

The background is a solid blue color. Overlaid on this are several white geometric lines. A prominent line starts from the top center, goes down and to the right, then turns horizontal to the right, then goes down and to the left, then turns horizontal to the left, and finally goes down and to the right towards the bottom right corner. There are also two shorter, parallel diagonal lines, one in the upper right and one in the lower left, both slanted downwards from left to right.

# MANAGEMENT

REPORT



4Q20

**CAIXA**

## MANAGEMENT REPORT

To the Brazilian society, employees, contractors, investors and clients,

CAIXA presents the Management Report and the Consolidated Financial Statements of CAIXA ECONÔMICA FEDERAL for the fourth quarter of 2020, in accordance with practices and standards established in the country applicable to institutions authorized to operate by the Central Bank of Brazil.

### CAIXA'S EFFORTS TO MITIGATE THE IMPACTS OF COVID-19

CAIXA is the bank of all Brazilians. Operating in over 99% of the country's municipalities, with over 26,000 physical banking service points, with 4,169 branches and service points, 13,056 lottery outlets, 8,810 exclusive bank correspondents, 8 mobile units (truck) and 2 boat branches. CAIXA made all the difference when Brazilians need it the most, especially during the pandemic crisis, offering protection for employees, contractors and customers.

CAIXA is responsible for operationalizing the largest payment of social and income transfer programs in Brazil's history, totaling R\$362.9 billion and reaching over 121.3 million Brazilians, which represents 8 out of 10 adults in the country receiving benefits from the Federal Government through CAIXA.

The largest Brazilian bank in number of customers and loan portfolio, CAIXA has 145.8 million individual customers and corporate customers, totaling over 105 million digital accounts opened on CAIXA Tem app, with R\$787.4 billion in the loan portfolio, with R\$510.6<sup>1</sup> billion in housing loans.

### Payment of Benefits to the Brazilian Population

Benefits	Personnel	Amount Paid
Emergency Aid <sup>2</sup>	67.9 million	R\$293.1 billion
FGTS Emergency Withdrawal	51.1 million	R\$36.5 billion
BEm	4.7 million	R\$16.4 billion
Prepayment <i>Abono</i> - PIS <sup>3</sup> (bonus for low-income people)	22.2 million	R\$16.9 billion
<b>Total</b>	<b>121.3 million<sup>4</sup></b>	<b>R\$362.9 billion</b>

<sup>1</sup> Includes Construcard.

<sup>2</sup> Position February 9, 2021.

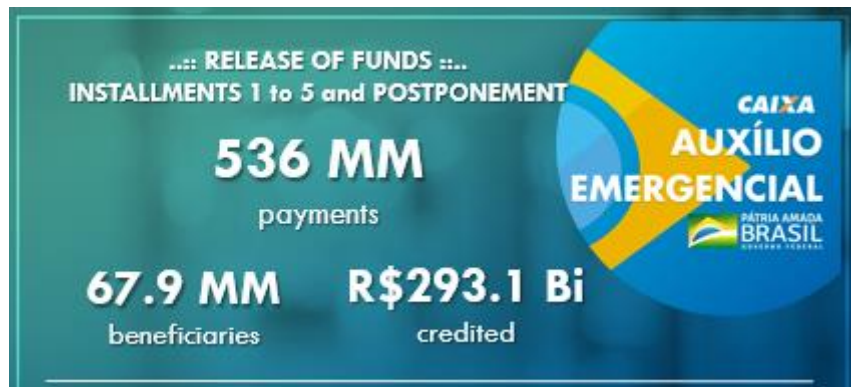
<sup>3</sup> R\$4.6 billion related to prepayment in Jun/20 and R\$12.3 billion paid in the recurring calendar.

<sup>4</sup> Considers unique Individual IDs.

Source: CAIXA.

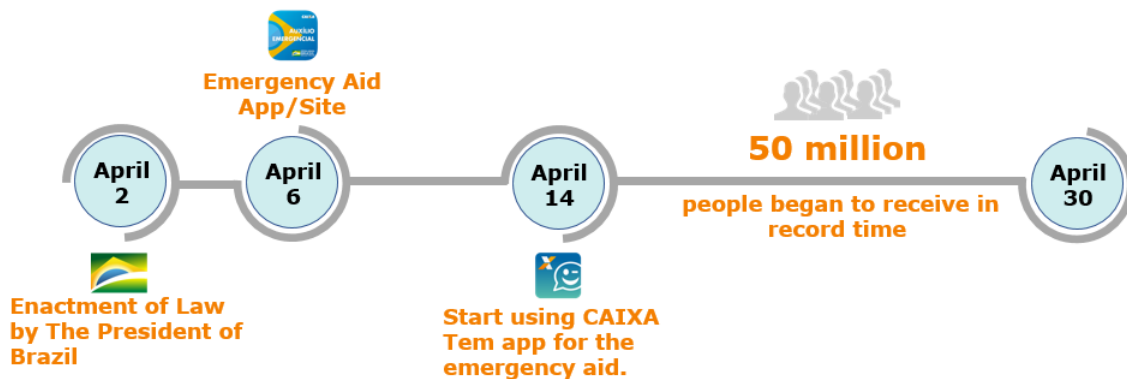
## Emergency Aid

Caixa made 536 million Emergency Aid payments, totaling R\$293.1 billion and benefitting more than 67.9 million Brazilians by February 9, 2021.



Source: CAIXA

Caixa worked in record time to pay the first installment of the Emergency Aid benefit via CAIXA to more than 50 million people by the end of April, 2020. This was only possible by launching the Emergency Aid app, which took place only three days after enacting the law, and the CAIXA Tem app was used to pay benefits after only seven days.



Source: CAIXA

The Emergency Aid is the largest cash transfer initiative in the country's history, with the following numbers by February 9, 2021:

- **109.2 million** applications processed;
- **1.93 billion** visits to the Emergency Aid website;
- **668.9 million** calls received by the exclusive 111 call center;
- **136.4 million** downloads of the Emergency Aid app;
- **309.0 million** downloads of the CAIXA Tem app.

## FGTS (Severance Payment Fund) Emergency Withdrawal

The FGTS Emergency Withdrawal had 60 million beneficiaries, totaling R\$37.7 billion in payments. At the end of 4Q 2020, R\$36.5 billion were already paid, about 96.6% of the estimated, for over 51.1 million workers, who automatically received these amounts or applied for a loan in the FGTS app until December 31, 2020, deadline set by law.

## Emergency Benefit to Preserve Employment and Income (BEm)

Until December 2020, CAIXA paid R\$16.4 billion to more than 4.7 million beneficiaries in BEm, focused on workers who had a proportional reduction in working hours and wages or whose employment contracts were temporarily suspended, based on Law 14,020/2020.

## Prepayment of *Abono Salarial* (bonus for low-income individuals) - Social Integration Program (PIS - *Programa de Integração Social*)

CAIXA made early payments totaling R\$4.6 billion to 6 million people, regarding the 2020/2021 *Abono Salarial*, under CODEFAT's Resolution 857, of April 1, 2020, yet another Federal Government measure to mitigate the economic effects of the new coronavirus pandemic (COVID-19).

## Digital Platform - CAIXA Tem



Reaching a record number of over 105 million free digital social savings accounts opened by the end of December 2020, CAIXA's app has enabled the largest social, digital, and financial inclusion movement in Brazil used to pay all social benefits. With R\$362.9 billion in social benefits (Emergency Aid, Emergency FGTS Withdrawal, "BEm" and Payment Abono - PIS) for 121.3 million people, the app has the market's lowest data consumption and focuses on the basic, social and individual microentrepreneur (MEI) segments. The app features payment of bank slips, bills, use of a virtual debit card and QR Code to make purchases.

## Loan to Micro, Small and Medium Enterprises - PRONAMPE, FAMPE and FGI

CAIXA reached R\$34.3 billion in loans granted to micro, small and medium entrepreneurs until December 31, 2020. The loans had special rates and conditions to help the segment face the effects that the COVID-19 pandemic had on the economy.

In the period, loans granted through PRONAMPE (National Support Program for Micro and Small Enterprises) totaled R\$16.4 billion. CAIXA was the first financial institution to operate this loan line, granting loans as of June 16, 2020.

In the loan line supported by the Guarantee Fund for Micro and Small Enterprises (FAMPE), R\$2.5 billion was granted. This modality has Loans Assisted from the Brazilian Micro and Small Business Support Service (SEBRAE) before, during and after granted.

Until the end of December 2020, R\$15.4 billion were granted in the new loan line with a guarantee from the Investment Guarantee Fund (FGI), focused on providing capital to small and medium companies within the Emergency Program for Access to Loans (PEAC).

### **FGTS Birthday Withdrawal**

By December 2020, over 9.7 million workers had joined FGTS-Birthday Withdrawal, which resulted in R\$9.8 billion distributed to beneficiaries through 8.7 million payments.

The loan operation with the Prepayment of the FGTS-Birthday Withdrawal was also made available until December 2020, leading to R\$4.9 billion granted in loans. With the new system, workers do not have to wait until the month of their birthday to have access to funds. The line makes it possible to receive the benefits for the next three years, with rates among the lowest practiced for individuals by CAIXA at 0.99% per month.

### **Installment Payment of FGTS**

CAIXA helped maintain the activity of around 800,000 companies, which stated deposits due to FGTS for March, April and May 2020, with a total of R\$10.7 billion to be paid in installments. Between July and December 2020, employers paid the amounts, which were divided into up to (six) installments. The action made it possible to pay R\$9.7 billion in installments, until December 2020, with payment of 91% of the total expected for payment.

Provisional Measure 927, of March 22, 2020, suspended the demand of deposits due by employers to FGTS for March, April and May 2020 and made it possible to pay these amounts to the Guarantee Fund in installments without paying interest and late charges.

### **Housing Loans**

In order to protect and guarantee access of the low-income population to housing and boost construction in Brazil, CAIXA has implemented the following measures designed to assist individuals:

- Reduction of up to 0.50 p.p. in the loan line indexed by the Reference Rate (TR). A minimum rate of RR + 6.25% p.a. and maximum rate of RR + 8.00%p.a. for new loans;
- Postponement of the grace period to start paying installments of new housing contracts until December 2020;
- Option of partial payment of the installment: The client can pay 75% of the installment for up to six months or between 50% to 75% for up to three months.
- Launched Real Fácil CAIXA, a loan operation for individuals, with no tied destination destination, with the property as collateral;
- A pause of up to 180 days in the payment of housing loan installments.

Until December 2020, the total number of loans paused during the term of the benefit was 2.5 million, corresponding to R\$2.3 billion in installments paused and a balance of R\$256.0 billion in the housing loan portfolio. On March 1, 2021, 99.4% of the paused loans had already returned from the benefit.

## Employees and Contractors

To strengthen service to customers and beneficiaries of social programs, CAIXA hired 397 new employees in 2020 to work directly on the front lines at the branches, with 13 of them PwDs. Therefore, the Company's PwD headcount increased to 3,465 employees, reaffirming CAIXA's commitment to strengthening the bank's inclusion culture, in addition to valuing diversity.

In October 2020, CAIXA expanded the protocol to avoid the new coronavirus, making testing, fully funded by CAIXA, available to all employees as a preventive measure for health and safety at work. In total, a potential sample of 68,4 thousand employees (81.1% of the total employees) allowed mapping regions with greater exposure to COVID-19 and obtaining insights to improve the protocols and regional measures.

Besides the indication for remote work for all employees classified as a risk group by the Ministry of Health, CAIXA, through its initiative, created the Extended Prevention Group. In this group, the universe of employees who could work from home was expanded, an initiative that went beyond the protocols set by government agencies.

## MANAGEMENT COMMITMENTS

CAIXA's Management has focused on measures to increase operational efficiency and produce long-term results to support its operation, boosting business and providing transparency to processes.

To achieve these goals, based on the premise of being a profitable bank, focused on Brazilian society, CAIXA has set six Management Pillars for the next years, including:

- I. Meritocracy and Governance;
- II. Housing Loan, Payroll-Deductible Loan and Microcredit;
- III. Cost Efficiency and Reduction;
- IV. Asset Monetization;
- V. Inclusion Bank;
- VI. Integration among Employees, Lotteries, and Correspondents.

### I. MANAGEMENT PILLARS – Meritocracy and Governance

Implementing a culture that values and recognizes results through transparent, structured and exempt selection processes ensuring compliance with the best market practices for governance and integrity, strengthening the business with the due controls.

## Recognition as the country's 3<sup>rd</sup> Most Valuable Brand

CAIXA is the country's third most valuable brand, according to a survey by the British consultancy firm Brand Finance, which specialized in this type of study, published in September 2020 by Exame magazine. The bank's brand was estimated at US\$4.8 billion, up by 14.3% over 2019, which represents an increase of US\$605 million in the value of CAIXA's brand.

The survey considers the business's performance, equity and investments in marketing and is considered the most respected brand assessment worldwide, listening to around 50,000 consumers in 29 countries.

## II. MANAGEMENT PILLARS – Housing Loan, Payroll-Deductible Loan and Microcredit

Focused on housing loans, payroll-deductible loans, and microcredit operations.

### Housing Loans

CAIXA is a leader in loans for homeownership and reached, in December 2020, a portfolio balance of R\$510.6<sup>1</sup> billion in this type of loan. In the same year, R\$116.0 billion in new loans were granted in housing loan operations, the highest in the last 6 years.

The institution grew 99.5% in loans granted with funds from the Brazilian Savings and Loan System (SBPE) until December 2020 YoY. By the end of August 2020, CAIXA had already exceeded the total granted with SBPE resources throughout 2019, responsible for one of the lowest interest rates in SBPE's history, at 6.25% p.a. + RR.

A benchmark in housing in the market, with a market share of 68.8%, CAIXA carried out over 66 million simulations and 2.8 million housing loan assessments during 2020.

In 4Q 2020 alone, loans granted with SBPE funds reached R\$18.8 billion, with R\$3.3 billion granted in the modality indexed to IPCA (Amplified Consumer Price Index), representing over 13,000 contracts.

During the year, 269.6 million accesses to housing services were made outside physical channels, protecting clients against the risk of being exposed to crowds. The Housing Loan app had 124.3 million visits, our Internet Banking had 108.5 accesses, CAIXA's website had 31.0 million visits, and the call center received 5.8 million calls.

### Housing Loan Via app

In October 2020, CAIXA made available to all customers housing loans granted digitally. Through CAIXA Housing (Habitação CAIXA) app, the user has access to an interactive service, covering all financing stages, from registration to approval, streamlining and making housing loans safer.

<sup>1</sup>Includes Construcard

This is also convenient to the customer, who can closely monitor all stages of his/her housing process simply and intuitively and, if necessary, solve issues in the app itself. With all stages carried out on the digital platform, the user will need to go to a CAIXA branch only once to sign the contract.

In the app, customers will have access to other services for their contract, such as issuing a bank slip, changing the contract data, amortizing the loan, including automatic debit, early settlement, using FGTS, issuing an annual debt settlement statement, statement of amounts paid and income tax statement.

### Casa Verde e Amarela Housing Program

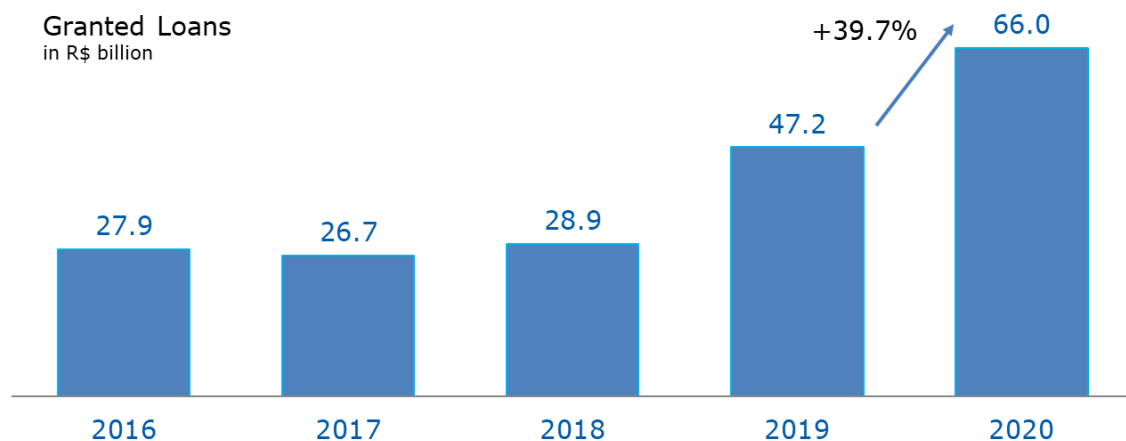
In August 2020, with Provisional Measure 996/2020, CAIXA, as executor of the Federal Government's housing policies, announced that the new housing contracts with FGTS funds, for families with gross monthly income up to R\$7,000.00, became part of the Casa Verde e Amarela Housing Program.

The Program brings together housing initiatives from the Federal Government to expand the housing stock and meet the population's housing needs. Casa Verde e Amarela has the purpose of promoting institutional development efficiently in the housing segment and encourage the modernization of the construction industry and technological innovation.

In 2020, the Minha Casa Minha Vida and Casa Verde and Amarela Housing Programs granted R\$59.3 billion, corresponding to 353,300 new housing units. For Casa Verde and Amarela Program alone, loans totaling R\$20.4 billion were granted to over 129,500 housing units.

### Payroll-Deductible Loans

CAIXA had a 39.7% increase in payroll-deductible loans in 2020 vs. 2019, totaling R\$66.0 billion, which represented the largest total granted in the last five years in this modality. This loan line's operations reached a balance of R\$70.2 billion in December 2020, up by 12.4% over December 2019 and by 5.5% over September 2020.



## Microcredit

In 2020, a total of R\$260.1 million was reached in new loans in Microfinance, with R\$140.4 million granted through operations under the National Program for Targeted Productive Microcredit - PNMPO.

The targeted production microcredit lines, including a package of solutions that offers microcredit directly to entrepreneurs through CAIXA's service channels and provide funds in loan lines such as funding for Microfinance Institutions (IMF/OSCIP/SCM) or state development agencies that offer microcredit.

## Individual and Corporate Renegotiation - Você no Azul Campaign

CAIXA launched Você no Azul 2020 Campaign to settle debts of a target audience of 3 million individual customers and 379,000 companies with discounts of up to 90% with payment in cash.

In the 4Q 2020, R\$289.9 million had been paid in cash, and R\$1.7 billion in overdue debts had been settled, making it possible to settle over 253,7 thousand commercial contracts with 172,0 thousand individuals and corporate customers. Since the campaign started in September 2020, R\$463.0 million had been paid in cash, and R\$2.8 billion in overdue debts had been settled, making it possible to settle 430,9 thousand commercial contracts with 301,9 thousand individuals and corporate customers.

A large part of the measure's target audience, around 36.6%, has regularized their contracts through digital channels. Through CAIXA WhatsApp only, 53,5 thousand contracts were settled, corresponding to R\$248.4 million in overdue debts and R\$42.4 million paid.

## III. MANAGEMENT PILLARS – Cost Efficiency and Reduction

### Voluntary Dismissal Program – PDV 2020

In November 2020, a Voluntary Dismissal Program was announced, limited to 7,300 dismissals with a financial incentive corresponding to 9.5 base compensations, limited to R\$470,000. The program resulted in the dismissal of 2,113 employees in 2020.

This measure has the purpose of reinforcing CAIXA's strategy to reduce costs and favor a balance in the cost with personnel expenses, saving around R\$412.4 million per year.

### Return of Administrative Buildings

CAIXA started optimizing spaces and returning administrative buildings, which in 2020 has already totaled R\$45 million in savings related to renting and administrative expenses (water, energy, property tax, condominium, support and building maintenance services) and returned 69 administrative properties in 2019 and 2020.

In line with this optimization and to bring tactical guidelines closer to operational execution, CAIXA decided to install all Regional Superintendencies in buildings also occupied by

branches. The Superintendencies are now closer to the daily lives of customers in the region. The measure strengthens both the efficiency of operations and the quest to reduce administrative expenses.

### Historical Sale of Resumed Properties

Caixa reached another historic milestone by making R\$3.3 billion in sales of resumed properties, exceeding all expectations given the crisis caused by the pandemic. In all, more than 21,0 thousand properties were sold.

The result obtained in 2020 exceeded by 37% the amount collected and by 21% the volume of sales in relation to the year of and directly contributed to lowering the inventory of CAIXA properties recorded in current assets, besides reducing the amount of provisions in the Company's balance sheet.

### Payment of Hybrid Capital and Debt Instruments (IHCD)

In 2020, the monetary restatement cost of IHCD fell by 46.4% from 2019, representing savings of R\$1.5 billion, mainly due to the repayment of R\$11.35 billion in 2019.

The IHCD repayment means direct savings for CAIXA, as the cost of this debt is much higher than the Selic basic interest rate and reflects the commitment to reducing the bank's cost of capital.

## IV. MANAGEMENT PILLARS – Asset Monetization

Focus on the strategy of monetizing assets, leveraging capital market operations and having an IPO of own stakes.

### Strategic Partnerships – Caixa Seguridade

CAIXA signed 5 strategic partnerships, with a total volume of R\$9.8 billion, including three already concluded and implemented, which totaled R\$7.0 billion in 2020 and R\$1.6 billion in January 2021. These partnerships are part of the restructuring process of the insurance operation and are in line with the strategy of simplifying the governance and equity management structure.

#### I - Conclusion and Implementation of an Agreement with CNP

In December 2020, the operation and implementation of the agreement with CNP Assurances SA ("CNP") were concluded to incorporate a new company that will jointly explore, for 25 years, the life insurance and lending lines and pension products in CAIXA's distribution network.

all precedent conditions to the closing of the transaction were met, including the necessary regulatory approvals and the constitution of the new insurance holding company ("XS1") and the new insurance company ("XS2"). CNP subscribed a capital increase in XS1 in the total amount of R\$7,000,000,000 (seven billion reais), which was paid to CAIXA, in compliance with the distribution contract. The agreement also includes an earn-out

performance incentive mechanism, to be paid in two installments (2024 and 2026) and limited to R\$800,000,000 (eight hundred million reais), adjusted by Selic interest rate as of December 31, 2020.

## **II - Conclusion and Implementation of an Agreement with Tokio Marine**

In January 2021, the operation and implementation of the agreement with Tokio Marine Seguradora S.A. ("Tokio Marine") were concluded to establish a new company that will jointly operate, for a period of 20 years, the Housing and Residential insurance lines in CAIXA's distribution network.

All preceding conditions to conclude the operation were fulfilled, including the necessary regulatory approvals and the new insurance company's establishment ("XS3"). Tokio Marine subscribed a capital increase in XS3 totaling R\$1.5 billion, which was paid to CAIXA, in compliance with the granting terms provided in the contract between the parties.

## **III - Conclusion and Implementation of an Agreement with Tempo Assist**

In January 2021, the operation and implementation of the agreement with Tempo Assist ("Tempo") were concluded to establish a new company that will explore for a period of 20 years, the Assistance Services insurance lines in CAIXA's distribution network.

All preceding conditions to conclude the operation were fulfilled, including the necessary regulatory approvals and the new insurance company's establishment ("XS6"). Tempo subscribed a capital increase in XS6 totaling R\$30.0 million, which was paid to CAIXA due to the grant to Caixa Seguridade. In addition, if XS6 meets certain performance goals in up to three years, it is expected a capital increase in XS6 at amounts that may reach up to R\$40,000,000 (forty million reais), to be subscribed by Tempo and paid to CAIXA, due to the grant to Caixa Seguridade.

## **Sale of Banco PAN's Shareholding**

CAIXA raised the gross amount of R\$743.7 million in 2020 through its wholly-owned subsidiary CAIXAPAR, which sold its entire shareholding in Banco PAN's preferred shares. The shareholding in common shares remained unchanged, preserving the same governance levels at Banco PAN as before the operation.

The Price per Share was set at R\$8.30 based on the Bookbuilding Procedure carried out by the Restricted Offer coordinators with institutional investors. This represents a gross gain of 74.7% concerning the book value of R\$4.75 per share, considering the investment included in CAIXAPAR's financial statements for 2Q 2020.

## **V. MANAGEMENT PILLARS - Inclusion Bank**

### **The Largest Banking Inclusion Movement in Brazil**

Reaching 35 million unbanked citizens and 38 million people who were not included in any government register, CAIXA has launched the largest social, digital and financial inclusion

movement in Brazil, using technology in registration (Emergency Aid app) and payment (CAIXA Tem app). It operates in more than 99% of Brazilian municipalities, with over 26,000 exclusive banking service points.

### First Meeting CAIXA Mais Saúde

CAIXA, to promote specialized health care and expand partnerships, launched the CAIXA Mais Saúde program, focused on strengthening the relationship with institutions that promote health, such as *Santas Casas*, hospitals, APAEs and other specialized service entities.

To achieve the purposes of the Program, CAIXA promoted several actions with partner entities as well as prospecting for new relationships, deepening the knowledge of their needs and offering support to this network to offer suitable products and services.

In CAIXA Mais Saúde Program, 49 Executives visited 50 APAEs, 32 philanthropic hospitals, 15 *Santas Casas*, 12 landfills, 25 sanitary landfills and 25 associations/cooperatives of recyclable material collectors, located in 67 municipalities of the 27 federative units, covering five regions.

### Donation of Furniture

CAIXA started the donation process of more than 64,0 thousand furniture items, materials and computers. Up to December 2020, 8,2 thousand entities were registered and analyzed to receive donations according to criteria provided for in the regulation. Of these, 3,5 thousand have been qualified, and 191 have already received around 7,4 thousand items.

Besides the purpose to bring solutions to the main needs of philanthropic entities across the country, the donation focuses on benefiting entities whose corporate purpose is compatible with the final axes of education, health, sports, people with disabilities, the environment or other objects in line with CAIXA's Social and Environmental Responsibility Policy.

The donation process will be permanent, opening new cycles in 2021, and the distribution of items among the qualified entities will be limited to the available stock.

### PIX

First among major banks, CAIXA reached 26.5 million keys registered with PIX, Central Bank's new payment and transfer system. Until December 31, 2020, 50% of these total keys had been originated at CAIXA Tem. During the same period, R\$4.6 billion were traded between CAIXA accounts and R\$26.7 billion between CAIXA accounts and other banks.

The service is available to all customers, especially those who have checking accounts, saving accounts and digital social saving accounts, and can be registered through CAIXA, CAIXA Tem and Internet Banking CAIXA apps.

### Virtual Debit Card

With 105.3 million transactions carried out, R\$38.0 billion in transactions, and 96.8 million cards issued by December 2020, CAIXA, since launching the CAIXA Tem digital platform,

improved its virtual debit card, enabling the use by beneficiaries of social programs in over 1 million physical and online stores.

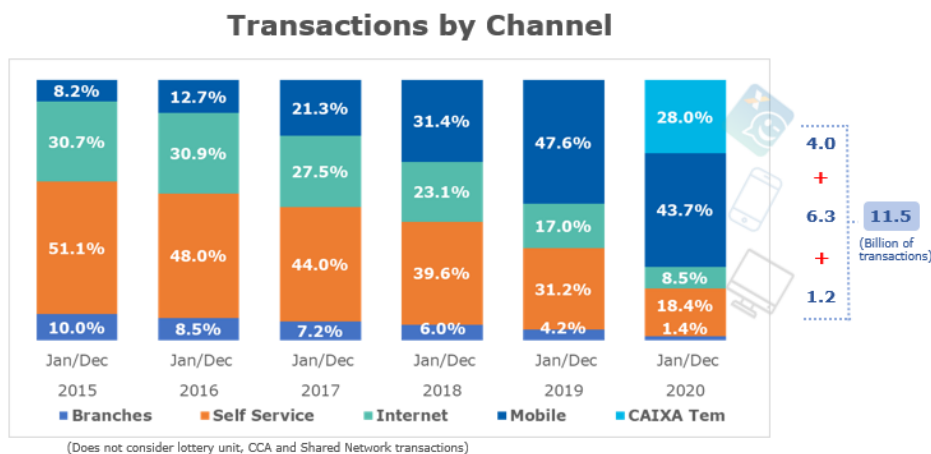
### QR Code in the CAIXA Tem app

Up to December 2020, over R\$13.6 billion had been paid through more than 104.5 million transactions via QR Code. It can be used in physical stores equipped to process such transactions. The app also allows users to send and receive funds between themselves without entering the recipient’s bank details.

### CAIXA’s Digital Channels

Including CAIXA Tem app, Internet banking and CAIXA app, digital payment means have been continuously improved by CAIXA and reached, in 4Q20, an 80.2% share in total transactions carried out, excluding those carried out in lottery units, CAIXA Aqui Correspondents and shared partner network. In the mobile channels and CAIXA Tem app alone, 10.3 billion transactions were carried out.

Source: CAIXA



### CAIXA Lotteries

In 2020, the biggest single premium payment was made by CAIXA Lotteries. The Mega da Virada modality, held on December 31, rewarded two players with a total of R\$325.2 million. More than 260 million bets were made, totaling R\$1.2 billion in revenue.

### Reopening the Health Plan for New Employees

Benefiting up to 10,000 new users, CAIXA reopened its health plan for employees and their dependents, attending to a claim by its employees, which was possible due to the new costing format set in the Collective Labor Agreement (ACT) 2020-2022, which allows the financial balance of the plan. The reopening of the plan benefits employees hired after August 31, 2018, mostly People with Disabilities (PWD).

## Women's Leadership Events

In 2020, the 4<sup>th</sup> national edition of the Women's Leadership event was held with women's attendance from the bank's senior Management. The event was attended by the CEO, VPs, Board Members, Superintendents, National Managers, Legal Consultants and Senior Management. During the event, the participants discussed the challenges and developed proposals to foster and expand the institution's female leadership, addressing leadership styles, work hours and use of time, and CAIXA's culture. As a result of this initiative, at the end of 2020, CAIXA had 14 female leaders, including Vice-Presidents and Directors.

## CAIXA Mais Brasil Program

With the CEO, CAIXA's Senior Management and institutional guests, CAIXA Mais Brasil Program covered all Brazilian states. The Program included visits covering more than 210,000 km, which allowed the bank to learn more about the municipalities' reality, especially the poorest ones where Caixa's presence is decisive. In 87 editions (from 2019 to December 2020), more than 300 branches, more than 20,000 employees, more than 150 lottery partners and CAIXA Aqui correspondents were visited, in addition to countless customers.

CAIXA promoted the continuity of the actions developed in 2019 and those taking place since January 2020, related to the new phase of the CAIXA Mais Brasil program. Focusing on smaller cities and towns, the new phase continues with the goal of hosting meetings with its employees at all hierarchical levels in order to bring them closer to senior Management; with partners (lotteries and CCAs); with municipal and state authorities, regional leaders, local entities, clients, service providers and companies in the infrastructure, industry, housing, agribusiness, commerce sectors and local associations, among others. The Program seeks to strengthen the institutional relationship and identify how CAIXA can contribute to local development by understanding regional needs, identifying the actions of this public Company during the pandemic, and improving people and companies' actions and strengthening the relationship with these players.

In the 4Q 2020, 14 CAIXA Mais Brasil meetings took place, in which the following cities were visited: Arapiraca, Maceió, São Sebastião and Campo Alegre/AL, Breves and Belém/PA, Itapipoca and Fortaleza/CE, Oeiras and Teresina/PI, Manacapuru and Manaus/AM, Itabuna, Ilhéus and Salvador/BA, Aracaju, Itabaiana and Frei Paulo/SE, Cuiabá, Barão do Melgaço and Poconé/MT, Vacaria/RS, Tabatinga and Careiro da Várzea/AM, Juazeiro do Norte, Missão Velha and Barbalha/CE, Ariquemes, Itapuã do Oeste and Porto Velho/RO, Recife and Jaboatão dos Guararapes/PE, totaling 33 cities visited in the 4Q and 153 cities visited in 2020.

During the meetings, recommended safety protocols and procedures were adopted to stop COVID-19 from infecting teams and customer service, avoiding events and agglomerations, reducing the team that accompanies the Program.

## ECONOMIC SCENARIO

In 2020, the global economy had a significant downturn in activity due to the Covid-19 pandemic and social isolation. The pandemic has shown different dynamics between countries, and in many, the year ended with an expressive growth of new cases. On the other hand, the start of vaccination in an increasing number of countries stands out, contributing to lower market uncertainties.

To avoid a further drop in activity and help the recovery, the main economies implemented expansionary monetary and fiscal policies. In Brazil, the government adopted measures that included increased spending on health, social aid and job maintenance programs and measures towards liquidity, expanding loans, and supporting micro and small companies. The Central Bank of Brazil cut down the basic interest rate to 2% per year, the lowest historical series level. Fiscal stimulus measures, although necessary, resulted in a sharp increase in public debt.

Regarding the economic activity, Brazilian Gross Domestic Product had a considerable downturn in the transition from the first to the second quarter. As of May, it started a recovery process, with an important contribution from stimulus measures, such as emergency aid. Although the economy's recovery was uneven across segments, highlighting the positive dynamics of trade and industry, which contrast with the slower recovery in the service segment, the recovery pace has positively surprised many of the initial assessments.

Domestic inflation reflected the uneven recovery between the economy segments, remaining low for services and higher for goods. In the last months of 2020, inflation accelerated, affected by increases in food prices and items managed by contracts.

## PERFORMANCE ANALYSIS - RESULT

CAIXA's net income totaled R\$5.7 billion in 4Q 2020 and R\$13.2 billion in the year.

In R\$ million	4Q20	3Q20	Δ%	4Q19	Δ%	2020	2019	Δ%
Financial Margin	10,585	9,553	10.8%	11,090	-4.5%	39,735	54,572	-27.2%
Allowance for Loan Losses	(2,635)	(3,671)	-28.2%	(1,608)	63.9%	(11,135)	(10,765)	3.4%
<b>Income from Financial Intermediation</b>	<b>7,950</b>	<b>5,882</b>	<b>35.2%</b>	<b>9,482</b>	<b>-16.2%</b>	<b>28,600</b>	<b>43,806</b>	<b>-34.7%</b>
Income from Services and Banking Fees	6,205	6,113	1.5%	6,847	-9.4%	23,502	27,003	-13.0%
Administrative Expenses	(10,046)	(8,546)	17.6%	(8,797)	14.2%	(34,770)	(33,071)	5.1%
Other Operational Revenues/Expenses	(1,318)	(1,549)	-14.9%	(1,831)	-28.0%	(4,399)	(6,240)	-29.5%
Tax Expenses	(958)	(894)	7.2%	(842)	13.8%	(3,768)	(4,238)	-11.1%
Income from Interests in Subsidiaries and Affiliated Companies	495	533	-7.1%	323	53.4%	1,804	1,486	21.4%
Others	(871)	(1,108)	-21.3%	(2,765)	-68.5%	(2,266)	(6,394)	-64.6%
<b>Operating Result</b>	<b>1,456</b>	<b>431</b>	<b>237.6%</b>	<b>2,417</b>	<b>-39.7%</b>	<b>8,704</b>	<b>22,353</b>	<b>-61.1%</b>
<b>Non-Operating Result</b>	<b>4,434</b>	<b>442</b>	<b>903.1%</b>	<b>(96)</b>	<b>-</b>	<b>4,926</b>	<b>67</b>	<b>-</b>
Income Tax, Social Contribution and Profit Sharing	(219)	1,017	-	2,578	-108.5%	(461)	(1,363)	-66.2%
<b>Consolidated Accounting Net Income</b>	<b>5,671</b>	<b>1,890</b>	<b>200.0%</b>	<b>4,899</b>	<b>15.8%</b>	<b>13,169</b>	<b>21,057</b>	<b>-37.5%</b>

The financial margin reached R\$10.6 billion in 4Q 2020, up by 10.8% QoQ, due to the 8.4% growth in revenues from loan operations; and the 7.6% drop in expenses with customer funds and the 3.2% drop in expenses with funds from official and financial institutions.

In 4Q20, revenues from housing loans totaled R\$8.9 billion, up by 5.6% over 3Q20. These revenues represent 51.8% of total loan revenues. Also noteworthy is the 35.9% growth in revenues from corporate commercial loan operations, 6.0% growth in rural loans and 5.6% in individual commercial loans.

Funding expenses were mainly affected in the quarter by the 6.4% drop in saving accounts operations, 15.1% drop in certificate of bank deposit, 11.8% drop in repurchase agreements and 17.6% in judicial deposits. These expenses' behavior reflects the strong growth in lower-cost lines combined with the current scenario of the economy's basic interest rate.

In the fourth quarter of 2020, income from services and banking fees totaled R\$6.2 billion, up by 1.5% over 3Q 2020. We highlight the 5.4% increase in government services, 3.2% increase in cards, 0.6% increase in loans and 0.3% increase in income from checking accounts.

The strong digital expansion of the customer and account base is already reflected in these incomes' performance. With this, the coverage ratio of administrative expenses was 67.6%, while the coverage ratio of personnel expenses stood at 103.4%.

## PERFORMANCE ANALYSIS – ASSETS AND LIABILITIES

Assets under Management totaled R\$2.5 trillion, up by 8.4% over December 2019 and stable over September 2020, with R\$1.5 trillion in own assets and R\$1.1 trillion in third-party assets.

Regarding third-party assets, the highlights were FGTS, with a balance of R\$550.1 billion, and investment funds, which totaled R\$495.7 billion, up by 9.7% YoY and 3.7% QoQ.

Main lines of CAIXA's balance sheet:

In R\$ million	Dec20	Sep20	Δ%	Dec19	Δ%
Total Assets	1,450,767	1,473,794	-1.6	1,294,246	12.1
Amplified Loan Portfolio	787,422	756,488	4.1	693,724	13.5
Securities and Derivative Financial Instruments	245,927	247,037	-0.4	216,133	13.8
Allowance for Loan Losses	(34,571)	(34,047)	1.5	(35,032)	-1.3
Liabilities <sup>1</sup>	1,357,946	1,386,250	-2.0	1,213,593	11.9
Customer Resources	619,413	621,539	-0.3	534,950	15.8
Bonds	39,354	44,501	-11.6	50,676	-22.3
Net Equity	92,821	87,544	6.0	80,654	15.1

<sup>1</sup> Excludes Net Equity.

CAIXA's assets totaled R\$1.5 trillion, up by 12.1% YoY, affected by the 13.5% increase in the amplified loan portfolio, the 13.8% increase in securities and derivative financial instruments portfolio and the 18.6% increase in the liquid interbank investments.

### Amplified Loan Portfolio

The Amplified Loan Portfolio ended 2020 at R\$787.4 billion, up by 13.5% over 2019 and 4.1% in the quarter.

In 2020, CAIXA granted loans totaling R\$426.5 billion to the Brazilian population, up by 12.4% YoY, showing a strong recovery in the institution's loan portfolio. In 4Q 2020 alone, CAIXA reached R\$ 112.6 billion in new loans, up by 10.0% over 4Q 2019.

Due to the high quality of CAIXA's portfolio, the portfolio's delinquency closed in the fourth

quarter at 1.73%, down by 0.44 p.p. YoY. The provision coverage increased by 20.1 p.p. YoY and reached 252.9%.

During the period, there were no changes in the calculation of the allowance for loan losses or the recording of an additional prudential provision, given the characteristics of CAIXA's operations, which are concentrated in the long term and backed by collateral, with 92.1% of operations with a risk rating between AA and C. CAIXA will continue to monitor credit operations, tracking the impacts of the COVID-19 pandemic on the economy.

## Housing Loans

The housing loan portfolio balance increased by 9.8% YoY, totaling R\$510.6<sup>1</sup> billion in December 2020, with R\$317.7 billion granted with FGTS resources and R\$193.0 billion with CAIXA/SBPE resources. CAIXA is the market leader in this segment, with a 68.8% market share, nearly stable YoY.

In 2020, CAIXA granted R\$116.0 billion in housing loans, up by 28.6% YoY. The highlight was loans with SBPE funds, which totaled R\$53.7 billion, up by 99.5% YoY.

In the fourth quarter of 2020 alone, R\$34.6 billion were made available for housing, up by 17.2% YoY, highlighting the loans granted with SBPE funds, which totaled R\$18.8 billion, up by 94.7% YoY.

For the Minha Casa Minha Vida Program (MCMV) and Casa Verde e Amarela housing programs, R\$59.3 billion were granted by CAIXA in 2020, corresponding to 353.3 thousand new housing units.

This result shows CAIXA's direction for its business focus in the housing segment, reinforcing its performance in the housing loans segment with SBPE and popular housing.

## Infrastructure Loan

Infrastructure operations totaled R\$90.5 billion in December 2020, up by 7.7% YoY. New contracts in this segment totaled R\$9.5 billion in 2020, up by 14.9% YoY. Due to its great relevance and leading role and its deep connection to the national economic development, this segment falls within the scope of CAIXA's strategic operations.

## Rural Loan

CAIXA rural loan reached a balance of R\$7.7 billion in 2020, up by 43.0% YoY, highlighting the individual modality, which totaled R\$4.2 billion, up by 39.0% over 2019. With this balance, CAIXA holds a 2.8% market share.

During 2020, CAIXA granted R\$7.7 billion in loans, up by 70.3% YoY. In 4Q alone, more than R\$2.0 billion in new loans were granted to rural producers.

For the 2020/2021 agricultural year, in 1H 2021, CAIXA plans to invest around R\$6.5 billion (up by 20% over the previous agricultural year). This highlights CAIXA's prominent position in the agribusiness sector. The funds will be used in different lines and for different purposes, especially to fund expenses in the production cycle of the main Brazilian crops, including soybeans, corn, cotton, rice, beans, cassava and coffee, and livestock farming.

<sup>1</sup> Includes Construcard

## Funding

The table below shows the evolution in the Company's main funding lines YoY:

Funding (R\$ million)	Dec20	Sep20	Δ %	Dec19	Δ %
Saving Deposits	389,771	387,614	0.6	321,189	21.4
Time Deposits	160,242	168,841	-5.1	166,765	-3.9
Bonds <sup>1</sup>	39,354	44,501	-11.6	50,676	-22.3
Demand Deposits	57,314	54,080	6.0	35,776	60.2
Other Deposits	12,086	11,004	9.8	11,220	7.7
Issues of Securities Abroad	2,722	2,979	-8.6	2,058	32.3
Borrowings and On-lending	342,073	335,776	1.9	320,717	6.7
<b>Total</b>	<b>1,003,563</b>	<b>1,004,795</b>	<b>-0.1</b>	<b>908,400</b>	<b>10.5</b>

<sup>1</sup> includes housing, mortgage, financial and agricultural bonds.

Total funding's balance reached over R\$1.0 trillion in December 2020, up by 10.5% over December 2019. Saving accounts totaled R\$389.8 billion, up by 21.4% YoY. This savings balance allowed CAIXA to keep its leadership position, with a market share of 37.6%.

In September 2020, the Company registered 196.7 million savings accounts, including accounts opened for the Emergency Aid and emergency FGTS withdrawal.

## Net Equity

The Company ended 4Q 2020 with net equity of R\$92.8 billion, up by 15.1% YoY.

## BACEN's Official Letter 3,068/2001

In compliance with BACEN's Official Letter 3,068/2001, Article 8, CAIXA stated the intention of maintaining the securities classified in Tier III, which totaled R\$17.2 billion in the period, until their respective maturities and attesting the required financial capability.

## BASEL

In December 2020, CAIXA's Basel Ratio reached 17.62%, higher by 7.37 percentage points than the minimum of 10.25% established by National Monetary Council Resolutions 4,192 4,193, which regulates the recommendations of the Basel Committee on Banking Supervision related to the capital structure of financial institutions.

The Basel Ratio reached by generating recurring income and asset monetization reinforces CAIXA's ability to keep moving with its strategic plan sustainably.

The fixed asset ratio was 12.06%, keeping CAIXA under the CMN Resolution 2,669/1999, which sets the limit at 50.0%.

## LOTTERIES

CAIXA Lotteries raised R\$17.1 billion in 2020. From the amounts collected in the period, around R\$8.0 billion were transferred to federal government social programs related to

social security, sports, culture, public security, education and health. The biggest transfer ever made in its entire history, up by 1.6% YoY.

Lotteries Destination (R\$ million)	4Q20	3Q20	Δ %	4Q19	Δ %	2020	2019	Δ %
Social Destination <sup>1</sup>	2,297	2,066	11.2	2,045	12.3	8,047	7,921	1.6
Prizes	1,951	1,542	26.5	1,685	15.8	5,787	5,595	3.4
Costs and Maintenance	1,005	854	17.7	882	13.9	3,272	3,197	2.3
<b>Total Collected</b>	<b>5,253</b>	<b>4,462</b>	<b>17.7</b>	<b>4,612</b>	<b>13.9</b>	<b>17,106</b>	<b>16,713</b>	<b>2.4</b>

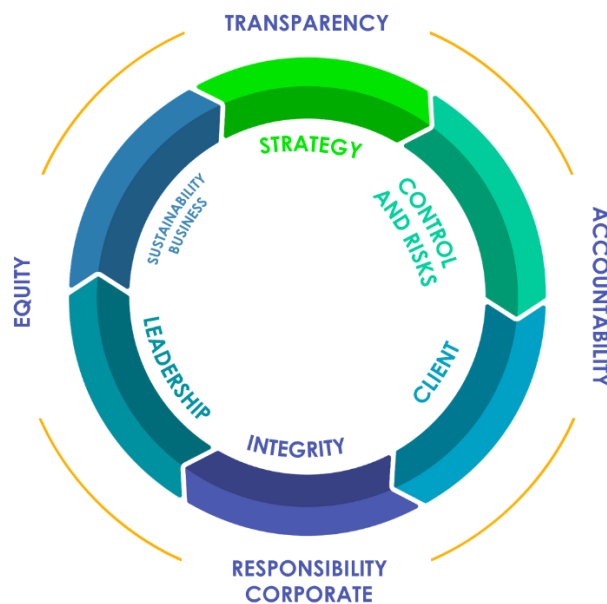
<sup>1</sup>Includes taxes.

## FURTHER USUAL ARRANGEMENTS

### Governance

CAIXA’s governance has the purpose of directing, monitoring, and encouraging performance optimization and protecting all stakeholders’ rights. It is based on transparency, equity, corporate responsibility and accountability and aligned with the Business Goals to maximize the economic and social results.

CAIXA operates with a focus on leadership, strategy, business sustainability, customer, risk management, control and integrity, consolidating the tools in an integrated and interdependent environment to achieve its goals.



The main institutional governance instruments are:

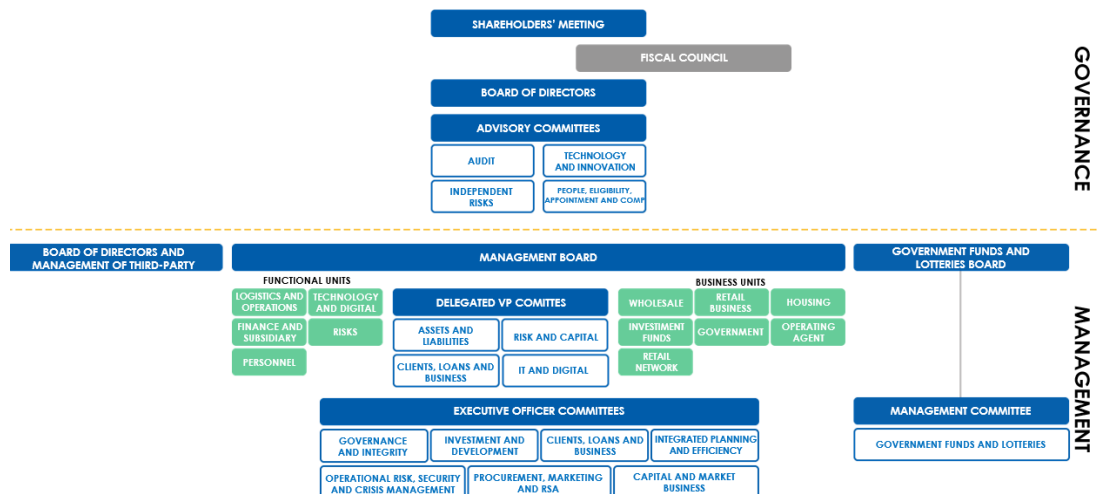
- Bylaws - Governs and establishes the institution’s operating method, defining the guidelines in compliance with the legislation;
- Policies - Set of guidelines that direct the performance and decision-making process of CAIXA’s Senior Management, board members and employees;
- Regulations - Present the powers and duties of the collegiate bodies, in line with the Bylaws and strategic guidelines;
- Standards - Set of rules and procedures related to a product, activity, service or subject to be observed by CAIXA’s employees when carrying out their assignments;

- Hierarchical Levels System - Covers a set of values that define the limits of the competent authority’s decision to approve deals, loan operations, purchases, and hiring, among others.
- Annual Letter of Public Policies - Document that describes the commitments to achieve the goals of public policies and their economic and financial impacts;
- Code of Conduct and Ethics - Establishes values and principles that support organizational culture to comply with rules and regulations and the continuous development of employees and the board of directors.

### Collegiate Structure

Management is structured to favor board resolution by creating internal forums, at a strategic, tactical or operational level, to provide the necessary synergy between areas, avoid conflicts of interest and safeguard the interests of CAIXA and subsidiaries. Thus, there is a balance between board decisions and managers’ individual autonomy through accountability mechanisms for decisions made.

With the operation regulated by Internal Regulations, the image below illustrates the configuration of CAIXA’s Collegiate Bodies:



### Governance Model of the Entity regarding the Conglomerate’s Companies

CAIXA establishes governance practices through corporate and business instruments, establishing the roles and responsibilities of each Company in the Conglomerate, promoting the integration of governance between collegiate bodies for strategic alignment, achieving expected results and business sustainability.

CAIXA follows and monitors companies in the Strategic and Governance, Corporate and Legal, Negotiation, Economic and Financial, Risks and Internal Controls scopes in the parent company’s role.

As a good governance practice, subsidiaries are recommended to adopt systems established for divestment and strategic partnership projects, with due adjustments regarding each Company’s organizational structure and governance to align the Management and business sustainability.

In December 2020, amendments to CAIXA's Bylaws were approved by the Shareholders' Meeting, mainly to align the Bylaws to the new model to be observed by federal state companies disclosed by the State Companies Coordination and Governance Office (SEST), linked to the Special Office for Privatization, Divestment and Markets (SEDDM), of the Ministry of Economy.

Transfer of an interest corresponding to 36.9% of ELO's shares held by CAIXAPAR to CAIXA Cartões, in December 2020, according to the Cards and Means strategy of Payment Ecosystem, approved in 2017, to improve governance, competitiveness and efficiency.

## 2021 – 2025 Strategic Plan for the Conglomerate

The CAIXA Conglomerate's Corporate Strategy for 2021/2025 was reviewed and approved by the Board of Directors in December 2020.

The corporate strategy review was conducted by CAIXA's Management and counted on the help of all Senior Management and the Conglomerate's companies, respecting the governance model and applying agile methodologies recognized by the market.

The Institutional Strategic Plan (PEI), Strategic Information Technology Plan (PETI), Business Plan and Corporate Project Portfolio were reviewed, all considering CAIXA's purpose, market trends, as well as the country's current economic and social security context.

This Corporate Strategy edition was prepared to guide the customer, offer the quality of service, digital experience, strengthen governance and sustainable results.

CAIXA's new strategy has the following elements:

### 1. Purpose

- We are the bank for all Brazilians.

### 2. Future Vision

- To be the greatest partner of Brazilians, recognized for its capacity to transform with efficiency and profitability.

### 3. Corporate Numbers

- Ethics;
- Customer focus;
- Integrity;
- Meritocracy;
- Social and Environmental Responsibility.

## Integrity

CAIXA's Integrity Program focuses on showing the institution's commitment, through its Senior Management and employees, to fight illegal acts, actively or passively systematically, and preventing, detecting and correcting illegal acts practiced by Senior Management (Fiscal Council and Management), officers, employees, collaborators, suppliers and contractors of CAIXA, ensuring the effective implementation of the codes of Ethics, Conduct, Policies and Guidelines, by integrating control instruments and activities focused on managing integrity risks.

The Program's creation meets legal requirements to prevent and fight corruption within Law

12,846/2013 and Law 13,303/2016, in line with CAIXA's Anti-Corruption and Compliance guidelines Policy.

The mission of CAIXA's Integrity Program is to make those responsible for activities, programs and policies of internal controls, compliance, internal audit, correction, ombudsman, transparency and corruption prevention and other related areas work together in a coordinated manner to guarantee the work's integrity, minimizing possible risks of corruption.

The Program is based on five pillars within three axes: Prevention, Detection and Correction, according to the guidelines of the Federal Comptroller General - CGU.

The pillars of integrity work together and systematically, interrelating and enabling the continuous improvement of CAIXA's Integrity Program.

The Integrity Program Management includes identifying, monitoring and evaluating instruments and mechanisms that permeate the institution's units and mitigate the risk of corruption in their operating areas.

In compliance with the guidelines of CAIXA's new Bylaws, the Integrity Program, since March 2020, has been part of the term of office of SN Integridade e Controle - SUINC, of the Control and Integrity Executive Board - DECOI.

As a result, the Integrity Ecosystem joined with the Integrity Management Unit to strengthen this model.

### Main Players of Caixa's Integrity Ecosystem



The Integrity Ecosystem has an integrated set of players interrelating autonomously and organically through processes, activities, and deliveries related to integrity, covering the institution's internal and external agents. The purpose is to coordinate and support the processes, procedures and protocols to encourage ethical behavior, manage integrity risks, correct any damage and ensure the transparency and effectiveness of actions.

The centralized articulation by the UGI with supervisory, control and investigation bodies provides more transparency and speed in CAIXA's work to contribute to the procedures taken by the Ecosystem players, in line with the Integrity Program's guidelines. Thus, these players can work to identify weaknesses and practices dissenting with the implementation of integrity measures. The exchange of information allows the improvement of the internal control mechanisms, focused on generating results in a sustainable manner guided by ethics in business and relationships.

## Integrity Highlights

- a) Approval of the new version of CAIXA's Bylaws with the definition of the management unit for integrity;
- b) Realization of proactive agendas with the main players of the Integrity Ecosystem;
- c) Organization of CAIXA + INTEGRA Workshop, with CGU and Instituto Ethos and the main representatives of the Integrity Ecosystem to foster a culture of integrity at CAIXA;
- d) Implementation of the risk identification process for integrity and presentation of measures and controls, in the Annual Risk Management Cycle;
- e) Holding the Integrity Week with external speakers and the main players of the Integrity Ecosystem. The event held virtually in December 2020 was attended by over 4,500 employees and collaborators from all over Brazil;
- f) Creation of a Communication Plan that includes actions to strengthen the culture of integrity for many hierarchical levels of the Company, with the disclosure of pieces, articles, marketing emails, lives, among others, for all Company employees;
- g) Implementation of the risk identification process for integrity, presentation of measures and controls, in the Annual Risk Management Cycle;
- h) Appraisal of the Complaints Report for the 1<sup>st</sup> half of 2020 by the Management Board, the Integrity and Governance Committee and the Audit Committee;
- i) Improvement of the process "Handling Complaints";
- j) Due Diligence Protocol (Prior Due Diligence) for Suppliers - To prevent negotiations with unreliable counterparts or suspected involvement in Money Laundering and Terrorism Financing (LDFT), fraud and corruption activities, CAIXA ended the 4Q 2020 the review of the due diligence process of suppliers and started the procedures to publish the new version of CAIXA's Due Diligence standard in Contracts with Suppliers.

CAIXA prepares a specific report on the subject in which the results of the Program's effectiveness indicators are presented, a document that also has data related to the activities, conclusions, recommendations and measures adopted by the Senior Management.

## Internal Controls

CAIXA has a compliance policy designed to promote conditions to ensure compliance with external and internal regulations, as well as compliance risk management, strengthening CAIXA's corporate governance and reputation.

This compliance policy was based on "compliance and compliance function in banks - Basel Committee on Banking Supervision" of April 2005 and federal laws and regulations.

These standards (Law 13,303, CGPAR Resolution 18 and CMN Resolutions 2,554, 4,553, 4,557 and 4,595, among others) emphasize the importance of a Compliance Policy.

The CAIXA Conglomerate also has an Internal Controls Policy focused on promoting the effectiveness and strengthening the System of Internal Controls to ensure, with reasonable security, that CAIXA Conglomerate's goals are met.

This policy is based on a document called *Committee of Sponsoring Organizations of the Treadway Commission* - COSO and CMN Resolutions 2,554/1998 and 3,056/2002.

## Risk and Capital Management

At CAIXA, risk and capital management are perceived as a competitive advantage in the financial market and the main means of preserving the institution's solvency, liquidity, and profitability.

The risk and capital management structures are under the prevailing legislation, appropriate to the nature and complexity of CAIXA's financial instruments, products, services, and operations and 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 and the exposure and capital limits are reviewed at least annually to align such policies and limits with the strategy, macroeconomic factors, business environment, and the institution's capacity to take the risk.

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

The loan portfolio risk is controlled by monitoring indicators of delay, delinquency, performed losses, expected and unexpected losses, provision, and demands for regulatory and economic capital, in several granularities and segmentations, making possible, from the information of each contract, a broad vision of the profile of the expositions, by the borrower, operation, portfolio segments, geographic region, and activity sector, among others.

Additionally, in 2017, CAIXA created the Independent Risk Committee, which reports to the Board of Directors and advises it on risk and capital management matters.

A detailed description of the risk and capital management structures, including responsibilities, practices, processes, procedures and models, is available at <http://www.caixa.gov.br>, in the Investor Relations, Reports and Documents, Financial Information, Risk Management, Reports and CAIXA Risk and Capital Management sections.

## Sustainability and Social & Environmental Responsibility

CAIXA's Social and Environmental Responsibility Policy (PRSA) was revised and updated in 2020, seeking greater compliance with the terms of CMN Resolutions 4,327/2014 and 4,557/2017 and SARB Regulation 14 of 2014. CAIXA's PRSA integrates the economic, social and environmental dimensions in its business and relationships, incorporating socio-environmental responsibility in decision-making, strategy, Management, business, products, services, processes, operations, activities and in the relationship with stakeholders.

CAIXA allocates up to 2.0% of its adjusted net income to CAIXA's Social and Environmental Fund (FSA CAIXA), created in 2010 to support projects related to the most pressing social and environmental issues for Brazil and strategic issues for the Company, such as the promotion of socio-economic development, sustainable cities, clean energy, protection of water sources and conservation of biodiversity. FSA CAIXA currently has an active portfolio of 46 projects. In 2020, R\$2.52 million were invested in 11 projects, with R\$336,0 thousand in two projects in the last quarter of 2020.

Among the supported projects, FSA CAIXA finances projects for organic waste composting, recovery of water sources in metropolitan regions in water crisis (in partnership with the Ministry of the Environment), sustainable development of housing land of social interest

(applying the Integrated and Sustainable Development Land methodology), in addition to social development and citizenship (within the scope of Request for Development and Citizenship Proposals) and innovative practices to promote sustainable development and adaptation to climate change (within the scope of Request for Renewable Energy and Water Resources Proposals).

Launched in October 2020, CAIXA Refloresta Program has the purpose of funding projects promoting tree planting across the country. To this end, funds from CAIXA Socio-Environmental Fund (FSA CAIXA) will be invested by signing Financial Cooperation Agreements with selected executing agents and Technical Cooperation Agreements with specialized partners.

The Program will reach all regions of the country and, in addition to planting trees, it also includes training communities in social vulnerability situations to collect seeds, produce seedlings and plants, and focus on generating income through sustainable agroforestry activity.

### **Policy for Sponsorship and Investments in Culture and Sports**

As one of the most traditional sponsors of sport, artistic and cultural events in Brazil, CAIXA believes and invests in promoting sport and disseminating culture to encourage citizenship promotion. The amount of R\$14.1 million was invested in the quarter and R\$51.8 million during 2020.

Investment in sports aims to provide Brazilian athletes with adequate training conditions and promote the education and social inclusion of children and adolescents, opening opportunities to new talents.

With its sponsorship strategy, CAIXA prioritizes social sports projects, supports the development of athletes and prospects educational projects focused on the low-income segment. In the same vein, in the cultural field, CAIXA encourages social projects that use music as an inclusion tool and popular culture events and cultural projects that are expected to reach different regions. R\$565,0 thousand were invested in the quarter and R\$4.3 million during 2020.

## **ACKNOWLEDGEMENTS**

The results achieved in the period reflect all employees and contractors' commitment and tireless work, to whom CAIXA thanks for their efforts and commitments. CAIXA also thanks to all clients and partners for their trust and loyalty, which motivates the Company in its constant search for improvement, essential for CAIXA and Brazil's development.

The Management.