Dear Stockholders,

We submit for your consideration the Management Report of Caixa Seguridade Participações S.A. ("Caixa Seguridade" or the "Company") for the full fiscal year 2016, based on the requirements of the Brazilian corporate legislation, the Brazilian Securities Commission (CVM) and the Company's bylaws, together with the financial statements, independent auditor's report and notes to the financial statements.

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

1. Macroeconomic environment

All of 2016 was dominated by political news. The United Kingdom's exit from the European Union and Donald Trump's U.S. election victory created uncertainty in the international scenario. The U.S. economy expanded at a moderate pace as shown by current economic indicators. In the eurozone, economic activity and confidence indicator data were a positive surprise, contrary to the expectations that the economy would suffer in the short term the negative effects of uncertainties arising from the UK referendum. In China, recent economic indicators show a steady growth rate. The acceleration of public investments allowed this stabilization to occur, in contrast to the weakening of the private sector.

In the domestic environment, the current account deficit has shrunk because of the trade surplus and the reduction in service and income account deficit. Direct investments in the country surprisingly remained at high levels, whereas fixed-income investments felt the effects of the loss of investment grade.

The decline in GDP margin has intensified in the third quarter after a more favorable trajectory and smaller falls in the first two quarters of the year. Both on the supply and demand sides, the decline was generalized across all their components. In the first case, the service sector suffered its seventh consecutive fall. The manufacturing industry was down again, after tentative signs of recovery in the previous quarter. The same occurred with investments on the side of demand. From this perspective, household consumption shows a less negative trend, with smaller falls in the last two quarters. GDP for the last four quarters shows a slow reversal in the current downward trend.

The labor market saw a rise in the unemployment rate caused by a reduction in the number of employed workers coupled with growth in the labor force. The earned income fell in actual terms, influenced by decreased economic activity and rising unemployment and inflation.

Inflation showed signs of deceleration due to weaker pressure of regulated prices which responded principally to the reduction in energy prices. Free prices also decelerated, influenced by slowing food inflation with the end of the El Niño effects. Underlying service inflation, which excludes more volatile prices, also decelerated. With the deceleration, the IPCA (Extended Consumer Price Index) ended the year at a high of 6.30%, below the target cap of 6.50%.

With more controlled inflation and advances in taxation, Brazil's Selic, the benchmark interest rate, was cut by 0.25 percentage point at the meetings of October and November, ending the year at 13.75% p.a.

Total credit continued its downward trend, influenced by credit granted with free funds to companies and BNDES-directed credit. The result reflects a slowdown in economic activity, low agent confidence, fiscal adjustments in progress and still-high basic interest rate.

According to the National Confederation of General Insurance, Private Pension and Life Insurance, Supplementary Health and Capitalization Companies (CNSEG), the insurance market, excluding health insurance line, achieved a total turnover of R$ 239.4 billion in 2016. In terms of growth rate, turnover fell to 9.2% in 2016 from growth of 11.6% in 2015. In the property and casualty insurance line, this result was due to the decline in automobile insurance turnover and the reduction in extended warranty caused by the fall in sales of cars and electrical home appliances, respectively. On the other hand, some segments saw an increase in turnover and in their share in property and casualty lines, such as homeowners, civil liability and farm insurance segments.

In the pension plan line, the highlight was the increased share of sales of VGBL plans in comparison to other traditional retirement savings plan, PGBL and risk plans. The variation in turnover from capitalization products remained in contraction.

The claims ratio rose to 49.3% from 49.2%, considering the average for the months from January to November between 2015 and 2016, respectively. The 12-month average ratio reached 51.7%, above the 49.8% in November 2015. With these high claims ratios, decreased economic activity and unfavorable labor market conditions, the industry's net profit was R$ 15.8 billion until November, down 9.0% from the same period in the previous year.

According to the National Federation of the Insurance, Reinsurance, Capitalization and Private Pension Brokers (FENACOR), confidence levels for the insurance industry improved during the year, reducing the level of pessimism compared to 2015, helped by expectations of higher turnover and profitability for the industry.

2. Description and Structure of the Businesses

Caixa Seguridade was created with the objective of consolidating Caixa Econômica Federal's ("CAIXA") interests in insurance activities, which are understood herein as insurance, open pension, capitalization, consortium, health plan and insurance, dental care plan and insurance and insurance brokerage businesses. The Company also has the right granted by CAIXA to operate through CAIXA distribution network and brand.

Thus, we derive our result from share of profit or loss of equity-accounted subsidiaries and associates and from revenue from granting access to CAIXA distribution network and brand.

At the end of the year the Company owned directly 100% of Caixa Holding Securitária S.A. ("Caixa Holding") and 48.21% of Caixa Seguros Holding S.A. ("Caixa Seguros") which in turn own the following equity investments:

a) Caixa Seguros Holding S.A.

Caixa Seguros is a partnership with French group CNP Assurances, which owns a 51.75% stake. Its operating companies specialize each in different insurance lines.

Caixa Seguradora S.A. ("Caixa Seguradora") started its operations on January 22, 1973 and sells property and casualty insurance and life insurance. Caixa Seguridade owns an indirect 48.21% interest in Caixa Seguradora.

Caixa Vida e Previdência S.A. ("Caixa Vida e Previdência") sells pension products and started its operations on March 14, 2000. Caixa Seguridade holds an indirect 48.21% interest in Caixa Vida e Previdência.

Caixa Capitalização S.A. ("Caixa Capitalização") started its operations on November 14, 1996 and sells capitalization products in partnership with Sul América Capitalização S.A. and Icatu Seguros S.A. Caixa Seguridade owns an indirect 24.59% stake in Caixa Capitalização.

Caixa Seguros Administradora de Consórcios S.A. ("Caixa Consórcios") manages consortium groups for acquisition of chattels and real estate, and started its operations on October 24, 2002. Caixa Seguridade owns an indirect 48.21% interest in Caixa Consórcios.

Caixa Seguros Especializada em Saúde S.A. ("Caixa Seguros Saúde") started its operations on January 31, 2011 and specializes in health insurance. Caixa Seguridade owns an indirect 48.21% interest in Caixa Seguros.

b) Caixa Holding Securitária S.A.

PAN Seguros S.A. ("PAN Seguros"), belonging to the Caixa Seguridade Group since June 19, 2015, is engaged in selling individual and corporate insurance, credit life insurance, homeowners' insurance, bodily injury and property damage insurance. Caixa Seguridade owns an indirect 48.99% interest in PAN Seguros.

Panamericana Administração e Corretagem de Seguros e de Previdência Privada Ltda. ("PAN Corretora"), belonging to the Caixa Seguridade Group since December 29, 2014, is engaged in the management, advice and brokerage of pension plans, property and casualty insurance, and life insurance. Caixa Seguridade owns an indirect 49.00% interest in PAN Corretora.

Both investments are controlled jointly with BTG Pactual Holding de Seguros Ltda. ("BTG Holding").

3. Highlights of the Period

Revenue from distribution network access and use of brand reached R$ 328.1 million in 2016, an increase of 25% when comparing the second half of 2016 with the same period in 2015. The strong performance was the result of the launch of the insurance product for legal entities *Seguro Prestamista PJ* at the end of 2015, and automatization of the insurance contracting process. This revenue is an important source for the financial result of the Company.

In accordance with the best corporate governance practices and in view of the need to meet the requirements of Law 13,303/2016, Caixa Seguridade created in December 2016 the Governance, Risks and Internal Control function, an important tool for the valuation and integration of the investees' management, governance, risk and compliance processes.

4. Corporate Governance

Caixa Seguridade's guidelines are aligned with the best corporate governance practices.

Management, including its governing bodies, is committed to maintaining independence, transparency, accountability, equity, and environmental and social responsibility, supported by the use of monitoring tools, which align executives' behavior with the interests of stockholders and society in general.

The Company's governing structure is made up of the General Meeting; a Board of Directors with six members; a permanent Supervisory Board with three permanent members and three alternate members; and an Executive Board with four members, being one CEO and one Investor Relations officer.

Caixa Seguridade will also set up an Audit Committee and a Related-Party Transactions Committee to serve an advisory role on a permanent basis.

5. Performance of Associates and Subsidiaries

The combined revenue of the operating companies totaled R$ 14.4 billion in 2016, up 23.0% from 2015. The highlight was the pension segment that posted an increase of 33.1% in pension contributions and insurance.

The performance of the main operating units belonging to the Caixa Seguridade Group is presented below.

Caixa Seguradora reported a net profit of R$ 1.3 billion, down 1.1% over 2015 due to the deterioration in the claims rate and the increase in the social contribution (CSLL) rate. Revenue was R$ 4.9 billion, an increase of 8.5% compared to the prior fiscal year.

Caixa Vida e Previdência made a net profit of R$ 316.8 million, an increase of 9.0% from the previous year, driven by the growth of 33.1% in revenue, with total pension contributions and insurance of R$ 7.8 billion.

Caixa Capitalização posted a net profit of R$ 128.9 million, a decline of 10.5% attributable mainly to the increase in the social contribution rate. Written premiums totaled R$ 1.2 billion, a slight increase of 0.6% compared to the prior fiscal year.

PAN Seguros delivered a net profit of R$ 50.6 million, down 11.6% as a result of adjustments arising from the acquisition of the homeowners' insurance portfolio of Sul América Seguradora S.A. Full fiscal year 2016 revenue was R$ 676.5 million, an increase of 20.9% on a year-over-year basis.

6. People

Caixa Seguridade has employees assigned by Caixa Econômica Federal under a full cost reimbursement arrangement and maintenance of the benefits granted by the parent company, notably healthcare and pension plans.

2016 was an important year for the Company, which moved to an operating stage, reaching a workforce of 49 people, a structure compatible with our activities in terms of personnel and processes.

7. Social and Environmental Responsibility

The Company approved in 2016 a Social and Environmental Responsibility Policy which is designed to ensure sustainable business conduct by Caixa Seguridade by incorporating social and environmental issues into its strategy and is based on the following principles:

- Ethics, compliance and anticorruption;
- Participative management;
- Sustainable development promotion;
- Social inclusion;
- Environmental efficiency;
- Environmental protection and conservation; and

- Transparency.

The principles are observed not only in internal processes but also in obtaining or buying goods and services.

8. Investments

In accordance with article 243 of Law 6,404/76, we inform you that the direct investments in associates and subsidiaries reached R$ 3.5 billion at December 31, 2016. Shown below are the changes in investments for the year:

Table 1 – Changes in investments

R$ thousands

Investees	Segment	Ownership interest (%)	Investment balance		Revenue from investment
			12/31/2015	12/31/2016	2016
CAIXA Seguros	**Holding**	**48.21%**	**2,635,360**	**3,046,973**	**918,235**
CAIXA Holding	**Holding**	**100.00%**	**383,190**	**411,678**	**28,542**
PAN Seguros	Insurance	48.99%	353,709	363,181	24,795
PAN Corretora	Brokerage	49.00%	29,381	33,128	5,089

9. Distribution of dividends

The Company reported net profit for 2016 of R$ 1.09 billion. After allocation to the legal reserve and out of realized revenue, the Company set aside R$ 142.8 million for the distribution of dividends, representing 13.8% of the adjusted profit.

Minus legal reserve and minimum dividend out of realized revenue, the difference of R$ 892.3 million was transferred to realizable revenue reserve as the payment of dividends has not yet been made by the investees of CAIXA Seguridade.

10. Legal information

In compliance with Instruction 381/2003 of the Brazilian Securities Commission (CVM), Caixa Seguridade states that PricewaterhouseCoopers Auditores Independentes did not provide in 2016 services that have the potential to impair the independence of the audit role. In contracting non-audit services, Caixa Seguridade adopts procedures in compliance with applicable legislation and internationally accepted principles that preserve auditor independence. Those principles of independence are as follows: (i) an auditor cannot audit his or her own work; and (ii) an auditor cannot function in the role of management, and an auditor cannot serve in an advocacy role for his or her audit client.

In accordance with the rules that govern the provision of independent audit services, PricewaterhouseCoopers Auditores Independentes provided the Independence Letter to Caixa Seguridade in a timely manner.

The table below shows the list of service agreements in force during 2016 between PricewaterhouseCoopers Auditores Independentes and the subsidiaries, associates and parent company of Caixa Seguridade:

Table 2 – Services provided by Independent Auditors

Client	Engagement period		Nature of service	Fees (R$)
	Start	End		
Caixa Seguridade	01/01/2016	12/31/2016	Report on examination and review of the calculation of taxes and contributions, fulfillment of accessory obligations and risk management frameworks	267,975.00
Caixa Seguros	01/01/2016	12/31/2016	Audit of the financial statements	1,995,200.00
Caixa Seguros	01/01/2016	12/31/2016	Actuarial audit services	514,470.00
Caixa Seguros	01/01/2016	12/31/2016	Other services/training	199,375.00
PAN Seguros	01/01/2016	12/31/2016	Audit of the financial statements	198,321.00
Pan Corretora	01/01/2016	12/31/2016	Audit of the financial statements	373,761.00

11. Acknowledgments

We wish to thank our employees for their efforts and dedication, the distribution network and employees of Caixa Econômica Federal, our partners and clients for the confidence.

Brasília, 2017

The Management

(A free translation of the original in Portuguese)

Financial Statements of **CAIXA Seguridade Participações S.A.**

December 31, 2016

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Assets	Parent company		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Current assets	**474,154**	**682,512**	**489,523**	**682,612**
Cash and cash equivalents (Note 8)	218,739	52,013	218,838	52,113
Dividends receivable	119,406	516,103	134,676	516,103
Interest on capital receivable (Note 19(b3))	98,668	80,047	98,668	80,047
Accounts receivable (Note 9)	37,311	34,321	37,311	34,321
Current tax assets	30	28	30	28
Non-current assets	**3,458,651**	**3,018,550**	**3,443,282**	**3,018,450**
Investments (Note 10)	3,458,651	3,018,550	3,443,282	3,018,450
Total assets	**3,932,805**	**3,701,062**	**3,932,805**	**3,701,062**

Liabilities and equity	Parent company		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Current liabilities	**162,297**	**645,180**	**162,297**	**645,180**
Accounts payable (Note 12)	5,301	501,967	5,301	501,967
Dividends payable (Note 14(f))	142,816	127,028	142,816	127,028
Current tax liabilities	14,180	16,185	14,180	16,185
Non-current liabilities	**323**	**-**	**323**	**-**
Long-term accounts payable (Note 19(c))	323	-	323	-
Equity	**3,770,185**	**3,055,882**	**3,770,185**	**3,055,882**
Share capital (Note 14(a))	2,756,687	2,756,687	2,756,687	2,756,687
Reserves (Note 14(c))	973,519	407,826	973,519	407,826
Carrying value adjustments (Note 14(d))	39,979	(108,631)	39,979	(108,631)
Total liabilities and equity	**3,932,805**	**3,701,062**	**3,932,805**	**3,701,062**

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

Statement of income	January 1 to December 31, 2016		May 21 to December 31, 2015	
	Parent company	Consolidated	Parent company	Consolidated
Operating revenue	**1,274,862**	**1,274,862**	**610,647**	**610,681**
Share of profit of investees (Note 10)	946,777	946,777	474,592	474,626
Revenue from distribution network access and use of brand (Note 15)	328,085	328,085	136,055	136,055
Other operating income (expenses)	**(64,615)**	**(64,615)**	**(19,753)**	**(19,787)**
Administrative expenses (Note 16)	(21,206)	(21,206)	(2,169)	(2,169)
Tax expenses (Note 18)	(42,093)	(42,093)	(17,518)	(17,518)
Other operating income (expenses)	(1,316)	(1,316)	(66)	(100)
Profit before finance income and costs	**1,210,247**	**1,210,247**	**590,894**	**590,894**
Finance result	**14,104**	**14,104**	**1,939**	**1,939**
Finance income (Note 8)	20,114	20,114	1,939	1,939
Finance costs (Note 17)	(6,010)	(6,010)	-	-
Profit before income tax and social contribution and profit sharing	**1,224,351**	**1,224,351**	**592,833**	**592,833**
Current income tax and social contribution (Note 11)	(133,951)	(133,951)	(57,979)	(57,979)
Profit sharing (Note 19(c))	(807)	(807)	-	-
Profit for the year/period	**1,089,593**	**1,089,593**	**534,854**	**534,854**
Number of shares – in thousands	1,200,000	1,200,000	1,200,000	1,200,000
Earnings per share - R$ (Note 14(e))	**0.90799**	**0.90799**	**0.44571**	**0.44571**

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

Statement of comprehensive income	January 1 to December 31, 2016		May 21 to December 31, 2015	
	Parent company	Consolidated	Parent company	Consolidated
Profit for the year/period	**1,089,593**	**1,089,593**	**534,854**	**534,854**
Items that will be reclassified to profit or loss				
(+/-) Share of other comprehensive income of investees (Note 14(d))	148,610	148,610	(103,457)	(103,457)
Comprehensive income for the year/period	**1,238,203**	**1,238,203**	**431,397**	**431,397**

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

Events	Share capital	Reserves	Other comprehensive income	Retained earnings	Equity
At May 21, 2015	**100**	**-**	**-**	**-**	**100**
Share capital increase (Extraordinary General Meeting of 6/26/2015)	100	-	-	-	100
Share capital increase (Extraordinary General Meeting of 6/30/2015)	2,798,767	-	-	-	2,798,767
Recognition of capital reserve	-	457,720	-	-	457,720
Transfer of capital reserve to share capital (Extraordinary General Meeting of 12/30/2015)	457,720	(457,720)	-	-	-
Share capital reduction (Extraordinary General Meeting of 12/30/2015)	(500,000)	-	-	-	(500,000)
Fair value adjustment on available-for-sale financial assets	-	-	(108,631)	-	(108,631)
Profit for the period	-	-	-	534,854	534,854
Proposed ordinary dividends (Note 14(f))	-	-	-	(127,028)	(127,028)
Recognition of legal reserve (Note 14(c))	-	26,743	-	(26,743)	-
Recognition of revenue reserve (Note 14(c))	-	381,083	-	(381,083)	-
At December 31, 2015	**2,756,687**	**407,826**	**(108,631)**	**-**	**3,055,882**
Dividends – Realization of revenue reserve	-	(381,084)	-	-	(381,084)
Fair value adjustment on available-for-sale financial assets	-	-	148,610	-	148,610
Profit for the year	-	-	-	1,089,593	1,089,593
Proposed ordinary dividends (Note 14(f))	-	-	-	(142,816)	(142,816)
Recognition of legal reserve (Note 14(c))	-	54,480	-	(54,480)	-
Recognition of revenue reserve (Note 14(c))	-	892,297	-	(892,297)	-
At December 31, 2016	**2,756,687**	**973,519**	**39,979**	**-**	**3,770,185**

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

Statement of cash flows	January 1 to December 31, 2016		May 21 to December 31, 2015	
	Parent company	Consolidated	Parent company	Consolidated
Cash flows from operating activities				
Receipt of revenue from distribution network access and use of brand	325,149	325,149	101,587	101,587
Receipt of dividends	1,015,626	1,015,626	-	-
Payment of administrative expenses	(17,825)	(17,826)	(4)	(4)
Payment of operating expenses	(1,249)	(1,249)	-	-
Payment of monetary adjustment of dividends (Note 14(f))	(6,212)	(6,212)	-	-
Taxes paid on payroll	(621)	(621)	(174)	(174)
Taxes paid on revenue	(42,550)	(42,550)	(13,396)	(13,396)
Income tax and social contribution paid	(115,205)	(115,205)	(37,826)	(37,826)
Interest received	20,090	20,090	1,939	1,939
Taxes on financial investments	(2,569)	(2,569)	(213)	(213)
Net cash provided by operating activities	**1,174,634**	**1,174,633**	**51,913**	**51,913**
Cash flows from investing activities				
Net cash provided by investing activities	**-**	**-**	**-**	**-**
Cash flows from financing activities				
Payment of dividends (Note 14(f))	(507,908)	(507,908)	-	-
(Reduction) increase in share capital	(500,000)	(500,000)	100	200
Net cash (used in) provided by financing activities	**(1,007,908)**	**(1,007,908)**	**100**	**200**
Net increase (decrease) in cash and cash equivalents	**166,726**	**166,725**	**52,013**	**52,113**
Cash and cash equivalents at the beginning of the year/period	**52,013**	**52,113**	**-**	**-**
Cash and cash equivalents at the beginning of the year/period	**218,739**	**218,838**	**52,013**	**52,113**

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

Reconciliation of profit to net cash flow from operating activities

Description	January 1 to December 31, 2016		May 21 to December 31, 2015	
	Parent company	Consolidated	Parent company	Consolidated
Profit for the year/period	**1,089,593**	**1,089,593**	**534,854**	**534,854**
Equity in the result of investees	(946,777)	(946,777)	(474,592)	(474,626)
Receipt of dividends	1,015,626	1,015,626	-	-
Profit sharing	(202)	(202)	66	100
Change in accounts receivable	(2,990)	(2,990)	(34,321)	(34,321)
Change in other assets	-	-	-	-
Change in accounts payable	3,657	3,656	1,967	1,967
Change in current tax assets and liabilities	15,727	15,727	23,940	23,940
Net cash provided by operating activities	**1,174,634**	**1,174,633**	**51,913**	**51,913**

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

Statement of value added	January 1 to December 31, 2016		May 21 to December 31, 2015	
	Parent company	Consolidated	Parent company	Consolidated
Revenue	**328,085**	**328,085**	**136,055**	**136,055**
Sales of products and services	328,085	328,085	136,055	136,055
Inputs acquired from third parties (includes amounts of taxes - ICMS, IPI, PIS and COFINS)	**5,383**	**5,383**	**848**	**882**
Materials, energy, outsourced services and other	5,383	5,383	782	782
Impairment/recovery of assets	-	-	66	100
Gross value added	**322,702**	**322,702**	**135,207**	**135,173**
Net value added generated by the entity	**322,702**	**322,702**	**135,207**	**135,173**
Value added received through transfer	**966,891**	**966,891**	**476,531**	**476,565**
Share of profit of investees	946,777	946,777	474,592	474,626
Finance income	20,114	20,114	1,939	1,939
Total value added to distribute	**1,289,593**	**1,289,593**	**611,738**	**611,738**
Distribution of value added	**1,289,593**	**1,289,593**	**611,738**	**611,738**
Personnel	13,192	13,192	1,184	1,184
Direct compensation	10,192	10,192	1,052	1,052
Benefits	2,281	2,281	75	75
FGTS (Employee Severance Indemnity Fund)	719	719	57	57
Taxes and contributions	178,382	178,382	75,654	75,654
Federal	178,382	178,382	75,654	75,654
Creditors	8,426	8,426	46	46
Rentals	293	293	46	46
Other	8,133	8,133	-	-
Stockholders and Company	1,089,593	1,089,593	534,854	534,854
Dividends	142,816	142,816	127,028	127,028
Profits reinvested/loss for the year/period	946,777	946,777	407,826	407,826

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

Note 1 – Operations and general information

Caixa Seguridade Participações S.A. ("CAIXA Seguridade" or "Company" or "Parent company") is the lead company of CAIXA Seguridade Group ("CAIXA Seguridade Group" or the "Group") and was set up on May 21, 2015 under the laws of Brazil as a wholly-owned subsidiary of Caixa Econômica Federal ("CAIXA"), for an indefinite duration, for the primary purpose of acquiring other companies' outstanding stock or owning, directly or indirectly, the shares of other companies, in Brazil or abroad, that are actively engaged in the structuring and marketing of a broad range of insurance products, private pension plans and capitalization plans, management, marketing and offering of private medical and dental care plans, rendering of brokerage services for these products, in addition to structuring, administering and marketing consortium plans, and executing reinsurance and retrocession transactions in Brazil and abroad.

During 2016, the Company continued to retain the services of authorized employees, which raised administrative expenses in the year. In this context, CAIXA Seguridade keeps careful track of macroeconomic scenarios that may affect the dynamics of its businesses and those of its investees.

The Company, enrolled in the National Registry of Corporate Taxpayers (CNPJ) under No. 22.543.331/0001-00, is headquartered at Setor Bancário Sul – SBS, Q. 4, Bloco A, Lote 3/4, Edifício CEF Matriz 1 – 19º Andar – Brasília – Distrito Federal – Brazil.

The major direct investments of CAIXA Seguridade that are included in these parent company and consolidated financial statements are described below:

a) Caixa Seguros Holding S.A. ("CAIXA Seguros")

Caixa Seguros is a privately-held corporation whose main business is owning equity interests in companies engaging in the insurance business, including health and dental insurance; capitalization plans; open pension plans that may offer benefits either as an annuity or a lump sum; consortium administration; and related or complementary activities.

French group CNP Assurances owns 51.75% of Caixa Seguros, CAIXA Seguridade holds a 48.21% stake and the National Institute of Social Security (INSS) owns 0.04%.

On May 20, 2016, Youse Seguradora Participações Ltda. ("Youse") was created as a wholly-owned subsidiary of CAIXA Seguros, with its headquarters in the city of São Paulo, State of São Paulo, to own shares of other companies in Brazil or abroad. CAIXA Seguros has filed an application (Susep process No. 15414.001677/2016-46) with the insurance regulator asking permission to form an insurance company called Youse, which is currently under analysis and, therefore, pending approval by the relevant insurance regulator.

In addition, on September 11, 2016, CNPX SAS was created in Colombia as a direct subsidiary of Caixa Seguros Holding S.A., to own equity interests in insurance companies. At the closing date of these financial statements, this company was in preoperational phase.

b) Caixa Holding Securitária S.A. ("CAIXA Holding")

Caixa Holding was created on May 21, 2015 as a wholly-owned subsidiary of CAIXA Seguridade to acquire equity interests in entities authorized to operate by the Superintendence of Private Insurance (SUSEP).

c) PAN Seguros S.A. ("PAN Seguros")

PAN Seguros is a privately-held company jointly controlled by CAIXA Seguridade and BTG Pactual Holding de Seguros Ltda. ("BTG Holding"), which each owning 48.99% and 51.01%, respectively. PAN Seguros is active in the segments of individual and corporate insurance, credit life insurance, homeowner's insurance, mandatory bodily injury car insurance (DPVAT) and insurance against damage.

d) Panamericana Administração e Corretagem de Seguros e de Previdência Privada Ltda. ("PAN Corretora")

Pan Corretora is a privately-held company jointly controlled by BTG Holding and CAIXA Seguridade, each owning respectively 51.00% and 49.00% of its stock. This company is engaged in the management, advice and brokerage of property and casualty insurance, life insurance and pension plans.

e) Direct and indirect investments owned by CAIXA Seguridade:

Company	Description	Company's ownership interest - % 12/31/2016 Direct	Indirect
CAIXA Holding:	**The purpose of CAIXA Holding Securitária is to acquire equity interests in entities authorized to operate by the Superintendence of Private Insurance (SUSEP).**	**100.00**	**-**
PAN Seguros	**This is a privately-held corporation engaged in selling individual and corporate insurance, credit life insurance, homeowners' insurance, mandatory bodily injury car insurance (DPVAT) and insurance against damage. Its operations are incorporated within a group of institutions that operate on an integrated basis in the financial market.**	**-**	**48.99**
PAN Corretora	**This company is engaged in the management, advice and brokerage of: a) property and casualty insurance, b) life insurance and c) pension plans.**	**-**	**49.00**
Caixa Seguros:	**The primary business of CAIXA Seguros is holding shares in other companies engaged in: i) insurance business, including health and dental insurance; ii) capitalization segment; iii) pension plans that may offer benefits either as an annuity or a lump sum; iv) consortium administration; v) related or complementary activities.**	**48.21**	**-**
Caixa Seguros Participações Securitárias Ltda.:	**CAIXA Seguros' wholly-owned subsidiary whose main business is holding shares in other companies that operate in the segment regulated by the Superintendence of Private Insurance (SUSEP).**	**-**	**48.21**
Caixa Seguradora S.A.	Caixa Seguros Participações Securitárias Ltda.'s wholly-owned subsidiary whose main business is selling property and casualty insurance and life insurance.	-	48.21
Caixa Vida e Previdência S.A.	Caixa Seguros Participações Securitárias Ltda.'s wholly-owned subsidiary whose main business is selling pension products.	-	48.21
Caixa Capitalização S.A.	Caixa Seguros Participações Securitárias Ltda.'s 51% subsidiary whose main business is selling capitalization products.	-	24.59
Youse Seg Participações Ltda.	Caixa Seguros Participações Securitárias Ltda.'s subsidiary whose main business is owning shares of other companies. At present, Brazil's insurance regulator SUSEP is analyzing the application for definitive authorization for the conversion of this company into Youse Seguradora S.A. whose main purpose will be selling personal insurance on a digital platform.	-	48.21
Caixa Seguros Administradora de Consórcios S.A.	**Company's wholly-owned subsidiary whose main business is managing consortiums for acquisition of chattels and real estate.**	**-**	**48.21**
Caixa Seguros Assessoria e Consultoria Ltda.	**CAIXA Seguros' wholly-owned subsidiary operating in the consulting and advisory industry.**	**-**	**48.21**
Caixa Seguros Especializada em Saúde S.A.	**CAIXA Seguros' wholly-owned subsidiary specializing in health insurance.**	**-**	**48.21**
FPC PAR Corretora de Seguros S.A.	**Privately-held corporation providing brokerage and advisory and consulting services in the insurance field.**	**-**	**12.05**
Caixa Seguros Participações do Sul Ltda.:	**CAIXA Seguros' wholly-owned subsidiary whose main business is holding other companies' stock.**	**-**	**48.21**
Companhia de Seguros Previdência do Sul PREVISUL	This company is 100% owned by Caixa Seguros Participações do Sul Ltda. and is engaged in selling personal insurance.	-	48.21
Caixa Seguros Participações em Saúde Ltda.:	**CAIXA Seguros' wholly-owned subsidiary whose main business is holding other companies' stock.**	**-**	**48.21**
Odonto Empresas Convênios Dentários Ltda.	Caixa Seguros Participações em Saúde Ltda.'s wholly-owned subsidiary specializing in dental care plans.	-	48.21
CNPX S.A.S	**CAIXA Seguros' wholly-owned subsidiary in Colombia whose main business is the ownership of stock in other companies.**	**-**	**48.21**

Note 2 – Presentation of parent company and consolidated financial statements

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The issue of these parent company and consolidated financial statements was authorized by the Board of Directors on March 13, 2017.

Note 3 – Significant accounting practices

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the periods presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the parent company and consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is CAIXA Seguridade's functional and presentation currency.

b) Revenue and expense recognition

Revenue from distribution network access and use of brand comprises the fair value of the consideration received or receivable for the access to market and distribute insurance products, pension plans, capitalization plans and consortium plans through CAIXA distribution network by in-network institutions, parties to contracts or operating agreements previously signed with CAIXA Seguridade Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will result from the transaction and when specific criteria have been met for each of the Group's activities. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue and expenses are recognized on the accrual basis.

Equity investments are accounted for using the equity method and recognized at the amount which reflects the CAIXA Seguridade's share of the profits or losses of the investees.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand in local currency and investments that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

The breakdown, terms and income return on investments recorded in cash and cash equivalents are presented in Note 8 - Cash and cash equivalents.

d) Accounts receivable

Accounts receivable are mostly amounts due from related parties relating to fees for access to the distribution network and use of CAIXA brand for marketing and distribution of insurance, pension plans, capitalization plans and consortium plans. Collection is expected in one year or less, so they are classified as current assets.

e) Business combination

The acquisition of a subsidiary in a business combination is accounted for at the acquisition date, i.e. the date on which the Group obtains control of the acquire, using the acquisition method. Under this method, identifiable assets acquired (including intangible assets not previously recognized), liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date. The positive difference between the cost of acquisition and the fair value of the identifiable net assets acquired is recorded as goodwill. If the difference is negative (bargain purchase gain), the resulting gain is recognized in the statement of income within "Other operating income".

Transaction costs, other than costs to issue debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date.

The results of the subsidiaries acquired during the reporting period are included in the financial statements from the date of acquisition to the end of the reporting period. The results of the subsidiaries disposed of during the year are included in the financial statements from the beginning of the year to the date of disposal or to the date on which the Company ceases to control the subsidiary.

f) Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates and joint ventures includes goodwill as well as intangible assets identified on acquisition, if any, net of any accumulated impairment loss.

The Group's share of the profit or loss of its associates and joint ventures is recognized in the statement of income and its share of reserve movements is recognized in the Group reserves. When the Group's share of losses in an associate or joint venture equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly-controlled investee.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising on investments in associates are recognized in the statement of income.

g) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGUs)). For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination, which are identified at the operating segment level.

Non-financial assets other than goodwill that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at the balance sheet date. The impairment of goodwill recognized in the statement of income is not reversed.

h) Current and deferred income tax and social contribution

The income tax and social contribution benefit or expense for the period comprise current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current and deferred income tax and social contribution are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group entities operate and generate taxable income. Management periodically evaluates positions taken by the Group in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not on a net basis.

i) Distribution of dividends and interest on capital

Dividends are computed on adjusted profit for the period.

The Group may at any time compile new financial statements to meet any legal requirement or corporate interests, including to decide on distributing interim dividends.

Brazilian companies can pay out to shareholders interest on capital, which is tax deductible. Amounts paid as interest on capital are treated as a payment of dividends.

The distribution of dividends and interest on capital is recognized as a liability at the end of the year, and any amount that exceeds the minimum required is only provided for on the date it is approved, and deducted from equity.

The provision related to any amount that exceeds the mandatory minimum dividend is recognized on the date it is approved, and deducted from equity.

j) Segment reporting

Operating segments are reported according to the primary business activities: i) owning shares in other companies and ii) fees for access to the distribution network and use of brand for marketing and distribution of insurance, pension plans, capitalization plans and consortium plans.

These segments were used in a consistent manner by the chief operating decision-maker to create CAIXA Seguridade.

Note 4 – Recently issued pronouncements and laws

The following new standards were issued by IASB but are not effective for 2016. The early adoption of standards, even though encouraged by IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

I. IFRS 9 (CPC 48), "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 and is effective as from January 1, 2018. It replaces the orientation included in IAS 39 related to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit losses model that replaces the current incurred loss impairment model. IFRS 9 relaxes the requirements for hedge effectiveness. It also requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Management is assessing IFRS 9's full impact.

II. IFRS 15 (CPC 47), "Revenue from Contracts with Customers", replaces IAS 11, "Construction Contracts", IAS 18, "Revenue" and related interpretations and introduces the principles to be applied by an entity to determine the measure and recognition of revenue. Effective date is January 1, 2018. Management is assessing IFRS 15's full impact.

Note 5 – Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Definition of the nature of the relationship with investees

I. CAIXA Seguros: Pursuant to the Shareholders' Agreement and Other Covenants entered into on December 29, 2011, CAIXA Seguridade (successor of CAIXAPAR) has the power to participate in decisions about the relevant operating, financial and strategic issues of CAIXA Seguros Holding S.A., evidencing the existence of significant influence over the associate.

II. PAN Seguros: Pursuant to the Shareholders' Agreement and Other Covenants entered into on August 21, 2014 between BTG Pactual Holding de Seguros Ltda. and Caixa Participações S.A. ("CAIXAPAR"), granted to CAIXA Seguridade upon the merger of this investment, the entities named before declare, for all legal purposes and effects, that they belong to the group that controls PAN Seguros. It is therefore evidenced that these entities have joint control of PAN Seguros.

III. PAN Corretora: Pursuant to the Shareholders' Agreement and Other Covenants entered into on August 21, 2014 between Banco BTG Pactual S.A. and Caixa Participações S.A. ("CAIXAPAR"), granted to CAIXA Seguridade upon the merger of this investment, the entities named before declare, for all legal purposes and effects, that they belong to the group that controls PAN Corretora. It is therefore evidenced that these entities have joint control of PAN Corretora.

The table below presents a summary of the nature of the relationship with investees:

Investees	Interest in voting capital %	Nature of relationship	Method of accounting
	12/31/2016		
CAIXA Holding	100.00	Subsidiary	Consolidation
CAIXA Seguros	48.21	Associate	Equity method
PAN Seguros	48.99	Joint venture	Equity method
PAN Corretora	49.00	Joint venture	Equity method

b) Impairment of non-financial assets

The Group assesses annually whether there is any indication of impairment of a non-financial asset, considering external and internal sources of information. If such indication exists, the recoverable amount of the asset is estimated.

Where assets, other than goodwill, have been impaired, an assessment is made annually as to whether there are indicators that previously recognized impairment losses no longer exist or have decreased. If so, the recoverable amount of the asset is estimated.

Irrespective of whether any indicators of impairment have been identified, impairment tests are carried out on an annual basis for intangible assets with an indefinite useful life, including goodwill arising from a business combination or intangible assets not yet available for use.

The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, present value or other valuation techniques, or a combination of various techniques, necessitating management to make subjective judgments and assumptions.

Note 6 – Risk management

CAIXA Seguridade is a holding company that derives its income solely from the investments in associates and joint ventures and from granting access to the CAIXA distribution network.

CAIXA Seguridade Group believes that risk management is fundamental to the strategic and financial planning and for this reason developed a risk management strategy that fosters an integrated view of the risks to which it is exposed.

In 2016, Caixa Seguridade created the Governance, Risks and Internal Control function, to which the risk management, internal control and compliance area has migrated, which previously reported directly to the CEO. This function remains segregated from the other units of the Company and adopts instruments and framework for the identification, measurement and assessment of risks. Periodically, risk management, internal control and compliance information is generated and provided to the other officers of Caixa Seguridade, deliberative body, audit committee, regulatory agency and the market.

The Company disseminates and fosters a risk management culture to promote and ensure its employees' commitment to rigorous and comprehensive risk management practices in performing their tasks.

CAIXA Seguridade's risk management policy approved by the Board of Directors aims to ensure that overall risk exposures remain within levels acceptable by its management, thereby ensuring the solvency, liquidity and sustainability of the Company.

In order to keep it aligned with the nature, complexity, level of risk exposures and the Company's strategic objectives, the risk management policy is reviewed at least once a year, taking into account underwriting risk which is exclusive to the investees of Caixa Seguridade, contagion risk, credit risk, strategy risk, legal risk, liquidity risk, operational risk, reputational risk, and social and environmental risk.

a) Underwriting risk

Underwriting risk refers to the risk of losses greater than the estimated technical bases used to calculate premiums, contributions, quotas and technical reserves, which may result in non-generation of future cash flows to pay benefits.

As Caixa Seguridade is a holding company, it is not directly exposed to the underwriting risk but monitors the management of this risk at its investees.

b) Contagion risk

Contagion risk is the possibility that adverse events at the Group companies could adversely impact Caixa Seguridade. Following a policy, efforts are made to mitigate and avoid adverse events at investees that could impact businesses or results of Caixa Seguridade.

The investees have risk management, internal control and compliance frameworks and units for mitigating the contagion risk to which Caixa Seguridade is exposed, principally through the underwriting risk of its investees.

c) Credit risk

Credit risk is the possibility of loss resulting from the uncertainty as to the collection of amounts owed from borrowers, counterparties to contracts or associated with securities issue as per the agreed terms.

At Caixa Seguridade, credit risk arises from credit exposures to outstanding receivables and dividends receivable from related parties. The credit risk on financial investments classified as cash and cash equivalents is considered to be low. The cash investment management of CAIXA Seguridade Participações S.A. is based on the Investment Policy approved by the Board of Directors. The selection of assets for investment is approved by the Investment Committee and includes government securities, fixed-income securities with characteristics and yield levels consistent with the target return; private securities, observing the credit risk management criteria set forth in the policy and shares of Investment Fund and Share Investment Fund, whose portfolios follow the prescribed asset eligibility criteria.

The Investment Committee is responsible for setting the concentration limits on investments in private securities.

The credit risk assessment is made using credit risk information produced and distributed to the market by credit bureaus, risk rating agencies, federal banks, Brazilian Central Bank, as well as information provided by the counterparty itself.

d) Strategy risk

Strategy risk arises from the possibility of adverse changes in the business environment or from the use of inappropriate assumptions in decision making. In accordance with the Company's risk management policy, decisions are based on technical studies, in line with the Company's core business purpose and Strategic Planning.

e) Legal risk

Legal risk is the risk of loss arising from failure to comply with statutory or regulatory obligations, from strategies adopted in legal proceedings or from defective contracts.

Caixa Seguridade fully complies with laws, rules and regulations and researches the case law applicable to the issues in its cases. Before a contract is signed by Caixa Seguridade, it is analyzed by in-house attorneys or an outside law firm.

In addition, the Company has a compliance function which is tasked, among other responsibilities, with disseminating the organizational culture of control and compliance to ensure compliance of the organizational structure and processes, products and services with laws, rules, internal policies and guidelines, and other applicable regulations.

f) Liquidity risk

Liquidity risk is the risk that there will not be enough cash and/or cash equivalents to meet financial obligations.

According to the Cash Risk Management Policy of Caixa Seguridade, high-quality unrestricted net assets must be sufficient to compensate for net cash outflows in the short term and long-term stable sources of funding must be sufficient to support the mismatch in the maturities of assets and liabilities.

Furthermore, liquidity risk acceptance decisions are based on analysis of reports which give a clear view of returns on financial instruments.

g) Market risk

Market risk is the possibility that changes in interest rates, currency exchange rates, share prices or commodity prices will adversely affect the value of the Company's assets and liabilities.

h) Operational risk

Operational risk is the risk of loss resulting from failures or fraud, inadequate or failed internal processes, people and systems, or from external events.

Operational risk management is preventive and considers both internal (people, processes and systems) and external factors that may adversely affect the achievement of Caixa Seguridade's objectives.

Operational risk management is integrated into the crisis management, business continuity and information security framework, with the aim of mitigating Caixa Seguridade's risk exposures, reducing financial losses and ensuring the uninterrupted availability of critical activities and operations.

i) Reputational risk

Reputational risk is the risk arising from negative perception on the part of stakeholders such as customers, counterparties, shareholders, investors or regulators.

Thus, news and facts relating to the Company are treated on a timely basis in accordance with the internal and external policies and rules.

Potential negative perception of the Company by stakeholders is taken into account in decision making.

j) Social and environmental risk

Social and environmental risk is the possibility of financial losses and damage to reputation resulting from potential social and environmental damage the Company's business may cause.

In order to mitigate this risk, Caixa Seguridade's Social and Environmental Policy approved by the Board of Directors provides a set of guidelines on the best social and environmental practices in business management.

k) Investees' risks

The following is risk management information related to Caixa Seguridade's investees Caixa Seguros Holding and Pan Seguros that adopt their own risk management framework.

The following information includes risk management policy and the main risks to which the Company's associates and joint ventures are exposed to, which impact the Company's result via equity method. This same information is provided in the financial statements of the entities of CAIXA Seguridade Group.

k.1) Caixa Seguros Holding – Risk management

CAIXA Seguros Holding has a risk management process framework by which it can effectively identify, evaluate, monitor, control and mitigate in an integrated manner the insurance, credit, liquidity, market and operational risks.

I. Insurance risk

Insurance Risk is the risk, other than a financial risk, that is transferred from the holder of the contract to the issuer. In other words, insurance risk is a pre-existing risk transferred from the policyholder to the insurer. The definition of Insurance Risk refers to risk that the insurer accepts from the policyholder. Risk management is a structured approach that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties the enterprise faces as it creates value.

CAIXA Seguros has a wide range of products, including life insurance, property insurance, capitalization plans and private pension plans for individuals and legal entities. In this environment, the following risks are inherent in CAIXA Seguros' activities:

- Strategic risk – CAIXA Seguros' inability to protect itself from, adjust to or anticipate changes (related to the economy, technology, market, etc.), which may prevent the achievement of the goals and targets set.
- Actuarial risk - Incorrect methodologies and/or calculations for the insurance premiums, due to lack of maintenance of price lists or periodic adjustments to the policies, and recognition of inadequate technical reserves.

Organization's Risk Management Process framework allows for insurance risks to be identified, assessed, monitored, controlled and mitigated in an integrated manner, by means of a strong control mechanism in place, which includes risk management, internal control, internal audit and compliance functions, which are independent of the business lines, and other necessary segregations of duties. Responsibilities and authorities are clearly established and operational standards well defined, with a set of rules, procedures and activities that are well described, disclosed and monitored.

CAIXA Seguros has policies concerning risk underwriting, fraud prevention, anti-money laundering, and information security (in place and monitored), and has risk and compliance professionals who are cognizant of their responsibilities and active in all areas.

II. Credit risk

Credit risk is the potential that a counterparty to a financial transaction may possibly default or suffer an adverse change in its ability to perform under its contractual obligations, thus generating any loss to CAIXA Seguros. The key areas in which CAIXA Seguros is exposed to credit risk are: i) the reinsured portion of insurance liabilities; ii) amounts due from reinsurance companies with respect to claims settled; iii) amounts due from policyholders in relation to insurance contracts; iv) amounts due from intermediaries of insurance operations; v) amounts referring to loans and receivables; and vi) amounts referring to debt securities.

CAIXA Seguros is exposed to risk concentrations with individual reinsurance companies, due to the nature of the reinsurance market and the restricted number of reinsurance companies with an acceptable credit rating. Credit risk management includes the monitoring of exposures to the credit risk of individual counterparties against the ratings assigned by credit rating agencies, such as Fitch Ratings, Standard & Poor's, Moody's, among others. Reinsurance companies are subject to a continuous credit risk analysis process to ensure that the credit and insurance risk mitigation objectives are achieved.

III. Liquidity risk

Liquidity risk is associated with the loss of income to obtain liquidity, and arises in situations where CAIXA Seguros may not have sufficient funds to meet its commitments as a result of misbalances in the cash flow of its payments and receipts because of the mismatch in the maturities of assets

and liabilities. Through the liquidity management policy, sufficient financial resources are maintained to perform all the Company's obligations as they fall due, and a set of controls, especially to reach the technical limits, form part of the strategy and procedures to be applied in situations in which there is an immediate need for cash.

In the case of CAIXA Seguros, liquidity risk is low because the portfolio is comprised of assets classified as held for trading, with a large position in government securities, and there is no record of obligations of any nature.

IV. Market risk

Market risk is the risk of loss resulting from movements in prices and rates due to the mismatch in maturities, currencies and indices of the portfolio of assets and liabilities of an institution. Market risk management consists of measuring, monitoring and controlling the exposure of CAIXA Seguros' financial operations, in accordance with a set of practices compatible with the nature of its operations, the complexity of the products and the extent of the risk exposure. Among the risks inherent in CAIXA Seguros, interest rate risk, share price risk and derivative risk stand out.

The methodology used by CAIXA Seguros to measure the exposure to market risks is the Value-at-Risk (VaR), which shows the maximum loss on the portfolio within a specific time interval, considering a certain level of confidence. The parameters are defined by SUSEP, and the limits by management on a conservative basis. Among the information used to calculate VaR, such as the history of price quotes and the past behavior of the interest structure, no exogenous variables, such as natural catastrophe, external economic crises or shocks to the prices of the assets, are considered to project the scenarios. The Value at Risk of the investment portfolio of Caixa Seguros Holding at December 31, 2016 was R$ 82 (2015 – R$ 122,647). This amount represents the maximum loss expected on the financial investments of the Company and its subsidiaries over a one-day time period with a degree of confidence of 99%.

V. Operational risk

The integrated management of the risks inherent in the activities is supported by the internal control and compliance structure, which allows for the ongoing improvement of risk management and prevention of gaps that compromise the proper identification and measurement of risks.

CAIXA Seguros' internal control system is based on the methodology and principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), in accordance with five interrelated components which constitute an integrated Enterprise Risk Management (ERM) framework, in order to provide support for CAIXA Seguros to effectively manage its risks by applying the risk management process at various levels and within specific contexts.

The risk and control management at CAIXA Seguros is made up of the Auditing, Control & Compliance, Accounting & Budget, Actuarial and Technical Risk Control Units, which are independent of one another, but work in an integrated manner to guarantee, with reasonable assurance, the protection of assets and the achievement of strategic objectives.

k.1.1) CAIXA Seguros – Sensitivity analysis

The sensitivity analyses are performed in conformity with the requirements established by SUSEP within the ambit of the operating companies of CAIXA Seguros Holding – indirect investees of CAIXA Seguridade, as stated in Note 1 – Operations and general information, item "e" - Direct and indirect investments of CAIXA Seguridade. Such information is prepared and presented according to guidance and within the time frames set by SUSEP.

The results of the sensitivity analyses, net of tax effects, based on the assumptions at December 31, 2016, are set out below, showing the impacts of each assumption on Profit and Equity, in addition to the analyses of assets and derivatives:

I. Gross of reinsurance

12/31/2016								
Sensitivity	Rate	Rate	Redemption/ Cancellation	Redemption/ Cancellation	Mortality/ Claims Ratio	Mortality/ Claims Ratio	Convertibility	Convertibility
	1%	-1%	10%	-10%	5%	-5%	10%	-10%
Housing	-1.63%	1.73%	-1.19%	1.25%	-9.60%	9.65%	-	-
Individual and Group Personal	0.23%	-0.23%	-5.03%	5.52%	-4.70%	4.71%	-	-
Auto	-1.19%	1.20%	0.00%	0.00%	-12.03%	12.03%	-	-
Other	-1.03%	1.05%	0.07%	-0.08%	-2.68%	2.68%	-	-
Caixa Seguros	**-1.00%**	**1.06%**	**-2.35%**	**2.54%**	**-7.97%**	**8.01%**	**-**	**-**
PGBL-VGBL	1.99%	-2.36%	-8.36%	9.40%	0.00%	0.00%	0.45%	-0.50%
Risk	-5.20%	5.84%	-9.29%	10.88%	-1.90%	1.91%	0.00%	0.00%
Combined	-1.40%	1.47%	-7.44%	8.39%	-0.80%	0.80%	0.06%	-0.07%
Caixa Vida e Previdência	0.36%	-0.51%	-8.36%	9.47%	-0.42%	0.42%	0.34%	-0.40%
Caixa Saúde	**-0.53%**	**0.54%**	**-1.64%**	**1.62%**	**-8.62%**	**8.62%**	**-**	**-**
Previsul	**0.64%**	**-0.65%**	**-4.97%**	**5.46%**	**-5.52%**	**5.52%**	**-**	**-**
Odonto Empresas	**-0.16%**	**0.16%**	**-5.67%**	**5.13%**	**-3.92%**	**3.92%**	**-**	**-**
Caixa Seguros Group	**-0.42%**	**0.39%**	**-4.95%**	**5.54%**	**-4.89%**	**4.92%**	**0.11%**	**-0.13%**

12/31/2015								
Sensitivity	Rate	Rate	Redemption/ Cancellation	Redemption/ Cancellation	Mortality/ Claims Ratio	Mortality/ Claims Ratio	Convertibility	Convertibility
	1%	-1%	10%	-10%	5%	-5%	10%	-10%
Housing	-0.66%	0.69%	-0.76%	0.79%	-9.98%	10.02%	-	-
Individual and Group Personal	0.29%	-0.29%	-4.65%	5.06%	-5.31%	5.32%	-	-
Auto	-0.88%	0.89%	0.00%	0.00%	-8.02%	8.02%	-	-
Other	-1.52%	1.54%	0.00%	0.00%	-3.67%	3.67%	-	-
Caixa Seguros	**-0.30%**	**0.31%**	**-2.02%**	**2.17%**	**-8.31%**	**8.34%**	**-**	**-**
PGBL-VGBL	2.12%	-2.75%	-7.12%	7.81%	0.00%	0.00%	0.26%	-0.28%
Risk	-2.36%	2.51%	-6.02%	6.66%	-2.00%	2.00%	0.00%	0.00%
Combined	-1.10%	1.14%	-7.18%	8.04%	-0.84%	0.84%	0.07%	-0.08%
Caixa Vida e Previdência	1.05%	-1.48%	-6.98%	7.68%	-0.39%	0.39%	0.21%	-0.23%
Caixa Saúde	**-1.92%**	**1.96%**	**-1.29%**	**1.29%**	**-45.87%**	**45.87%**	**-**	**-**
Previsul	**0.13%**	**-0.17%**	**-7.26%**	**8.16%**	**-38.58%**	**38.58%**	**-**	**-**
Odonto Empresas	**-0.11%**	**0.11%**	**-9.47%**	**8.50%**	**-5.45%**	**5.45%**	**-**	**-**
Caixa Seguros Group	**-0.26%**	**0.42%**	**-4.04%**	**4.42%**	**-5.29%**	**5.31%**	**0.06%**	**-0.06%**

II. Net of insurance

12/31/2016								
Sensitivity	Rate	Rate	Redemption/ Cancellation	Redemption/ Cancellation	Mortality/ Claims Ratio	Mortality/ Claims Ratio	Convertibility	Convertibility
	1%	-1%	10%	-10%	5%	-5%	10%	-10%
Housing	-1.51%	1.59%	-1.10%	1.15%	-8.86%	8.90%	-	-
Individual and Group Personal	0.21%	-0.21%	-4.64%	5.09%	-4.33%	4.34%	-	-
Auto	-1.09%	1.11%	0.00%	0.00%	-11.10%	11.10%	-	-
Other	-0.95%	0.97%	0.07%	-0.07%	-2.47%	2.47%	-	-
Caixa Seguros	**-0.92%**	**0.98%**	**-2.17%**	**2.34%**	**-7.35%**	**7.39%**	**-**	**-**
PGBL-VGBL	1.83%	-2.18%	-7.71%	8.67%	0.00%	0.00%	0.41%	-0.46%
Risk	-4.80%	5.39%	-8.57%	10.03%	-1.76%	1.76%	0.00%	0.00%
Combined	-1.29%	1.35%	-6.87%	7.74%	-0.74%	0.74%	0.05%	-0.06%
Caixa Vida e Previdência	0.33%	-0.47%	-7.71%	8.74%	-0.38%	0.39%	0.31%	-0.37%
Caixa Saúde	**-0.53%**	**0.53%**	**-1.61%**	**1.60%**	**-8.51%**	**8.51%**	**-**	**-**
Previsul	**0.59%**	**-0.60%**	**-4.59%**	**5.04%**	**-5.09%**	**5.09%**	**-**	**-**
Odonto Empresas	**-0.15%**	**0.15%**	**-5.60%**	**5.07%**	**-3.87%**	**3.87%**	**-**	**-**
Caixa Seguros Group	**-0.39%**	**0.36%**	**-4.57%**	**5.11%**	**-4.52%**	**4.54%**	**0.10%**	**-0.12%**

Notes:
a) The companies Caixa Capitalização and Caixa Consórcios do not have products that meet the definition of insurance contract as per CPC and, therefore, were not included in the sensitivity analyses;
b) Reinsurance contracts are negotiated in the form of Excess Damages (Catastrophe Reinsurance for Personal and Property Risks). While preparing the tables presented in this Section, we took into consideration the history of premiums ceded and claims recovered to estimate the effect on results Gross and Net of Reinsurance. It is also worth mentioning that we have reinsurance under a quota-share arrangement for lines with a low historical volume of operations;
c) Risk: additional coverage for risk of Private Pension products;
d) Interest rate: “+1%” and “-1%” to the discount rate curve used in the projections;
e) Redemptions/Cancellations: “+10%” and “-10%” to the Redemption curves (full and partial) used in Caixa Vida e Previdência and to the Permanence curves of the Caixa Seguros products;
f) Mortality: “+5%” and “-5%” to the coefficients of the mortality tables when applicable, or to the general claims ratio of the products; and
g) Convertibility: “+10%” and “-10%” to the rates of convertibility into average income by product type based on the company’s experience.

Sensitivity	12/31/2015							
	Rate	Rate	Redemption/ Cancellation	Redemption/ Cancellation	Mortality/ Claims Ratio	Mortality/ Claims Ratio	Convertibility	Convertibility
	1%	-1%	10%	-10%	5%	-5%	10%	-10%
Housing	-0.61%	0.63%	-0.69%	0.72%	-9.14%	9.18%	-	-
Individual and Group Personal	0.26%	-0.27%	-4.26%	4.63%	-4.87%	4.87%	-	-
Auto	-0.80%	0.81%	0.00%	0.00%	-7.35%	7.35%	-	-
Other	-1.39%	1.41%	0.00%	0.00%	-3.36%	3.36%	-	-
Caixa Seguros	**-0.27%**	**0.28%**	**-1.85%**	**1.99%**	**-7.61%**	**7.64%**	**-**	**-**
PGBL-VGBL	1.94%	-2.52%	-6.52%	7.15%	0.00%	0.00%	0.24%	-0.25%
Risk	-2.16%	2.30%	-5.51%	6.10%	-1.83%	1.83%	0.00%	0.00%
Combined	-1.00%	1.04%	-6.57%	7.36%	-0.77%	0.77%	0.06%	-0.07%
Caixa Vida e Previdência	0.96%	-1.36%	-6.39%	7.03%	-0.36%	0.36%	0.20%	-0.21%
Caixa Saúde	**-1.90%**	**1.93%**	**-1.27%**	**1.27%**	**-45.28%**	**45.28%**	**-**	**-**
Previsul	**0.12%**	**-0.15%**	**-6.65%**	**7.47%**	**-35.33%**	**35.33%**	**-**	**-**
Odonto Empresas	**-0.10%**	**0.11%**	**-9.35%**	**8.39%**	**-5.38%**	**5.38%**	**-**	**-**
Caixa Seguros Group	**-0.24%**	**0.39%**	**-3.70%**	**4.05%**	**-4.85%**	**4.86%**	**0.05%**	**-0.06%**

Notes:
a) The companies Caixa Capitalização and Caixa Consórcios do not have products that meet the definition of insurance contract as per CPC and, therefore, were not included in the sensitivity analyses;
b) Reinsurance contracts are negotiated in the form of Excess Damages (Catastrophe Reinsurance for Personal and Property Risks). While preparing the tables presented in this Section, we took into consideration the history of premiums ceded and claims recovered to estimate the effect on results Gross and Net of Reinsurance. It is also worth mentioning that we have reinsurance under a quota-share arrangement for lines with a low historical volume of operations;
c) Risk: additional coverage for risk of Private Pension products;
d) Interest rate: "+1%" and "-1%" to the discount rate curve used in the projections;
e) Redemptions/Cancellations: "+10%" and "-10%" to the Redemption curves (full and partial) used in Caixa Vida e Previdência and to the Permanence curves of the Caixa Seguros products;
f) Mortality: "+5%" and "-5%" to the coefficients of the mortality tables when applicable, or to the general claims ratio of the products; and
g) Convertibility: "+10%" and "-10%" to the rates of convertibility into average income by product type based on the company's experience.

III. Derivative portfolio

CAIXA Seguros Holding's derivative portfolio contains only interest rate futures contracts.

Under interest rate futures contracts, the parties involved in the business agree to purchase or sell a certain amount of goods at a fixed price to be settled on a future date. The commitments are daily adjusted to the expectations of the market for the future price of these goods, through a daily adjustment, which is a mechanism that calculates gains and losses.

Interest rate futures contracts are used to mitigate the market risk linked to the fixed-rate assets in the portfolio. The risk to which this type of derivative is exposed refers to fluctuations in interest rates, more specifically a drop in the interest rate, which implies a loss on each DI maturity date.

The sensitivity analysis was based on three scenarios: probable, possible and remote, which assess the impacts on the portfolio's positions in derivatives. The probable scenario was prepared based on a series of historical data on derivatives, whereas the possible and remote scenarios were obtained at a loss ratio of 25% and 50%, respectively.

Only positions in derivatives whose maturities coincide with the maturity of the related underlying asset are allowed. Positions not properly covered by the underlying asset are prohibited.

It should be noted that losses incurred in the event of depreciation of the derivatives are offset by gains on the positions of the assets.

The exposure of CAIXA Seguros and its subsidiaries to derivatives is concentrated in the DI - Commitment - Purchase, whereby the risk assumed is of an interest rate increase in each scenario, distributed as follows:

12/31/2016				
CAIXA Seguros – Parent company				
Description/Type	**Risk**	**Probable scenario**	**Possible scenario**	**Remote scenario**
DI - Commitments / Purchase	Increase in interest rate	(784)	(3,334)	(5,158)
Total		**(784)**	**(3,334)**	**(5,158)**

12/31/2016				
CAIXA Seguros - Consolidated				
Description/Type	**Risk**	**Probable scenario**	**Possible scenario**	**Remote scenario**
DI - Commitments / Purchase	Increase in interest rate	(358,928)	(1,586,373)	(2,522,050)
Total		**(358,928)**	**(1,586,373)**	**(2,522,050)**

12/31/2015				
CAIXA Seguros – Parent company				
Description/Type	**Risk**	**Probable scenario**	**Possible scenario**	**Remote scenario**
DI - Commitments / Purchase	Increase in interest rate	(1,490)	(6,448)	(10,103)
Total		**(1,490)**	**(6,448)**	**(10,103)**

12/31/2015				
CAIXA Seguros - Consolidated				
Description/Type	**Risk**	**Probable scenario**	**Possible scenario**	**Remote scenario**
DI - Commitments / Purchase	Increase in interest rate	(167,328)	(725,739)	(1,138,570)
Total		**(167,328)**	**(725,739)**	**(1,138,570)**

k.1.2) CAIXA Seguros – Liability Adequacy Test (LAT) and technical reserves

As required by CPC 11, CAIXA Seguros performed a liability adequacy test for all the contracts that meet the definition of insurance contract as per CPC 11, and which were in effect on the date the test was performed.

For this test, CAIXA Seguros has prepared an actuarial methodology based on the present value of the current estimates of the future cash flows from the obligations already assumed. To determine the estimated future cash flows, the contracts were grouped in accordance with the line groups established by a specific regulation, and the cash flows were brought to present value, based on risk-free interest rate assumptions. The current estimates of the cash flows were brought to present value based on the term structures of the risk-free interest rate defined by SUSEP, pursuant to legislation. In the actuarial calculation of the current estimates of the cash flows, realistic and unbiased assumptions were considered for each variable involved. For the calculation of survival and death estimates, the BR-EMS tables in effect at the time of the test were used.

As a conclusion of the tests, no deficiencies were identified in any of the groups assessed for the periods presented, except for the group of Housing Insurance Outside the National Housing System (lines 1061/1065/1068) related to the products in run-off with a single rate and/or which have had a significant reduction in the tariffs. The deficiency identified for the aforementioned group, totaling R$ 873 million, was fully accrued within the Reserve for Supplementary Coverage (PCC), as established by the prevailing legislation. We have not applied the liability adequacy test to the contracts and certificates referring to the DPVAT and DPEM lines since they are immaterial.

As regards the company Caixa Vida e Previdência, deficiencies were identified for the "FederalPrev" product and were offset against the result of other products; therefore, it was not necessary to recognize a Reserve for Supplementary Coverage. For the other products, no deficiencies were detected in any of the groups assessed for the periods presented.

The actuarial study containing the LAT has been signed by the Responsible Actuary and Technical Director, and is available for consultation by the regulatory agency and other authorities at the headquarters of CAIXA Seguros.

The technical reserves are established in accordance with the requirements and criteria determined by applicable legislations. In addition, an annual independent actuarial audit is carried out, as of the reporting date of December 31, in Caixa Seguradora, Caixa Vida e Previdência, Caixa Capitalização and Previsul, with the objective of evaluating freely and in an impartial manner the main actuarial procedures and calculations related to technical reserves, databases, retention limits, assets that reduce the need for technical reserve coverage, minimum capital requirement and other issues that affect the Company's solvency.

k.2) PAN Seguros – Risk management

The Governance, Risks and Compliance (GRC) function of PAN Seguros is responsible for identifying, monitoring, assessing and managing the risks inherent in the operating activities of PAN Seguros by developing and maintaining an effective internal control system that mitigates identified risks and provides the necessary support for other operating areas to ensure the efficient use of owned and third parties' resources so as to maximize the benefits for stockholders, management, insureds, suppliers and employees of PAN Seguros. PAN Seguros' operating activities expose it to the following risks: insurance risk, operational risk, underwriting risk, financial risk and capital risk. PAN Seguros has set guidelines to identify, monitor, assess and manage each risk, as discussed below.

I. Insurance risk

The major risk associated with insurance is the risk that the frequency or severity of claims may be greater than estimated. The insurance risk includes reasonable chance of significant loss due to uncertainty in the frequency of insured events as well as the severity of resulting claims.

Insurance risk management consists principally of using the probability theory and actuarial criteria for pricing, which is based on the insurance premium amount, and for adequate reserving.

By signing an insurance contract, the insured transfers to PAN Seguros (the insurer) the risk of loss on the insured asset and PAN Seguros undertakes to provide a financial compensation to the insured for covered loss during the effective term of the contract in return for payment of a specified premium.

II. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and operating systems, or from external events.

Operational risk management is carried out periodically in conjunction with the operating areas through meetings with the heads of the business areas in order to build an effective governance and internal control structure. In addition, the system that establishes guidelines with the best governance practices to be followed as well as the Business Continuity Plan are updated once a year or whenever necessary. Risk mapping is made periodically to detect the possible risks to which PAN Seguros is exposed, which includes designing controls that mitigate the occurrence of losses resulting from the failure to execute any control, in addition to doing a causal analysis to avoid recurrences.

III. Underwriting risk

Underwriting risk arises from an adverse economic condition that is contrary to both PAN Seguros' expectations and the existing uncertainties in the definition of actuarial assumptions that will be used in pricing, including premium amount and the estimation of adequate technical reserves, i.e. is the risk that the frequency or severity of claims that may occur may be greater than initially estimated by PAN Seguros.

The main goals of the underwriting analysis are to provide support for adequate acceptance of risks by PAN Seguros based on its risk appetite, including pricing, retention limits and acceptance by portfolio/line of insurance; assess the need to split/spread the risk to be accepted through reinsurance/coinsurance arrangements for a certain portfolio/line of insurance in order to minimize the impact of isolated risks; earn operating profit.

The major exposures related to the underwriting risk are as follows:

- Inadequate pricing or underwriting (risk acceptance);
- Spreading or transfer of risk through inadequate reinsurance/coinsurance;
- Fluctuations in frequency and severity of the events occurred or in the payment of indemnity in relation to what was initially estimated;
- Deficiency or overstatement of technical reserves.

Underwriting risk management is carried out by following these steps of the risk acceptance process:

- Product development with the support of an adequate actuarial method and in line with current regulatory requirements, encompassing the following: assessment, measurement and adequate pricing of the risk under analysis for acceptance, including Actuarial Technical Note, General Conditions of the product and Retention Limit by portfolio/line of insurance;
- Means employed to market the product;

- Analysis of risk acceptance in line with the risk appetite of PAN Seguros; and
- Evaluation of expected claims for the portfolio/line of insurance.

PAN Seguros enters into reinsurance contracts with the following objectives: to spread and transfer part of its risk so as to maintain/increase its capacity to assume risks; to ensure operating profit; and to reduce the impact of possible deviations in the claims rate of the portfolio/line of insurance.

The table below presents the main reinsurance companies with whom Pan Seguros maintains a contract at December 31, 2016:

Reinsurance company	Class
Austral Resseguradora S.A.	Local
BTG Pactual Resseguradora S.A.	Local
IRB Brasil Resseguros S.A.	Local

IV. Financial risk

The risks associated with the investment portfolio are monitored monthly by the finance department of PAN Seguros based on the guidelines set out in the Investment Policy that is periodically reviewed. Financial risk is divided into credit risk, liquidity risk and market risk.

V. Credit risk

Credit risk is associated with a potential loss from borrowers or counterparties failing to satisfy their financial obligations to the company or a deterioration in the borrower's or counterparty's credit rating assigned by external rating agencies that could impair the borrower's or counterparty's ability to perform on contractual obligations.

PAN Seguros takes a conservative approach, investing mostly in public securities and, for this reason, the credit risk in its investment portfolio is assessed as low. The investment policy was developed in line with the investment limits by issuer and investment type established by National Monetary Council Resolution 4,484/2016.

PAN Seguros operates primarily in the mass market segment, which is characterized by one policyholder (legal entity) being responsible for transferring insurance premiums. The credit quality of the issuers and counterparties is assessed based principally on the levels of credit recognized and other public information available.

The credit risk management process at PAN Seguros is continuous and involves a periodic monitoring of the borrowers' and counterparties' credit ratings assigned by external rating agencies (Fitch Ratings or equivalent).

VI. Liquidity risk

PAN Seguros periodically assesses its assets (investment portfolio, receivables from insurance and reinsurance operations, reinsurance assets, cash and cash equivalents) and its liabilities (technical reserves, accounts payable, payables for insurance and reinsurance operations and third-party deposits) based on the contractual undiscounted cash flow.

Liquidity risk management is carried out by PAN Seguros by monitoring compliance with the regulation established by SUSEP and the National Monetary Council, mainly with respect to coverage of technical reserves by guaranteeing assets, capital adequacy and solvency.

VII. Market risk

Market risk is associated with potential losses on the investment portfolio resulting from exposures to a variety of risk factors such as: interest rate, price index and movements in the price of shares, debentures.

The objective of PAN Seguros' market risk management is to monitor market risk exposures. PAN Seguros is exposed to the following primary risk factors:

- Interest rates: the interest rate risk arises from the pricing of assets and liabilities at

distinct interest rates, as well as from unexpected oscillations in slope, curvature and/or convexity of the term structures of interest rates prevailing in the market and changes in correlations between different interest rates;

- Price index: risks of oscillations in the price indices such as General Market Price Index (IGP-M) and National Consumer Price Index (IPCA);
- Share price: risks of losses arising from movements in the prices of shares to which PAN Seguros is exposed.

Sensitivity analysis of market risk

Market risk is measured using Value at Risk (VaR) with the objective of evaluating the impact of these risk factors (interest rate, price index and share price) under both normal and stress conditions for the investment portfolio, as shown below, representing the maximum loss expected on the investment portfolio over a given time period (1 business day) and given a specified degree of confidence (95%).

Capital risk

PAN Seguros maintains sufficient and adequate levels of capital in compliance with the requirements of the National Council of Private Insurance (CNSP) and the Superintendence of Private Insurance (SUSEP), in addition to maximizing the return on capital to its stockholders.

k.2.1) PAN Seguros – Sensitivity analysis

The sensitivity analysis is designed to show the quantitative effects on the estimated amount of claims stated in PAN Seguros' liabilities as well as in the adjusted equity (AE) and in profit or loss when one or more variables applied to the method of calculation of the reserve set up on a given base date are changed.

In this context, the sensitivity analysis performed for PAN Seguros at December 31, 2016 was applied to the incurred but not reported claims reserve (IBNR), loss adjustment expense reserve (LAE) and outstanding claims reserve (OCR) recognized for all lines of insurance sold by PAN Seguros, with the following results:

Actuarial assumptions	12/31/2016				12/31/2015			
	Liabilities (9)	Assets (10)	AE	P&L (11)	Liabilities (9)	Assets (10)	AE	P&L (11)
5.0% rise in the claims rate, applied to the IBNR reserve (1)	4,664	827	2,110	2,110	3,179	451	1,637	1,637
5.0% decline in the claims rate, applied to the IBNR reserve (2)	(4,664)	(827)	(2,110)	(2,110)	(3,179)	(451)	(1,637)	(1,637)
5.0% rise in the claims rate, applied to the LAE reserve (relating to IBNR) (3)	30	5	14	14	22	3	11	11
5.0% decline in the claims rate, applied to the LAE reserve (relating to IBNR) (4)	(30)	(5)	(14)	(14)	(22)	(3)	(11)	(11)
0.5% rise in the inflation rate, applied to the OCR (5)	336	25	171	171	281	47	129	129
0.5% decline in the inflation rate, applied to the OCR (6)	(336)	(25)	(171)	(171)	(281)	(47)	(129)	(129)
0.5% rise in the inflation rate, applied to the LAE reserve (relating to OCR) (7)	22	3	11	11	9	1	5	5
0.5% decline in the inflation rate, applied to the LAE reserve (relating to OCR) (8)	(22)	(3)	(11)	(11)	(9)	(1)	(5)	(5)

(1) Increasing by 5.0 percentage points the claims rate noted in the IBNR reserve and holding all other variables applied to the respective base dates analyzed constant.
(2) Reducing by 5.0 percentage points the claims rate noted in the IBNR reserve and holding all other variables applied to the respective base dates analyzed constant.
(3) Increasing by 5.0 percentage points the claims rate for the LAE reserve (relating to IBNR) and holding all other variables applied to the respective base dates analyzed constant.
(4) Reducing by 5.0 percentage points the claims rate for the LAE reserve (relating to IBNR) and holding all other variables applied to the respective base dates analyzed constant.
(5) Increasing by 0.5 percentage point the inflation rate applied to unpaid outstanding claims included in the Outstanding Claims Reserve (OCR) stated at the respective base dates analyzed, with all other variables held constant.
(6) Reducing by 0.5 percentage point the inflation rate applied to unpaid outstanding claims included in the Outstanding Claims Reserve (OCR) stated at the respective base dates analyzed, with all other variables held constant.
(7) Increasing by 0.5 percentage point the inflation rate applied to unpaid outstanding claims included in the Loss Adjustment Expense Reserve (LAE) (relating to OCR) stated at the respective base dates analyzed, with all other variables held constant.
(8) Reducing by 0.5 percentage point the inflation rate applied to unpaid outstanding claims included in the Loss Adjustment Expense Reserve (LAE) (relating to OCR) stated at the respective base dates analyzed, with all other variables held constant.
(9) Amounts that should be added to the liabilities of PAN Seguros to determine the impact caused on the Equity and Profit or Loss.
(10) Amounts that should be added to the assets of PAN Seguros to determine the impact caused on the Equity and Profit or Loss.
(11) Amounts obtained after the deduction of income tax and social contribution.

k.2.2) PAN Seguros – Liability Adequacy Test (LAT) and technical reserves

Pursuant to SUSEP Circular 517/2015 and amendments thereto that established the liability adequacy test for the purposes of financial statement preparation and set the rules and procedures for its implementation, insurers shall assess whether their recognized insurance liabilities are adequate, using current estimates of future cash flows under their insurance contracts. If the difference between the current estimates of cash flows and the sum of the carrying amount of the technical reserves at the base date, less deferred acquisition costs and related intangible assets, results in a positive amount, then the insurer shall recognize this amount in the Reserve for Supplementary Coverage (PCC) when the deficiency comes from the unearned premium reserve, mathematical reserve for unvested benefits and mathematical reserve for vested benefits, which have strict calculation rules that cannot be altered due to deficiencies. The adjustments resulting from deficiencies of other technical reserves determined by the LAT shall be made directly on the reserves. In such case, PAN Seguros shall recalculate the result of the LAT based on the adjusted reserves and record in the Reserve for Supplementary Coverage (PCC) only the remaining deficiency.

The LAT was gross of reinsurance and, to perform this test, PAN Seguros considered the segmentation established by SUSEP Circular 517/2015, i.e. between events to occur and events occurred; later, between insurance against damage and personal insurance and, lastly, between premiums recorded and future premiums, excluding DPVAT insurance operations.

For the preparation of cash flows, PAN Seguros considered the estimate of premiums, claims, expenses and taxes measured at the base date of December 2016, and discounted at the relevant term structure of risk-free interest rates, based on the methodology proposed by SUSEP, using the Svensson model for both interpolation and extrapolation of interest rate curves, and generic algorithms, in complement to traditional algorithms of non-linear optimization, for estimation of model parameters.

The Svensson model is frequently used in the financial market to estimate interest rate curves. This model represents an extrapolation of the Nelson-Siegel model, adding one more exponential component to the term interest rate curve, considering two more parameters.

Based on PAN Seguros' Actuarial Study of the Liability Adequacy Test at December 31, 2016, the conclusion reached was that PAN Seguros' recognized insurance liabilities under insurance contracts are adequate for the Groups of Events to Occur and Events Occurred, with no need to adjust the established reserves, less deferred acquisition costs and related intangible assets, since they were higher than the estimates of cash flows that were prepared in conformity with the minimum parameters set by SUSEP Circular 517/2015 as amended by Circular 521/2015.

Lastly, we clarify that there has been no change in the criteria adopted for determining the actuarial assumptions of LAT for December 2016, when compared to the LAT as of June 2016 and December 2015.

The technical reserves are established in accordance with legislation in force, i.e., CNSP Resolution 321/15 and SUSEP Circular 517/2015 as amended by Circular 521/2015, and using the methods set forth in the Actuarial Technical Notes.

Note 7 – Segment information

CAIXA Seguridade Group's management believes that the best items of financial information to report segment information are the results of equity investments and revenue from distribution network access and use of brand.

a) Breakdown of the revenue by category

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
Results of equity investments	946,777	474,626
Revenue from distribution network access and use of brand	328,085	136,055
Total	**1,274,862**	**610,681**

b) Statement of income by category

Description	January 1 to December 31, 2016					
	Parent company			Consolidated		
	Results of equity investments	Revenue from distribution network access and use of brand	Total	Results of equity investments	Revenue from distribution network access and use of brand	Total
Operating revenue	**946,777**	**328,085**	**1,274,862**	**946,777**	**328,085**	**1,274,862**
Revenue from the operation	946,777	328,085	1,274,862	**946,777**	**328,085**	**1,274,862**
Other operating income (expenses)	**(27,272)**	**(37,343)**	**(64,615)**	**(27,272)**	**(37,343)**	**(64,615)**
Administrative expenses (1)	(15,749)	(5,457)	(21,206)	**(15,749)**	**(5,457)**	**(21,206)**
Tax expenses (2)	(10,546)	(31,547)	(42,093)	**(10,546)**	**(31,547)**	**(42,093)**
Other operating expenses	(977)	(339)	(1,316)	**(977)**	**(339)**	**(1,316)**
Profit before finance income and costs	**919,505**	**290,742**	**1,210,247**	**919,505**	**290,742**	**1,210,247**
Finance result	**(4,463)**	**18,567**	**14,104**	**(4,463)**	**18,567**	**14,104**
Finance income (3)	-	20,114	20,114	**-**	**20,114**	**20,114**
Finance costs	(4,463)	(1,547)	(6,010)	**(4,463)**	**(1,547)**	**(6,010)**
Profit before profit sharing and income tax and social contribution	**915,042**	**309,309**	**1,224,351**	**915,042**	**309,309**	**1,224,351**
Current income tax and social contribution (4)	(33,561)	(100,390)	(133,951)	**(33,561)**	**(100,390)**	**(133,951)**
Profit sharing	(599)	(208)	(807)	**(599)**	**(208)**	**(807)**
Profit for the year	**880,882**	**208,711**	**1,089,593**	**880,882**	**208,711**	**1,089,593**

(1) Administrative expenses: see Note 16 – Administrative expenses.
(2) Tax expenses: see Note 18 – Tax expenses.
(3) Finance income: arises from the investments of cash received for distribution network access and use of brand.
(4) Income tax and social contribution on interest on capital: see Note 11 – Income tax and social contribution.

Description	May 21 to December 31, 2015					
	Parent company			Consolidated		
	Results of equity investments	Revenue from distribution network access and use of brand	Total	Results of equity investments	Revenue from distribution network access and use of brand	Total
Operating revenue	**474,592**	**136,055**	**610,647**	**474,626**	**136,055**	**610,681**
Revenue from the operation	474,592	136,055	610,647	474,626	136,055	610,681
Other operating income (expenses)	**(6,555)**	**(13,198)**	**(19,753)**	**(6,589)**	**(13,198)**	**(19,787)**
Administrative expenses (1)	(1,686)	(483)	(2,169)	(1,686)	(483)	(2,169)
Tax expenses (2)	(4,869)	(12,649)	(17,518)	(4,869)	(12,649)	(17,518)
Other operating expenses	-	(66)	(66)	(34)	(66)	(100)
Profit before finance income and costs	**468,037**	**122,857**	**590,894**	**468,037**	**122,857**	**590,894**
Finance result	**-**	**1,939**	**1,939**	**-**	**1,939**	**1,939**
Finance income (3)	-	1,939	1,939	-	1,939	1,939
Finance costs	-	-	-	-	-	-
Profit before income tax and social contribution	**468,037**	**124,796**	**592,833**	**468,037**	**124,796**	**592,833**
Current income tax and social contribution (4)	(41,878)	(16,101)	(57,979)	(41,878)	(16,101)	(57,979)
Profit for the period	**426,159**	**108,695**	**534,854**	**426,159**	**108,695**	**534,854**

(1) Administrative expenses: see Note 16 – Administrative expenses.
(2) Tax expenses: see Note 18 – Tax expenses.
(3) Finance income: arises from the investments of cash received for distribution network access and use of brand.
(4) Income tax and social contribution on interest on capital: see Note 11 – Income tax and social contribution.

Note 8 – Cash and cash equivalents

Description	Parent company		Consolidated	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Bank deposits	26	314	125	414
Financial investments	218,713	51,699	218,713	51,699
Total	**218,739**	**52,013**	**218,838**	**52,113**

Financial investments	Balance at December 31, 2016	Income earned in 2016
Bank deposit certificates (CDB)[1]	218,713	19,687
Total	**218,713**	**19,687**

Financial investments	Balance at December 31, 2015	Income earned in 2015
Bank deposit certificates (CDB)[1]	51,699	1,939
Total	**51,699**	**1,939**

(1) CDBs are maintained with CAIXA Econômica Federal and have daily liquidity.

Note 9 – Accounts receivable

Accounts receivable refer to the revenue described in Note 15 – Revenue from distribution network access and use of brand, principally from related parties, related to revenue from access to the distribution network and use of brand for insurance, pension, capitalization and consortium plans.

Description	Parent company and Consolidated	
	12/31/2016	12/31/2015
Revenue receivable from related parties	37,308	33,721
Revenue receivable from third parties	3	600
Total	**37,311**	**34,321**

Note 10 - Investments

a) Changes in investments

Investees	Parent company				
	12/31/2015	Changes in investments			12/31/2016
		Equity in the results of investees	Dividends and interest on capital	Carrying value adjustments	
CAIXA Seguros	2,635,360	918,235	(655,286)	148,664	3,046,973
CAIXA Holding	383,190	28,542	-	(54)	411,678
Total	**3,018,550**	**946,777**	**(655,286)**	**148,610**	**3,458,651**

Investees	Consolidated					
	12/31/2015	Changes in investments				12/31/2016
		Equity in the results of investees	Dividends and interest on capital	Carrying value adjustments	Other adjustments (1)	
CAIXA Seguros	2,635,360	918,235	(655,286)	148,664	-	3,046,973
PAN Seguros	353,709	24,795	(15,269)	(54)	-	363,181
PAN Corretora	29,381	5,089	-	-	(1,342)	33,128
Total	**3,018,450**	**948,119**	**(670,555)**	**148,610**	**(1,342)**	**3,443,282**

(1) Other adjustments refer to the change in Equity of PAN Corretora at December 31, 2015 that, based on the Company's materiality criteria, was recognized as equity in the results of investees in 2016.

b) Summarized results of equity investments:

Description	January 1 to December 31, 2016			January 1 to December 31, 2015		
	Parent company			Parent company		
	CAIXA Seguros	CAIXA Holding	Total	CAIXA Seguros	CAIXA Holding	Total
Revenue from the operation	13,703,317	28,542	13,731,859	11,121,481	19,349	11,140,830
Costs/expenses of the operation	(11,047,101)	-	(11,047,101)	(8,595,102)	-	(8,595,102)
Operating margin	**2,656,216**	**28,542**	**2,684,758**	**2,526,380**	**19,349**	**2,545,729**
Administrative expenses	(544,322)	-	(544,322)	(486,517)	-	(486,517)
Tax expenses	(350,003)	-	(350,003)	(306,110)	-	(306,110)
Finance result	1,630,998	-	1,630,998	1,371,877	-	1,371,877
Equity result	33,871	-	33,871	36,845	-	36,845
Operating profit	**3,426,760**	**28,542**	**3,455,302**	**3,142,476**	**19,349**	**3,161,825**
Gains or losses on non-current assets	(28,922)	-	(28,922)	(22,750)	(34)	(22,784)
Profit before taxes and non-controlling interests	**3,397,839**	**28,542**	**3,426,381**	**3,119,725**	**19,315**	**3,139,040**
Income tax	(805,598)	-	(805,598)	(741,809)	-	(741,809)
Social contribution	(624,430)	-	(624,430)	(415,126)	-	(415,126)
Non-controlling interests	(63,152)	-	(63,152)	(73,446)	-	(73,446)
Profit attributable to controlling shareholders	**1,904,659**	**28,542**	**1,933,201**	**1,889,344**	**19,315**	**1,908,659**
Profit attributable to CAIXA Seguridade Group	**918,235**	**28,542**	**946,777**	**455,277**(1)	**19,315**(1)	**474,592**(1)
Profit attributable to the other controlling shareholders	**986,423**	**-**	**986,423**	**1,434,067**	**-**	**1,434,067**

(1) Considers the profit attributable to CAIXA Seguridade in the period from May 21 to December 2015

Description	January 1 to December 31, 2016				January 1 to December 31, 2015			
	Consolidated				Consolidated			
	CAIXA Seguros	PAN Seguros	PAN Corretora	Total	CAIXA Seguros	PAN Seguros	PAN Corretora	Total
Revenue from the operation	13,703,317	676,471	22,042	14,401,830	11,121,481	559,715	25,621	11,706,817
Costs/expenses of the operation	(11,047,101)	(432,779)	-	(11,479,880)	(8,595,102)	(401,297)	-	(8,996,399)
Operating margin	**2,656,216**	**243,692**	**22,042**	**2,921,950**	**2,526,380**	**158,418**	**25,621**	**2,710,419**
Administrative expenses	(544,322)	(84,654)	(6,941)	(635,917)	(486,517)	(62,720)	(9,052)	(558,289)
Tax expenses	(350,003)	(21,401)	(2,308)	(373,712)	(306,110)	(15,990)	(1,847)	(323,947)
Finance result	1,630,998	55,150	3,211	1,689,359	1,371,877	45,169	1,948	1,418,994
Equity result	33,871	41	-	33,912	36,845	30	-	36,875
Other operating income (expenses)	-	(128,117)	(125)	(128,242)	-	(48,220)	(1,381)	(49,601)
Operating profit	**3,426,760**	**64,711**	**15,879**	**3,507,350**	**3,142,476**	**76,687**	**15,289**	**3,234,452**
Gains or losses on non-current assets	(28,922)	-	-	(28,922)	(22,750)	(3,307)	-	(26,057)
Profit before taxes, profit sharing and non-controlling interests	**3,397,839**	**64,711**	**15,879**	**3,478,429**	**3,119,725**	**73,380**	**15,289**	**3,208,394**
Income tax	(805,598)	(4,023)	(3,952)	(813,573)	(741,809)	(4,259)	(3,772)	(749,840)
Social contribution	(624,430)	387	(1,431)	(625,474)	(415,126)	(3,129)	(1,367)	(419,622)
Profit sharing	-	(10,473)	(110)	(10,583)	-	(8,722)	(120)	(8,842)
Non-controlling interests	(63,152)	-	-	(63,152)	(73,446)		-	(73,446)
Profit attributable to controlling shareholders	**1,904,659**	**50,602**	**10,386**	**1,965,647**	**1,889,344**	**57,270**	**10,030**	**1,956,644**
Profit attributable to CAIXA Seguridade Group	**918,235**	**24,795**	**5,089**	**948,119**	**455,277(1)**	**16,577(1)**	**2,772(1)**	**474,626(1)**
Profit attributable to the other controlling shareholders	**986,423**	**25,807**	**5,297**	**1,017,527**	**1,434,067**	**40,693**	**7,258**	**1,482,018**

(1) Considers the profit attributable to CAIXA Seguridade in the period from May 21 to December 31, 2015

b.1) Breakdown of the result of CAIXA Seguros:

Description	January 1 to December 31, 2016						
	CAIXA Seguradora	CAIXA Vida & Previdência	CAIXA Capitalização	CAIXA Consórcio	CAIXA Seguros Saúde	Other / Consolidation adjustments	CAIXA Seguros Holding
Revenue from the operation	4,878,964	7,846,089	230,008	399,097	549,695	(200,536)	13,703,317
Costs/expenses of the operation	(2,560,115)	(7,302,933)	(120,850)	(196,790)	(684,846)	(181,567)	(11,047,101)
Operating margin	**2,318,849**	**543,156**	**109,158**	**202,307**	**(135,151)**	**(382,103)**	**2,656,216**
Administrative expenses	(334,030)	(57,528)	(34,916)	(47,564)	(16,511)	(53,773)	(544,322)
Tax expenses	(193,231)	(46,080)	(12,116)	(58,463)	(2,660)	(37,453)	(350,003)
Finance result	564,461	103,341	170,089	32,736	24,083	736,288	1,630,998
Equity result	(1,037)	-	-	-	-	34,908	33,871
Operating profit (loss)	**2,355,012**	**542,890**	**232,215**	**129,016**	**(130,239)**	**297,867**	**3,426,760**
Gains or losses on non-current assets	(23,278)	(59)	(86)	(76)	(5,375)	(48)	(28,922)
Profit before taxes, profit sharing and non-controlling interests	**2,331,734**	**542,831**	**232,129**	**128,939**	**(135,614)**	**297,819**	**3,397,839**
Income tax	(544,267)	(126,087)	(58,178)	(32,346)	-	(44,720)	(805,598)
Social contribution	(448,143)	(99,917)	(45,069)	(11,667)	-	(19,633)	(624,430)
Profit for the year	**1,339,324**	**316,827**	**128,882**	**84,926**	**(135,614)**	**233,466**	**1,967,811**
Attributable to stockholders of the Group	1,339,324	316,827	65,730	84,926	(135,614)	233,466	1,904,659
Attributable to non-controlling interests in subsidiaries	-	-	63,152	-	-	-	63,152
CAIXA Seguridade Group's ownership percentage							**48.21%**
Attributable to CAIXA Seguridade Group							**918,235**
Attributable to the other shareholders							**986,423**

Description	January 1 to December 31, 2015						
	CAIXA Seguradora	CAIXA Vida & Previdência	CAIXA Capitalização	CAIXA Consórcio	CAIXA Seguros Saúde	Other / Consolidation adjustments	CAIXA Seguros Holding
Revenue from the operation	4,497,151	5,894,893	195,019	359,811	324,495	(149,888)	11,121,481
Costs/expenses of the operation	(2,424,618)	(5,415,116)	(77,676)	(163,182)	(348,805)	(165,704)	(8,595,102)
Operating margin	**2,072,534**	**479,777**	**117,342**	**196,629**	**(24,310)**	**(315,592)**	**2,526,380**
Administrative expenses	(265,258)	(51,702)	(37,517)	(44,585)	(12,211)	(75,244)	(486,517)
Tax expenses	(167,011)	(39,521)	(10,986)	(52,175)	(4,249)	(32,167)	(306,110)
Finance result	485,989	81,743	173,791	29,467	6,757	594,129	1,371,877
Equity result	726	-	-	-	-	36,119	36,845
Operating profit (loss)	**2,126,981**	**470,297**	**242,631**	**129,336**	**(34,013)**	**207,244**	**3,142,476**
Gains or losses on non-current assets	(16,605)	-	-	-	41	(6,187)	(22,750)
Profit before taxes, profit sharing and non-controlling interests	**2,110,376**	**470,297**	**242,631**	**129,336**	**(33,971)**	**201,057**	**3,119,725**
Income tax	(487,793)	(107,731)	(59,949)	(31,976)	(17,462)	(36,898)	(741,809)
Social contribution	(267,810)	(71,910)	(38,672)	(11,711)	(10,477)	(14,545)	(415,126)
Profit for the year	**1,354,772**	**290,656**	**144,010**	**85,650**	**(61,911)**	**149,613**	**1,962,790**
Attributable to stockholders of the Group	1,354,772	290,656	73,445	85,650	(61,911)	146,732	1,889,344
Attributable to non-controlling interests in subsidiaries	-	-	70,565	-	-	2,881	73,446
CAIXA Seguridade Group's ownership percentage							**48.21%**
Attributable to CAIXA Seguridade Group (1)							**455,277**
Attributable to the other shareholders							**1,434,067**

(1) Considers the profit attributable to CAIXA Seguridade in the period from May 21 to December 31, 2015

b.1.1) Breakdown of the insurance products of CAIXA Seguradora:

Lines of insurance	January 1 to December 31, 2016						
	Written premiums	Variations in technical reserves for premiums	Earned premiums	Claims incurred	Acquisition costs	Other operating income and expenses	Operating margin
Homeowners' insurance	2,101,158	84,192	2,185,350	(517,503)	(190,636)	18,384	1,495,595
Vehicle insurance	233,787	(32,331)	201,456	(143,922)	(32,955)	(42,898)	(18,319)
Mandatory bodily injury car insurance coverage (DPVAT)	253,517	(2,149)	251,368	(215,785)	(3,550)	(4,394)	27,639
Property insurance	360,353	(16,550)	343,803	(115,173)	(86,171)	(37,658)	104,801
Credit life insurance	778,352	(393,625)	384,727	(101,038)	(99,545)	(12,834)	171,310
Life insurance	1,043,324	(54,159)	989,165	(229,148)	(180,187)	(134,420)	445,410
Other	191,230	1,094	192,324	(49,780)	(40,413)	(9,718)	92,413
Total	**4,961,721**	**(413,528)**	**4,548,193**	**(1,372,349)**	**(633,457)**	**(223,538)**	**2,318,849**

Lines of insurance	January 1 to December 31, 2015						
	Written premiums	Variations in technical reserves for premiums	Earned premiums	Claims incurred	Acquisition costs	Other operating income and expenses	Operating margin
Homeowners' insurance	1,974,091	(107,321)	1,866,770	(288,135)	(198,257)	(14,021)	1,366,357
Vehicle insurance	198,285	(10,065)	188,220	(124,623)	(23,136)	(47,805)	(7,344)
Mandatory bodily injury car insurance coverage (DPVAT)	239,660	(663)	238,997	(207,483)	(3,388)	421	28,547
Property insurance	326,506	(28,271)	298,236	(118,637)	(77,990)	(30,072)	71,537
Credit life insurance	661,775	(380,012)	281,763	(73,777)	(58,112)	(933)	148,941
Life insurance	1,002,964	(72,719)	930,245	(259,915)	(158,574)	(131,360)	380,397
Other	172,187	(8,517)	163,670	(33,785)	(33,959)	(11,825)	84,099
Total	**4,575,468**	**(607,568)**	**3,967,901**	**(1,106,355)**	**(553,416)**	**(235,595)**	**2,072,534**

b.2) Breakdown of the insurance products of PAN Seguros:

Lines of insurance	January 1 to December 31, 2016						
	Written premiums	Variations in technical reserves for premiums	Earned premiums	Claims incurred	Acquisition costs	Other operating income and expenses	Operating margin
Surety bond – Public and private sector	247,075	(99,445)	147,630	79	(27,771)	(685)	119,253
Credit life insurance	190,436	(43,340)	147,096	(24,048)	(63,637)	(9,219)	50,192
Mandatory bodily injury car insurance coverage (DPVAT)	56,493	(422)	56,071	(48,085)	(791)	(865)	6,330
Group personal accident	15,963	1,473	17,436	(7,489)	(7,542)	(1,915)	490
Extended warranty – goods in general	16,464	(6,339)	10,125	(2,355)	(7,661)	(608)	(499)
Group life insurance	21,875	89	21,964	(15,250)	(4,486)	(2,260)	(32)
Homeowners' insurance – credit life	14,502	(156)	14,346	(5,669)	(721)	(898)	7,058
Homeowners' insurance – other coverages	92,343	(1,734)	90,609	(19,651)	(3,708)	(14,602)	52,648
Multiple perils (1)	21,320	(5,031)	16,289	1,244	(6,755)	(2,526)	8,252
Total	**676,471**	**(154,905)**	**521,566**	**(121,224)**	**(123,072)**	**(33,578)**	**243,692**

(1) Engineering risks; Rent guarantee insurance; Travel; Income from fortuitous events; Unemployment/loss of income; Comprehensive homeowners and comprehensive business; Microinsurance; Oil risks; Multiple perils.

Lines of insurance	January 1 to December 31, 2015						
	Written premiums	Variations in technical reserves for premiums	Earned premiums	Claims incurred	Acquisition costs	Other operating income and expenses	Operating margin
Surety bond – Public and private sector	280,082	(201,786)	78,296	(463)	(16,165)	(6)	61,662
Credit life insurance	158,003	(17,047)	140,956	(17,556)	(51,079)	16,633	88,954
Mandatory bodily injury car insurance coverage (DPVAT)	68,339	(234)	68,105	(59,167)	(964)	(10,991)	(3,017)
Group personal accident	18,261	450	18,711	(2,133)	(5,151)	(2,102)	9,325
Extended warranty – goods in general	10,567	(8,515)	2,052	(263)	(1,802)	(11)	(24)
Group life insurance	7,705	(70)	7,635	(1,333)	(2,728)	(1,211)	2,363
Homeowners' insurance – credit life	5,397	(50)	5,347	(1,313)	(166)	(355)	3,513
Homeowners' insurance – other coverages	2,037	(3)	2,034	(159)	(78)	(193)	1,604
Multiple perils	9,324	7,988	17,312	(20,498)	(2,425)	(351)	(5,962)
Total	**559,715**	**(219,267)**	**340,448**	**(102,885)**	**(80,558)**	**1,413**	**158,418**

(1) Engineering risks; Rent guarantee insurance; Travel; Income from fortuitous events; Unemployment/loss of income; Comprehensive homeowners and comprehensive business; Microinsurance; Oil risks; Multiple perils.

c) Summary balance sheet for investees:

Description	Parent company			
	12/31/2016		12/31/2015	
	CAIXA Seguros	CAIXA Holding	CAIXA Seguros	CAIXA Holding
Assets	**56,844,070**	**411,678**	**47,435,075**	**383,190**
Cash and cash equivalents	137,560	100	78,508	100
Financial investments	50,162,721	-	41,587,128	-
Receivables from insurance and reinsurance operations	1,564,489	-	1,457,537	-
Reinsurance and retrocession assets – technical reserves	326,659	-	190,922	-
Tax assets	1,881,697	-	1,916,290	-
Investments	188,760	396,308	184,515	383,090
Intangible assets	330,002	-	219,854	-
Other assets	2,252,182	15,270	1,800,322	-
Liabilities	**50,333,692**	**-**	**41,853,852**	**-**
Operating liabilities	45,228,000	-	37,434,790	-
Tax liabilities	1,402,158	-	1,182,878	-
Payables for insurance and reinsurance operations	293,004	-	223,079	-
Provisions	2,828,891	-	2,589,578	-
Other liabilities	581,639	-	423,526	-
Equity (1)	**6,510,378**	**411,678**	**5,581,223**	**383,190**
Attributable to company CAIXA Seguridade (2) (3)	3,046,973	411,678	2,635,360	383,190
Attributable to the other shareholders	3,463,405	-	2,945,863	-
Total liabilities and equity	**56,844,070**	**411,678**	**47,435,075**	**383,190**

(1) Considers the consolidated equity of CAIXA Seguros
(2) Total equity attributable to CAIXA Seguridade at December 31, 2016: R$ 3,458,651
(3) Total equity attributable to CAIXA Seguridade at December 31, 2015: R$ 3,018,550

Description	Consolidated					
	12/31/2016			12/31/2015		
	CAIXA Seguros	PAN Seguros	PAN Corretora	CAIXA Seguros	PAN Seguros	PAN Corretora
Assets	**56,844,070**	**2,325,447**	**78,951**	**47,435,075**	**1,892,067**	**65,655**
Cash and cash equivalents	137,560	2,241	301	78,508	861	120
Financial investments	50,162,721	618,141	29,810	41,587,127	486,869	14,569
Receivables from insurance and reinsurance operations	1,564,489	582,721	-	1,426,543	355,717	-
Reinsurance and retrocession assets – technical reserves	326,659	461,820	-	239,199	388,922	-
Tax assets	1,881,697	52,327	10,390	1,916,290	26,255	3,779
Investments	188,760	421	-	184,516	427	-
Intangible assets	330,002	422,431	34,223	219,854	480,120	38,873
Other assets	2,252,182	185,345	4,227	1,783,038	152,896	8,314
Liabilities	**50,333,692**	**1,579,186**	**11,339**	**41,853,852**	**1,165,132**	**5,694**
Operating liabilities	45,228,000	613,594	303	37,434,791	801,240	230
Tax liabilities	1,402,158	59,203	10,973	1,183,902	60,046	5,437
Payables for insurance and reinsurance operations	293,004	436,962	-	223,079	281,565	-
Provisions	2,828,891	460,832	-	2,589,578	10,373	-
Other liabilities	581,639	8,595	63	422,502	11,908	27
Equity (1)	**6,510,378**	**746,261**	**67,612**	**5,581,223**	**726,935**	**59,961**
Attributable to company CAIXA Seguridade (2) (3)	3,046,973	365,663	33,128	2,635,360	356,190	29,381
Attributable to the other shareholders	3,463,405	380,598	34,484	2,945,863	370,745	30,580
Total liabilities and equity	**56,844,070**	**2,325,447**	**78,951**	**47,435,075**	**1,892,067**	**65,655**

(1) Considers the consolidated equity of CAIXA Seguros
(2) Total equity attributable to CAIXA Seguridade at December 31, 2016: R$ 3,445,764
(3) Total equity attributable to CAIXA Seguridade at December 31, 2015: R$ 3,020,931

d) Reconciliation of financial information of investments

Description	12/31/2016		
	Parent company		
	CAIXA Seguros	CAIXA Holding	Total
Equity at January 1	5,466,420	383,190	5,849,610
Distribution of dividends to shareholders	(1,359,231)	-	(1,359,231)
Profit for the period	1,904,659	28,542	1,933,201
Other comprehensive income	308,363	(54)	308,309
Other changes	-	-	-
Equity at December 31	**6,320,211**	**411,678**	**6,731,889**
Ownership interest - %	48.21	100.00	-
Interest in investments	**3,046,973**	**411,678**	**3,458,651**
Goodwill	-	-	-
Carrying amount of the investment in the Group	**3,046,973**	**411,678**	**3,458,651**

Description	Consolidated			
	2016			
	CAIXA Seguros	PAN Seguros	PAN Corretora	Total
Equity at January 1	5,466,420	726,934	59,961	6,253,315
Distribution of dividends to shareholders	(1,359,231)	(31,165)	-	(1,390,396)
Profit for the year	1,904,659	50,602	10,386	1,965,647
Other comprehensive income	308,363	(110)	-	308,252
Other changes	-	-	(2,736)	(2,736)
Equity at December 31	**6,320,211**	**746,261**	**67,611**	**7,134,082**
Ownership interest - %	48.21	48.99	49.00	-
Interest in investments	**3,046,973**	**365,663**	**33,128**	**3,445,764**
Goodwill	-	(2,482)	-	(2,482)
Carrying amount of the investment in the	**3,046,973**	**363,181**	**33,128**	**3,443,282**

Note 11 – Income tax and social contribution

CAIXA Seguridade elected the actual profits method for computing Brazilian income tax (IRPJ) and social contribution (CSLL) on an annual basis. Under the actual profits method, CAIXA Seguridade is subject to monthly tax payments with the adoption of the trial balance for tax burden suspension or reduction purposes, if conditions set forth in article 230 of Decree 3,000 of March 26, 1999 and other applicable legislation are met.

I. Amounts reported on the parent company and consolidated statement of income:

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
IRPJ and CSLL on revenue from distribution network access and use of brand (1)	(100,392)	(42,060)
IRPJ and CSLL on equity in the results of investees (1)	(33,561)	(15,947)
Total current taxes	**(133,953)**	**(58,007)**

(1) The rate of IRPJ is 15% plus a 10% surcharge and the rate of CSLL is 9%.

II. Reconciliation of income tax and social contribution charge included in the parent company and consolidated statement of income

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
I) Profit before income tax (IRPJ) and social contribution (CSLL)	**1,223,544**	**592,833**
IRPJ (rate of 25%)	(305,862)	(148,196)
CSLL (rate of 9%)	(110,119)	(53,355)
IRPJ and CSLL	**(415,981)**	**(201,551)**
Effect of additions/exclusions - IRPJ (25%) and CSLL (9%) (1)	282,028	143,544
II) IRPJ and CSLL expense	**(133,953)**	**(58,007)**
Group's profit before IRPJ and CSLL (I)	**1,223,544**	**592,833**
III Total IRPJ and CSLL expense (II)	**(133,953)**	**(58,007)**
Effective tax rate	10.95%	9.78%
IV) Deferred tax assets (IRPJ and CSLL)	**2**	**28**
Total IRPJ and CSLL expense (III) + deferred tax assets (IV)	**(133,951)**	**(57,979)**

(1) These effects arise from the exclusion of the equity in results of investees held by the Company and from the addition of non-deductible expenses to the tax base.

Note 12 – Accounts payable

Description	Parent company and Consolidated	
	12/31/2016	12/31/2015
Shared expenses (1)	4,401	1,967
Outsourced services	618	-
Profit sharing (2)	282	-
Reduction in share capital (3)	-	500,000
Total	**5,301**	**501,967**

(1) Reimbursement of shared costs and operating activities under the Agreement for Execution of Operating Activities and Structure Sharing entered into between CAIXA and CAIXA Seguridade, as per Note 19 (b) – Related parties – Transactions with related parties.
(2) Note 19 (c) – Related parties – Key management compensation.
(3) On May 20, 2016, the amount of R$ 500 million was paid to CAIXA for a reduction in share capital approved at the Extraordinary General Meeting on December 30, 2015.

Note 13 – Provisions and contingent liabilities

The Company and CAIXA Holding were incorporated on May 21, 2015 and, up to the date of these parent company and consolidated financial statements, were not parties to any judicial and/or administrative proceedings. Therefore, the Company has neither identified nor recognized any provisions and contingent liabilities.

Note 14 – Equity

a) Share capital

Capital, in the amount of R$ 2,756,687, is divided into 1,200,000,000 book-entry, common shares without par value. At December 31, 2016, equity was R$ 3,770,185 (2015 – R$ 3,055,882), corresponding to a book value of R$ 3.14 per share (2015 – R$ 2.55).

b) Equity interests

Stockholder	12/31/2016		12/31/2015	
	Shares	Total ownership %	Shares	Total ownership %
Caixa Econômica Federal	1,200,000,000	100.00	1,200,000,000	100.00

Total	**1,200,000,000**	**100.00**	**1,200,000,000**	**100.00**

c) Reserves

I. Legal reserve – the legal reserve is recorded in conformity with Brazilian corporate legislation and the Company's bylaws, and is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. The balance at December 31, 2016 was R$ 81,223 (2015 - R$ 26,743).

II. Revenue reserve – this reserve is recorded in conformity with Brazilian corporate legislation and the Company's bylaws, and is used to pay dividends to the stockholder. The balance at December 31, 2016 was R$ 892,297 (2015 – R$ 381,083).

d) Accumulated other comprehensive income

The balance of R$ 39,979 at December 31, 2016 (December 31, 2015 – (R$ 108,631)) considers the comprehensive income of R$ 148,610 arising from carrying value adjustments in investees related to securities, mostly from CAIXA Seguros Holding S.A.

e) Earnings per share

e.1) Basic

In accordance with Brazilian corporate legislation, in the parent company basic earnings per share is calculated by dividing the profit for the period by the number of common shares outstanding at the end of each period, excluding shares repurchased by the Company and held as treasury shares. The following table shows basic earnings per share:

Parent company / Consolidated	January 1 to December 31, 2016	May 21 to December 31, 2015
Profit attributable to stockholders of the Group – thousands	**1,089,593**	**534,854**
Weighted average number of outstanding common shares – thousands	1,200,000	1,200,000
Basic earnings per share - R$	**0.90799**	**0.44571**

e.2) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects. The Company does not have any category of potential common shares with dilutive effects.

f) Dividends

The Company set aside R$ 142,816 (R$ 0.12 per share) of the profit for 2016, equivalent to 13.8% of the adjusted profit and 13.1% of the net profit, for the distribution of dividends in accordance with Law 6.404/1976. The amount of R$ 892,297 was allocated to the revenue reserve, which will be used to pay dividends to the stockholder.

On May 9, 2016, by reason of the realization of gains through the receipt of additional dividends from CAIXA Seguros Holding, the Company's Board of Directors approved the use of the total balance of the revenue reserve, totaling R$ 381,083, to pay dividends. Thus, on May 10, 2016, dividends out of the profit for 2015 were paid in the amount of R$ 514,120, which includes the amount provided for at December 31, 2015 plus monetary adjustment and use of the revenue reserve.

Note 15 – Revenue from distribution network access and use of brand

On June 30, 2015, CAIXA Seguridade Group and CAIXA entered into a right grant agreement whereby the Group was given the right to freely negotiate and receive in full the financial

considerations owed by the in-network institutions for the right to access the Distribution Network and use the brand for distribution and marketing of the Products, without detriment to the consideration payable to CAIXA for the rendering of Products distribution and marketing services, which is paid by the operating entities.

The table below presents revenue from distribution network access and use of brand by insurance product:

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
Capitalization	10,323	5,159
Consortium	20,421	10,344
Pension	46,403	14,207
Homeowners' insurance	91,175	41,904
Credit life insurance	145,178	63,457
Multiple peril insurance [1]	14,585	984
Revenue from distribution network access and use of brand	**328,085**	**136,055**

(1) Life insurance; vehicle insurance; health insurance; home emergency cover; home insurance; multi-risk insurance; lottery insurance; engineering risks insurance.

Note 16 – Administrative expenses

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
Personnel expenses	11,944	326
Management compensation	3,586	1,014
Outsourced services	4,393	742
Other administrative expenses	1,283	87
Total	**21,206**	**2,169**

Note 17 – Finance costs

Description	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
Expenses related to monetary adjustment of dividends	(6,010)	-
Total	**(6,010)**	**-**

Note 18 – Tax expenses

The Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) are determined by applying the statutory tax rates to the revenues of the Group (Laws 10,637/2002 and 10,833/2003).

There are two taxation systems established by the tax legislation for purposes of computing PIS and COFINS:

I. Cumulative: obligatory for private legal entities or those which calculate income tax (IRPJ) based on presumed or arbitrated profits, except for financial and other institutions, which are subject to this taxation system as established by the tax legislation;

II. Non-cumulative: obligatory for private legal entities or those which calculate income tax (IRPJ) based on the actual profit. In this system, tax credits determined can be used to reduce the amount of tax owed.

The tax rates are distinct too, as follows:

I. Cumulative system: PIS 0.65% and COFINS 4%;

II. Non-cumulative system: PIS 1.65% and COFINS 7.6%.

PIS and COFINS are computed on interest on capital and on revenue from distribution network access and use of brand using the non-cumulative system as the Company falls within this taxation system pursuant to the tax legislation.

	Parent company and Consolidated	
	January 1 to December 31, 2016	May 21 to December 31, 2015
Interest on capital on investments in associates and jointly-controlled entities	**116,403**	**52,320**
PIS (1.65%) /COFINS (7.6%)	(10,767)	(4,840)
Subtotal tax expense	**(10,767)**	**(4,840)**
Revenue from distribution network access and use of brand	**328,085**	**136,055**
PIS (1.65%) / COFINS (7.6%)	(30,348)	(12,585)
Subtotal tax expense	**(30,348)**	**(12,585)**
Earnings on fixed-income securities	**20,114**	**1,939**
PIS (0.65%) / COFINS (4.0%)	(936)	(90)
Subtotal tax expense	**(936)**	**(90)**
Tax expense	**(42,051)**	**(17,515)**
IOF (tax on financial transactions) on financial investments	(42)	(3)
Total tax expense	**(42,093)**	**(17,518)**

Note 19 – Related parties

a) Controlling entity

CAIXA Seguridade was organized as a wholly-owned subsidiary of state-owned bank CAIXA, which is linked to the Ministry of Finance and 100 percent owned by the government. Thus, CAIXA Seguridade is controlled directly by CAIXA and indirectly by the National Treasury (STN).

b) Transactions with related parties

The transactions with direct related parties are carried out in the course of CAIXA Seguridade's operating activities at terms and prices compatible with the averages prevailing for transactions with unrelated parties, when applicable, at the dates of the transactions.

b.1) Parent company

The balances of transactions with the related party CAIXA are financial investments and amounts to pay for reimbursement of shared costs and operating activities set forth in the Agreement for Execution of Operating Activities and Structure Sharing entered into between CAIXA and CAIXA Seguridade.

The payables are recorded in the month in which they are incurred and are paid by the 10th business day of the following month after being formalized with the Group. Thus, there are no amounts classified as non-current liabilities.

b.2) Joint ventures and associates

The balances of transactions with the related parties PAN Seguros (jointly-controlled entity) and CAIXA Seguros (associate) refer to amounts receivable related to revenue from distribution network access and use of brand of the Insurance Products that are recorded in CAIXA Seguridade Group. These amounts are provided for in operating agreements entered into between CAIXA and CAIXA Seguridade.

The receivables are recorded in the month in which they are earned and are collected by the 5th business day of the following month. Thus, there are no amounts classified as non-current assets.

At December 31, 2016, receivables from related parties were fully performing.

The maximum exposure to credit risk at the balance sheet date is the carrying value of the receivables mentioned above.

Additionally, CAIXA Seguridade Group, as a direct shareholder, has the right to record and receive dividends and interest on capital from the related parties CAIXA Seguros, PAN Seguros and PAN Corretora.

The dividends receivable from these related parties are paid in the first half of the following financial year and are, therefore, classified as current assets.

b.3) Other related parties

The existing balances and transactions with the related party CAIXAPAR are amounts receivable arising from the equity interest in CAIXA Seguros that has been spun off into the Company.

The existing balances and transactions with the related party Dirigentes refer to amounts payable for equity in the results of the Company.

The following tables show the balances with related parties considering the nature of the relationship with the entities:

Revenues and expenses arising from transactions with related parties:

Description	Parent company/Consolidated					
	January 1 to December 31, 2016			May 21 to December 31, 2015		
	Parent company	Jointly-controlled entities/associates	Total	Parent company	Jointly-controlled entities/associates	Total
Revenue:	**20,114**	**325,177**	**345,291**	**1,939**	**134,134**	**136,073**
Revenue from distribution network access and use of brand:	**-**	**325,177**	**325,177**	**-**	**134,134**	**134,134**
CAIXA Seguros	-	321,821	321,821	-	134,082	134,082
PAN Seguros	-	3,356	3,356	-	52	52
Finance income	**20,114**	**-**	**20,114**	**1,939**	**-**	**1,939**
CAIXA	19,687	-	19,687	1,939	-	1,939
CAIXA Seguros	427	-	427	-	-	-
Expenses	**(28,630)**	**-**	**(28,630)**	**(2,174)**	**-**	**(2,174)**
Administrative expenses (1)	**(22,620)**	**-**	**(22,620)**	**(2,174)**	**-**	**(2,174)**
CAIXA	(22,620)	-	(22,620)	(2,174)	-	(2,174)
Finance costs (2)	**(6,010)**	**-**	**(6,010)**	**-**	**-**	**-**
CAIXA	(6.010)	-	(6.010)	-	-	-

(1) Administrative expenses include shared costs and operating activities under the Agreement for Execution of Operating Activities and Structure Sharing entered into between CAIXA and CAIXA Seguridade.
(2) Finance costs refer to expenses of monetary adjustment of dividends.

Balance sheet items arising from transactions with related parties:

Description	Parent company							
	12/31/2016				12/31/2015			
	Parent company	Jointly-controlled entities/associates	Other related parties	Total	Parent company	Jointly-controlled entities/associates	Other related parties	Total
Assets:	**218,713**	**255,017**	**365**	**474,095**	**51,699**	**141,846**	**488,025**	**681,570**
Cash and cash equivalents (1)	**218,713**	-	**-**	**218,713**	**51,699**	-	**-**	**51,699**
CAIXA	218,713	-	-	218,713	51,699	-	-	51,699
Dividends receivable: (2)	**-**	119,406	-	119,406	**-**	**63,653**	**452,450**	**516,103**
CAIXA Seguros	-	119,406	-	119,406	-	63,653	-	63,653
CAIXAPAR	-	-	-	-	-	-	452,450	452,450
Interest on capital receivable: (3)	**-**	**98,668**	**-**	**98,668**	**-**	**44,472**	**35,575**	**80,047**
CAIXA Seguros	-	98,668	-	98,668	-	44,472	-	44,472
CAIXAPAR (4)	-	-	-	-	-	-	35,575	35,575
Accounts receivable:	**-**	**36,943**	**365**	**37,308**	**-**	**33,721**	**-**	**33,721**
CAIXA	-	-	-	-	-	-	-	-
CAIXA Seguros	-	36,943	-	36,943	-	33,711	-	33,711
PAN Seguros	-	-	365	365	-	10	-	10
Liabilities:	**147,217**	**-**	**605**	**147,822**	**628,995**	**-**	**-**	**628,995**
Accounts payable:	**4,401**	**-**	**605**	**5,006**	**501,967**	**-**	**-**	**501,967**
CAIXA	4,401	-	-	4,401	501,967	-	-	501,967
Dirigentes	-	-	605	605	-	-	-	-
Dividends payable:	**142,816**	**-**	**-**	**142,816**	**127,028**	**-**	**-**	**127,028**
CAIXA	142,816	-	-	142,816	127,028	-	-	127,028

(1) The amounts included in Cash and cash equivalents refer to financial investments as stated in Note 8 – Cash and cash equivalents.
(2) Dividends receivable: see Note 19 – Related parties – b.2) Joint ventures and associates and b.3) Other related parties.
(3) Interest on capital receivable: see Note 19 – Related parties – b.2) Joint ventures and associates and b.3) Other related parties.
(4) CAIXAPAR is considered a related party of CAIXA Seguridade, as it is an entity under common control of CAIXA (banking institution).

Description	Consolidated							
	12/31/2016				12/31/2015			
	Parent company	Jointly-controlled entities/associates	Other related parties	Total	Parent company	Jointly-controlled entities/associates	Other related parties	Total
Assets:	**218,713**	**270,652**	**-**	**489,365**	**51,699**	**141,846**	**488,025**	**681,570**
Cash and cash equivalents (1)	**218,713**	-	**-**	**218,713**	**51,699**	-	**-**	**51,699**
CAIXA	218,713	-	-	218,713	51,699	-	-	51,699
Dividends receivable: (2)	**-**	134,676	-	134,676	**-**	**63,653**	**452,450**	**516,103**
CAIXA Seguros	-	119,406	-	119,406	-	63,653	-	63,653
PAN Seguros	-	15,270	-	15,270				
CAIXAPAR	-	-	-	-	-	-	452,450	452,450
Interest on capital receivable: (3)	**-**	**98,668**	**-**	**98,668**	**-**	**44,472**	**35,575**	**80,047**
CAIXA Seguros	-	98,668	-	98,668	-	44,472	-	44,472
CAIXAPAR (4)	-	-	-	-	-	-	35,575	35,575
Accounts receivable:	**-**	**37,308**	**-**	**37,308**	**-**	**33,721**	**-**	**33,721**
CAIXA	-	-	-	-	-	-	-	-
CAIXA Seguros	-	36,943	-	36,943	-	33,711	-	33,711
PAN Seguros	-	365	-	365	-	10	-	10
Liabilities:	**147,217**	**-**	**605**	**147,822**	**628,995**	**-**	**-**	**628,995**
Accounts payable:	**4,401**	**-**	**605**	**5,006**	**501,967**	**-**	**-**	**501,967**
CAIXA	4,401	-	-	4,401	501,967	-	-	501,967
Dirigentes	**-**	**-**	605	605	-	-	-	-
Dividends payable:	**142,816**	**-**	**-**	**142,816**	**127,028**	**-**	**-**	**127,028**
CAIXA	142,816	-	-	142,816	127,028	-	-	127,028

(1) The amounts included in Cash and cash equivalents refer to financial investments as stated in Note 8 – Cash and cash equivalents.
(2) Dividends receivable: see Note 19 – Related parties – b.2) Joint ventures and associates and b.3) Other related parties.
(3) Interest on capital receivable: see Note 19 – Related parties – b.2) Joint ventures and associates and b.3) Other related parties.
(4) CAIXAPAR is considered a related party of CAIXA Seguridade, as it is an entity under common control of CAIXA (banking institution).

c) Key management compensation

Up to the date of these financial statements, compensation paid to key management totaled R$ 3,586 for the full year 2016 (second half of 2015 – R$ 1,014), as stated in Note 16 – Administrative expenses. This amount includes termination benefits of R$ 256 paid to key management personnel in 2016.

In addition, the Company recognized the amount of R$ 807 of profit sharing for 2016, in accordance with the variable compensation plan for management approved by the Company's appropriate bodies. Of this amount, R$ 202 was paid up front, R$ 282 will be paid in 2017 and R$ 323 will be paid by 2020.

Thus, total compensation paid to key management in 2016 was R$ 3,788.

Up to the date of these financial statements, the Company had no share-based compensation plan.

CAIXA SEGURIDADE PARTICIPAÇÕES S.A.

EXECUTIVE BOARD

RAPHAEL REZENDE NETO
CEO

GUSTAVO DE MORAES FERNANDES
EXECUTIVE OFFICER

PAULO EDUARDO CABRAL FURTADO
EXECUTIVE OFFICER

THIAGO SOUZA SILVA
ACCOUNTANT
CRC-018685/O-0 - DF

(A free translation of the original in Portuguese)

Independent auditor's report

To the Management and Stockholders
CAIXA Seguridade Participações S.A.

Opinion

We have audited the accompanying parent company financial statements of CAIXA Seguridade Participações S.A. ("CAIXA Seguridade" or "Company"), which comprise the balance sheet as at December 31, 2016 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We have also audited the accompanying consolidated financial statements of CAIXA Seguridade Participações S.A. and its subsidiary ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2016 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of CAIXA Seguridade Participações S.A. as at December 31, 2016, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CAIXA Seguridade Participações S.A. and its subsidiary as at December 31, 2016, and their financial performance and their cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

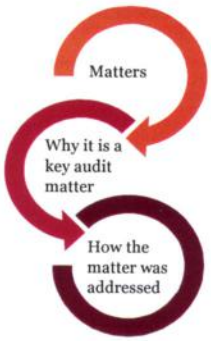
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Basis for opinion

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 Company and its subsidiary 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 audit opinion.

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, taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a key audit matter	How the matter was addressed in the audit
Accounting estimates of the investments in associated companies - Caixa Holding Securitária S.A. and Caixa Seguros Holding S.A. The Company is a holding company and the equity investments represent 88% of the total assets and 87% of the profit of the parent company and of the consolidated profit in 2016. A substantial portion of the investments (88%) is represented by the equity in Caixa Seguros Holding S.A and Caixa Holding Securitária S.A., which are parent companies of companies operating in the following areas of activity: insurance, pension funds, capitalization, consortium and health. The financial statements of these companies consider critical accounting estimates referring to transactions that require a high level of judgment for the record and measurement of the transactions	Our work, also as auditors of these associated companies and operating entities, included, among other audit procedures: • With the technical support of our actuarial specialists, we analyzed the reasonableness of the application of certain assumptions and judgments used by management to measure the technical reserves and the LAT. • We tested the methodology used by management to measure the technical reserves and the LAT. • We tested the consistency of the data, as well as the integrity and totality of the

Why it is a key audit matter	How the matter was addressed in the audit
and calculation of the accounting balances. According to Notes 6 k 1.2 and 6 k 2.2, the main estimates refer to the calculations of the principal technical provisions, including the Unearned Premium Reserve (PPNG), Outstanding Claims Reserve (OCR), Incurred but not Reported Claims Reserve (IBNR), Incurred but not Sufficiently Reported Claims Reserve (IBNER), Mathematical Reserve for Unvested Benefits (BMCAC), Mathematical Reserve for Vested Benefits (PMBC), as well as the Liability Adequacy Test (LAT), used to determine possible insufficiencies in the other technical reserves recorded. Considering the above, the main technical reserve tests, as well as the liability adequacy test, were areas of focus in our audit.	databases involved in the calculation of the technical reserves and LAT balances. • We recalculated the main technical reserves using the methodology, assumptions and data validated. Based on the evidence obtained, we consider that the criteria and assumptions adopted by management to determine such critical estimates result in amounts that are within acceptable limits in the context of the audit of the financial statements.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the year ended December 31, 2016, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to the audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the Brazilian Technical Pronouncements Committee CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

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

The Company's 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.

CAIXA Seguridade Participações S.A.

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 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 communicate the matter to those charged with governance. We have nothing to report in this regard.

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 the parent company financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of 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 Company'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 Company 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 Company and its subsidiary.

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 financial statements.

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 Company and its subsidiary.

- 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 ability of the Company 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 could cause the Company 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CAIXA Seguridade Participações S.A.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Brasília, March 14, 2017

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Contador CRC 1MG070614/O-5 "S" DF