and banks	10,610,264	11,451,854	9,214,815
Cash and banks in local currency	7,016,801	10,054,701	7,537,992
Cash and banks in foreign currency	3,593,463	1,397,153	1,676,823
Interbank investments	152,828,164	130,911,088	149,348,174
Total	163,438,428	142,362,942	158,562,989

Note 5 - Interbank investments

The fixed income securities used to guarantee the repurchase operations (sale with repurchase commitment) are recorded in assets on the date of the operation, at the restated average book value, classified by security type and maturity.

Financing granted that is guaranteed by third party fixed income securities (acquisition with repurchase commitment) are recorded at settlement value.

For repurchase agreements, executed under free movement agreements, when the securities are definitively sold, the liability referring to the obligation for the return of the securities is evaluated at market value.

The income from interbank investments is obtained from the expense incurred on repurchase transactions (difference between repurchase and sale prices) and the income earned on loan transactions backed by fixed income securities from third parties (difference between resale and purchase prices).

(a) Composition and classification of portfolio by maturity

Description	01 to 90 days	91 to 180 days	181 to 360 days	9/30/2018	12/31/2017	9/30/2017
Money market investments - banked position	63,439,597	3,369,897	-	66,809,494	92,345,976	118,225,083
Financial Treasury Bills	705,510	-	-	705,510	70,444,087	79,396,465
Federal Treasury Bills	14,576,850	3,369,897	-	17,946,747	392,350	11,000
Federal Treasury Notes	48,157,237	-	-	48,157,237	21,509,539	38,817,618
Money market investments - financed position	106,944,927	-	-	106,944,927	38,565,113	31,123,091
Federal Treasury Bills	74,600,677	-	-	74,600,677	38,565,113	31,123,091
Federal Treasury Notes	32,344,250	-	-	32,344,250	-	-
Investments in interbank deposits	10,569,902	266,584	2,008,706	12,845,192	13,321,706	12,322,604
Interbank deposits	8,123,191	165,189	-	8,288,380	8,570,039	10,343,338
Interbank deposits - rural credit	2,446,840	101,395	2,008,706	4,556,941	4,752,144	1,979,275
Provision for losses on interbank deposits	(129)	-	-	(129)	(477)	(9)
Total	180,954,426	3,636,481	2,008,706	186,599,613	144,232,795	161,670,778

(a.1) Agreements for Compensation and Settlement of Obligations

The balances of investments in Financial treasury bills and Interbank deposits includes agreements for the Compensation and Settlement of Obligations signed between CAIXA and Bancoob, Sicredi and Cresol, pursuant to CMN Resolution 3,263/2005, in the amounts detailed below:

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	9/30/2018	12/31/2017	9/30/2017
Financial Treasury Bills	133,016	273,670	268,743
Bancoob	133,016	201,504	197,874
Sicredi	-	72,166	70,869
Interbank deposits	181,616	156,246	136,539
Bancoob	-	85,416	83,936
Sicredi	179,515	36,500	35,870
Cresol	2,101	34,330	16,733
Total	314,632	429,916	405,282

(b) Income from interbank investments

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Income from money market investments	3,103,243	8,520,177	3,440,294	12,622,565
Banked position	1,403,287	4,448,653	1,768,516	5,319,493
Financed position	1,699,956	4,071,524	1,671,778	7,303,072
Income from investments in interbank deposits	150,790	490,132	287,478	1,013,016
Total	3,254,033	9,010,309	3,727,772	13,635,581

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 6 - Marketable securities and derivative financial instruments
(a) Composition

Description	Own portfolio - Unrestricted	Restricted			Derivative financial instruments	9/30/2018	12/31/2017	9/30/2017
		Repurchase commitments	Subject to guarantees	Brazilian Central Bank				
Brazilian Government Securities	121,938,328	51,322,702	11,113,592	1,235,672	-	185,610,294	172,278,830	161,799,103
Financial Treasury Bills	53,588,093	20,392,542	8,240,975	1,234,978	-	83,456,588	39,835,858	38,824,763
Federal Treasury Bills	41,236,318	28,726,885	2,869,489	694	-	72,833,386	97,987,021	90,621,639
Federal Treasury Notes	26,772,082	2,203,275	3,128	-	-	28,978,485	34,171,028	32,057,708
Federal Treasury/Securitization	341,835	-	-	-	-	341,835	284,923	294,993
Corporate Securities	11,283,667	3,852,669	-	-	-	15,136,336	14,859,119	17,921,044
Debentures	2,315,573	1,345,708	-	-	-	3,661,281	4,596,011	7,751,828
Fund quotas	599,375	-	-	-	-	599,375	350,075	223,902
Mortgage-Backed Securities	926,911	2,506,961	-	-	-	3,433,872	3,486,702	3,531,678
Shares	7,441,808	-	-	-	-	7,441,808	6,426,331	6,413,636
Other	-	-	-	-	1,308,589	1,308,589	997,212	479,357
Total	133,221,995	55,175,371	11,113,592	1,235,672	1,308,589	202,055,219	188,135,161	180,199,504

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b) Classification of portfolio by maturity

Securities held as "I - Trading securities" are classified in current assets, pursuant to BACEN Circular Letter 3,068/2001;

The adjustment in equity of securities under the category "II - Available-for-sale" includes the adjustment to market value of Marketable Securities of the Subsidiary.

The effect on equity of the mark-to-market of "Available-for-sale securities" is R\$ 612,260 at 9/30/2018 (12/31/2017 - R\$ 233,202; 9/30/2017 - R\$ 655,153), net of tax effects.

Position at 9/30/2018	Cost adjusted to recoverable amount	Market adjustment - Result	Market adjustment - Equity	Book value	Market value	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days
Description										
Brazilian Government Securities	185,577,079	83,262	(50,047)	185,610,294	186,318,902	-	12,578,783	258,925	10,412,644	162,359,942
Financial Treasury Bills	83,407,418	27,932	21,238	83,456,588	83,461,331	-	-	258,925	-	83,197,663
Federal Treasury Bills	72,796,529	60,007	(23,150)	72,833,386	72,831,133	-	12,578,783	-	10,412,644	49,841,959
Federal Treasury Notes	28,984,142	(4,677)	(980)	28,978,485	29,684,603	-	-	-	-	28,978,485
Federal Treasury/Securitization	388,990	-	(47,155)	341,835	341,835	-	-	-	-	341,835
Corporate Securities	14,514,136	(40,107)	662,307	15,136,336	14,387,630	8,041,183	2,506	-	41,026	7,051,621
Debentures	3,772,460	(21,742)	(89,437)	3,661,281	2,682,799	-	-	-	41,026	3,620,255
Fund quotas	599,375	-	-	599,375	599,375	599,375	-	-	-	-
Mortgage-Backed Securities	3,384,433	(18)	49,457	3,433,872	3,663,648	-	2,506	-	-	3,431,366
Shares	6,757,868	(18,347)	702,287	7,441,808	7,441,808	7,441,808	-	-	-	-
Total - Securities	200,091,215	43,155	612,260	200,746,630	200,706,532	8,041,183	12,581,289	258,925	10,453,670	169,411,563
Trading securities	98,287,596	43,155	-	98,330,751	98,330,751	83,871	12,578,787	211,507	2,294,294	83,162,292
Available-for-sale securities	60,770,115	-	612,260	61,382,375	61,382,375	7,957,312	25	47,418	4,122,949	49,254,671
Held-to-maturity securities	41,033,504	-	-	41,033,504	40,993,406	-	2,477	-	4,036,427	36,994,600
Derivative financial instruments	1,375,722	(67,133)	-	1,308,589	1,308,589	-	28,573	3,628	751,632	524,756
Total - Marketable securities and Derivatives	201,466,937	(23,978)	612,260	202,055,219	202,015,121	8,041,183	12,609,862	262,553	11,205,302	169,936,319

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c) Classification of the portfolio by category and maturity

The market value of marketable securities is based on quoted prices at the balance sheet date. If there is no market price quotation, the amounts are estimated using the mark-to-market model based on the cash flows of the assets and the market interest curves.

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

The marketable securities portfolio of CAIXA was not reclassified into categories I, II and III in the periods presented.

(c.1) Category I - Trading securities

The securities included in the portfolio of Marketable securities - Trading securities were not adjusted for impairment, thus the cost adjusted to the recoverable amount presented at 9/30/2018 corresponds to the cost of acquisition of the security.

The market value of these securities represents their book value.

Description	9/30/2018								12/31/2017			9/30/2017		
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost adjusted to recoverable amount	Market adjustment - Result	Market value	Cost adjusted to recoverable amount	Market adjustment - Result	Market value	Cost adjusted to recoverable amount	Market adjustment - Result	Market value
Brazilian Government Securities	-	12,578,783	211,507	2,294,294	82,857,490	97,858,812	83,262	97,942,074	106,098,596	2,384,756	108,483,352	96,307,572	2,958,350	99,265,922
Financial Treasury Bills	-	-	211,507	-	36,790,192	36,973,767	27,932	37,001,699	24,818,073	39,203	24,857,276	24,385,696	34,795	24,420,491
Federal Treasury Bills	-	12,578,783	-	2,294,294	45,472,920	60,285,990	60,007	60,345,997	78,394,500	2,316,936	80,711,436	70,801,263	2,885,447	73,686,710
Federal Treasury Notes	-	-	-	-	594,378	599,055	(4,677)	594,378	2,886,023	28,617	2,914,640	1,120,613	38,108	1,158,721
Corporate Securities	83,871	4	-	-	304,802	428,784	(40,107)	388,677	494,656	(20,581)	474,075	407,743	(23,836)	383,907
Debentures	-	-	-	-	304,802	326,544	(21,742)	304,802	385,318	(22,687)	362,631	407,558	(23,848)	383,710
Mortgage-backed securities	-	4	-	-	-	22	(18)	4	125	6	131	185	12	197
Shares	83,871	-	-	-	-	102,218	(18,347)	83,871	109,213	2,100	111,313	-	-	-
Total	83,871	12,578,787	211,507	2,294,294	83,162,292	98,287,596	43,155	98,330,751	106,593,252	2,364,175	108,957,427	96,715,315	2,934,514	99,649,829

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

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

The shares classified under Category II are subject to periodic impairment testing, as established by the Brazilian Central Bank (BACEN) Circular Letter 3,068/2001. The cost adjusted to the recoverable amount includes an accumulated loss of R\$ 324,070 at 9/30/2018.

The other securities included in the portfolio of Marketable securities - Available-for-sale were not adjusted for impairment, thus the cost adjusted to the recoverable amount presented at 9/30/2018 corresponds to the cost of acquisition of the security.

The market value of these securities represents their book value.

Description	9/30/2018								12/31/2017			9/30/2017		
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost adjusted to recoverable amount	Market adjustment - Equity	Market value	Cost adjusted to recoverable amount	Market adjustment - Equity	Market value	Cost adjusted to recoverable amount	Market adjustment - Equity	Market value
Brazilian Government Securities	-	-	47,418	4,081,923	45,675,952	49,855,340	(50,047)	49,805,293	24,705,498	268,029	24,973,527	23,895,827	381,941	24,277,768
Financial Treasury Bills	-	-	47,418	-	39,700,072	39,726,252	21,238	39,747,490	8,558,151	22,810	8,580,961	8,096,534	21,574	8,118,108
Federal Treasury Bills	-	-	-	4,081,923	4,369,039	8,474,112	(23,150)	8,450,962	11,699,517	221,062	11,920,579	11,436,015	299,315	11,735,330
Federal Treasury Notes	-	-	-	-	1,265,006	1,265,986	(980)	1,265,006	4,133,402	53,662	4,187,064	4,040,136	89,201	4,129,337
Federal Treasury/Securitization	-	-	-	-	341,835	388,990	(47,155)	341,835	314,428	(29,505)	284,923	323,142	(28,149)	294,993
Corporate Securities	7,957,312	25	-	41,026	3,578,719	10,914,775	662,307	11,577,082	13,432,365	(1,314,292)	12,118,073	17,138,351	(1,865,145)	15,273,206
Debentures	-	-	-	41,026	2,258,633	2,389,096	(89,437)	2,299,659	4,698,936	(616,760)	4,082,176	7,740,959	(520,530)	7,220,429
Fund quotas	599,375	-	-	-	-	599,375	-	599,375	350,075	-	350,075	581,577	(357,675)	223,902
Mortgage-backed securities	-	25	-	-	1,320,086	1,270,654	49,457	1,320,111	1,297,227	73,577	1,370,804	1,308,998	106,241	1,415,239
Shares	7,357,937	-	-	-	-	6,655,650	702,287	7,357,937	7,086,127	(771,109)	6,315,018	7,506,817	(1,093,181)	6,413,636
Total	7,957,312	25	47,418	4,122,949	49,254,671	60,770,115	612,260	61,382,375	38,137,863	(1,046,263)	37,091,600	41,034,178	(1,483,204)	39,550,974

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c.3) Category III - Securities held to maturity

The debentures classified under Category III are subject to periodic impairment testing, as established by the Brazilian Central Bank (BACEN) Circular Letter 3,068/2001. The cost adjusted to the recoverable amount includes an accumulated loss of R\$ 1,261,920 at 9/30/2018.

The other securities included in the portfolio of Marketable securities - Held-to-maturity were not adjusted for impairment, thus the cost adjusted to the recoverable amount presented at 9/30/2018 corresponds to the cost of acquisition of the security.

Securities in this category were marked to market only for disclosure and analysis purposes; and do not have any effect on profit or loss or equity.

Description	9/30/2018					12/31/2017		9/30/2017	
	01 to 90 days	181 to 360 days	More than 360 days	Cost adjusted to recoverable amount	Market value	Cost adjusted to recoverable amount	Market value	Cost adjusted to recoverable amount	Market value
Brazilian Government Securities	-	4,036,427	33,826,500	37,862,927	38,571,535	38,821,951	41,444,149	38,255,413	42,118,424
Financial Treasury Bills	-	-	6,707,399	6,707,399	6,712,142	6,397,621	6,404,650	6,286,164	6,291,997
Federal Treasury Bills	-	4,036,427	-	4,036,427	4,034,174	5,355,006	5,432,564	5,199,599	5,336,255
Federal Treasury Notes	-	-	27,119,101	27,119,101	27,825,219	27,069,324	29,606,935	26,769,650	30,490,172
Corporate Securities	2,477	-	3,168,100	3,170,577	2,421,871	2,266,971	2,554,497	2,263,931	2,635,464
Debentures	-	-	1,056,820	1,056,820	78,338	151,204	8,173	147,689	7,427
Mortgage-Backed Securities	2,477	-	2,111,280	2,113,757	2,343,533	2,115,767	2,546,324	2,116,242	2,628,037
Total	2,477	4,036,427	36,994,600	41,033,504	40,993,406	41,088,922	43,998,646	40,519,344	44,753,888

(d) Income from securities

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Financial assets held for trading	1,642,068	4,675,914	4,030,805	11,119,882
Financial assets available for sale	421,236	1,569,871	830,771	1,898,286
Financial assets held to maturity	978,476	2,948,579	869,462	3,175,229
Other	(1,769)	(5,783)	(2,474)	8,748
Total	3,040,011	9,188,581	5,728,564	16,202,145

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(e) Derivative financial instruments

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

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

Derivatives usually represent future commitments to exchange currencies or indexes, or to purchase/sell other financial instruments under the terms and dates specified in the contracts. Swap agreements are recorded with or without a guarantee in the São Paulo Commodities, Futures and Stock Exchange (B3).

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

If they are registered without a guarantee, there is no clearing to calculate the daily adjustments and guaranteeing the payments; these amounts are calculated between the parties. In this case, however, there is the possibility of entering into contracts (Master Derivative Agreement - CGD and Assignment in Trust), which establish clauses guaranteeing the payment between the parties. Furthermore, in this type of registration, there is a defined credit limit which, when exceeded, requires assets to be deposited in an escrow account, which is managed by the parties. In this case, there is a credit risk up to the limit established in the contract.

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

(f) Accounting Hedge

CAIXA established a fair value hedging structure to hedge against the exposure to variations in market risk in the payment of interest and principal of foreign issues and issues in financial bills indexed to the Amplified Consumer Price Index (IPCA).

The accounting hedge of foreign issues have the objective of protection against the dollar variation and the dollar coupon in the payment of principal, interest and 15% tax on the payment of interest, which is hedged.

The structure is built for internalized balances and is hedged through swap contracts, as follows:

- Swap long position: US Dollar variation + coupon;
- Swap short position: DI variation %

The structured accounting hedge for financial bills indexed to IPCA aims to protect against the variation in IPCA and IPCA coupon, object of the hedge, and occurs through swap contracts, as follows:

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

Since future flows of the underlying hedge asset are matched with the swap long position, the effectiveness of operations remains close to 100%, within the range of 80% and 125% established in BACEN Circular Letter 3,082/2002.

The item Adjustment to market value of Hedge instruments consists of the cumulative adjustment of the swap contracts.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

ACCOUNTING HEDGE

Structures	9/30/2018				12/31/2017				9/30/2017			
	Hedge Instrument			Underlying hedge object Book Value	Hedge Instrument			Underlying hedge object Book Value	Hedge Instrument			Underlying hedge object Book Value
	Principal value	Interest	Adjustment to market value		Principal value	Interest	Adjustment to market value		Principal value	Interest	Adjustment to market value	
Foreign onlendings	8,014,859	2,043,055	882,470	9,948,103	6,874,387	1,375,459	182,505	8,171,595	9,482,611	1,715,851	(807,596)	11,104,797
Financial bills	829,160	648,020	77,939	1,482,036	845,660	543,295	183,497	1,392,658	845,660	510,237	129,705	1,359,164
Total	8,844,019	2,691,075	960,409	11,430,139	7,720,047	1,918,754	366,002	9,564,253	10,328,271	2,226,088	(677,891)	12,463,961

TIME STRUCTURE

Maturity	9/30/2018		12/31/2017		9/30/2017	
	Foreign onlendings	Financial bills	Foreign onlendings	Financial bills	Foreign onlendings	Financial bills
2017	-	-	-	-	2,914,600	-
2018	818,358	5,000	915,366	21,500	873,934	21,500
2019	5,660,795	10,150	4,690,521	10,150	4,478,983	10,150
2020	60,625	16,360	50,076	16,360	47,968	16,360
2021	58,485	25,000	48,309	25,000	46,275	25,000
2022	1,416,596	-	1,170,115	-	1,120,851	-
2023	-	562,000	-	562,000	-	562,000
2024	-	203,450	-	203,450	-	203,450
2025	-	7,200	-	7,200	-	7,200
Total	8,014,859	829,160	6,874,387	845,660	9,482,611	845,660

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(g) Composition of derivative financial instruments portfolio by index, type of instrument and maturity, stated at reference value in memorandum accounts

Reference value							
Description	9/30/2018				12/31/2017	9/30/2017	
	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Market Value	Market Value	Market Value
Futures contracts							
Subject to purchase agreements	-	8,918,829	2,291,453	117,084	11,327,366	-	-
Interbank market	-	8,918,829	2,291,453	117,084	11,327,366	-	-
Foreign Currency	-	-	-	-	-	-	-
Subject to repurchase agreements	3,709,088	19,187	1,103,477	47,239,618	52,071,370	83,110,386	71,285,875
Interbank market	3,709,088	19,187	1,103,477	47,239,618	52,071,370	84,400,204	72,522,105
Foreign Currency	-	-	-	-	-	(1,289,818)	(1,236,230)
Swap contracts							
Long Position	748,557	56,574	4,085,475	1,610,166	6,500,772	6,732,293	8,639,284
Index	5,000	5,800	4,350	814,010	829,160	845,660	845,660
Foreign Currency	743,557	50,774	4,081,125	796,156	5,671,612	5,886,633	7,793,624
Short Position	748,557	56,574	4,085,475	1,610,166	6,500,772	6,732,293	8,639,284
Index	5,000	5,800	4,350	814,010	829,160	845,660	845,660
Foreign Currency	743,557	50,774	4,081,125	796,156	5,671,612	5,886,633	7,793,624

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(h) Composition of derivative financial instruments portfolio by index, stated at equity value:

Description	Equity value receivable (received) / payable (paid)			Adjustments to market value (equity)			Equity value		
	9/30/2018	12/31/2017	9/30/2017	9/30/2018	12/31/2017	9/30/2017	9/30/2018	12/31/2017	9/30/2017
Swap contracts									
Long Position	1,375,722	408,623	427,339	(67,133)	588,589	52,018	1,308,589	997,212	479,357
Index	74,539	30,940	22,935	3,450	152,557	106,770	77,989	183,497	129,705
Foreign Currency	1,301,183	377,683	404,404	(70,583)	436,032	(54,752)	1,230,600	813,715	349,652
Short Position	337,505	1,063,664	1,195,850	10,675	(432,453)	(38,602)	348,180	631,211	1,157,248
Index	-	232	522	50	(232)	(522)	50	-	-
Foreign Currency	337,505	1,063,432	1,195,328	10,625	(432,221)	(38,080)	348,130	631,211	1,157,248

(i) Composition of derivative financial instrument portfolio by counterparty and maturity, stated at equity value:

Description	9/30/2018							12/31/2017	9/30/2017
	Equity value receivable (received) / payable (paid)	Adjustments to market value (Result/ Equity)	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Equity value	Equity value	Equity value
Long position									
Swap contracts - adjustments receivable	1,375,722	(67,133)	28,573	3,628	751,632	524,756	1,308,589	997,212	479,357
B3	74,539	3,450	134	882	416	76,557	77,989	183,497	129,705
Financial institutions	1,301,183	(70,583)	28,439	2,746	751,216	448,199	1,230,600	813,715	349,652
Short position									
Swap contracts - adjustments payable	337,505	10,675	123,113	1,819	223,198	50	348,180	631,211	1,157,248
B3	-	50	-	-	-	50	50	-	-
Financial institutions	337,505	10,625	123,113	1,819	223,198	-	348,130	631,211	1,157,248

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(j) Realized and unrealized gains (losses) on the portfolio of derivative financial instruments

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Swap	405,657	574,799	(580,267)	(828,374)
Futures	(21,212)	(17,677)	(1,632,145)	(3,059,064)
Total realized	384,445	557,122	(2,212,412)	(3,887,438)

(k) Securities linked to BACEN and guarantees provided

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

Description	9/30/2018	12/31/2017	9/30/2017
Brazilian Government Securities	12,349,264	5,627,765	6,756,456
Financial Treasury Bills	9,475,953	2,104,276	2,068,072
Federal Treasury Bills	2,870,183	3,520,492	4,685,383
Federal Treasury Notes	3,128	2,997	3,001

Note 7 - Interbank accounts**(a) Compulsory deposits at BACEN**

Comprised of compulsory deposits that yield monetary restatement and are not available to finance the routine transactions of CAIXA.

Description	Remuneration	9/30/2018	12/31/2017	9/30/2017
Compulsory on demand deposits	None	7,069,385	17,673,837	9,743,877
Compulsory on savings deposits	TR + 6.17% p.a.	58,377,491	67,249,183	65,541,674
Compulsory on time deposits	SELIC rate	33,800,483	39,471,354	43,384,939
Additional compulsory deposits	SELIC rate	-	-	2,588,767
Rural Credit Funds	None	-	2,296,436	-
Total		99,247,359	126,690,810	121,259,257

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

In the 2nd semester of 2017, the requirement to maintain the additional compulsory deposit was suspended by BACEN Circular Letter 3,823/2017 and CMN Resolution 4,573/2017.

In the third quarter of 2018, the deposits on rural credit transactions paid to BACEN were returned, due to the deficit of investment in the 2016/2017 crop.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Compulsory deposits at SFH

Includes amounts to be refunded to FGTS and the residual amounts of contracts terminated and to be reimbursed by FCVS, which are in the process of novation with that Fund.

Description	9/30/2018	12/31/2017	9/30/2017
FCVS receivable - not yet approved	13,351,106	12,943,851	12,836,140
FCVS receivable - qualified and approved	18,801,371	18,574,087	19,984,820
Provision for FCVS receivable	(3,651,768)	(3,704,747)	(3,571,875)
FCVS receivable - net of provision	28,500,709	27,813,191	29,249,085
FGTS reimbursable	104,191	105,925	112,087
Total (net of provision)	28,604,900	27,919,116	29,361,172

The contracts to be reimbursed by FCVS accrue interest of up to 6.17% per year and are adjusted for inflation based on the Referential Interest Rate (TR). The effective realization of these credits depends on the compliance with a set of rules and procedures defined in regulations issued by the FCVS.

The balance of FCVS receivable - not yet approved is comprised of contracts in the process of qualification by CAIXA, not yet submitted for the approval of the FCVS, in the amount of R\$ 1,057,997, and contracts already qualified by CAIXA, which are under analysis by FCVS for final approval, in the amount of R\$ 12,293,109.

The credits qualified and approved represent the contracts already analyzed and accepted by the FCVS and which depend on the process of securitization for their realization, as provided for in Law 10,150/2000.

The provision for FCVS receivables is based on quarterly statistical studies and takes into account the history of loss due to the Fund's refusal to accept liability.

(c) Income from compulsory investments

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Compulsory deposits at BACEN	1,225,804	3,910,065	2,019,631	7,240,700
Compulsory deposits at SFH	464,043	1,271,552	530,112	1,602,631
Total	1,689,847	5,181,617	2,549,743	8,843,331

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

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

Loan operations	AA	A	B	C	D	E	F	G	H	9/30/2018	12/31/2017	9/30/2017
Loan operations	362,486,017	70,538,725	111,075,927	75,176,390	27,999,411	7,221,643	10,229,650	3,870,138	15,364,449	683,962,350	695,150,457	700,722,144
Loans and notes discounted	12,516,034	21,281,136	55,882,478	17,343,378	7,381,358	2,580,310	1,580,399	1,387,649	10,141,627	130,094,369	144,709,484	150,863,776
Financing	3,349,966	3,392,864	1,407,989	2,959,876	529,115	196,582	95,618	100,120	682,771	12,714,901	17,622,893	20,790,935
Rural and agribusiness financing	1,443,313	2,008,853	2,094,163	1,168,129	263,586	185,624	47,630	24,030	145,749	7,381,077	6,914,403	6,998,898
Real estate financing	300,614,760	17,464,678	44,705,078	48,611,059	17,730,133	2,491,787	4,576,500	1,190,615	2,554,343	439,938,953	431,187,564	428,273,405
Infrastructure and development financing	43,818,886	17,181,863	6,678,652	4,859,348	2,002,609	1,717,781	3,898,482	1,147,593	1,796,412	83,101,626	82,607,985	81,263,854
Loan operations linked to assignments	743,058	9,209,331	307,567	234,600	92,610	49,559	31,021	20,131	43,547	10,731,424	12,108,128	12,531,276
Other receivables with loan characteristics	939,841	5,137,724	1,434,996	1,358,625	452,336	143,447	40,341	14,643	304,178	9,826,131	11,125,067	11,343,249
Credit card	367,104	4,767,715	1,017,630	413,824	183,478	31,114	15,152	13,202	149,653	6,958,872	7,396,975	6,744,991
Advances on exchange contracts (1)	558,850	263,058	412,392	908,105	246,131	11,358	14,663	-	11,821	2,426,378	3,304,395	4,122,964
Acquired credits (2)	-	105,101	-	31,735	-	94,625	-	-	-	231,461	328,186	387,665
Sundry	13,887	1,850	4,974	4,961	22,727	6,350	10,526	1,441	142,704	209,420	95,511	87,629
Total	363,425,858	75,676,449	112,510,923	76,535,015	28,451,747	7,365,090	10,269,991	3,884,781	15,668,627	693,788,481	706,275,524	712,065,393
Provision for loan losses (3)	(334,057)	(432,051)	(1,787,128)	(3,727,597)	(3,419,249)	(2,399,633)	(5,136,847)	(2,719,444)	(15,668,627)	(35,624,633)	(37,502,639)	(35,946,205)
Total net of provision	363,091,801	75,244,398	110,723,795	72,807,418	25,032,498	4,965,457	5,133,144	1,165,337	-	658,163,848	668,772,885	676,119,188

(1) Advances on exchange agreements are recorded as a reduction of "Other liabilities" (Note 9(c)).

(2) Credits acquired with coobligation from the banks: Cruzeiro do Sul, BMG, Bonsucesso, BMB and Daycoval.

(3) Includes the provision for other receivables with loan characteristics (Note 9(a)).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b) Analysis of provision for loan losses

Loan operations	AA	A	B	C	D	E	F	G	H	9/30/2018	12/31/2017	9/30/2017
Regulatory provision	-	(378,382)	(1,125,111)	(2,296,050)	(2,845,176)	(2,209,527)	(5,134,997)	(2,719,347)	(15,668,627)	(32,377,217)	(34,283,895)	(33,209,102)
Loan operations	-	(352,693)	(1,110,761)	(2,255,291)	(2,799,942)	(2,166,493)	(5,114,826)	(2,709,097)	(15,364,437)	(31,873,540)	(33,753,286)	(32,620,003)
Loans and notes discounted	-	(106,406)	(558,825)	(520,301)	(738,136)	(774,093)	(790,200)	(971,354)	(10,141,616)	(14,600,931)	(15,806,961)	(15,566,970)
Financing	-	(16,964)	(14,080)	(88,796)	(52,912)	(58,975)	(47,809)	(70,084)	(682,771)	(1,032,391)	(1,694,126)	(1,918,055)
Rural and agribusiness financing	-	(10,044)	(20,942)	(35,044)	(26,359)	(55,687)	(23,815)	(16,489)	(146,224)	(334,604)	(274,205)	(261,216)
Real estate financing	-	(87,323)	(447,051)	(1,458,332)	(1,773,013)	(747,536)	(2,288,250)	(833,763)	(2,553,867)	(10,189,135)	(9,933,454)	(9,539,574)
Infrastructure and development financing	-	(85,909)	(66,787)	(145,780)	(200,261)	(515,334)	(1,949,241)	(803,315)	(1,796,412)	(5,563,039)	(5,902,676)	(5,197,036)
Loan operations linked to assignments	-	(46,047)	(3,076)	(7,038)	(9,261)	(14,868)	(15,511)	(14,092)	(43,547)	(153,440)	(141,864)	(137,152)
Other receivables with loan characteristics	-	(25,689)	(14,350)	(40,759)	(45,234)	(43,034)	(20,171)	(10,250)	(304,190)	(503,677)	(530,609)	(589,099)
Credit card	-	(23,839)	(10,176)	(12,415)	(18,348)	(9,334)	(7,576)	(9,241)	(149,663)	(240,592)	(234,807)	(226,362)
Advances on exchange contracts	-	(1,315)	(4,124)	(27,243)	(24,613)	(3,407)	(7,332)	-	(11,821)	(79,855)	(225,164)	(295,664)
Acquired credits	-	(526)	-	(952)	-	(28,388)	-	-	-	(29,866)	(26,875)	(26,449)
Sundry	-	(9)	(50)	(149)	(2,273)	(1,905)	(5,263)	(1,009)	(142,706)	(153,364)	(43,763)	(40,624)
Supplementary provision (1)	(334,057)	(53,669)	(662,017)	(1,431,547)	(574,073)	(190,106)	(1,850)	(97)	-	(3,247,416)	(3,218,744)	(2,737,103)
Loan operations	(331,423)	(52,271)	(646,894)	(1,401,699)	(556,324)	(187,776)	(713)	(97)	-	(3,177,197)	(3,162,155)	(2,697,575)
Loans and bills discounted	(13,077)	(21,625)	(433,525)	(374,200)	(389,845)	(135,325)	(683)	(96)	-	(1,368,376)	(1,612,945)	(1,266,927)
Financing	(385)	(2,039)	(14,679)	(70,685)	(86,293)	(52,445)	(21)	(1)	-	(226,548)	(283,193)	(255,310)
Rural and agribusiness financing	(2,557)	(1,107)	(5,233)	(2,096)	(872)	-	-	-	-	(11,865)	(10,650)	(10,296)
Real estate financing	(309,393)	(25,944)	(185,167)	(949,836)	(79,314)	(6)	(9)	-	-	(1,549,669)	(1,223,250)	(1,133,322)
Infrastructure and development financing	(6,011)	(1,556)	(8,290)	(4,882)	-	-	-	-	-	(20,739)	(32,117)	(31,720)
Other receivables with loan characteristics	(2,634)	(1,398)	(15,123)	(29,848)	(17,749)	(2,330)	(1,137)	-	-	(70,219)	(56,589)	(39,528)
Credit card	(5)	(115)	(765)	(2,669)	(4,055)	(1,726)	-	-	-	(9,335)	(11,406)	(7,246)
Advances on exchange contracts	(1,155)	(172)	(1,967)	(15,292)	(1,395)	-	-	-	-	(19,981)	(16,964)	(10,090)
Acquired credits	-	-	-	(1,242)	-	-	-	-	-	(1,242)	(628)	(735)
Sundry	(1,474)	(1,111)	(12,391)	(10,645)	(12,299)	(604)	(1,137)	-	-	(39,661)	(27,591)	(21,457)
Total provision	(334,057)	(432,051)	(1,787,128)	(3,727,597)	(3,419,249)	(2,399,633)	(5,136,847)	(2,719,444)	(15,668,627)	(35,624,633)	(37,502,639)	(35,946,205)

(1) Refers to the provision supplementary to the minimum percentages required by CMN Resolution 2,682/1999, using the expected loss methodology, adopted in the Institution's credit risk management.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c) Composition by maturity risk levels
(c.1) Normal loan operations

Description	AA	A	B	C	D	E	F	G	H	9/30/2018	12/31/2017	9/30/2017
Falling due	363,278,463	75,418,619	99,312,831	52,552,729	17,262,365	4,029,438	7,714,554	1,831,742	6,086,933	627,487,674	635,066,543	640,138,764
01 to 30 days	4,822,621	5,472,171	2,878,430	1,555,259	646,819	141,513	225,612	93,326	296,626	16,132,377	17,209,557	17,958,299
31 to 60 days	4,009,870	3,053,590	2,440,546	1,593,573	607,260	112,755	161,363	37,559	210,540	12,227,056	13,987,055	14,586,195
61 to 90 days	3,868,553	2,561,131	2,333,435	1,480,192	485,853	103,476	159,777	35,227	190,551	11,218,195	11,894,040	12,900,411
91 to 180 days	11,353,500	6,148,332	7,050,806	3,769,041	1,447,444	249,093	454,441	98,143	491,417	31,062,217	33,866,211	33,442,763
181 to 360 days	21,722,005	8,761,924	13,013,872	5,480,260	1,925,838	399,407	835,105	157,857	605,441	52,901,709	55,810,310	55,907,320
More than 360 days	317,501,914	49,421,471	71,595,742	38,674,404	12,149,151	3,023,194	5,878,256	1,409,630	4,292,358	503,946,120	502,299,370	505,343,776
Overdue	147,395	257,830	255,558	157,393	62,174	10,417	3,995	13,456	46,373	954,591	976,735	846,292
01 to 14 days	74,677	231,951	139,736	95,271	39,039	6,907	2,609	7,124	11,255	608,569	738,412	575,641
15 to 30 days (1)	72,718	25,879	115,822	62,122	23,135	3,510	1,386	6,332	35,118	346,022	238,323	270,651
Total	363,425,858	75,676,449	99,568,389	52,710,122	17,324,539	4,039,855	7,718,549	1,845,198	6,133,306	628,442,265	636,043,278	640,985,056

(1) For transactions with a remaining period of over 36 months, periods in arrears are counted in duplicate.

Below we present the classification of customers by risk levels according to the periods in arrears in relation to the maturities of the contracted transactions. This classification is in conformity with the provisions of CMN Resolution 2,682/1999.

Period in arrears	Special term	Customer classification
from 15 to 30 days	from 30 to 60 days	B
from 31 to 60 days	from 61 to 120 days	C
from 61 to 90 days	from 121 to 180 days	D
from 91 to 120 days	from 181 to 240 days	E
from 121 to 150 days	from 241 to 300 days	F
from 151 to 180 days	from 301 to 360 days	G
over 180 days	over 360 days	H

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c.2) Abnormal loan operations

Description	AA	A	B	C	D	E	F	G	H	9/30/2018	12/31/2017	9/30/2017
Falling due	-	-	12,337,555	22,262,053	9,597,926	2,078,503	1,464,184	981,541	3,503,874	52,225,636	55,533,243	55,669,984
01 to 30 days	-	-	197,504	314,598	130,613	51,045	56,468	32,340	155,247	937,815	1,010,595	1,137,831
31 to 60 days	-	-	171,092	262,339	132,360	50,020	49,534	31,902	86,065	783,312	831,359	904,958
61 to 90 days	-	-	168,973	257,134	130,622	48,743	52,301	31,381	84,491	773,645	762,836	889,866
91 to 180 days	-	-	478,613	742,067	369,100	128,317	137,375	74,487	239,027	2,168,986	2,273,475	2,443,968
181 to 360 days	-	-	866,237	1,374,242	668,005	233,721	158,854	78,705	418,189	3,797,953	4,116,385	4,386,793
More than 360 days	-	-	10,455,136	19,311,673	8,167,226	1,566,657	1,009,652	732,726	2,520,855	43,763,925	46,538,593	45,906,568
Overdue	-	-	604,979	1,562,840	1,529,282	1,246,732	1,087,258	1,058,042	6,031,447	13,120,580	14,699,003	15,410,353
01 to 30 days	-	-	465,136	350,368	221,804	62,980	86,523	26,161	121,843	1,334,815	1,191,068	1,178,993
31 to 60 days	-	-	139,665	554,074	194,805	68,886	55,508	32,293	189,209	1,234,440	1,685,251	1,400,920
61 to 90 days	-	-	109	516,240	799,209	265,584	97,510	79,952	423,355	2,181,959	2,762,843	2,574,347
91 to 180 days	-	-	13	142,103	313,267	597,824	597,392	581,511	872,596	3,104,706	3,344,736	4,504,003
181 to 360 days	-	-	56	55	197	251,458	250,325	338,125	3,352,065	4,192,281	4,793,706	5,208,663
More than 360 days	-	-	-	-	-	-	-	-	1,072,379	1,072,379	921,399	543,427
Total	-	-	12,942,534	23,824,893	11,127,208	3,325,235	2,551,442	2,039,583	9,535,321	65,346,216	70,232,246	71,080,337

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Composition of loan portfolio by activity sector

Description	9/30/2018	12/31/2017	9/30/2017
PUBLIC SECTOR	57,857,751	57,644,602	53,907,383
Direct administration	38,024,924	36,423,408	35,209,371
Indirect administration- petrochemical	6,939,221	6,825,569	7,047,903
Indirect administration- sanitation and infrastructure	4,942,568	4,833,829	4,753,713
Indirect administration - other	7,951,038	9,561,796	6,896,396
PRIVATE SECTOR	635,930,730	648,630,922	658,158,010
LEGAL ENTITY	103,115,295	115,630,610	124,694,055
Electric energy	18,665,074	19,472,897	22,963,676
Civil construction	14,420,393	16,450,943	16,774,795
Retail	12,880,238	17,176,879	18,577,965
Transport	8,778,758	9,521,373	9,762,103
Steel and metallurgy	8,463,380	9,190,287	9,390,110
Sanitation and infrastructure	6,992,115	6,787,591	6,702,644
Wholesale	6,051,086	6,022,380	6,370,471
Health	4,471,630	4,698,340	4,686,073
Agribusiness and extractive activities	3,700,317	3,546,648	4,108,585
Food	2,243,094	2,400,554	2,856,209
Textile	1,273,996	1,441,135	1,595,515
Financial services	1,235,137	1,438,153	1,530,647
Communications	1,044,675	1,130,138	1,168,684
Petrochemical	546,728	549,047	1,691,713
Personal services	189,099	239,282	260,301
Other industries	4,811,112	6,068,868	6,435,873
Other services	7,348,463	9,496,095	9,818,691
INDIVIDUAL	532,815,435	533,000,312	533,463,955
Total	693,788,481	706,275,524	712,065,393

(e) Income from loan operations

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Loans, discounted notes and financing	9,964,172	30,334,932	11,347,666	35,497,852
Housing loan financing	7,978,239	23,718,484	8,461,469	26,112,676
Financing of infrastructure and development	1,679,463	4,790,525	1,649,704	5,274,981
Rural and agribusiness financing	108,966	323,190	132,664	394,665
Other receivables	2,544	7,181	2,559	5,498
Total	19,733,384	59,174,312	21,594,062	67,285,672

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(f) Financial asset sale or transfer operations

CMN Resolution 3,533/2008 establishes procedures to classify, record and disclose financial asset sale and transfer transactions.

(f.1) Income related to acquisition of loan portfolios

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
PORTFOLIOS ACQUIRED WITH JOINT LIABILITY				
Banco Cruzeiro do Sul	5,503	15,423	3,774	9,495
BMG	1,001	3,379	1,624	5,554
BMB	-	16	144	851
Bonsucesso	123	540	460	1,827
Daycoval	4,056	14,947	10,292	40,948
Total	10,683	34,305	16,294	58,675

(f.2) Expenses related to assignment of loan portfolios

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
PORTFOLIOS ASSIGNED WITH JOINT LIABILITY				
Expenses related to assignment	(221,451)	(689,614)	(276,678)	(924,600)
RB Capital Securitizadora	(142,664)	(258,939)	(67,155)	(219,925)
Gaia	(55,055)	(105,348)	(29,354)	(95,992)
CIBRASEC	(23,732)	(325,327)	(180,169)	(608,683)
PORTFOLIOS ASSIGNED WITHOUT JOINT LIABILITY				
Expenses related to assignment		(4.008)		
RCB Planejamento Financeiro Ltda.	-	(1,639)	-	-
Omni S/A	-	(1,178)	-	-
Renova Companhia Securitizadora S.A.	-	(1,090)	-	-
FIDC	-	(101)	-	-
Total	(221,451)	(693,622)	(276,678)	(924,600)

(g) Recovered Loans

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Loan operations	1,199,449	2,785,430	904,412	2,544,268
Loans and bills discounted	684,528	1,701,323	420,209	1,169,266
Financing	80,141	160,338	220,151	582,610
Real estate financing	434,780	923,769	264,052	792,392
Other receivables with loan characteristics	6,081	16,415	2,498	3,948
Sundry	6,081	16,415	2,498	3,948
Total	1,205,530	2,801,845	906,910	2,548,216

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(h) Renegotiated Operations

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Commercial	580,348	1,853,912	1,015,428	3,619,827
Housing	6,470,028	18,880,971	7,273,587	20,001,597
Total	7,050,376	20,734,883	8,289,015	23,621,424

(i) Changes in the provision for loan losses

Description	2018		2017 (Note 3(n))	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Opening balance	(36,296,857)	(37,502,639)	(35,778,334)	(35,775,487)
Provision constituted in the period	(2,766,986)	(12,262,115)	(4,649,480)	(18,738,408)
Reversal of provision in the period	56,916	2,474,614	1,446,119	5,288,074
Losses	3,382,294	11,665,507	3,035,490	13,279,616
Closing balance	(35,624,633)	(35,624,633)	(35,946,205)	(35,946,205)

(j) Concentration of main debtors

Description	9/30/2018	%	12/31/2017	%	9/30/2017	%
Main debtor	8,965,283	1.29	8,748,920	1.24	8,617,143	1.21
10 major debtors	44,481,227	6.41	45,636,295	6.46	45,646,814	6.41
20 major debtors	62,709,351	9.04	63,970,927	9.06	63,841,487	8.97
50 major debtors	84,238,620	12.14	86,220,949	12.21	86,476,576	12.14
100 major debtors	98,159,822	14.15	101,196,331	14.33	101,861,877	14.31

Note 9 - Other receivables
(a) Composition

Description	9/30/2018	12/31/2017	9/30/2017
Receivables from guarantees honored	35,900	31,336	31,862
Foreign exchange portfolio (Note 9(c))	3,696,977	3,549,748	4,383,789
Income receivable	2,759,575	2,294,687	2,330,263
Management of social funds and programs	1,900,944	1,374,119	1,555,056
Agreements with the public sector	491,975	428,881	446,198
Management of investment funds	137,675	43,447	95,951
Agreements with the private sector	101,231	124,844	138,483
Dividends and interest on capital receivable	52,299	260,067	30,526
Other income receivable	75,451	63,329	64,049
Negotiation and intermediation of securities	89,176	813	16,956
Specific receivables	1,036,053	1,001,150	984,237
Sundry - Note 9(b)	74,307,633	76,798,088	75,502,049
Provision for losses on other receivables	(573,896)	(587,198)	(628,627)
Total	81,351,418	83,088,624	82,620,529
Current assets	31,392,396	34,028,485	40,054,611
Non-current assets	49,959,022	49,060,139	42,565,918

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The Provision for losses on other receivables refers to the provision for the portfolios of credit card and advances on exchange contracts with the characteristics of loans type (Note 8(b)).

(b) Other receivables - sundry

Description	CONSOLIDATED		
	9/30/2018	12/31/2017	9/30/2017
Tax credits - (Note 20)	39,276,184	40,114,535	41,906,279
Receivables for escrow deposits - (Note 28(e))	17,437,257	16,654,094	16,317,390
Payment transactions (1)	6,958,872	7,396,975	6,744,992
Premium on purchase of loan portfolios	2,837,637	3,339,036	3,317,832
Amounts to be appropriated	1,993,967	3,854,490	3,291,019
Taxes and contributions to be offset	1,866,358	1,488,793	464,622
Royalties	617,332	611,962	602,611
Salary advances and prepayments	574,075	207,291	1,287,734
FND	535,193	517,425	512,607
Credit card	530,585	502,050	495,644
Acquired credits	231,461	328,186	387,665
Insurance receivable	152,162	582,357	503,600
Redemption of bonus	127,489	122,503	120,683
Correspondents	90,338	119,048	90,916
Fund administration and social programs	80,361	93,454	86,428
Advance of dividends and interest on capital	-	73,130	-
Other debtors	998,362	792,759	783,114
Discount on other financial assets	-	-	(1,411,087)
Total	74,307,633	76,798,088	75,502,049
Current assets	24,337,208	27,727,294	32,925,519
Non-current assets	49,970,425	49,070,794	42,576,530

The credits classified in "Amounts to be appropriated" refer to assets classified in suspense accounts, mainly, release of real estate credits and redemption of investments. The item "Credit card" is comprised of receivables without loan characteristics related to credit card transactions.

The discount recorded in the assignment of receivables between CAIXA and EMGEA in September 2014, which comprised the balance of "Discount on other financial assets", was reclassified to FCVS Receivable (Note 7 (b)) at 12/31/2017.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c) Foreign exchange portfolio

Description	9/30/2018	12/31/2017	9/30/2017
Assets - Other receivables			
Foreign exchange purchases pending settlement - foreign currency	3,561,252	3,406,445	4,137,102
Rights on foreign exchange sales - local currency	113,172	69,648	175,349
Income receivable from advances granted - ACC/ACE	56,720	79,552	95,362
(-) Advances received - local currency	(32,984)	(5,897)	(23,802)
(-) Advances received - foreign currency	(1,183)	-	(222)
Current assets	3,696,977	3,549,748	4,383,789
Liabilities - Other liabilities			
Foreign exchange sales pending settlement - foreign currency	112,454	69,665	174,358
Payables for foreign exchange purchases - local currency	3,242,953	3,304,549	4,226,698
(-) Advances on foreign exchange contracts (ACC/ACE)	(2,369,658)	(3,224,843)	(4,027,602)
Current liabilities (Note 18(a))	985,749	149,371	373,454
Net foreign exchange portfolio	2,711,228	3,400,377	4,010,335

(c.1) Result on foreign exchange transactions

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Exchange variations - cash in foreign currency	74,215	374,500	(62,404)	(36,447)
Exchange variations – other	126,351	559,697	(195,331)	(100,975)
Foreign exchange transactions	76,846	191,156	50,757	162,650
Result on foreign exchange transactions	277,412	1,125,353	(206,978)	25,228

Note 10 - Other assets

CAIXA periodically evaluates its assets not for own use in order to verify if there is objective evidence of impairment. If an indication of impairment is identified, the loss is recognized in the result for the period when the asset's carrying amount exceeds its recoverable amount, which is determined by the potential sale, or realization value, less the respective expenses, or by the value in use calculated by the cash-generating unit, as established by CMN Resolution 3,566/2008.

Assets not for own use represent adjudicated properties, properties received as payment of loans, and properties that are no longer used in CAIXA's activities.

Prepaid expenses represent prepayments whose benefit or rendering of services will occur in future periods. Prepaid expenses include mainly the performance bonus on commercial portfolios acquired from Banco PAN in the amount of R\$ 652,410 (12/31/2017- R\$ 593,473; 9/30/2017 - R\$ - 72,095).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(a) Composition

Description	9/30/2018	12/31/2017	9/30/2017
Assets not for own use	10,184,254	7,903,899	7,090,791
Properties not in use	2,316,288	1,743,706	1,517,458
Adjudicated/auctioned properties	7,867,966	6,160,193	5,573,333
Prepaid expenses	755,585	611,036	190,009
Consumption materials	35,217	44,779	38,736
Provisions for loss on devaluation of properties (b)	(855,002)	(272,551)	(251,819)
Total	10,120,054	8,287,163	7,067,717

(b) Provision for loss on devaluation of properties

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Opening balance	(788,877)	(272,551)	(238,918)	(177,004)
Constitution (1)	(120,741)	(719,543)	(46,301)	(147,342)
Write-offs	54,616	137,092	33,400	72,527
Closing balance	(855,002)	(855,002)	(251,819)	(251,819)

(1) The significant change in the accumulated amount in September 2018, related to constitution of provision for losses, refers to the update of the parameters to calculate these amounts adopted as from 2018.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 11 - Investments
(a) Corporate shareholdings included in the consolidated financial statements:

Investments in subsidiaries or companies under its significant influence are valued under the equity method. To calculate the equity in the results of non-financial entities, the amounts are adjusted to converge with the standards and guidelines of the National Monetary Council (CMN) and of the Brazilian Central Bank (BACEN). Other permanent investments are stated at cost of acquisition.

The consolidated investment portfolio is comprised of associates and jointly-controlled companies, over which CAIXAPAR and CAIXA Seguridade exercise significant influence or joint control.

The 100% holding of CAIXA Seguridade in CAIXA Securitária is eliminated on the preparation of the consolidated financial statements of CAIXA Seguridade, which are used for the consolidation of the CAIXA Group.

(a1) Shareholding portfolio - CAIXAPAR

Shareholding portfolio - CAIXAPAR	Number of shares		Holding %	
	Common	Preferred	Voting capital	Capital
Banco PAN	262,164,546	112,732,358	39.87	32.83
Branes	2,200,010	-	2.00	2.00
FIP Venezuela	171,667	-	-	75.00
Caixa Imóveis	499,825	-	49.98	49.98
Capgemini	63,764,544	-	20.70	19.11
Cibrasec	4,000	20	9.65	9.65
Caixa Crescer	54,652,415	-	49.00	49.00
Elo Serviços	62,779	926,554,371	0.01	36.90
TecBan	436,134,248	-	11.61	11.61
Quod (1)	6,460,970	6,460,970	20.00	20.00

(1) The corporate name of GIC - Gestora de Inteligência de Crédito was changed to Quod.

(a2) Shareholding portfolio - CAIXA Seguridade

Shareholding portfolio - CAIXA Seguridade	Number of shares		Holding %	
	Common	Preferred	Voting capital	Capital
CAIXA Securitária	100,000	-	100.00	100.00
PAN Seguros	339,313,199	106,164	48.99	48.99
PAN Corretora	149,940	-	49.00	49.00
CAIXA Seguros Holding S.A.	4,726,868	-	48.21	48.21

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b) Composition of investments

Regarding the investment of Banco Pan, the effects of the unrealized profit in the amount of R\$ 33,706 in the 3rd quarter of 2018 and R\$ 218,006 in September 2018 were eliminated (3rd quarter of 2017 - (R\$ 1,970) and in September 2017 - (R\$ 171,675)).

Description	Investment			Equity in the results of investees			
	9/30/2018	12/31/2017	9/30/2017	2018		2017	
				3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
CAIXA Seguros Holding	3,606,980	3,402,526	3,381,296	259,804	712,909	219,272	691,094
Banco PAN	871,869	759,948	759,432	49,834	270,811	31,916	(119,041)
Elo Serviços	95,552	44,692	47,664	19,059	48,037	17,782	24,553
Cia. Brasileira de Securitização - CIBRASEC	6,906	7,025	6,967	18	102	37	219
Crescer	-	-	-	(2,470)	(8,428)	(5,239)	(10,961)
Caixa Imóveis	-	3,479	3,479	(3,073)	(9,715)	-	-
Branes	1,886	1,898	1,898	(20)	(12)	8	24
Galgo Sistemas de Informações	1,171	1,285	1,336	(22)	(114)	(65)	(416)
FGO - Fundo Garantia de Operações (1)	495,848	467,384	425,319	-	-	-	-
Fundo Garantidor Habitação Popular - FG HAB (1)	265,210	265,210	265,210	-	-	-	-
Fundo de Investimento em Participações - Veneza	33,300	27,156	32,639	(129)	5,806	(266)	(796)
TECBAN	110,969	112,049	110,701	(1,448)	(8,126)	970	4,164
Quod (2)	61,158	28,724	12,040	8	(3,618)	(1,125)	(1,125)
PAN Corretora	17,449	26,698	29,478	1,271	3,936	808	4,196
PAN Seguros	339,530	368,764	380,323	10,434	34,005	9,116	27,571
Other investments	9,561	23,713	77,329	(8,301)	(23,844)	(14,116)	(48,797)
Total	5,917,389	5,540,551	5,535,111	324,965	1,021,749	259,098	570,685

(1) Investments stated at cost of acquisition.

(2) The corporate name of GIC - Gestora de Inteligência de Crédito was changed to Quod.

(c) Changes in goodwill on acquisition of investments

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Prior balance	108,859	118,381	127,902	145,351
Amortization	(4,761)	(14,283)	(4,761)	(22,210)
Current balance	104,098	104,098	123,141	123,141

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Impairment of investments

Investments, irrespective of the measurement method, are tested for impairment in conformity with the provisions of BACEN Resolution 3,566/2008.

Description	9/30/2018			12/31/2017			9/30/2017
	Cost	Impairment	Net	Cost	Impairment	Net	Net
Capgemini	71,410	(72,383)	(973)	85,692	(72,514)	13,178	66,794
Loan Guarantee Fund - FGO	495,848	-	495,848	495,848	(28,464)	467,384	425,319
PAN Corretora	17,482	(33)	17,449	26,731	(33)	26,698	29,478
Other investments	21,622	(11,087)	10,535	21,622	(11,087)	10,535	10,535
Total	606,362	(83,503)	522,859	629,893	(112,098)	517,795	532,126

Note 12 - Property and equipment in use

Property and equipment for own use is represented by rights over tangible assets owned by CAIXA, intended for the maintenance of its operating activities. These assets are stated at acquisition or inception cost and depreciated under the straight-line method with no residual value (CMN Resolution 4,535/2016) and are subject to impairment testing (CMN Resolution 3,566/2008).

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

CAIXA does not have financing for property and equipment nor borrowing costs related to these assets.

With the capitalization index computed at 9.28% (12/31/2017- 11.03%; 9/30/2017 - 11.58%), CAIXA is classified as defined by CMN Decision 2,669/1999, which determines a 50% limit of Reference Capital as from December 31, 2002.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(a) Composition

Description	Useful life (in years)	9/30/2018			12/31/2017	9/30/2017
		Cost	Accumulated amortization	Net	Net	Net
Properties in use	-	2,591,409	(1,510,319)	1,081,090	1,015,260	827,418
Buildings	25	2,506,202	(1,510,319)	995,883	932,096	759,627
Land	-	85,207	-	85,207	83,164	67,791
Revaluations of properties in use	-	690,104	(245,967)	444,137	462,084	479,489
Buildings	25	504,311	(245,967)	258,344	275,016	289,615
Land	-	185,793	-	185,793	187,068	189,874
Other assets in use	-	8,028,745	(6,621,397)	1,407,348	1,588,044	1,627,490
Facilities, furniture and equipment	10	1,523,998	(1,087,946)	436,052	697,353	696,009
Communications systems	10	104,070	(83,694)	20,376	12,789	13,468
Data processing systems	5	5,848,159	(5,021,861)	826,298	764,938	811,510
Transport and security system	5	552,518	(427,896)	124,622	112,964	106,503
Total	-	11,310,258	(8,377,683)	2,932,575	3,065,388	2,934,397

(b) Changes

Description	12/31/2017	Changes in 2018				9/30/2018	9/30/2017
	Net	Transfers (1)	Additions	Write-offs	Depreciation	Net	Net
Properties in use	1,015,260	(613)	325,922	(26,285)	(233,194)	1,081,090	827,418
Buildings	932,096	(283)	323,549	(26,285)	(233,194)	995,883	759,627
Land	83,164	(330)	2,373	-	-	85,207	67,791
Revaluations of properties in use	462,084	-	-	(2,712)	(15,235)	444,137	479,489
Buildings	275,016	-	-	(1,437)	(15,235)	258,344	289,615
Land	187,068	-	-	(1,275)	-	185,793	189,874
Other assets in use	1,588,044	-	263,500	(328)	(443,868)	1,407,348	1,627,490
Facilities, furniture and equipment	697,353	(223,347)	28,449	-	(66,403)	436,052	696,009
Communications systems	12,789	9,695	371	-	(2,479)	20,376	13,468
Data processing systems	764,938	213,652	187,619	(324)	(339,587)	826,298	811,510
Transport and security system	112,964	-	47,061	(4)	(35,399)	124,622	106,503
Total	3,065,388	(613)	589,422	(29,325)	(692,297)	2,932,575	2,934,397

(1) Represents the reclassifications within property and equipment.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 13 - Intangible assets

These assets are initially recognized at acquisition or production cost, and, subsequently, less accumulated amortization, calculated under the straight-line method, according to the contractual terms (CMN Resolution 4,534/2016) and subject to impairment tests (CMN Resolution 3,566/2008).

CAIXA's intangible assets are comprised essentially of acquisition of payrolls and logistic projects - software.

Acquisition of payrolls refer to amounts paid in connection with business partnerships with public and private sectors to ensure banking services relating to the processing of payroll credits and payroll deduction loans, maintenance of collection portfolios, payments to suppliers and other banking services. Its useful life is five years and its monthly amortization is calculated based on the division of the value of the asset by its useful life, less the grace period. CAIXA has a significant agreement with a book value of R\$ 491,942 and remaining period of 54 months.

Logistics projects - software refer to acquisitions of software and internally developed software is recognized as intangible assets only if CAIXA is able to identify the capacity to use it or sell it and if the generation of future economic benefits can be demonstrated reliably. Its useful life is five years and amortization is calculated monthly based on 1/60 of the asset cost.

(a) Composition

Description	9/30/2018			12/31/2017	9/30/2017
	Cost	Accumulated amortization	Impairment	Net	Net
Payroll acquisitions	3,016,946	(1,534,031)	(2,239)	1,480,676	1,738,322
Logistics projects - Software	1,774,241	(468,622)	-	1,305,619	1,253,653
Total	4,791,187	(2,002,653)	(2,239)	2,786,295	2,991,975

(b) Changes

Description	12/31/2017	Changes in 2018			9/30/2018	9/30/2017
	Net	Additions	Write-offs	Amortization	Net	Net
Payroll acquisitions	1,931,870	55,349	(1,790)	(504,753)	1,480,676	1,738,322
Logistics projects - Software	1,283,029	150,840	-	(128,250)	1,305,619	1,253,653
Total	3,214,899	206,189	(1,790)	(633,003)	2,786,295	2,991,975

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 14 - Deposits
(a) Deposits by maturity

Deposits	No maturity	01 to 90 days	91 to 360 days	More than 360 days	9/30/2018	12/31/2017	9/30/2017
Demand deposits	28,306,129	-	-	-	28,306,129	32,398,707	28,150,331
Individuals	14,194,154	-	-	-	14,194,154	15,571,635	13,710,670
Companies	10,606,325	-	-	-	10,606,325	12,246,363	10,934,991
Restricted	2,363,535	-	-	-	2,363,535	2,172,783	2,148,674
Government	654,842	-	-	-	654,842	1,511,492	888,517
Foreign currencies	38,983	-	-	-	38,983	9,205	6,354
Financial institutions	20,252	-	-	-	20,252	26,820	29,123
Public entities	121,645	-	-	-	121,645	572,551	154,553
Accounts closed	32,123	-	-	-	32,123	29,606	28,775
Other	274,270	-	-	-	274,270	258,252	248,674
Savings deposits	291,400,033	-	-	-	291,400,033	276,693,320	267,000,613
Individuals	287,413,113	-	-	-	287,413,113	272,495,932	263,170,463
Companies	1,700,032	-	-	-	1,700,032	2,011,728	1,679,725
Restricted	2,069	-	-	-	2,069	2,082	2,121
Accounts closed	2,284,819	-	-	-	2,284,819	2,183,578	2,148,304
Interbank deposits	-	62,262	308,707	20,559	391,528	577,401	648,582
Time deposits	84,048,927	4,816,540	20,189,213	76,010,626	185,065,306	185,643,021	203,855,716
CDB	10,755	4,816,540	20,189,213	76,010,626	101,027,134	110,838,571	125,369,145
Judicial deposits	84,038,172	-	-	-	84,038,172	74,804,450	78,486,571
Special deposits and deposits of funds and programs	9,662,521	-	-	-	9,662,521	10,913,088	10,406,519
Other	1	-	-	-	1	26	39
Total	413,417,611	4,878,802	20,497,920	76,031,185	514,825,518	506,225,563	510,061,800
Current liabilities					438,794,333	412,992,266	403,203,099
Non-current liabilities					76,031,185	93,233,297	106,858,701

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The balance of time deposits is comprised of fixed and floating rate remuneration. At 9/30/2018, 69.25% of these deposits refer to the CDB/RDB transactions with fixed rate remuneration and 45.41% refer to judicial deposits with floating rate remuneration.

At 9/30/2018, 93.73% of the special deposits and deposits of funds and programs refer to transactions with floating rate remuneration.

(b) Expenses on deposits

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Savings deposits	(3,312,443)	(9,918,362)	(4,077,737)	(12,586,350)
Time deposits CDB/RDB	(1,627,602)	(5,007,427)	(2,896,224)	(10,638,640)
Judicial deposits	(831,807)	(2,473,851)	(1,147,326)	(3,513,751)
Special deposits and deposits of funds and programs	(291,856)	(878,967)	(305,285)	(1,256,878)
Interbank deposits	(6,836)	(25,325)	(18,060)	(70,845)
Other funding	(145,857)	(491,765)	(194,894)	(587,995)
Total	(6,216,401)	(18,795,697)	(8,639,526)	(28,654,459)

(c) Special deposits and deposits of funds and programs

Description	9/30/2018	12/31/2017	9/30/2017
Government Severance Indemnity Fund for Employees - FGTS	4,314,959	3,580,263	3,308,762
Special deposits with remuneration	2,275,111	2,245,150	2,226,130
Residential Lease Fund – FAR	252,939	1,621,973	1,380,071
Complementary Pension Fund for Workers - PREVHAB	905,066	867,229	853,687
Social Development Fund – FDS	632,038	746,517	578,559
Student Financing - FIES fund (1)	2,969	-	-
Social Integration Program – PIS	330,431	303,829	360,765
Worker's Assistance Fund - FAT (Note 14 (e))	127,906	577,319	828,401
Crop Guarantee Fund – FGS	291,798	386,909	275,613
PRODEC	66,860	64,725	63,790
Other	462,444	519,174	530,741
Total	9,662,521	10,913,088	10,406,519

(1) Fund established by Law 13,530/2017 with contribution from the Federal Government, as authorized by Decree 9,305/2018.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Expenses on special deposits and deposits of funds and programs

Description	Interest	2018		2017	
		3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
FGTS	Selic	(97,584)	(327,105)	(126,253)	(580,783)
PIS	Extra market	(107,515)	(265,555)	(16,498)	(57,918)
FAR	Selic	(15,486)	(65,383)	(56,204)	(219,067)
Complementary Pension Fund for Workers - PREVHAB	Selic	(14,158)	(41,680)	(18,846)	(63,671)
FDS	Selic day factor	(10,464)	(31,116)	(14,831)	(60,015)
Federal Treasury	Selic	(7,989)	(23,309)	(10,255)	(34,563)
FGS	Selic day factor / Extra market	(4,357)	(13,265)	(4,434)	(16,409)
FAT	Selic and Long-term Interest Rate	(2,268)	(10,775)	(17,570)	(64,675)
Fundo Paulista de Habitação (Paulista Housing Fund)	CDI	(9,925)	(23,677)	(8,663)	(34,898)
FCA	Extra market	(3,154)	(9,405)	(4,331)	(24,225)
Guarantee	TR	(1,389)	(3,505)	(1,990)	(8,082)
PRODEC	TR + Interest 0.4868% p.m.	(971)	(2,884)	(965)	(3,122)
Other		(16,596)	(61,308)	(24,445)	(89,450)
		(291,856)	(878,967)	(305,285)	(1,256,878)

(e) Special deposits and deposits of funds and programs - FAT

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

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

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

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

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	Resolution/ TADE	Return of FAT funds Type	Date	9/30/2018			12/31/2017			9/30/2017		
				Available	Invested	Total	Available	Invested	Total	Available	Invested	Total
Programs				50,876	2,388	53,265	303,455	199,171	502,626	319,276	434,432	753,708
Proger - Urban				-	262	262	243,786	108,521	352,307	259,078	314,260	573,338
Investment	008/2005	RA	10/10/2005	-	262	262	243,786	108,521	352,307	259,078	314,260	573,338
FAT infrastructure				50,544	12	50,557	59,245	87,722	146,967	59,778	117,003	176,781
Economic infrastructure	013/2006	RA	8/8/2008	50,544	12	50,557	59,245	87,722	146,967	59,778	117,003	176,781
FAT - PNMPO				332	2,114	2,446	424	2,928	3,352	420	3,169	3,589
FAT - microcredit	015/2006	RA	5/10/2007	332	2,114	2,446	424	2,928	3,352	420	3,169	3,589
Special lines of credit				402	74,239	74,641	415	74,278	74,693	429	74,264	74,693
FAT - vila Pan-americana	001/2005	SD	12/9/2005	402	74,239	74,641	415	74,278	74,693	429	74,264	74,693
Total				51,278	76,628	127,906	303,870	273,449	577,319	319,705	508,696	828,401

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 15 - Funds obtained in the open market
(a) Composition

Description	9/30/2018	12/31/2017	9/30/2017
Own portfolio (1)	54,914,674	109,961,976	121,267,805
Financial Treasury Bills	20,332,909	20,857,128	19,850,681
Federal Treasury Bills	28,441,574	77,682,536	67,728,423
Federal Treasury Notes	2,222,403	8,533,004	27,292,799
Debentures	1,356,251	524,349	3,520,665
Mortgage Backed-Securities	2,561,537	2,364,959	2,875,237
Third-party portfolio	107,134,080	38,565,290	31,123,088
Federal Treasury Bills	74,788,782	38,565,290	31,123,088
Federal Treasury Notes	32,345,298	-	-
Unrestricted portfolio	-	-	4,436,439
Federal Treasury Bills	-	-	4,436,439
Total	162,048,754	148,527,266	156,827,332
Current liabilities	149,193,536	140,486,574	155,462,097
Non-current liabilities	12,855,218	8,040,692	1,365,235

(1) Amounts calculated considering the unit price of the guarantee of the linked security.

(b) Expenses on funds obtained in the open market

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Own portfolio	(1,016,407)	(3,601,767)	(1,645,645)	(5,211,109)
Third-party portfolio	(1,501,843)	(3,703,771)	(1,663,234)	(7,008,863)
Unrestricted portfolio	-	-	(132,049)	(380,477)
Total	(2,518,250)	(7,305,538)	(3,440,928)	(12,600,449)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

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

Deposits	Index	Maturity				9/30/2018	12/31/2017	9/30/2017
		01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days			
Real Estate Notes	(CDI)	7,347,156	7,253,913	8,654,101	40,737,762	63,992,932	82,326,153	89,268,883
Real Estate Notes	(TR)	-	-	-	52,000	52,000	56,682	58,252
Mortgage Notes	(IGP-M)	-	-	-	773,114	773,114	733,162	702,908
Mortgage Notes	(INPC)	-	-	-	16,458	16,458	16,414	15,876
Financial Notes	(CDI)	13,450,098	591,845	1,778,680	326,535	16,147,158	33,187,079	34,629,362
Financial Notes	(IPCA)	5,946	10,430	7,010	1,105,521	1,128,907	1,067,065	1,041,719
Agribusiness Credit Notes	(CDI)	-	-	-	-	-	141,779	188,968
Total		20,803,200	7,856,188	10,439,791	43,011,390	82,110,569	117,528,334	125,905,968
					Current liabilities	39,099,179	62,361,482	49,581,429
					Non-current liabilities	43,011,390	55,166,852	76,324,539

(b) Expenses related to funds from notes

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Real Estate Notes	(887,450)	(2,886,482)	(1,749,066)	(6,316,131)
Mortgage Notes	(40,939)	(117,363)	(17,260)	(41,925)
Financial bills	(343,472)	(1,229,347)	(933,867)	(3,132,165)
Agribusiness Credit Notes	-	(2,828)	(4,517)	(24,957)
Total	(1,271,861)	(4,236,020)	(2,704,710)	(9,515,178)

(c) Marketable securities issued abroad

CAIXA issues securities abroad in order to build an alternative source to raise funds in the long term for financing its asset operations. Five issues of securities abroad were realized with 4 senior tranches, the characteristics of which are presented below, and 1 subordinated tranche, presented in Note 18(d.1).

Securities	Currency	Amount issued (1)	Remuneration p.a.	Date of funding	Maturity (2)	9/30/2018	12/31/2017	9/30/2017
1st series	US\$	1,000,000,000	2.38%	Nov/12	Nov/17	-	-	3,198,958
2nd series	US\$	500,000,000	3.50%	Nov/12	Nov/22	1,945,534	1,758,256	1,580,209
3rd series	US\$	1,250,000,000	4.50%	Oct/13	Oct/18	5,132,166	4,229,278	4,086,905
4th series	US\$	1,300,000,000	4.25%	May/14	May/19	5,328,345	4,694,317	4,236,734
Total						12,406,045	10,681,851	13,102,806
						Current liabilities	289,897	154,314
						Non-current liabilities	12,116,148	10,527,537

(1) Amounts in thousands of US\$

(2) Next interest maturity date.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Result on liabilities for marketable securities issued abroad

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Income (expenses) - without subordination	(649,667)	(1,981,437)	373,554	(195,953)
Income (expenses) with subordination	(98,365)	(100,221)	31,787	(99,013)
Total	(748,032)	(2,081,658)	405,341	(294,966)

Note 17 - Borrowings and onlendings

Description	9/30/2018	12/31/2017	9/30/2017
Local onlendings	292,061,483	269,553,942	260,072,097
FGTS	259,929,635	235,620,378	225,709,752
BNDES	29,007,653	30,814,153	31,184,637
National Treasury - Social Integration Program - PIS	155,264	399,970	526,489
Merchant Marine Fund	2,499,402	2,380,023	2,348,856
Other institutions	469,529	339,418	302,363
Foreign onlendings	67,615	55,530	53,806
Foreign borrowings	2,505,371	2,147,951	3,294,585
From financial institutions abroad	2,505,371	2,147,951	3,294,585
Total borrowings and onlendings	294,634,469	271,757,423	263,420,488
Current liabilities	1,211,639	1,507,793	1,265,364
Non-current liabilities	293,422,830	270,249,630	262,155,124

(a) Local onlendings

These mainly comprise funds transferred by the FGTS for investments in infrastructure, urban development and housing loan operations, and are adjusted for inflation based on the Referential Rate (TR) and an average interest rate of 5.10 % p.a. (housing 5.04% p.a., infrastructure 5.68% p.a. and sanitation 5.63% p.a.) and the average term of return is 236 months (housing 243 months, infrastructure 200 months and sanitation 161 months).

(b) Foreign onlendings

The balance of foreign onlendings, referring to an agreement entered into between CAIXA and the World Bank - IBRD, for application in the Program of Financing for Urban Solid Waste Management and Clean Development Mechanism, is subject to the US dollar (US\$) variation and an interest rate of 0.8 % p.a., plus LIBOR. The transaction matures between 12 and 15 years.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(c) Foreign borrowings

The balance of foreign borrowings comprises mainly loan facilities raised abroad to finance customers' exports, which are subject to an interest rate of up to 3.73% p.a., are substantially pegged to the U.S. dollar rate, and mature until 2019.

(d) Expenses on loans and onlendings

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Local onlendings	(4,370,144)	(12,793,344)	(4,332,785)	(12,909,830)
FGTS	(3,755,728)	(10,900,636)	(3,690,328)	(10,961,675)
BNDES	(542,142)	(1,634,119)	(602,165)	(1,768,362)
National Treasury - Social Integration Program - PIS	(2,562)	(11,610)	(8,691)	(34,364)
Merchant Marine Fund	(54,249)	(202,840)	(14,831)	(85,154)
Other institutions	(15,463)	(44,139)	(16,770)	(60,275)
Foreign onlendings	(2,890)	(12,773)	2,804	302
Foreign borrowings	(163,000)	(543,315)	146,855	35,781
Total	(4,536,034)	(13,349,432)	(4,183,126)	(12,873,747)

Note 18 - Other liabilities
(a) Composition

Description	9/30/2018	12/31/2017	9/30/2017
Debt instruments eligible to capital (Note 18(d))	25,714,198	24,956,210	24,207,963
Funds for specific purposes (Note 18(c))	16,082,374	17,850,274	11,884,621
Subordinated debt	10,444,088	10,742,909	10,844,879
Social and statutory obligations	3,240,855	3,686,370	2,291,821
Tax and social security obligations (Note 18(b))	1,769,811	2,413,674	2,832,159
Hybrid capital and debt instruments (Note 18(d))	2,477,571	3,320,698	1,156,727
Collections of taxes and similar charges	1,317,565	416,763	2,016,494
Foreign exchange portfolio (Note 9(c))	985,749	149,371	373,454
Negotiation and intermediation of securities	2,503	45,770	51,357
Sundry (Note 18(e))	66,349,530	69,003,425	74,442,365
Total	128,384,244	132,585,464	130,101,840
Current liabilities	58,011,407	60,794,018	57,805,704
Non-current liabilities	70,372,837	71,791,446	72,296,136

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b) Tax and social security obligations

Description	9/30/2018	12/31/2017	9/30/2017
Taxes on salaries payable	620,293	462,102	465,768
Taxes on services payable	278,089	316,370	305,670
Taxes and contributions on profits payable	370,365	116,448	287,508
Income tax	67,660	11,448	25,388
Social contribution	24,410	4,228	9,519
Social Contribution on Revenues - COFINS	239,325	87,182	217,265
Public Service Employee Savings Program - PASEP	38,970	13,590	35,336
Deferred taxes and contributions	501,064	1,518,754	1,773,213
Revaluation of buildings	120,233	127,958	130,327
MTM adjustments - trading securities	20,524	1,124,343	1,395,582
MTM adjustment - securities available for sale	317,982	266,453	247,304
Futures contracts	42,325	-	-
Total	1,769,811	2,413,674	2,832,159
Current liabilities	1,649,578	2,285,716	2,701,832
Non-current liabilities	120,233	127,958	130,327

(c) Funds for specific purposes

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

The significant variation of PIS funds as from the 2nd semester of 2017 is due to funds made available for withdrawal of quotas, pursuant to Law 13,677 of June 13, 2018.

Description	9/30/2018	12/31/2017	9/30/2017
Social funds and programs	13,004,764	10,160,348	9,956,613
FGTS	9,022,831	5,997,018	5,443,452
"Minha Casa Minha Vida" ("My House My Life")	3,006,711	3,390,447	3,453,966
Housing Subsidy Program (PSH)	314,786	312,138	308,134
Income Transfer Programs	486,607	239,997	560,027
Other funds and programs	173,829	220,748	191,034
Financial and development funds	2,349,319	6,745,762	1,113,038
PIS	1,828,096	5,900,384	480,750
FAT	519,741	843,897	630,806
FINSOCIAL	1,482	1,481	1,482
Lottery operations	728,291	944,164	814,970
Total	16,082,374	17,850,274	11,884,621

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Debt instruments eligible to capital**(d.1) Subordinated financial instruments - Level II**

CAIXA has 21 Subordinated Financial Instruments (IFS) authorized to compose Level II of Reference Equity - (RE), being 8 Subordinated Debt Instruments (IDS), 12 Subordinated Financial Notes (LFS) and 1 Subordinated Note (NS) abroad, as detailed in the subsequent items.

The total amount raised through these IFS form part of the capital of the Institution's capitalization, positively reflecting on reference assets, on the operating margin, Basel index, and other indexes, such as capitalization and public sector debt.

Subordinated Debt Instrument (IDS)

CAIXA has 8 subordinated debt instruments authorized by the Brazilian Central Bank to comprise Level II of RE, in accordance with CMN Resolution 4,192/2013, contracted with the Government Severance Indemnity Fund for Employees (FGTS) in 2005, 2011, 2012, 2014, 2015, 2016 and 2017.

Monetary Restatement is applicable to the total debt amount, through the application of the restatement coefficient identical to that utilized for the remuneration of accounts linked to FGTS and interest capitalized monthly.

Subordinated Financial Notes - LFS

CAIXA has 12 subordinated financial notes raised in the local market with a total face value of R\$ 234,900 and are all considered eligible for Level II of RE by the Brazilian Central Bank.

Subordinated Note - NS

CAIXA raised funds amounting to US\$ 500,000 (five hundred million dollars) in the international market on July 16, 2014, by means of issue of subordinated notes eligible for Level II capital under Basel III rules. The notes issued are effective for 10 years, but can be redeemed in the fifth year, and have a rate of return of 7.25% p.a.

This transaction was the first issue of Level II capital in accordance with Basel III rules realized by a Brazilian bank, and the fifth CAIXA transaction in the international capitals market. The notes have coupons that reset after the fifth year and a "loss absorption" clause, with a possible write-off of principal and interest. That is, the notes can be written off permanently at an amount at least equal to the amount accounted for as Level II capital in the following situations: (i) Principal capital lower than 4.5%, (ii) Enforcement of a commitment to make an emergency capital contribution in the Issuer, (iii) Determination by the Brazilian Central Bank of the non-viability of the bank. In October 2014, BACEN considered NS as eligible. Therefore, as from October 2014, the instrument became part of CAIXA Reference Equity Tier II.

Additional information on Subordinated Financial Instruments is available in the Management Report of Risk and Capital - Pilar 3, at: www.caixa.gov.br, menu "About Caixa".

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Maturity	Annual remuneration (%)	Funds capture date	Amount issued	Monetary adjustment and interest	Amortization	Impact of market risk hedge accounting	Debt balance 9/30/2018	Debt balance 12/31/2017	Debt balance 9/30/2017
Loans payable - FGTS funds									
Feb/20	6.30%	Oct/05	3,439,717	2,658,217	(4,835,488)	-	1,262,446	1,930,967	2,153,501
Apr/26	6.00%	Aug/11	3,000,000	1,843,337	-	-	4,843,337	4,633,878	4,565,701
Jul/32	5.08%	Jun/12	3,000,000	1,338,305	-	-	4,338,305	4,178,064	4,125,677
Dec/33	5.15%	Oct/14	3,000,000	845,445	-	-	3,845,445	3,701,615	3,654,608
Feb/38	4.80%	Dec/14	4,000,000	1,005,456	-	-	5,005,456	4,830,426	4,773,125
Dec/40	4.75%	Sep/15	3,000,000	573,358	-	-	3,573,358	3,449,607	3,409,085
May/44	4.75%	Sep/16	4,000,000	457,318	-	-	4,457,318	4,302,865	4,252,284
Aug/44	4.86%	May/17	4,000,000	287,498	-	-	4,287,498	4,135,636	4,085,936
May/44	5.23%	Sep/17	2,000,000	106,464	-	-	2,106,464	2,026,513	2,000,000
Eligible financial bill - Tier II									
Jun/20	110% of CDI	Jun/14	10,000	6,561	-	-	16,561	15,726	15,427
Jul/19	110% of CDI	Jul/14	17,400	11,158	-	-	28,558	27,120	26,603
Dec/21	110% of CDI	Dec/14	1,500	842	-	-	2,342	2,224	2,181
Jun/24	100% of IPCA + 6.95%	Jun/14	200,000	144,378	-	139	344,517	368,551	339,262
Feb/25	100% of IPCA + 6.74%	Feb/15	1,200	669	-	33	1,902	1,951	1,885
Feb/25	100% of IPCA + 6.65%	Feb/15	1,200	660	-	18	1,878	1,934	1,863
Feb/25	100% of IPCA + 6.58%	Feb/15	2,400	1,339	-	(8)	3,731	3,881	3,704
Mar/25	100% of IPCA + 6.45%	Mar/15	1,200	649	-	(13)	1,836	1,904	1,823
Jul/24	7.25%	Jul/14	1,106,450	929,965	-	919	2,037,334	2,086,257	1,640,177
Total			30,781,067	10,211,619	(4,835,488)	1,088	36,158,286	35,699,119	35,052,842

(d.2) Hybrid capital and debt instruments

Reference Equity Level I comprises Principal Capital and Supplementary Capital. CAIXA has 6 hybrid capital and debt instruments - IHCD authorized to form part of its Principal Capital, but does not have hybrid instruments contracted with Supplementary Capital characteristics.

The National Monetary Council (CMN) Resolution 4,192/2013 determines, for financial statements purposes, that instruments which meet the characteristics of principal capital be reclassified to equity.

Therefore, additional information on subordinated financial instruments eligible to principal capital can be found in Note 19(b).

The agreements have fully variable remuneration clauses. The incorporation of the monetary restatement into the principal balance and the payment of financial charges related to a given year will be due when dividends are paid, including in the form of interest on capital or capital increase with profits in favor of the Federal Government, related to the same year.

Interest payable and unincorporated monetary restatement are included in Hybrid Capital and Debt Instruments, classified in Other Liabilities - Hybrid capital and debt instruments, amounting to R\$ 2,041,660 at 9/30/2018 (12/31/2017- R\$ 3,320,698, 9/30/2017 - R\$ 1,156,727).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(e) Sundry

Description	9/30/2018	12/31/2017	9/30/2017
Actuarial liabilities - post-employment benefits (Note 29(a))	21,205,560	22,274,820	26,907,019
Saúde CAIXA	9,095,538	10,122,889	14,805,101
Meal voucher and food basket allowance	1,348,838	1,422,383	1,376,576
Benefit plans - private pension plan	10,761,184	10,729,548	10,725,342
Funds linked to loans assigned	10,773,142	12,181,955	12,607,684
Sundry creditors - Domestic (Note 18(f))	9,228,297	12,283,183	11,527,588
Provision for labor contingencies (Note 28)	4,723,329	4,283,853	4,348,615
Obligations for payment transactions	3,774,106	3,967,431	3,453,380
Provision for civil contingencies (Note 28)	3,326,472	3,080,057	3,385,647
Provisions for amounts payable	3,479,390	2,667,915	3,540,984
Real estate financing to be released	2,971,010	2,341,570	3,105,298
Payables to related parties	2,070,760	1,520,875	1,424,086
Provision for other contingencies	1,893,366	1,745,257	1,693,918
FGTS funds for repayment	1,435,458	1,171,442	1,217,774
Obligations related to agreements	728,191	916,130	730,148
Funds linked to loan operations	420,413	261,876	258,230
Provision for tax contingencies (Note 28)	292,618	281,425	216,772
Contributions to the National Housing System - SFH	27,418	25,636	25,222
Total	66,349,530	69,003,425	74,442,365

Funds linked to loan operations refer to funds allocated to accounts linked to loan operations on behalf of clients, not moved by them and remunerated with the same charges applied to the respective transactions.

Funds linked to loans assigned refer to housing loan transactions securitized with risk retention - CMN Decision 3533/2008.

(f) Sundry creditors - Domestic

Description	9/30/2018	12/31/2017	9/30/2017
Credit cards	4,277,350	4,321,167	3,997,429
Amounts to be appropriated	2,722,988	4,852,525	4,361,678
Real estate loans - onlendings	634,195	1,058,585	1,098,050
Suppliers	1,007,041	1,154,921	821,745
Acquisition of payrolls - amounts pending release	219,138	273,043	336,796
Accounts payable	115,835	123,697	287,707
Commercial loans - onlendings	74,647	36,584	61,373
Federal Government obligations - onlendings	58,180	54,894	53,829
Loan Guarantee Fund - FGC	48,454	62,482	63,592
Asset Management Company (EMGEA) (1)	12,573	20,338	33,653
Redeemable amounts - pledge	173	68,906	71,998
Other sundry creditors	57,723	256,041	339,738
Total	9,228,297	12,283,183	11,527,588

(1) Asset Management Company (EMGEA): refers to financial amounts of account settlements received relating to collections and contracts.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 19 - Equity**(a) Share capital**

At an Extraordinary General Meeting, approval was given for increasing CAIXA's authorized capital to R\$ 45,000,00 and capital to R\$ 30,193,024. The capital increase in progress is due to the incorporation of R\$ 562,905 from the statutory reserve - lotteries.

(b) Debt instruments eligible to principal capital

Article 16 of CMN Resolution 4,192/2013 authorizes federal financial institutions to make up their Tier I - Principal Capital with equity elements, subordinated financial instruments and the hybrid equity and debt instruments, provided that it meets the criteria defined in the Resolution, for example, having fully variable remuneration, perpetuity characteristics and absorption of losses while carrying out operating activities (going-concern).

This rule also determines that the instruments that meet the Principal Capital characteristics should be reclassified as equity for purposes of the disclosure of the consolidated financial statements.

Accordingly, in the individual financial statements, the hybrid capital and debt instruments eligible to comprise Principal Capital are recorded in liabilities and the financial charges recognized as operating expenses, whereas in the consolidated financial statements these are reclassified to equity, based on the understanding and orientation of the Brazilian Central Bank, in order to improve the quality of the consolidated financial statements.

Consequently, all CAIXA's hybrid capital and debt instruments are classified as Principal Capital and, therefore, comprise CAIXA's equity for disclosure purposes. The table below presents the position of the agreements:

Description	9/30/2018	12/31/2017	9/30/2017
Agreement No. 348/2007	9,468,805	7,851,945	7,851,945
Agreement No. 504/2009	9,663,215	8,013,159	8,013,159
Agreement No. 752/2012	6,800,000	6,800,000	6,800,000
Agreement No. 754/2012	6,310,598	6,310,598	6,310,598
Agreement No. 868 and 869/2013	8,000,000	8,000,000	8,000,000
Total	40,242,618	36,975,702	36,975,702

For the purpose of the Composition of the Reference Equity, only the face value of the contracts added to the monetary restatement of prior years is considered. As the contracts have fully variable remuneration clauses, the incorporation of the monetary restatement into the principal balance and the payment of financial charges related to a given year will be due when dividends are paid, including in the form of interest on capital or capital increase with profits in favor of the Federal Government, related to the same year.

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

Pursuant to CMN Resolution 2,099/1994 and subsequent regulations, which establish the minimum levels of reference equity for financial institutions, based on the volume of their operations, CAIXA presented a ratio of 19.83% at 9/30/2018 (12/31/2017 - 17.65%; 9/30/2017 - 15.24%) (Note 31), above the minimum ratio required in Brazil.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Revaluation and revenue reserves

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

The lottery reserve is constituted by 100% of the result of the management of the federal lotteries for which CAIXA is responsible as the executor of such public services, and is incorporated to equity, after the deduction of the portion appropriated to the Lottery Development Fund. The purpose of the Lottery Development Fund is to make the investments necessary for modernizing the lotteries and for advertising and publicity expenses, pursuant to the applicable legislation, and cannot be used to cover current expenses.

The operating margin reserve is intended for the maintenance of the equity margin compatible with the development of CAIXA's activities and is constituted through the justification of the percentage considered, up to 100% of the balance of net income after deducting the appropriations to the legal reserve, to the unrealized profit reserves, to contingency reserves, to tax incentive reserves, and for the minimum payment (25% of the adjusted profit) of dividends and interest on capital, the reserve balance cannot exceed eighty percent of the share capital.

Description	9/30/2018	12/31/2017	9/30/2017
Revaluation reserves	341,278	352,348	350,329
Revenue reserves	13,910,195	13,923,642	9,527,076
Legal reserve	2,315,970	2,024,337	3,006,218
Statutory reserve - lotteries	257,825	562,905	759,861
Operating margin reserve	11,336,400	11,336,400	5,760,997

(e) Dividends and interest on capital

In 2015, CAIXA formalized its principles and guidelines for the distribution of profits and approved the Capital Management and Distribution of Profit Policy, establishing prudent capital limits for Principal Capital, Tier I and Basel of 1.50 p.p. above the minimum regulatory value determined by the National Monetary Council (CMN).

In accordance with the Capital Management and Distribution of Profit Policy, the amount to be distributed as profit for the year is a minimum of 25% (twenty-five percent) of the Adjusted Net Income, as defined in CAIXA's Statute.

The distribution of profit for the year is approved by the General Meeting of Shareholders, after approval by the Board of Directors, as proposed by the Managing Board and observing the opinion of the Supervisory Board, taking into consideration the legal provisions, the conditions of the Capital Management and Distribution of Profits Policy, and CAIXA's Statute.

For the purposes of the calculation of the dividend obligations, interest on capital is calculated at the remuneration of the TJLP for the period on adjusted net equity, limited to 50% of net income for the period. Total interest on capital amounted to R\$ 2,179,572 (9/30/2017 - R\$ 1,359,937) and permitted a reduction in the IRPJ and CSLL taxes amounting to R\$ 980,807 in the nine-month period ended September 2018 (R\$ 611,972 in the nine-month period ended September 2017).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 20 - Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)
(a) Statement of IRPJ and CSLL (expenses) credits

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Current taxes	(617,123)	(2,864,916)	(296,509)	(1,537,343)
Deferred taxes	(226,451)	1,296,728	(430,428)	1,484,642
Deferred tax liabilities	149,610	945,763	(283,886)	(553,340)
Deferred tax assets	(376,061)	350,965	(146,542)	2,037,982
Temporary differences - constitution / realization	(271,810)	892,458	(94,501)	2,323,853
Income tax and social contribution losses	(104,251)	(541,493)	(52,041)	(285,871)
Income tax and social contribution for the period	(843,574)	(1,568,188)	(726,937)	(52,701)

(b) Statement of calculation of IRPJ and CSLL (expenses) credits

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Profit before taxation and participations	6,392,143	14,775,981	3,207,779	7,023,583
IRPJ and CSLL charges	(2,876,457)	(6,649,173)	(1,443,495)	(3,160,595)
Tax effects - additions and exclusions	1,573,823	1,692,589	764,099	838,473
Interest on capital	392,633	980,807	153,481	611,972
Equity in the results of investees	(451,509)	(266,410)	116,218	343,240
Realization of tax loss	104,251	541,493	52,041	285,871
Employee profit sharing	330,812	782,453	140,576	327,639
Other	309,324	53,325	(79,429)	(783,943)
Current income tax and social contribution	(617,123)	(2,864,916)	(296,509)	(1,537,343)

(c) Deferred tax liabilities
(c.1) Deferred tax liabilities - IRPJ/CSLL

Description	9/30/2018	12/31/2017	9/30/2017
Deferred expenses/MTM	298,590	1,219,405	1,449,392
Other	120,233	127,958	130,327
Income tax and social contribution for the period	418,823	1,347,363	1,579,719

(c.2) Deferred tax liabilities - PASEP/COFINS

Description	9/30/2018	12/31/2017	9/30/2017
Deferred expenses/MTM	44,055	171,390	193,494
PASEP and COFINS for the Period	44,055	171,390	193,494

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Deferred tax assets
(d.1) Tax credits- IRPJ/CSLL

Description	12/31/2017	Constitution	Reversal	9/30/2018	9/30/2017
Temporary differences:	32,887,418	13,376,382	(12,483,927)	33,779,873	34,243,466
Provision for loan losses	22,421,757	6,370,971	(7,038,923)	21,753,805	22,151,205
Actuarial liabilities	3,315,361	410,836	(276,521)	3,449,676	3,784,349
Provision for labor contingencies	1,767,089	153,574	(1,811)	1,918,852	1,848,161
Provision for civil contingencies	1,277,918	222,895	(142,755)	1,358,058	1,568,747
Provision for tax contingencies	86,744	42,265	(32,572)	96,437	88,113
Adjustment to market value - Trading securities	715,072	-	(715,072)	-	905,943
Provision for devaluation of assets not for use	91,518	356,399	(113,741)	334,176	85,856
Provision for losses - FCVS receivable	1,116,924	20,774	(102,417)	1,035,281	1,091,204
Funding expenses not incurred - IHCD	-	1,114,907	-	1,114,907	520,527
Other	2,095,035	4,683,761	(4,060,115)	2,718,681	2,199,361
Income tax and social contribution losses:	1,288,670	-	(541,493)	747,177	1,096,884
Income tax losses realizable	1,288,670	-	(541,493)	747,177	1,096,884
Total credits impacting the result	34,176,088	13,376,382	(13,025,420)	34,527,050	35,340,350
Adjustment to market value - Available-for-sale securities	733,563	-	(733,563)	-	747,087
Actuarial losses - CPC 33	5,047,892	-	(413,965)	4,633,927	5,585,913
Total credits impacting equity	5,781,455	-	(1,147,528)	4,633,927	6,333,000
Total tax credits	39,957,543	13,376,382	(14,172,948)	39,160,977	41,673,350
Total credits not constituted	1,259,399	-	(175,238)	1,084,161	2,030,898

(d.2) Composition of tax credits - PASEP/COFINS

Description	12/31/2017	Constitution	Reversal	9/30/2018	9/30/2017
Total credits impacting the result	77,495	115,207	(77,495)	115,207	151,965
Market adjustment	77,495	-	(77,495)	-	98,180
Funding expenses not incurred - IHCD	-	115,207	-	115,207	53,785
Total credits impacting equity	79,497	-	(79,497)	-	80,964
Market value adjustment - securities available for sale	79,497	-	(79,497)	-	80,964
Total	156,992	115,207	(156,992)	115,207	232,929

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(e) Expected realization - book value

CAIXA carries out a semi-annual study of the expected realization of tax credits in 10 years. The amounts determined in the study at 9/30/2018 are as follows:

Year of Realization	Tax losses	Temporary difference	TOTAL
2018	212,857	7,425,066	7,637,923
2019	534,321	2,128,819	2,663,140
2020	-	3,963,197	3,963,197
2021	-	4,081,553	4,081,553
2022	-	3,343,357	3,343,357
2023	-	4,094,332	4,094,332
2024 to 2028	-	13,492,682	13,492,682
Total	747,178	38,529,006	39,276,184
Present value	739,413	30,020,696	30,760,109

Note 21 - Income from services and banking fees
a) Service revenues

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Management of social funds	2,352,966	6,044,802	1,832,570	5,458,350
Government Severance Indemnity Fund for Employees (FGTS)	1,292,777	3,836,109	1,189,507	3,706,266
Compensation Fund for Salary Variations (FCVS)	76,974	141,777	34,334	105,363
Social Integration Program (PIS)	484,385	649,591	71,285	142,748
Federal lotteries	341,881	963,877	355,631	961,692
Student Financing (FIES)	122,694	360,707	150,562	446,819
Residential Lease Fund (FAR)	21,987	57,197	19,325	57,681
Unemployment insurance	11,177	34,058	11,141	36,408
Other	1,091	1,486	785	1,373
Brazilian National Treasury Department (STN) - onlendings	44,931	116,535	35,993	107,976
Revenue from cards	354,845	1,058,845	343,249	1,045,428
Loan transactions and guarantees provided	494,044	1,481,531	535,792	1,631,680
Collections	238,214	735,267	242,808	744,541
Tax collections	821,700	2,429,085	835,374	2,405,647
Investment funds and administered portfolios	566,439	1,611,660	472,006	1,373,141
Checking account	103,520	323,709	127,990	350,271
Income Transfer Programs	112,923	329,217	110,826	324,434
Services to affiliates - Investment funds	12,597	38,124	11,479	33,521
Services to affiliates	196,954	620,228	180,750	535,303
Other services	113,498	275,932	86,968	282,109
Total	5,412,631	15,064,935	4,815,805	14,292,401

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

b) Income from banking fees

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Revenue from cards	193,863	565,113	169,489	508,020
Loan and registration operations	285,963	871,211	292,234	870,883
Service package	838,853	2,540,277	659,122	1,843,988
Deposit accounts	190,415	568,097	198,064	548,184
Transfer of funds	112,062	319,124	82,517	222,380
Other	77,049	206,013	82,202	243,107
Total	1,698,205	5,069,835	1,483,628	4,236,562

Note 22 - Personnel expenses

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Salaries	(2,983,960)	(8,963,202)	(3,242,517)	(9,948,191)
Labor indemnities	(363,926)	(1,048,278)	(533,406)	(1,288,972)
Benefits	(661,977)	(1,978,537)	(663,302)	(1,948,377)
Social charges:	(1,210,108)	(3,594,445)	(1,124,483)	(3,580,530)
FGTS	(237,175)	(688,296)	(233,006)	(699,537)
Private pension	(732,995)	(2,111,690)	(711,463)	(2,120,240)
Supplementary pension	(174,564)	(600,196)	(113,959)	(560,067)
Other charges	(65,374)	(194,263)	(66,055)	(200,686)
Other	(32,813)	(85,020)	(34,450)	(96,631)
Total	(5,252,784)	(15,669,482)	(5,598,158)	(16,862,701)

Note 23 - Other administrative expenses

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Communications	(127,386)	(353,233)	(132,318)	(397,855)
Maintenance and conservation of assets	(240,115)	(732,177)	(250,875)	(717,128)
Water and electricity	(115,195)	(334,428)	(103,886)	(330,189)
Rentals and leases	(364,905)	(1,107,733)	(379,859)	(1,148,290)
Materials	(43,086)	(108,095)	(29,490)	(104,348)
Data processing	(421,372)	(1,169,289)	(353,515)	(1,102,048)
Promotions and public relations	(62,956)	(179,811)	(64,399)	(224,045)
Advertising and publicity	(122,218)	(198,899)	(83,564)	(150,242)
Financial system services	(138,837)	(419,358)	(136,240)	(406,671)
Outsourced services	(447,582)	(1,328,523)	(461,723)	(1,393,399)
Specialized services	(162,800)	(416,850)	(151,575)	(415,324)
Surveillance and security services	(223,641)	(662,522)	(228,799)	(668,991)
Amortization (Note 13(b))	(206,086)	(633,003)	(212,333)	(640,567)
Depreciation (Note 12(b))	(228,474)	(692,297)	(238,737)	(719,517)
Other administrative expenses	(113,907)	(327,650)	(97,227)	(284,181)
Total	(3,018,560)	(8,663,868)	(2,924,540)	(8,702,795)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 24 - Other operating income

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Commissions and fees on operations	157,110	540,009	145,007	435,127
Commissions and fees on demand - FGTS financial agent (1)	815,887	2,184,493	814,184	2,270,547
Commissions and fees - monthly deferred quota - financial agent FGTS	243,462	665,137	172,807	480,776
Recovery of expenses	374,820	1,079,964	375,941	1,208,474
Reversal of other operating provisions	440,073	815,611	932,492	1,243,867
Restatement of escrow deposits	165,367	483,867	148,387	566,626
Income from specific credits	15,888	47,808	20,979	68,769
Revenue from discount on acquisition of royalties	19,843	59,282	19,564	68,530
Monetary restatement on sundry operations	68,718	193,885	15,510	67,537
Other operating income	128,337	306,651	73,275	251,516
Total	2,429,505	6,376,707	2,718,146	6,661,769

(1) For housing credit transactions of individuals with funds from the FGTS, CAIXA recognizes the revenues to the extent of the costs related to each agreement. In 2018, the costs were R\$ 8,765.81 (R\$ 6,008.58 indirect and R\$ 2,757.23 direct). There were 249,206 agreements of these transactions in the nine-month period ended September 2018 (93,076 agreements in the 3rd quarter).

Note 25 - Other operating expenses

The item "Hybrid capital and debt instrument - monetary restatement" refers substantially to instruments formalized with the Federal Government that have a variable income linked to CAIXA's result for the year.

Description	2018		2017 (Note 3(n))	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Expenses on FCVS receivable - provision/losses	(114,609)	(210,349)	(226,878)	(469,695)
Expenses on obligations with funds and programs	(172,175)	(430,963)	(267,033)	(827,750)
Hybrid instruments of capital and debt - monetary restatement	(457,021)	(1,220,868)	(405,409)	(1,174,764)
Expenses on cards	(215,647)	(709,024)	(260,384)	(691,321)
Expenses on lotteries	(72,282)	(177,463)	(53,339)	(164,544)
Expenses with lottery resellers and business partners	(812,117)	(2,172,670)	(672,543)	(1,894,507)
FGTS - Collection/payment	(108,638)	(304,843)	(204,915)	(539,565)
Automated services	(125,937)	(363,405)	(113,189)	(368,415)
Business leverage	(183,210)	(548,626)	(200,159)	(601,205)
Real estate financing operations	(134,569)	(317,774)	(136,243)	(405,346)
Goodwill on the purchase of commercial portfolios	(170,970)	(530,320)	(174,111)	(497,438)
Loan operation discounts	(108,008)	(530,194)	(794,324)	(1,109,583)
Operating provisions	(247,077)	(947,892)	(285,960)	(822,791)
Provision for contingencies	(312,505)	(1,077,436)	(586,189)	(1,061,886)
Adverse legal judgments	(63,998)	(169,198)	(255,351)	(313,184)
Social benefits	(29,540)	(82,500)	(41,876)	(133,945)
Post-employment benefits	(432,400)	(1,466,318)	(638,354)	(1,755,375)
Commercial loan operations	(181,741)	(490,520)	(37,482)	(244,426)
Other	(163,430)	(651,869)	(163,320)	(574,091)
Total	(4,105,874)	(12,402,232)	(5,517,059)	(13,649,831)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 26 - Non-operating income (expenses)

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Non-operating income	91,462	301,403	152,208	390,567
Gains on sales of assets	35,672	83,095	29,256	75,718
Sale of properties	21,243	62,159	32,518	85,324
Unclaimed cash surpluses	17,818	53,584	16,666	49,644
Fines and penalties	5,082	17,333	10,536	23,259
Capital gains on permanent material	-	22,704	-	-
Capital gain on adjustment of pending amounts	1,499	6,399	62	662
Recovery of losses on fraud	2,341	7,106	3,518	6,327
Recovery of losses on agreements/contracts	1,018	3,562	207	914
Reversal of loss on permanent investment	1	28,465	56,008	137,607
Other non-operating income	6,788	16,996	3,437	11,112
Non-operating expenses	(327,700)	(1,284,674)	(363,902)	(809,416)
Impairment of other assets	(119,254)	(651,844)	(43,110)	(152,733)
Indemnity for losses and damages	(69,983)	(206,045)	(79,053)	(207,850)
Losses on properties	(23,148)	(94,874)	(23,969)	(62,507)
Losses with fraudulent electronic withdrawals	(17,724)	(46,478)	(17,072)	(62,037)
Losses with fraud on loan operations	(24,011)	(29,685)	(11,492)	(19,540)
Loss on sales of assets	(30,455)	(190,383)	(86,712)	(186,724)
Other non-operating expenses	(43,125)	(65,365)	(102,494)	(118,025)
Total	(236,238)	(983,271)	(211,694)	(418,849)

The higher amount of expenses in the nine-month period ended September 2018 in item "Impairment of assets" refers to the recognition of the provision for loss on devaluation of assets not for use (Note 10) arising from the change in the methodology to compute the impairment loss on these assets, adopted as from 2018, due to the revision in the policy adopted by CAIXA to comply with changes occurred in the real estate market.

Note 27 - Tax expenses

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Social Contribution on Revenues - COFINS	(715,989)	(2,060,989)	(654,901)	(1,938,927)
PIS/PASEP	(117,424)	(337,533)	(107,039)	(316,901)
Tax on Services - ISS	(194,577)	(578,074)	(189,707)	(555,673)
IPTU	(2,898)	(77,754)	(3,496)	(74,244)
Other	3,465	(6,173)	(16,361)	(67,374)
Total	(1,027,423)	(3,060,523)	(971,504)	(2,953,119)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 28 - Provisions, contingent assets and liabilities, and legal obligations - tax and social security

(a) Contingent assets

CAIXA has no contingent assets the inflow of economic benefits of which could be classified as probable.

(b) Provision for litigation and legal obligations - tax and social security

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

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

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

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

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

(b.1) Changes in provisions for litigation and legal obligations - tax and social security

Description	12/31/2017	Changes in 2018					9/30/2018	9/30/2017
		New provisions	Monetary restatement	Additions to existing provisions	Reversals of existing provisions	Write-offs after payment		
Labor (Note 18(e))	4,283,853	932,261	30,462	173,350	(97,118)	(599,479)	4,723,329	4,348,615
Civil (Note 18(e))	3,080,057	341,130	18,944	424,523	(326,698)	(211,484)	3,326,472	3,385,647
Losses and damages	623,662	259,156	2,843	42,325	(25,875)	(150,543)	751,568	539,385
Savings accounts - economic plans	1,457,556	14,455	3,578	355,182	(131)	(26,333)	1,804,307	1,478,007
Real estate	299,417	66,137	3,095	25,456	(8,083)	(33,253)	352,769	545,948
Contingencies related to FGTS	699,422	1,382	9,428	1,560	(292,609)	(1,355)	417,828	822,307
Tax (Note 18(b) and (e))	281,425	40,071	4,567	4,921	(32,479)	(5,887)	292,618	216,772
INSS	23,804	13,562	562	5	-	(3)	37,930	23,597
IPTU	43,592	3,230	1,416	888	(8)	(635)	48,483	48,232
ISSQN	127,690	14,938	713	2,623	(4,385)	(1,321)	140,258	122,294
Other	86,339	8,341	1,876	1,405	(28,086)	(3,928)	65,947	22,649
Total	7,645,335	1,313,462	53,973	602,794	(456,295)	(816,850)	8,342,419	7,951,034

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b.2) Labor proceedings

CAIXA is the defendant in claims filed by employees, former employees of CAIXA or service providers and workers' unions, related to their labor activities, career plans, collective bargaining agreements, severance pay, benefits, retirement, subsidiary charges, among others.

At 9/30/2018, a provision was recognized for 59,713 labor claims accrued, of which 56,227 "immaterial claims" and 3,486 "material claims", whose amounts are adjusted by the IPCA.

CAIXA continues executing its policy of in-court and out-of-court reconciliations, realizes spontaneous compliance with certain court decisions and effects the analysis of losses incurred in order to mitigate further litigation involving similar cases. Accordingly, the significant claims are not individually disclosed in order not to adversely affect possible agreements.

(b.3) Civil proceedings

CAIXA is the defendant in civil proceedings of a compensatory/contractual nature relating to its products, and banking and other services. At 9/30/2018, a provision was recognized for 333,069 civil proceedings, comprising approximately 331,987 considered "immaterial" and 1,082 "material".

The most important proceedings relate to the contesting of the elimination of the effects of indexes of economic plans, as part of the economic policy of the Federal Government to combat inflation rates in the past, on the restatement of savings account balances.

CAIXA complied with the legal requirements in force at the time, however, considering the lawsuits effectively filed and an analysis of the current case laws of the High Court of Justice (STJ), a provision of R\$ 1,804,307 was recognized for these proceedings at 9/30/2018 (12/31/2017- R\$ 1,457,553; 9/30/2017 - R\$ 1,478,006).

It should be highlighted that the statute of limitations is in effect for the filing of new claims, resulting in the inexistence of a representative potential liability. The Federal Supreme Court (STF) suspended the analysis of all the appeals filed until a decision is rendered by that Court binding all the related cases discussing this matter.

At the end of 2017, FEBRABAN and CONSIF signed an agreement with the main consumer protection agencies to solve the problem. This agreement was approved by the STF and CAIXA adhered to its conditions. The payments began in July 2018.

The proceedings seeking compensation for damages involving the transfer of funds from FGTS are also significant. At 9/30/2018, the provision for these proceedings is R\$ 417,828 (12/31/2017 - R\$ 699,424; 9/30/2017 - R\$ 822,306).

The claims seeking indemnities for losses and damages refer to possible problems with banking services, with the rendering of other services or with product acquisition/maintenance.

In 2018, CAIXA continues to conduct its in-court and out-of-court reconciliation realizing the spontaneous compliance with court decisions and analyzing losses incurred in order to mitigate new litigations in similar cases. Until 9/30/2018, CAIXA carried out 13,029 agreements (45% referring to indemnity claims and 55% to credit recoveries), decreasing the amounts that would be disbursed if the court decision remained unaltered, offering the customer the possibility of a quick solution to settle the issue.

(b.4) Legal obligations - tax and social security

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

Provisions constituted for cases in which the likelihood of loss is probable, based on the opinion of the legal counsel, refer to income tax and social contribution lawsuits. CAIXA regularly monitors the status of the ongoing lawsuits, which, in the medium and long-term, could result in favorable outcomes with the reversal of the respective provisions.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

It should be emphasized that the assessments by the National Institute of Social Security (INSS) for the collection of social security taxes on payments to CAIXA employees, where the indemnity and non-remuneration nature of certain amounts are challenged, such as meal vouchers, absence allowed for personal reasons (APIP), and premium license, the updated amounts of which at 9/30/2018 correspond to R\$ 1,610,345 (12/31/2017 - R\$ 1,580,215; 9/30/2017 - R\$ 1,574,043), for which a provision of R\$ 37,930 (12/31/2017 - R\$ 23,806; 9/30/2017 - R\$ 23,597) was constituted based on the history of success and the case law scenario, considered in a recent technical and legal analysis of the issue.

In relation to the Service Tax (ISSQN), CAIXA applies the provisions of Federal Supplementary Law 116/2003 adjusting its systems and procedures for the determination of the tax basis and payment of the tax on services rendered.

Nevertheless, tax audits conducted in various Brazilian cities filed suits against CAIXA alleging non-payment or underpayment of the tax, initiating the discussion on different interpretations of the aspects, such as materiality, applicable rates and location where the tax should be levied, the total amount of which at 9/30/2018 corresponded to R\$ 771,758 (12/31/2017- 738,238; 9/30/2017 - R\$ 688,763).

Considering the history of success and the case law scenario, evaluated in a technical and legal analysis of the matter as of 9/30/2018, the provision constituted amounted to R\$ 140,258 (12/31/2017- 127,689; 9/30/2017 - R\$ 122,294).

Also, as a highlight, CAIXA has been discussing the materiality of the CSLL and IRPJ debts and fines arising from non-approval of PER/DCOMP, which at 9/30/2018 totaled R\$ 58,776 (12/31/2017- R\$ 79,160; 9/30/2017 - R\$ 6,680), in connection with procedural issues, which, based on court pronouncements on each matter, the analysis of the lawyers was to constitute a provision for the full amount.

(c) Provision for prepayment of real estate receivables with FGTS funds

The real estate financing granted with FGTS funds with a subsidy to reduce the installment remunerates the Financial Agent with the total or partial amount of the subsidy by the FGTS, as defined in the Resolution No. 702/2012 of the Board of Trustees of the FGTS and its amendments.

These amounts are transferred to the Financial Agent CAIXA at the contracting date, in order to cover the whole period of the transaction. Changes in the flow initially contracted, such as the early settlement, extraordinary amortization, extraordinary amortization with reduction of term, transfer or reduction of the contracted financing term, require CAIXA to return to FGTS a proportional part of the remuneration received.

To cover this return of funds to FGTS, a provision is recognized for the risk of return of income in case of prepayments. The provisioned amounts are calculated based on the average prepayments of the payment flows and their respective impacts on the balance of the remuneration amounts of the Financial Agent CAIXA. At 9/30/2018, the provisioned amount is R\$ 1,893,366 (12/31/2017 - R\$ 1,745,257; 9/30/2017 - R\$ 1,693,918).

(d) Contingent liabilities classified as possible losses

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

Description	9/30/2018	12/31/2017	9/30/2017
Tax proceedings	5,939,476	5,849,212	5,867,481
Civil proceedings	1,928,501	1,918,840	1,898,239
Total	7,867,977	7,768,052	7,765,720

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d.1) Tax proceedings

CAIXA continuously monitors administrative and tax proceedings in which it is the defendant or a claimant and, supported by the opinions of its legal units, classified cases that amounted to R\$ 5,939,476, at 9/30/2018 as possible losses (12/31/2017 - R\$ 5,849,212; 9/30/2017 - R\$ 5,867,481), including the following main claims based on the amounts under dispute:

a) PIS/PASEP assessments, amounting to R\$ 4,941,668 at 9/30/2018 (12/31/2017 - R\$ 4,887,110; 9/30/2017 - R\$ 4,866,039), based on underpayments for the period from January 1991 to December 1995, when Decree-Law 2,445/1988 and 2,449/1988 were effective, which changed the tax calculation system, and the alleged improper offset of overpayments made from January 1992 to May 1993;

b) PIS/PASEP assessment amounting to R\$ 224,523 at 9/30/2018 (12/31/2017 - R\$ 221,528; 9/30/2017 - R\$ 220,370), based on the identification of different calculation bases for payment from January 1996 to December 1998, and from January to October 1999, resulting from the exclusion of revenues (or failure to include them) and from computing expenses considered incorrect and non-deductible from the tax base, respectively;

c) CSLL amounting to R\$ 176,838 at 9/30/2018 (12/31/2017 - R\$ 173,278; 9/30/2017 - R\$ 171,903) relating to credit arising from overpayment reported in the tax declaration (DIPJ) and offset in 2003, discussing procedural issues; and

d) ICMS assessment by the São Paulo State Finance Department, totaling R\$ 268,760 at 9/30/2018 (12/31/2017 - R\$ 263,943; 9/30/2017 - R\$ 261,494), claiming the tax payment because of the failure to withhold and collect the tax at source on services classified under "communication" for tax purposes. This assessment further determines that CAIXA is the entity responsible for the payment of the tax liability under the special agreement published by Brazil's National Council for Fiscal Policy (CONFAZ).

The matters in dispute in the proceedings are monitored considering the possible consolidation or changes in case laws, thereby enabling their maintenance as a consequence of the loss risks continually evaluated by CAIXA.

(d.2) Civil proceedings

Based on the opinion of its legal counsel, CAIXA systematically monitors all proceedings considered to be a possible or remote loss.

With regard to the amount of R\$ 1,928,501 (12/31/2017 - R\$ 1,918,840; 9/30/2017 - R\$ 1,898,239), a class action claiming illegal acts by CAIXA when managing PREVHAV funds, on succeeding BNH, should be highlighted as a possible loss. Also, a public class action on economic plans on savings accounts filed by the association PROJUST, against which CAIXA filed a motion to reopen the case questioning the legitimacy of the association. Due to the agreement on the matter signed within the STF, CAIXA informs that it is in negotiation with PROJUST.

(e) Analysis of escrow deposits

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

Description	9/30/2018	12/31/2017	9/30/2017
Tax proceedings	11,976,178	11,595,707	11,483,436
Labor proceedings	4,391,266	4,071,464	3,831,408
Civil proceedings	1,069,813	986,923	1,002,546
Total (Note 9(b))	17,437,257	16,654,094	16,317,390

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(f) Financial guarantees provided

Exposure of Guarantees Provided		
Portfolio	Exposure	Provision
FGTS - Managed Portfolios (CA) and Investment Fund (FI)	9,517,859	28,070
FGTS available amounts	18,062,389	-
Onlendings - Entities	31,501,968	10,201
FIES	457,427	25,616
Bank guarantee	23,000	230
Loan operations linked to assignments	486,467	9,875
PAR (FAR funds)	16,916	8,458
Total	60,066,026	82,450

For FI FGTS and CA FGTS a risk model was created, which considers as credit risk the likelihood of default on the cash flows foreseen when the transactions are contracted, measured through a projected loss considering the history of frustrated returns on the profitability to be guaranteed by CAIXA to FGTS.

FGTS available amounts are deposits remunerated in CAIXA and repurchase agreements in LTN, classified as rating "AA", which is not accrued, pursuant to the prevailing law.

For Onlendings to other Entities, for which the greatest exposures are concentrated in Banco do Brasil S.A. and FAR, 0.03% is applied to the risk exposure (minimum profitability of 6%).

For FIES agreements, the rating is "C" and develops as established by CMN Resolution 2,682/1999.

The bank guarantee has a single agreement, whose allowance is made in rating B, granted to the company CSN - Companhia Siderúrgica Nacional.

The portfolio of Loan operations linked to assignments is comprised of SBPE agreements, whose allowance is 2.03% of the portfolio exposure, according to internal models.

The remaining balance of PAR portfolio with FAR funds is accrued in rating F (50%), in view of the development of the default, pursuant to CMN Resolution 2,682/1999.

Note 29 - Employee benefits**(a) Analysis of the provision for employee benefits**

Provisions for employee benefits contemplate expected costs in the short-term and in the post-employment period. Provisions for short-term benefits are recognized to cover payroll-related costs and profit sharing. Provisions for post-employment benefits refer to expected costs (actuarial calculations) on retirement, pension and health care plans and meal vouchers and food baskets offered by CAIXA.

These provisions can be analyzed as follows:

Description	9/30/2018	12/31/2017	9/30/2017
Short-term benefits	4,329,062	3,358,812	4,267,887
Salary-related	3,283,610	2,491,076	3,336,608
Profit sharing	1,045,452	867,736	931,279
Post-employment benefits (Note 18(e))	21,205,560	22,274,820	26,907,019
Saúde CAIXA (actuarial calculation (g.1))	9,095,538	10,122,889	14,805,101
Meal and food baskets (actuarial calculation (g.2))	1,348,838	1,422,383	1,376,576
Supplementary pension plans (actuarial calculation (g.4))	10,761,184	10,729,548	10,725,342
Total	25,534,622	25,633,632	31,174,906

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(b) Short-term benefits:

The provisions for short-term benefits mainly comprise salaries payable, 13th month salary, vacation pay, bonus leave, frequency bonus, and employee profit sharing, and mature in the course of twelve months of the date of the consolidated financial statements. The participation of the employees in the result (PLR) is appropriated monthly with the calculation on the result realized annually. After the Collective Bargaining Agreement is formalized, this value is adjusted considering the approved rules.

(c) Post-employment benefits:

CAIXA sponsors post-retirement, pension, supplementary health care plans and - meal/food vouchers. These benefits are offered to employees, officers, retirees and pensioners in connection with their employment relationship or of succession, in rights or obligations, of other entities (as the case is with former Banco Nacional de Habitação - BNH).

(d) Plan management, organizational structure and corporate governance

In relation to retirement and pension plans sponsored by CAIXA, their management is carried out by Fundação dos Economizários Federais (Foundation of the Employees of the Federal Savings and Loan Bank) - FUNCEF, a closely-held supplementary pension, not-for-profit entity with administrative and financial autonomy, created based on Law 6,435/1977 (repealed by Supplementary Law 109/2001).

The Foundation is regulated by specific legislation of the sector (<http://www.previdencia.gov.br/a-previdencia/previc/legislacao-da-previdencia-complementar/>), its Bylaws, regulations of Benefit Plans and management actions, such as the Code of Business Conduct and Code of Best Corporate Governance Practices (www.funcef.com.br).

FUNCEF has an Advisory Board, Executive Board and Supervisory Board, in conformity with Supplementary Law 108/2001, the first two Boards relating to organization and the other to internal controls.

The Advisory Board is the top management board within FUNCEF's organizational structure. Its main function is to make decisions on the Foundation's Cost Plan, and on amendments to the Bylaws and to benefit plans. It also evaluates quarterly trial balances, the annual balance sheet and the company's account reporting, analyzing and approving their contents and opinions. It is formed by six members - three appointed by the Sponsor and three by members.

The Supervisory Board is responsible for examining accounts, books and records. It issues opinions on balance sheets, accounts, economic and financial measures and statements, and it also examines the compliance with legal and statutory duties by management. It has four members.

The Executive Board's mission is to execute the actions originating from the Advisory Board and its Internal Regulation; authorize services and decide on assets; approve trial balances, report on the company's accounts; decide on plans and criteria necessary for management; decide on agreements involving economic and financial responsibility and approve any agreements intended for associates.

The three bodies have internal regulations and have their obligations, roles, composition and criteria related to the mandates defined in the Bylaws of FUNCEF.

The Bylaws also provide for Technical Advisory Committees, linked to the Advisory Board, and with their internal regulations approved by that body. In order to support the work of the three statutory bodies, the Committees of Investments, Benefits, Ethics, Financial Information Quality and Audit comprise members appointed by the Advisory Board, Patrocinadora CAIXA and the Executive Board.

The supplementary healthcare, meal allowances/food baskets and PREVHAB plans are managed directly by CAIXA.

(e) Actuarial risks

Among the other significant risks to which CAIXA is exposed is the actuarial risk, arising from its condition as sponsor of Pension Plans managed by Fundação dos Economizários Federais - FUNCEF (REG/REPLAN, REB and Novo Plano), of the Health Plan (Saúde Caixa) and the food assistance, in addition to EX-PREVHAB managed by CAIXA.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The concept of actuarial risk can be characterized by the inability to accumulate and/or maintain funds compatible with the commitments assumed to participants in a Pension Fund, with the health care plan beneficiaries and other beneficiaries.

Actuarial risk especially arises from inadequate actuarial hypotheses and assumptions established, which could cause volatility in the Benefit Plans.

CAIXA considers the actuarial risk as Pillar 2 significant and, for this reason, it appropriately considers in its internal model the extent of the assumptions adopted, the volatility of the assets and the variation of the actuarial liability.

(f) Strategy of confronting assets/liabilities

Only Pension Plans managed by FUNCEF (REG/REPLAN, REB and Novo Plano) have financial assets to cover actuarial risks.

As established by CMN Resolution 3,792/2009, to determine the allocation target for funds that guarantee benefit plans by investment segment, FUNCEF utilizes its own Asset Liability Management (ALM), which adopts stochastic scenarios for the evolution of assets and liabilities, considering from pessimistic to optimistic scenarios built from scenarios approved by the Executive Board with detailed discussions in investment and technical advisory committees - which have representatives of entities representing participants, the sponsor and FUNCEF. The purpose of this model is to minimize the risk of benefit plans with the expected profitability for five years exceeding the accumulated actuarial target by more than 1% p.a., considering the individual characteristics of the plans, such as benefit payments, contributions received, committed capital, asset receipt flow and necessary liquidity.

As regards the management of actuarial liabilities and of the risk associated thereto, for future projections regarding ALM, the stochastic methodology is utilized, in which various simulations of the actuarial liability are generated with simultaneous variations in all previously established assumptions, utilizing the SAS system. The stochastic flows consider variations on the main actuarial hypothesis, namely:

- Economic variables related to the real rate of interest and of the growth of participation salaries;
- Biometric and demographic variables related to survival or death of valid participants (active or assisted), survival or death of invalid participants, survival or death of spouse, permanence of participant as valid or the entry into invalid, and participant turnover.

(g) Benefit plans - details**(g.1) Health care plans - Saúde CAIXA and PAMS**

Saúde CAIXA is a self-managed health care program established and managed by CAIXA itself for the purpose of providing medical, hospital, laboratory, radiology, dental, psychological, physical therapy, occupational therapy, social, speech therapy and diet counseling assistance to beneficiaries and their dependents. This benefit is granted to employees of CAIXA, and the retirees associated with FUNCEF, PREVHAB, SASSE, PMPP Fund and the National Institute of Social Security (INSS).

CAIXA's new bylaws, approved by the Extraordinary General Meeting held on December 14, 2017, established a ceiling of 6.5% of the payroll as the maximum limit for CAIXA's total expenses on healthcare benefits. Due to the ceiling of the disbursements by the company in the costs of Saúde CAIXA, the technical studies prepared by Deloitte Touche Tohmatsu indicated a reduction in the Present Value of Obligations (PVO), since the provision recognized, in accordance with pronouncement CPC 33 (R1), considered the assumption that at the percentage of 70% of the assistance expenses, all future disbursements would be born without limit by CAIXA. The effects of this change were classified as a cost of past service and were recognized in the result of 2017, according to item 120 (a) of CPC 33 (R1).

PAMS is a benefit offered by CAIXA to beneficiaries and their dependents which is the subject of a legal injunction pending judgement and lawsuits. It is a self-managed program established and managed by CAIXA itself for the purpose of providing medical, hospital, dental and psychological coverage, through a network of accredited entities, all over Brazil, in compliance with the rules and Table of PAMS.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The amount of the actuarial provision obtained through the discount to present value of all the flows of assistance expenses relating to current and future retirees and pensioners was R\$ 9,095,538 (12/31/2017 - R\$ 10,122,889; 9/30/2017 - R\$ 14,805,101).

(g.2) Meal and food basket allowances

CAIXA provides its employees and managing officers with a meal voucher and food basket allowance under current legislation and a Collective Labor Agreement. The actuarial results presented, related to the meal voucher and food basket allowances, refer only to benefits granted to participants assisted who were entitled to them at the date of the evaluation.

The meal voucher and food basket allowances are benefits paid exclusively to retirees and pensioners through a court decision, or in or out of court settlement. From January to September 2018, 652 new benefits were granted (507 benefits in the same period of 2017).

The monthly value of the allowance is defined in September of each year. For the period from September 2018 to August 2019, the value of the meal voucher is R\$ 773.96 (in Reais) per month to pay for meals at restaurants and similar establishments. The value of the food basket allowance from September 2018 to August 2019 is R\$ 609.88 (in Reais) per month to purchase food from supermarkets or similar commercial establishments. The allowances have indemnification characteristics and are not considered as part of the salary. Accordingly, there are no social security charges for the company and employees.

The amount of the actuarial provision obtained through the discount to present value of all the flows of meal and food basket allowance expenses relating to current and future retirees and pensioners was R\$ 1,348,838 (12/31/2017 - R\$ 1,422,383; 9/30/2017 - R\$ 1,376,576).

(g.3) Benefit plan - PREVHAB Recipients

Under Decree 2,291/1986, the National Housing Bank (BNH) ceased to exist and CAIXA has been the successor to all of its duties and rights, including those arising from employment relations.

Among the obligations assumed by CAIXA in relation to the employees of BNH was the maintenance of the Associação de Previdência dos Empregados do BNH - PREVHAB, a Pension Fund responsible for supplementing the social security benefits of the employees of BNH.

For the absorption of PREVHAB by Fundação dos Economiários Federais - FUNCEF or the transfer of beneficiaries from the former to the latter, in compliance with the rules of the private law applicable to the situations, social security strategies were studied and realized by CAIXA/FUNCEF. However, since they did not agree with CAIXA's proposal or did not meet the conditions established, 62 beneficiaries continue to receive the benefits from CAIXA.

Considering the characteristics of the Plan, the Net Assets will be realized by the Sponsor in the same amount of the obligation.

(g.4) Supplementary private pension plans

CAIXA adopted the Risk Sharing concept for all its plans, considering that the Actuarial Liabilities should be borne equally by the Sponsor and the Participants. It should be noted that the adoption of its Risk Sharing is CAIXA's responsibility, which affected all the analyses required for its technical conception.

Pension plans managed by FUNCEF are divided into two types: Defined Benefit (REG/REPLAN) and Variable Contribution (REB and Novo Plano).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

In respect of the defined benefit (BD), contributions are made to an independently managed fund, the actuarial and investment risks are borne, fully or partially, by the sponsoring entity. The recognition of costs requires the measurement of the plan obligations and expenses, in view of the possibility of the occurrence of actuarial gains or losses, and can generate liabilities when the amount of actuarial obligations exceeds the amount of the benefit plan assets. The present value of obligations of this benefit, as well as the cost of current service and, where applicable, the cost of past service, are determined under the Projected Unit Credit Method, attributing the benefit to periods when the obligation of providing post-employment benefits arises. If, in subsequent years, an employee's service leads to a level of benefit materially higher than in earlier years, the benefit is attributed on the straight-line method up to the date when the additional service of the employee will lead to an immaterial amount of additional benefits.

In the variable contribution (VC), there is no guarantee during the contribution phase in relation to the benefit amount to be received upon retirement. Therefore, it is considered as a type of defined contribution plan. However, when retirement is granted, the benefit amount is fixed, and it is classified as a defined benefit plan.

The benefits provided to participants and beneficiaries of each plan are as follows:

Assured benefits	REG/REPLAN		REB	Novo Plano
	Settled	Not settled		
Supplementary retirement benefits based on the period of service	-	Yes	-	-
Supplementary retirement benefits for disability	-	Yes	-	-
Supplementary retirement benefits based on age	-	Yes	-	-
Supplementary special retirement benefits	-	Yes	-	-
Supplementary pension benefits for death	-	Yes	-	-
Supplementary annual bonus	-	Yes	-	-
Funeral allowance	-	Yes	-	-
Self-sponsorship, deferred proportional benefit, portability and redemption	-	Yes	Yes	Yes
Full planned benefit	Yes	-	-	Yes
Planned prepaid benefit	Yes	-	-	Yes
Benefit for disability	Yes	-	-	Yes
Annual bonus	Yes	-	Yes	Yes
Prepaid single benefit	Yes	-	-	Yes
Pension for death	Yes	-	Yes	Yes
Payment on death	Yes	-	Yes	Yes
Life annuity based on the contribution period	-	-	Yes	-
Life annuity based on retirement for disability of the licensed participant	-	-	Yes	-
Life annuity based on retirement for disability	-	-	Yes	-

• REG/REPLAN

CAIXA sponsors the REG/REPLAN benefit plan, managed by FUNCEF, structured as a defined benefit plan. This plan was approved by the appropriate authority on May 17, 1977, to become operational on August 1, 1977. The plan incorporates the regulations introduced in 1977 (REG) and 1979 (REPLAN), treated as a single plan.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The settlement of the benefits of this plan was defined through amendments to its regulations, which occurred on June 14, 2006. This procedure implies that the benefit amount is settled, calculated, and restated based on the plan's index, without reference to the participation salary, and the benefit is granted and maintained by a social security government agency. The regular contribution to this plan is canceled and the participant adheres to another benefit plan offered by the sponsor.

In line with the changes in previous plans, some items established by Supplementary Law 109/2001 are included, such as: guaranteed conditions for redemption and portability of the balance of the participant's individual account.

In relation to the costing of REG/REPLAN, defined as the calculation prepared by the actuary responsible that determines the level of contribution necessary for the constitution of the reserves that guarantee benefits, funds, provisions and coverage of other benefit plan expenses, aiming for actuarial equilibrium, which will establish the contribution percentages to be practiced in the Plan and will be segregated between those opting for settlement or not, with a review of minimum annual periodicity, under the Plan's regulation (available at: www.funcef.com.br/).

As the REG/REPLAN Pension Plan settled and not settled sponsored by CAIXA recorded in 2014 and 2015, respectively, their third consecutive year of accumulated technical deficit, Management approved a strategy to solve the deficit. The settled presented a deficit in years 2014, 2015 and 2016, while in the not settled the deficits were in 2015 and 2016. The equation plans are based on CGPC Resolution 26/2008, and all its amendments.

The equation plans establish specific criteria for the contribution of each part in the deficits, evenly distributed among CAIXA and the assisted participants in the settled plan.

Deficit	REG/REPLAN settled		REG/REPLAN not settled	
	Amortization period	Adjusted deficit at 9/30/2018	Amortization period	Adjusted deficit at 9/30/2018
Year 2014	208 months	1,165,351	-	-
Year 2015	211 months	3,555,592	237 months	476,226
Year 2016	221 months	5,021,387	241 months	307,201
TOTAL		9,742,330		783,427

In relation to REG/REPLAN, CAIXA has a provision at 9/30/2018 of R\$ 10,525,757 (12/31/2017 - R\$ 10,351,681; 9/30/2017 - R\$ 10,508,973), of which R\$ 7,736,920 was calculated in accordance with Technical Pronouncement CPC 33 (R1), increased by R\$ 2,788,837 to insure the equation plants for actuarial deficits.

CAIXA payments to FUNCEF, related to the respective equation plans, from January 1, 2018 to 9/30/2018, amounted to R\$ 492,229 (01/01/2017 to 9/30/2017 - R\$ 115,924).

• REB

CAIXA sponsors the REB Benefit Plan, managed by FUNCEF. The REB Benefit Plan was approved by the appropriate authority on August 5, 1998, commencing its operations on the same date.

REB is structured as a Variable Contribution plan, and the participant's regular contribution is calculated by applying a percentage to the participation salary, defined on the inscription in the Plan, which cannot be lower than 2% (two percent).

On the establishment of the REB Plan, new adhesions to the REG/REPLAN ceased and the REB Plan was offered to employees who joined CAIXA as from 1998. On February 4, 2002, the Plan's regulation was amended to permit the migration of REG/REPLAN participants to REB, which was contested by the members. This experience influenced the process of preparing the proposal for the REG/REPLAN Settlement and the establishment of the "Novo Plano" Benefit Plan.

Based on Order 160/2008/GENEP, the REB Benefit Plan that was virtually segregated into REB 1998 and REB 2002 was unified.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

In relation to the costing of the REB Plan, defined as the calculation that determines the level of contributions of the sponsor, participants and beneficiaries, in order to establish the benefit plan cost, this will be established with a minimum annual period, to properly set the level of social contributions due and administrative costs, mandatorily contained in the result of the Plan's actuarial assessment, as defined in the Plan's regulation (available at: www.funcef.com.br/).

• **Novo Plano**

CAIXA sponsors the Novo Plano Benefit Plan, managed by FUNCEF. It was approved by the appropriate authority on June 16, 2006 and commenced its operations on September 1, 2006.

Novo Plano is structured as a Variable Contribution plan, with the contribution defined in the phase of formation of the reserves and the benefit defined in the phase of the receipt of benefits, as well as in cases of risk benefits, such as disability and pension for death. It includes items established by Supplementary Law 109/2001 - such as guaranteed conditions for redemption and portability of the balance of the participant's individual account. It also adopts the new contribution base, increasing the portion allocated by CAIXA to the balance of the beneficiary's account. The participant's normal contribution is calculated by applying a percentage on the participation salary, defined on the adoption of the Plan, which cannot be lower than 5% (five percent).

Administrative expenses are equally borne by the Sponsor, Participants and Beneficiaries and should be approved by the Executive Board and Supervisory Board of FUNCEF, in compliance with the limits and criteria established by the regulatory authority.

The costing of Novo Plano will establish the level of contribution necessary for the constitution of the reserves that guarantee benefits, funds, provisions and coverage of other expenses, being approved by the Executive Board, submitted for the approval of the Supervisory Board of FUNCEF and of the sponsor, in compliance with criteria established by the regulatory and fiscal authorities, in accordance with the regulations of the Plan (available at: www.funcef.com.br/).

The costing will be annual but can be revised at any time if duly justified by FUNCEF, and will be under the responsibility of the sponsor and participants, including beneficiaries.

FUNCEF's administrative expenses will be borne by the sponsor and participants, including beneficiaries, in compliance with the limit and criteria established by the regulatory and fiscal authorities.

Regarding the Novo Plano, in compliance with the provisions of Technical Pronouncement CPC 33 (R1), CAIXA maintained a provision of R\$ 236,296 at 9/30/2018 (12/31/2017 - R\$ 356,840; 9/30/2017- R\$ 191,589).

(h) Number of participants - post-employment benefits:

Description	6/30/2018 (1)			12/31/2017 (2)			6/30/2017 (3)		
	Active	Beneficiaries	Total	Active	Beneficiaries	Total	Active	Beneficiaries	Total
Saúde Caixa (Including dependents)	85,711	71,577	157,288	87,379	72,471	159,850	92,904	59,885	152,789
Meal vouchers and food basket allowance (retirees and pensioners)	-	15,935	15,935	-	16,020	16,020	-	15,678	15,678
PREVHAB (retirees and pensioners)	-	62	62	-	65	65	-	65	65
REG/REPLAN settled	13,957	42,902	56,859	15,104	41,868	56,972	17,598	38,877	56,475
REG/REPLAN not settled	1,619	4,487	6,106	1,770	4,341	6,111	2,122	3,530	5,652
REB	6,499	924	7,423	6,686	874	7,560	7,063	757	7,820
Novo Plano	76,764	6,776	83,540	78,237	6,365	84,602	83,052	5,123	88,175

(1) According to positions at 4/30/2018 for Saúde CAIXA, Meal voucher and food basket allowance and PREVHAB and 5/31/2018 for the others.

(2) According to positions at 9/30/2017.

(3) According to positions at 3/31/2017 for Saúde CAIXA and Meal voucher and food basket allowance, 9/30/2017 for PREVHAB and 4/30/2017 for the others.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i) Actuarial valuation of benefit plans

The consulting firm Deloitte Touche Tohmatsu was contracted to realize the actuarial valuation of the benefit plans sponsored by CAIXA. This actuarial valuation comprised the following benefit plans: Saúde CAIXA, Meal Vouchers and Food Basket Allowance, PREVHAB, REG/REPLAN, REB and Novo Plano.

The actuarial calculations and surveys conducted by the consultants, in accordance with the technical pronouncement CPC 33 (R1), approved by CMN Resolution 4,424/2015, support CAIXA's accounting of equity and the result.

CAIXA is partially responsible for covering the liabilities of the Saúde CAIXA, REG/REPLAN, REB and Novo Plano plans, and is fully responsible for covering the commitments maintained with Meal Vouchers and Food Basket Allowances with the beneficiaries of PREVHAB.

(i.1) Recognition of actuarial gains and losses

CAIXA's accounting policy for recognizing actuarial recorded gains and losses in its financial statements, for pension and health plans, and post-employment benefits structured as in the modality of Defined Benefits, as determined by CPC 33 (R1), consists in the recognition of all actuarial gains and losses in the period in which the adjustments of the equity evaluation occurs.

In the plans containing net actuarial assets, these are limited to the value of the economic benefit that CAIXA can use, calculated as the present value of the cash flow of amounts reversed from CAIXA plans or the effective reduction of future contributions, if any. At 9/30/2018, no economic benefits subject to recognition by the sponsor were determined.

As regards pension plans with structured benefits under the defined contribution modality, in accordance with Pronouncement CPC 33 (R1) and on the nature of this benefit, they do not generate actuarial gains or losses to be recognized by CAIXA.

(i.2) Main actuarial assumptions adopted in the actuarial valuation of the plans:

As determined by pronouncement CPC 33 (R1), in the actuarial valuation of defined benefit plans, assumptions (financial and demographic) that reflect the entity's best estimates must be utilized on the variables that determine the final cost of these employee benefits.

The calculation of the annual actuarial discount rate considers the remuneration rate on first-line government securities used as a reference, considering that there are no marketable securities with the conditions defined in CPC 33 (R1). This alternative is permitted by the pronouncement.

Among the main actuarial assumptions adopted in Saúde CAIXA, the Aging Factor should be highlighted, which is utilized to measure the difference of cost between the different ages of participants covered by the plan. The Aging Factor adopted at June 30, 2018 is 3.42%, obtained based on the experience of the Saúde CAIXA Plan in 2016.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.3) Financial and demographic assumptions considered in the actuarial calculations of the benefit plans:

Description	Saúde CAIXA			Meal Voucher and Food Basket Allowance			PREVHAB		
	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017
Annual interest rate	10.20%	9.71%	9.86%	10.14%	9.60%	9.87%	10.01%	9.49%	9.88%
Projected annual salary increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Projected annual benefit increase	N/A	N/A	N/A	N/A	N/A	N/A	4.00%	4.00%	4.00%
Annual average inflation rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expected return on plan assets	N/A	N/A	N/A	N/A	N/A	N/A	10.01%	9.49%	9.88%
Turnover rate	0.92%	0.92%	1.08%	N/A	N/A	N/A	N/A	N/A	N/A
General mortality table	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)
Disability table	Light Fraca	Light Fraca	Light Fraca	N/A	N/A	N/A	N/A	N/A	N/A
Disability mortality table	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58
Retirement	M - 55 / F- 52	M - 55 / F- 52	M - 55 / F- 52	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	REG/REPLAN settled			REG/REPLAN not settled			REB			Novo Plano		
	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017
Annual interest rate	10.12%	9.60%	9.87%	10.14%	9.63%	9.87%	10.12%	9.62%	9.88%	10.17%	9.57%	9.88%
Projected annual salary increase	4.00%	4.00%	4.00%	6.35%	6.35%	6.43%	7.17%	7.17%	7.31%	7.31%	7.31%	6.49%
Projected annual benefit increase	N/A	N/A	N/A	4.00%	4.00%	5.79%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Annual average inflation rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expected return on plan assets	10.12%	9.60%	9.87%	10.14%	9.63%	9.87%	10.12%	9.62%	9.88%	10.17%	9.57%	9.88%
Turnover rate	N/A	N/A	N/A	N/A	N/A	N/A	Experience FUNCEF REB 2013	Experience FUNCEF REB 2013	Experience FUNCEF REB 2013	Experience FUNCEF Novo Plano 2017	Experience FUNCEF Novo Plano 2017	Experience FUNCEF Novo Plano 2015
General mortality table	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)	RP 2000 (-20%)
Disability table	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca	Light Fraca
Disability mortality table	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58
Retirement	Experience retirement 2016	Experience retirement 2016	M - 53 / F- 48	Experience retirement 2016	Experience retirement 2016	M - 55 / F- 52	M - 55 F- 55	100% - 1st eligibility	100% - 1st eligibility	Experience retirement Novo Plano 2016	Experience retirement Novo Plano 2016	Experience retirement Novo Plano 2015

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.4) Reconciliation of balances of present value of actuarial obligations of the plans:

The present value of the actuarial obligation - VPOA represents the final costs at present value of defined benefit plans for the sponsoring entities. The calculation of these costs considers several variables such as salaries on the benefit grant date, employee turnover and mortality, employee contributions and trends of medical cost. It is, therefore, an attempt at an actuarial calculation, which mainly intends to compute, as accurately as possible, the amount of the obligation resulting from employee service in current and past periods.

The Projected Unit Credit Method is utilized to determine the present value of defined benefit obligations and the respective current service cost and, where applicable, past service cost. It is also known as the "accumulated benefits method", and considers each period of service as the source of an additional unit of the right to the benefit and measures each unit separately to determine the final obligation.

Description	Saúde CAIXA			Meal Voucher and Food Basket Allowance			PREVHAB		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VPOA at the beginning of the period	(10,122,889)	(13,541,692)	(13,541,692)	(1,422,383)	(1,331,503)	(1,331,503)	(62,431)	(51,831)	(51,831)
Current service cost	(136,690)	(235,069)	(113,712)	-	-	-	-	-	-
Interest cost	(475,631)	(1,363,490)	(659,427)	(65,084)	(128,240)	(63,523)	(2,812)	(4,751)	(2,136)
Remeasurement of actuarial gains (losses)	1,490,081	(692,250)	(392,149)	79,580	(89,484)	(43,415)	6,331	(11,220)	(4,101)
Experience adjustments	597,721	(129,993)	(343,849)	19,718	(46,775)	(29,505)	3,975	(7,991)	(3,281)
Changes in demographic assumptions	-	(54,561)	-	-	-	-	-	-	-
Changes in financial assumptions	892,360	(507,696)	(48,300)	59,862	(42,709)	(13,910)	2,356	(3,229)	(820)
Benefits paid directly by the plan	-	-	-	-	-	-	2,547	5,371	2,492
Benefits paid directly by the entity	275,953	449,102	210,357	58,223	126,844	61,990	-	-	-
Cost of past service	-	5,260,510	-	-	-	-	-	-	-
VPOA at the end of the period	(8,969,176)	(10,122,889)	(14,496,623)	(1,349,664)	(1,422,383)	(1,376,451)	(56,365)	(62,431)	(55,576)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	REG/REPLAN settled			REG/REPLAN not settled			REB			Novo Plano		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VPOA at the beginning of the period	(54,795,804)	(49,346,014)	(49,346,014)	(6,631,222)	(5,083,154)	(5,083,154)	(426,439)	(341,032)	(341,032)	(1,900,692)	(1,206,044)	(1,206,044)
Current service cost	-	-	-	(3,821)	(12,846)	(6,234)	(728)	(2,311)	(962)	(6,460)	(4,417)	(503)
Interest cost	(2,544,153)	(4,986,596)	(2,381,922)	(310,880)	(528,933)	(246,446)	(19,569)	(35,185)	(16,524)	(89,007)	(123,833)	(59,520)
Participant's contributions paid	(13,923)	(63,575)	(63,575)	(8,004)	(33,523)	(16,165)	(2,077)	(2,088)	(546)	-	(701)	(200)
Remeasurement of actuarial gains (losses)	2,034,880	(3,533,846)	(4,435,391)	509,728	(1,225,654)	(653,908)	19,161	(75,189)	(47,820)	66,473	(647,575)	(106,756)
Experience adjustments	(480,863)	(2,024,881)	(4,377,397)	187,706	(1,005,924)	(649,424)	(9,247)	(55,743)	(43,859)	(115,357)	(455,811)	(69,340)
Changes in demographic assumptions	(285,345)	722,919	722,919	(51,393)	(22,363)	(22,363)	(1,146)	-	-	(1,746)	(48,930)	(39,660)
Changes in financial assumptions	2,801,088	(2,231,884)	(780,913)	373,415	(197,367)	17,879	29,554	(19,446)	(3,961)	183,576	(142,834)	2,244
Benefits paid directly by the plan	1,615,807	3,134,227	1,657,267	140,696	252,888	117,829	15,633	29,366	15,018	55,067	81,878	39,809
VPOA at the end of the period	(53,703,193)	(54,795,804)	(54,569,635)	(6,303,503)	(6,631,222)	(5,888,078)	(414,019)	(426,439)	(391,866)	(1,874,619)	(1,900,692)	(1,333,214)

(i.5) Maturity of defined benefit obligation:

Description	Saúde CAIXA (1)	Meal voucher and food basket allowance (1)	PREVHAB	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
Payment of expected benefits at the end of 6/30/2019	637,831	133,350	6,462	3,690,635	353,115	31,440	93,501
Payment of expected benefits at the end of 6/30/2020	610,432	120,572	6,012	3,542,770	342,424	29,504	93,279
Payment of expected benefits at the end of 6/30/2021	580,649	109,741	5,440	3,389,480	333,324	27,663	92,103
Payment of expected benefits at the end of 6/30/2022	548,994	99,970	4,907	3,222,754	322,263	25,917	90,291
Payment of expected benefits at the end of 6/30/2023 or subsequently	6,591,270	886,031	33,544	39,857,554	4,952,377	299,495	1,505,445
Total	8,969,176	1,349,664	56,365	53,703,193	6,303,503	414,019	1,874,619
Duration of actuarial liabilities at 6/30/2018	20.86 years	12.23 years	7.52 years	11.24 years	12.88 years	11.31 years	15.06 years

(1) Duration of actuarial liabilities at 12/31/2017

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.6) Reconciliation of fair value of plan assets:

Plan assets represent the amounts of the resources (principal and profitability of interest, dividends and other revenues) maintained by the entity or pension fund to cover the actuarial liabilities of each benefit plan sponsored by CAIXA. These resources are measured at fair value, i.e., considering the amount that would be effectively received for the sale of an asset or paid for the transfer of a liability in unforced transactions between market participants on the measurement date. Certain plan assets refer to structured resources whose measurement criterion is the object of a specific assessment by CAIXA.

The supplementary health plans and meal/food basket allowances are directly managed by CAIXA and do not have assets. The following reconciliation shows the evolution of fair value of plan assets - VJAP:

Description	PREVHAB			REG/REPLAN settled			REG/REPLAN not settled		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VJAP at the beginning of the period	62,431	51,831	51,831	36,376,829	34,863,940	34,864,000	4,346,836	4,256,614	4,256,614
Interest income	2,812	4,751	2,136	1,699,779	3,350,581	1,662,710	202,053	408,555	205,745
Remuneration on plan assets higher (lower) than the discount rate	(6,331)	11,220	4,101	2,403,831	865,492	380,764	364,728	(120,307)	(118,254)
Employer's contributions	-	-	-	296,043	228,867	66,542	21,698	21,339	9,867
Contributions by the participants in the plan	-	-	-	443,013	202,116	63,575	27,519	33,523	16,165
Benefits paid by the plan	(2,547)	(5,371)	(2,492)	(1,615,807)	(3,134,227)	(1,657,267)	(140,696)	(252,888)	(117,829)
VJAP at the end of the period	56,365	62,431	55,576	39,603,688	36,376,769	35,380,324	4,822,138	4,346,836	4,252,308

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	REB			Novo Plano		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VJAP at the beginning of the period	384,385	318,259	318,259	1,187,011	651,598	651,598
Interest income	17,719	31,771	15,405	57,652	79,642	32,409
Remuneration on plan assets higher (lower) than the discount rate	47,774	59,524	24,474	152,290	484,284	269,373
Employer's contributions	1,990	2,110	557	31,117	52,664	23,882
Contributions by the participants in the plan	2,077	2,087	545	-	701	200
Benefits paid by the plan	(15,632)	(29,366)	(15,018)	(55,067)	(81,878)	(39,809)
VJAP at the end of the period	438,313	384,385	344,222	1,373,003	1,187,011	937,653

(i.7) Equity information of plan assets:

The supplementary health plans and meal/food basket allowances are directly managed by CAIXA and do not have assets.

Description	PREVHAB			REG/REPLAN settled			REG/REPLAN not settled		
	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017
Fixed income	100.00%	100.00%	100.00%	56.18%	58.71%	57.66%	56.46%	58.30%	58.66%
Variable income	-	-	-	22.95%	22.01%	21.68%	25.98%	25.06%	23.60%
Structured investments	-	-	-	4.97%	5.10%	5.91%	4.44%	4.68%	5.38%
Real estate investments	-	-	-	10.79%	11.26%	11.64%	9.85%	10.49%	10.79%
Operations with participants	-	-	-	2.79%	2.92%	3.11%	1.41%	1.47%	1.57%
Other investments	-	-	-	2.32%	-	-	1.86%	-	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Description	REB			Novo Plano		
	6/30/2018	12/31/2017	6/30/2017	6/30/2018	12/31/2017	6/30/2017
Fixed income	61.10%	61.42%	61.46%	70.10%	69.93%	72.11%
Variable income	25.38%	24.64%	23.05%	20.58%	20.30%	17.65%
Structured investments	4.06%	4.34%	4.48%	2.60%	2.89%	2.60%
Real estate investments	3.03%	3.33%	3.48%	0.44%	0.50%	0.46%
Operations with participants	5.65%	6.27%	7.53%	6.15%	6.38%	7.18%
Other investments	0.78%	-	-	0.13%	-	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(i.8) Own instruments issued held as plan assets and plan properties occupied by CAIXA:

Description	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
Savings account - Own portfolio	4,209,356	377,784	215,876	1,238,621
Investment funds - Own portfolio	33,057,176	4,040,089	1,778,802	12,651,383
Properties - Leased to CAIXA	4,509,291	482,887	62,374	61,936
Total	41,775,823	4,900,760	2,057,052	13,951,940

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.9) Net value of plan assets/liabilities recognized in the balance sheet:

The net amount of assets/liabilities arises from the comparison of the actuarial obligation amounts of the plans with their respective amounts of assets measured at fair value. The existence of a possible deficit (liability) requires the sponsoring entity to provision funds to cover the identified incremental actuarial obligation, based on its participation in the plan (sharing effect). The existence of a surplus (asset) could lead to the reversal of amounts of the plan in favor of the sponsoring and sponsored entities, based on their participations, also considering the recognition limit of an actuarial asset (effect of asset ceiling). For the supplementary pension plans, the effect of the restriction on the actuarial obligation is considered, that is, the risks are shared with the participants and beneficiaries of each plan, so as to limit the actuarial liability to be recognized by CAIXA.

Description	Saúde CAIXA			Meal Voucher and Food Basket Allowance			PREVHAB		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VPOA at the end of the period	(8,969,176)	(10,122,889)	(14,496,623)	(1,349,664)	(1,422,383)	(1,376,451)	(56,365)	(62,431)	(55,576)
VJAP at the end of the period	-	-	-	-	-	-	56,365	62,431	55,576
Surplus (deficit) of the plan	(8,969,176)	(10,122,889)	(14,496,623)	(1,349,664)	(1,422,383)	(1,376,451)	-	-	-
Effect of restriction on actuarial liability (Risk Sharing)	-	-	-	-	-	-	-	-	-
Net asset (liability)	(8,969,176)	(10,122,889)	(14,496,623)	(1,349,664)	(1,422,383)	(1,376,451)	-	-	-

Description	REG/REPLAN settled			REG/REPLAN not settled			REB			Novo Plano		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
VPOA at the end of the period	(53,703,193)	(54,795,804)	(51,333,516)	(6,303,503)	(6,631,222)	(5,536,907)	(414,019)	(426,439)	(391,866)	(1,874,619)	(1,900,691)	(1,333,214)
VJAP at the end of the period	39,603,688	36,376,829	35,380,324	4,822,138	4,346,836	4,252,308	438,313	384,385	344,222	1,373,003	1,187,011	937,653
Surplus (deficit) of the plan	(14,099,505)	(18,418,975)	(15,953,192)	(1,481,365)	(2,284,386)	(1,284,599)	24,294	(42,054)	(47,644)	(501,616)	(713,680)	(395,561)
Effect of restriction on actuarial liability (Risk Sharing)	7,049,752	9,209,488	7,976,596	740,683	1,142,193	642,299	(24,294)	21,027	23,822	250,808	356,840	197,780
Net asset (liability)	(7,049,753)	(9,209,487)	(7,976,596)	(740,682)	(1,142,193)	(642,300)	-	(21,027)	(23,822)	(250,808)	(356,840)	(197,781)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.10) Changes in net assets/liabilities recognized in the Balance Sheet:

The PREVHAB Participants plan does not have a net (liability) asset, since the Present Value of the Actuarial Obligation (VPOA) equals the Fair Value of the Plan Assets (VJAP), as shown in item i.9.

Description	Saúde CAIXA			Meal and food basket allowances			REB		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
Net (liabilities)/assets recognized at the beginning of the period	(10,122,889)	(13,541,692)	(13,541,692)	(1,422,383)	(1,331,503)	(1,331,503)	(21,027)	(11,387)	(11,387)
Service cost	(136,690)	(235,069)	(113,712)	-	-	-	(728)	(2,311)	(962)
Net interest on net (liabilities)/assets	(475,631)	(1,363,490)	(659,427)	(65,084)	(128,240)	(63,523)	(925)	(1,708)	(560)
Contributions by the entity	-	-	-	-	-	-	1,990	2,110	557
Benefits paid directly by the entity	275,953	449,102	210,357	58,223	126,844	61,990	-	-	-
Amount recognized in other comprehensive income	1,490,081	(692,250)	(392,149)	79,580	(89,484)	(43,415)	20,690	(7,731)	(11,470)
Cost of past service	-	5,260,510	-	-	-	-	-	-	-
(Liabilities)/assets recognized at the end of the period	(8,969,176)	(10,122,889)	(14,496,623)	(1,349,664)	(1,422,383)	(1,376,451)	-	(21,027)	(23,822)

Description	REG/REPLAN settled			REG/REPLAN not settled			Novo Plano		
	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017	1st semester of 2018	Year 2017	1st semester of 2017
Net (liabilities)/assets recognized at the beginning of the period	(9,209,488)	(7,241,007)	(7,241,007)	(1,142,193)	(413,270)	(413,270)	(356,840)	(277,223)	(277,223)
Service cost	-	-	-	(3,821)	(12,846)	(6,234)	(6,460)	(4,417)	(503)
Net interest on net (liabilities)/assets	(422,187)	(818,007)	(359,606)	(54,413)	(60,189)	(20,351)	(15,677)	(22,095)	(13,555)
Contributions by the entity	296,043	228,867	66,542	21,698	21,338	9,867	31,116	52,664	23,882
Amount recognized in other comprehensive income	2,285,879	(1,379,340)	(2,060,585)	438,047	(677,226)	(387,897)	97,053	(105,769)	69,619
(Liabilities)/assets recognized at the end of the period	(7,049,753)	(9,209,487)	(9,594,656)	(740,682)	(1,142,193)	(817,885)	(250,808)	(356,840)	(197,780)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.11) Expenses/Income and Payments expected for the six-month period:

(Expense)/ income expected - CPC 33 (R1)						
Description	Saúde CAIXA	Meal Voucher and Food Basket Allowance	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018
Current service cost	(130,546)	-	-	(2,230)	305	2,338
Cost of interest on VPOA	(441,094)	65,022	2,622,764	310,513	20,144	92,922
Interest income on plan assets	-	-	(1,952,760)	(237,681)	(21,578)	(69,035)
Interest on asset ceiling	-	-	-	-	1,434	-
Interest on the effect of actuarial liability (Risk Sharing)	-	-	(356,548)	(37,538)	-	(12,750)
Total (expenses)/ income to be recognized in the following period	(571,640)	65,022	313,456	33,064	305	13,475

Expected payments - CPC 33 (R1)						
Description	Saúde CAIXA	Meal Voucher and Food Basket Allowance	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018
Benefits	318,916	66,675	-	-	-	-
Risk contributions	-	-	-	8,189	2,029	31,733
Extraordinary contributions	-	-	426,013	21,942	13	10,765
Total payments expected for the plan	318,916	66,675	426,013	30,131	2,042	42,498

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(i.12) Sensitivity analysis of the main financial and demographic assumptions:

The sensitivity analysis aims at measuring how the defined benefit obligation would be affected by changes in certain significant actuarial assumptions, while maintaining all others constant.

Sensitivity analysis of significant assumptions - CPC 33 (R1)									
Description	Actuarial table		Discount rate		Wage growth		Aging Factor (1)		1st semester of 2018
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	+ 1.00%	- 1.00%	+ 1.00%	- 1.00%	
Saúde CAIXA									
Interest expense	(443,103)	(438,307)	(441,170)	(440,970)	N/A	N/A	(531,448)	(371,510)	(475,631)
Present value of actuarial obligations	(9,019,399)	(8,903,711)	(9,188,089)	(8,759,834)	N/A	N/A	(10,827,113)	(7,541,197)	(8,969,176)
Meal and food basket allowances									
Interest expense	(63,351)	(66,677)	(65,382)	(64,644)	N/A	N/A	N/A	N/A	(65,084)
Present value of actuarial obligations	(1,316,695)	(1,382,317)	(1,325,722)	(1,374,471)	N/A	N/A	N/A	N/A	(1,349,664)
PREVHAB									
Interest expense	(2,608)	(2,712)	(2,674)	(2,644)	N/A	N/A	N/A	N/A	(2,812)
Present value of actuarial obligations	(55,338)	(57,404)	(55,355)	(57,410)	N/A	N/A	N/A	N/A	(56,365)
REG/REPLAN settled									
Interest expense	(2,630,585)	(2,677,319)	(2,670,579)	(2,667,891)	N/A	N/A	N/A	N/A	(2,544,153)
Present value of actuarial obligations	(52,935,182)	(53,859,212)	(52,452,371)	(55,009,561)	N/A	N/A	N/A	N/A	(53,703,193)
REG/REPLAN not settled									
Cost of services	4,265	(880)	1,163	1,678	N/A	N/A	N/A	N/A	(3,821)
Interest expense	(313,432)	(302,696)	(309,568)	(311,643)	N/A	N/A	N/A	N/A	(310,880)
Present value of actuarial obligations	(6,361,085)	(6,149,252)	(6,137,815)	(6,481,286)	N/A	N/A	N/A	N/A	(6,303,503)
REB									
Cost of services	(220)	(321)	(194)	(358)	N/A	N/A	N/A	N/A	(728)
Interest expense	(20,121)	(20,826)	(20,513)	(20,570)	N/A	N/A	N/A	N/A	(19,569)
Present value of actuarial obligations	(405,703)	(419,638)	(403,661)	(424,877)	N/A	N/A	N/A	N/A	(414,019)
Novo Plano									
Cost of services	(1,802)	(2,650)	(1,106)	(3,563)	N/A	N/A	N/A	N/A	(6,460)
Interest expense	(188,470)	(189,200)	(186,958)	(191,768)	N/A	N/A	N/A	N/A	(89,007)
Present value of actuarial obligations	(1,877,080)	(1,884,257)	(1,818,075)	(1,957,071)	N/A	N/A	N/A	N/A	(1,874,619)

(1) Aging Factor adopted as from December 31, 2017, replacing the HCCTR (Medical Cost Growth Rate).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Sensitivity analysis of significant assumptions - CPC 33 (R1)									
Description	Actuarial table		Discount rate		Wage growth		Aging Factor (1)		Year 2017
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	+ 1.00%	- 1.00%	+ 1.00%	- 1.00%	
Saúde CAIXA									
Interest expense	(477,760)	(472,661)	(475,567)	(475,633)	N/A	N/A	(577,450)	(397,528)	(1,363,490)
Present value of actuarial obligations	(10,177,672)	(10,049,543)	(9,876,703)	(10,380,711)	N/A	N/A	(12,312,672)	(8,446,647)	(10,122,889)
Meal and food basket allowances									
Interest expense	(63,394)	(66,762)	(65,470)	(64,679)	N/A	N/A	N/A	N/A	(128,240)
Present value of actuarial obligations	(1,387,157)	(1,457,359)	(1,395,759)	(1,450,008)	N/A	N/A	N/A	N/A	(1,422,383)
PREVHAB									
Interest expense	(2,788)	(2,933)	(2,879)	(2,842)	N/A	N/A	N/A	N/A	(4,751)
Present value of actuarial obligations	(60,432)	(63,506)	(60,790)	(63,206)	N/A	N/A	N/A	N/A	(62,431)
REG/REPLAN settled									
Interest expense	(2,528,266)	(2,757,924)	(2,624,694)	(2,648,501)	N/A	N/A	N/A	N/A	(4,986,596)
Present value of actuarial obligations	(152,529,076)	(57,300,498)	(53,152,142)	(56,494,221)	N/A	N/A	N/A	N/A	(54,795,804)
REG/REPLAN not settled									
Cost of services	(3,099)	(3,912)	(3,205)	(3,775)	N/A	N/A	N/A	N/A	(12,846)
Interest expense	(271,849)	(297,296)	(282,318)	(285,387)	N/A	N/A	N/A	N/A	(528,933)
Present value of actuarial obligations	(15,820,321)	(6,349,003)	(5,889,358)	(6,259,666)	N/A	N/A	N/A	N/A	(6,631,222)
REB									
Cost of services	(604)	(731)	(316)	(697)	N/A	N/A	N/A	N/A	(2,311)
Interest expense	(19,086)	(20,852)	(19,997)	(19,840)	N/A	N/A	N/A	N/A	(35,185)
Present value of actuarial obligations	(408,799)	(445,932)	(417,187)	(435,919)	N/A	N/A	N/A	N/A	(426,439)
Novo Plano									
Cost of services	(5,045)	(6,836)	(2,680)	(6,447)	N/A	N/A	N/A	N/A	(4,417)
Interest expense	(172,469)	(188,315)	(89,917)	(90,024)	N/A	N/A	N/A	N/A	(123,833)
Present value of actuarial obligations	(1,822,066)	(1,987,571)	(1,851,187)	(1,951,636)	N/A	N/A	N/A	N/A	(1,900,691)

(1) Aging Factor adopted as from December 31, 2017, replacing the HCCTR (Medical Cost Growth Rate).

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Sensitivity analysis of significant assumptions - CPC 33 (R1)									
Description	Actuarial table		Discount rate		Wage growth		HCCTR (1)		1st semester of 2017
	+ 1 age	- 1 age	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%	+ 1.00%	- 1.00%	
Saúde CAIXA									
Interest expense	725,676	680,751	692,591	714,184	N/A	N/A	838,148	598,421	(659,427)
Present value of actuarial obligations	14,946,339	14,006,219	13,916,083	15,079,243	N/A	N/A	17,217,714	12,352,734	(14,496,623)
Meal and food basket allowances									
Interest expense	63,087	66,339	65,071	64,350	N/A	N/A	N/A	N/A	(63,523)
Present value of actuarial obligations	1,343,398	1,409,326	1,351,021	1,402,908	N/A	N/A	N/A	N/A	(1,376,451)
PREVHAB									
Interest expense	2,613	2,745	2,688	2,669	N/A	N/A	N/A	N/A	(2,136)
Present value of actuarial obligations	54,230	56,907	54,405	56,774	N/A	N/A	N/A	N/A	(55,576)
REG/REPLAN settled									
Interest expense	2,508,132	2,465,797	2,481,520	2,496,474	N/A	N/A	N/A	N/A	(2,381,922)
Present value of actuarial obligations	51,710,229	50,848,731	49,925,127	52,784,981	N/A	N/A	N/A	N/A	(51,333,516)
REG/REPLAN not settled									
Cost of services	8,360	3,247	5,683	6,365	N/A	N/A	N/A	N/A	(6,234)
Interest expense	274,444	263,360	267,650	270,731	N/A	N/A	N/A	N/A	(246,446)
Present value of actuarial obligations	5,641,850	5,417,253	5,370,207	5,709,179	N/A	N/A	N/A	N/A	(5,536,907)
REB									
Cost of services	1,220	1,228	597	1,262	N/A	N/A	N/A	N/A	(962)
Interest expense	19,246	18,679	19,056	18,945	N/A	N/A	N/A	N/A	(16,524)
Present value of actuarial obligations	396,734	385,249	383,348	400,593	N/A	N/A	N/A	N/A	(391,866)
Novo Plano									
Cost of services	2,911	4,198	3,147	3,989	N/A	N/A	N/A	N/A	(503)
Interest expense	65,237	64,606	64,993	65,168	N/A	N/A	N/A	N/A	(59,520)
Present value of actuarial obligations	1,335,999	1,323,223	1,298,586	1,368,848	N/A	N/A	N/A	N/A	(1,333,214)

(1) HCCTR - Medical Cost Growth Rate.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(j) Expenses recognized for pension plans with defined contributions characteristics:

Description	1st semester of 2018	Year 2017	1st semester of 2017
REB	21,476	43,014	21,705
Novo Plano	412,840	841,409	428,523
Total	434,316	884,423	450,228

(k) Expenses recognized for coverage of risks with lawsuits related to benefit plans:

Description	1st semester of 2018	Year 2017	1st semester of 2017
Lawsuits	12,191	7,674	3,877
Total	12,191	7,674	3,877

Note 30 - Related parties
(a) Controlling entity

CAIXA is a government-owned financial institution, linked to the Department of Finance, and its capital was fully paid up by the Federal Government. Therefore, it is directly controlled by the Federal Government.

(b) Related parties

Considering the existence of related-party transactions in the periods covered by the consolidated financial statements, presented below is the nature of CAIXA relationships with these entities:

Entity	Relationship
Federal Government	Direct controller
CAIXA Participações S.A. - CAIXAPAR	Direct subsidiary
CAIXA Seguridade	
CAIXA Instantânea	
Banco PAN S.A.	
Capgemini S.A.	Jointly-controlled entity (Joint venture)
ELO Serviços S.A.	
Tecnologia Bancária S.A. - TECBAN	
CAIXA Seguros Holding S.A.	
Cia Brasileira de Securitização - CIBRASEC	Indirect affiliate
Petrobras	Entities controlled by the Federal Government
Eletróbrás	
Banco do Brasil	
Banco Nacional de Desenvolvimento - BNDES	
Banco do Nordeste	
Fundação dos Economistas Federais - FUNCEF	

The Federal Government is represented by the respective Ministries and the National Treasury Secretariat. The transactions conducted with Direct Subsidiaries are eliminated upon the preparation of the consolidated financial statements of CAIXA.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

CAIXA Seguros Holding S.A. is an entity constituted in order to control CAIXA Seguros Group companies, comprising: CAIXA Seguros Participações Societárias Ltda., CAIXA Seguradora S.A., CAIXA Vida e Previdência S.A., CAIXA Capitalização S.A., CAIXA Administradora de Consórcios S.A., CAIXA Seguros Especializada em Saúde S.A., CAIXA Seguros Assessoria e Consultoria Ltda., CAIXA Seguros Participações do Sul Ltda. and Companhia de Seguros Previdência do Sul S.A.

Entities that are controlled or are under the direct or indirect significant influence of the Federal Government are classified in "Other entities".

(c) Related party transactions

Related-party transactions are conducted in the course of CAIXA operating activities, and their attributions are established in specific regulations. The Code of Conduct of the Employees and Managing Officers of CAIXA prevents its employees and managing officers from establishing commercial or professional relationship, whether directly or through third parties, with its controllers and companies of the same economic group.

CAIXA conducts various transactions with CAIXA Seguros Holding, including its investees. The availability of its service network for sale, by the referred to investees, of insurance, capitalization securities, private pension plans and consortiums should be highlighted. On the other hand, CAIXA renders several bank services to these related parties, such as maintenance of deposit accounts, short-term investments and payment/collection agreements.

As regards transactions realized with Banco PAN, the maintenance of an operational agreement which determines a revolving credit limit for the acquisition of credit portfolios and for the investment in interbank deposits should be highlighted, among others.

CAIXA maintains with Capgemini IT service contracts for the development of corporate solutions for its own use. With TECBAN, CAIXA maintains service contracts for the use of ATMs. At 9/30/2018, CAIXA funds held by TECBAN amounted to R\$ 1,980,284 (12/31/2017 - R\$ 2,414,846; 9/30/2017 - R\$ 1,758,609). ELO provides CAIXA with services related to payment methods and solutions. CAIXA maintains contracts for the provision of banking services and the rental of properties owned by FUNCEF.

In the course of its operations CAIXA generated amounts receivable from its Controlling Entity which totaled R\$ 3,289,385 at 9/30/2018 (12/31/2017 - R\$ 2,785,271; 9/30/2017 - R\$ 2,905,544). Of the amount presented at 9/30/2018, R\$ 1,666,922 refers to balances of old operations, for which CAIXA's management is negotiating with the Federal Government the settlement of the amounts involved.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The table below presents the balances arising from related-party transactions, considering the nature of the relationship with such entities.

Description	9/30/2018			12/31/2017			9/30/2017		
	Controlling entity	Jointly-controlled entities and Associates	Other entities	Controlling entity	Jointly-controlled entities and Associates	Other entities	Controlling entity	Jointly-controlled entities and Associates	Other entities
ASSETS:	3,289,385	27,989,259	8,225,350	2,785,271	32,645,298	5,189,532	2,905,544	33,891,814	4,819,886
Interbank investments (1)	-	7,825,568	1,000,159	-	8,913,230	55,401	-	9,907,114	-
Securities	-	2,372,699	7,121,300	-	2,387,905	5,069,634	-	2,397,708	4,755,039
Income receivable	1,633,909	13,600	6,104	1,101,210	29,358	1,421	1,309,486	11,573	1,493
Loans - Public Sector	52,277	-	-	71,439	-	-	76,517	-	-
Loans - Private Sector (1)	-	14,287,345	-	-	17,382,296	-	-	18,185,492	-
Other receivables	1,603,199	2,837,637	58,483	1,612,622	3,339,036	58,798	1,519,541	3,317,832	59,089
Other assets	-	652,410	39,304	-	593,473	4,278	-	72,095	4,265
LIABILITIES:	9,842,514	9,471,184	29,199,922	14,067,926	9,824,854	31,505,932	8,264,826	9,662,255	32,074,677
Deposits	210,776	118,361	130,332	593,372	22,939	633,560	207,863	55,119	829,860
Open market funding	-	168,028	-	-	-	-	-	1,100	-
Local onlendings - official institutions	2,656,324	-	29,020,443	2,781,769	-	30,825,494	2,877,161	-	31,185,738
Funds and social programs	4,576,137	-	44,783	3,889,920	-	43,134	4,002,686	-	42,441
Financial and development funds	2,349,318	-	-	6,745,762	-	-	1,113,038	-	-
Sundry liabilities	49,959	9,184,795	4,364	57,103	9,801,915	3,744	64,078	9,606,036	16,638

(1) In "Jointly-controlled entities and Associates", all items refer to interbank investments and loan operations with Banco PAN.

In the relationship with the Federal Government, the item "Funds and social programs" totaled R\$ 3,045,131 at 12/31/2017 and R\$ 451.439 at 9/30/2017, such amount was changed due to the updating of its composition. "Sundry liabilities" decreased from R\$ 76,480 to R\$ 49,959 at 12/31/2017 due to the reclassification to item "Funds and social programs".

In Other entities, the amount of "Other receivables" was changed due to the updating of its composition (the amount disclosed at 12/31/2017 was R\$ 0.00). "Other assets" totaled R\$ 64,497 at 12/31/2017 and R\$ 0.00 at 9/30/2017, such amount changed due to the updating of its composition. "Local onlendings - official institutions" totaled R\$ 30,814,153 at 12/31/2017 and R\$ 0.00 at 9/30/2017, such amount was changed due to the updating of its composition.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The table below presents the income statement balances arising from related-party transactions, considering the nature of the relationship with such entities.

Description	3rd quarter - 2018			Nine-month period ended September 2018			3rd quarter - 2017			Nine-month period ended September 2017		
	Controlling entity	Jointly-controlled entities and Associates	Other entities	Controlling entity	Jointly-controlled entities and Associates	Other entities	Controlling entity	Jointly-controlled entities and Associates	Other entities	Controlling entity	Jointly-controlled entities and Associates	Other entities
REVENUE:	325,825	578,581	194,779	1,030,990	1,751,089	387,079	298,426	593,053	85,748	866,581	1,627,909	278,048
Result of operations with marketable securities	-	131,849	-	-	439,514	-	-	259,304	-	-	523,435	-
Service income	265,671	196,697	14,956	651,285	619,494	26,147	252,638	180,520	4,600	705,590	603,315	15,791
Other operating income	60,154	250,035	179,823	379,705	692,081	360,932	45,788	153,229	81,148	160,991	501,159	262,257
EXPENSES:	(6,643)	(625,320)	(800,386)	(10,589)	(2,082,327)	(2,520,528)	(12,719)	(660,309)	(790,558)	(20,032)	(1,876,628)	(2,538,488)
Open market funding	-	(315)	-	-	(642)	-	-	(148)	-	-	(352)	-
Personnel	-	-	(174,564)	-	-	(600,196)	-	-	(113,959)	-	-	(560,067)
Administrative expenses	-	-	(16,889)	-	-	(45,281)	-	-	(37,439)	-	-	(73,143)
Sales or transfer of financial assets	-	(142,663)	-	-	(525,090)	-	-	(180,169)	-	-	(608,682)	-
Other operating expenses	(6,643)	(482,342)	(608,933)	(10,589)	(1,556,595)	(1,875,051)	(12,719)	(479,992)	(639,160)	(20,032)	(1,267,594)	(1,905,278)

In the relationship with the Federal Government, the amounts in item "Service income" in the 3rd quarter and nine-month period ended September 2017 were changed due to the updating of its composition. "Other operating income" totaled R\$ 20,979 in the 3rd quarter of 2017, and in the nine-month period ended September 2017 amounted to R\$ 68,789, and such amount was changed due to the updating of its composition. "Other operating expenses" amounted to R\$ 1,128 in the 3rd quarter of 2017, such amount was changed due to the updating of its composition.

In the relationship with Jointly-controlled entities and Associates, the item "Other operating expenses" is mainly comprised of expenses on performance fees related to the acquisition of the portfolio of receivables with Banco PAN and expenses on customers' transactions with automated teller machines of TECBAN. "Other operating expenses" amounted to R\$ 365,054 in the 3rd quarter of 2017, such amount was changed due to the updating of its composition.

Other entities include expenses on interest on onlending transactions related to the Marine Merchant Fund, BNDES, FAR, FAT and expenses on the sharing of network with Banco do Brasil. The amounts of "Service income" and "Other operating income" in the 3rd quarter of 2017 were changed due to the updating of their composition. "Other operating expenses" amounted to R\$ 0.00 in the 3rd quarter of 2017, such amount was changed due to the updating of its composition.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

(d) Remuneration of key management personnel

The total amount of remuneration of CAIXA's management and members of the statutory audit board is submitted annually by the Board of Directors for the approval of CAIXA's General Meeting.

The costs incurred with the remuneration and other benefits attributed to key management personnel (Board of Directors, Statutory Audit Board, Executive Board, Audit Committee and Independent Risk Committee) are shown below:

Description	2018		2017	
	3rd quarter	Nine-month period ended September	3rd quarter	Nine-month period ended September
Short-term benefits	6,051	27,485	8,027	22,964
Salaries	4,405	15,090	5,142	16,245
Executive Board	3,581	12,651	4,551	14,501
Board of Directors	123	313	98	289
Statutory Audit Board	73	248	83	230
Audit Committee	427	1,276	410	1,225
Independent Risk Committee	201	602	-	-
Variable remuneration	-	6,642	820	864
Executive Board	-	6,642	820	864
Benefits	340	853	263	674
Executive Board	340	853	263	674
Training	17	45	87	266
Payroll charges	1,289	4,855	1,715	4,915
Benefits due to the termination of prior function	106	899	10	1,907
Post-employment benefits	262	893	360	1,122
Supplementary pension	262	893	360	1,122

Benefits include meal allowance, child care allowance, housing allowance, healthcare plan and life insurance to the members of the executive board.

In Supplementary Pension, the item Post-employment benefits are only offered to CAIXA's members of the executive board, board of directors and statutory audit board.

In accordance with the prevailing legislation, applicable to CAIXA as a public company, key management personnel are allowed to raise loans or advances under the same conditions of the market, especially regarding limits, interest rates, grace periods, terms, guarantees, and criteria for risk classification for purposes of allowance for loan losses and write-offs due to losses, and there are not additional benefits compared to the transactions carried out with other customers with the same profile in the company.

(e) Average salary

Description	9/30/2018 (amounts in R\$)		12/31/2017 (amounts in R\$)		9/30/2017 (amounts in R\$)	
	Management	Employee	Management	Employee	Management	Employee
Highest salary	56,197	53,963	56,196	45,163	56,197	45,433
Average salary	45,148	9,824	45,346	9,207	45,244	9,156
Lowest salary	41,868	2,832	41,867	2,697	41,868	2,697
Benefits	7,327	3,212	10,745	2,217	6,482	2,692

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 31 - Capital and risk management

In CAIXA, the management of risks and of capital is understood to be a distinguishing factor for competitiveness in the financial market and the principal means for safeguarding solvency, liquidity and profitability.

The risk and capital management structures are in accordance with the current regulations and with good corporate governance practices, permitting Senior Management to identify the capital commitment required to cover risks, evaluate the impacts on results of operations and make prompt decisions on acceptable exposure limits.

The risks considered as significant are: Credit Risk; Market Risk; Liquidity Risk; Operational Risk; Interest Rate Risk of Operations not Classified in the Trading Portfolio; Strategy Risk; Reputation Risk and Social and Environmental Risk.

In compliance with CMN Resolution 4,502/2016, financial institutions must prepare a recovery plan aiming at re-establishing the appropriate levels of capital and liquidity, as well as preserving the viability of the institution and the regular stability of the National Financial System, in response to stress situations.

A detailed description of the risk and capital management structures, including responsibilities, practices, processes, procedures and models, as well as the Recovery Plan, is available at: <http://www.caixa.gov.br>, menu "Sobre a CAIXA, Informações Financeiras, Relatórios de Gerenciamento."

(a) Calculation of regulatory capital required

Pursuant to CMN Resolutions 4,192/2013 and 4,193/2013, since January 2015, the calculation of regulatory required capital and minimum required capital now considers the Prudential Conglomerate.

These capital indicators are detailed in the table below.

Description	9/30/2018	12/31/2017	9/30/2017
Regulatory Capital - PR	105,433,100	93,464,469	84,736,623
Tier I	70,697,095	59,387,930	53,062,912
Principal capital - CP	70,697,095	59,387,930	53,062,912
Equity	84,542,985	71,383,553	67,284,744
Prudential adjustments	(13,845,890)	(11,995,623)	(14,221,832)
Supplementary Capital - CC	-	-	-
Tier II	34,736,004	34,076,539	31,673,710
Risk-weighted assets (RWA)	531,582,108	529,502,315	556,135,226
Credit risk - RW_{ACPAD}	449,935,860	458,355,599	485,079,635
Market risk - RW_{MPAD}	10,129,618	9,657,268	9,566,143
Operating risk - RW_{OPAD}	71,516,630	61,489,448	61,489,448
Additional Principal capital - ACP	12,625,075	7,942,535	-
Minimum Required Reference Equity (RWA*Factor F) - PRMR + ACP	58,474,032	56,921,499	51,442,508
Market risk - non-trading portfolio - RBAN	1,364,541	1,333,900	1,374,370
Capital margin (PR - PRMR - RBAN)	45,594,526	35,209,070	31,919,745
Principal capital index (CP / RWA)	13.30%	11.22%	9.54%
Capital index - Level I (Level I / RWA)	13.30%	11.22%	9.54%
Basel index (PR / RWA)	19.83%	17.65%	15.24%
Factor F (CMN Resolution 4,193/2013)	8.63%	9.25%	9.25%

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Sensitivity analysis of the significant positions - CVM Instruction 475

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

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

- Scenario I: Probable scenario which considers the most likely trend for the variables and macroeconomic indicators;
- Scenario II: Possible scenario which considers a +25% or -25% parallel shock in scenario I in the risk variables at the balance sheet date;
- Scenario III: Second possible scenario which considers a +50% or -50% parallel shock in scenario I in the risk variables at the balance sheet date, which are considered as the worst possible losses.

The Financial Instruments results at 9/30/2018 are summarized in the following table:

Description	Risk	Probable scenario	25% variation	50% variation
Fixed rate	Increase in interest rate	(258,505)	(6,199,082)	(11,858,915)
Price index	Increase in price index coupons	(1,573)	(135,011)	(569,394)
TR/TBF/TJLP	Increase in TR coupon	(245,112)	(4,686,320)	(7,316,554)
Foreign exchange variation	Decrease in exchange rates	(207)	(5,332)	(10,854)

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

Note 32 - Other information**(a) Investment Fund Assets managed by CAIXA**

Description	9/30/2018	12/31/2017	9/30/2017
Share funds	16,307,639	14,068,151	13,545,228
Financial investment funds	231,099,499	202,325,000	198,269,683
Quota investment funds - FIC (1)	168,183,545	142,961,908	138,658,492
Total	415,590,683	359,355,059	350,473,403

(1) Include quota investment funds not ranked by AMBIMA.

(b) Guarantees provided to third parties

These guarantees amounted to R\$ 97,048 at 9/30/2018 (12/31/2017 - R\$ 100,188; 9/30/2017 - R\$ 69,554) and refer to properties and securities pledged as collateral to third parties in connection with lawsuits filed against CAIXA.

Note 33 - Subsequent events

The first round of the selection process for senior management positions has been completed, with the selection of four new officers to assume Caixa's Vice President positions in Government, Government Funds and Lotteries, Housing and Corporate. These officers were appointed through a public selection process coordinated by headhunters from Russel Reynolds, a company internationally recognized for the recruitment of CEOs.

Started to be adopted in August 2018, in compliance with Caixa's Statute (articles 15 to 19), the new model is the result of the improvement of the internal selection and succession policy, which aims at presenting clear guidelines for filling remunerated positions, enhancing even further Caixa's corporate governance. Currently, all technical and management functions are filled through selection processes.

For the Vice President of Government position, the bachelor in Economics João Carlos Gonçalves da Silva was chosen. Graduated from the Pontifical Catholic University (PUC) - São Paulo, Caixa's new Vice President has also specialization in Financial Administration from the University of São Paulo (USP) and in 2018 he worked as CEO and Investor Relations Officer of Companhia São Paulo de Desenvolvimento e Mobilização de Ativos (SPDA).

The Corporate Vice President position will also be assumed by an economist, João Eduardo de Assis Pacheco. The new Vice President has also an Executive MBA from Coppead/Federal University of Rio de Janeiro (UFRJ), in addition to 32 years of experience in the financial market, participating in various organizational projects.

Roberto Barros Barreto, who joined Caixa in September 1981, was the officer chosen for the Government Funds and Lotteries Vice President position. He started his career at Caixa working in areas responsible for banking products and services, as well as administrative and specialized processes. He is a business administrator, with graduate course in Insurance, Private Pension and Capitalization Management, with an MBA in Business Management. He has performed in the position of Government Services Officer since 2011.

Another employee also chosen in the process was Jair Luiz Mahl. The new Housing Vice President is graduated in Business Administration, with a post-graduate degree in Controllershship and Public Management, being an expert in Financial and Capital Market Management. He has been with Caixa since 1990, working in the service network and in various business areas. Since 2016, he has been the Operations Restructuring and New Business with Large Customers officer, such area is responsible for the negotiation of solutions for Caixa's largest customers.

Notes to the consolidated financial statements

All amounts in thousands of reais unless otherwise stated

The new Vice Presidents were elected by Caixa's Board of Directors at the meeting held on November 1, 2018.

Nelson Antonio de Souza
Chief Executive Officer

Fabio Lenza
Vice President

Jair Luis Mahl
Interim Vice President

Jose Antonio Eirado Neto
Vice President

Marcelo Campos Prata
Vice President

Marcos Fernando Fontoura dos Santos Jacinto
Vice President

Arno Meyer
Vice President

Paulo Antunes de Siqueira
Interim Vice President

Paulo Henrique Angelo Souza
Vice President

Paulo Henrique Bezerra Rodrigues Costa
Interim Vice President

Roberto Barros Barreto
Interim Vice President

Marcos Brasileiro Rosa
National Superintendent
Accountant CRC 022351/O-1-DF

(A free translation of the original in Portuguese)



CAIXA

COMMITMENT TO BRAZIL



**Management
Report
3Q18**

(A free translation of the original in Portuguese)

To Brazilian Society,

We present the Management Report and Consolidated Financial Statements of Caixa Econômica Federal (CAIXA) for the third quarter of 2018, according to the accounting practices and standards adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

Key Numbers (R\$ million)	3Q17	2Q18	3Q18	Δ 12M	Δ Qtr.	9M17	9M18	Δ 12M
Net Income	2,168	3,464	4,813	122.0%	38.9%	6,243	11,468	83.7%
Total Assets	1,270,156	1,271,663	1,281,770	0.9%	0.8%	1,270,156	1,281,770	0.9%
Amplified Loan Portfolio	712,065	695,322	693,788	-2.6%	-0.2%	712,065	693,788	-2.6%
Funding	1,038,195	984,227	958,891	-7.6%	-2.6%	1,038,195	958,891	-7.6%
Deposits	510,062	510,522	514,826	0.9%	0.8%	510,062	514,826	0.9%
Savings	267,001	283,207	291,400	9.1%	2.9%	267,001	291,400	9.1%
Basel Ratio	15.2%	19.1%	19.8%	4.6 p.p.	0.7 p.p.	15.2%	19.8%	4.6 p.p.
Operating Efficiency Ratio ¹	50.7%	47.8%	45.8%	- 4.9 p.p.	- 2.0 p.p.	50.7%	45.8%	- 4.9 p.p.
Employees	87,779	86,424	86,427	-1,352	3	87,779	86,427	-1,352
Branches and Banking Service Points - Units	4,227	4,178	4,170	-57	-8	4,227	4,170	-57
Branches and Banking Service Points - Transactions	98,656	86,014	85,515	-13.3%	-0.6%	308,993	260,447	-15.7%
Mobile Banking Transactions	289,924	418,627	503,332	73.6%	20.2%	859,376	1,275,850	48.5%
Payment of Social Benefits	7,007	7,321	7,611	8.6%	4.0%	21,243	22,113	4.1%
Payment of Benefits to Workers	70,697	62,917	78,097	10.5%	24.1%	221,617	209,249	-5.6%

¹ Excludes the non-recurring effect of the reversal of the actuarial provision for post-employment benefits, occurred in the 4Q17.

1) Highlights

1.1 - Caixa Seguridade and CNP Assurances Agreement

CAIXA Seguridade, a subsidiary of CAIXA Conglomerate, signed a new agreement with CNP Assurances, a French company that has specialized in the insurance industry for more than 150 years, as a new partner responsible for the strategies for distribution of insurance products in the CAIXA network. This agreement includes the new company agreement for the joint exploration of the fields of life insurance, loan protection insurance and products for the private pension plan up to February 2041.

1.2 - New Online Lottery Website

The Online Lottery website was recently launched, aiming at offering greater comfort and convenience to customers, which, in addition to being provided with 24-hour availability, stands out for its user-friendly accessibility and suitability to any computer or tablet. All types of bets will be available for bettors; except for the Federal Lottery and pools sales, which will remain exclusive to lottery resellers.

1.3 - Performance Appraisal of CAIXA Employees

The Personnel Performance Management (GDP) system aims at acknowledging employees' efforts and implementing a culture of performance and excellence. In the 2018 cycle, which began in July, all employees will be able to participate in the process, which means that more than 80 thousand employees will be precisely and effectively monitored as to the development of their duties, with the assessment of their deliveries and development and perspectives for professional growth.

1.4 Housing App

CAIXA launched a new version of the Housing App, which is part of the Housing Loan Post-Sale project in digital channels. With a more modern layout, the tool aims at improving user experience and offering a greater range of services, providing the customer with the best possible convenience, with comfort and security, aligned with the best market practices.

1.5 Payment of Quotas of the Social Integration Program (PIS)

Between August 8 and September 28, CAIXA paid the Quotas of the Federal Government's Social Integration Program (PIS), an action that injected R\$ 9.9 billion into the economy and benefited more than 9.8 million quotaholders. Among such payments, 5.6 million quotaholders received the amount of R\$ 5.5 billion through credit in their account at CAIXA and in other banks participating in the Technical Cooperation Agreement.

1.6 - Payroll Deductible Loan secured by the Government Severance Indemnity Fund for Employees (FGTS)

In September 2018, CAIXA was the first bank to make available a payroll deductible loan secured by the FGTS available to its customers. The category, authorized by Law 13,313/2016, enabled 36.9 million workers to be capable of taking out payroll deductible loans with a guarantee of up to 10% of the FGTS account balance and the whole 40% penalty in case of dismissal without cause.

According to the loan rules, interest cannot exceed 3.5% per month and the payment term is of up to 48 months. The secured amount is kept in the FGTS blocked account and continues to earn interest.

1.7 - Awards and Recognition

- CAIXA received the gold seal for transparency and reliability regarding information provided related to Greenhouse Gas (GHG) emissions of the Brazilian Program GHG Protocol. The Institution was acknowledged for presenting a complete list of GHG emissions with reliable and externally audited data.

2) Performance - Results

In R\$ million	3Q17	2Q18	3Q18	Δ 12M	Δ Qtr.	9M17	9M18	Δ 12M
Financial Margin	12,357	12,534	12,878	4.2%	2.7%	37,300	37,810	1.4%
Allowance for Loan Losses	(3,203)	(3,340)	(2,710)	-15.4%	-18.9%	(13,450)	(9,788)	-27.2%
Income from Financial Intermediation	9,154	9,194	10,168	11.1%	10.6%	23,849	28,022	17.5%
Income from Services and Banking Fees	6,299	6,634	7,111	12.9%	7.2%	18,529	20,135	8.7%
Administrative Expenses	(8,523)	(8,254)	(8,271)	-2.9%	0.2%	(25,565)	(24,333)	-4.8%
Other Operational Income/Expenses	(2,799)	(2,268)	(1,676)	-40.1%	-26.1%	(6,988)	(6,026)	-13.8%
Tax Expenses	(972)	(1,005)	(1,027)	5.8%	2.2%	(2,953)	(3,061)	3.6%
Result from Participation in Affiliates and Subsidiaries	259	407	325	25.4%	-20.1%	571	1,022	79.0%
Net Income	3,419	4,709	6,628	93.8%	40.8%	7,442	15,759	111.7%
Income Tax, Social Contribution, and Profit Participation	(1,039)	(993)	(1,579)	51.9%	59.0%	(781)	(3,308)	323.6%
Net Income	2,168	3,464	4,813	122.0%	38.9%	6,243	11,468	83.7%
ROE - Return on Average Equity ¹	10.7%	15.4%	18.1%	7.3 p.p.	2.7 p.p.	10.7%	18.1%	7.3 p.p.
ROA - Return on Average Assets ¹	0.6%	0.9%	1.1%	0.5 p.p.	0.2 p.p.	0.6%	1.1%	0.5 p.p.

¹ Excludes the non-recurring effect of the reversal of the actuarial provision for post-employment benefits, occurred in the 4Q17.

The average return on equity reached 18.1% in the third quarter of 2018, 7.3 p.p. higher than the amount earned in the third quarter of 2017. The average return on assets reached 1.1%, a growth of 0.5 p.p. in 12 months.

Net income accumulated up to September 2018 totaled R\$ 11.5 billion, up 83.7% as compared to the same period of 2017, with the following highlights:

2.1 Gross Profit from Financial Intermediation: reached R\$ 28.0 billion in September 2018, an increase of 17.5% in 12 months, influenced by good management of assets and liabilities that resulted in an increase of 1.4% in financial margin and a decrease of 27.2% in expenses with allowance for loan losses.

2.2 Expenses with Allowance for Loan Losses: totaled R\$ 9.8 billion in September 2018, a decrease of R\$ 3.7 billion in 12 months, which reflects a drop of R\$ 18.3 billion in the credit portfolio and the change in its composition, with greater migration to low risk credits. The delinquency ratio over 90 days totaled 2.44% in September 2018, a decrease of 0.28 p.p. in 12 months, significantly lower than the market average of 3.03%.

2.3 Income from Services: increased by 8.7% in 12 months, achieving R\$ 20.1 billion in September 2018, influenced by income from checking accounts, investment funds and cards.

2.4 Administrative Expenses: decreased by 4.8% in 12 months, as a result of the decrease of 7.1% in personnel expenses and 0.4% in other administrative expenses in line with the adjustments to optimize the structure and seek continuous improvements in operational efficiency.

As a result, CAIXA continues to achieve the best efficiency ratios of its history, the Operating Efficiency Ratio reached 45.8%, an improvement of 4.9 p.p. in 12 months. The Administrative Expenses Coverage Ratio increased by 9.2 p.p. to 80.4% and the Personnel Expenses Coverage Ratio totaled 125.4%, an improvement of 15.7 p.p. in 12 months.

2.5 Operating Profit: The operating profit recorded R\$ 15.8 billion, the highest level reached by the Institution, considering the results that were free of non-recurring effects, an evolution of 111.7% in comparison with that achieved in the nine-month period ended September 2017. The consistent growth and solidity of the operating profit achieved by CAIXA reflect the success of the actions that have been implemented by management.

3) BACEN Circular Letter 3,068/2001

In compliance with BACEN Circular Letter 3,068/2001, Article 8, CAIXA states the intention of maintaining the securities classified in Tier III, which totaled R\$ 41.0 billion in the period, until their respective maturities, and that it has the financial capability required to do so.

4) Performance - Assets and Liabilities

In R\$ million	Sep17	Jun18	Sep18	Δ 12M	Δ Qtr.
Total Assets	1,270,156	1,271,663	1,281,770	0.9%	0.8%
Amplified Loan Portfolio	712,065	695,322	693,788	-2.6%	-0.2%
Securities and Derivative Financial Instruments	180,200	179,653	202,055	12.1%	12.5%
Allowance for Loan Losses	(35,946)	(36,297)	(35,625)	-0.9%	-1.9%
Liabilities ¹	1,202,872	1,191,295	1,196,791	-0.5%	0.5%
Deposits	510,062	510,522	514,826	0.9%	0.8%
Notes	125,906	93,128	82,111	-34.8%	-11.8%
Equity	67,285	80,368	84,979	26.3%	5.7%

¹Excluding Equity

CAIXA's assets totaled R\$ 1.3 trillion, an increase of 0.9% in 12 months, influenced by the 12.1% increase in the portfolio of securities and derivatives. Managed assets totaled R\$ 2.3 trillion, an increase of 3.4% in comparison to September 2017, highlighting the FGTS, with a balance of R\$ 518.7 billion and an increase of 2.6%, and Investment Funds, which increased by 19.4% in comparison with the third quarter of 2017, amounting to R\$ 392.6 billion. CAIXA's equity totaled R\$ 85.0 billion, an improvement of 26.3% in 12 months.

5) Amplified Loan Portfolio

CAIXA's amplified loan portfolio reached a balance of R\$ 693.8 billion in September 2018, a reduction of 2.6% in 12 months; the portfolio's performance still reflects the strategy adopted by the Company in order to balance its capital structure. The success of the adjustments made enabled CAIXA to be comfortably placed above the minimum capital requirements.

Also as a result of this strategy, there was a growth of lower risk portfolios, such as housing and infrastructure, and a reduction in the exposure of commercial portfolios, resulting in the decrease in allowance for loan losses.

5.1 Housing Loans

The Housing Loan portfolio balance increased 2.7% in 12 months, totaling R\$ 440.5 billion in September 2018, of which R\$ 258.5 billion came from FGTS resources and R\$ 182.0 billion came from CAIXA/ Brazilian System of Savings and Loans - SBPE resources. CAIXA is the market leader, with 69.5% of the market share, an increase of 0.7 p.p. in 12 months.

Until September 2018, R\$ 44.8 billion in new loans had been granted under the My House My Life ("Minha Casa Minha Vida") program, the equivalent of 366,130 new housing units. Of these new houses, 20.7% were intended for the program's "Faixa 1".

5.2 Commercial Loan

CAIXA's commercial loan portfolio totaled R\$ 142.2 billion and 8.2% of market share. The corporate portfolio achieved a balance of R\$ 57.2 billion in September 2018 and the commercial operations with individuals reached a balance of R\$ 85.1 billion, decreases of 22.1% and 12.9%, respectively.

5.3 Infrastructure Loans

Infrastructure operations grew 2.2%, reaching a balance of R\$ 83.1 billion in the third quarter of 2018. This segment is within the scope of CAIXA's strategic operation, as it is highly relevant and encourages national economic development, in addition to generating long-term relationships with corporate customers.

5.4 Rural Credit

CAIXA's Rural Credit reached a balance of R\$ 7.4 billion in September 2018, with emphasis on the modalities available for Corporate Customers; this represented a 30.0% increase compared with September 2017. With this balance, CAIXA attained a market share of 2.8%.

6) Funding

Total funding reached a balance of R\$ 958.9 billion in September 2018, a decrease of 7.6% in comparison with September 2017. CAIXA's demand deposits reached a balance of R\$ 28.3 billion, the same level presented in the third quarter of 2017. Savings accounts presented a balance of R\$ 291.4 billion, an increase of 9.1% in 12 months and 2.9% in the quarter. With this balance, CAIXA remained the market leader with a 37.6% market share.

In September 2018, the Institution held 78.1 million savings accounts, an increase of 4.5 million accounts in comparison with September 2017.

Notes totaled R\$ 82.1 billion, a reduction of 34.8% in 12 months, in line with the Institution's funding strategy.

Funding (in R\$ million)	Sep17	Jun18	Sep18	Δ 12M	Δ Qtr.
Demand Deposits	28,150	28,372	28,306	0.6%	-0.2%
Saving Deposits	267,001	283,207	291,400	9.1%	2.9%
Time Deposits	203,856	189,015	185,065	-9.2%	-2.1%
Other Deposits	11,055	9,928	10,054	-9.1%	1.3%
Notes ¹	125,906	93,128	82,111	-34.8%	-11.8%
Issues of Securities Abroad	13,103	11,756	12,406	-5.3%	5.5%
Repurchase Agreements - Own Portfolio	125,704	80,755	54,915	-56.3%	-32.0%
Borrowings and Onlendings	263,420	288,066	294,634	11.8%	2.3%
Total	1,038,195	984,227	958,891	-7.6%	-2.6%

¹ Includes housing, mortgage, financial, and agricultural bonds.

7) Government Services

As the main agent of social programs of the Federal Government, CAIXA contributes actively to poverty eradication and to the improvement of income distribution for the Brazilian population. Until September 2018, CAIXA had paid approximately 121.3 million in social benefits, corresponding to R\$ 22.1 billion.

The Family Allowance ("Bolsa Família") program has paid out 118.1 million in benefits, totaling R\$ 21.5 billion in the nine-month period ended September 2018. The program is fundamental to the reduction of child mortality and school dropout rates.

In relation to the programs intended for workers, the Institution paid 138.9 million in benefits, totaling R\$ 209.2 billion in the period, including Unemployment Insurance ("Seguro Desemprego"), Salary Allowance ("Abono Salarial") and Brazilian Social Integration Program (PIS), corresponding to R\$ 55.1 billion.

Payments for retirement and pensions to the beneficiaries of the National Institute of Social Security (INSS) totaled 56.6 million, representing an amount of R\$ 74.0 billion in the first nine months of 2018. FGTS collections reached R\$ 89.1 billion and withdrawals totaled R\$ 82.1 billion.

8) Lotteries

CAIXA Lotteries collected R\$ 9.9 billion in the nine-month period ended September 2018, the same level collected from January to September 2017. The "Mega-Sena" was the product most demanded by the players, corresponding to 34.6% of the total collected by the CAIXA Lotteries in the period.

In addition to fueling the dreams of millions of betters through its millionaire prizes, CAIXA Lotteries are an important source of resources for the country's social development.

From the amounts collected, around R\$ 3.7 billion were transferred to social programs of the Federal Government in the areas of social security, sports, culture, public safety, education and health, which corresponds to 37.5% of the total, as shown in the table below:

Lotteries Destination (in R\$ million)	3Q17	2Q18	3Q18	Δ 12M	Δ Qtr.	9M17	9M18	Δ 12M
Social Destination	1,398	1,180	1,294	-7.4%	9.7%	3,712	3,721	0.2%
Prizes	1,345	1,079	1,236	-8.1%	14.5%	3,557	3,515	-1.2%
Expenses of Costs and Maintenance	716	600	665	-7.2%	10.9%	1,910	1,898	-0.7%
Taxes	287	281	284	-1.1%	1.0%	811	799	-1.5%
Total Amount Collected	3,746	3,140	3,479	-7.1%	10.8%	9,990	9,932	-0.6%

9) Strategic Investments

The CAIXA Conglomerate, a group of companies formed by the financial institution CAIXA and its direct and indirect interests, seeks to optimize its performance through gains arising from the integration with their interests and supported by business opportunities, complementarity to the products and services, and expansion of the support to CAIXA's macro processes and strategies, aiming at improving the business and operating capacity.

The CAIXA Conglomerate Policy establishes guidelines for the management, investment performance, and new loans, covering the business relationship and governance between CAIXA and the other companies of that conglomerate and seeking to establish strategic partnerships that enable access, under competitive conditions, to markets considered strategic and services that allow them to achieve their goals.

Composition of Investments (in R\$ thousands)	Sep17	Sep18
CAIXA Seguros Holding	3,381,296	3,606,980
PAN Seguros	380,323	339,530
PAN Corretora	29,478	17,449
Banco PAN	759,432	871,869
Elo Serviços	47,664	95,552
Cia. Bras. de Securitização - CIBRASEC	6,967	6,906
Branes	1,898	1,886
Galgo Sistemas de Informações S.A	1,336	1,171
FIP Veneza	32,639	33,299
TECBAN	110,701	110,969
Quod ¹	12,040	61,153
Caixa Imóveis	3,479	-
FGO – Fundo Garantia de Operações	425,319	495,848
FGHAB – Fundo Garantidor Habitação Popular	265,210	265,210
Other Investments	77,329	9,562
Total	5,535,111	5,917,389

¹The corporate name of GIC – Gestora de Inteligência de Crédito was changed to Quod.

For additional information see Note 11.

10) Corporate Governance

CAIXA has been maintaining a continuous enhancement of good corporate governance practices, seeking to become a reference in the adoption of management practices aligned with principles such as transparency, equity, accountability, responsibility of business partners, compliance, strategic risk management, and sustainability. These principles are implemented in various management instruments, such as the Code of Ethics, Approval Scheme and Practice Policies, which makes it possible for CAIXA to become competitive in the market and face current challenges.

The Institution's corporate governance is configured in a system that emphasizes an agile and decentralized collegiate decision-making through orchestration of strategic decisions, the organization of the decision levels, the work agenda, and the vision of the themes essential to management.

CAIXA's Governance Model is structured on three axes: Governance Documents, Governance Tools, and Collegiate Bodies.

In order to guide the operation of CAIXA's directors and other governance agents, the rules are consolidated in the Governance Documents, namely:

- The Statute contains the set of general rules and devices, the function of which is to define the guidelines for CAIXA operations.
- The Practice Policies contain the principles and guidelines that guide the actions and decision-making of CAIXA's management.
- The Approval Scheme constitutes the set of values that define the limits assigned to the decision of the competent authority, for approval of business, credit operations, purchases, and contracting, etc.

The Governance Instruments are used to put the governance rules into practice and enable CAIXA's operation, namely:

- System of Normative Manuals
- System of Internal Controls
- Instruments and Tools for Management, Control and Inspection
- Annual Chart of Public Policies and Corporate Governance



With operation regulated by Internal Rules, the figure to the right represents the configuration of the Collegiate Bodies.

A highlight in the third quarter of 2018 was the publication of a new version of CAIXA's Statute, updated on 7/16/2018, including the adjustment in the capital. Another highlight was the establishment of the Technology and Innovation Committee, a collegiate body related to CAIXA's Board of Directors, aiming at advising this Collegiate Body in matters related to information technology and innovation.

11) Internal Controls

CAIXA has a Compliance Policy, which aims at establishing principles and guidelines to ensure the compliance with external and internal rules, as well as the Compliance risk management, in order to strengthen CAIXA's corporate governance and institutional control. The Compliance Policy was based on the document Compliance and the compliance function in banks - Basel Committee on Banking Supervision, as well as on federal laws and regulations, which emphasize the importance of a Compliance Policy, among which we highlight Law No. 13,303, CGPAR Resolution No. 18, and CMN Resolutions No. 2,554, 4,553, 4,557 and 4,595.

Caixa has also the Internal Controls Policy of the CAIXA Conglomerate, published in Jan/18, aimed at promoting the effectiveness and the strengthening of the Internal Controls System - SCI - in order to ensure, with reasonable security, obtainment of the CAIXA Conglomerate's goals. This policy is based on the document Committee of Sponsoring Organizations of the Treadway Commission – COSO, as well as CMN Resolutions No. 2,554 and 3,056.

CAIXA implemented the Integrity Program based on Law No. 12.846 / 2013, Decree No. 8.420 / 2015 and its Anti-Corruption Policy, through which it assumes the commitment to prevent, detect and correct acts of corruption committed against the Institution and against national or foreign public administration.

12) Risk and Capital Management

Management of risks and capital is perceived by CAIXA as a competitive differential in the financial market and the primary means to preserve the Institution's solvency, liquidity and profitability.

The risk and capital management structures are in accordance with the prevailing legislation, appropriate to the nature and complexity of CAIXA's financial instruments, products, services, and operations and to the good corporate governance practices, allowing the Senior Management to identify the capital commitment in order to deal effectively with the risks, evaluate the impacts on the results, and promptly decide on accepted exposure limits.

The Risk Management Policy and the Capital Management and Result Distribution Policy are reviewed, at least, every year, as well as the exposure and capital limits, aiming at aligning them with the Institution's strategy, macroeconomic factors, business environment and ability to assume the risk of the Caixa.

Risk management activities are separated from business and audit activities, and they are maintained as independent structures for model monitoring, in order to avoid conflicts of interest and safeguard the impartiality of the work performed.

The control of credit portfolio risk occurs by monitoring delinquency indicators; defaults; realized expected and unexpected losses; and the provision and requirement of regulatory and economic capital in various amounts and segments, allowing a broad view of the exposure using the information in each contract: by borrower, operation, portfolio segments, geographic region, and activity sector, among others.

Based on the monitoring, it is possible to note that delinquency indicators, allowance for loan losses and portfolio loss remained within that expected.

In addition, since 2017, the Independent Risk Committee has been established, which reports to the Board of Directors and advises on issues related to risk and capital management.

A detailed description of the risk management and capital structures - including responsibilities, practices, procedures, processes and models - is available at: <http://www.caixa.gov.br>, About CAIXA, Risk and Capital Management Reports.

13) Social Environmental Responsibility

Since 2011, CAIXA allocates up to 2% of its adjusted net income to projects related to sustainable cities, the protection of biomes and water, clean energy, and socioeconomic promotions, through CAIXA Social Environmental Fund.

Until September 2018, R\$ 14.5 million had been disbursed in 42 projects and, in the third quarter, R\$3.8 million in 13 projects. Among them, the CAIXA Social Environmental Fund (FSA) supports projects for the preservation of the Caatinga and the Cerrado regions, recovery of water sources in metropolitan areas suffering water crises, sustainable development of low-income areas, recycling of electrical electronic waste, development / citizenship projects, composting of organic waste projects, and innovative practices to promote sustainable development and adapt to climate change with a focus on clean renewable energies and water resource management.

Complying with PRSA guidelines, CAIXA adopts the best social environmental risk management practices, observing, through credit granting, the regularity of project activities and customer activities. In the third quarter of 2018, nearly R\$ 1.1 billion of loans were submitted for the social qualified environmental analysis of customers.

In September 2018, another three Guides on Good Social and Environmental Practices were published, directed to the most "sensitive" sectors regarding social and environmental impacts. They are: Housing, Textile and Food industry.

The Guides aim at instructing CAIXA's customers for the adoption of good social and environmental practices in order to mitigate the social and environmental risk, which is currently regulated by the Central Bank of Brazil through Resolution No. 4,327/2014.

All sectorial guides published by Caixa are available at: <http://www.caixa.gov.br/sustentabilidade/responsabilidade-social/guias-de-boas-praticas/Paginas/default.aspx>;

14) Support for Culture and Sports

CAIXA includes cultural marketing actions in its strategic planning, focusing on: social inclusion, human development, national values, democratization, decentralization and transparency.

Until September 2018, nearly R\$ 58.7 million had been invested in projects of theater, movies and exhibitions, in 7,196 events that took place at CAIXA Cultural units in Brazil.

CAIXA is also the greatest sponsor of national sports, linking its brand to athletics, gymnastics, basketball, para sports and soccer. Additionally, CAIXA invests in projects aimed at encouraging practicing sports and at social inclusion of children and teenagers through sports. The total amount invested in sports sponsorship until September 2018 was approximately R\$ 310.6 million.

Acknowledgements

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

Caixa Econômica Federal

BOARD OF DIRECTORS

Chairman

Ana Paula Vitali Janes Vescovi

Directors

Adilson Herrero
André Nunes
Cláudio Xavier Seefelder Filho
Jorge Roberto Manoel
Maria Rita Serrano
Nelson Antônio de Souza
Priscila Grecov

SUPERVISORY BOARD

Chairman

Manuel Augusto Alves Silva

Members

César Almeida de Meneses Silva¹
Cristiano Neuenschwander Lins de Moraes
Daniel de Saboia Xavier
Márcia Fernanda de Oliveira Tapajós

¹Alternate.

AUDIT COMMITTEE

Chairman

Carla Alessandra Trematore

Members

Alberto Emmanuel Carvalho Whitaker
Carlos Roberto Matavelli

EXECUTIVE BOARD

Chief Executive Officer

Nelson Antônio de Souza

Vice Presidents

Arno Meyer
Fábio Lenza
Flávio Eduardo Arakaki²
Jair Luis Mahl²
José Antônio Eirado Neto
Marcelo Campos Prata
Marcos Fernando Fontoura dos Santos Jacinto
Paulo Antunes de Siqueira²
Paulo Henrique Angelo Souza
Paulo Henrique Bezerra Rodrigues Costa²
Roberto Barros Barreto²
Valter Gonçalves Nunes²

²Interim Vice Presidents.

CAIXA