

(A free translation of the original in Portuguese)

CAIXA

Financial Statements BrGaap

December 31, 2018

CONTENTS

	Page
Independent Auditor's Report	02
Financial Statements	12
Notes to the Financial Statements	24

(A free translation of the original in Portuguese)

Caixa Econômica Federal - CAIXA

***Parent company and consolidated
financial statements at
December 31, 2018
and independent auditor's report***



Caixa Econômica Federal - CAIXA

Independent auditor's report

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

Qualified opinion

We have audited the accompanying parent company financial statements of Caixa Econômica Federal - CAIXA ("Institution"), which comprise the balance sheet as at December 31, 2018 and the statements of income, changes in equity and cash flows for the year and six-month period and year then ended, as well as the accompanying consolidated financial statements of Caixa Econômica Federal - CAIXA and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2018 and the consolidated statements of income, changes in equity and cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the section "Basis for qualified opinion" below, the financial statements referred to above present fairly, in all material respects, the financial position of Caixa Econômica Federal - CAIXA and of Caixa Econômica Federal - CAIXA and its subsidiaries as at December 31, 2018, and the parent company financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

Basis for qualified opinion

Note 2(d) to the parent company and consolidated financial statements discloses that, in connection with the investigation of the public federal authorities on the operations mentioned in that Note, the Institution'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 specialists were hired to conduct investigation related to those allegations and to identify any breaches of law and regulations as well as any consequent impacts on the Institution's internal controls and the parent company and consolidated 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 parent company and consolidated financial statements at December 31, 2018 are necessary regarding these matters.

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Institution and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Caixa Econômica Federal - CAIXA

Emphasis of matter

Credits with the FCVS

We draw attention to Note 7(b) to the parent company and consolidated financial statements, which describes that, at December 31, 2018, the Institution had credits with the "Fundo de Compensação de Variações Salariais" (FCVS) fund amounting to R\$ 28,272 million, net. Housing financing settled with coverage from the FCVS, still pending approval, amounts to R\$ 13,368 million, and the effective realization depends on the compliance with a set of standards and procedures defined in regulations issued by the FCVS. The Institution 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\$ 4,540 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\$ 19,443 million, at December 31, 2018. Our opinion is not qualified in respect of this matter.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

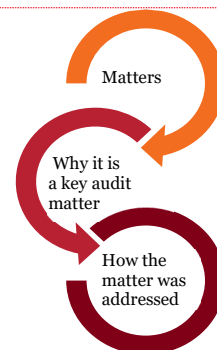
Management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the parent company and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. As described in the "Basis for qualified opinion" section above, considering that the activities related to the aforementioned investigation are still in progress, we were unable to determine whether any adjustments or additional disclosures are necessary, as related to this matter, on the parent company and consolidated financial statements at December 31, 2018. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We planned and performed our audit for the year ended December 31, 2018 taking into consideration that the parent company and consolidated operations have not changed significantly in relation to the prior year. In this context, except for the inclusion of the key audit matter regarding the provision for assets not for own use, the key audit matters and our audit approach continued substantially consistent with those of the prior year.

In addition to the matter described in the "Basis for qualified opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>Provision for impairment of receivables (Notes 3(h) and 8)</p>	<p>We obtained an understanding and tested the relevant internal controls over the measurement and recognition of the provision for impairment of receivables, mainly comprising the following key processes: (i) credit policy approval; (ii) credit analysis; (iii) concession of credit and renegotiated transactions; (iv) attribution of rating considering the risk of recoverable value of operations; (v) processing and recording of provisions; (vi) reconciliation of accounting balances with the analytical position; and (vii) preparation of notes to the financial statements.</p> <p>We also tested (i) the integrity and totality of the database used in the calculation of the provision for impairment of receivables, and (ii) the application of the calculation methodology of this provision in relation to the assigned ratings. Finally, we compared the book balances and the information disclosed in the notes with the analytical reports.</p> <p>We consider that the criteria and assumptions that management applied are reasonable in relation to the applicable regulations and internal policies regarding the determination of the provision for impairment of receivables.</p>

Tax credit (Notes 3(i) and 20)

The tax credit arising from temporary differences in We obtained an understanding of the calculation of



Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>the calculation basis of taxes, as well as from tax losses, is accounted for to the extent there is expectation of future taxable profits for their realization.</p> <p>The expected tax credit realization is based on the projected short-term and long-term taxable profits that require the application of judgment by the management of the Institution and its investees. It also includes using assumptions whose accomplishment depends on the considered scenarios being confirmed.</p> <p>Considering the subjectivity inherent to this process, that is, using different assumptions in the taxable profit projection could significantly modify the terms and amounts expected for the realization of the tax credits, we decided to focus on this area in our audit.</p>	<p>tax credits arising from temporary differences and tax losses and of the study on the tax credit realization based on taxable profit projections prepared by Management.</p> <p>We analyzed certain critical assumptions included in the taxable profit projections and compared them with available macroeconomic data as well as historical and prospective information related to the Institution and its subsidiaries regarding their most relevant aspects.</p> <p>With the support of our tax specialists, we tested the nature as well as the amounts of temporary differences and tax losses which could be deductible from future tax bases.</p> <p>We discussed with management and inspected the approval of the technical study that supports the realization of the tax credit by the Executive Board and its consideration by the Board of Directors.</p> <p>We consider that the criteria and assumptions that management adopted regarding the determination and maintenance of tax credits are reasonable in the context of the parent company and consolidated financial statements.</p>

**Provision for contingent liabilities
(Notes 3(k) and 28)**

The Institution is party to tax, labor, and civil legal and administrative proceedings that arise in the normal course of its activities.

These proceedings, which are usually concluded after a long period, involve not only discussions on the merits of the matters, but also complex processual aspects, according to the jurisprudence and legislation in effect.

The decision to recognize a contingent liability as well as the measurement bases consider the opinions of legal advisors and the judgment applied by management. Accordingly, we decided to focus on this area in our audit.

Our audit procedures included, among others:

Obtaining an understanding of the controls over the identification and constitution of liabilities and the related disclosures in the notes to the financial statements, as well as of the calculation models adopted to record tax, civil, and labor provisions, which consider the individual analysis for relevant proceedings and the average historical amount paid on unfavorable outcomes for other proceedings.

We tested the provisions recorded for relevant proceedings. With the support of our experts, we discussed the reasonableness of the likelihood of loss for the most significant tax, labor, and civil proceedings.

We tested the application of the mathematical calculation models for historical average losses related to the other proceedings as well as the



Why it is a Key Audit Matter	How the matter was addressed in the audit
-------------------------------------	--------------------------------------------------

	<p>number of outstanding proceedings on the base date of the parent company and consolidated financial statements.</p> <p>We performed confirmation procedures with the lawyers responsible for the analysis of the relevant administrative and legal proceedings in order to confirm the assessment of the likely outcomes, the totality of the information, and the correct amount of the provisions.</p> <p>We consider that the criteria and assumptions that management adopted provided a reasonable basis for determining the provision for contingent liabilities in the context of the parent company and consolidated financial statements.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Post-employment benefit plans (Notes 3(m) and 29)

The Institution has post-employment defined benefit plans whose amounts are significant in the context of the parent company and consolidated financial statements and which require (i) the using of a proper database, (ii) the application of the characteristics of each plan in relation to the Institution's responsibility as sponsor, including the contributive parity, and (iii) the determination of highly subjective assumptions by management, such as: discount rate, inflation rate, medical cost evolution rate, and mortality rate.

Furthermore, the Institution approved its new bylaws on December 14, 2017, which amended the assumptions of the Saúde CAIXA economic plan, with the implementation of a payroll-linked contribution ceiling as a limit for the Institution's expenditures.

We focused on this area in our audit because changes in the assumptions may significantly affect the obligations related to the defined benefit plans.

We obtained an understanding of the processes involving the constitution and measurement of the liabilities arising from the post-employment benefit plans.

Among other factors, our tests considered the controls related to the completeness of the database used in the actuarial calculations, in addition to the deficit contributive parity.

With the support of our actuarial specialists, we made recalculations on a sample basis and discussed the methodologies and the significant judgment that management used to determine the assumptions applied in the calculation of the obligations in comparison with market parameters. We compared the accounting balances with the balances disclosed in the actuarial reports.

We assessed the studies and analyses made by management regarding the accounting recognition of the changes in the plans' assumptions.

We consider that the criteria and assumptions that management adopted to determine the provision for post-employment benefit plans are reasonable, in all material respects, in the context of the parent company and consolidated financial statements.

Provision for impairment of assets not for own use (real estate) (Note 10)



Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>Management has to apply judgment and use estimates when establishing the estimated provision for impairment of assets not for own use. This provision was established based on the appraisal amount, negative goodwill percentage in relation to both occupied and vacant real estate units, type of financing, and obtaining the amount of all costs incurred during the repossession ("recoverable costs") and the costs incurred with the maintenance of real estate inventories until the units are sold. Accordingly, we decided to focus on this matter in our audit.</p>	<p>We obtained an understanding of the provision measurement and recognition, mainly comprising the registration of the real estate units in the database, as well as of the determination of negative goodwill in relation to the carrying amount.</p> <p>We also tested the integrity and totality of the database used to calculate the provision and the application of the calculation methodology for this provision regarding the assigned negative goodwill, based on the appraisal amounts. Additionally, we compared the book balances and the information disclosed in the explanatory notes with the analytical reports.</p> <p>We consider that the criteria and assumptions that management applied are reasonable in relation to the internal policies regarding the determination of the provision.</p>

Information technology environment

The Institution's business is highly dependent on the information technology environment, which requires a complex infrastructure for supporting the high daily number of processed transactions throughout its many systems.

The risks that are inherent to the information technology, associated with processes and controls that support the technology system processing, considering the existing legacy systems and the technology environments, could occasionally result in incorrect processing of critical information, including of that information used in the preparation of the parent company and consolidated financial statements. Accordingly, we decided to focus on this area in our audit.

With the support of our system experts, we assessed the design and tested the operating effectiveness of the main controls related to the information technology environment management, including the compensation controls established.

The procedures performed included the combination of control tests and, when applicable, compensating control tests, as related to information security, system development and maintenance, and computer infrastructure operation that support the relevant information in the preparation of the parent company and consolidated financial statements, including access management, treatment of incidents, and segregation of duties.

Based on the results of the aforementioned work, we determined the nature and extension of our audit procedures and, as a result, we consider that the technology environment processes and controls, in conjunction with the compensating controls and tests carried out, provided a reasonable basis for the audit of the parent company and consolidated financial statements.



Caixa Econômica Federal - CAIXA

Why it is a Key Audit Matter

How the matter was addressed in the audit

Other matters

Statement of value added

The statement of value added for the six-month period and year ended December 31, 2018, prepared under the responsibility of the Institution's management and presented as supplementary information for BACEN purposes, was submitted to audit procedures performed in conjunction with the audit of the Institution's parent company and consolidated financial statements. For the purposes of forming our opinion, we evaluated whether this statement is reconciled with the parent company and consolidated financial statements and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Added Value". In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" paragraph, this statement of value added has been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and is consistent with the parent company and consolidated financial statements taken as a whole.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of these parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the BACEN, and for such internal control as management determines is necessary to enable the preparation of parent company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Institute and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company and consolidated financial statements.



Caixa Econômica Federal - CAIXA

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institute and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report



Caixa Econômica Federal - CAIXA

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Brasília, March 28, 2019

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Guilherme Naves Valle
Contador CRC 1MG070614/O-5

Balance Sheet

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

ASSETS	Individual		Consolidated	
	12/31/2018	12/31/2017 (Note 3 (n))	12/31/2018	12/31/2017 (Note 3 (n))
CURRENT	551,386,205	577,523,068	552,419,598	578,542,521
CASH AND BANKS (Note 4)	9,272,424	11,451,832	9,272,455	11,451,854
INTERBANK INVESTMENTS (Note 5)	174,659,802	144,232,795	174,659,802	144,232,795
Money market investments	164,876,464	130,911,089	164,876,464	130,911,089
Invstments in interbank deposits	9,783,495	13,322,183	9,783,495	13,322,183
Provisions for losses	(157)	(477)	(157)	(477)
MARKEATABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	111,082,578	122,016,771	111,814,359	123,013,495
Own portfolio - unrestricted	27,070,063	33,815,580	27,801,844	34,812,304
Subject to repurchase agreements	77,277,422	83,718,783	77,277,422	83,718,783
Derivative financial instruments	609,587	35,581	609,587	35,581
Linked to the Brazilian Central Bank	1,254,771	1,178,579	1,254,771	1,178,579
Linked to guarantees given	4,870,735	3,268,248	4,870,735	3,268,248
INTERBANK ACCOUNTS	101,729,372	127,568,940	101,729,372	127,568,940
Payments and receipts pending settlement	26,568	25,515	26,568	25,515
Restricted deposits with the Brazilian Central Bank (Note 7 (a))	100,173,965	126,690,810	100,173,965	126,690,810
Correspondent banks	1,528,839	852,615	1,528,839	852,615
INTERDEPARTMENTAL ACCOUNTS	62,961	28,068	62,961	28,068
Third-party funds in transit	642	326	642	326
Internal transfers of funds	62,319	27,742	62,319	27,742
LOAN OPERATIONS (Nota 8)	118,803,716	129,931,721	118,803,716	129,931,721
Public sector	8,374,876	8,044,383	8,374,876	8,044,383
Private sector	123,649,345	136,716,197	123,649,345	136,716,197
Loan operations linked to assignments	1,543,036	1,752,600	1,543,036	1,752,600
Provision for loan losses	(14,763,541)	(16,581,459)	(14,763,541)	(16,581,459)
OTHER RECEIVABLES (Note 9)	26,614,706	34,005,778	26,916,247	34,028,485
Receivables from guarantees honored	27,329	31,336	27,329	31,336
Foreign exchange portfolio	2,381,808	3,549,748	2,381,808	3,549,748
Income receivable	2,242,495	2,275,189	2,488,743	2,294,687
Negotiation and intermediation of securities	2,234	813	2,234	813
Specific receivables	1,061,581	1,001,150	1,061,581	1,001,150
Sundry	21,432,773	27,724,085	21,488,066	27,727,294
Provision for losses	(533,514)	(576,543)	(533,514)	(576,543)
OTHER ASSETS (Note 10)	9,160,646	8,287,163	9,160,686	8,287,163
Other assets	11,533,510	7,948,678	11,533,510	7,948,678
Provisions for losses	(3,113,143)	(272,551)	(3,113,143)	(272,551)
Prepaid expenses	740,279	611,036	740,319	611,036

Balance Sheet

All amounts in thousands of reais unless otherwise stated

(continued)

ASSETS	Individual		Consolidated	
	12/31/2018	12/31/2017 (Note 3 (n))	12/31/2018	12/31/2017 (Note 3 (n))
NON-CURRENT ASSETS	713,263,370	683,886,939	711,635,530	682,156,264
LONG-TERM RECEIVABLES	700,198,945	670,455,883	700,198,945	670,455,883
MARKEATABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	87,984,906	65,121,666	87,984,906	65,121,666
Own portfolio - unrestricted	47,682,792	35,972,597	47,682,792	35,972,597
Subject to repurchase agreements	34,114,752	27,006,500	34,114,752	27,006,500
Derivative financial instruments	621,871	961,631	621,871	961,631
Linked to guarantees given	5,565,491	1,180,938	5,565,491	1,180,938
INTERBANKS ACCOUNTS	28,394,694	27,919,116	28,394,694	27,919,116
Linked credits - National Housing System (SFH) (Note 7 (b))	28,394,694	27,919,116	28,394,694	27,919,116
LOAN OPERATIONS (Nota 8)	528,757,168	528,303,295	528,757,168	528,303,295
Public sector	50,727,751	49,600,219	50,727,751	49,600,219
Private sector	490,931,956	488,681,532	490,931,956	488,681,532
Loan operations linked to assignments	8,778,625	10,355,526	8,778,625	10,355,526
Provision for loan losses	(21,681,164)	(20,333,982)	(21,681,164)	(20,333,982)
OTHER RECEIVABLES (Note 9)	55,062,177	49,111,806	55,062,177	49,111,806
Sundry	55,074,115	49,122,461	55,074,115	49,122,461
Provision for losses	(11,938)	(10,655)	(11,938)	(10,655)
PERMANENT ASSETS	13,064,425	13,431,056	11,436,585	11,700,381
INVESTMENTS (Note 11)	7,707,679	7,271,226	6,079,792	5,540,551
Investments in associates and subsidiaries:	6,936,086	6,528,097	5,399,492	4,869,969
In Brazil	6,936,086	6,528,097	5,399,492	4,869,969
Other investments	782,681	782,680	782,681	782,680
Provision for losses	(11,088)	(39,551)	(102,381)	(112,098)
PROPERTY AND EQUIPMENT (Note 12)	2,912,530	3,065,388	2,912,577	3,065,388
Properties in use	2,667,293	2,292,598	2,667,293	2,292,598
Revaluations of properties in use	689,161	693,987	689,161	693,987
Other property and equipment in use	8,159,551	7,776,973	8,159,602	7,776,974
Accumulated depreciation	(8,603,475)	(7,698,170)	(8,603,479)	(7,698,171)
INTANGIBLE ASSETS (Note 13)	2,444,216	3,094,442	2,444,216	3,094,442
Intangible assets	4,548,250	5,115,260	4,548,250	5,115,260
Accumulated amortization	(2,104,034)	(2,020,818)	(2,104,034)	(2,020,818)
TOTAL	1,264,649,575	1,261,410,007	1,264,055,128	1,260,698,785

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

Balance Sheet

All amounts in thousands of reais unless otherwise stated

(continued)

LIABILITIES AND EQUITY	Individual		Consolidated	
	12/31/2018	12/31/2017 (Note 3 (n))	12/31/2018	12/31/2017 (Note 3 (n))
CURRENT	680,466,507	679,790,867	680,556,584	679,973,805
DEPOSITS (Note 14)	449,089,982	412,992,412	448,984,816	412,992,266
Demand deposits	30,445,640	32,398,853	30,445,598	32,398,707
Savings deposits	298,352,534	276,693,320	298,352,534	276,693,320
Interbank deposits	361,264	425,953	361,264	425,953
Time deposits	106,616,942	92,561,172	106,511,818	92,561,172
Special deposits and deposits of funds and programs	13,313,602	10,913,088	13,313,602	10,913,088
Other deposits		26		26
FUNDS OBTAINED IN THE OPEN MARKET (Note 15)	145,253,664	140,622,710	145,253,664	140,486,574
Own portfolio	99,051,372	102,057,420	99,051,372	101,921,284
Third-party portfolio	46,202,292	38,565,290	46,202,292	38,565,290
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16)	24,816,140	62,515,796	24,816,140	62,515,796
Funds from housing bonds, mortgage notes, credit bills and similar	19,646,327	62,361,482	19,646,327	62,361,482
Marketable securities issued abroad	5,169,813	154,314	5,169,813	154,314
INTERBANK ACCOUNTS	8,412,997	80,162	8,412,997	80,162
Receipts and payments pending settlement	8,385,786	58,113	8,385,786	58,113
Correspondent banks	27,211	22,049	27,211	22,049
INTERDEPARTMENTAL ACCOUNTS	1,394,379	1,366,748	1,394,379	1,366,748
Third-party funds in transit	953,763	1,260,046	953,763	1,260,046
Internal transfers of funds	440,616	106,702	440,616	106,702
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	1,245,461	1,507,793	1,245,461	1,507,793
Federal Treasury - Social Integration Program - PIS	157,628	399,970	157,628	399,970
National Bank for Economic and Social Development (BNDES)	731,015	1,024,075	731,015	1,024,075
Government Severance Indemnity Fund for Employees (FGTS)	355,200	81,972	355,200	81,972
Other	1,618	1,776	1,618	1,776
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (h))	381,282	230,448	381,282	230,448
Derivative financial instruments	381,282	230,448	381,282	230,448
OTHER LIABILITIES (Note 18)	49,872,602	60,474,798	50,067,845	60,794,018
Collection and payment of taxes and social contributions	367,371	416,763	367,371	416,763
Foreign exchange portfolio	62,909	149,371	62,909	149,371
Social and statutory obligations	2,550,058	3,685,388	2,551,813	3,686,370
Tax and social security obligations	1,959,789	1,997,470	2,101,419	2,285,716
Negotiation and intermediation of securities	9,396	45,770	9,396	45,770
Funds for specific obligations:	9,141,185	13,766,453	9,141,185	13,766,453
Lottery operations	1,615,888	944,164	1,615,888	944,164
Social funds and programs	6,689,352	6,076,527	6,689,352	6,076,527
Financial and development funds	835,945	6,745,762	835,945	6,745,762
Hybrid capital and debt instruments	1,594,388	54,115	1,594,388	54,115
Subordinated debts	1,037,859	1,047,814	1,037,859	1,047,814
Sundry	33,149,647	39,311,654	33,201,505	39,341,646

Balance Sheet

All amounts in thousands of reais unless otherwise stated

(continued)

LIABILITIES AND EQUITY	Individual		Consolidated	
	12/31/2018	12/31/2017 (Note 3 (n))	12/31/2018	12/31/2017 (Note 3 (n))
NON-CURRENT LIABILITIES	543,183,991	548,010,043	502,256,849	510,140,181
LONG-TERM PAYABLES	543,183,991	548,010,043	502,256,849	510,140,181
DEPOSITS (Note 14)	72,437,889	94,127,457	71,753,365	93,233,297
Interbank deposits	10,686	151,448	10,686	151,448
Time deposits	72,427,203	93,976,009	71,742,679	93,081,849
FUNDS OBTAINED IN THE OPEN MARKET (Note 15)	12,959,269	8,040,692	12,959,269	8,040,692
Own portfolio	12,959,269	8,040,692	12,959,269	8,040,692
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16)	45,700,201	65,694,389	45,700,201	65,694,389
Funds from housing bonds, mortgage notes, credit bills and similar	43,903,878	55,166,852	43,903,878	55,166,852
Marketable securities issued abroad	1,796,323	10,527,537	1,796,323	10,527,537
BORROWINGS (Note 17)	2,011,774	2,147,951	2,011,774	2,147,951
Foreign borrowings	2,011,774	2,147,951	2,011,774	2,147,951
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	296,982,722	268,046,149	296,982,722	268,046,149
Federal Treasury - Social Integration Program - PIS	211,735		211,735	
National Bank for Economic and Social Development (BNDES)	27,932,554	29,790,078	27,932,554	29,790,078
Government Severance Indemnity Fund for Employees (FGTS)	265,838,912	235,538,406	265,838,912	235,538,406
Other	2,999,521	2,717,665	2,999,521	2,717,665
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (h))	729,964	1,130,727	729,964	1,130,727
Derivative financial instruments	729,964	1,130,727	729,964	1,130,727
LIABILITIES FOR FOREIGN ONLENDINGS (Note 17)	343,558	55,530	343,558	55,530
Foreign onlendings	343,558	55,530	343,558	55,530
OTHER LIABILITIES (Note 18)	112,018,614	108,767,148	71,775,996	71,791,446
Tax and social security obligations	117,876	127,958	117,876	127,958
Funds for specific obligations:	6,205,414	4,083,821	6,205,414	4,083,821
Social funds and programs	6,205,414	4,083,821	6,205,414	4,083,821
Hybrid capital and debt instruments	1,367,351	3,266,583	1,367,351	3,266,583
Subordinated debts	9,310,984	9,695,095	9,310,984	9,695,095
Debt instruments eligible to capital	66,238,006	61,931,912	25,995,388	24,956,210
Sundry	28,778,983	29,661,779	28,778,983	29,661,779
EQUITY (Note 19)	40,999,077	33,609,097	81,241,695	70,584,799
Share capital:	30,193,024	29,630,119	30,193,024	29,630,119
Capital - local residentes	45,000,000	45,000,000	45,000,000	45,000,000
Capital increase		4,792,948		4,792,948
Unpaid capital	(14,806,976)	(20,162,829)	(14,806,976)	(20,162,829)
Instrument eligible to capital			40,242,618	36,975,702
Revaluation reserve	336,365	352,348	336,365	352,348
Revenue reserves	19,633,902	13,923,642	19,633,902	13,923,642
Carrying value adjustments	(9,164,214)	(9,498,258)	(9,164,214)	(9,498,258)
Retained earnings/accumulated deficit		(798,754)		(798,754)
TOTAL	1,264,649,575	1,261,410,007	1,264,055,128	1,260,698,785

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

Statement of Income

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

Description	Individual				Consolidated			
	2018		2017 (Note 3 (n))		2018		2017 (Note 3 (n))	
	2nd half	Year	2nd half	Year	2nd half	Year	2nd half	Year
INCOME FROM FINANCIAL INTERMEDIATION	55,502,630	111,363,781	62,409,214	133,362,447	55,835,651	111,717,435	62,434,470	133,400,619
Loan operations (Note 8(e))	39,509,558	78,950,486	42,824,834	88,516,444	39,509,558	78,950,486	42,824,834	88,516,444
Marketable securities (Notes 5 (b) and 6 (d))	13,786,948	25,671,161	16,235,634	36,604,108	14,119,969	26,024,815	16,260,890	36,642,280
Derivative financial instruments (Note 6 (j))	(1,453,505)	(1,280,828)	(1,082,928)	(2,757,954)	(1,453,505)	(1,280,828)	(1,082,928)	(2,757,954)
Foreign exchange (Note 9 (d.1))	208,551	1,056,492	90,200	322,406	208,551	1,056,492	90,200	322,406
Compulsory deposits (Note 7 (c))	3,430,257	6,922,027	4,311,489	10,605,077	3,430,257	6,922,027	4,311,489	10,605,077
Sales or transfers of financial assets (Note 8 (f.1))	20,821	44,443	29,985	72,366	20,821	44,443	29,985	72,366
EXPENSES ON FINANCIAL INTERMEDIATION	(37,686,357)	(75,749,778)	(46,051,337)	(102,384,590)	(37,653,614)	(75,680,983)	(45,920,559)	(102,191,304)
Money market funds (Notes 14 (b); 15 (b); 16 (b) e 16 (d))	(20,288,620)	(41,989,041)	(28,071,124)	(64,818,861)	(20,255,986)	(41,920,355)	(27,940,821)	(64,626,050)
Loans, assignments and onlendings (Note 17 (d))	(9,112,373)	(17,925,771)	(8,439,658)	(17,130,279)	(9,112,264)	(17,925,662)	(8,439,183)	(17,129,804)
Sales or transfers of financial assets (Note 8 (f.2))	(436,685)	(908,856)	(530,952)	(1,178,874)	(436,685)	(908,856)	(530,952)	(1,178,874)
Provision for loan losses (Note 8 (i))	(7,848,679)	(14,926,110)	(9,009,603)	(19,256,576)	(7,848,679)	(14,926,110)	(9,009,603)	(19,256,576)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	17,816,273	35,614,003	16,357,877	30,977,857	18,182,037	36,036,452	16,513,911	31,209,315
OTHER OPERATING INCOME (EXPENSES)	(11,034,066)	(20,643,272)	(5,990,009)	(16,692,257)	(10,387,168)	(19,110,712)	(5,993,720)	(16,666,165)
Service revenues (Note 21 (a))	10,417,674	20,069,978	9,634,827	19,111,423	10,447,698	20,100,002	9,634,827	19,111,423
Income from banking fees (Note 21 (b))	3,377,719	6,749,350	3,176,726	5,929,661	3,377,718	6,749,348	3,176,725	5,929,659
Personal expenses (Note 22)	(11,195,878)	(21,591,563)	(11,158,609)	(22,419,151)	(11,218,435)	(21,635,133)	(11,178,955)	(22,443,498)
Other administrative expenses (Note 23)	(6,309,082)	(11,948,809)	(6,181,359)	(11,957,177)	(6,325,412)	(11,970,720)	(6,191,197)	(11,969,452)
Taxes (Note 27)	(1,991,418)	(3,987,681)	(1,863,885)	(3,815,368)	(2,046,627)	(4,079,727)	(1,893,937)	(3,875,552)
Equity in the results of investees (Note 11)	1,079,056	2,012,922	629,390	1,140,503	685,859	1,382,643	468,668	780,255
Other operating income (Note 23)	4,205,306	7,782,875	11,147,107	14,817,559	4,557,942	8,505,144	11,348,285	15,291,908
Other operating expenses (Note 25)	(10,617,443)	(19,730,344)	(11,374,206)	(19,499,707)	(9,865,911)	(18,162,269)	(11,358,136)	(19,490,908)
OPERATING PROFIT	6,782,207	14,970,731	10,367,868	14,285,600	7,794,869	16,925,740	10,520,191	14,543,150
NON-OPERATING EXPENSES (Note 26)	(2,614,553)	(3,361,586)	(389,513)	(596,668)	(2,614,553)	(3,361,586)	(389,513)	(596,668)
PROFIT BEFORE TAXATION	4,167,654	11,609,145	9,978,355	13,688,932	5,180,316	13,564,154	10,130,678	13,946,482
INCOME TAX AND SOCIAL CONTRIBUTION (Note 20 (a))	(756,742)	(1,361,928)	(608,139)	170,778	(996,185)	(1,720,799)	(705,490)	(31,254)
Current taxes	(332,943)	(2,461,371)	738,069	(398,085)	(550,705)	(2,798,498)	640,683	(600,151)
Deferred tax assets	(124,068)	603,021	(1,307,040)	877,485	(119,995)	607,031	(1,307,005)	877,519
Deferred tax liabilities	(299,731)	496,422	(39,168)	(308,622)	(325,485)	470,668	(39,168)	(308,622)
EMPLOYEE PROFIT SHARING	(482,613)	(1,486,261)	(1,010,613)	(1,426,309)	(483,824)	(1,488,024)	(1,011,471)	(1,427,167)
PROFIT FOR THE PERIOD	2,928,299	8,760,956	8,359,603	12,433,401	3,700,307	10,355,331	8,413,717	12,488,061

Statement of Changes in Equity

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

EVENT	CAPITAL	REVALUATION RESERVE	INDIVIDUAL		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
			REVENUE RESERVE				
			LEGAL	STATUTORY			
ADJUSTED BALANCES AT DECEMBER 31, 2016 (Note 3(n))	24,837,171	379,098	2,802,528	6,272,182	(7,111,035)	(770,696)	26,409,248
CARRYING VALUE ADJUSTMENTS					(2,387,223)		(2,387,223)
CAPITAL INCREASE	4,792,948		(1,401,264)	(3,391,684)			-
TAX CHARGES ON REVALUATION		(6,143)					(6,143)
PAYMENT OF TAXES ON REVALUATION RESERVE						(16,014)	(16,014)
REALIZATION OF RESERVE		(20,607)				14,993	(5,614)
OTHER TAX IMPACTS						75	75
PROFIT FOR THE PERIOD						12,433,401	12,433,401
ALLOCATION OF PROFIT FOR THE PERIOD:							
Legal reserve (revenue reserves)			623,073			(623,073)	
Lottery reserve (revenue reserves)				562,905		(562,905)	
Operating margin reserve (revenue reserve)				8,455,902		(8,455,902)	
Interest on capital proposed						(2,294,881)	(2,294,881)
Dividends proposed						(523,752)	(523,752)
ADJUSTED BALANCES AT DECEMBER 31, 2017 (Note 3(n))	29,630,119	352,348	2,024,337	11,899,305	(9,498,258)	(798,754)	33,609,097
CARRYING VALUE ADJUSTMENTS					334,044		334,044
CAPITAL INCREASE	562,905					(562,905)	
TAX CHARGES ON REVALUATION		10,082					10,082
PAYMENT OF TAXES ON REVALUATION RESERVE						(8,905)	(8,905)
REALIZATION OS RESERVE		(24,533)				24,533	
ADJUSTMENT TO REVALUATION RESERVE		(1,532)					(1,532)
OTHER TAX IMPACTS						(949)	(949)
ADJUSTMENT FROM PRIOR YEARS (NE 3 (n))						55,556	55,556
PROFIT FOR THE PERIOD						8,760,956	8,760,956
ALLOCATION OF PROFIT FOR THE PERIOD:							
Legal reserve (revenue reserves)			438,048			(438,048)	
Lottery reserve (revenue reserves)				(5,604)		5,604	
Operating margin reserve (revenue reserve)				5,277,816		(5,277,816)	
Interest on capital proposed						(1,740,942)	(1,740,942)
Dividends proposed						(18,330)	(18,330)
BALANCES AT DECEMBER 31, 2018	30,193,024	336,365	2,462,385	17,171,517	(9,164,214)	0	40,999,077

Statement of Changes in Equity

All amounts in thousands of reais unless otherwise stated

(continued)

EVENT	CAPITAL	REVALUATION RESERVE	REVENUE RESERVE		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
			LEGAL	STATUTORY			
ADJUSTED BALANCES AT JUNE 30, 2017 (Note 3(n))	24,837,171	364,105	3,006,218	6,520,858	(8,439,954)	2,612,740	28,901,138
CARRYING VALUE ADJUSTMENTS					(1,058,304)		(1,058,304)
CAPITAL INCREASE	4,792,948		(1,401,264)	(3,391,684)			(6,143)
TAX CHARGES ON REVALUATION		(6,143)				(11,198)	(11,198)
PAYMENT OF TAXES ON REVALUATION RESERVE							(5,614)
REALIZATION OS RESERVE		(5,614)					(770,696)
ADJUSTMENT FROM PRIOR YEARS (Note 3 (n))							75
OTHER TAX IMPACTS							8,359,603
PROFIT FOR THE PERIOD							
ALLOCATION OF PROFIT FOR THE PERIOD:							
Legal reserve (revenue reserves)			419,383			(419,383)	
Lottery reserve (revenue reserves)				314,229		(314,229)	
Operating margin reserve (revenue reserve)				8,455,902		(8,455,902)	
Interest on capital proposed						(1,276,012)	(1,276,012)
Dividends proposed						(523,752)	(523,752)
ADJUSTED BALANCES AT DECEMBER 31, 2017 (Note 3(n))	29,630,119	352,348	2,024,337	11,899,305	(9,498,258)	(798,754)	33,609,097
EVENT	CAPITAL	REVALUATION RESERVE	REVENUE RESERVE		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
			LEGAL	STATUTORY			
BALANCES AT JUNE 30, 2018	29,630,119	345,933	2,315,970	12,157,130	(8,290,875)	3,222,873	39,381,150
CARRYING VALUE ADJUSTMENTS					(873,339)		(873,339)
CAPITAL INCREASE	562,905					(562,905)	4,802
TAX CHARGES ON REVALUATION		4,802					(3,371)
PAYMENT OF TAXES ON REVALUATION RESERVE							12,838
REALIZATION OF RESERVE		(12,838)					(1,532)
ADJUSTMENT TO REVALUATION RESERVE		(1,532)					
PROFIT FOR THE PERIOD							2,928,299
ALLOCATION OF PROFIT FOR THE PERIOD:							
Legal reserve (revenue reserves)			146,415			(146,415)	
Lottery reserve (revenue reserves)				(263,429)		263,429	
Operating margin reserve (revenue reserve)				5,277,816		(5,277,816)	
Interest on capital proposed						(433,889)	(433,889)
Dividends proposed						(3,043)	(3,043)
BALANCES AT DECEMBER 31, 2018	30,193,024	336,365	2,462,385	17,171,517	(9,164,214)	0	40,999,077

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

Statement of Changes in Equity

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

CONSOLIDATED								
EVENT	CAPITAL	INSTRUMENT ELEGIBLE TO PRINCIPAL CAPITAL	REVALUATION RESERVE	REVENUE RESERVE		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
				LEGAL	STATUTORY			
ADJUSTED BALANCES AT DECEMBER 31, 2016 (Note 3(n))	24,837,171	36,453,645	379,098	2,802,528	6,272,182	(7,111,035)	(770,696)	62,862,893
CARRYING VALUE ADJUSTMENTS						(2,387,223)		(2,387,223)
CAPITAL INCREASE	4,792,948			(1,401,264)	(3,391,684)			
TAX CHARGES ON REVALUATION			(6,143)					(6,143)
PAYMENT OF TAXES ON REVALUATION RESERVE							(16,013)	(16,013)
REALIZATION OF RESERVE			(20,607)				14,993	(5,614)
OTHER TAX IMPACTS							75	75
INCORPORATION OF IHCD REMUNERATION		522,057						522,057
PROFIT FOR THE PERIOD							12,488,061	12,488,061
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				623,073			(623,073)	
Lottery reserve (revenue reserves)					562,905		(562,905)	
Operating margin reserve (revenue reserve)					8,455,902		(8,455,902)	
Interest on capital proposed							(2,294,881)	(2,294,881)
Dividends proposed							(523,752)	(523,752)
Interest on debt instrument eligible to capital							(54,661)	(54,661)
ADJUSTED BALANCES AT DECEMBER 31, 2017 (Note 3(n))	29,630,119	36,975,702	352,348	2,024,337	11,899,305	(9,498,258)	(798,754)	70,584,799
CARRYING VALUE ADJUSTMENTS						334,044		334,044
CAPITAL INCREASE	562,905						(562,905)	
TAX CHARGES ON REVALUATION			10,082					10,082
PAYMENT OF TAXES ON REVALUATION RESERVE							(8,907)	(8,907)
REALIZATION OS RESERVE			(24,533)				24,533	
ADJUSTMENT TO REVALUATION RESERVE			(1,532)					(1,532)
OTHER TAX IMPACTS							(949)	(949)
ADJUSTMENT FROM PRIOR YEARS (Note 3 (n))							55,556	55,556
INCORPORATION OF IHCD REMUNERATION		3,266,916						3,266,916
PROFIT FOR THE PERIOD							10,355,331	10,355,331
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				438,048			(438,048)	
Lottery reserve (revenue reserves)					(5,604)		5,604	
Operating margin reserve (revenue reserve)					5,277,816		(5,277,816)	
Interest on capital proposed							(1,740,942)	(1,740,942)
Dividends proposed							(18,330)	(18,330)
Interest on debt instrument eligible to capital							(1,594,373)	(1,594,373)
BALANCES AT DECEMBER 31, 2018	30,193,024	40,242,618	336,365	2,462,385	17,171,517	(9,164,214)	0	81,241,695

Statement of Changes in Equity

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

EVENT	CAPITAL	INSTRUMENT ELEGIBLE TO PRINCIPAL CAPITAL	REVALUATION RESERVE	REVENUE RESERVE		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
				LEGAL	STATUTORY			
ADJUSTED BALANCES AT JUNE 30, 2017 (Note 3(n))	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						(1,058,304)		(1,058,304)
CAPITAL INCREASE	4,792,948			(1,401,264)	(3,391,684)			
TAX CHARGES ON REVALUATION			(6,143)					(6,143)
PAYMENT OF TAXES ON REVALUATION RESERVE							(11,197)	(11,197)
REALIZATION OS RESERVE			(5,614)					(5,614)
OTHER TAX IMPACTS							75	75
ADJUSTMENT FROM PRIOR YEARS (Note 3 (n))							(770,696)	(770,696)
PROFIT FOR THE PERIOD							8,413,717	8,413,717
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				419,383			(419,383)	
Lottery reserve (revenue reserves)					314,229		(314,229)	
Operating margin reserve (revenue reserve)					8,455,902		(8,455,902)	
Interest on capital proposed							(1,276,012)	(1,276,012)
Dividends proposed							(523,752)	(523,752)
Interest on debt instrument eligible to capital							(54,115)	(54,115)
ADJUSTED BALANCES AT DECEMBER 31, 2017	29,630,119	36,975,702	352,348	2,024,337	11,899,305	(9,498,258)	(798,754)	70,584,799
EVENT	CAPITAL	INSTRUMENT ELEGIBLE TO PRINCIPAL CAPITAL	REVALUATION RESERVE	REVENUE RESERVE		CARRYING VALUE ADJUSTMENTS	RETAINED EARNINGS/ACCUMULATED DEFICIT	TOTAL
				LEGAL	STATUTORY			
ADJUSTED BALANCES AT JUNE 30, 2018	29,630,119	40,242,618	345,933	2,315,970	12,157,130	(8,290,875)	3,222,873	79,623,768
CARRYING VALUE ADJUSTMENTS						(873,339)		(873,339)
CAPITAL INCREASE	562,905						(562,905)	
TAX CHARGES ON REVALUATION			4,802					4,802
PAYMENT OF TAXES ON REVALUATION RESERVE							(3,373)	(3,373)
REALIZATION OF RESERVE			(12,838)				12,838	
ADJUSTMENT TO REVALUATION RESERVE			(1,532)					(1,532)
PROFIT FOR THE PERIOD							3,700,307	3,700,307
ALLOCATION OF PROFIT FOR THE PERIOD:								
Legal reserve (revenue reserves)				146,415			(146,415)	
Lottery reserve (revenue reserves)					(263,429)		263,429	
Operating margin reserve (revenue reserve)					5,277,816		(5,277,816)	
Interest on capital proposed							(433,889)	(433,889)
Dividends proposed							(3,043)	(3,043)
Interest on debt instrument eligible to capital							(772,006)	(772,006)
BALANCES AT DECEMBER 31, 2018	30,193,024	40,242,618	336,365	2,462,385	17,171,517	(9,164,214)	0	81,241,695

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

Statement of Cash Flows

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

DESCRIPTION	INDIVIDUAL				CONSOLIDATED			
	2018		2017 (Note 3 (n))		2018		2017 (Note 3 (n))	
	2nd half	Year	2nd half	Year	2nd half	Year	2nd half	Year
CASH FLOWS FROM OPERATING ACTIVITIES								
ADJUSTED PROFIT	13,633,677	28,860,216	23,820,296	37,371,049	13,694,878	28,833,782	23,893,695	37,432,901
Profit for the period	2,928,299	8,760,956	8,359,603	12,433,401	3,700,307	10,355,331	8,413,717	12,488,061
Adjustments to profit:	10,705,378	20,099,260	15,460,693	24,937,648	9,994,571	18,478,451	15,479,978	24,944,840
Fair value adjustments of marketable securities and derivative financial instruments (assets/liabilities)	(872,806)	(1,440,760)	(282,667)	(2,482,572)	(872,806)	(1,440,760)	(282,667)	(2,482,572)
(Gain)/Loss on investments	672,895	1,632,025	187,400	712,078	264,608	898,958	100,114	413,718
(Gain)/Loss on sale of property and equipment	358	444	1,133	1,123	358	444	1,133	1,123
(Gain)/Loss on sale of property and equipment not for own use	86,500	192,994	143,080	202,850	86,500	192,994	143,079	202,849
Allowance for loan losses	7,848,679	14,926,110	9,009,603	19,256,576	7,848,679	14,926,110	9,009,603	19,256,576
Actuarial liabilities/assets (employee benefits)	864,800	1,898,718	1,276,708	2,393,729	864,800	1,898,718	1,276,708	2,393,729
Depreciation and amortization	912,036	1,802,776	948,018	1,857,032	912,036	1,802,776	948,018	1,857,032
Deferred taxes	369,190	(1,154,052)	1,346,208	(568,863)	445,480	(1,077,699)	1,346,173	(568,897)
Expenses with provision for contingencies	525,683	1,290,614	891,219	1,366,916	525,683	1,290,614	891,219	1,366,916
Equity in the results of investees	(1,079,056)	(2,012,922)	(629,390)	(1,140,503)	(685,859)	(1,382,643)	(468,668)	(780,255)
Expenses on subordinated debt and hybrid instruments	1,377,099	2,963,313	2,569,381	3,339,282	605,092	1,368,939	2,515,266	3,284,621
CHANGES IN WORKING CAPITAL	(8,649,452)	23,087,590	(16,665,743)	(35,857,327)	(9,245,841)	22,384,814	(16,881,259)	(36,006,344)
(Increase) decrease in interbank investments	3,136,217	(8,952,897)	1,599,444	3,679,920	3,136,217	(8,952,897)	1,599,444	3,679,920
(Increase) decrease in marketable securities held for trading	5,082,455	18,639,054	8,778,696	1,753,151	4,618,127	18,174,726	8,513,364	1,487,819
(Increase) decrease in compulsory deposits with the Brazilian Central Bank	2,581,108	26,516,845	1,059,540	(7,032,034)	2,581,108	26,516,845	1,059,540	(7,032,034)
(Increase) decrease in interbank accounts (assets/liabilities)	6,998,648	7,179,980	384,391	(297,481)	6,998,648	7,179,980	384,391	(297,481)
Increase in interdepartmental accounts (assets/liabilities)	610,415	(7,262)	732,883	120,492	610,415	(7,262)	732,883	120,492
(Increase) decrease in loan operations	(5,482,372)	(4,035,336)	1,117,940	(15,998,724)	(5,482,372)	(4,035,336)	1,117,940	(15,998,724)
(Increase) decrease in other receivables	(1,373,552)	2,378,111	(2,254,957)	(3,747,401)	(1,681,124)	2,022,924	(2,200,988)	(3,640,281)
(Aumento) decrease in other assets	(99,311)	(1,066,477)	(1,875,964)	(3,306,794)	(99,230)	(1,066,517)	(1,875,963)	(3,306,793)
(Decrease) Increase in deposits	10,011,480	14,408,002	(21,814,276)	(5,978,356)	10,215,760	14,512,618	(21,806,718)	(5,964,948)
(Decrease) Increase in deposits obtained in the open market	7,951,079	9,549,531	2,511,539	(10,882,347)	7,951,079	9,685,667	2,499,822	(10,900,731)
(Decrease) Increase in funds from issuance of securities	(34,367,673)	(57,693,844)	(17,108,962)	(25,884,244)	(34,367,673)	(57,693,844)	(17,108,962)	(25,884,244)
(Increase) decrease in derivative financial instruments	(122,859)	(249,929)	(375,203)	(441,600)	(122,859)	(249,929)	(375,203)	(441,600)
(Decrease) Increase in borrowings and onlendings	12,517,685	28,826,092	14,766,824	27,311,256	12,517,685	28,826,092	14,766,824	27,311,256
(Decrease) increase in other liabilities	(17,350,077)	(15,388,375)	(4,727,733)	3,701,598	(17,378,927)	(15,512,348)	(4,727,728)	3,715,768
Income and social contribution taxes paid	1,257,305	2,984,095	540,095	1,145,237	1,257,305	2,984,095	540,095	1,145,237
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,984,225	51,947,806	7,154,553	1,513,722	4,449,037	51,218,596	7,012,436	1,426,557
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition and redemption of marketable securities available for sale	(27,580,987)	(28,585,967)	(11,217,321)	(16,673,381)	(27,068,761)	(27,856,697)	(11,075,181)	(16,586,194)
Acquisition and redemption of marketable securities held to maturity	2,280,884	(207,329)	(869,328)	8,402,672	2,280,884	(207,329)	(869,328)	8,402,672
Sale of property and equipment in use	39,351	64,365	56,882	60,435	39,351	64,365	56,882	60,435
Acquisition of property and equipment in use	(501,106)	(832,417)	(517,212)	(661,553)	(501,157)	(832,468)	(517,212)	(661,553)
Write-off of intangible assets	65,334	67,124	183,107	479,758	65,334	67,124	183,106	479,757
Acquisition of intangible assets	(171,258)	(299,208)	(843,695)	(1,061,957)	(171,258)	(299,208)	(843,695)	(1,061,957)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(25,867,782)	(29,793,432)	(13,207,567)	(9,454,026)	(25,355,607)	(29,064,213)	(13,065,428)	(9,366,840)
CASH FLOWS FROM FINANCING ACTIVITIES								
Dividends paid in advance			(73,130)	(73,130)			(73,130)	(73,130)
Dividends and interest on capital paid		(2,804,317)				(2,804,317)		
IHCD remuneration paid		(55,355)		(460,780)		(55,355)		(460,780)
NET CASH USED IN FINANCING ACTIVITIES		(2,859,672)	(73,130)	(533,910)		(2,859,672)	(73,130)	(533,910)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,883,557)	19,294,702	(6,126,144)	(8,474,214)	(20,906,570)	19,294,711	(6,126,122)	(8,474,193)
CHANGES IN CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at the beginning of the period	182,541,179	142,362,920	148,489,064	150,837,134	182,564,223	142,362,942	148,489,064	150,837,135
Cash and cash equivalents at the end of the period	161,657,622	161,657,622	142,362,920	142,362,920	161,657,653	161,657,653	142,362,942	142,362,942
Increase (decrease) in cash and cash equivalents	(20,883,557)	19,294,702	(6,126,144)	(8,474,214)	(20,906,570)	19,294,711	(6,126,122)	(8,474,193)

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

Statement of Value Added

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

DESCRIPTION	INDIVIDUAL								CONSOLIDATED							
	2018				2017 (Note 3 (n))				2018				2017 (Note 3 (n))			
	2nd half		Year		2nd half		Year		2nd half		Year		2nd half		Year	
	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%
1. REVENUES	63,040,097		127,678,288		76,968,758		153,367,846		63,755,777		128,784,233		77,195,191		153,880,365	
Financial intermediation	55,502,630		111,363,781		62,409,214		133,362,447		55,835,651		111,717,435		62,434,470		133,400,619	
Rendering of services	13,795,393		26,819,328		12,811,553		25,041,084		13,825,416		26,849,350		12,811,552		25,041,082	
Provision for loan losses - constitution	(7,848,679)		(14,926,110)		(9,009,603)		(19,256,576)		(7,848,679)		(14,926,110)		(9,009,603)		(19,256,576)	
Other	1,590,753		4,421,289		10,757,594		14,220,891		1,943,389		5,143,558		10,958,772		14,695,240	
2. EXPENSES ON FINANCIAL INTERMEDIATION	29,837,678		60,823,668		37,041,734		83,128,014		29,804,935		60,754,873		36,910,956		82,934,728	
3. MATERIAL AND SERVICES ACQUIRED FROM THIRD PARTIES	15,275,062		28,394,727		15,855,778		28,079,652		14,539,812		26,847,910		15,849,546		28,083,128	
Materials, energy and others	1,318,429		2,588,064		1,305,681		2,529,488		1,321,111		2,591,679		1,306,691		2,531,490	
Data processing and communications	1,161,607		2,135,371		1,043,480		2,057,550		1,161,607		2,135,371		1,043,480		2,057,550	
Advertising, publicity and promotions	468,987		662,523		442,088		668,412		468,987		662,523		442,088		668,412	
Outsourced and specialized services	1,258,698		2,389,666		1,227,650		2,421,655		1,272,251		2,407,242		1,236,451		2,431,876	
Surveillance and security services	449,898		888,759		462,673		902,840		449,945		888,826		462,700		902,892	
Other	10,617,443		19,730,344		11,374,206		19,499,707		9,865,911		18,162,269		11,358,136		19,490,908	
- Services delegated by the Federal Government	809,553		1,447,751		1,149,436		2,248,077		809,553		1,447,751		1,149,436		2,248,077	
- Expenses with lottery and business partners	1,751,405		3,217,137		1,339,332		2,561,296		1,751,405		3,217,137		1,339,332		2,561,296	
- Discounts on loan operations	282,652		704,838		281,497		596,756		282,652		704,838		281,497		596,756	
- Expenses on credit/debit cards	536,967		1,030,344		491,157		922,094		536,967		1,030,344		491,157		922,094	
- Post-employment benefits	864,800		1,898,718		1,276,709		2,393,730		864,800		1,898,718		1,276,709		2,393,730	
- Sundry operating provisions	3,066,908		4,733,596		2,208,626		4,560,807		3,066,908		4,733,596		2,208,626		4,560,267	
- Sundry	3,305,158		6,697,960		4,627,449		6,216,947		2,553,626		5,129,885		4,611,379		6,208,688	
4. GROSS VALUE ADDED (1-2-3)	17,927,357		38,459,893		24,071,246		42,160,180		19,411,030		41,181,450		24,434,689		42,862,509	
5. RETENTIONS	912,036		1,802,776		948,018		1,857,032		912,038		1,802,778		948,018		1,857,032	
Depreciation, amortization and depletion	912,036		1,802,776		948,018		1,857,032		912,038		1,802,778		948,018		1,857,032	
6. NET VALUE ADDED (4-5)	17,015,321		36,657,117		23,123,228		40,303,148		18,498,992		39,378,672		23,486,671		41,005,477	
7. VALUE ADDED RECEIVED THROUGH TRANSFER	1,079,056		2,012,922		629,390		1,140,503		685,859		1,382,643		468,668		780,255	
Equity in the results of investees	1,079,056		2,012,922		629,390		1,140,503		685,859		1,382,643		468,668		780,255	
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	18,094,377		38,670,039		23,752,618		41,443,651		19,184,851		40,761,315		23,955,339		41,785,732	
9. DISTRIBUTION OF VALUE ADDED	18,094,377	100.00	38,670,039	100.00	23,752,618	100.00	41,443,651	100.00	19,184,851	100.00	40,761,315	100.00	23,955,339	100.00	41,785,732	100.00
Personnel	10,204,977	56.40	20,228,781	52.31	10,768,846	45.34	21,037,087	50.76	10,224,955	53.30	20,267,158	49.72	10,786,939	45.03	21,059,181	50.40
- Direct compensation	7,582,318		15,236,133		8,311,548		16,185,803		7,598,933		15,266,727		8,326,925		16,204,955	
- Benefits	2,134,297		4,054,146		1,990,689		3,918,370		2,136,997		4,060,285		1,992,405		3,920,086	
- FGTS	488,362		938,502		466,609		932,914		489,025		940,146		467,609		934,140	
Taxes, fees and contributions	4,221,674	23.33	8,198,652	21.20	3,872,400	16.30	6,452,963	15.57	4,520,116	23.56	8,656,525	21.24	4,002,914	16.71	6,718,290	16.08
- Federal	3,819,362		7,325,417		3,473,192		5,601,550		4,117,805		7,783,291		3,603,705		5,866,851	
- State	375		1,194		523		1,037		375		1,194		523		1,037	
- Municipal	401,937		872,041		398,685		850,376		401,936		872,040		398,686		850,402	
Remuneration of third-party capital	739,427	4.09	1,481,650	3.83	751,769	3.16	1,520,200	3.67	739,473	3.85	1,482,301	3.64	751,769	3.14	1,520,200	3.64
- Rentals	739,427		1,481,650		751,769		1,520,200		739,473		1,482,301		751,769		1,520,200	
Remuneration of own capital	433,889	2.40	1,740,942	4.50	1,276,012	5.37	2,294,881	5.54	1,205,897	6.29	3,335,317	8.18	1,330,127	5.55	2,349,542	5.62
- Interest on capital and dividends	433,889		1,740,942		1,276,012		2,294,881		433,889		1,740,942		1,276,012		2,294,881	
- Interest on debt instruments eligible to capital									772,008		1,594,375		54,115		54,661	
Retained earnings	2,494,410	13.79	7,020,014	18.15	7,083,591	29.82	10,138,520	24.46	2,494,410	13.00	7,020,014	17.22	7,083,590	29.57	10,138,519	24.26

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Notes Index	Page
Note 1 – General information	24
Note 2 – Presentation of financial statements	26
Note 3 – Significant accounting policies	27
Note 4 – Cash and cash equivalents	39
Note 5 - Interbank investments	39
Note 6 – Marketable securities and derivative financial instruments	41
Note 7 – Interbank accounts	56
Note 8 – Loan operations	58
Note 9 – Other receivables	65
Note 10 – Other assets	67
Note 11 - Investments	69
Note 12 – Property and equipment in use	71
Note 13 - Intangible assets	73
Note 14 – Deposits	74
Note 15 – Funds obtained in the open market	76
Note 16 – Funds from acceptance and issuance of securities	78
Note 17 – Borrowings and onlendings	80
Note 18 – Other liabilities	81
Note 19 – Equity	87
Note 20 - Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)	89
Note 21 - Income from services and banking fees	92
Note 22 – Personnel expenses	93
Note 23 – Other administrative expenses	94
Note 24 – Other operating income	95
Note 25 – Other operating expenses	96
Note 26 - Non-operating income (expenses)	98
Note 27 – Tax expenses	99
Note 28 - Provisions, contingent assets and liabilities, and legal obligations - tax and social security	99
Note 29 - Employee benefits	104
Note 30 - Related parties	120
Note 31 - Capital and risk management	127
Note 32 – Other information	128
Note 33 - Subsequente events	129

Notes to the 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 with more than 150 years, 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 54.9 thousand service points in all the country. There are 4.2 thousand branches and service stations, 29.2 thousand machines in gas stations and self-service rooms, 8.5 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\$ 13.9 billion, of which R\$ 5.2 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\$ 444.7 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 December, the 78.0 savings accounts held in CAIXA reached R\$ 298.4 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\$ 84.3 billion in December. It fosters the local sustainable development and improvement to rural producers' life quality through the rural credit, which recorded a balance of R\$ 7.5 billion in December.

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 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	12/31/2018		12/31/2017	
	Quantity in thousands	Amount	Quantity in thousands	Amount
FGTS	35,877	107,542,786	160,930	166,904,878
"Bolsa Família" Program	158,821	29,169,488	153,755	27,773,061
Unemployment Insurance, Salary Allowance, PIS and other employee benefits	67,304	65,627,935	59,620	1,941,316
Total	262,002	202,340,209	374,305	196,619,255

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. Accordingly, the information presented is not audited by the independent auditors.

Main Funds and Social Programs:

Description	12/31/2018 (1)	12/31/2017
FGTS	524,296,266	489,114,370
PIS	18,256,079	31,240,929
FAR	37,582,065	39,844,589
FCVS	14,386,156	13,800,682
FDS	3,403,387	3,011,455
FGCN	49,166	50,440
FGHAB	2,124,039	1,868,767
FGS	2,651,244	1,901,419
Other	23,683	25,252
Total	602,772,085	580,857,903

(1) Position at 11/31/2018 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 financial statements

All amounts in thousands of reais unless otherwise stated

Note 2 – Presentation of financial statements**a) Overview**

CAIXA's individual (INDIVIDUAL) and consolidated (CONSOLIDATED) financial statements are the responsibility of management.

The financial statements at 12/31/2018 were approved by the Managing Board on 12/26/2018 and by the Board of Directors on 12/27/2018.

b) Basis of preparation and statement of compliance

The financial statements of CAIXA were prepared based on the accounting guidelines established by Law 4,595/64 (National Financial System Law) and 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.

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 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.

The results of subsidiaries acquired or disposed of in the period is 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, 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 Notes 11 and 30.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 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.

Note 3 – Significant accounting policies

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

(a) Foreign currency translation

The financial statements are presented in reais, which is CAIXA's functional currency. Items included in the 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 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 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 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.
- **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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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) 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 this, the quotations of market prices for assets or liabilities with similar characteristics. If this is also 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 future 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 No. 2682/1999, 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.

The operations classified as risk level "H" for more than six months and in arrears for more than 180 days 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. Renegotiations which had already been written off as losses and which were controlled in memorandum accounts, are classified as being of risk level "H". Any gains from renegotiation are only recognized when effectively received. When there is significant amortization, or new relevant facts, justifying a change in the risk level, the operation is reclassified to a lower risk level category.

The provision for loan losses is calculated at an amount sufficient to cover probable losses and complies with CMN and BACEN standards and instructions, as well as the evaluations of Management in the classification of credit risks.

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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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%. 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 tax 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.

(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, and presented 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 effected 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 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

- **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 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 surplus and deficit.

Considering that CAIXA has already recognized an actuarial reserve, in compliance with CPC 33 (R1), this reserve should only be increased 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) Restatement of comparative balances

The comparative positions of these financial statements are restated with the referred reclassification in equity amounts.

(n.1) FGTS

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). In December 2018, CAIXA reviewed the accounting procedures regarding the measurement and recognition of the required minimum profitability, in order to maintain the effectiveness of the portfolios protection and ensure the return required by the Fund.

This review resulted in the change in accounting procedures related to minimum profitability, classifying it as a "Derivative Financial Instrument", since in essence, the minimum remuneration clause binds such parties by mutual rights and obligations, in which the essential characteristics for the qualification as a derivative are present.

As a result, the regulatory framework for accounting policies was changed from CMN Resolution 4,512 / 16 to BACEN Circular Letter 3,082 / 02, which establishes and consolidates criteria for accounting recognition and valuation of derivative financial instruments.

(n.2) Software intangible assets

The opening balances of the Balance Sheet as of 12/31/2017 are being restated in the Financial Statements disclosed as from 12/31/2018 due to adjustments in the write-off and amortization of software intangible assets in compliance with the requirements of the accounting pronouncement "CPC 23 - Accounting Policies, Change in Accounting Estimates and Errors.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(n.3) Detail of restatement adjustments in the financial statements

As established by Technical Pronouncement CPC 23 - Accounting Policies, Change in Accounting Estimates and Errors, the corrections of errors mentioned in the items above were applied on a retrospective manner, causing effects on the comparative financial statements, as presented below:

Consolidated Statement of Income

The comparative (individual and consolidated) statements of income related to the second half of 2016 and the year 2016, as well as those related to the second half of 2017 and the year 2017, are being restated due to the correction of errors described in item (n.1) and (n.2), as shown below:

2nd half of 2016						
STATEMENT OF INCOME	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Income from financial intermediation	76,958,680	76,971,826	(729,964)	(729,964)	76,228,716	76,241,862
Gains (losses) on derivative financial instruments	(1,129,903)	(1,129,903)	(729,964)	(729,964)	(1,859,867)	(1,859,867)
Gross profit from financial intermediation	13,059,384	13,138,545	(729,964)	(729,964)	12,329,420	12,408,581
Other operating income/expenses	(9,870,265)	(9,878,934)	(69,826)	(69,826)	(9,940,091)	(9,948,760)
Other administrative expenses	(6,332,480)	(6,334,967)	(69,826)	(69,826)	(6,402,306)	(6,404,793)
Operating profit	3,189,119	3,259,611	(799,790)	(799,790)	2,389,329	2,459,821
Profit before taxation	3,030,496	3,100,988	(799,790)	(799,790)	2,230,706	2,301,198
Income tax and social contribution	(535,277)	(625,959)	17,411	17,411	(517,866)	(608,548)
Current taxes	(523,654)	(614,319)	14,475	14,475	(509,179)	(599,844)
Deferred tax assets	480,859	480,842	2,936	2,936	483,795	483,778
Profit for the period	1,710,519	1,689,148	(782,379)	(782,379)	928,140	906,769

Year - 2016						
STATEMENT OF INCOME	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Income from financial intermediation	149,675,170	149,697,220	(729,964)	(729,964)	148,945,206	148,967,256
Gains (losses) on derivative financial instruments	(8,892,854)	(8,892,854)	(729,964)	(729,964)	(9,622,818)	(9,622,818)
Gross profit from financial intermediation	19,554,613	24,101,170	(729,964)	(729,964)	18,824,649	23,371,206
Other operating income/expenses	(16,120,994)	(20,066,458)	(69,826)	(69,826)	(16,190,820)	(20,136,284)
Other administrative expenses	(12,192,839)	(12,199,538)	(69,826)	(69,826)	(12,262,665)	(12,269,364)
Operating profit	3,433,619	4,034,712	(799,790)	(799,790)	2,633,829	3,234,922
Profit before taxation	3,160,848	3,761,941	(799,790)	(799,790)	2,361,058	2,962,151
Income tax and social contribution	1,715,066	1,549,447	17,411	17,411	1,732,477	1,566,858
Current taxes	(574,431)	(740,053)	14,475	14,475	(559,956)	(725,578)
Deferred tax assets	1,519,912	1,519,915	2,936	2,936	1,522,848	1,522,851
Profit for the period	3,702,365	4,136,658	(782,379)	(782,379)	2,919,986	3,354,279

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

2nd half of 2017						
	Originally presented		Adjustments		Adjusted amount	
STATEMENT OF INCOME	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Other operating income/expenses	(5,939,378)	(5,943,089)	(50,631)	(50,631)	(5,990,009)	(5,993,720)
Other administrative expenses	(6,130,728)	(6,140,566)	(50,631)	(50,631)	(6,181,359)	(6,191,197)
Operating profit	10,418,499	10,570,822	(50,631)	(50,631)	10,367,868	10,520,191
Profit before taxation	10,028,986	10,181,309	(50,631)	(50,631)	9,978,355	10,130,678
Income tax and social contribution	(630,710)	(728,061)	22,571	22,571	(608,139)	(705,490)
Current taxes	719,295	621,909	18,774	18,774	738,069	640,683
Deferred tax assets	(1,310,837)	(1,310,802)	3,797	3,797	(1,307,040)	(1,307,005)
Profit for the period	8,387,663	8,441,777	(28,060)	(28,060)	8,359,603	8,413,717

Year - 2017						
	Originally presented		Adjustments		Adjusted amount	
STATEMENT OF INCOME	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Other operating income/expenses	(16,641,626)	(16,615,534)	(50,631)	(50,631)	(16,692,257)	(16,666,165)
Other administrative expenses	(11,906,546)	(11,918,821)	(50,631)	(50,631)	(11,957,177)	(11,969,452)
Operating profit	14,336,231	14,593,781	(50,631)	(50,631)	14,285,600	14,543,150
Profit before taxation	13,739,563	13,997,113	(50,631)	(50,631)	13,688,932	13,946,482
Income tax and social contribution	148,207	(53,825)	22,571	22,571	170,778	(31,254)
Current taxes	(416,859)	(618,925)	18,774	18,774	(398,085)	(600,151)
Deferred tax assets	873,688	873,722	3,797	3,797	877,485	877,519
Profit for the period	12,461,461	12,516,121	(28,060)	(28,060)	12,433,401	12,488,061

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Balance Sheet

The comparative consolidated balance sheets are being restated due to the change in accounting police and correction of the error described in item (n.1) and (n.2), as follows:

Description	12/31/2016		12/31/2017		2016		2017		12/31/2016		12/31/2017	
	Originally presented		Originally presented		Adjustments		Adjustments		Adjusted amount		Adjusted amount (4)	
Assets	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Non-current assets	655,184,837	653,516,050	683,955,729	682,225,054	(40,732)	(40,732)	(28,058)	(28,058)	655,144,105	653,475,318	683,886,939	682,156,264
Long-term receivables	641,437,543	641,437,543	670,404,216	670,404,216	29,094	29,094	22,573	22,573	641,466,637	641,466,637	670,455,883	670,455,883
Other receivables	42,433,528	42,433,528	49,060,139	49,060,139	29,094	29,094	22,573	22,573	42,462,622	42,462,622	49,111,806	49,111,806
Sundry (1)	42,461,465	42,461,465	49,070,794	49,070,794	29,094	29,094	22,573	22,573	42,490,559	42,490,559	49,122,461	49,122,461
Permanent assets	13,747,294	12,078,507	13,551,513	11,820,838	(69,826)	(69,826)	(50,631)	(50,631)	13,677,468	12,008,681	13,431,056	11,700,381
Intangible assets	3,484,859	3,484,859	3,214,899	3,214,899	(69,826)	(69,826)	(50,631)	(50,631)	3,415,033	3,415,033	3,094,442	3,094,442
Accumulated amortization (2)	(1,684,229)	(1,684,229)	(1,900,361)	(1,900,361)	(69,826)	(69,826)	(50,631)	(50,631)	(1,754,055)	(1,754,055)	(2,020,818)	(2,020,818)
Total assets	1,256,172,165	1,255,451,751	1,261,478,797	1,260,767,575	(40,732)	(40,732)	(28,058)	(28,058)	1,256,131,433	1,255,411,019	1,261,410,007	1,260,698,785
Liabilities and equity	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
Non-current assets	558,790,758	521,429,525	547,280,079	509,410,217	729,964	729,964	-	-	559,520,722	522,159,489	548,010,043	510,140,181
Derivative Financial Instruments (3)	822,422	822,422	400,763	400,763	729,964	729,964	-	-	1,552,386	1,552,386	1,130,727	1,130,727
Equity (Note 19)	27,179,944	63,633,589	34,407,851	71,383,553	(770,696)	(770,696)	(28,058)	(28,058)	26,409,248	62,862,893	33,609,097	70,584,799
Retained earnings	-	-	-	-	(770,696)	(770,696)	(28,058)	(28,058)	(770,696)	(770,696)	(798,754)	(798,754)
Total liabilities and equity	1,256,172,165	1,255,451,751	1,261,478,797	1,260,767,575	(40,732)	(40,732)	(28,058)	(28,058)	1,256,131,433	1,255,411,019	1,261,410,007	1,260,698,785

(1) The adjustment of R\$ 22,573 in 2017 (R\$ 29,094 - 2016) reflects the impact on the tax credit of the recognition of the tax expenses related to amortization of intangible assets.

(2) The amount of (R\$ 50,631) in 2017 ((R\$ 69,826) - 2016) reflects the adjustment in the amortization of intangible asset (note 2);

(3) The amount of R\$ 729,964 in 2016 refers to the recognition of derivative related to FGTS (note 1);

(4) The adjusted amount at 12/31/2017 includes the adjustments for 2016 and 2017.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Statement of Changes in Equity

The opening balances in the Statement of Changes in Equity as of 12/31/2016 (Individual Equity R\$ 27,179,944 and Consolidated Equity R\$ 63,633,589) are being restated in the Financial Statements (Individual Adjusted Equity R\$ 26,409,248 and Consolidated Adjusted Equity R\$ 62,862,893).

The amount of R\$ 770 million of adjustment in the individual and consolidated financial statements refers to the recognition in retained earnings/accumulated losses of derivative related to FGTS (note 1) and adjustments in the write-off and amortization of software intangible asset (note 2).

The opening balances in the Statement of Changes in Equity as of 12/31/2017 (Individual Equity R\$ 34,407,851 and Consolidated Equity R\$ 71,383,553) are being restated in the financial statements (Individual Adjusted Equity R\$ 33,609,097 and Consolidated Adjusted Equity R\$ 70,584,799).

The variation at 12/31/2017 includes, in addition to the adjustments presented in the Statement of Changes in Equity related to 12/31/2016, the variation of 28 million in the individual and consolidated statements related to adjustments in the write-off and amortization of software (note 2).

Statement of Cash Flows

Description	2nd half of 2016					
	Originally presented		Adjustments		Adjusted amount	
CASH FLOWS FROM OPERATING ACTIVITIES	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
ADJUSTED PROFIT	13,181,462	13,255,658	(715,489)	(715,489)	12,465,973	12,540,169
Profit for the period	1,710,519	1,689,148	(782,379)	(782,379)	928,140	906,769
Adjustments to profit:	11,470,943	11,566,510	66,890	66,890	11,537,833	11,633,400
Depreciation and amortization	917,951	917,951	69,826	69,826	987,777	987,777
Deferred taxes	11,623	11,640	(2,936)	(2,936)	8,687	8,704
CHANGES IN WORKING CAPITAL	(2,283,364)	(2,500,989)	715,489	715,489	(1,567,875)	(1,785,500)
(Increase) decrease in other receivables	(1,895,056)	(1,965,031)	(14,475)	(14,475)	(1,909,531)	(1,979,506)
(Increase) decrease in derivative financial instruments	180,573	180,573	729,964	729,964	910,537	910,537
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,898,098	10,754,669	-	-	10,898,098	10,754,669

Description	2016					
	Originally presented		Adjustments		Adjusted amount	
CASH FLOWS FROM OPERATING ACTIVITIES	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
ADJUSTED PROFIT	28,278,649	29,100,272	(715,489)	(715,489)	27,563,160	28,384,783
Profit for the period	3,702,365	4,136,658	(782,379)	(782,379)	2,919,986	3,354,279
Adjustments to profit:	24,576,284	24,963,614	66,890	66,890	24,643,174	25,030,504
Depreciation and amortization	1,800,932	1,800,932	69,826	69,826	1,870,758	1,870,758
Deferred taxes	(2,289,497)	(2,289,500)	(2,936)	(2,936)	(2,292,433)	(2,292,436)
CHANGES IN WORKING CAPITAL	(31,921,727)	(33,041,141)	715,489	715,489	(31,206,238)	(32,325,652)
(Increase) decrease in other receivables	(1,851,894)	(2,359,018)	(14,475)	(14,475)	(1,866,369)	(2,373,493)
(Increase) decrease in derivative financial instruments	915,029	915,029	729,964	729,964	1,644,993	1,644,993
NET CASH PROVIDED BY OPERATING ACTIVITIES	(3,643,078)	(3,940,869)	-	-	(3,643,078)	(3,940,869)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Description	2nd half of 2017					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES						
ADJUSTED PROFIT	23,788,932	23,863,328	18,774	18,774	23,807,706	23,882,102
Profit for the period	8,387,663	8,441,777	(28,060)	(28,060)	8,359,603	8,413,717
Adjustments to profit:	15,401,269	15,421,551	46,834	46,834	15,448,103	15,468,385
Depreciation and amortization	897,387	897,387	50,631	50,631	948,018	948,018
Deferred taxes	1,350,005	1,349,970	(3,797)	(3,797)	1,346,208	1,346,173
CHANGES IN WORKING CAPITAL	(16,537,756)	(16,488,937)	(18,774)	(18,774)	(16,556,530)	(16,507,711)
(Increase) decrease in other receivables	(2,236,183)	(2,182,213)	(18,774)	(18,774)	(2,254,957)	(2,200,987)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,265,865	7,389,080	-	-	7,265,865	7,389,080

Description	2017					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES						
ADJUSTED PROFIT	37,354,374	37,416,227	18,774	18,774	37,373,148	37,435,001
Profit for the period	12,461,461	12,516,121	(28,060)	(28,060)	12,433,401	12,488,061
Adjustments to profit:	24,892,913	24,900,106	46,834	46,834	24,939,747	24,946,940
Depreciation and amortization	1,806,401	1,806,401	50,631	50,631	1,857,032	1,857,032
Deferred taxes	(565,066)	(565,100)	(3,797)	(3,797)	(568,863)	(568,897)
CHANGES IN WORKING CAPITAL	(35,729,340)	(36,135,083)	(18,774)	(18,774)	(35,748,114)	(36,153,857)
(Increase) decrease in other receivables	(3,728,627)	(3,621,506)	(18,774)	(18,774)	(3,747,401)	(3,640,280)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,625,034	1,281,144	-	-	1,625,034	1,281,144

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

▪ Statement of Value Added

The comparative Statements of Value Added (individual and consolidated) for the 2nd half of 2016 and 2017 and the Years 2016 and 2017 are being restated due to the correction of errors described in items (n.1) and (n.20), as shown below:

Description	2nd half of 2016					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
2 Revenues	82,534,126	82,771,093	(729,964)	(729,964)	81,804,162	82,041,129
2. Expenses on financial intermediation	53,857,287	53,791,272	-	-	53,857,287	53,791,272
3. Material and services acquired from third parties	11,428,727	11,484,651	-	-	11,428,727	11,484,651
4. Gross value added (1-2-3)	17,248,112	17,495,170	(729,964)	(729,964)	16,518,148	16,765,206
5. Retentions	917,951	917,951	69,826	69,826	987,777	987,777
6. Net value added (4-5)	16,330,161	16,577,219	(799,790)	(799,790)	15,530,371	15,777,429
7. Value added received through transfer	315,594	168,320	-	-	315,594	168,320
8. Value added to be distributed (6+7)	16,645,755	16,745,539	(799,790)	(799,790)	15,845,965	15,945,749
9. Distribution of value added	16,645,755	16,745,539	(799,790)	(799,790)	15,845,965	15,945,749
Taxes, fees and contributions	3,832,547	3,948,955	(17,411)	(17,411)	3,815,136	3,931,544
Retained earnings	1,710,519	1,710,519	(782,379)	(782,379)	928,140	928,140

Description	2016					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
2 Revenues	163,437,374	159,020,258	(729,964)	(729,964)	162,707,410	158,290,294
2. Expenses on financial intermediation	109,014,294	104,261,397	-	-	109,014,294	104,261,397
3. Material and services acquired from third parties	23,948,384	23,331,937	-	-	23,948,384	23,331,937
4. Gross value added (1-2-3)	30,474,696	31,426,924	(729,964)	(729,964)	29,744,732	30,696,960
5. Retentions	1,800,931	1,800,931	69,826	69,826	1,870,757	1,870,757
6. Net value added (4-5)	28,673,765	29,625,993	(799,790)	(799,790)	27,873,975	28,826,203
7. Value added received through transfer	740,517	443,605	-	-	740,517	443,605
8. Value added to be distributed (6+7)	29,414,282	30,069,598	(799,790)	(799,790)	28,614,492	29,269,808
9. Distribution of value added	29,414,282	30,069,598	(799,790)	(799,790)	28,614,492	29,269,808
Taxes, fees and contributions	4,752,118	4,965,475	(17,411)	(17,411)	4,734,707	4,948,064
Retained earnings	2,528,615	2,528,615	(782,379)	(782,379)	1,746,236	1,746,236

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Description	2nd half of 2017					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
2 Revenues	76,968,758	77,195,191	-	-	76,968,758	77,195,191
2. Expenses on financial intermediation	37,041,734	36,910,956	-	-	37,041,734	36,910,956
3. Material and services acquired from third parties	15,855,778	15,849,546	-	-	15,855,778	15,849,546
4. Gross value added (1-2-3)	24,071,246	24,434,689	-	-	24,071,246	24,434,689
5. Retentions	897,387	897,387	50,631	50,631	948,018	948,018
6. Net value added (4-5)	23,173,859	23,537,302	(50,631)	(50,631)	23,123,228	23,486,671
7. Value added received through transfer	629,390	468,668	-	-	629,390	468,668
8. Value added to be distributed (6+7)	23,803,249	24,005,970	(50,631)	(50,631)	23,752,618	23,955,339
9. Distribution of value added	23,803,249	24,005,970	(50,631)	(50,631)	23,752,618	23,955,339
Taxes, fees and contributions	3,894,971	4,025,485	(22,571)	(22,571)	3,872,400	4,002,914
Retained earnings	7,111,651	7,111,650	(28,060)	(28,060)	7,083,591	7,083,590

Description	2017					
	Originally presented		Adjustments		Adjusted amount	
	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated
2 Revenues	153,367,846	153,880,365	-	-	153,367,846	153,880,365
2. Expenses on financial intermediation	83,128,014	82,934,728	-	-	83,128,014	82,934,728
3. Material and services acquired from third parties	28,079,652	28,083,128	-	-	28,079,652	28,083,128
4. Gross value added (1-2-3)	42,160,180	42,862,509	-	-	42,160,180	42,862,509
5. Retentions	1,806,401	1,806,401	50,631	50,631	1,857,032	1,857,032
6. Net value added (4-5)	40,353,779	41,056,108	(50,631)	(50,631)	40,303,148	41,005,477
7. Value added received through transfer	1,140,503	780,255	-	-	1,140,503	780,255
8. Value added to be distributed (6+7)	41,494,282	41,836,363	(50,631)	(50,631)	41,443,651	41,785,732
9. Distribution of value added	41,494,282	41,836,363	(50,631)	(50,631)	41,443,651	41,785,732
Taxes, fees and contributions	6,475,534	6,740,861	(22,571)	(22,571)	6,452,963	6,718,290
Retained earnings	10,166,580	10,166,579	(28,060)	(28,060)	10,138,520	10,138,519

Notes to the 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.

The items of Cash and cash equivalents match each other in the individual and consolidated statement, except for the item "Cash and banks in local currency" that at 12/31/2018 presents in the consolidated statement the amount of R\$ 8,916,708 (R\$ 10,054,701 at 12/31/2017).

INDIVIDUAL		
Description	12/31/2018	12/31/2017
Total cash and banks	9,272,424	11,451,832
Cash and banks in local currency	8,916,677	10,054,679
Cash and banks in foreign currency	355,747	1,397,153
Interbank investments	152,385,198	130,911,088
Total	161,657,622	142,362,920

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

INDIVIDUAL / CONSOLIDATED					
Description	01 to 90 days	91 to 180 days	181 to 360 days	12/31/2018	12/31/2017
Money market investments - banked position	118,667,522	-	-	118,667,522	92,345,976
Financial Treasury Bills	27,177,918	-	-	27,177,918	70,444,087
Federal Treasury Bills	13,000	-	-	13,000	392,350
Federal Treasury Notes	91,476,604	-	-	91,476,604	21,509,539
Money market investments - financed position	43,694,778	2,514,164	-	46,208,942	38,565,113
Federal Treasury Bills	26,909,210	2,514,164	-	29,423,374	38,565,113
Federal Treasury Notes	16,785,568	-	-	16,785,568	-
Investments in interbank deposits	7,335,066	584,627	1,863,645	9,783,338	13,321,706
Interbank deposits	7,233,179	225,881	-	7,459,060	8,570,039
Interbank deposits - rural credit	101,899	358,746	1,863,790	2,324,435	4,752,144
Provision for losses on interbank deposits	(12)	-	(145)	(157)	(477)
Total - current assets	169,697,366	3,098,791	1,863,645	174,659,802	144,232,795

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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:

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Financial Treasury Bills	135,144	273,670
Bancoob	135,144	201,504
Sicredi	-	72,166
Interbank deposits	207,545	156,246
Bancoob	-	85,416
Sicredi	207,545	36,500
Cresol	-	34,330
Total	342,689	429,916

(b) Income from interbank investments

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Income from money market investments	5,877,853	11,294,786	6,286,714	15,468,985
Banked position	2,541,527	5,586,892	3,181,753	6,732,730
Financed position	3,336,326	5,707,894	3,104,961	8,736,255
Income from investments in interbank deposits	300,207	639,549	497,249	1,222,787
Total	6,178,060	11,934,335	6,783,963	16,691,772

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 6 – Marketable securities and derivative financial instruments

The mark-to-market of securities is recorded in accordance with BACEN Circular Letter 3,068/2001. Following the best accounting practices, the value of financial instruments should be based on the fair value, which is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an orderly transaction between market participants on the date of measurement.

To increase consistency and comparability in fair value measurements, a fair value hierarchy has been established that classifies the information applied in the valuation techniques used in the measurement of fair value into three levels.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs:

Level 1 - are quoted prices (unadjusted) in active markets for the same assets or liabilities to which the entity may have access to at the measurement date;

Level 2 - information that is observable for the asset or liability, either directly or indirectly, other than quoted prices included in Level 1;

Level 3 - are unobservable inputs for the asset or liability.

Unobservable inputs should be used to measure fair value as relevant observable inputs are not available, thus allowing for situations in which there is little or no market activity for the asset or liability at the measurement date

However, the fair value measurement objective remains the same, that is, exit price at the measurement date from the point of view of the market player who holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market players would use when pricing the asset or liability, including assumptions about risk.

The methods and assumptions used to estimate the fair value vary according to the nature of the assets.

The carrying amount presented in the Balance Sheet as cash and cash equivalents, compulsory deposits at the Central Bank, open market investments and other financial assets approximates their fair value.

The fair values of the investments in interbank deposits are estimated, discounting the estimated cash flows with the adoption of market interest rates.

Under normal conditions, quoted market prices are the best indicators of fair values for financial assets held for trading (including derivatives - assets and liabilities), financial assets designated at fair value through profit or loss, financial assets available-for-sale and financial assets held to maturity. However, not all instruments have liquidity or quotations, and, in such cases, it is necessary to adopt present value estimates and other pricing techniques .

The fair values of government securities are calculated based on the indicative rates provided by the National Association of Financial Market Institutions - Andima.

The fair values of corporate debt securities are calculated by adopting criteria similar to those applied to interbank deposits, as described above.

Fair values of shares are determined based on their quoted market prices.

The fair values of derivative swap instruments are discounted to present value based on profitability curves that reflect the appropriate risk factors. These profitability curves can be traced mainly on the basis of the derivative trading prices at B3, of Brazilian public securities in the secondary market or of derivatives and securities traded abroad and can be used to obtain the fair value of currency swaps, interest rate swaps and swaps based on other risk factors such as commodities and stock indexes.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(a) Composition

INDIVIDUAL							
Description	Own Portfolio – Unrestricted	Restricted			Derivative financial instruments	12/31/2018	12/31/2017
		Repurchase commitments	Subject to guarantees	Brazilian Central Bank			
Brazilian Government Securities	64,729,996	107,314,275	10,436,226	1,254,771	-	183,735,268	172,278,830
Financial Treasury Bills	45,440,431	25,754,328	8,666,261	1,254,066	-	81,115,086	39,835,858
Federal Treasury Bills	3,959,246	68,073,192	1,766,611	705	-	73,799,754	97,987,021
Federal Treasury Notes	14,985,675	13,486,755	3,354	-	-	28,475,784	34,171,028
Federal Treasury/Securitization	344,644	-	-	-	-	344,644	284,923
Corporate Securities	10,022,859	4,077,899	-	-	-	14,100,758	13,862,395
Debentures	1,482,840	1,435,218	-	-	-	2,918,058	4,596,011
Fund quotas	80,838	-	-	-	-	80,838	82,552
Mortgage-Backed Securities	900,202	2,642,681	-	-	-	3,542,883	3,486,702
Shares	7,558,979	-	-	-	-	7,558,979	5,697,130
Other	-	-	-	-	1,231,458	1,231,458	997,212
Total	74,752,855	111,392,174	10,436,226	1,254,771	1,231,458	199,067,484	187,138,437

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED							
Description	Own Portfolio – Unrestricted	Restricted			Derivative Financial Instruments	12/31/2018	12/31/2017
		Repurchase commitments	Subject to guarantees	Brazilian Central Bank			
Brazilian Government Securities	64,729,996	107,314,275	10,436,226	1,254,771	-	183,735,268	172,278,830
Financial Treasury Bills	45,440,431	25,754,328	8,666,261	1,254,066	-	81,115,086	39,835,858
Federal Treasury Bills	3,959,246	68,073,192	1,766,611	705	-	73,799,754	97,987,021
Federal Treasury Notes	14,985,675	13,486,755	3,354	-	-	28,475,784	34,171,028
Federal Treasury/Securitization	344,644	-	-	-	-	344,644	284,923
Corporate Securities	10,754,640	4,077,899	-	-	-	14,832,539	14,859,119
Debentures	1,482,840	1,435,218	-	-	-	2,918,058	4,596,011
Fund quotas	812,619	-	-	-	-	812,619	350,075
Mortgage-Backed Securities	900,202	2,642,681	-	-	-	3,542,883	3,486,702
Shares	7,558,979	-	-	-	-	7,558,979	6,426,331
Other	-	-	-	-	1,231,458	1,231,458	997,212
Total	75,484,636	111,392,174	10,436,226	1,254,771	1,231,458	199,799,265	188,135,161

Notes to the 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 effect on equity of the mark-to-market of "Available-for-sale securities" is R\$ 806,545 at 12/31/2018 (12/31/2017 – R\$ 233,203), net of tax effects. In the consolidated position, the effect is R\$ 806,545 at 12/31/2018 (12/31/2017 - R\$ 285,677), net of tax effects.

INDIVIDUAL										
Position at 12/31/2018	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	182,424,784	1,214,858	95,626	183,735,268	187,969,403	-	3,722,717	5,088,931	13,911,685	161,011,935
Financial Treasury Bills	81,065,080	26,155	23,851	81,115,086	81,119,651	-	48,622	-	-	81,066,464
Federal Treasury Bills	72,547,689	1,188,603	63,462	73,799,754	73,804,771	-	3,674,095	5,088,931	13,911,685	51,125,043
Federal Treasury Notes	28,434,758	100	40,926	28,475,784	32,700,337	-	-	-	-	28,475,784
Federal Treasury/Securitization	377,257	-	(32,613)	344,644	344,644	-	-	-	-	344,644
Corporate Securities	13,398,183	(8,344)	710,919	14,100,758	13,703,168	7,639,817	3,124	-	-	6,457,817
Debentures	3,344,891	2,044	(428,877)	2,918,058	2,068,436	-	-	-	-	2,918,058
Fund quotas	79,137	-	1,701	80,838	80,838	80,838	-	-	-	-
Mortgage-Backed Securities	3,384,112	-	158,771	3,542,883	3,994,915	-	3,124	-	-	3,539,759
Shares	6,590,043	(10,388)	979,324	7,558,979	7,558,979	7,558,979	-	-	-	-
Total – marketable securities	195,822,967	1,206,514	806,545	197,836,026	201,672,571	7,639,817	3,725,841	5,088,931	13,911,685	167,469,752
Trading securities	90,318,373	1,206,514	-	91,524,887	91,524,887	90,902	3,674,569	-	7,652,699	80,106,717
Available-for-sale securities	64,208,343	-	806,545	65,014,888	65,014,888	7,548,915	48,148	984,909	6,258,986	50,173,930
Held-to-maturity securities	41,296,251	-	-	41,296,251	45,132,796	-	3,124	4,104,022	-	37,189,105
Derivative financial instruments	1,232,039	(581)	-	1,231,458	1,231,458	-	2,794	548,012	58,781	621,871
Total – Marketable securities and Derivatives	197,055,006	1,205,933	806,545	199,067,484	202,904,029	7,639,817	3,728,635	5,636,943	13,970,466	168,091,623

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED										
Position at 12/31/2018	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	182,424,784	1,214,858	95,626	183,735,268	187,969,403	-	3,722,717	5,088,931	13,911,685	161,011,935
Financial Treasury Bills	81,065,080	26,155	23,851	81,115,086	81,119,651	-	48,622	-	-	81,066,464
Federal Treasury Bills	72,547,689	1,188,603	63,462	73,799,754	73,804,771	-	3,674,095	5,088,931	13,911,685	51,125,043
Federal Treasury Notes	28,434,758	100	40,926	28,475,784	32,700,337	-	-	-	-	28,475,784
Federal Treasury/Securitization	377,257	-	(32,613)	344,644	344,644	-	-	-	-	344,644
Corporate Securities	14,129,964	(8,344)	710,919	14,832,539	14,434,949	8,371,598	3,124	-	-	6,457,817
Debentures	3,344,891	2,044	(428,877)	2,918,058	2,068,436	-	-	-	-	2,918,058
Fund quotas	810,918	-	1,701	812,619	812,619	812,619	-	-	-	-
Mortgage-Backed Securities	3,384,112	-	158,771	3,542,883	3,994,915	-	3,124	-	-	3,539,759
Shares	6,590,043	(10,388)	979,324	7,558,979	7,558,979	7,558,979	-	-	-	-
Total – marketable securities	196,554,748	1,206,514	806,545	198,567,807	202,404,352	8,371,598	3,725,841	5,088,931	13,911,685	167,469,752
Trading securities	91,048,033	1,206,514	-	92,254,547	92,254,547	820,562	3,674,569	-	7,652,699	80,106,717
Available-for-sale securities	64,210,464	-	806,545	65,017,009	65,017,009	7,551,036	48,148	984,909	6,258,986	50,173,930
Held-to-maturity securities	41,296,251	-	-	41,296,251	45,132,796	-	3,124	4,104,022	-	37,189,105
Derivative financial instruments	1,232,039	(581)	-	1,231,458	1,231,458	-	2,794	548,012	58,781	621,871
Total – Marketable securities and Derivatives	197,786,787	1,205,933	806,545	199,799,265	203,635,810	8,371,598	3,728,635	5,636,943	13,970,466	168,091,623

(c) Classification of 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 the financial instruments, such as: futures contracts, government securities, or swap transactions.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Highly liquid securities with prices available in an active market are classified in level 1 of the fair value hierarchy, where most Brazilian Government Securities, shares and debentures traded on the stock exchange and other securities traded on the active market are classified.

Assets with low or no liquidity are classified as level 2 of the fair value hierarchy since the market price calculation is based on the cash flow methodology discounted at a risk free rate observed in the market.

For shares of investment funds, the share values calculated by the fund manager are used as the fair value.

(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 12/31/2018 corresponds to the cost of acquisition of the security.

The market value of these securities represents their book value.

Description	INDIVIDUAL										
	12/31/2018								12/31/2017		
	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
Brazilian Government Securities	-	3,674,569	-	7,652,699	79,800,975	89,913,385	1,214,858	91,128,243	106,098,596	2,384,756	108,483,352
Financial Treasury Bills	-	474	-	-	30,113,376	30,087,695	26,155	30,113,850	24,818,073	39,203	24,857,276
Federal Treasury Bills	-	3,674,095	-	7,652,699	49,676,607	59,814,798	1,188,603	61,003,401	78,394,500	2,316,936	80,711,436
Federal Treasury Notes	-	-	-	-	10,992	10,892	100	10,992	2,886,023	28,617	2,914,640
Corporate Securities	90,902	-	-	-	305,742	404,988	(8,344)	396,644	494,656	(20,581)	474,075
Debentures	-	-	-	-	305,742	303,698	2,044	305,742	385,318	(22,687)	362,631
Fund quotas	-	-	-	-	-	-	-	-	-	-	-
Real Estate Notes	-	-	-	-	-	-	-	-	125	6	131
Shares	90,902	-	-	-	-	101,290	(10,388)	90,902	109,213	2,100	111,313
Total	90,902	3,674,569	-	7,652,699	80,106,717	90,318,373	1,206,514	91,524,887	106,593,252	2,364,175	108,957,427

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED											
Description	12/31/2018								12/31/2017		
	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
Brazilian Government Securities	-	3,674,569	-	7,652,699	79,800,975	89,913,385	1,214,858	91,128,243	106,098,596	2,384,756	108,483,352
Financial Treasury Bills	-	474	-	-	30,113,376	30,087,695	26,155	30,113,850	24,818,073	39,203	24,857,276
Federal Treasury Bills	-	3,674,095	-	7,652,699	49,676,607	59,814,798	1,188,603	61,003,401	78,394,500	2,316,936	80,711,436
Federal Treasury Notes	-	-	-	-	10,992	10,892	100	10,992	2,886,023	28,617	2,914,640
Corporate Securities	820,562	-	-	-	305,742	1,134,648	(8,344)	1,126,304	759,988	(20,581)	739,407
Debentures	-	-	-	-	305,742	303,698	2,044	305,742	385,318	(22,687)	362,631
Fund quotas	729,660	-	-	-	-	729,660	-	729,660	265,332	-	265,332
Real Estate Notes	-	-	-	-	-	-	-	-	125	6	131
Shares	90,902	-	-	-	-	101,290	(10,388)	90,902	109,213	2,100	111,313
Total	820,562	3,674,569	-	7,652,699	80,106,717	91,048,033	1,206,514	92,254,547	106,858,584	2,364,175	109,222,759

Notes to the 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 presented at 12/31/2018 includes an impairment of these securities of R\$ 308,106.

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 12/31/2018 corresponds to the cost of acquisition of the security.

The market value of these securities represents their book value.

Description	INDIVIDUAL										
	12/31/2018								12/31/2017		
	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
Brazilian Government Securities	-	48,148	984,909	6,258,986	47,066,641	54,263,058	95,626	54,358,684	24,705,498	268,029	24,973,527
Financial Treasury Bills	-	48,148	-	-	44,142,019	44,166,316	23,851	44,190,167	8,558,151	22,810	8,580,961
Federal Treasury Bills	-	-	984,909	6,258,986	1,448,436	8,628,869	63,462	8,692,331	11,699,517	221,062	11,920,579
Federal Treasury Notes	-	-	-	-	1,131,542	1,090,616	40,926	1,131,542	4,133,402	53,662	4,187,064
Federal Treasury/Securitization	-	-	-	-	344,644	377,257	(32,613)	344,644	314,428	(29,505)	284,923
Corporate Securities	7,548,915	-	-	-	3,107,289	9,945,285	710,919	10,656,204	13,099,017	(1,977,668)	11,121,349
Debentures	-	-	-	-	1,679,017	2,107,894	(428,877)	1,679,017	4,698,936	(616,760)	4,082,176
Fund quotas	80,838	-	-	-	-	79,137	1,701	80,838	82,552	-	82,552
Real Estate Notes	-	-	-	-	1,428,272	1,269,501	158,771	1,428,272	1,297,227	73,577	1,370,804
Shares	7,468,077	-	-	-	-	6,488,753	979,324	7,468,077	7,020,302	(1,434,485)	5,585,817
Total	7,548,915	48,148	984,909	6,258,986	50,173,930	64,208,343	806,545	65,014,888	37,804,515	(1,709,639)	36,094,876

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED											
Description	12/31/2018								12/31/2017		
	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
Brazilian Government Securities	-	48,148	984,909	6,258,986	47,066,641	54,263,058	95,626	54,358,684	24,705,498	268,029	24,973,527
Financial Treasury Bills	-	48,148	-	-	44,142,019	44,166,316	23,851	44,190,167	8,558,151	22,810	8,580,961
Federal Treasury Bills	-	-	984,909	6,258,986	1,448,436	8,628,869	63,462	8,692,331	11,699,517	221,062	11,920,579
Federal Treasury Notes	-	-	-	-	1,131,542	1,090,616	40,926	1,131,542	4,133,402	53,662	4,187,064
Federal Treasury/Securitization	-	-	-	-	344,644	377,257	(32,613)	344,644	314,428	(29,505)	284,923
Corporate Securities	7,551,036	-	-	-	3,107,289	9,947,406	710,919	10,658,325	13,167,033	(1,314,292)	11,852,741
Debentures	-	-	-	-	1,679,017	2,107,894	(428,877)	1,679,017	4,698,936	(616,760)	4,082,176
Fund quotas	82,959	-	-	-	-	81,258	1,701	82,959	84,743	-	84,743
Real Estate Notes	-	-	-	-	1,428,272	1,269,501	158,771	1,428,272	1,297,227	73,577	1,370,804
Shares	7,468,077	-	-	-	-	6,488,753	979,324	7,468,077	7,086,127	(771,109)	6,315,018
Total	7,551,036	48,148	984,909	6,258,986	50,173,930	64,210,464	806,545	65,017,009	37,872,531	(1,046,263)	36,826,268

(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 presented at 12/31/2018 includes an impairment of these securities of R\$ 1,411,441.

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 12/31/2018 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.

Assets in this category sensitize CAIXA's balance sheet to its current carrying amount

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

INDIVIDUAL / CONSOLIDATED							
Description	12/31/2018				12/31/2017		
	01 to 90 days	91 to 180 days	More than 360 days	Cost adjusted to recoverable amount	Market value	Cost adjusted to recoverable amount	Market value
Brazilian Government Securities	-	4,104,022	34,144,319	38,248,341	42,482,476	38,821,951	41,444,149
Financial Treasury Bills	-	-	6,811,069	6,811,069	6,815,634	6,397,621	6,404,650
Federal Treasury Bills	-	4,104,022	-	4,104,022	4,109,039	5,355,006	5,432,564
Federal Treasury Notes	-	-	27,333,250	27,333,250	31,557,803	27,069,324	29,606,935
Corporate Securities	3,124	-	3,044,786	3,047,910	2,650,320	2,266,971	2,554,497
Debentures	-	-	933,299	933,299	83,677	151,204	8,173
Mortgage-Backed Securities	3,124	-	2,111,487	2,114,611	2,566,643	2,115,767	2,546,324
Total	3,124	4,104,022	37,189,105	41,296,251	45,132,796	41,088,922	43,998,646

(d) Income from securities

Description	INDIVIDUAL				CONSOLIDATED			
	2018		2017		2018		2017	
	2nd half	Year	2nd half	Year	2nd half	Year	2nd half	Year
Financial assets held for trading	4,702,152	7,735,997	5,991,935	13,081,011	4,717,984	7,751,829	5,992,571	13,087,416
Financial assets available for sale	1,090,141	2,218,144	1,622,793	2,677,392	1,407,330	2,555,966	1,647,413	2,709,159
Financial assets held to maturity	1,813,474	3,783,577	1,840,948	4,146,715	1,813,474	3,783,577	1,840,948	4,146,715
Other	3,121	(892)	(4,005)	7,218	3,121	(892)	(4,005)	7,218
Total	7,608,888	13,736,826	9,451,671	19,912,336	7,941,909	14,090,480	9,476,927	19,950,508

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(e) Derivative financial instruments

CAIXA uses 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 designed to hedge variations in foreign exchange rates and variations in the interest rates of assets and liabilities.

CAIXA uses two strategies in the derivatives market:

1. Hedge of other financial instruments in both the trading portfolio and the banking portfolio;
2. Breakdown of renegotiation portfolio.

The main market risk associated with this second strategy is the change in the price of derivative instruments. These changes are recognized in the profit for the year. These changes are recognized in the results for the year.

There is no market risk associated with the first strategy.

CAIXA currently does not operate derivatives that are subject to non-linear price changes, which makes these changes less broad.

The Institution manages the market risk in the context of the trading portfolio, aiming at controlling the exposure to this risk, the expected loss and the capital consumption to cover this risk.

Daily, the exposure to market risk, VaR - Value at Risk, the concentration in risk factors, the term structure, the duration and the capital allocation of the trading portfolio are calculated. In addition, weekly stress tests are performed.

CAIXA has a structure of limits for these indicators, which are monitored daily and reported to risk governance when some extrapolation occurs.

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).

In case 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.

CAIXA does not have derivative instruments that have gains or losses recorded in a separate account of equity, a fact that occurs only in cash flow hedge accounting structures.

(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).

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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 agreements, 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 hedge underlying 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 No. 3082/2002.

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

In September 2018, in order to protect the market value of a fraction of the credit agreements, CAIXA negotiated the purchase of DI futures contracts for the implementation of the Macro Hedge of the banking portfolio.

The effectiveness of the credit transaction hedge is in accordance with the provisions of Circular Letter 3,082 / 2002, which establishes and consolidates the criteria for accounting recognition and valuation of derivative financial instruments.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

INDIVIDUAL / CONSOLIDATED								
ACCOUNTING HEDGE								
Structures	12/31/2018				12/31/2017			
	Hedge Instrument			Underlying hedge object	Hedge Instrument			Underlying hedge object
	Principal value	Interest	Adjustment to market value	Book value	Principal value	Interest	Adjustment to market value	Book value
Foreign onlendings	6,964,460	1,927,816	651,808	8,793,307	6,874,387	1,375,459	182,505	8,171,595
Financial bills	824,160	681,587	198,368	1,510,498	845,660	543,295	183,497	1,392,658
Total	7,788,620	2,609,403	850,176	10,303,805	7,720,047	1,918,754	366,002	9,564,253

INDIVIDUAL / CONSOLIDATED				
TIME STRUCTURE				
Maturity	12/31/2018		12/31/2017	
	Foreign onlendings	Financial bills	Foreign onlendings	Financial bills
2018	-	-	915,366	21,500
2019	5,478,271	10,150	4,690,521	10,150
2020	58,670	16,360	50,076	16,360
2021	56,599	25,000	48,309	25,000
2022	1,370,920	-	1,170,115	-
2023	-	562,000	-	562,000
2024	-	203,450	-	203,450
2025	-	7,200	-	7,200
Total	6,964,460	824,160	6,874,387	845,660

Notes to the 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

INDIVIDUAL / CONSOLIDATED						
Reference value						
Description	12/31/2018				12/31/2017	
	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Market Value	Market Value
Future contracts						
Subject to purchase agreements	4,887,094	3,997,238	5,321,303	4,861,388	19,067,023	-
Interbank market	4,887,094	3,997,238	5,321,303	4,861,388	19,067,023	-
Foreign currency	-	-	-	-	-	-
Subject to repurchase agreements	287,433	18,706	3,866,593	47,740,030	51,912,762	83,110,386
Interbank market	13,993	18,706	3,866,593	47,740,030	51,639,322	84,400,204
Foreign currency	273,440	-	-	-	273,440	(1,289,818)
Swap contracts						
	56,574	2,883,901	1,217,412	1,594,328	5,752,215	6,732,293
Index	5,800	-	4,350	814,010	824,160	845,660
Foreign currency	50,774	2,883,901	1,213,062	780,318	4,928,055	5,886,633

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED								
Description	12/31/2018						12/31/2017 (Note 3(n))	
	Equity value receivable (received) / payable (paid)	Adjustments to market value (Profit or loss/ Equity)	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Equity value	Equity value
Long Position:								
Swap contracts – adjustments receivable	1,232,039	(581)	2,794	548,012	58,781	621,871	1,231,458	997,212
Index/B3	85,795	112,573	802	-	414	197,152	198,368	183,497
Foreign currency/Financial institutions	1,146,244	(113,154)	1,992	548,012	58,367	424,719	1,033,090	813,715
Short Position								
Swap contracts – adjustments payable	1,076,127	35,119	5,099	264,941	111,242	729,964	1,111,246	1,361,175
Foreign currency/Financial institutions	346,163	35,119	5,099	264,941	111,242	-	381,282	631,211
FGTS derivative (1)	729,964	-	-	-	-	729,964	729,964	729,964

(1) Amount restated in 2017, according to Note 3 (n).

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Swap	192,751	361,893	674,956	426,848
Futures	(1,646,256)	(1,642,721)	(1,757,884)	(3,184,802)
Total realized	(1,453,505)	(1,280,828)	(1,082,928)	(2,757,954)

(j) 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:

INDIVIDUAL / CONSOLIDATED			
Description	12/31/2018	12/31/2017	
Brazilian Government Securities	11,690,997	5,627,765	
Financial Treasury Bills	9,920,327	2,104,276	
Federal Treasury Bills	1,767,316	3,520,492	
Federal Treasury Notes	3,354	2,997	

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.

INDIVIDUAL / CONSOLIDATED			
Description	Remuneration	12/31/2018	12/31/2017
Compulsory on demand deposits	None	8,256,797	17,673,837
Compulsory on savings deposits	TR + 4,55% p.a.	59,443,622	67,249,183
Compulsory on time deposits	SELIC rate	32,473,546	39,471,354
Rural Credit Funds	None	-	2,296,436
Total		100,173,965	126,690,810

For deposits made as from May 4, 2012, the yield of the compulsory deposits on savings deposits is the Referential Interest (TR) + 6.17% p.a. (if the Selic rate exceeds 8.5% p.a.) and TR + 70% of the SELIC rate (if this rate is lower than or equal to 8.5% p.a.)

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.

The compulsory deposit on savings deposits was reduced in 2018 from 21% to 20% in the rural sector, and from 24.5% to 20% in other modalities.

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 in the process of novation with that Fund.

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
FCVS receivable - net of provision	28,271,531	27,813,191
FCVS receivable - not yet approved	13,367,825	12,943,851
FCVS receivable - qualified and approved	19,443,391	18,574,087
Provision for FCVS receivable	(4,539,685)	(3,704,747)
FGTS reimbursable	123,163	105,925
Total (net of provision)	28,394,694	27,919,116

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 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\$ 1,062,333, and contracts already qualified by CAIXA, which are under analysis by FCVS for final approval, in the amount of R\$ 12,305,492.

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.

A new methodology was approved for the calculation of the provision of contracts to be reimbursed by FCVS, in accordance with best practices, in order to capture the risk linked to the receipt of the assets.

The methodology, in addition to incorporating the possibility of claims for contracts with negative coverage, added another feature to calculate the provision for the other contracts covered by FCVS, that is, the calculation of the provision of contracts classified as: Not Enabled, Enabled Not Approved, Approved, Renewed Not Written-Off. The incorporation of the new functionality allowed the definition of the provision levels of all transactions covered by FCVS, regardless of the credit situation.

(c) Income from compulsory investments

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Compulsory deposits at BACEN	2,444,863	5,129,124	3,635,781	8,856,850
Compulsory deposits at SFH	985,394	1,792,903	675,708	1,748,227
Total	3,430,257	6,922,027	4,311,489	10,605,077

Notes to the 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

INDIVIDUAL / CONSOLIDATED											
Loan operations	AA	A	B	C	D	E	F	G	H	12/31/2018	12/31/2017
Loan operations	356,799,464	75,510,095	103,554,495	80,832,666	29,268,327	9,478,670	8,417,700	2,791,550	17,352,622	684,005,589	695,150,457
Loans and discounted notes	11,721,968	22,069,225	54,167,203	16,455,250	7,403,012	2,421,402	1,156,668	1,272,120	9,828,299	126,495,147	144,709,484
Financing	3,250,519	2,858,159	1,187,380	2,686,828	431,810	203,420	66,473	63,760	581,639	11,329,988	17,622,893
Rural and agribusiness financing	1,105,214	2,411,170	2,072,939	1,244,852	247,355	238,017	26,322	23,957	168,168	7,537,994	6,914,403
Real estate financing	287,165,179	30,631,560	40,783,003	55,366,090	19,812,726	2,262,141	3,717,019	1,204,533	3,102,173	444,044,424	431,187,564
Infrastructure and development financing	44,375,457	17,205,904	5,076,900	4,791,146	1,276,574	4,303,066	3,418,120	205,255	3,623,949	84,276,371	82,607,985
Loan operations linked to assignments	9,181,127	334,077	267,070	288,500	96,850	50,624	33,098	21,925	48,394	10,321,665	12,108,128
Other receivables with loan characteristics	1,122,575	5,530,756	1,545,073	1,424,747	228,402	372,480	53,595	33,154	202,819	10,513,601	11,125,067
Credit card	471,639	5,429,002	1,205,661	472,889	202,998	36,096	13,632	13,118	167,630	8,012,665	7,396,975
Advances on exchange contracts (1)	527,829	98,846	320,382	918,934	6,971	231,854	32,223	17,796	12,617	2,167,452	3,304,395
Acquired credits (2)	85,949	-	-	27,837	-	98,511	-	-	-	212,297	328,186
Sundry	37,158	2,908	19,030	5,087	18,433	6,019	7,740	2,240	22,572	121,187	95,511
Total	357,922,039	81,040,851	105,099,568	82,257,413	29,496,729	9,851,150	8,471,295	2,824,704	17,555,441	694,519,190	706,275,524
Provision for loan losses (3)	(371,125)	(486,638)	(1,754,708)	(3,949,117)	(3,537,704)	(3,120,811)	(4,237,242)	(1,977,371)	(17,555,441)	(36,990,157)	(37,502,639)
Total net of provision	357,550,914	80,554,213	103,344,860	78,308,296	25,959,025	6,730,339	4,234,053	847,333	0	657,529,033	668,772,885

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

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

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

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Analysis of provision for loan losses

INDIVIDUAL / CONSOLIDATED											
Loan operations	AA	A	B	C	D	E	F	G	H	12/31/2018	12/31/2017
Regulatory provision	-	(405,205)	(1,050,996)	(2,467,724)	(2,949,673)	(2,955,345)	(4,235,648)	(1,977,292)	(17,555,441)	(33,597,324)	(34,283,895)
Loan operations	-	(377,551)	(1,035,545)	(2,424,981)	(2,926,833)	(2,843,601)	(4,208,851)	(1,954,083)	(17,352,569)	(33,124,014)	(33,753,286)
Loans and discounted notes	-	(110,346)	(541,672)	(493,658)	(740,301)	(726,421)	(578,334)	(890,484)	(9,828,246)	(13,909,462)	(15,806,961)
Financing	-	(14,291)	(11,874)	(80,605)	(43,181)	(61,026)	(33,237)	(44,632)	(581,638)	(870,484)	(1,694,126)
Rural and agribusiness financing	-	(12,056)	(20,729)	(37,346)	(24,736)	(71,405)	(13,161)	(16,770)	(168,168)	(364,371)	(274,205)
Real estate financing	-	(153,158)	(407,830)	(1,660,983)	(1,981,273)	(678,642)	(1,858,510)	(843,173)	(3,102,173)	(10,685,742)	(9,933,454)
Infrastructure and development financing (1)	-	(86,030)	(50,769)	(143,734)	(127,657)	(1,290,920)	(1,709,060)	(143,679)	(3,623,949)	(7,175,798)	(5,902,676)
Loan operations linked to assignments	-	(1,670)	(2,671)	(8,655)	(9,685)	(15,187)	(16,549)	(15,345)	(48,395)	(118,157)	(141,864)
Other receivables with loan characteristics	-	(27,654)	(15,451)	(42,743)	(22,840)	(111,744)	(26,797)	(23,209)	(202,872)	(473,310)	(530,609)
Credit card	-	(27,145)	(12,057)	(14,187)	(20,300)	(10,829)	(6,816)	(9,183)	(167,683)	(268,200)	(234,807)
Advances on exchange contracts	-	(494)	(3,204)	(27,568)	(697)	(69,556)	(16,111)	(12,884)	(12,617)	(143,131)	(225,164)
Acquired credits	-	-	-	(835)	-	(29,553)	-	-	-	(30,388)	(26,875)
Sundry	-	(15)	(190)	(153)	(1,843)	(1,806)	(3,870)	(1,142)	(22,572)	(31,591)	(43,763)
Supplementary provision (2)	(371,125)	(81,433)	(703,712)	(1,481,393)	(588,031)	(165,466)	(1,594)	(79)	-	(3,392,833)	(3,218,744)
Loan operations	(367,924)	(79,801)	(686,773)	(1,452,154)	(570,012)	(163,302)	(646)	(79)	-	(3,320,691)	(3,162,155)
Loans and discounted notes	(11,951)	(22,376)	(418,692)	(351,266)	(337,030)	(118,803)	(630)	(79)	-	(1,260,827)	(1,612,945)
Financing	(425)	(1,807)	(13,341)	(64,906)	(79,377)	(44,356)	(16)	-	-	(204,228)	(283,193)
Rural and agribusiness financing	(2,123)	(1,174)	(5,670)	(2,506)	(2,100)	(141)	-	-	-	(13,714)	(10,650)
Real estate financing	(327,705)	(53,268)	(238,172)	(1,028,147)	(151,505)	(2)	-	-	-	(1,798,799)	(1,223,250)
Infrastructure and development financing	(20,969)	(1,035)	(10,489)	(5,102)	-	-	-	-	-	(37,595)	(32,117)
Loan operations linked to assignments	(4,751)	(141)	(409)	(227)	-	-	-	-	-	(5,528)	-
Other receivables with loan characteristics	(3,201)	(1,632)	(16,939)	(29,239)	(18,019)	(2,164)	(948)	-	-	(72,142)	(56,589)
Credit card	(3)	(121)	(883)	(2,735)	(3,819)	(1,634)	-	-	-	(9,195)	(11,406)
Advances on exchange contracts	(1,057)	(215)	(1,568)	(13,098)	(335)	-	-	-	-	(16,273)	(16,964)
Acquired credits	(238)	-	-	(1,099)	-	-	-	-	-	(1,337)	(628)
Sundry	(1,903)	(1,296)	(14,488)	(12,307)	(13,865)	(530)	(948)	-	-	(45,337)	(27,591)
Total provision	(371,125)	(486,638)	(1,754,708)	(3,949,117)	(3,537,704)	(3,120,811)	(4,237,242)	(1,977,371)	(17,555,441)	(36,990,157)	(37,502,639)

(1) CAIXA undertook prudential adjustments with a rating revision in particular for three major exposures in the infrastructure segment, totaling an increase of R\$ 1.15 billion in the provision expense. The adjustments made aim to keep the provisioned amounts in line with the risks identified in the credit operations of borrowers and economic groups with relevant exposures.

(2) 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 financial statements

All amounts in thousands of reais unless otherwise stated

(c) Maturity buckets and risk levels
(c.1) Normal loan operations

INDIVIDUAL / CONSOLIDATED											
Description	AA	A	B	C	D	E	F	G	H	12/31/2018	12/31/2017
Falling due	357,780,283	80,759,176	94,395,663	57,370,564	17,236,252	6,705,237	6,580,829	942,703	7,550,582	629,321,289	635,066,543
1 to 30 days	4,148,157	5,685,485	2,732,278	2,071,867	655,921	263,816	147,331	87,462	363,002	16,155,319	17,209,557
31 to 60 days	4,225,910	3,165,693	2,496,735	1,278,607	492,841	239,393	139,687	29,995	243,372	12,312,233	13,987,055
61 to 90 days	3,919,017	2,372,055	1,989,263	1,120,564	448,853	231,391	136,226	27,335	204,562	10,449,266	11,894,040
91 to 180 days	11,775,721	6,615,712	6,640,733	3,985,381	1,254,546	922,130	396,672	74,901	557,398	32,223,194	33,866,211
181 to 360 days	22,523,649	8,401,430	11,128,951	5,404,242	1,820,661	862,422	731,693	115,846	698,869	51,687,763	55,810,310
More than 360 days	311,187,829	54,518,801	69,407,703	43,509,903	12,563,430	4,186,085	5,029,220	607,164	5,483,379	506,493,514	502,299,370
Overdue	141,756	281,675	187,856	165,712	65,364	10,523	4,027	11,291	170,023	1,038,227	976,735
01 to 14 days	71,558	251,819	108,739	101,122	41,701	7,182	2,649	10,602	14,072	609,444	738,412
15 to 30 days (1)	70,198	29,856	79,117	64,590	23,663	3,341	1378	689	155,951	428,783	238,323
Total	357,922,039	81,040,851	94,583,519	57,536,276	17,301,616	6,715,760	6,584,856	953,994	7,720,605	630,359,516	636,043,278

(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 financial statements

All amounts in thousands of reais unless otherwise stated

(c.2) Abnormal loan operations

INDIVIDUAL / CONSOLIDATED											
Description	AA	A	B	C	D	E	F	G	H	12/31/2018	12/31/2017
Falling due	-	-	9,925,613	23,209,884	10,695,295	1,915,032	1,061,653	932,094	3,599,040	51,338,611	55,533,243
1 to 30 days	-	-	162,344	299,684	143,711	46,456	18,586	18,588	193,590	882,959	1,010,595
31 to 60 days	-	-	172,992	269,787	129,708	38,749	18,337	18,302	102,989	750,864	831,359
61 to 90 days	-	-	141,086	249,157	124,900	36,170	17,353	17,532	93,497	679,695	762,836
91 to 180 days	-	-	443,114	740,781	361,315	106,064	50,124	51,076	272,666	2,025,140	2,273,475
181 to 360 days	-	-	802,326	1,375,245	660,429	190,408	92,071	93,858	394,187	3,608,524	4,116,385
More than 360 days	-	-	8,203,751	20,275,230	9,275,232	1,497,185	865,182	732,738	2,542,111	43,391,429	46,538,593
Overdue	-	-	590,436	1,511,253	1,499,818	1,220,358	824,786	938,616	6,235,796	12,821,063	14,699,003
1 to 30 days	-	-	461,573	327,411	210,677	52,150	29,169	20,884	99,310	1,201,174	1,191,068
31 to 60 days	-	-	128,825	554,079	180,173	75,136	51,349	20,534	126,392	1,136,488	1,685,251
61 to 90 days	-	-	3	492,618	831,991	340,129	128,746	104,094	593,152	2,490,733	2,762,843
91 to 180 days	-	-	2	137,119	276,796	550,822	402,835	536,760	1,367,911	3,272,245	3,344,736
181 to 360 days	-	-	33	26	181	202,121	212,687	256,344	3,064,990	3,736,382	4,793,706
More than 360 days	-	-	-	-	-	-	-	-	984,041	984,041	921,399
Total	-	-	10,516,049	24,721,137	12,195,113	3,135,390	1,886,439	1,870,710	9,834,836	64,159,674	70,232,246

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(d) Composition of loan portfolio by activity sector

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
PUBLIC SECTOR	59,102,627	57,644,602
Direct administration	39,147,035	36,423,408
Indirect administration– petrochemical	6,814,032	6,825,569
Indirect administration – sanitation and infrastructure	5,093,100	4,833,829
Indirect administration – other	8,048,460	9,561,796
PRIVATE SECTOR	635,416,563	648,630,922
LEGAL ENTITY	101,145,513	115,630,610
Electric energy	18,390,347	19,472,897
Civil construction	14,131,646	16,450,943
Retail	12,078,285	17,176,879
Steel and metallurgy	8,260,674	9,190,287
Transport	8,883,024	9,521,373
Sanitation and infrastructure	7,245,894	6,787,591
Wholesale	5,973,090	6,022,380
Other industries	4,726,929	6,068,868
Health	4,499,335	4,698,340
Agribusiness and extractive activities	3,760,792	3,546,648
Food	2,167,266	2,400,554
Textile	1,227,816	1,441,135
Financial services	1,221,616	1,438,153
Communications	1,008,129	1,130,138
Petrochemical	536,473	549,047
Personal services	176,383	239,282
Other services	6,857,814	9,496,095
INDIVIDUAL	534,271,050	533,000,312
Total	694,519,190	706,275,524

(e) Income from loan operations

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Loans, discounted notes and financing	19,957,810	40,328,569	22,662,897	46,813,083
Rural and agribusiness financing	232,630	446,855	276,407	538,408
Real estate financing	16,017,040	31,757,285	16,528,606	34,179,812
Financing of infrastructure and development	3,297,193	6,408,255	3,351,876	6,977,153
Other receivables	4,885	9,522	5,048	7,988
Total	39,509,558	78,950,486	42,824,834	88,516,444

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(f) Financial assets sale or transfer operations

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

(f.1) Loan portfolios assigned

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
PORTFOLIOS ACQUIRED WITH JOINT LIABILITY				
Banco Cruzeiro do Sul	11,399	21,319	7,979	13,700
BMG	1,874	4,252	3,062	6,993
BMB	-	16	214	921
Bonsucesso	192	609	787	2,154
Daycoval	7,356	18,247	17,943	48,598
Total	20,821	44,443	29,985	72,366

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

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
PORTFOLIOS ASSIGNED WITH JOINT LIABILITY				
Expenses related to assignment	(435,666)	(903,829)	(526,207)	(1,174,129)
PORTFOLIOS ASSIGNED WITHOUT JOINT LIABILITY				
Expenses related to assignment	(1,019)	(5,027)	(4,745)	(4,745)
Total	(436,685)	(908,856)	(530,952)	(1,178,874)

(g) Recovered Loans

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Commercial	1,756,499	2,863,776	1,458,058	2,569,208
Housing	1,003,235	1,492,273	615,963	1,144,302
Total	2,759,734	4,356,049	2,074,021	3,713,510

(h) Renegotiated Operations

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Commercial	1,169,346	2,442,910	2,015,354	4,619,753
Housing	14,501,589	26,912,532	14,286,047	27,014,057
Total	15,670,935	29,355,442	16,301,401	31,633,810

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i) Changes in the provision for loan losses

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Opening balance	(36,296,857)	(37,502,639)	(35,778,333)	(35,775,487)
Provision constituted in the period	(11,751,477)	(21,246,605)	(14,579,165)	(28,668,093)
Reversal of provision in the period	3,902,798	6,320,495	5,569,562	9,411,517
Losses	7,155,379	15,438,592	7,285,297	17,529,424
Closing balance	(36,990,157)	(36,990,157)	(37,502,639)	(37,502,639)

(j) Concentration of main debtors

INDIVIDUAL / CONSOLIDATED				
Description	12/31/2018	%	12/31/2017	%
Main debtor	8,996,117	1.30	8,748,920	1.24
10 major debtors	45,170,237	6.50	45,636,295	6.46
20 major debtors	63,182,198	9.10	63,970,927	9.06
50 major debtors	85,147,942	12.26	86,220,949	12.21
100 major debtors	99,565,079	14.34	101,196,331	14.33

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 9 – Other receivables**(a) Composition**

INDIVIDUAL		
Description	12/31/2018	12/31/2017 (Note 3(n))
Receivables from guarantees honored	27,329	31,336
Foreign exchange portfolio (Note 9 (d))	2,381,808	3,549,748
Income receivable (1)	2,242,495	2,275,189
Dividends and interest on capital receivable	98,970	282,523
Agreements with the private sector	123,867	124,844
Agreements with the public sector	450,912	428,881
Management of investment funds	141,103	43,447
Management of social funds and programs	1,405,162	1,374,119
Other income receivable	22,481	21,375
Negotiation and intermediation of securities	2,234	813
Specific receivables (1)	1,061,581	1,001,150
Sundry (Note 9 (b)) (1)	76,506,888	76,846,546
Provision for losses on other receivables (2)	(545,452)	(587,198)
Total	81,676,883	83,117,584
Current assets	26,614,706	34,005,778
Non-current assets	55,062,177	49,111,806

CONSOLIDATED		
Description	12/31/2018	12/31/2017 (Note 3(n))
Receivables from guarantees honored	27,329	31,336
Foreign exchange portfolio (Note 9 (d))	2,381,808	3,549,748
Income receivable (1)	2,488,743	2,294,687
Dividends and interest on capital receivable	296,513	260,067
Agreements with the private sector	123,867	124,844
Agreements with the public sector	450,912	428,881
Management of investment funds	141,103	43,447
Management of social funds and programs	1,405,162	1,374,119
Other income receivable	71,186	63,329
Negotiation and intermediation of securities	2,234	813
Specific receivables (1)	1,061,581	1,001,150
Sundry (Note 9 (b)) (1)	76,562,181	76,849,755
Provision for losses on other receivables (2)	(545,452)	(587,198)
Total	81,978,424	83,140,291
Current assets	26,916,247	34,028,485
Non-current assets	55,062,177	49,111,806

(1) Includes CAIXA credits with the Federal Government (Note 9 (c)) in the amount of R\$ 1,687,530 at 12/31/2018 (R\$ 1,601,346 at 12/31/2017).

(2) 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)).

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Other receivables – sundry

Description	INDIVIDUAL		CONSOLIDATED	
	12/31/2018	12/31/2017 (Note 3(n))	12/31/2018	12/31/2017 (Note 3(n))
Tax credits (Note 20 (d))	39,756,231	40,114,415	39,760,360	40,114,535
Receivables for escrow deposits (Note 28 (e))	17,667,075	16,654,094	17,667,075	16,654,094
Payment transactions	8,012,665	7,396,975	8,012,665	7,396,975
Premium on purchase of loan portfolios	2,550,773	3,339,036	2,550,773	3,339,036
Taxes and contributions to be offset	1,440,476	1,539,212	1,463,121	1,540,460
Amounts to be appropriated (1)	1,824,145	3,851,966	1,824,351	3,854,490
Insurance receivable	131,254	582,357	131,254	582,357
Receivables – royalties	618,266	611,962	618,266	611,962
Salary advances and prepayments	440,362	207,291	440,362	207,291
FND	539,434	517,425	539,434	517,425
Credit card (2)	1,961,599	502,050	1,961,599	502,050
Acquired credits	212,297	328,186	212,297	328,186
Redemption of bonus	129,411	122,503	129,411	122,503
Correspondents	111,606	119,048	111,606	119,048
Fund administration and social programs	72,436	94,625	70,065	93,454
Advance of dividends and interest on capital	-	73,130	-	73,130
Other debtors	1,038,858	792,271	1,069,542	792,759
Total	76,506,888	76,846,546	76,562,181	76,849,755
Current assets	21,432,773	27,724,085	21,488,066	27,727,294
Non-current assets	55,074,115	49,122,461	55,074,115	49,122,461

(1) 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.

(2) The item "Credit card" is comprised of receivables without loan characteristics related to credit card transactions.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(c) CAIXA credits with the Federal Government

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Loans granted (Vote CMN 162/95)	827,059	777,299
BNH - incentive to beneficiaries of SFH (DL 2,164/84)	262,072	247,656
Social Development Fund (FDS) - Quotas and dividends	539,434	517,425
Other assets	58,965	58,965
Total	1,687,530	1,601,346

(d) Foreign exchange portfolio

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Assets – Other receivables		
Foreign exchange purchases pending settlement – Foreign currency	2,290,628	3,406,445
Rights on foreign exchange sales – local currency	25,767	69,648
Income receivable from advances granted - ACC/ACE	68,449	79,552
(-) Advances received – local currency	(3,036)	(5,897)
Current assets	2,381,808	3,549,748
Liabilities - Other liabilities		
Foreign exchange sales pending settlement – foreign currency	25,246	69,665
Payables for foreign exchange purchases – local currency	2,136,666	3,304,549
(-) Advances on foreign exchange contracts (ACC/ACE)	(2,099,003)	(3,224,843)
Current liabilities (Note 18 (a))	62,909	149,371
Net foreign exchange portfolio	2,318,899	3,400,377

(d.1) Result on foreign exchange transactions

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Exchange variations - cash in foreign currency	102,067	402,352	24,356	50,313
Exchange variations - other	39,875	473,221	(33,707)	60,649
Foreign exchange transactions	66,609	180,919	99,551	211,444
Result on foreign exchange transactions	208,551	1,056,492	90,200	322,406

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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

In this portfolio, which represents adjudicated properties, properties received as payment of loans, and properties that are no longer used in CAIXA's activities, the need for a revision of the estimate of the recoverable amount was identified. Therefore, a new study carried out with the purpose of updating the methodology of the impairment calculation and the provision for these properties, given the inventory growth and sales behavior in the last 2 years.

The relevant variables that affect this portfolio were considered, being: the percentage of discount in relation to occupied and unoccupied properties, the type of financing, the survey of all costs incurred during the repossession process, known as recoverable costs, as well as maintenance costs of properties in inventory until their sale, aiming at adherence to good practices related to the asset's recoverable amount, in addition to possible provisioning of existing liabilities.

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\$ 672,776 (12/31/2017- R\$ 593,473).

(a) Composition

Other assets items are matched in the individual and consolidated statements, with the exception of the item "Prepaid expenses", which, at 12/31/2018, presents in the consolidated statement the amount of R\$ 740,319.

INDIVIDUAL		
Description	12/31/2018	12/31/2017
Assets not for own use	11,502,032	7,903,899
Properties not in use	2,528,514	1,743,706
Adjudicated/auctioned properties	8,973,518	6,160,193
Prepaid expenses	740,279	611,036
Consumption materials	31,478	44,779
Provisions for loss on devaluation of properties (1)	(3,113,143)	(272,551)
Total	9,160,646	8,287,163

(1) Variation due to the review of the calculation methodology made by CAIXA. The review was caused by the increase in inventory and the sales behavior in the last years. For this, the appraisal value, less the costs with sales, plus the history of sales, the percentage of discount in relation to occupied and unoccupied properties, and the type of financing, were considered.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 11 - Investments

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 Board (CMN) and of the Brazilian Central Bank (BACEN). Other permanent investments are stated at cost of acquisition.

(a) Composition of the investment and equity in the results of investees in the individual financial statements

Description	INDIVIDUAL					
	Investment		Equity in the results of investees			
	12/31/2018	12/31/2017	2018		2017	
			2nd half	Year	2nd half	Year
CAIXAPAR	2,331,673	2,347,275	295,896	536,793	(6,486)	(156,659)
CAIXA Seguridade S.A.	4,603,698	4,178,630	784,007	1,477,607	637,027	1,298,850
Galgo Sistemas de Informações S.A.	1,147	1,285	(46)	(138)	(117)	(468)
FGO – Fundo de Garantia de Operações	495,848	467,384	-	-	-	-
FGHAB – Fundo Garantidor Hab. Popular	265,210	265,210	-	-	-	-
Other investments	10,103	11,442	(801)	(1,340)	(1,034)	(1,220)
Total	7,707,679	7,271,226	1,079,056	2,012,922	629,390	1,140,503

(a.1) 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 Veneza	171,667	-	-	75.00
Caixa Imóveis	1,887,839,025	-	49.98	49.98
Capgemini	63,764,544	-	20.70	19.11
Cibrasec	4,000	20	9.65	9.65
Caixa Crescer	55,632,415	8,000,000	49.00	52.36
Elo Serviços	62,779	926,278,144	0.01	36.89
TecBan	436,134,248	-	11.61	11.61
Quod	6,460,970	6,460,970	20.00	20.00
Caixa Cartões	200	-	100.00	100.00

(a.2) Shareholding portfolio - CAIXA Seguridade

Shareholding portfolio - CAIXAPAR Seguridade	Number of shares		Holding %	
	Common	Preferred	Voting capital	Capital
CAIXA Securitária	100,000	-	100%	100%
Too Seguros (1)	166,211,447	-	49%	48.98%
PAN Corretora	149,940	-	49%	49%
CAIXA Seguros Holding S.A.	2,278,823	-	48.21%	48.21%

(1) Refers to the former PAN Seguros

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Composition of the investment and equity in the results of investees in the consolidated financial statements

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.

Regarding the investment of Banco Pan, the effects of the unrealized profit in the amount of R\$ 83,095 in the 2nd half/2018 and R\$ 267,395 in 2018 (2nd half/017 - (R\$ 6,457) and in 2017 - (R\$ 176,162)).

CONSOLIDATED						
Description	Investment		Equity in the results of investees			
	12/31/2018	12/31/2017	2018		2017	
			2nd half	Year	2nd half	Year
CAIXA Seguros Holding	3,742,521	3,402,526	565,239	1,018,344	464,384	936,206
Banco PAN	937,258	759,948	123,394	344,371	32,417	(118,540)
Elo Serviços	100,782	44,692	27,050	56,028	15,886	22,657
Cia. Brasileira de Securitização - CIBRASEC	6,894	7,025	6	90	106	288
Crescer	-	-	(7,523)	(13,481)	(7,878)	(13,600)
Caixa Imóveis	-	3,479	(4,474)	(11,116)	-	-
Branes	1,678	1,898	(229)	(221)	8	24
Galgo Sistemas de Informações	1,147	1,285	(46)	(138)	(116)	(467)
Loan Guarantee Fund - FGO	495,848	467,384	-	-	-	-
Fundo Garantidor Habitação Popular - FG HAB	265,210	265,210	-	-	-	-
Fundo de Investimento em Participações - Veneza	32,489	27,156	(1,351)	4,584	(5,702)	(6,232)
TECBAN	112,934	112,049	517	(6,161)	2,318	5,512
Quod	61,508	28,724	359	(3,267)	(5,431)	(5,431)
Too Seguros	319,773	368,764	6,599	30,170	3,894	22,349
Other investments	1,750	50,411	(23,682)	(36,560)	(31,218)	(62,511)
Total	6,079,792	5,540,551	685,859	1,382,643	468,668	780,255

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(c) Impairment of investments

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

INDIVIDUAL						
Description	12/31/2018			12/31/2017		
	Cost	Impairment	Net	Cost	Impairment	Net
Loan Guarantee Fund - FGO	495,848	-	495,848	495,848	(28,464)	467,384
Other investments	21,191	(11,088)	10,103	22,529	(11,087)	11,442
Total	517,039	(11,088)	505,951	518,377	(39,551)	478,826

CONSOLIDATED						
Description	12/31/2018			12/31/2017		
	Cost	Impairment	Net	Cost	Impairment	Net
Loan Guarantee Fund - FGO	495,848	-	495,848	495,848	(28,464)	467,384
Other investments	104,131	(102,381)	1,750	134,045	(83,634)	50,411
Total	599,979	(102,381)	497,598	629,893	(112,098)	517,795

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 charge 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 9.60% (12/31/2017 - 11.03%), 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 financial statements

All amounts in thousands of reais unless otherwise stated

(a) Composition

Items of property and equipment in use are matched in the individual and consolidated statements, except for the item "Facilities, furniture and equipment in use", which presented in the consolidated statement a cost of R\$ 1,522,678 and depreciation of (R\$ 1,110,209) and for the item "Communication systems", which presented a cost of R\$ 104,983 and depreciation of (R\$ 84,558).

INDIVIDUAL					
Description	Useful life (in years)	12/31/2018			12/31/2017
		Cost	Depreciation	Net	Net
Properties in use	-	2,667,293	(1,580,708)	1,086,585	1,015,260
Buildings	25	2,582,809	(1,580,708)	1,002,101	932,096
Land	-	84,484	-	84,484	83,164
Revaluations of properties in use	-	689,161	(251,047)	438,114	462,084
Buildings	25	505,833	(251,047)	254,786	275,016
Land	-	183,328	-	183,328	187,068
Other assets in use	-	8,159,551	(6,771,720)	1,387,831	1,588,044
Construction in progress	-	91	-	91	-
Facilities, furniture and equipment	10	1,522,676	(1,110,207)	412,469	697,353
Communications systems	10	104,934	(84,556)	20,378	12,789
Data processing systems	5	5,943,631	(5,135,851)	807,780	764,938
Transport and security system	5	588,219	(441,106)	147,113	112,964
Total	-	11,516,005	(8,603,475)	2,912,530	3,065,388

(b) Changes

INDIVIDUAL / CONSOLIDATED						
Description	12/31/2017	Changes in 2018				12/31/2018
	Net	Transfers (1)	Additions	Write-offs	Depreciation	Net
Properties in use	1,015,260	(528)	430,308	(54,572)	(303,883)	1,086,585
Buildings	932,096	(198)	427,588	(53,502)	(303,883)	1,002,101
Land	83,164	(330)	2,720	(1,070)	-	84,484
Revaluations of properties in use	462,084	-	5,428	(9,082)	(20,316)	438,114
Buildings	275,016	-	5,428	(5,342)	(20,316)	254,786
Land	187,068	-	-	(3,740)	-	183,328
Other assets in use	1,588,044	(85)	396,681	(542)	(596,267)	1,387,831
Construction in progress	-	(85)	176	-	-	91
Facilities, furniture and equipment	697,353	(241,197)	45,033	(53)	(88,667)	412,469
Communications systems	12,789	9,701	1,228	-	(3,340)	20,378
Data processing system	764,938	214,758	284,196	(474)	(455,638)	807,780
Transport and security system	112,964	16,738	66,048	(15)	(48,622)	147,113
Total	3,065,388	(613)	832,417	(64,196)	(920,466)	2,912,530

(1) Represents the reclassifications within property and equipment.

Notes to the 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\$ 377,386 and remaining period of 46 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

INDIVIDUAL / CONSOLIDATED					
Description	12/31/2018				12/31/2017 (Note 3 (n))
	Cost	Accumulated amortization	Impairment	Net	Net
Payroll acquisitions	2,821,614	(1,490,096)	(2,217)	1,329,301	1,931,870
Logistics projects - Software	1,728,853	(613,938)	-	1,114,915	1,162,572
Total	4,550,467	(2,104,034)	(2,217)	2,444,216	3,094,442

(b) Changes

INDIVIDUAL / CONSOLIDATED					
Description	12/31/2017 (Note 3 (n))	Changes in 2018			12/31/2018
	Net	Additions	Write-offs	Amortization	Net
Payroll acquisitions	1,931,870	56,448	(1,790)	(657,227)	1,329,301
Logistics projects - Software	1,162,572	242,760	(65,334)	(225,083)	1,114,915
Total	3,094,442	299,208	(67,124)	(882,310)	2,444,216

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 14 – Deposits
(a) Deposits by maturity

Deposits	INDIVIDUAL					CONSOLIDATED		
	No maturity	01 to 90 days	91 to 360 days	More than 360 days	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Demand deposits	30,445,640	-	-	-	30,445,640	32,398,853	30,445,598	32,398,707
Individuals	14,961,427	-	-	-	14,961,427	15,571,635	14,961,427	15,571,635
Companies	11,552,924	-	-	-	11,552,924	12,246,509	11,552,882	12,246,363
Restricted	2,297,983	-	-	-	2,297,983	2,172,783	2,297,983	2,172,783
Government	1,067,232	-	-	-	1,067,232	1,511,492	1,067,232	1,511,492
Foreign currencies	5,283	-	-	-	5,283	9,205	5,283	9,205
Financial institutions	17,871	-	-	-	17,871	26,820	17,871	26,820
Public entities	226,711	-	-	-	226,711	572,551	226,711	572,551
Accounts closed	32,697	-	-	-	32,697	29,606	32,697	29,606
Other	283,512	-	-	-	283,512	258,252	283,512	258,252
Savings deposits	298,352,534	-	-	-	298,352,534	276,693,320	298,352,534	276,693,320
Individuals	293,962,755	-	-	-	293,962,755	272,495,932	293,962,755	272,495,932
Companies	2,068,239	-	-	-	2,068,239	2,011,728	2,068,239	2,011,728
Restricted	2,100	-	-	-	2,100	2,082	2,100	2,082
Accounts closed	2,319,440	-	-	-	2,319,440	2,183,578	2,319,440	2,183,578
Interbank deposits	-	145,021	216,243	10,686	371,950	577,401	371,950	577,401
Time deposits	82,674,500	4,797,027	19,145,415	72,427,203	179,044,145	186,537,181	178,254,497	185,643,021
CDB	10,863	4,797,027	19,145,415	72,427,203	96,380,508	111,732,731	95,590,860	110,838,571
Judicial deposits	82,663,637	-	-	-	82,663,637	74,804,450	82,663,637	74,804,450
Special deposits and deposits of funds and programs	13,313,602	-	-	-	13,313,602	10,913,088	13,313,602	10,913,088
Other	-	-	-	-	-	26	-	26
Total	424,786,276	4,942,048	19,361,658	72,437,889	521,527,871	507,119,869	520,738,181	506,225,563
Current liabilities					449,089,982	412,992,412	448,984,816	412,992,266
Non-current liabilities					72,437,889	94,127,457	71,753,365	93,233,297

Notes to the 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 12/31/2018, 68% (individual/consolidated) of these deposits refer to the CDB/RDB transactions with fixed rate remuneration, and 46% refer to judicial deposits with floating rate remuneration.

At 12/31/2018, 95% of the special deposits and deposits of funds and programs refer to transactions with floating rate remuneration.

(b) Expenses on deposits

INDIVIDUAL				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Savings deposits	(6,732,214)	(13,338,134)	(7,656,841)	(16,165,454)
Time deposits CDB/RDB	(3,175,274)	(6,589,533)	(5,034,125)	(12,830,798)
Judicial deposits	(1,644,007)	(3,286,051)	(2,066,112)	(4,432,537)
Special deposits and deposits of funds and programs (Noe 14 (d))	(503,890)	(1,091,001)	(632,913)	(1,584,506)
Interbank deposits	(13,288)	(31,777)	(28,963)	(81,748)
Other funding	(291,328)	(637,237)	(385,069)	(778,170)
Total	(12,360,001)	(24,973,733)	(15,804,023)	(35,873,213)

CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Savings deposits	(6,732,214)	(13,338,134)	(7,656,841)	(16,165,454)
Time deposits CDB/RDB	(3,142,640)	(6,522,466)	(4,997,716)	(12,740,131)
Judicial deposits	(1,644,007)	(3,286,051)	(2,066,112)	(4,432,537)
Special deposits and deposits of funds and programs (Noe 14 (d))	(503,890)	(1,091,001)	(632,913)	(1,584,506)
Interbank deposits	(13,288)	(31,777)	(223)	(53,008)
Other funding	(291,328)	(637,237)	(385,069)	(778,170)
Total	(12,327,367)	(24,906,666)	(15,738,874)	(35,753,806)

(c) Special deposits and deposits of funds and programs

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Deposits – FGTS	8,019,871	3,580,263
Special deposits with remuneration	2,328,226	2,245,150
Residential Lease Fund – FAR	196,826	1,621,973
Complementary Pension Fund for Workers – PREVHAB	916,768	867,229
Social Development Fund – FDS	779,669	746,517
Student Financing - FIES fund (1)	1,401	-
Social Integration Program – PIS	137,894	303,829
Worker's Assistance Fund - FAT (Note 14 (e))	-	577,319
Crop Guarantee Fund – FGS	370,175	386,909
Program for Development of Companies in Santa Catarina State – PRODEC	67,380	64,725
Saúde CAIXA	11,217	64,705
Other	484,175	454,469
Total	13,313,602	10,913,088

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

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED					
Description	Interest	2018		2017	
		2nd half	Year	2nd half	Year
FGTS	Selic	(210,018)	(439,540)	(234,033)	(688,564)
PIS	Extra market	(126,066)	(284,105)	(121,350)	(162,770)
FAR	Selic	(26,518)	(76,415)	(89,065)	(251,929)
PREVHAB	Selic	(28,059)	(55,581)	(33,866)	(78,691)
FDS	Selic day factor	(22,096)	(42,747)	(25,754)	(70,938)
Federal Treasury	Selic	(15,850)	(31,170)	(18,484)	(42,792)
FGS	Selic day factor /Extra market	(9,464)	(18,371)	(9,837)	(21,813)
FAT	Selic and Long-term	(3,550)	(12,058)	(29,497)	(76,601)
Fundo Paulista de Habitação (Paulista Housing Fund)	CDI	(19,087)	(32,840)	(14,894)	(41,129)
FCA	Extra – market	(6,819)	(13,070)	(7,780)	(27,674)
Guarantee	TR	(2,901)	(5,016)	(3,006)	(9,097)
PRODEC	TR + Interest 0.4868%	(1,952)	(3,865)	(1,901)	(4,058)
Other		(31,510)	(76,223)	(43,446)	(108,450)
Total		(503,890)	(1,091,001)	(632,913)	(1,584,506)

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

Description	INDIVIDUAL		CONSOLIDATED	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Own portfolio (1)	112,010,641	110,098,112	112,010,641	109,961,976
Financial Treasury Bills	25,679,032	20,857,128	25,679,032	20,857,128
Federal Treasury Bills	67,466,747	77,682,536	67,466,747	77,682,536
Federal Treasury Notes	14,809,243	8,533,004	14,809,243	8,533,004
Debentures	1,425,817	572,993	1,425,817	524,349
Mortgage Backed-Securities	2,629,802	2,452,451	2,629,802	2,364,959
Third-party portfolio	46,202,292	38,565,290	46,202,292	38,565,290
Federal Treasury Bills	29,416,725	38,565,290	29,416,725	38,565,290
Federal Treasury Notes	16,785,567	-	16,785,567	-
Total	158,212,933	148,663,402	158,212,933	148,527,266
Current liabilities	145,253,664	140,622,710	145,253,664	140,486,574
Non-current liabilities	12,959,269	8,040,692	12,959,269	8,040,692

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

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Expenses on funds obtained in the open market

Description	INDIVIDUAL			
	2018		2017	
	2nd half	Year	2nd half	Year
Own portfolio	(1,974,287)	(4,561,266)	(2,931,930)	(6,505,642)
Third-party portfolio	(2,977,747)	(5,179,674)	(3,075,196)	(8,420,826)
Unrestricted portfolio	-	-	(254,651)	(503,080)
Total	(4,952,034)	(9,740,940)	(6,261,777)	(15,429,548)

Description	CONSOLIDATED			
	2018		2017	
	2nd half	Year	2nd half	Year
Own portfolio	(1,974,287)	(4,559,647)	(2,925,231)	(6,490,693)
Third-party portfolio	(2,977,747)	(5,179,674)	(3,075,196)	(8,420,826)
Unrestricted portfolio	-	-	(254,651)	(503,080)
Total	(4,952,034)	(9,739,321)	(6,255,078)	(15,414,599)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED							
Deposits	Index	Maturity				12/31/2018	12/31/2017
		01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Real Estate Notes	(CDI)	6,728,551	3,991,359	6,266,367	41,742,886	58,729,163	82,326,153
Real Estate Notes	(TR)	-	-	-	50,430	50,430	56,682
Mortgage Notes	(IGP-M)	-	-	-	789,048	789,048	733,162
Mortgage Notes	(INPC)	-	-	-	16,974	16,974	16,414
Financial Bills	(CDI)	601,034	1,465,810	575,362	174,212	2,816,418	33,187,079
Financial Notes	(IPCA)	10,686	-	7,158	1,130,328	1,148,172	1,067,065
Agribusiness Credit Notes	(CDI)	-	-	-	-	-	141,779
Total		7,340,271	5,457,169	6,848,887	43,903,878	63,550,205	117,528,334
Current liabilities						19,646,327	62,361,482
Non-current liabilities						43,903,878	55,166,852

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Expenses related to funds from notes

The items of Funds from notes coincide in the individual and consolidated statements, with the exception of the item "Financial notes", which, in comparison with 2017, presented the amounts of R\$ (1,630,683) in the 2nd half and R\$ (3,828,980) in the year.

INDIVIDUAL				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Real Estate Notes	(1,697,337)	(3,696,368)	(3,031,419)	(7,598,484)
Mortgage Notes	(57,389)	(133,813)	(48,052)	(72,718)
Financial Notes	(621,478)	(1,507,353)	(1,649,422)	(3,847,719)
Agribusiness Credit Notes	-	(2,828)	(7,438)	(27,879)
Total	(2,376,204)	(5,340,362)	(4,736,331)	(11,546,800)

(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 (1st senior tranche in November 2017), and 1 subordinated tranche, the characteristics of which are presented below, and 1 subordinated tranche, presented in Note 18 (d.1).

INDIVIDUAL / CONSOLIDATED							
Securities	Currency	Amount issued (1)	Remuneration p.a.	Date of funding	Maturity	12/31/2018	12/31/2017
2nd series	US\$	500,000	3.50%	Nov/12	Nov/22	1,914,397	1,758,256
3rd series	US\$	1,250,000	4.50%	Oct/13	Oct/18	-	4,229,278
4th series	US\$	1,300,000	4.25%	May/14	May//19	5,051,739	4,694,317
Total						6,966,136	10,681,851

(1) Amounts in thousands of US\$

(d) Result on liabilities for marketable securities issued abroad

INDIVIDUAL				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Income (expenses) - without subordination	(547,708)	(1,879,478)	(825,959)	(1,395,466)
Income (expenses) with subordination	(52,673)	(54,528)	(443,034)	(573,834)
Total	(600,381)	(1,934,006)	(1,268,993)	(1,969,300)

CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Income (expenses) - without subordination	(547,708)	(1,879,478)	(786,243)	(1,355,750)
Income (expenses) with subordination	(52,673)	(54,528)	(443,034)	(573,834)
Total	(600,381)	(1,934,006)	(1,229,277)	(1,929,584)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 17 – Borrowings and onlendings

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Local onlendings	298,228,183	269,553,942
FGTS	266,194,112	235,620,378
BNDES	28,663,569	30,814,153
National Treasury - Social Integration Program - PIS	369,363	399,970
Merchant Marine Fund	2,494,879	2,380,023
Other institutions	506,260	339,418
Foreign onlendings	343,558	55,530
Foreign borrowings	2,011,774	2,147,951
Total borrowings and onlendings	300,583,515	271,757,423
Current liabilities	1,245,461	1,507,793
Non-current liabilities	299,338,054	270,249,630

(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 5.09 % p.a. (housing 5.02% p.a., infrastructure 5.71% p.a. and sanitation 5.63% p.a.) and the average term of return is 240 months (housing 247 months, infrastructure 196 months and sanitation 160 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 US dollar (US\$) variation and an interest rate of 0.8 % p.a., plus LIBOR. The transaction matures between 12 and 15 years.

(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 3.99% p.a., are substantially pegged to the U.S. dollar rate, and mature until 2019.

(d) Expenses on loans and onlendings

Description	INDIVIDUAL			
	2018		2017	
	2nd half	Year	2nd half	Year
Local onlendings	(9,013,520)	(17,436,719)	(8,430,726)	(17,007,770)
FGTS	(7,627,336)	(14,772,245)	(7,143,907)	(14,415,254)
BNDES	(1,283,955)	(2,375,931)	(1,169,637)	(2,335,834)
National Treasury – Social Integration Program (PIS)	(5,457)	(14,504)	(15,940)	(41,612)
Merchant Marine Fund	(67,102)	(215,693)	(69,653)	(139,976)
Other institutions	(29,670)	(58,346)	(31,589)	(75,094)
Foreign onlendings	-	(9,884)	-	(2,503)
Foreign borrowings	(98,853)	(479,168)	(8,932)	(120,006)
Total	(9,112,373)	(17,925,771)	(8,439,658)	(17,130,279)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Local onlendings	(9,013,520)	(17,436,719)	(8,430,726)	(17,007,770)
FGTS	(7,627,336)	(14,772,245)	(7,143,907)	(14,415,254)
BNDES	(1,283,955)	(2,375,931)	(1,169,637)	(2,335,834)
National Treasury – Social Integration Program (PIS)	(5,457)	(14,504)	(15,940)	(41,612)
Merchant Marine Fund	(67,102)	(215,693)	(69,653)	(139,976)
Other institutions	(29,670)	(58,346)	(31,589)	(75,094)
Foreign onlendings	109	(9,775)	475	(2,028)
Foreign borrowings	(98,853)	(479,168)	(8,932)	(120,006)
Total	(9,112,264)	(17,925,662)	(8,439,183)	(17,129,804)

Note 18 – Other liabilities
(a) Composition

INDIVIDUAL		
Description	12/31/2018	12/31/2017 (Note 3(n))
Debt instruments eligible to capital (Note 18(d))	66,238,006	61,931,912
Funds for specific purposes (Note 18 (c))	15,346,599	17,850,274
Subordinated debt	10,348,843	10,742,909
Social and statutory obligations	2,550,058	3,685,388
Tax and social security obligations (Note 18 (b))	2,077,665	2,125,428
Hybrid capital and debt instruments (Notes 18 (d))	2,961,739	3,320,698
Collections of taxes and similar charges	367,371	416,763
Foreign exchange portfolio (Note 9 (d))	62,909	149,371
Negotiation and intermediation of securities	9,396	45,770
Sundry (Note 18 (e))	61,928,630	68,973,433
Total	161,891,216	169,241,946
Current liabilities	49,872,602	60,474,798
Non-current liabilities	112,018,614	108,767,148

CONSOLIDATED		
Description	12/31/2018	12/31/2017
Debt instruments eligible to capital (Note 18(d))	25,995,388	24,956,210
Funds for specific purposes (Note 18 (c))	15,346,599	17,850,274
Subordinated debt	10,348,843	10,742,909
Social and statutory obligations	2,551,813	3,686,370
Tax and social security obligations (Note 18 (b))	2,219,295	2,413,674
Hybrid capital and debt instruments (Notes 18 (d))	2,961,739	3,320,698
Collections of taxes and similar charges	367,371	416,763
Foreign exchange portfolio (Note 9 (d))	62,909	149,371
Negotiation and intermediation of securities	9,396	45,770
Sundry (Note 18 (e))	61,980,488	69,003,425
Total	121,843,841	132,585,464
Current liabilities	50,067,845	60,794,018
Non-current liabilities	71,775,996	71,791,446

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Tax and social security obligations

INDIVIDUAL		
Description	12/31/2018	12/31/2017
Taxes on salaries payable	625,654	461,949
Taxes on services payable	261,237	316,363
Taxes and contributions on profits payable	131,574	94,815
Income tax	432	-
Social Contribution on Revenues - COFINS	113,084	82,275
Public Service Employee Savings Program - PASEP	18,058	12,540
Deferred taxes and contributions	1,059,200	1,252,301
Revaluation of buildings	117,876	127,958
MTM adjustments – trading securities	573,787	1,124,343
MTM adjustment - securities available for sale	367,537	-
Total	2,077,665	2,125,428
Current liabilities	1,959,789	1,997,470
Non-current liabilities	117,876	127,958

CONSOLIDATED		
Description	12/31/2018	12/31/2017
Taxes on salaries payable	625,728	462,102
Taxes on services payable	261,233	316,370
Taxes and contributions on profits payable	227,809	116,448
Income tax	62,962	11,220
Social contribution	23,545	4,228
Social Contribution on Revenues - COFINS	121,463	87,410
Public Service Employee Savings Program - PASEP	19,839	13,590
Deferred taxes and contributions	1,104,525	1,518,754
Revaluation of buildings	117,876	127,958
MTM adjustments – trading securities	573,788	1,124,343
Market value adjustment - securities available for sale	412,861	266,453
Total	2,219,295	2,413,674
Current liabilities	2,101,419	2,285,716
Non-current liabilities	117,876	127,958

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 half of 2017 is due to funds made available for withdrawal of quotas, pursuant to Law 13,677 of June 13, 2018.

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Social funds and programs	12,894,766	10,160,348
FGTS	4,032,451	3,525,647
Remuneration of Financial Agent - OGU	2,966,970	2,964,133
Remuneration of Financial Agent - FGTS	3,806,613	1,687,855
"Minha Casa Minha Vida" ("My House My Life")	1,092,079	1,209,830
Housing Subsidy Program (PSH)	318,665	312,138
Income Transfer Programs	511,887	239,997
Other funds and programs	166,101	220,748
Other funds and programs	835,945	6,745,762
PIS	394,073	5,900,384
FAT	440,390	843,897
FINSOCIAL	1,482	1,481
Lottery operations	1,615,888	944,164
Total	15,346,599	17,850,274

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

CAIXA has 22 Subordinated Financial Instruments (IFS) authorized to compose Level II of Reference Equity - (RE), being 9 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 09 subordinated debt instruments authorized by the Central Bank of Brazil to comprise Level II of RA, in accordance with CMN Resolution No. 4192/2013, contracted with the Government Severance and Indemnity Fund for Employees (FGTS) in 2005, 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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.

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", Investor Relations, Risk Management, Risk and Capital Management Reports.

INDIVIDUAL / CONSOLIDATED								
Maturity	Annual remuneration (%)	Funds capture date	Amount issued	Monetary adjustment and interest ^a	Amortization	Impact of market risk hedge accounting	Debt balance 12/31/2018	Debt balance 12/31/2017
Loans payable - FGTS funds								
Feb/20	6.30%	Oct/05	3,439,717	2,657,953	(5,057,879)	-	1,039,791	1,930,967
Apr/26	6.00%	Aug/11	3,000,000	1,915,659	-	-	4,915,659	4,633,878
Jul/32	5.08%	Jun/12	3,000,000	1,393,392	-	-	4,393,392	4,178,064
Dec/33	5.15%	Oct/14	3,000,000	894,907	-	-	3,894,907	3,701,615
Feb/38	4.80%	Dec/14	4,000,000	1,065,546	-	-	5,065,546	4,830,426
Dec/40	4.75%	Sep/15	3,000,000	615,833	-	-	3,615,833	3,449,607
May/44	4.75%	Set/16	4,000,000	510,333	-	-	4,510,333	4,302,865
Aug/44	4.86%	May/17	4,000,000	339,650	-	-	4,339,650	4,135,636
May/44	5.23%	Sept/17	2,000,000	134,086	-	-	2,134,086	2,026,513
Eligible financial bill - Tier II								
Jun/20	110% of CDI	Jun/14	10,000	6,841	-	-	16,841	15,726
Jul/19	110% of CDI	Jul/14	17,400	11,642	-	-	29,042	27,120
Dec/21	110% of CDI	Dec/14	1,500	881	-	-	2,381	2,224
Jun/24	100% of IPCA + 6.95%	Jun/14	200,000	152,792	-	31,892	384,684	368,551
Feb/25	100% of IPCA + 6.74%	Feb/15	1,200	712	-	208	2,120	1,951
Feb/25	100% of IPCA + 6.65%	Feb/15	1,200	703	-	193	2,096	1,934
Feb/25	100% of IPCA + 6.58%	Feb/15	2,400	1,426	-	348	4,174	3,881
Mar/25	100% of IPCA + 6.45%	Mar/15	1,200	692	-	161	2,053	1,904
Eligible marketable securities abroad – Level II								
Jul/24	7.25%	Jul/14	1,106,450	865,589	-	19,604	1,991,643	2,086,257
Total			30,781,067	10,568,637	(5,057,879)	52,406	36,344,231	35,699,119

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 monetary restatement is included annually, after the payment of interest for prior year.

The Hybrid Capital and Debt Instruments, classified in Other liabilities – Debt instruments eligible to capital have the following composition:

INDIVIDUAL		
Description	12/31/2018	12/31/2017
IHCD - eligible to principal capital	40,242,618	36,975,702
Agreement 348	9,468,805	7,851,945
Agreement 504	9,663,215	8,013,159
Agreement 752	6,800,000	6,800,000
Agreement 754	6,310,598	6,310,598
Agreements 868 and 869	8,000,000	8,000,000
IHCD - not eligible to principal capital	2,961,739	3,320,698
Total	43,204,357	40,296,400

The subordinated financial instruments eligible to principal capital are classified within equity in the consolidated financial statements.

The financial instruments not eligible to principal capital comprise interest payable and unincorporated monetary restatement.

In the consolidated statement, 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\$ 2,961,739 at 12/31/2018 (12/31/2017 - R\$ 3,320,698).

(e) Sundry

INDIVIDUAL		
Description	12/31/2018	12/31/2017
Actuarial liabilities - post-employment benefits (Note 29(a))	23,265,466	22,274,820
Saúde CAIXA	9,916,674	10,122,889
Meal voucher and food basket allowance	1,605,080	1,422,383
Benefit plans – private pension plan	11,743,712	10,729,548
Funds linked to loans assigned	10,315,507	12,181,955
Sundry creditors - Domestic (Note 18 (f)) (1)	5,790,357	12,283,020
Provision for labor contingencies (Note 28)	4,720,770	4,283,853
Obligations for payment transactions (1)	488,264	3,967,431
Provision for civil contingencies (Note 28)	3,409,081	3,080,057
Provisions for amounts payable	3,224,496	2,648,335
Real estate financing to be released	3,101,342	2,341,570
Payables to related parties	2,406,104	1,510,626
Provision for other contingencies	2,266,008	1,745,257
FGTS funds for repayment	1,372,863	1,171,442
Obligations related to agreements	812,269	916,130
Funds linked to loan operations	439,742	261,876
Provision for tax contingencies (Note 28)	288,497	281,425
Contributions to the National Housing System - SFH	27,864	25,636
Total	61,928,630	68,973,433

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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 3,533/2008.

CONSOLIDATED		
Description	12/31/2018	12/31/2017
Actuarial liabilities - post-employment benefits (Note 29(a))	23,265,466	22,274,820
Saúde CAIXA	9,916,674	10,122,889
Meal voucher and food basket allowance	1,605,080	1,422,383
Benefit plans – private pension plan	11,743,712	10,729,548
Funds linked to loans assigned	10,315,507	12,181,955
Sundry creditors - Domestic (Note 18 (f)) (1)	5,790,357	12,283,183
Provision for labor contingencies (Note 28)	4,720,770	4,283,853
Obligations for payment transactions (1)	488,264	3,967,431
Provision for civil contingencies (Note 28)	3,409,081	3,080,057
Provisions for amounts payable	3,230,544	2,667,915
Real estate financing to be released	3,101,342	2,341,570
Payables to related parties	2,451,914	1,520,875
Provision for other contingencies	2,266,008	1,745,257
FGTS funds for repayment	1,372,863	1,171,442
Obligations related to agreements	812,269	916,130
Funds linked to loan operations	439,742	261,876
Provision for tax contingencies (Note 28)	288,497	281,425
Contributions to the National Housing System - SFH	27,864	25,636
Total	61,980,488	69,003,425

(1) Variations due to the reclassifications made from Sundry creditors – Domestic and Obligations for payment transactions to Interbank accounts/Payment transactions – Credit card.

(f) Sundry creditors – Domestic

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Credit cards (1)	346,968	4,321,167
Amounts to be appropriated	2,729,873	4,852,525
Real estate loans – onlendings	999,928	1,058,585
Suppliers	1,102,912	1,154,921
Acquisition of payrolls - amounts pending release	209,304	273,043
Accounts payable	104,391	123,534
Commercial loans – onlendings	31,287	36,584
Federal Government obligations – onlendings	59,331	54,894
Loan Guarantee Fund – FGC	47,998	62,482
Asset Management Company (EMGEA) (2)	8,141	20,338
Redeemable amounts – pledge	173	68,906
Other sundry creditors	150,051	256,041
Total	5,790,357	12,283,020

(1) Variation due to the reclassifications made from Sundry creditors – Domestic/Credit card to Interbank accounts/Payment transactions – Credit card. See table above.

(2) Asset Management Company (EMGEA): these refer to financial amounts of account settlements received relating to collections and contracts.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 19 – Equity**(a) Reconciliation of Equity – INDIVIDUAL x CONSOLIDATED**

Description	12/31/2018	12/31/2017
Equity - INDIVIDUAL	40,999,077	33,609,097
IHCD - eligible to capital	40,242,618	36,975,702
Equity - CONSOLIDATED	81,241,695	70,584,799

Article 16 of CMN Resolution No. 4192/2013, authorizes federal financial institutions to make up their Tier I – Core Capital by using equity elements and junior financial instruments and the hybrid equity and debt instruments, provided that meeting the criteria set forth in the Resolution, e.g. having a fully variable remuneration, perpetuity characteristics and absorption of losses while a going-concern.

Also according therewith, the instruments meeting the Core Capital characteristics shall be reclassified as net equity for purposes of 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.

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. Whereas the contracts have fully variable remuneration clauses, the monetary restatement is annually added after the payment of prior interest.

(b) 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 was made through the incorporation of R\$ 562,905 from the statutory reserve - lotteries.

(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 19.60% at 12/31/2018 (12/31/2017 - 17.65%) (Note 31), above the minimum ratio required in Brazil.

Notes to the 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.

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.

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Revaluation reserves	336,365	352,348
Revenue reserves	19,633,902	13,923,642
Legal reserve	2,462,385	2,024,337
Statutory reserves – lotteries	557,301	562,905
Operating margin reserve	16,614,216	11,336,400

(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\$ 1,740,942 (31/12/2017 - R\$ 2,294,881) and permitted a reduction in the IRPJ and CSLL taxes amounting to R\$ 783,424 in 2018 (R\$ 1,032,697 in 2017).

Notes to the 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

INDIVIDUAL				
Description	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Current taxes	(332,943)	(2,461,371)	738,069	(398,085)
Deferred taxes	(423,799)	1,099,443	(1,346,208)	568,863
Deferred tax liabilities	(299,731)	496,422	(39,168)	(308,622)
Deferred tax assets	(124,068)	603,021	(1,307,040)	877,485
Temporary differences – constitution / realization	(50,949)	1,113,382	(1,450,581)	967,774
Income tax and social contribution losses	(73,119)	(510,361)	143,541	(90,289)
Income tax and social contribution for the period	(756,742)	(1,361,928)	(608,139)	170,778

CONSOLIDATED				
Description	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Current taxes	(550,705)	(2,798,498)	640,683	(600,151)
Deferred taxes	(445,480)	1,077,699	(1,346,173)	568,897
Deferred tax liabilities	(325,485)	470,668	(39,168)	(308,622)
Deferred tax assets	(119,995)	607,031	(1,307,005)	877,519
Temporary differences – constitution / realization	(46,876)	1,117,392	(1,450,546)	967,808
Income tax and social contribution losses	(73,119)	(510,361)	143,541	(90,289)
Income tax and social contribution for the period	(996,185)	(1,720,799)	(705,490)	(31,254)

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

INDIVIDUAL				
Description	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Profit before taxation and participations	4,167,654	11,609,145	9,978,355	13,688,932
IRPJ and CSLL charges	(1,875,432)	(5,224,091)	(4,494,259)	(6,164,006)
Tax effects - additions and exclusions	1,025,979	722,357	4,324,020	3,946,523
Interest on capital	195,250	783,424	574,205	1,032,696
Realization of tax loss	73,119	510,361	-	-
Other	248,141	746,578	334,103	786,702
Current income tax and social contribution	(332,943)	(2,461,371)	738,069	(398,085)

CONSOLIDATED				
Description	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Profit before taxation and participations	5,180,316	13,564,154	10,130,678	13,946,482
IRPJ and CSLL charges	(2,331,136)	(6,103,852)	(4,562,803)	(6,279,903)
Tax effects - additions and exclusions	1,206,048	1,324,814	4,816,557	4,890,931
Interest on capital	195,250	783,424	574,205	1,032,696
Equity in the results of investees	(167,084)	18,015	217,803	444,825
Realization of tax loss	73,119	510,361	-	-
Employee profit sharing	217,176	668,817	-	-
Other	255,922	(77)	(405,079)	(688,700)
Current income tax and social contribution	(550,705)	(2,798,498)	640,683	(600,151)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

Description	INDIVIDUAL		CONSOLIDATED	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Deferred expenses/MTM	849,285	1,014,408	875,038	1,219,405
Other	117,876	127,958	117,876	127,958
Income and social contribution taxes for the period	967,161	1,142,366	992,914	1,347,363

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

Description	INDIVIDUAL		CONSOLIDATED	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Deferred expenses/MTM	92,039	109,934	94,672	171,390
PASEP and COFINS for the Period	92,039	109,934	94,672	171,390

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

Description	INDIVIDUAL			
	12/31/2017	Provisions	Reversal	12/31/2018
Temporary differences:	32,887,298	18,270,674	(17,157,293)	34,000,679
Provision for loan losses	22,421,757	8,020,860	(9,412,428)	21,030,189
Actuarial liabilities	3,315,361	587,334	(363,062)	3,539,633
Provision for labor contingencies	1,767,089	144,274	(23,055)	1,888,308
Provision for civil contingencies	1,277,918	267,060	(181,346)	1,363,632
Provision for tax contingencies	86,744	42,647	(39,974)	89,417
Adjustment to market value – Trading securities	715,072	-	(342,638)	372,434
Provision for devaluation of assets not for use	91,518	969,394	(230,953)	829,959
Provision for losses - FCVS receivable	1,116,924	700,954	(440,699)	1,377,179
Funding expenses not incurred - IHCD	-	1,584,733	(1,584,733)	-
Other	2,094,915	5,953,418	(4,538,405)	3,509,928
Income tax and social contribution losses:	1,288,670	10,602	(510,361)	788,911
Income tax losses realizable	1,288,670	-	(510,361)	778,309
Adjustment reprocessing of intangible asset amortization LPA IRPJ	-	8,979	-	8,979
Adjustment reprocessing of intangible asset amortization LPA CSLL	-	1,623	-	1,623
Total credits impacting the result	34,175,968	18,281,276	(17,667,654)	34,789,590
Adjustment to market value – Available-for-sale securities	733,563	-	(733,563)	-
Actuarial losses - CPC 33	5,047,892	-	(126,657)	4,921,235
Total credits impacting equity	5,781,455	-	(860,220)	4,921,235
Total tax credits	39,957,423	18,281,276	(18,527,874)	39,710,825
Total credits not constituted	1,259,399	304,974	-	1,564,373

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED				
Description	12/31/2017	Provisions	Reversal	12/31/2018
Temporary differences:	32,887,418	18,274,683	(17,157,293)	34,004,808
Provision for loan losses	22,421,757	8,020,860	(9,412,428)	21,030,189
Actuarial liabilities	3,315,361	587,334	(363,062)	3,539,633
Provision for labor contingencies	1,767,089	144,274	(23,055)	1,888,308
Provision for civil contingencies	1,277,918	267,060	(181,346)	1,363,632
Provision for tax contingencies	86,744	42,647	(39,974)	89,417
Adjustment to market value – Trading securities	715,072	-	(342,638)	372,434
Provision for devaluation of assets not for use	91,518	969,394	(230,953)	829,959
Provision for losses - FCVS receivable	1,116,924	700,954	(440,699)	1,377,179
Funding expenses not incurred - IHCD		1,584,733	(1,584,733)	-
Other	2,095,035	5,957,427	(4,538,405)	3,514,057
Income tax and social contribution losses:	1,288,670	10,602	(510,361)	788,911
Income tax losses realizable	1,288,670	-	(510,361)	778,309
Adjustment reprocessing of intangible asset amortization LPA IRPJ	-	8,979	-	8,979
Adjustment reprocessing of intangible asset amortization LPA CSLL	-	1,623	-	1,623
Total credits impacting the result	34,176,088	18,285,285	(17,667,654)	34,793,719
Adjustment to market value – Available-for-sale securities	733,563	-	(733,563)	-
Actuarial losses - CPC 33	5,047,892	-	(126,657)	4,921,235
Total credits impacting equity	5,781,455	-	(860,220)	4,921,235
Total tax credits	39,957,543	18,285,285	(18,527,874)	39,714,954
Total credits not constituted	1,259,399	304,974	-	1,564,373

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

INDIVIDUAL / CONSOLIDATED				
Description	12/31/2017	Provisions	Reversal	12/31/2018
Total credits impacting the result	77,495	-	(32,089)	45,406
Market adjustment	77,495	-	(32,089)	45,406
Funding expenses not incurred - IHCD	-	-	-	-
Total credits impacting equity	79,497	-	(79,497)	-
Market value adjustment - securities available for sale	79,497	-	(79,497)	-
Total	156,992	-	(111,586)	45,406

(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 12/31/2018 are as follows:

INDIVIDUAL			
Year of Realization	Tax losses	Temporary difference	TOTAL
2,019	788,910	3,914,658	4,703,568
2,020	-	2,364,339	2,364,339
2,021	-	7,220,886	7,220,886
2,022	-	2,750,777	2,750,777
2,023	-	2,904,245	2,904,245
2,024	-	6,927,614	6,927,614
2.025 to 2.028	-	12,884,802	12,884,802
Total	788,910	38,967,321	39,756,231
Present value	780,720	30,383,816	31,164,536

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED			
Year of Realization	Tax losses	Temporary difference	TOTAL
2,019	788,910	3,914,658	4,703,568
2,020	-	2,364,339	2,364,339
2,021	-	7,220,886	7,220,886
2,022	-	2,750,777	2,750,777
2,023	-	2,904,245	2,904,245
2,024	-	6,927,614	6,927,614
2.025 to 2.028	-	12,888,931	12,888,931
Total	788,910	38,971,450	39,760,360
Present value	780,720	30,383,816	31,164,536

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

The items of Service Revenues are matched in the individual and consolidated statements, with the exception of the item "Rendered to related parties", which, in the consolidated statement of 2018, presents the amounts of R\$ 401,149 in the second half and R\$ 824,423 in the year referring to Caixa Seguridade. In the comparison, in 2017, the item presented matched amounts.

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Management of social funds	4,321,723	8,013,558	3,757,162	7,382,943
Government Severance Indemnity Fund for Employees (FGTS)	2,601,290	5,144,622	2,418,583	4,935,342
Compensation Fund for Salary Variations (FCVS)	140,969	205,772	91,701	162,730
Social Integration Program (PIS)	516,594	681,800	156,297	227,759
Federal lotteries	737,719	1,359,715	741,187	1,347,248
Student Financing (FIES)	248,928	486,940	289,916	586,173
Residential Lease Fund (FAR)	49,696	84,906	37,131	75,488
Unemployment insurance	22,226	45,107	21,474	46,740
Other	4,301	4,696	873	1,463
Brazilian National Treasury Department (STN) - onlendings	77,746	149,350	63,401	135,384
Revenue from cards	723,278	1,427,278	714,553	1,416,732
Loan transactions and guarantees provided	1,025,553	2,013,040	1,028,156	2,124,043
Collections	465,294	962,347	491,883	993,616
Collections	1,671,571	3,278,956	1,590,784	3,161,057
Investment funds and administered portfolios	1,114,577	2,159,798	925,105	1,826,239
Checking account	202,842	423,032	249,848	472,129
Income Transfer Programs	222,838	439,132	224,989	438,597
Services to affiliates – Investment funds	24,916	50,443	22,568	44,610
Services to affiliates	371,126	794,400	363,324	717,876
Other services	196,210	358,644	203,054	398,197
Total	10,417,674	20,069,978	9,634,827	19,111,423

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(b) Income from banking fees

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Revenue from cards	388,209	759,459	348,751	687,282
Loan and registration operations	561,173	1,146,421	596,988	1,175,638
Service package	1,660,018	3,361,442	1,527,772	2,712,638
Deposit accounts	384,582	762,263	389,271	739,391
Transfer of funds	231,567	438,629	180,013	319,876
Other	152,170	281,136	133,931	294,836
Total	3,377,719	6,749,350	3,176,726	5,929,661

Note 22 – Personnel expenses

Description	INDIVIDUAL			
	2018		2017	
	2nd half	Year	2nd half	Year
Salaries	(6,320,842)	(12,286,657)	(6,217,535)	(12,920,529)
Labor indemnities	(778,863)	(1,463,215)	(1,083,399)	(1,838,965)
Benefits	(1,463,096)	(2,777,511)	(1,327,099)	(2,612,174)
Social charges:	(2,563,153)	(4,942,443)	(2,460,403)	(4,915,255)
FGTS	(488,362)	(938,502)	(466,609)	(932,913)
Private pension	(1,473,514)	(2,849,043)	(1,400,376)	(2,808,373)
Supplementary pension	(469,224)	(894,008)	(441,797)	(887,759)
Other charges	(132,053)	(260,890)	(151,621)	(286,210)
Other	(69,924)	(121,737)	(70,173)	(132,228)
Total	(11,195,878)	(21,591,563)	(11,158,609)	(22,419,151)

Description	CONSOLIDATED			
	2018		2017	
	2nd half	Year	2nd half	Year
Salaries	(6,336,246)	(12,315,488)	(6,229,900)	(12,935,574)
Labor indemnities	(778,863)	(1,463,215)	(1,083,399)	(1,838,965)
Benefits	(1,463,962)	(2,780,522)	(1,329,253)	(2,614,328)
Social charges:	(2,568,828)	(4,953,166)	(2,465,527)	(4,921,573)
FGTS	(489,025)	(940,146)	(467,609)	(934,140)
Private pension	(1,477,304)	(2,855,999)	(1,403,488)	(2,812,265)
Supplementary pension	(470,389)	(896,021)	(442,756)	(888,864)
Other charges	(132,110)	(261,000)	(151,674)	(286,304)
Other	(70,536)	(122,742)	(70,876)	(133,058)
Total	(11,218,435)	(21,635,133)	(11,178,955)	(22,443,498)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 23 – Other administrative expenses

Description	INDIVIDUAL			
	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Communications	(268,443)	(494,290)	(261,991)	(527,528)
Maintenance and conservation of assets	(482,504)	(974,463)	(527,367)	(993,591)
Water and electricity	(260,432)	(479,638)	(228,972)	(455,276)
Rentals and leases	(739,427)	(1,481,650)	(751,769)	(1,520,201)
Materials	(73,347)	(138,356)	(65,072)	(139,931)
Data processing	(893,164)	(1,641,081)	(781,489)	(1,530,022)
Promotions and public relations	(212,488)	(329,344)	(227,608)	(387,253)
Advertising and publicity	(256,499)	(333,179)	(214,480)	(281,158)
Financial system services	(278,848)	(559,369)	(273,651)	(544,081)
Outsourced services	(908,723)	(1,789,640)	(924,955)	(1,856,606)
Specialized services	(349,975)	(600,026)	(302,695)	(565,048)
Surveillance and security services	(449,898)	(888,759)	(462,673)	(902,840)
Amortization (Note 13 (b))	(455,393)	(882,310)	(474,557)	(902,791)
Depreciation (Note 12 (b))	(456,643)	(920,466)	(473,461)	(954,241)
Other administrative expenses	(223,298)	(436,238)	(210,619)	(396,610)
Total	(6,309,082)	(11,948,809)	(6,181,359)	(11,957,177)

Description	CONSOLIDATED			
	2018		2017 (Note 3(n))	
	2nd half	Year	2nd half	Year
Communications	(268,443)	(494,290)	(261,991)	(527,528)
Maintenance and conservation of assets	(482,699)	(974,762)	(527,714)	(993,966)
Water and electricity	(260,435)	(479,668)	(228,972)	(455,276)
Rentals and leases	(739,473)	(1,482,301)	(751,769)	(1,520,201)
Materials	(73,347)	(138,356)	(65,072)	(139,931)
Data processing	(893,164)	(1,641,081)	(781,489)	(1,530,022)
Promotions and public relations	(212,488)	(329,344)	(227,608)	(387,253)
Advertising and publicity	(256,499)	(333,179)	(214,480)	(281,158)
Financial system services	(279,089)	(559,610)	(273,651)	(544,081)
Outsourced services	(908,783)	(1,789,725)	(924,979)	(1,856,656)
Specialized services	(363,468)	(617,517)	(311,472)	(575,220)
Surveillance and security services	(449,945)	(888,826)	(462,700)	(902,892)
Amortization (Note 13 (b))	(455,393)	(882,310)	(474,557)	(902,791)
Depreciation (Note 12 (b))	(456,645)	(920,466)	(473,461)	(954,241)
Other administrative expenses	(225,541)	(439,285)	(211,282)	(398,236)
Total	(6,325,412)	(11,970,720)	(6,191,197)	(11,969,452)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 24 – Other operating income

Pursuant to BACEN Circular Letter 3,731 / 2015, the amounts presented under “Reverse exchange variations - liabilities” reflect the reclassification of the portion of the exchange variation of a creditor nature that exceeded the sum of the other remuneration components recorded in the respective expense accounts. The mentioned Circular Letter had effects only on the Individual Financial Statements

Description	INDIVIDUAL			
	2018		2017	
	2nd half	Year	2nd half	Year
Commissions and fees on operations	55,967	80,161	34,891	60,488
Commissions and fees on demand - FGTS financial agent (1)	1,475,058	2,843,664	1,775,349	3,231,710
Commissions and fees - monthly deferred quota - financial agent FGTS	505,518	927,193	358,656	666,626
Recovery of expenses	795,443	1,503,869	758,531	1,606,337
Reversal of other operating provisions	639,592	1,015,130	2,145,395	2,456,770
Restatement of escrow deposits	316,802	635,302	379,939	798,179
Income from specific credits	32,255	64,175	38,058	85,848
Revenue from discount on acquisition of royalties	40,237	79,676	39,167	88,133
Monetary restatement on sundry operations	147,216	272,383	18,062	70,090
Exchange variations of reverse nature - liability operations	109	109	474	474
Reversal of actuarial provisions - cost of past services (2)	-	-	5,260,510	5,260,510
Other operating income	197,109	361,213	338,075	492,394
Total	4,205,306	7,782,875	11,147,107	14,817,559

Description	CONSOLIDATED			
	2018		2017	
	2nd half	Year	2nd half	Year
Commissions and fees on operations	363,674	746,573	276,853	566,973
Commissions and fees on demand - FGTS financial agent (1)	1,475,058	2,843,664	1,775,349	3,231,710
Commissions and fees - monthly deferred quota - financial agent FGTS	505,518	927,193	358,656	666,626
Recovery of expenses	791,921	1,497,065	754,668	1,587,201
Reversal of other operating provisions	639,592	1,015,130	2,145,395	2,456,770
Restatement of escrow deposits	316,802	635,302	379,939	798,179
Income from specific credits	32,255	64,175	38,058	85,848
Revenue from discount on acquisition of royalties	40,237	79,676	39,167	88,133
Monetary restatement on sundry operations	147,216	272,383	18,062	70,090
Reversal of actuarial provisions - cost of past services (2)	-	-	5,260,510	5,260,510
Other operating income	245,669	423,983	301,628	479,868
Total	4,557,942	8,505,144	11,348,285	15,291,908

(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 324,404 agreements of these transactions in 2018 (168,274 agreements in the second semester).

Reversal of actuarial provisions - cost of past services of Saúde CAIXA (Note 29 (g.1) and (i.4)).

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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.

INDIVIDUAL				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Expenses on FCVS receivable - provision/losses	(931,346)	(1,027,087)	(397,471)	(640,288)
Expenses on obligations with funds and programs	(368,262)	(627,050)	(479,649)	(1,040,366)
Hybrid instruments of capital and debt - monetary restatement	(1,377,098)	(2,963,313)	(2,569,381)	(3,339,282)
Expenses on cards	(536,967)	(1,030,344)	(491,157)	(922,094)
Expenses on lotteries	(143,813)	(248,993)	(116,980)	(228,185)
Expenses with lottery resellers and business partners	(1,607,592)	(2,968,144)	(1,339,332)	(2,561,296)
FGTS - Collection/payment	(208,923)	(405,128)	(309,019)	(643,668)
Automated services	(248,405)	(485,873)	(260,319)	(515,546)
Business leverage	(376,398)	(741,813)	(406,176)	(807,223)
Real estate financing operations	(232,368)	(415,573)	(243,788)	(512,891)
Goodwill on the purchase of commercial portfolios	(334,996)	(694,346)	(355,172)	(678,499)
Loan operation discounts	(282,652)	(704,838)	(281,497)	(596,756)
Operating provisions	(1,449,004)	(2,149,820)	(578,446)	(1,115,277)
Provision for contingencies	(525,683)	(1,290,614)	(891,219)	(1,366,916)
Adverse legal judgments	(160,875)	(266,075)	(341,490)	(399,322)
Social benefits	(57,925)	(110,885)	(72,391)	(164,460)
Post-employment benefits	(864,800)	(1,898,718)	(1,276,709)	(2,393,729)
Commercial loan operations	(381,190)	(689,969)	(51,861)	(258,805)
Other	(529,146)	(1,011,761)	(912,149)	(1,315,104)
Total	(10,617,443)	(19,730,344)	(11,374,206)	(19,499,707)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Expenses on FCVS receivable - provision/losses	(931,346)	(1,027,087)	(397,471)	(640,288)
Expenses on obligations with funds and programs	(368,262)	(627,050)	(479,649)	(1,040,366)
Hybrid instruments of capital and debt - monetary restatement	(605,091)	(1,368,939)	(2,515,266)	(3,284,621)
Expenses on cards	(536,967)	(1,030,344)	(491,157)	(922,094)
Expenses on lotteries	(143,813)	(248,993)	(116,980)	(228,185)
Expenses with lottery resellers and business partners	(1,607,592)	(2,968,144)	(1,339,332)	(2,561,296)
FGTS - Collection/payment	(208,923)	(405,128)	(309,019)	(643,668)
Automated services	(248,405)	(485,873)	(260,319)	(515,546)
Business leverage	(376,398)	(741,813)	(406,176)	(807,223)
Real estate financing operations	(232,368)	(415,573)	(243,788)	(512,891)
Goodwill on the purchase of commercial portfolios	(334,996)	(694,346)	(355,172)	(678,499)
Loan operation discounts	(282,652)	(704,838)	(281,497)	(596,756)
Operating provisions	(1,449,004)	(2,149,820)	(578,446)	(1,115,277)
Provision for contingencies	(525,683)	(1,290,614)	(891,219)	(1,366,916)
Adverse legal judgments	(160,875)	(266,075)	(341,490)	(399,322)
Social benefits	(57,925)	(110,885)	(72,391)	(164,460)
Post-employment benefits	(864,800)	(1,898,718)	(1,276,709)	(2,393,729)
Commercial loan operations	(381,190)	(689,969)	(51,861)	(258,805)
Other	(549,621)	(1,038,060)	(950,194)	(1,360,966)
Total	(9,865,911)	(18,162,269)	(11,358,136)	(19,490,908)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 26 - Non-operating income (expenses)

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Non-operating income (expenses)	270,039	479,979	287,853	526,211
Gains on sales of assets	76,772	124,195	63,737	110,199
Sale of properties	69,095	110,011	58,112	110,918
Unclaimed cash surpluses	31,896	67,661	32,242	65,220
Fines and penalties	11,558	23,808	16,707	29,431
Capital gains on permanent material	-	22,704	-	-
Capital gain on adjustment of pending amounts	1,561	6,461	183	783
Recovery of losses on fraud	4,459	9,224	6,799	9,607
Recovery of losses on agreements/contracts	2,400	4,945	1,588	881
Reversal of loss on permanent investment	2	28,466	98,074	179,673
Other non-operating income (1)	72,296	82,504	10,411	19,499
Non-operating expenses	(2,884,592)	(3,841,565)	(677,366)	(1,122,879)
Impairment of other assets (2)	(2,427,586)	(2,960,177)	(93,842)	(203,466)
Indemnity for losses and damages	(141,059)	(277,121)	(153,100)	(281,897)
Losses on properties	(30,536)	(102,262)	(46,466)	(85,004)
Losses with fraudulent electronic withdrawals	(43,055)	(77,850)	(40,256)	(94,710)
Losses with fraud on loan operations	(27,604)	(33,278)	(25,574)	(33,622)
Loss on sales of assets	(44,881)	(198,768)	(208,152)	(298,674)
Other non-operating expenses (1)	(169,871)	(192,109)	(109,976)	(125,506)
Total	(2,614,553)	(3,361,586)	(389,513)	(596,668)

(1) In December 2018, pending entries were recorded in accordance with COSIF, Circular Letter 1,273 / 1987, item 1-20-1-7c, in revenues in the amount of R\$ 60,070 and in expenses in the amount of R\$ (99,567), net of R\$ (39,497).

(2) The higher amount of expenses in the 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 27 – Tax expenses

Description	INDIVIDUAL			
	2018		2017	
	2nd half	Year	2nd half	Year
COFINS	(1,352,748)	(2,667,612)	(1,247,406)	(2,506,572)
PIS/PASEP	(219,822)	(433,487)	(202,703)	(407,318)
Tax on Services – ISS	(391,216)	(774,713)	(388,295)	(754,261)
Local Property Tax - IPTU	(6,470)	(81,325)	(6,574)	(77,322)
Other	(21,162)	(30,544)	(18,907)	(69,895)
Total	(1,991,418)	(3,987,681)	(1,863,885)	(3,815,368)

Description	CONSOLIDATED			
	2018		2017	
	2nd half	Year	2nd half	Year
Social Contribution on Revenues - COFINS	(1,398,817)	(2,743,817)	(1,272,186)	(2,556,211)
PIS/PASEP	(228,956)	(449,066)	(207,975)	(417,837)
Tax on Services – ISS	(391,216)	(774,713)	(388,295)	(754,261)
IPTU	(6,470)	(81,325)	(6,574)	(77,322)
Other	(21,168)	(30,806)	(18,907)	(69,921)
Total	(2,046,627)	(4,079,727)	(1,893,937)	(3,875,552)

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 judgment 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED							
Description	12/31/2017	Changes in 2018					12/31/2018
		New provisions	Monetary restatement	Additions to existing provisions	Reversals of existing provisions	Write-offs after payment	
Labor (Note 18 (e))	4,283,853	1,290,327	52,922	236,267	(177,687)	(964,912)	4,720,770
Civil (Note 18 (e))	3,080,057	380,249	28,686	668,433	(471,998)	(276,346)	3,409,081
Losses and damages	623,662	284,800	8,502	60,724	(40,882)	(185,559)	751,247
Savings accounts - economic plans	1,457,556	16,187	1,911	584,996	(65,684)	(42,617)	1,952,349
Real estate	299,417	77,911	2,714	21,075	(72,357)	(46,815)	281,945
Contingencies related to FGTS	699,422	1,351	15,559	1,638	(293,075)	(1,355)	423,540
Tax (Note 18 (b) and (e))	281,425	40,480	7,618	8,996	(38,762)	(11,260)	288,497
INSS	23,804	13,561	1,114	4		(5)	38,478
IPTU	43,592	3,851	1,951	1,538	(11)	(873)	50,048
ISSQN	127,690	15,581	2,195	5,405	(10,666)	(6,199)	134,006
Other	86,339	7,487	2,358	2,049	(28,085)	(4,183)	65,965
Total	7,645,335	1,711,056	89,226	913,696	(688,447)	(1,252,518)	8,418,348

(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 12/31/2018, a provision was recognized for 55,244 labor claims accrued, of which 51,718 "immaterial claims" and 3,526 "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 12/31/2018, a provision was recognized for 323,070 civil proceedings, comprising approximately 321,966 considered "immaterial" and 1,104 "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\$ 1,952,349 was recognized for these proceedings at 12/31/2018 (12/31/2017- R\$ 1,457,553).

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 will be made as from July 2018.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

The proceedings seeking compensation for damages involving the transfer of funds from FGTS are also significant. At 12/31/2018, the provision for these proceedings is R\$ 423,541 (12/31/2017 - R\$ 699,424).

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 12/31/2018, CAIXA carried out 18,392 agreements (51% referring to indemnity claims and 49% 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.

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 12/31/2018 correspond to R\$ 1,615,615 (12/31/2017 - R\$ 1,580,215), for which a provision of R\$ 38,479 (12/31/2017 - R\$ 23,806) 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 12/31/2018 corresponded to R\$ 771,637 (12/31/2017 - R\$ 738,238).

Considering the history of success and the case law scenario, evaluated in a technical and legal analysis of the matter as of 12/31/2018, the provision constituted amounted to R\$ 134,006 (12/31/2017- 127,689).

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 12/31/2018 totaled R\$ 59,256 (12/31/2017- R\$ 79,160), 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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 12/31/2018, the provisioned amount is R\$ 1,928,008 (12/31/2017 - R\$ 1,745,257).

(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:

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Tax proceedings	5,961,839	5,849,212
Civil proceedings	1,868,019	1,918,840
Total	7,829,858	7,768,052

(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\$ 5,961,839, at 12/31/2018 as possible losses (12/31/2017 - R\$ 5,849,212), including the following main claims based on the amounts under dispute:

- a) PIS/PASEP assessments, amounting to R\$ 4,957,930 at 12/31/2018 (12/31/2017 - R\$ 4,887,110), based on underpayments for the period from January 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\$ 225,462 at 12/31/2018 (12/31/2017 - R\$ 221,528), 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\$ 177,953 at 12/31/2018 (12/31/2017 - R\$ 173,278) 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\$ 270,010 at 12/31/2018 (12/31/2017 - R\$ 263,943), 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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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\$ 1,868,019 (12/31/2017 - R\$ 1,918,840), 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:

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Tax proceedings	12,096,012	11,595,707
Labor proceedings	4,490,767	4,071,464
Civil proceedings	1,080,296	986,923
Total (Note 9 (b))	17,667,075	16,654,094

(f) Financial guarantees provided

INDIVIDUAL / CONSOLIDATED		
Exposure of Guarantees Provided		
Portfolio	Exposure	Provision
Onlendings - Entities	32,014,494	10,381
FIES	439,288	24,600
Bank guarantee	23,000	230
Loan operations linked to assignments	470,159	9,544
PAR (FAR funds)	9,416	4,708
Total	32,956,357	49,463

Onlendings - Entities are concentrated on Financial Institution and Public Entity.

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

The bank guarantee has a single contract with the client of the corporate segment, whose provision is made based on the credit risk assessment of the counterparty.

The portfolio of loan operation linked to assignments is comprised of SBPE contracts, whose provision is determined according to internal models and evolves in accordance with CMN Resolution 2682/99

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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Note 29 - Employee benefits**(a) 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 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 Labor Agreement is formalized, this value is adjusted considering the approved rules.

(b) 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).

(c) Analysis of the provision for employee benefits

Provisions for employee benefits are recorded in the individual and consolidated statements, with the exception of “Short-term benefits”, which at December 31, 2017 presents a balance of R\$ 3,358,812 in the consolidated statement, of which R\$ 2,491,076 related to salaries and R\$ 867,736 related to employee profit sharing.

INDIVIDUAL		
Description	12/31/2018	12/31/2017
Short-term benefits	3,484,921	3,356,672
Salary-related	2,694,135	2,489,918
Profit sharing	790,786	866,754
Post-employment benefits (Note 18 (e))	23,265,466	22,274,820
Saúde CAIXA (actuarial calculation (g.1))	9,916,674	10,122,889
Meal and food baskets (actuarial calculation (g.2))	1,605,080	1,422,383
Supplementary pension plans (actuarial calculation (g.4))	11,743,712	10,729,548
- REG/REPLAN	11,480,974	10,351,681
- REB	17,925	21,027
- Novo Plano	244,813	356,840
Total	26,750,387	25,631,492

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 Economistas 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 balance sheets, and report on the company's accounts; decide on plans and criteria necessary for management; decide on agreements involving economic and financial liability 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 (Saúde CAIXA), 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 Economistas 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.

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.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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 of 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) Benefits 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 by 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 judgment 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.

(i.9) Meal and food basket allowance

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 allowance, 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 allowance are benefits paid exclusively to retirees and pensioners through a court decision, or in or out of court settlement. In 2018, 811 new benefits were granted (697 benefits in 2017).

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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.

(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 Economizários 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, 61 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 shall 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).

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.

• 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 financial statements

All amounts in thousands of reais unless otherwise stated

The settlement of the benefits of this plan was defined through an amendment to its regulations, 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 No. 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 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.

INDIVIDUAL / CONSOLIDATED				
Deficit	REG/REPLAN settled		REG/REPLAN not settled	
	Amortization period	Adjusted deficit at 12/31/2018	Amortization period	Adjusted deficit at 12/31/2018
2014	208 months	1,152,980	-	-
2015	211 months	3,523,112	237 months	473,099
2016	221 months	4,967,991	241 months	305,435
TOTAL		9,644,083		778,534

In relation to REG/REPLAN, CAIXA has a provision at 12/31/2018 of R\$ 11,480,974, calculated in accordance with Technical Pronouncement CPC 33 (R1) to insure the equation plants for actuarial deficits.

CAIXA payments to FUNCEF, related to the respective equation plans, from January 1, 2018 to December 31, 2018, amounted to R\$ 743,338 (12/31/2017 - R\$ 245,331).

• 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 on 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 REG/REPLAN Settled and the establishment of the "Novo Plano" Benefit Plan.

Notes to the 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 on: www.funcef.com.br/).

• Novo Plano

CAIXA sponsors the Novo Plano Benefit Plan, managed by FUNCEF. It was approved by the appropriate corresponding authority on June 16, 2006 and commenced its operations on September 1, 2006. It is the only plan open to new sign-ups by CAIXA employees.

Novo Plano is structured as Variable Contribution, 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 on: 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.

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

Description	INDIVIDUAL / CONSOLIDATED					
	12/31/2018 (1)			12/31/2017 (2)		
	Active	Beneficiaries	Total	Active	Beneficiaries	Total
Saúde Caixa (Including dependents)	83,213	76,434	159,647	87,379	72,471	159,850
Meal vouchers and food basket allowance (retirees and pensioners)	-	15,579	15,579	-	16,020	16,020
PREVHAB (retirees and pensioners)	-	61	61	-	65	65
REG/REPLAN settled	13,883	42,895	56,778	15,104	41,868	56,972
REG/REPLAN not settled	1,612	4,482	6,094	1,770	4,341	6,111
REB	6,391	936	7,327	6,686	874	7,560
Novo Plano	76,323	6,883	83,206	78,237	6,365	84,602

(1) According to positions at 12/31/2018 for Saúde CAIXA, Meal voucher and food basket allowance and 09/30/2018 for the others

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

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

In relation to the existing liabilities at FUNCEF, classified as probable loss and already provisioned, these are captured in the actuarial calculation and, in compliance with the proportion of responsibility of 50%, make up CAIXA's actuarial provision reserve.

The liabilities classified by FUNCEF as a possible loss, to the extent that they may be reclassified to probable loss, will be provisioned in the respective plans, and as a consequence, these amounts will comprise CAIXA's actuarial calculation, with their impacts recognized at the balance sheet date of the first half following the reclassification of these liabilities.

(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 present value of the cash flow of amounts reversed from CAIXA plans or the effective reduction of future contributions, if any. At 12/31/2018, 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 recognized by CAIXA.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(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 December 31, 2018 is 3.14%.

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

INDIVIDUAL / CONSOLIDATED						
Description	Saúde CAIXA		Meal Voucher and Food Basket Allowance		PREVHAB	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Nominal discount rate (p.a.)	8.77%	9.71%	8.66%	9.60%	8.58%	9.49%
Real discount rate (p.a.)	4.84%	5.51%	4.73%	5.36%	4.66%	5.28%
Projected annual salary increase (p.a.)	N/A	N/A	N/A	N/A	N/A	N/A
Projected annual benefit increase (p.a.)	N/A	N/A	N/A	N/A	N/A	4.00%
Inflation rate (p.a.)	3.75%	4.00%	3.75%	4.00%	3.75%	4.00%
Expected return on plan assets	N/A	N/A	N/A	N/A	8.58%	9.49%
Turnover rate	1.03%	0.92%	N/A	N/A	N/A	N/A
General mortality table	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%
Disability table	Light Fraca	Light Fraca	N/A	N/A	N/A	N/A
Disability mortality table	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58
Retirement	M - 57 F - 54	M - 55 F - 52	N/A	N/A	N/A	N/A

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

INDIVIDUAL / CONSOLIDATED								
Description	REG/REPLAN settled		REG/REPLAN not settled		REB		Novo Plano	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Nominal discount rate (p.a.)	8.79%	9.60%	8.84%	9.63%	8.79%	9.62%	8.86%	9.57%
Real discount rate (p.a.)	4.86%	5.38%	4.91%	5.41%	4.86%	5.30%	4.93%	5.36%
Projected annual salary increase (p.a.)	N/A	4.00%	6.09%	6.35%	6.91%	7.17%	6.32%	7.31%
Projected annual benefit increase (p.a.)	3.75%	N/A	5.68%	4.00%	3.75%	4.00%	Com ACT: 0.35% Com ACT + INSS: 1.86%	N/A
Inflation rate (p.a.)	3.75%	4.00%	3.75%	4.00%	3.75%	4.00%	3.75%	4.00%
Expected return on plan assets	8.79%	9.60%	8.84%	9.63%	8.79%	9.62%	8.86%	9.57%
Turnover rate	N/A	N/A	N/A	N/A	Experience FUNCEF REB 2013	Experience FUNCEF REB 2013	Experience FUNCEF Novo Plano 2018	Experience FUNCEF Novo Plano 2017
General mortality table	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%	RP 2000, segregated by gender and smoothed by 20%
Disability table	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
Retirement	M - 53 F - 48	Experience retirement 2016	Experience retirement 2016	Experience retirement 2016	55 years old for male and female	100% - 1 ^a eligibility	Experience retirement Novo Plano 2016	Experience retirement Novo Plano 2016

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i.4) Change in the present value of actuarial obligations of the benefit 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.

INDIVIDUAL / CONSOLIDATED									
Description	Saúde CAIXA			Meal Voucher and Food Basket Allowance			PREVHAB		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VPOA at the beginning of the period	(8,969,176)	(10,122,889)	(13,541,692)	(1,349,664)	(1,422,383)	(1,331,503)	(56,365)	(62,431)	(51,831)
Current service cost	(130,546)	(267,236)	(235,069)	-	-	-	-	-	-
Interest cost	(441,094)	(916,725)	(1,363,490)	(65,022)	(130,106)	(128,240)	(2,741)	(5,553)	(4,751)
Remeasurement of actuarial gains (losses)	(672,725)	817,356	(692,250)	(257,500)	(177,920)	(89,484)	(10,309)	(3,978)	(11,220)
Experience adjustments	78,492	676,213	(129,993)	(112,417)	(92,699)	(46,775)	(4,768)	(793)	(7,991)
Changes in demographic assumptions	978,994	978,994	(54,561)	-	-	-	-	-	-
Changes to financial assumptions	(1,730,211)	(837,851)	(507,696)	(145,083)	(85,221)	(42,709)	(5,541)	(3,185)	(3,229)
Benefits paid directly by the plan	-	-	-	-	-	-	2,884	5,431	5,371
Benefits paid directly by the entity	296,867	572,820	449,102	67,106	125,329	126,844	-	-	-
Cost of past service	-	-	5,260,510	-	-	-	-	-	-
VPOA at the end of the period	(9,916,674)	(9,916,674)	(10,122,889)	(1,605,080)	(1,605,080)	(1,422,383)	(66,531)	(66,531)	(62,431)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Description	INDIVIDUAL / CONSOLIDATED											
	REG/REPLAN settled			REG/REPLAN not settled			REB			Novo Plano		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VPOA at the beginning of the period	(53,703,193)	(54,795,804)	(49,346,014)	(6,303,503)	(6,631,222)	(5,083,154)	(414,019)	(426,439)	(341,032)	(1,874,619)	(1,900,692)	(1,206,044)
Current service cost	-	-	-	(5,445)	(9,266)	(12,846)	(305)	(1,032)	(2,311)	(2,338)	(8,798)	(4,417)
Interest cost	(2,622,764)	(5,166,917)	(4,986,596)	(310,514)	(621,394)	(528,933)	(20,144)	(39,713)	(35,185)	(92,921)	(181,928)	(123,833)
Participant's contributions paid	-	(13,923)	(63,575)	(6,909)	(14,913)	(33,523)	(2,314)	(4,391)	(2,088)	(444)	(444)	(701)
Remeasurement of actuarial gains (losses)	(6,119,177)	(4,084,297)	(3,533,846)	(959,308)	(449,580)	(1,225,654)	(61,184)	(42,023)	(75,189)	(224,575)	(158,102)	(647,575)
Experience adjustments	289,966	(190,897)	(2,024,881)	(91,375)	96,331	(1,005,924)	(14,123)	(23,370)	(55,743)	(6,073)	(121,430)	(455,811)
Changes in demographic assumptions	-	(285,345)	722,919	(6,936)	(58,329)	(22,363)	-	(1,146)	-	12,676	10,930	(48,930)
Changes in financial assumptions	(6,409,143)	(3,608,055)	(2,231,884)	(860,997)	(487,582)	(197,367)	(47,061)	(17,507)	(19,446)	(231,178)	(47,602)	(142,834)
Benefits paid directly by the plan	1,566,747	3,182,554	3,134,227	149,603	290,299	252,888	15,187	30,819	29,366	42,905	97,972	81,878
VPOA at the end of the period	(60,878,387)	(60,878,387)	(54,795,804)	(7,436,076)	(7,436,076)	(6,631,222)	(482,779)	(482,779)	(426,439)	(2,151,992)	(2,151,992)	(1,900,692)

(i.5) 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 funds 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:

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

INDIVIDUAL / CONSOLIDATED									
Description	PREVHAB			REG/REPLAN settled			REG/REPLAN not settled		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VJAP at the beginning of the period	56,365	62,431	51,831	39,603,688	36,376,829	34,863,940	4,822,138	4,346,836	4,256,614
Interest income	2,741	5,553	4,751	1,952,759	3,652,538	3,350,581	238,886	440,939	408,555
Remuneration on plan assets higher (lower) than the discount rate	10,309	3,978	11,220	(445,573)	1,944,408	865,492	30,336	395,064	(120,307)
Employer's contributions	-	-	-	395,050	704,943	228,867	32,092	53,790	21,339
Contributions paid by the participants in the plan	-	-	-	395,048	838,061	202,116	44,442	71,961	33,523
Benefits paid by the plan	(2,884)	(5,431)	(5,371)	(1,566,747)	(3,182,554)	(3,134,227)	(149,603)	(290,299)	(252,888)
VJAP at the end of the period	66,531	66,531	62,431	40,334,225	40,334,225	36,376,769	5,018,291	5,018,291	4,346,836

INDIVIDUAL / CONSOLIDATED						
Description	REB			Novo Plano		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VJAP at the beginning of the period	438,313	384,385	318,259	1,373,003	1,187,011	651,598
Interest income	21,578	39,297	31,771	69,035	126,687	79,642
Remuneration on plan assets higher (lower) than the discount rate	(2,327)	45,447	59,524	239,485	336,708	484,284
Employer's contributions	2,237	4,227	2,110	23,305	54,422	52,664
Contributions paid by the participants in the plan	2,314	4,391	2,087	444	444	701
Benefits paid by the plan	(15,187)	(30,819)	(29,366)	(42,905)	(42,905)	(81,878)
VJAP at the end of the period	446,928	446,928	384,385	1,662,367	1,662,367	1,187,011

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i.6) Reconciliation 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 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.

INDIVIDUAL / CONSOLIDATED									
Description	Saúde CAIXA			Meal Voucher and Food Basket Allowance			PREVHAB		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VPOA at the end of the period	(9,916,674)	(9,916,674)	(10,122,889)	(1,605,080)	(1,605,080)	(1,422,383)	(66,531)	(66,531)	(62,431)
VJAP at the end of the period	-	-	-	-	-	-	66,531	66,531	62,431
Surplus (deficit) of the plan	(9,916,674)	(9,916,674)	(10,122,889)	(1,605,080)	(1,605,080)	(1,422,383)	-	-	-
Net asset (liability)	(9,916,674)	(9,916,674)	(10,122,889)	(1,605,080)	(1,605,080)	(1,422,383)	-	-	-

INDIVIDUAL / CONSOLIDATED												
Description	REG/REPLAN settled			REG/REPLAN not settled			REB			Novo Plano		
	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017	2nd half of 2018	2018	2017
VPOA at the end of the period	(60,878,387)	(60,878,387)	(54,795,804)	(7,436,076)	(7,436,076)	(6,631,222)	(482,779)	(482,779)	(426,439)	(2,151,992)	(2,151,992)	(1,900,691)
VJAP at the end of the period	40,334,225	40,334,225	36,376,829	5,018,291	5,018,291	4,346,836	446,928	446,928	384,385	1,662,367	1,662,367	1,187,011
Surplus (deficit) of the plan	(20,544,162)	(20,544,162)	(18,418,975)	(2,417,785)	(2,417,785)	(2,284,386)	(35,851)	(35,851)	(42,054)	(489,625)	(489,625)	(713,680)
Effect of restriction on actuarial liability (Risk Sharing)	10,272,081	10,272,081	9,209,488	1,208,893	1,208,893	1,142,193	17,925	17,925	21,027	244,812	244,812	356,840
Net asset (liability)	(10,272,081)	(10,272,081)	(9,209,487)	(1,208,892)	(1,208,892)	(1,142,193)	(17,926)	(17,926)	(21,027)	(244,813)	(244,813)	(356,840)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i.7) Maturity of defined benefit obligation

INDIVIDUAL / CONSOLIDATED							
Description	Saúde CAIXA	Meal voucher and food basket allowance	PREVHAB	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
Payment of expected benefits at the end of the six-month period ended 12/31/2019	649,070	137,900	8,417	3,965,425	373,941	32,580	101,736
Payment of expected benefits at the end of the six-month period ended 12/31/2020	616,522	127,735	6,603	3,805,993	366,772	30,939	100,680
Payment of expected benefits at the end of the six-month period ended 12/31/2021	583,815	118,351	6,032	3,647,518	361,226	29,334	98,679
Payment of expected benefits at the end of the six-month period ended 12/31/2022	554,995	109,623	5,491	3,489,508	352,133	27,780	96,536
Payment of expected benefits at the end of the six-month period ended 12/31/2023 or subsequently	7,512,272	1,111,471	39,988	45,969,943	5,982,004	362,146	1,754,361
Total	9,916,674	1,605,080	66,531	60,878,387	7,436,076	482,779	2,151,992
Duration of actuarial liabilities at 12/31/2018	10.49 years	8.21 years	7.06 years	11.34 years	13.31 years	11.11 years	13.78 years

(i.8) Percentage composition of plan assets

The supplementary health plans and meal voucher/food basket allowances are directly managed by CAIXA and do not have assets. The PREVHAB Benefit Plan assets consist exclusively of fixed income financial investments.

INDIVIDUAL / CONSOLIDATED								
Description	REG/REPLAN settled		REG/REPLAN not settled		REB		Novo Plano	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Fixed income	54.24%	58.71%	55.48%	58.30%	63.41%	61.42%	72.14%	69.93%
Variable income	26.00%	22.01%	27.94%	25.06%	24.25%	24.64%	18.92%	20.30%
Structured investments	2.69%	5.10%	2.58%	4.68%	2.98%	4.34%	2.12%	2.89%
Real estate investments	11.84%	11.26%	10.68%	10.49%	3.37%	3.33%	0.53%	0.50%
Participants	2.97%	2.92%	1.49%	1.47%	5.22%	6.27%	6.16%	6.38%
Other investments	2.26%	-	1.83%	-	0.77%	-	0.13%	-
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i.9) Own instruments issued held as plan assets and plan properties occupied by CAIXA:

INDIVIDUAL / CONSOLIDATED								
Description	REG/REPLAN settled		REG/REPLAN not settled		REB		Novo Plano	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Own portfolio	2,593,638	3,497,274	220,283	309,564	180,633	202,240	1,221,920	1,132,507
Investment funds - Own portfolio	34,604,432	30,998,731	4,248,557	3,790,929	1,929,432	1,596,129	13,865,531	11,229,442
Properties - Leased to CAIXA	5,117,751	4,564,415	540,911	488,750	71,906	63,493	77,256	63,393
Total	42,315,821	39,060,420	5,009,751	4,589,243	2,181,971	1,861,862	15,164,707	12,425,342

(i.10) Expenses/Income and Payments expected for the six-month period

INDIVIDUAL / CONSOLIDATED						
(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
	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019
Current service cost	(126,125)	-	-	(8,893)	(578)	(21,353)
Cost of interest on VPOA	(420,687)	(66,494)	(2,632,709)	(649,388)	(20,865)	(96,513)
Interest income on plan assets	-	-	1,748,369	437,853	19,493	73,092
Interest on asset ceiling	-	-	-	-	-	-
Interest on the effect of actuarial liability (Risk Sharing)	-	-	451,574	106,916	686	10,851
Total (expenses)/ income to be recognized in the following period	(546,812)	(66,494)	(432,766)	(113,512)	(1,264)	(33,923)

INDIVIDUAL / CONSOLIDATED						
Expected payments - CPC 33 (R1)						
Description	Saúde CAIXA	Meal Voucher and Food Basket Allowance	REG/REPLAN settled	REG/REPLAN not settled	REB	Novo Plano
	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019
Benefits	324,535	68,950	-	-	-	-
Risk contributions	-	-	-	6,968	2,259	23,213
Extraordinary contributions	-	-	427,824	19,394	20	525
Total payments expected for the plan	324,535	68,950	427,824	26,362	2,279	23,738

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(i.11) 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.

INDIVIDUAL / CONSOLIDATED							
Sensitivity analysis of significant assumptions - CPC 33 (R1)							
Description	Actuarial table		Discount rate		Aging Factor		2018
	+ 1 age	- 1 age	+ 0.25%	-0.25%	+1.00%	-1.00%	
Saúde CAIXA							
Interest expense	(418,044)	(422,780)	(421,225)	(420,047)	(510,994)	(352,162)	(441,094)
Present value of actuarial obligations	(9,845,796)	(9,974,803)	(9,662,782)	(10,183,047)	(12,079,297)	(8,282,256)	(9,916,674)
Meal voucher and food basket allowances							
Interest expense	(64,709)	(66,494)	(65,970)	(66,991)	N/A	N/A	(65,022)
Present value of actuarial obligations	(1,563,827)	(1,605,080)	(1,638,290)	(1,573,121)	N/A	N/A	(1,605,080)
EX-PREVHAB							
Interest expense	(2,618)	(2,734)	(2,697)	(2,652)	N/A	N/A	(2,741)
Present value of actuarial obligations	(65,194)	(67,891)	(65,268)	(67,839)	N/A	N/A	(66,531)
REG/REPLAN settled							
Interest expense	(2,549,794)	(2,625,431)	(2,594,547)	(2,582,940)	N/A	N/A	(2,622,764)
Present value of actuarial obligations	(59,983,663)	(61,704,203)	(59,369,910)	(62,457,170)	N/A	N/A	(60,878,387)
REG/REPLAN not settled							
Interest expense	5,732	(603)	1,503	2,177	N/A	N/A	(5,445)
Interest expense	(321,024)	(336,105)	(328,130)	(329,553)	N/A	N/A	(310,514)
Present value of actuarial obligations	(7,446,566)	(7,787,598)	(7,403,280)	(7,856,239)	N/A	N/A	(7,436,076)
REB							
Interest expense	(235)	(348)	(278)	(278)	N/A	N/A	(305)
Interest expense	(10,436)	(10,440)	(10,564)	(10,614)	N/A	N/A	(20,144)
Present value of actuarial obligations	(469,535)	(496,702)	(488,469)	(490,721)	N/A	N/A	(482,779)
Novo Plano							
Interest expense	(19,288)	(20,630)	(18,601)	(21,486)	N/A	N/A	(2,338)
Interest expense	(93,316)	(96,123)	(93,748)	(95,834)	N/A	N/A	(92,921)
Present value of actuarial obligations	(2,130,722)	(2,194,063)	(2,082,468)	(2,250,272)	N/A	N/A	(2,151,992)

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

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

INDIVIDUAL / CONSOLIDATED			
Description	2nd half of 2018	2018	2017
REB	21,990	43,466	43,014
Novo Plano	430,236	843,076	841,409
Total	452,226	886,542	884,423

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

INDIVIDUAL / CONSOLIDATED			
Description	2nd half of 2018	2018	2017
Lawsuits	6,872	19,063	7,674
Total	6,872	19,063	7,674

Note 30 - Related parties

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.

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.

(a) Parent company

CAIXA is a government-owned financial institution, linked to the Ministry of Economics, and its capital was fully paid up by the Federal Government. Therefore, it is directly controlled by the Federal Government. The balances with the parent company are restated due to the transactions with the Federal Government, their respective ministries, government agencies, government secretariats and other bodies.

Federal government securities are listed in Note 6, the assets with FCVS are shown in Note 7, government taxes are presented in note 20 and dividends and interest on capital payable to the treasury are presented in Note 19 (e).

In the course of its operations CAIXA generated amounts receivable from its Controlling Entity which totaled R\$ 2,229,296 at 12/31/2018 (12/31/2017 - R\$ 2,231,047). Of the amount presented at 12/31/2018, R\$ 1,687,530 refers to balances of old operations, for which CAIXA's management is negotiating with the Federal Government the settlement of the amounts involved.

(b) Subsidiaries

Considering the period covered by the financial statements, CAIXA carries out business through its subsidiaries CAIXAPAR, CAIXA Seguridade and CAIXA Instantânea, CAIXA also indirectly controls CAIXA Holding Seguritária S.A. through CAIXA Seguridade and FIP Veneza through CAIXAPAR.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(c) Jointly-controlled entity (Joint venture)

The related parties are entities in which CAIXA participates in a joint control regime through its subsidiaries CAIXAPAR and CAIXA Seguridade. Are jointly controlled through CAIXAPAR: Banco Pan, Elo Serviços, Caixa Crescer, Capgemini, Tecban, Caixa Imóveis, Quod and Branes. Are jointly controlled through CAIXA Holding Securitária S.A. by CAIXA, PAN Corretora and Too Seguros (formerly PAN Seguros).

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 12/31/2018, CAIXA funds held by TecBan amounted to R\$ 2,654,034 (12/31/2017 - R\$ 2,414,846). ELO provides CAIXA with services related to payment methods and solutions.

Galgo Sistemas de Informação S.A. is a jointly controlled entity directly at CAIXA.

(d) Associates

CAIXA Seguros Holding S.A. is an entity constituted in order to control CAIXA Seguros Group companies, comprising: CAIXA Seguros Participações Securitárias Ltda., CAIXA Seguradora S.A., CAIXA Vida e Previdência S.A., CAIXA Capitalização S.A., CAIXA Seguros Participações do Sul Ltda., Companhia de Seguros Previdência do Sul S.A., Youse Seg Participações Ltda., CNPX S.A.S, CAIXA Seguros Especializada em Saúde S.A., CAIXA Administradora de Consórcios S.A., CAIXA Seguros Assessoria e Consultoria Ltda., WIZ Soluções e Corretagem de Seguros S.A., Caixa Seguros Participações em Saúde Ltda., Odonto Empresas Convênios Dentários Ltda.

CAIXA conducts various transactions with CAIXA Seguros, 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.

Cibrasec is classified as an indirect associate through CAIXAPAR.

(e) Remuneration of key management personnel

Key management personnel includes persons who have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, considering also members up to the 2nd degree of the family and legal entity from which one can exert influence or are influenced by the person in the business with the entity. At CAIXA key management personnel with direct and indirect responsibilities in the activities are: the Board of Directors, Supervisory Board, Advisory Board, Audit Committee and Independent Risk Committee .

(f) Other related parties

Entities that are controlled or are under the direct or indirect significant influence of the Federal Government are classified in "Other entities". This item is comprised of transactions with public companies and publicly-controlled companies, such as: This item is comprised of transactions with public companies and publicly-controlled companies, such as: Petrobras, Banco do Brasil, BNDES, Banco do Nordeste and Emgea, as well as government funds operated and / or managed by CAIXA, such as FAT, FAR, FMM, FCVS and FIES.

It also includes Funcef, the entity that manages the post-employment benefits plan of CAIXA employees, which maintains with it contracts for the provision of banking services and rental of properties owned by Funcef.

Notes to the 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	INDIVIDUAL											
	12/31/2018						12/31/2017					
	Controlling entity	Subsidiaries (1)	Joint-controlled entity (2)	Associates (3)	Remuneration of key management personnel	Other entities (4)	Controlling entity	Subsidiaries	Jointly-controlled entity	Associates	Remuneration of key management personnel	Other entities
ASSETS:	2,229,296	108,159	10,259,752	2,407,380	10,830	16,225,278	2,231,047	287,469	13,756,538	2,415,871	10,969	13,020,453
Short-term interbank investments (5)	-	-	7,016,623	-	-	999,998	-	-	9,813,349	-	-	55,401
Marketable securities (6)	-	-	-	2,396,408	-	7,556,421	-	-	-	2,387,905	-	5,268,376
Income receivable	566,374	98,970	2,732	10,687	-	537,182	546,985	282,522	1,392	27,966	-	554,745
Loan operations (7)	46,139	-	17,109	317	12,067	6,814,032	81,428	-	9,432	-	12,257	6,825,569
Provisions for loan losses	-	-	(261)	(32)	(1,237)	-	(9,988)	-	(144)	-	(1,288)	-
Other receivables (8)	1,616,783	9,189	2,550,773	-	-	329,901	1,612,622	4,947	3,339,036	-	-	332,266
Provision for other receivables	-	-	-	-	-	(68,952)	-	-	-	-	-	(20,182)
Other assets	-	-	672,776	-	-	56,696	-	-	593,473	-	-	4,278
LIABILITIES:	5,503,876	789,741	2,595,441	6,800,295	116,141	33,828,302	4,316,822	1,031,199	1,685,020	8,252,915	63,842	43,759,586
Demand deposits	2,146	94	40,638	31,591	2,329	17,879	2,202	299	48,398	52,009	1,834	124,080
Savings deposits	206,700	-	23	9,274	15,695	1,498	-	-	-	24,054	12,056	2,091
Time deposits	-	789,647	16,600	-	98,117	29,593	-	894,765	15,033	-	49,952	19,722
Special deposits of funds and programs	69,593	-	-	-	-	1,357,837	7,914	-	-	-	-	3,340,121
Open market funding	-	-	-	-	-	-	-	136,135	-	-	-	-
Local on-lending - official institutions (9)	369,371	-	-	-	-	31,160,058	399,978	-	-	-	-	33,195,944
Lottery operations	284,786	-	-	-	-	76,990	27,332	-	-	-	-	7,311
Social funds and programs	4,508,837	-	-	-	-	284,474	3,820,288	-	-	-	-	267,282
Financial and development funds	1,481	-	-	-	-	834,464	1,481	-	-	-	-	6,744,281
Sundry liabilities (10)	60,962	-	2,538,180	6,759,430	-	65,509	57,627	-	1,621,589	8,176,852	-	58,754

(1) Refers mainly to transactions with CAIXAPAR, CAIXA Seguridade, Caixa Instantânea and Caixa Holding Seguritária S.A.

(2) Composed mainly of the transactions with Banco Pan, Capgemini, Elo Serviços, Crescer, Tecban, Branes, Pan Corretora and Too Seguros.

(3) Refer mainly to the transactions with Cibrasec and Grupo CAIXA Seguros.

(4) Mainly comprised of transactions with Petrobras, Banco do Brasil, Banco do Nordeste, BNDES, Paranapanema S.A., Funcef, Emgea, FAR, FCVS and FDS. The asset related to FCVS is presented in Note 7.

(5) The total balance of jointly controlled subsidiaries corresponds to Banco Pan and the balance of Other entities refers to Banco do Brasil.

(6) The total balance in Associates refer to Cibrasec's real estate receivables certificates. Of the total balance of Other entities, approximately R\$ 7,388,538 refers to Petrobras shares. Securities with the Government are presented in Note 6 (a).

(7) The total balance of Credit operations of Other entities corresponds to Petrobras.

(8) The total balance of jointly-controlled subsidiaries refers to the premium on portfolio acquisition operations with Banco Pan.

(9) The total balance of Other entities are onlendings from BNDES (Note 17).

(10) The total balance of jointly-owned subsidiaries is related to Banco Pan and the balance of Associates refers to the obligations established in the assignment operations with co-obligation with Cibrasec.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Description	CONSOLIDATED									
	12/31/2018					12/31/2017				
	Parent company	Joint-controlled entity (1)	Associates (2)	Remuneration of key management personnel	Other entities (3)	Parent company	Jointly-controlled entity	Associates	Remuneration of key management personnel	Other entities
ASSETS:	2,229,296	10,259,752	2,407,380	10,830	16,225,278	2,231,047	13,756,538	2,415,871	10,969	13,020,453
Short-term interbank investments (4)	-	7,016,623	-	-	999,998	-	9,813,349	-	-	55,401
Marketable securities (5)	-	-	2,396,408	-	7,556,421	-	-	2,387,905	-	5,268,376
Income receivable	566,374	2,732	10,687	-	537,182	546,985	1,392	27,966	-	554,745
Loan operations (6)	46,139	17,109	317	12,067	6,814,032	81,428	9,432	-	12,257	6,825,569
Provisions for loan losses	-	(261)	(32)	(1,237)	-	(9,988)	(144)	-	(1,288)	-
Other receivables (7)	1,616,783	2,550,773	-	-	329,901	1,612,622	3,339,036	-	-	332,266
Provision for other receivables	-	-	-	-	(68,952)	-	-	-	-	(20,182)
Other assets	-	672,776	-	-	56,696	-	593,473	-	-	4,278
LIABILITIES:	5,503,876	2,621,665	6,800,295	116,141	33,828,302	4,316,822	1,688,495	8,252,915	63,842	43,759,586
Demand deposits	2,146	40,638	31,591	2,329	17,879	2,202	48,398	52,009	1,834	124,080
Savings deposits	206,700	23	9,274	15,695	1,498	-	-	24,054	12,056	2,091
Time deposits	-	16,600	-	98,117	29,593	-	15,033	-	49,952	19,722
Special deposits of funds and programs	69,593	-	-	-	1,357,837	7,914	-	-	-	3,340,121
Open market funding	-	-	-	-	-	-	-	-	-	-
Local on-lending - official institutions (8)	369,371	-	-	-	31,160,058	399,978	-	-	-	33,195,944
Lottery operations	284,786	-	-	-	76,990	27,332	-	-	-	7,311
Social funds and programs	4,508,837	-	-	-	284,474	3,820,288	-	-	-	267,282
Financial and development funds	1,481	-	-	-	834,464	1,481	-	-	-	6,744,281
Sundry liabilities (9)	60,962	2,564,404	6,759,430	-	65,509	57,627	1,625,064	8,176,852	-	58,754

(1) Composed mainly of the transactions with Banco Pan, Capgemini, Elo Serviços, Crescer, Tecban, Branes, Pan Corretora and Too Seguros.

(2) Refer mainly to the transactions with Cibrasec and Grupo CAIXA Seguros.

(3) Mainly comprised of transactions with Petrobras, Banco do Brasil, Banco do Nordeste, BNDES, Paranapanema S.A., Funcef, Emgea, FAR, FCVS and FDS. The asset related to FCVS is presented in Note 7.

(4) The total balance of jointly controlled subsidiaries corresponds to Banco Pan and the balance of Other entities refers to Banco do Brasil.

(5) The total balance in Associates refer to Cibrasec's real estate receivables certificates. Of the total balance of Other entities, approximately R\$ 7,388,538 refers to Petrobras shares. Securities with the Government are presented in Note 6 (a).

(6) The total balance of Credit operations of Other entities corresponds to Petrobras.

(7) The total balance of jointly-controlled subsidiaries refers to the premium on portfolio acquisition operations with Banco Pan.

(8) The total balance of Other entities are onlendings from BNDES (Note 17).

(9) The total balance of Jointly-controlled subsidiaries refer to Banco Pan and the balance of Associates refer to obligations constituted in assignment operations with co-obligation with Cibrasec.

Notes to the 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	INDIVIDUAL									
	2nd half - 2018					2nd half - 2017				
	Controlling entity	Subsidiaries (1)	Joint-controlled entity (2)	Associates (3)	Other entities (4)	Controlling entity	Subsidiaries	Jointly-controlled entity	Associates	Other entities
(1,285,002)	520,071	3,953	873,176	92,275	1,673,953	487,533	4,214	825,227	96,537	1,185,277
Result of operations with marketable securities	-	-	259,332	-	1	-	-	436,067	-	552
Service income	395,396	185	278,299	92,275	568,609	391,608	320	266,330	96,537	460,716
Other operating income	124,675	3,768	335,545	-	1,105,343	95,925	3,894	122,830	-	724,009
EXPENSES:	(21,111)	(32,634)	(1,168,036)	(423,244)	(3,055,076)	(34,775)	(43,108)	(969,594)	(340,955)	(2,376,067)
Open market funding	(16,476)	(32,634)	(781)	-	(188,289)	(22,757)	(43,108)	(294)	-	(276,118)
Personnel (5)	-	-	-	-	(469,224)	-	-	-	-	(441,797)
Administrative expenses (5)	-	-	-	-	(16,862)	-	-	-	-	(37,973)
Sales or transfer of financial assets (6)	-	-	-	(423,223)	-	-	-	-	(340,955)	-
Other operating expenses (7)	(4,635)	-	(1,167,255)	(21)	(2,380,701)	(12,018)	-	(969,300)	-	(1,620,179)
	- 2018					- 2017				
(1,285,002)	1,045,074	7,982	1,591,657	187,879	2,915,286	1,011,687	19,648	1,785,103	189,581	2,720,919
Result of operations with marketable securities	-	-	523,463	-	43	-	-	1,095,629	-	1,955
Service income	805,198	585	605,491	187,879	968,985	780,661	462	527,356	189,581	874,315
Other operating income	239,876	7,397	462,703	-	1,946,258	231,026	19,186	162,118	-	1,844,649
EXPENSES:	(42,466)	(68,685)	(2,271,686)	(805,671)	(5,049,444)	(71,766)	(105,616)	(1,931,651)	(769,468)	(4,566,929)
Open market funding	(33,537)	(68,685)	(1,108)	-	(434,745)	(53,558)	(105,616)	(498)	-	(585,445)
Personnel (5)	-	-	-	-	(894,008)	-	-	-	-	(887,759)
Administrative expenses (5)	-	-	-	-	(62,143)	-	-	-	-	(73,677)
Sales or transfer of financial assets (6)	-	-	-	(805,650)	-	-	-	-	(769,468)	-
Other operating expenses (7)	(8,929)	-	(2,270,578)	(21)	(3,658,548)	(18,208)	-	(1,931,153)	-	(3,020,048)

(1) Refers mainly to transactions with CAIXAPAR, CAIXA Seguridade, Caixa Instantânea and Caixa Holding Securitária S.A.

(2) Refer to transactions with Banco Pan, Elo, Tecban and Capgemini.

(3) Refer mainly to transactions with the CAIXA Seguros group.

(4) Refer mainly to transactions with BNDES, FCVS, Funcef, FAR and FAT.

(5) Transactions with Funcef. The actuarial assets and liabilities with Funcef are presented in note 29.

(6) The total balance refers to portfolio assignment transactions with Cibrasec (Note 8 (f.2)).

(7) The balance relating to jointly-controlled subsidiaries consists essentially of performance fee expenses related to the acquisition of credit portfolios with Banco PAN and the costs of customer transactions in Tecban's self-service terminals.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

CONSOLIDATED								
Description	2nd half - 2018				2nd half - 2017			
	Controlling entity	Joint-controlled entities (1)	Associates (2)	Other entities (3)	Controlling entity	Jointly-controlled entity	Associates	Other entities
(1,285,002)	520,071	873,176	399,737	1,673,953	487,533	825,227	338,306	1,185,277
Result of operations with marketable securities	-	259,332	-	1	-	436,067	-	552
Service income	395,396	278,299	92,275	568,609	391,608	266,330	96,537	460,716
Other operating income	124,675	335,545	307,462	1,105,343	95,925	122,830	241,769	724,009
EXPENSES:	(21,111)	(1,168,036)	(423,244)	(3,056,241)	(34,775)	(969,594)	(340,955)	(2,377,026)
Open market funding	(16,476)	(781)	-	(188,289)	(22,757)	(294)	-	(276,118)
Personnel (4)	-	-	-	(470,389)	-	-	-	(442,756)
Administrative expenses (4)	-	-	-	(16,862)	-	-	-	(37,973)
Sales or transfer of financial assets (5)	-	-	(423,223)	-	-	-	(340,955)	-
Other operating expenses (6)	(4,635)	(1,167,255)	(21)	(2,380,701)	(12,018)	(969,300)	-	(1,620,179)
		- 2018				- 2017		
(1,285,002)	1,045,074	1,591,657	853,763	2,915,286	1,011,689	1,785,103	695,768	2,720,919
Result of operations with marketable securities	-	523,463	-	43	-	1,095,629	-	1,955
Service income	805,198	605,491	187,879	968,985	780,663	527,356	189,581	874,315
Other operating income	239,876	462,703	665,884	1,946,258	231,026	162,118	506,187	1,844,649
EXPENSES:	(42,466)	(2,271,686)	(805,671)	(5,051,457)	(71,766)	(1,931,651)	(769,468)	(4,568,034)
Open market funding	(33,537)	(1,108)	-	(434,745)	(53,558)	(498)	-	(585,445)
Personnel (4)	-	-	-	(896,021)	-	-	-	(888,864)
Administrative expenses (4)	-	-	-	(62,143)	-	-	-	(73,677)
Sales or transfer of financial assets (5)	-	-	(805,650)	-	-	-	(769,468)	-
Other operating expenses (6)	(8,929)	(2,270,578)	(21)	(3,658,548)	(18,208)	(1,931,153)	-	(3,020,048)

(1) Refer to transactions with Banco Pan, Elo, Tecban and Capgemini.

(2) Refer mainly to transactions with the CAIXA Seguros group.

(3) Refer mainly to transactions with BNDES, FCVS, Funcef, FAR and FAT.

(4) Transactions with Funcef. The actuarial assets and liabilities with Funcef are presented in note 29.

(5) The total balance refers to portfolio assignment transactions with Cibrasec (Note 8 (f.2)).

(6) The balance relating to jointly-controlled subsidiaries consists essentially of performance fee expenses related to the acquisition of credit portfolios with Banco PAN and the costs of customer transactions in Tecban's self-service terminals.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(g) Average salary

INDIVIDUAL / CONSOLIDATED				
Description	12/31/2018 (amounts in R\$)		12/31/2017 (amounts in R\$)	
	Management	Employee	Management	Employee
Highest salary	56,197	53,963	56,196	45,163
Average salary	45,148	9,905	45,346	9,207
Lowest salary	41,868	2,832	41,867	2,697
Benefits	7,392	2,662	7,192	2,217

(h) 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:

INDIVIDUAL / CONSOLIDATED				
Description	2018		2017	
	2nd half	Year	2nd half	Year
Short-term benefits	16,687	38,143	19,016	33,952
Salaries	10,193	20,876	10,068	21,170
Executive Board	8,634	17,703	8,796	18,745
Board of Directors	241	430	182	373
Statutory Audit Board	161	336	173	320
Audit Committee	755	1,604	817	1,632
Independent Risk Committee	402	803	100	100
Variable remuneration	2,265	8,906	4,395	4,440
Executive Board	2,265	8,906	4,395	4,440
Benefits	604	1,141	550	960
Executive Board	604	1,141	550	960
Training	41	70	127	306
Payroll charges	3,584	7,150	3,876	7,076
Benefits due to the termination of prior function	106	899	10	1,907
Post-employment benefits	599	1,231	703	1,465
Supplementary pension	599	1,231	703	1,465

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.

CAIXA does not have share-based compensation plan or long-term benefits to its employees and key management personnel.

The Financial Guarantees Provided are presented in Note 28.

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 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, Risk of Contagion, Actuarial Risk and Concentration Risk, Cybernetic Risk and IT 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 on: <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	12/31/2018	12/31/2017
Regulatory Capital – PR	101,215,559	93,464,469
Tier I	66,503,842	59,387,930
Principal capital – CP	66,503,842	59,387,930
Equity ⁽¹⁾	81,241,695	71,383,553
Prudential adjustments	(14,737,853)	(11,995,623)
Supplementary Capital – CC	-	-
Tier II	34,711,716	34,076,539
Risk-weighted assets (RWA)	516,533,740	529,502,315
Credit risk - RWA_{CPAD}	432,975,408	458,355,599
Market risk - RWA_{CPAD}	12,041,702	9,657,268
Operating risk – RWA_{OPAD}	71,516,630	61,489,448
Additional Principal capital - ACP	12,267,676	7,942,535
Minimum Required Reference Equity (RWA*Factor F) - PRMR + ACP	56,818,711	56,921,499
Market risk - non-trading portfolio - RBAN	3,082,991	1,333,900
Capital margin (PR - PRMR - RBAN)	41,313,856	35,209,070
Principal capital index (CP / RWA)	12.88%	11.22%
Capital index – Level I (Level I / RWA)	12.88%	11.22%
Basel index (PR / RWA)	19.60%	17.65%
Factor F (CMN Resolution No. 4193/2013)	8.63%	9.25%

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Sensitivity analysis of the significant positions - CVM Instruction 475

The sensitivity analysis enables the verification of the impact of interest rate changes 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 changes 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 No. 475/2008 the sensitivity analyses for each type of market risk deemed 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 deemed the worst possible losses.

The Financial Instruments results at 12/31/2018 are summarized in the following table:

Description	Risk	Probable scenario	25% shift	50% shift
Fixed rate	Increase in interest rate	(183,361)	(4,511,866)	(8,822,716)
Price index	Increase in price index coupons	(31,604)	(1,015,576)	(2,659,301)
TR/TBF/TJLP	Increase in TR coupon	(111,600)	(1,884,192)	(2,498,936)
Foreign variation ^{exc}	Decrease in exchange rates	(1)	(13)	(24)

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

INDIVIDUAL / CONSOLIDATED		
Description	12/31/2018	12/31/2017
Share funds	18,879,408	14,068,151
Financial investment funds	238,972,156	202,325,000
Share investment funds- FIC (1)	179,752,078	142,961,908
Total	437,603,642	359,355,059

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

(b) Guarantees provided to third parties

These guarantees amounted to R\$ 97,047 at 12/31/2018 (12/31/2017 - R\$ 100,188) and refer to properties and securities pledged as collateral to third parties in connection with lawsuits filed against CAIXA.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

(c) Interbanks accounts

Compared to December 2017, the increase of R\$ 8,332,835 in Interbank Accounts refers to the reclassification of balances related to the payment transactions routine – credit card of the Other Liabilities group to the Interbank Accounts group.

Note 33 - Subsequente events**(a) Selection process of Vice-presidents**

During the selection process of Vice-presidents, five new directors were chosen for the Institution.

Regarding the second selection cycle, started in October 2018:

For the Vice-presidency of Information Technology, Mr. Cláudio Salituro was chosen. Graduated in Computer Science with an MBA in Business Management from FGV, he has 34 years of experience in the field of information technology, exercising strategic positions in national and multinational companies in the financial, credit card, retail, services and telecommunications sectors, among which the following stand out: Cielo, Fidelity, IBI and Orbitall.

For the Vice-Presidency of Third Parties Asset's Management and Administration, Mrs. Luciane Ribeiro was chosen. Graduated in Economics with a degree in the Leadership Program (Authentic Leadership Program) from Harvard Business School. She has more than 35 years of experience in major national and international financial institutions, holding CEO positions in Asset Management at Santander, ABN Amro and Safra banks. She was the Director and is currently a member of ANBIMA's Fund Regulation Board. She is also a member of the Board of Women Leadership in Latin America and the Investment Committee of the United Nations Pension Fund.

Regarding the third selection cycle, started in January 2019:

For the Vice Presidency of Finance and Controllershship, Mr. André Tosello Laloni was chosen. Graduated in Mechanical Engineering from the State University of Campinas - UNICAMP and MBA from the Darden Graduate School of Business Administration - University of Virginia. He has extensive knowledge of the national and international financial markets, having held strategic positions at UBS, Barclays, Goldman Sachs and Unibanco banks.

For the Vice-presidency of Customers, Businesses and Digital Transformation, Mr. Valter Gonçalves Nunes was chosen. Graduated in Communication. Career employee, with 35 years of experience at CAIXA, exercising strategic positions of Regional Superintendent and Executive Director of Customer Service and Businesses and FGTS.

For the Vice-Presidency of People Management, Mr. Roney de Oliveira Granemann was chosen. Graduated in Economics with a post-graduate degree in Finance and a Masters in Production Engineering from the Federal University of Santa Catarina (UFSC). Career employee, with 29 years of experience at CAIXA, exercising strategic positions of Regional Superintendent of the Customer Service Network and Executive Director of People Management.

The names were elected by the company's Board of Directors at a meeting held on 01/24/2019 (2nd cycle) and 02/25/2019 (3rd cycle) and they took office on this date.

(b) Acquisition of shares in Capital Increase - CAIXAPAR

CAIXAPAR, a subsidiary of CAIXA and a shareholder of Banco PAN, notified the exercise of the right to acquire 50% of the shares subscribed and paid up by the shareholder BTG Pactual in the scope of the Capital Increase, so that, after the relevant approvals, the composition of the total capital of the Company will be: (i) 41.7% for CAIXAPAR; (ii) 41.7% for BTG Pactual and (iii) 16.6% for minority shareholders.

Notes to the financial statements

All amounts in thousands of reais unless otherwise stated

Pedro Duarte Guimarães
Chief Executive Officer

Cláudio Salituro
Vice President

Jair Luis Mahl
Vice President

João Eduardo de Assis Pacheco Dacache
Vice President

Júlio Cesar Volpp Sierra
Vice President

Mozart de Oliveira Farias
Vice President

Osvaldo Bruno Brasil Cavalcante
Interim Vice President
Administrative Rule PRESI nº 0416/19

Paulo Henrique Angelo Souza
Vice President

Roney de Oliveira Granemann
Vice President

Tatiana Thomé de Oliveira
Interim Vice President
Administrative Rule PRESI nº 0312/19

Valter Gonçalves Nunes
Vice President

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