

Ladies and Gentlemen Shareholders,

We present the Management Report of Caixa Seguridade Participações S.A. (“Caixa Seguridade” or “Company”) for the year 2019, in accordance with the requirements of the Brazilian Corporation Law, the Brazilian Securities Commission (CVM) and its Bylaws, accompanied by Financial Statements, Opinion of Independent Auditors and respective Explanatory Notes.

The financial statements have been prepared in accordance with accounting practices commonly adopted in Brazil including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and international financial reporting standards - IFRS, issued by the International Accounting Standards Board (IASB).

1. Macroeconomic Environment



In the international scenario, indicators of economic activity started to signal stabilization of the world economy as of the last months of 2019, amid an environment of uncertainties around issues such as trade disputes between the United States and China. The moderate performance of the global economy and low inflation in advanced economies have led the main central banks in the world to maintain their expansionary monetary policies and high liquidity in the markets.

At the domestic level, Direct Investment in the Country performed well and continued to be more than sufficient to finance the current account deficit. In addition, the high volume of international reserves in Brazil contributed to absorb part of the volatility in the international scenario.

With regard to domestic economic activity, this has been accelerating, even in the face of a still challenging external scenario. Therefore, there was a gradual reduction in the unemployment rate. In this context, inflation ended the year at 4.31%, with one-off pressures on meat prices and managed items, which were concentrated at the end of the year.

With regard to the reform agenda, there have been important advances, with emphasis on the pension plan. The expected continuity of this agenda, the gradual recovery of the Brazilian economy and the reduction in basic interest rates contribute to the perspective of gradual stabilization of the relationship between gross debt and GDP in the coming years.

The advance in the rebalancing of public accounts, inflation, both current and prospective, close to its goals and the still idle economy allowed, in the context of expansionary monetary policies in the world, the reduction of the Selic rate to the lowest level of the historical series. The expectation of controlled inflation and the continued recovery of the economy and the reform agenda should allow the maintenance of the low interest scenario, with gradual convergence to a neutral level lower than that observed in the past.

Based on information from the Private Insurance Superintendence (SUSEP), the insurance market reached R\$ 1,221.37 billion in total assets in November 2019, showing a growth of 12.17% in relation to the same month of 2018 and reaching 16.9% of GDP.

The total amount collected by the insurance market, with the exception of supplementary health, reached R\$ 239.7 billion accumulated from January to November 2019, according to SUSEP data, with a 10.6% growth compared to the same period in 2018. The operating result of the sector reached R\$ 28.2 billion in the accumulated for the same period and the profit was R\$ 19.7 billion, with growth of 6.34% and 14.19%, respectively, when compared to the performance in the same period of 2018.

According to the National Federation of Private Insurance and Reinsurance Brokers, Capitalization, Private Pension Plans, Insurance and Reinsurance Brokers (FENACOR), the

insurance sector confidence index registered 127.1 points in December 2019, remaining at an optimistic level since October 2018 and, after a period of decline between February and May 2019, the indicator resumed its recovery, with numbers close to those at the beginning of the year.

2. Business Description and Structure



Caixa Seguridade was created with the objective of consolidating the holdings of Caixa Econômica Federal ("CAIXA") in activities related to the insurance industry, here understood as the insurance, open pension, capitalization, consortia, plans and health insurance businesses, dental plans and insurance and insurance brokerage. The Company also has the right, granted by CAIXA, to explore its distribution network and its brand.

Thus, our result originates from equity income, calculated based on the result of its controlled and affiliated companies, and income from access to the distribution network and use of the CAIXA brand.

At the end of the year, the Company had a direct interest of 100% in Caixa Holding Securitária S.A. ("Caixa Holding") and 48.21% in Caixa Seguros Holding S.A. ("Caixa Seguros"), which, in turn, have holdings as described below:

a) **Caixa Seguros Holding S.A.**

Caixa Seguros is a partnership signed with the French group CNP Assurances, which holds 51.75% of the capital. Its operating companies operate in different branches of security, according to their specialization.

Caixa Seguradora S.A. ("Caixa Seguradora") started its activities on 01/22/1973 and operates in elementary and life insurance. Caixa Seguridade's indirect interest in Caixa Seguradora is 48.21%.

Caixa Vida e Previdência S.A. ("Caixa Vida e Previdência") sells supplementary pension products, having started its activities on 03/14/2000. Caixa Seguridade's indirect stake in Caixa Vida e Previdência is 48.21%.

Caixa Capitalização S.A. ("Caixa Capitalização") started its activities on 11/14/1996 and operates in the commercialization of capitalization products in partnership with Sul América Capitalização S.A. and Icatu Seguros S.A. The indirect participation of Caixa Seguridade in the capital of Caixa Capitalização is 24.59%. In the Official Gazette (DOU) of 09/12/2019 (page 145 - Section 3) Sul América Capitalização S.A. - SULACAP ("SULACAP"), in compliance with the provisions of Art. 9 of SUSEP Circular No. 456/2012, informed that, on 08/28/2019, the Superintendence of Private Insurance - SUSEP approved the transfer of the SULACAP capitalization portfolio in the "guarantee instrument", "incentive" and "traditional" (in the latter case only those securities intended for rent guarantee in the regulatory regime prior to SUSEP Circular No. 569, equivalent to the current" guarantee instrument "modality), nationwide ("Portfolio"), for Icatu Capitalização SA ("Icatu"), and the actual transfer of the Portfolio still depends on other precedent conditions as agreed in the respective Assignment and Transfer Agreement for the Full Portfolio of Capitalization Securities and Other Covenants signed between SULACAP and Icatu on 05/13/2019. SULACAP also informed that, when the implementation of all the aforementioned conditions, it will publish a new communiqué informing about the effective transfer of the Portfolio to Icatu.

Caixa Consórcio S.A. Administradora de Consórcios ("Caixa Consórcios") manages groups of consortia for the acquisition of movable and immovable property, having started its activities on 10/24/2002. Caixa Seguridade's indirect interest in Caixa Consórcios is 48.21%.

Caixa Seguros Especializada em Saúde S.A. ("Caixa Seguros Saúde") started its activities on

01/31/2011 and acts as an insurance company specialized in health insurance. Caixa Seguridade's indirect interest in Caixa Seguros Saúde is 48.21%.

Companhia de Seguros Previdência do Sul S.A. (Previsul) founded on August 1st, 1906, was acquired in May 2013 by Caixa Seguros, having been approved in January 2014 by SUSEP, through Ordinance No. 5.688/14. It is a wholly owned subsidiary of CAIXA Seguros Participações Societárias Ltda. and indirect subsidiary of CAIXA Seguros, whose corporate purpose is the exploration and operation of people and damage insurance, throughout the national territory. Caixa Seguridade's indirect interest in PREVISUL is 48.21%.

Odonto Empresas Convênios Dentários Ltda ("Odonto"), opened on 05/03/1991 and acquired in September 2014, is a wholly owned subsidiary of CAIXA Seguros Participações em Saúde Ltda. and its corporate purpose is to act as an operator specialized in dental insurance. Caixa Seguridade's indirect interest in Odonto is 48.21%.

Youse Seguradora S.A. (Youse), a wholly owned subsidiary of CAIXA Seguros Participações Securitária Ltda, was incorporated on May 20th, 2016 and aims to sell insurance on a digital platform. Caixa Seguridade's indirect interest in Youse is 48.21%.

CNPX S.A.S. (CNPX Colombia) is a wholly-owned subsidiary of CAIXA Seguros Holding, was established on September 11th, 2015. Located in Colombia, in a pre-operational phase, it aims to participate in insurance companies. Caixa Seguridade's indirect interest in CNPX S.A.S is 48.21%. In December 2019, by decision of its parent company, the business was discontinued.

Closing the group, Caixa Seguros holds a 25% interest in WIZ Soluções e Corretagem de Seguros S.A. (WIZ Soluções), a publicly-held company that develops and implements solutions to enhance business, combining financial and insurance services with customers' needs. Caixa Seguridade's indirect stake in WIZ Soluções e Brokerage de Seguros is 12.05%.

Company	Indirect Participation
Caixa Seguradora	48.21%
Caixa Vida e Previdência	48.21%
Caixa Capitalização	24.59%
Caixa Consórcios	48.21%
Caixa Seguros Saúde	48,21%
Odonto	48,21%
Previsul	48,21%
Youse	48,21%
CNPX Colômbia	48,21%
WIZ Soluções	12.05%

b) Caixa Holding Securitária S.A.

Caixa Holding Securitária S.A. is a wholly owned subsidiary of Caixa Seguridade and has interests in Too Seguros and Pan Corretora.

Too Seguros has belonged to the Caixa Seguridade Group since 19/06/2015, it operates in the personal (corporate and corporate), credit life, housing, personal injury and damage insurance segments. Caixa Seguridade's indirect interest in Too Seguros is 48.99%.

The company Pan Corretora de Seguros Ltda. ("PAN Corretora") has as its corporate purpose the administration, guidance and brokerage of pension plans and insurance in the elementary and life lines and belonging to the Caixa Seguridade Group since 12/29/2014. Caixa Seguridade's indirect interest in PAN Corretora is 49.00%.

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

Company	Indirect Participation
Too Seguros	48.99%
PAN Corretora	49.00%

3. Highlights of the Period



Caixa Seguridade's recurring net profit totaled R\$ 1,681.7 million in 2019, a result 19.5% higher than 2018. Below, we present the result adjusted for non-recurring effects.

Consolidated DRE	2019	2018	Δ 2018
OPERATING REVENUE	2,006,432	1,671,660	20.00%
Revenue from equity investments	1,267,430	1,092,338	16.00%
Revenue from distribution network access and use of brand	739,002	579,322	27.60%
OTHER OPERATING INCOME/(EXPENSES)	(122,147)	(104,224)	17.20%
Administrative costs	(44,539)	(45,504)	-2.10%
Tax Expenses	(77,586)	(58,958)	31.60%
Other Expenses/Revenues	(23)	238	-109.60%
EARNING BEFORE FINANCIAL RESULT	1,884,285	1,567,436	20.20%
FINANCIAL RESULT	34,943	23,896	46.20%
Financial income	35,438	29,847	18.70%
Financial expenses	(494)	(5,952)	-91.70%
EARNINGS BEFORE INTEREST, IR and CSLL	1,919,228	1,591,331	20.60%
INCOME TAX AND SOCIAL CONTRIBUTION	(236,545)	(182,658)	29.50%
Current taxes	(236,543)	(182,596)	29.50%
Deferred Taxes	(2)	(62)	-96.60%
EARNINGS BEFORE INTEREST	1,682,683	1,408,673	19.50%
Profit Sharing	(969)	(1,211)	-20.00%
RECURRING NET PROFIT	1,681,714	1,407,462	19.50%
SUCCESS FEE EFFECT	8,442	52,163	-83.80%
CASH COST ADJUSTMENT	(63,947)	-	n/a
CSH IMPAIRMENT	(90,153)	-	n/a
OTHER NON RECURRING REVENUES	-	17,983	n/a
NET BOOK PROFIT	1,536,057	1,477,607	4.00%

Revenue from access to the distribution network and use of the brand reached R\$ 739.0 million in 2019, a result 27.6% higher than the previous year, disregarding the non-recurring effect of the revision of the price charged by Caixa regarding the sale of security products (recorded as a reversal of revenue totaling R\$ 106.7 million and a net impact of R \$ 63.9 million on the year's result).

The equity income result was impacted by the non-recurring effect of the impairment occurred in the "Odonto Empresas" investees (R\$ 100.0 million), related to the write-off of intangibles related to the expectation of future results, and in CNPX (R\$ 86.9 million), the decision to discontinue its operations. The impact on CAIXA Seguridade occurred in proportion to its participation, totaling R\$ 90.2 million.

Adding the negative effects of impairment on CSH and the price revision charged by Caixa to the positive result of the success fee, the result is a total negative impact of R\$ 145.7 million in 2019. Despite the non-recurring impacts, CAIXA Seguridade's net book income in 2019 reached 1,536

million, a result 4.0% higher than in 2018, while the recurring ROE increased from 32.1% in the previous year to 34.5% in 2019.

The group companies' revenues grew 28.8% in insurance products (insurance, pension plan and capitalization) and 4.5% in consortium businesses. Operating revenue totaled R\$ 2,006.4 million and was 20.0% higher than the 2018 result considering on a recurring basis. On the same basis, revenues from investments in equity interests were 16.0% higher in 2019. Of the total revenue from investments in equity, 93.1% was the result of the stake in CAIXA Seguros Holding and 6.9% from the investment in Too Seguros and PAN Corretora, a distribution very close to that seen in 2017.

With this result, the CAIXA Seguridade group reached, until November 2019, a 12.0% share in the security market, reaching the third position among the competition. In 2018, Caixa held 10.1% of the market and ranked 4th.

The control of the commercial strategy, the diligence in monitoring the results of the group companies and the strengthening of governance and risk management, certainly contributed to the consistent result of CAIXA's security businesses.

Within this scope, the achievement of Level 1 Certification in the 4th evaluation cycle of the Corporate Governance Indicator of the Secretariat for Coordination and Governance of State-owned Companies, of the Ministry of Economy (IG-SEST), as well as the voluntary adherence to the Pact For Integrity and Against Corruption (Clean Company Pact) are highlighted.

In 2019, a contractual amendment was made to the agreement made in August 2018 with CNP Assurances. The companies jointly decided to reopen the negotiations to define adjustments and eventual additions. Among the adjustments, it is expected that the French company will pay to Caixa Seguridade the amount of R\$ 7 billion for 40% participation in the partnership, now lasting 25 years. The agreement deals with a new corporate structure for the exclusive operation of Caixa's distribution network, in the life and credit insurance and pension products lines.

In the commercial performance, it is worth mentioning the incentive actions and the management of the Sales Team Program, associated with the innovation of products and processes, which caused greater engagement of employees and units in the CAIXA distribution network, reflecting in the increase in proposals and greater qualification sales made.

4. Events Subsequent to the End of the Year



New partnerships were established in early 2020. On January 6th, an association agreement was signed with Tokio Marine Seguradora S.A, for the formation of a new company that will explore, for a period of 20 years, the Housing and Residential insurance lines in the Caixa Econômica Federal distribution network.

The agreement provides for the transfer of R\$ 1.52 billion to CAIXA until the closing of the transaction. The new company will have shared management and governance between Caixa Seguridade and Tokio Marine in order to enhance the strengths of each shareholder and will remunerate Caixa Seguridade with the total selling expenses per product in pre-defined values (distribution fee of 36, 4% and 20% for residential and housing, respectively), in addition to a performance fee linked to the annual performance in volume and profitability.

On January 20th, an agreement was signed with Icatu for the formation of a new company that will explore, for a period of 20 years, the Capitalization branch in the Caixa Econômica Federal distribution network. At the closing of the transaction, Icatu must subscribe a capital increase in the new company in the total amount of R\$ 180 million, an amount that must be transferred to Caixa Econômica Federal. The new company will remunerate Caixa Seguridade with the total selling expenses per product in pre-defined values, in addition to a performance fee linked to the

annual performance in volume and profitability. Icatu will also pay Caixa Econômica Federal an annual bonus corresponding to 75% of the amount of net dividends received by Icatu from Nova Companhia that exceed certain goals established for that year.

Caixa Seguridade will have a 75% interest in the capital of each of the companies, holding 49.99% of the common shares and 100% of the preferred shares. Each shareholder will appoint four members to the Boards of Directors, with a rotating and alternating chairpersonship between the shareholders. The Executive Boards of the new companies will be composed of four members, with equal indication by the shareholders and will operate in a collegiate and shared manner.

For the closing and implementation of operations, whose term ends on January 4th, 2021, approvals from regulatory bodies, such as the Superintendence of Private Insurance (SUSEP), the Central Bank of Brazil (Bacen), the Coordination and Governance of State Companies (SEST) and the Administrative Council for Economic Defense (CADE).

On January 24th, 2020, Mr. João Eduardo de Assis Pacheco Dacache was elected by the Board of Directors of Caixa Seguridade to occupy the position of Chief Executive Officer of the company, replacing Mr. Marco Antonio da Silva Barros.

5. Corporate Governance



Aligned with the best governance practices and committed to the principles of transparency, accountability, equity and corporate responsibility, Caixa Seguridade had its governance structure and tools strengthened in 2019, with the implementation of important advances in line with the interests of the various stakeholders of the Company.

The governance structure hitherto composed of the General Meeting, statutory bodies of Administration (Board of Directors and Board of Executive Officers), Supervision (Fiscal Council) and Audit Committee, was reinforced, in the year of 2019, with the following auxiliary bodies of Management: Eligibility Committee and Transaction with Related Parties Committee, installed in January 2019.

On June 7th, 2019, the Board of Directors decided to unify two Boards, that of Risks, Integrity and Compliance and that of Strategic and Corporate Governance, and for the incorporation of the National Investor Relations Department to this new Executive Board, forming the Governance, Risk and Investor Relations Department, valuing operational efficiency and cost reduction, as they are areas with similar themes.

Linked to the Executive Board, the Superintendence of Corporate Governance and Management of Participations (SUGOP) consolidates the mandates of corporate governance, corporate management and M&A processes (Mergers and Acquisitions).

With regard to corporate governance, on August 9th, 2019, the Company obtained Level 1 Certification in the 4th evaluation cycle of the Corporate Governance Indicator of the Secretariat for Coordination and Governance of State-owned Companies, of the Ministry of Economy (IG-SEST). It is the first subsidiary company of the CAIXA Conglomerate to achieve this important distinction. The IG-SEST is a continuous monitoring indicator, which aims to assess compliance with the requirements of Law No. 13,303/2016, Decree No. 8,945/2016, as well as the guidelines established by the Resolutions of the Interministerial Committee on Corporate Governance and Administration of Union Equity Holdings (CGPAR), in order to promote the implementation of best practices and raise the level of excellence in corporate governance of federal state companies under the control of the Union and its subsidiaries. In addition to verifying compliance with the legislation, the 4th cycle of IG-SEST prioritized evaluating the effectiveness of corporate governance functioning, so that obtaining Level 1 shows the robustness of the governance structure implemented at CAIXA Seguridade, in the 3 dimensions evaluated by the indicator: I - management, control and audit; II - transparency of information; and III - Councils, Committees and Management.

In 2019, the improvement of corporate governance and corporate management documents was also prioritized, which consolidate the current rules and guide the performance of governance agents. In this sense, the documents were updated and prepared, namely:

- 1) Update:** Internal Regulations of the Audit Committee; Participation Monitoring Manual; Policy for the Appointment of Managers and Members of Affiliated Companies; and Operation of Caixa Seguridade's Statutory Governance Bodies;
- 2) Preparation:** CAIXA Seguridade's Indication and Eligibility Policy.

In order to diligently fulfill the role of holding, in line with the Bylaws, the Company manages equity holdings, with monitoring in the management of operating companies (insurance and brokerage), through their respective boards and committees; monitors and manages the decisions deliberated by the boards and technical committees of the subsidiary companies, through a corporate governance structure, shared with the partners in each company, and in accordance with the corporate agreements entered into with such companies; manages the relationship of subsidiary companies with the distribution channels of CAIXA and its partners; and works jointly with operational companies in the development and improvement of solutions, emphasizing aspects of after-sales, customer service and Compliance.

Caixa Seguridade has been implementing the Seguridade Project since 2017, as a result of the strategy of operating the counter in a vertical model, in which specific partners are selected for each business branch to operate from 2021, replacing the current transversal model, with rights focused on just one partner.

The strategy contemplates the negotiation of Life, Pension and Credit life lines until the year 2046 with CNP Assurances, whose revised Association Agreement was signed on September 19th, 2019 with an expected upfront payment of R\$ 7 billion at the closing of the operation and earnout of R\$ 0.8 billion linked to performance in 2024 and 2026, and the realization of a competitive process for the other branches and a new model of performance in the brokerage market through its own broker or in partnerships with other brokers (co-brokers).

It should be noted that the general aspects of the Association Agreement with CNP were analyzed by the Office of the Comptroller General (CGU), through the Evaluation Report - Year of 2018, without raising doubts or questions regarding the process.

6. Risk Management, Internal Controls and Compliance



Caixa Seguridade has a statutory Board of Governance, Risks and Investor Relations (DIRIG), which is linked to the National Superintendence of Risk Management, Internal Controls and Compliance (SUGRC), with attributions defined in the Bylaws (arts. 37 and 56) and Company Policies.

The Company adopts the model of three lines of defense in risk management and understands that the strengthening of the 2nd and 3rd lines of defense allows greater contribution and security for businesses with the achievement of sustainable results. For this reason, in 2019, we defined as one of our strategic initiatives, from the perspective of governance and risks, "Strengthen the environment for governance, risk management and integrity". Thus, during 2019, we reinforced the control and risk environment, improved the structure of the 2nd line of defense and implemented new processes and guidelines.

The definition of the attributions of the 2nd line of defense in the Bylaws and Policies allows the activities to be carried out in an independent and impartial manner, aiming to mitigate any conflicts of interest.

Considered an important issue by Management and aiming to make it clearer to stakeholders, in 2019 we also approved a Conflict of Interest Prevention Policy, which represents an important advance in risk mitigation, especially that of compliance, given that the document provides greater clarity what is expected of employees, collaborators and statutory members.

That same year, the Board of Directors approved a Risk Appetite Declaration, a document that formalizes and presents the alignment of the Strategy with Risk Management and determines the maximum levels of risk (risk appetite) that the company is willing to take. In addition to being an important guide for the definition and execution of the strategy, the parameters defined in this statement are monitored through periodic reports to management.

We also carried out a review and update of the Compliance and Integrity Program, of the Risk Management Policies - where we include guidelines for cyber risk; Internal Controls; Compliance and Integrity; as well as the Codes of Ethics and Conduct, contributing to the strengthening and improvement of the governance structure, risk management, compliance and integrity of the Company while seeking to ensure the maintenance of the effectiveness of the Policies and add value to the company.

In December 2019, we joined the Business Pact for Integrity and against corruption (Clean Company Pact). The document contemplates a set of guidelines and procedures against corruption that must be adopted by companies and signatory entities in their relationship with public authorities.

Internal Audit verifies process controls under the responsibility of 1st line of defense managers and annually attests to the effectiveness of the 2nd line of defense.

Currently, Caixa Seguridade's internal audit work is performed by CAIXA's internal audit through a sharing agreement signed between the companies. In the exercise of sharing, the internal audit is linked to the Company's Board of Directors. CAIXA's internal audit has already expressed its intention to discontinue the provision of the service, with a forecast of migration of the activity to the internal unit to be installed or outsourcing of the 3rd line of defense activity to a specialist market company.

This action will allow advances in the governance process of Caixa Seguridade, mitigating possible conflicts of interest and constantly improving our processes.

The Company conducts training actions in order to promote and strengthen the ethical behavior of all employees, managers and members of the Company's statutory boards and committees.

The Compliance and Integrity Program is available on Caixa Seguridade's website, which presents more details on the evolution of the Company's risk environment, internal controls and compliance, and the ombudsman channel for receiving suggestions, questions, compliments, complaints and denunciations related to Caixa Seguridade's activities.

7. Performance of Associates and Subsidiaries



The combined revenue of the group's companies totaled R\$ 34.6 billion in 2019, which represented a 26.2% increase compared to 2018. In the insurance segment, with the exception of health and dental insurance, revenue was 13.3% higher than 2018.

Revenue from capitalization products grew 14% in 2019. The resources collected in the Consortium in 2019 were 4.5% higher than the previous year and the revenues from services provided by Consortia grew 13.7%.

The highlight of the production was the Credit Life Insurance, which grew 26.0% in the comparison between 2019 and 2018.

Caixa Seguradora obtained net income of R\$ 1.6 billion in 2019, 4.4% above that observed in 2018. This growth was sustained by a 14.3% increase in premiums written and a 15.8% reduction in claims. In 2019, there was no exceptional effect that occurred in 2018 of the reversal of the provision of complementary coverage (PCC) for home insurance, which had a positive impact on the result of that year.

Caixa Vida e Previdência company earned a net profit of R\$ 525.1 million in 2019, a result 27% higher than that recorded in the previous year. Pension contributions totaled R\$ 22.0 billion in 2019, an increase of 36.9% compared to 2018. The growth in the sale of private pension products at CAIXA's counter is further explained by the improvement in sales processes and the acculturation and recognition of employees involved in the commercialization, as well as raising awareness of the need for a private pension plan in the face of the institution of the reform of the public pension, allied to the association of CAIXA as the Brazilian savings bank.

Caixa Capitalização recorded net income of R\$ 176.9 million in 2019, an increase of 24.3% in relation to 2018, which is mainly explained by the increase in collection, which totaled R\$ 1.6 billion, an increase of 14.0% compared to the previous year.

Caixa Consórcios obtained a net profit of R\$ 53.9 million in 2019, a result 27.6% lower than 2018, mainly due to the increase in operating and administrative expenses, impacted by the cost of selling.

At Caixa Seguros Saúde, net income accumulated in 2019 amounted to R\$ 37.1 million, an increase of 27.7% compared to 2018, mainly due to the reduction in claims originated from the implementation of the portfolio sanitation strategy.

Too Seguros obtained a net profit of R\$ 111.1 million, an increase of 3.4% in relation to 2018. Although the premiums issued in 2019 were 12.8% higher than in 2018, the result was mainly impacted by the increase in expenses arising from the increase in the cost of marketing the commissions paid to PAN Corretora.

PAN Corretora posted a net profit of R\$ 54.1 million in 2019, 406.5% higher than that recorded in the previous year. Result of the readjustment of commissions received for the sale of products.

8. People



Caixa Seguridade was certified for the third consecutive year in the Great Place to Work Certification Program, having obtained the last seal on 12/22/2019.

People management practices are guided by the convergence between organizational and personal skills and by the recognition and appreciation of professional merit, being practiced among all components of its organizational framework. Organizational activity is guided by ethics and integrity in business and relationships.

Caixa Seguridade employees are employees made available by CAIXA to the Company, with full reimbursement of costs and maintenance of benefits granted by the parent company, notably health and supplementary pension plans. Thus, all employees are covered by the Collective Bargaining Agreement signed by CAIXA, with the exception of managers, as they are statutory.

The development of the team is related to business continuity and market value. Thus, investing in these aspects is a way to keep the Company competitive. For the composition of the Company's staff, employees are sought with expertise in the various areas of activity, which allows the company to achieve results mainly by having small teams with high performance in their different areas of activity.

Caixa Seguridade's workforce has increased over the years. In 2015, even during its constitution, the Company had in its own staff two managers and one employee and worked with employees of the parent company in a work group. Only from 2016 did the company establish its own staff, which motivates the high number of entries in that year. The Company underwent a study of the dimensioning of its staff and structure in 2018, with implementation in 2019.

Caixa Seguridade ended 2019 with a staff composed of four officers and 81 employees, 77 of which are based at the headquarters in Brasília - DF and four in investor relations management in São Paulo - SP. The average age of employees is 37 and the number of men and women is balanced: 41 men and 40 women. All employees have higher education and 78 of the 81 employees (93.5%) have post-graduate degrees, 6 of which are master's degrees (7.4% of the staff).

The Company does not have outsourced employees. Outsourced activities such as catering, security and surveillance are carried out through CAIXA contracts, in accordance with the structure sharing agreement. There is also a service sharing agreement, whereby Caixa Seguridade reimburses the amounts spent by CAIXA with employees, such as payroll and benefits.

Development

Since its inception, Caixa Seguridade has sought professionals with skills required for the business and offers benefits related to the development of these skills as a way of supporting and developing people.

The training actions promoted by Caixa Seguridade provide the development of specific skills for performance, allowing employees to perform as expected and the Company's results to be achieved.

The Skills Development Program (PDC) acts directly on the development of skills required of all Company employees, in line with Caixa Seguridade's strategic objectives. The PDC allows people to participate in external events and to remain aligned with new knowledge and market trends, in

addition to continuing individual development to achieve vision and objectives. The PDC covers the Individual Development Program - PDI

The development opportunity is offered to everyone, regardless of their position, which is a principle adopted in the Company's training strategies that brings satisfaction to employees.

Investment in the development of employees is one of the strong points perceived in climate surveys: with the implementation of the Individual Development Program in 2018, it was identified that the perception of learning opportunities in the company has greatly increased. In the 2019 survey, it reached 98% satisfaction in this item (using the Great Place to Work survey - a consultancy specializing in measuring the perception of employees in relation to the company).

In 2019, 75 employees participated in the PDI, with an investment of approximately 327 thousand reais.

Benefits

Considering that Caixa Seguridade employees are CAIXA employees available to the Company, the benefits are defined and offered by CAIXA itself and reimbursed by Caixa Seguridade through the service sharing agreement. In addition to the legal labor benefits, CAIXA offers strategic benefits, with advantages added to the law, defined by collective labor agreements and others of exclusive initiative of the company, such as schooling incentives, languages, Saúde Caixa - Health Insurance, Supplementary Pension Plan - FUNCEF, advance of monthly salary, occupational rehabilitation program, among others.

The benefits granted to employees by CAIXA aim to promote the quality of life of its employees and to strengthen the bond with the company; therefore, they are adopted as principles: well-being at work, quality of life, safety, sustainability, respect and ethical values.

In addition to the benefits granted by CAIXA, the Company also offers the incentive to individual development, through the Individual Development Plan (PDI), in which employees have the possibility to participate in external events or courses sponsored by the Company, in addition to courses and CAIXA initiatives.

Performance Evaluation

The people performance management system includes a phase of planning and agreement of objectives, followed by the accompanied execution, and a phase of performance evaluation and consolidation, which culminates in feedback to employees. These are annual cycles in which employees are assessed for deliveries made in accordance with the manager and for skills or style.

The system is defined by CAIXA and is monitored by the Company. The performance result has repercussions on issues such as development (incentive to languages, post-graduate, graduate) and career (participation in selection processes with additional points or as a requirement to occupy executive functions). Caixa Seguridade started to participate in the CAIXA people performance management system as of 2017, covering employees who occupy technical and managerial functions.

9. Social Responsibility



The Company's Social and Environmental Responsibility Policy, revised in August 2018, aims to ensure Caixa Seguridade's sustainable performance through the integration of the social and environmental dimensions in its strategy and is based on the following principles:

- Ethics, compliance and combating corruption;
- Participative management;
- Promotion of sustainable development;
- Social inclusion;
- Environmental efficiency;
- Environmental protection and conservation; and
- Transparency.

The principles are observed not only in the company's internal business and processes, but also in the relationship with stakeholders.

Caixa Seguridade maintains, improves and implements policies and processes in order to ensure the integration of Social and Environmental Responsibility in the company's governance, influencing the strategic planning process, the decision-making process, management practices, the assessment of opportunities and risks, and goals setting.

Caixa Seguridade establishes transparent, ethical relationships, inducing more sustainable actions in its value chain, in order to ensure: i) fair treatment with all stakeholders; ii) the promotion of initiatives that value diversity and equal opportunities; iii) the incentive for continuous improvement in the provision of services and in the offer of products and services; iv) the alignment between investment and business performance, considering correct social environmental practices.

In 2019 Caixa Seguridade published its first sustainability report, which can be accessed at <http://www.caixaseguro.com.br/a-companhia/sustentabilidade/>.

10. Investments in Subsidiaries and Affiliates



In compliance with art. 243 of Law No. 6,404/76, we inform that direct investments in affiliated and jointly controlled companies reached R\$ 4.5 billion on December 31st, 2019 and we list the changes that occurred during the year:

R\$ thousands

Companies	Segment	Participation (%)	Investment Balance ¹			Result of Participation	
			12/31/2017	12/31/2018	12/31/2019	2018	2019
CAIXA Seguros	Holding	48,21%	3,402,526	3,742,521	4,221,485	1,034,494	1,096,315
Too Seguros	Insurances	48.99%	368,764	319,772	279,892	52,610	54,457
PAN Corretora	Brokerage	49.00%	26,698	15,806	27,162	5,234	26,506

1- Final balance of the investment in the position considering any other changes besides equity results, such as: payment of dividends, interest on equity and capital reduction.

11. Dividend Distribution

The Company presented a net profit for the year of 2019 of R\$ 1,536.1 million.

On September 18th, 2019, the Company's Board of Directors approved the payment of interim dividends for financial year of 2019 based on profits earned through June 30th, 2019, in the amount of R\$ 210,000 thousand (R\$ 0, 0.17 per share) with its respective financial settlement on September 18th, 2019.

Additionally, on December 31st, 2019, dividends equivalent to R\$ 153,442 thousand (R\$ 0.13 per share) were highlighted, as well as an unrealized profit reserve equivalent to R\$ 1,371 thousand, in order to reach the amount of R\$ 364,813 thousand (R\$ 0.30 per share), equivalent to the minimum mandatory dividends provided for under the Company's bylaws (25% of adjusted net income).

The portion of R\$ 1,094,440 thousand was allocated to reserves, which can be used to pay additional dividends to the shareholder.

12. Legal Information



In compliance with CVM Instruction No. 381/03, Caixa Seguridade informs that PricewaterhouseCoopers Auditores Independentes did not provide, in 2019, services that could affect its independence from audit work. In the case of contracting services not related to external auditing, Caixa Seguridade adopts procedures that are based on applicable legislation and internationally accepted principles that preserve the auditor's independence. These principles consist of: (i) the auditor must not audit his own work, and (ii) the auditor must not act, managerially, before his client, nor promote the interests of that client.

In accordance with the rules governing independent auditing services, Pricewaterhousecoopers Auditores Independentes presented the Letter of Independence to Caixa Seguridade in a timely manner.

The table below shows the fees list of PricewaterhouseCoopers Auditores Independentes and firms services during 2019.

Contractor	Contracting		Nature of service	Fees (R\$)
	Início	Fim		
Caixa Seguridade Participações S.A.	01/01/2019	12/31/2019	Individual financial statements audit	658,637.50
Caixa Holding Securitária S.A.	01/01/2019	12/31/2019	Financial statements audit	102,802.74
Caixa Seguridade Participações S.A. / Caixa Holding Securitária S.A.	01/01/2019	12/31/2019	Contract for the provision of technical services related to tax and tax aspects	185,500.00

13. Acknowledgment



We thank our collaborators for their commitment and dedication, the Caixa Econômica Federal distribution network and collaborators, our partners and customers for their trust.

Brasilia, 2020

The Administration

CAIXA

seguridade

Financial
Statements of
Caixa
Seguridade
Participações
S.A.

December 31st, 2019

Summary

Balance sheet	3
Statement of income for the year	4
Statement of Changes in Equity for the year	5
Statement of cash flow for the year - Direct method	6
Statement of added value for the year	8
Note 1 - Operating Context and General Information	9
Note 2 - Presentation of the individual and consolidated financial statements	12
Note 3 - Main Accounting Practices	12
Note 4 - Recently issued pronouncements and laws	15
Note 5 - Main accounting judgments and estimates	15
Note 6 - Risk Management	16
Note 7 - Information per segment	26
Note 8 - Cash and cash equivalents	29
Note 9 – Financial Instruments	29
Note 10 – Accounts receivable	29
Note 11 - Investments in equity	30
Note 12 - Taxes	40
Note 13 – Accounts payable	41
Note 14 – Provisions and contingent liabilities	42
Note 15 – Equity	42
Note 16 – Revenue from distribution network access and use of brand	43
Note 17 – Administrative expenses	44
Note 18 – Finance result	44
Note 19 - Related parties	44
Note 20 - Subsequent events	50

Assets	Parent company		Consolidated	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Current assets	760,033	507,403	888,141	596,403
Cash and cash equivalents (Note 8)	371,201	182,789	501,728	249,773
Dividends receivable (Note 19(c))	256,530	231,963	238,409	231,963
Interest on capital receivable (Note 19(c))	21,964	13,728	37,666	32,803
Accounts receivable (Note 10)	95,365	78,728	95,365	81,669
Current tax assets	14,566	2	14,566	2
Other assets	406	193	406	193
Non-current assets	4,651,917	4,161,421	4,528,576	4,078,146
Investments in equity interests (Note 11)	4,651,879	4,161,374	4,528,539	4,078,099
Other assets	37	47	36	47
Total assets	5,411,949	4,668,824	5,416,716	4,674,549

Liabilities and equity	Parent company		Consolidated	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Current assets	270,383	64,369	275,150	70,094
Accounts payable (Note 13)	116,880	11,334	116,880	11,334
Dividends payable (Note 19(c))	153,442	24,220	153,442	24,220
Current tax liabilities	61	28,815	4,827	34,540
Non-current assets	776	756	776	756
Accounts payable (Note 13)	776	756	776	756
Equity	5,140,791	4,603,698	5,140,791	4,603,698
Share capital (Note 15(a))	2,756,687	2,756,687	2,756,687	2,756,687
Reserves (Note 15(c))	2,162,306	1,761,742	2,162,306	1,761,742
Equity valuation adjustment (Note 15 (d))	221,798	85,270	221,798	85,270
Accumulated profits	-	-	-	-
Total liabilities and equity	5,411,949	4,668,824	5,416,716	4,674,549

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

Income statement and Comprehensive income statement for the year

In thousands of reais, unless otherwise stated.

Statement of income	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Operating revenue	1,818,946	1,823,610	1,750,700	1,758,750
Revenue from equity investments (Note 11)	1,172,613	1,177,277	1,084,288	1,092,338
Revenue from distribution network access and use of brand (Note 16)	646,333	646,333	666,412	666,412
Other operating income/(expenses)	(111,665)	(113,576)	(82,883)	(85,034)
Administrative expenses (Note 17)	(44,539)	(44,539)	(45,504)	(45,504)
Tax expenses (note 12 (b))	(67,104)	(69,015)	(67,640)	(69,791)
Other operating income/expenses	(23)	(23)	30,261	30,261
Income before financial income and expenses	1,707,281	1,710,034	1,667,817	1,673,717
Financial result (Note 18)	30,618	34,943	22,418	23,896
Financial income	31,113	35,438	28,370	29,847
Financial expenses	(494)	(494)	(5,952)	(5,952)
Earnings Before Interest and Taxes	1,737,899	1,744,977	1,690,235	1,697,612
Income tax and social contribution (Note 12 (a))	(200,874)	(207,952)	(211,416)	(218,794)
Current taxes	(200,872)	(207,949)	(211,354)	(218,732)
Deferred Taxes	(2)	(2)	(62)	(62)
Profit Sharing	(969)	(969)	(1,211)	(1,211)
Profit for the year	1,536,057	1,536,057	1,477,607	1,477,607
Number of shares – in thousands	1,200,000	1,200,000	1,200,000	1,200,000
Earnings per share - R\$ (Note 15 (e))	1.28005	1.28005	1.23134	1.23134

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

Comprehensive income statement	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Net income for the period	1,536,057	1,536,057	1,477,607	1,477,607
Items subject to reclassification to the result				
(+/-) Share of other comprehensive income of investments (Note 11(a))	136,528	136,528	14,070	14,070
Comprehensive income for the year	1,672,585	1,672,585	1,491,678	1,491,678

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

Statement of Changes in Equity for the year

In thousands of reais, unless otherwise stated.

Events	Share capital	Reserves	Equity Valuation Adjustment	Accumulated Profits	Equity
Balances at December 31st, 2017	2,756,687	1,350,744	71,199	-	4,178,630
Share of other comprehensive income of investments	-	-	14,070	-	14,070
Net income for the year	-	-	-	1,477,607	1,477,607
Dividends – Realization of payable profit reserve	-	(715,677)	-	-	(715,677)
Proposed ordinary dividends	-	-	-	(350,932)	(350,932)
Constitution of legal reserve	-	73,880	-	(73,880)	-
Constitution of statutory reserve	-	1,052,795	-	(1,052,795)	-
Balances at December 31st, 2018	2,756,687	1,761,742	85,270	-	4,603,698
Share of other comprehensive income of investments	-	-	136,528	-	136,528
Net income for the year	-	-	-	1,536,057	1,536,057
Dividends - Realization of statutory reserve	-	(772,050)	-	-	(772,050)
Early dividends	-	-	-	(210,000)	(210,000)
Dividends payable	-	-	-	(153,443)	(153,443)
Constitution of legal reserve	-	76,803	-	(76,803)	-
Constitution of to be realized profit reserve	-	1,371	-	(1,371)	-
Constitution of statutory reserve	-	1,094,440	-	(1,094,440)	-
Balances at December 31st, 2019	2,756,687	2,162,306	221,798	-	5,140,791

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

Statement of cash flows for the year - Direct method

In thousands of reais, unless otherwise stated.

Statement of cash flow	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Cash flows from operational activities				
Receipt of revenue from distribution network access and use of brand	737,144	737,144	644,295	644,295
Receipt of dividends	781,957	753,691	695,149	741,729
Receiving from interest on capital	-	32,803	40,938	62,679
Receiving from capital reduction	-	-	-	3,921
Payment of administrative expenses	(45,420)	(45,420)	(40,434)	(40,434)
Other payments	-	-	(5,951)	(5,951)
Taxes paid on payroll	(1,922)	(1,922)	(1,191)	(1,191)
Taxes paid on revenue	(74,713)	(76,984)	(63,158)	(65,581)
Income tax and social contribution paid	(227,979)	(232,359)	(189,222)	(193,621)
Interest received	31,104	35,429	27,531	29,008
Taxes on financial investments	(4,996)	(5,520)	(5,001)	(5,013)
Net cash provided by operating activities	1,195,177	1,196.863	1,102,956	1,169,841
Cash flows from investment activities				
Redemption of financial investments	-	-	136,259	136,259
Receiving from capital reduction	-	61,857	-	-
Net cash used in investment activities	-	61,857	136,259	136,259
Cash flows from financing activities				
Dividends paid (Note 15(f))	(1,006,764)	(1,006,764)	(1,313,838)	(1,313,838)
Net cash provided by financing activities	(1,006,764)	(1,006,764)	(1,313,838)	(1,313,838)
Net increase/(decrease) in cash and cash equivalents	188,413	251,956	(74,623)	(7,738)
Cash and cash equivalents at the beginning of the period	182,789	249,773	257,412	257,511
Cash and cash equivalents at the end of the period	371,201	501,728	182,789	249,773

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

Statement of cash flows for the year - Direct method

In thousands of reais, unless otherwise stated.



Reconciliation of profit to net cash provided by operating cash

Description	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Net income for the period	1,536,057	1,536,057	1,477,607	1,477,607
Result of equity	(1,172,613)	(1,177,277)	(1,084,288)	(1,092,338)
Receipt of dividends	781,957	753,691	695,149	741,729
Receiving from interest on capital	-	32,803	40,938	62,679
Interest on financial instruments	-	-	(839)	(839)
Depreciation/Other payments	-	-	199	199
Subtotal	(390,656)	(390,783)	(348,841)	(288,571)
Change in accounts payable	(16,637)	(16,637)	(36,774)	(36,774)
Variation of dividends payable	494	494	-	-
Change in accounts payable	105,565	105,565	(10,329)	(10,329)
Change in current tax assets and liabilities	(39,710)	(37,897)	21,485	24,180
Variation of other assets/liabilities	64	64	(193)	(193)
Net cash provided by operating activities	1,195,177	1,196,863	1,102,956	1,169,841

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

Statement of added value for the year

In thousands of reais, unless otherwise stated.

Statement of value added	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Revenue	646,332	646,332	696,673	696,673
Revenue from distribution network access and use of brand	646,332	646,332	666,412	666,412
Other income	0	0	30,261	30,261
Inputs acquired from third parties	7,258	7,258	15,564	15,564
Materials, energy, outsourced services and other	7,258	7,258	15,564	15,564
Gross value added	639,074	639,074	681,110	681,109
Depreciation, amortization and depletion	12	12	-	-
Net value added generated by the entity	639,063	639,063	681,110	681,109
Value added received through transfer	1,203,727	1,212,715	1,112,658	1,122,185
Result of equity	1,172,614	1,177,277	1,084,288	1,092,338
Financial income	31,113	35,438	28,370	29,847
Total value added to distribute	1,842,790	1,851,777	1,793,767	1,803,295
Distribution of value added	1,842,790	1,851,777	1,793,767	1,803,295
Personnel	31,098	31,098	24,617	24,617
Direct compensation	24,193	24,193	19,942	19,942
Benefits	5,225	5,225	3,892	3,892
Employee Severance Indemnity Fund (FGTS)	1,680	1,680	782	782
Taxes and contributions	273,135	282,123	283,183	292,710
Federal	273,135	282,123	283,183	292,710
Third party capital remuneration	2,005	2,005	2,409	2,409
Rentals	1,036	1,036	1,198	1,198
Others	969	969	1,211	1,211
Equity remuneration	1,536,551	1,536,551	1,483,559	1,483,559
Interest on capital	-	-	-	-
Dividends	494	494	5,952	5,952
Retained earnings for the year	1,536,057	1,536,057	1,477,607	1,477,607

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

Note 1 - Operating context and general information

Caixa Seguridade Participações S.A. (“CAIXA Seguridade” or the “Company” or “parent company”) is the lead company of CAIXA Seguridade Group (“CAIXA Seguridade Group” or the “Group”) and was set up on May 21st, 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 or owning, directly or indirectly, shares of the capital stock 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 premium bonds, 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. CAIXA Seguridade, in this context, follows the evolution of macroeconomic scenarios that may reflect the dynamics of its business and the business of its equity interests.

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.

a) New competitive process for choosing strategic partners

On May 10th, 2019, CAIXA Seguridade announced to the market in general that the Company's Board of Directors approved a review of the strategy of the exploration model of security products in the distribution network of Caixa Econômica Federal (“CAIXA Counter”), as well as the beginning of a new competitive process for the choice of strategic partners who will act at the said counter. The revised model and the new competitive process end the process started on October 2nd, 2017.

Thus, the term defined for the new partnerships will be 20 years and will start from February 2021. The documents with the main information about these new opportunities were made available on the Company's website and contemplated investment opportunities in Housing and Residential; Capitalization; Consortium; Automobile; Great Risks and Massified Corporate; Health; Dental; and Assists.

In this sense, in continuity with the aforementioned competitive process, letters of instruction made available to the participants by the Company for the continuity of the 1st phase of the Competitive Process, and after receiving the Indicative Proposals, CAIXA Seguridade until December 31st, 2019 had not yet established any new partnership.

b) New agreement with CNP Assurances S.A. (“CNP”) - Signature of contractual amendment

On September 19th, 2019, CAIXA Seguridade, in continuation of discussions with CNP, with the objective of defining adjustments to the agreement disclosed on August 29th, 2018, communicated to the market in general that the parties signed a contractual amendment that formalizes the amendments to that agreement. As amended, the agreement deals with the new partnership to be developed in a new corporate structure for the exclusive exploitation of the life and credit insurance lines and pension products in the CAIXA's distribution network.

Regarding the details of the agreement released on August 29th, 2018, the contractual amendment brought the following changes:

- The amount that CNP will pay to CAIXA at the closing of the operation (Upfront) will be R\$ 7 billion;
- Incentive mechanism linked to performance in volume and profitability (Earn-out) was introduced, to be paid to CAIXA in two installments (2024 and 2026) and limited to the amount of R\$ 0.8 billion, adjusted by the Selic rate as of December 31st, 2020;

- The deadline for closing the transaction (compliance with all conditions precedent to closing the transaction) was revised and changed from March 31st, 2020 to December 31st, 2020; and
- The term of the partnership for the exclusive exploitation of the life insurance and credit life branches and pension products in the CAIXA's distribution network has been extended by 5 (five) years, with the deadline of February 13th, 2046, and no more February 13th, 2041.

Said amendment did not change the percentage of participation in the company to be created. Accordingly, CAIXA Seguridade will maintain a 60% interest in Nova Holding's total capital, being the owner of 49% of the new company's common shares. CNP, in turn, will maintain a 40% interest, with 51% of common shares

c) Equity holdings

We describe below the main direct and indirect interests of CAIXA Seguridade that make up these financial statements of the Parent Company and Consolidated:

c.1) Caixa Seguros Holding S.A. ("Caixa Seguros" or "CSH")

Company incorporated in the form of a private limited company, whose corporate purpose is to participate as a shareholder or partner in business companies that operate insurance activities in all branches, including health and dental insurances; capitalization plans; open private pension plans, in the form of annuity and income; consortium management; and activities related or complementary to those described above.

This company has its share capital divided into 51.75% of the shares on behalf of the French group CNP Assurances, 48.21% of the shares on behalf of CAIXA Seguridade and 0.04% of the shares on behalf of the National Social Security Institute (INSS).

On March 26th, 2018, SUSEP granted Youse Seguradora S.A. authorization to operate damage and personal insurance operations. It is an indirect wholly-owned subsidiary of CSH (through Caixa Seguros Participações Securitária Ltda.), Constituted on May 20th, 2016, whose corporate purpose is the operation of damage and personal insurance operations, in any its modalities or forms, throughout the national territory, and may also participate in the share capital of other companies, subject to the relevant legal provisions.

c.2) Caixa Holding Securitária S.A. ("CAIXA Holding")

A wholly owned subsidiary of CAIXA Seguridade, established on May 21st, 2015 with the corporate purpose of acquiring stakes in entities authorized to operate by the National Superintendence of Private Insurance (SUSEP).

c.2.1) Too Seguros S.A. ("Too Seguros")

Currently called PAN Seguros S.A., it is a privately held company and it is a joint venture controlled by CAIXA Seguridade and BTG Pactual Holding de Seguros Ltda. ("BTG Holding"), with a 48.99% and 51.01% interest, respectively. It aims to operate in the segments of personal insurance (legal and physical), credit life, housing, personal injury (DPVAT) and damage insurance.

c.2.2) Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda. ("PAN Corretora")

Privately held company and a joint venture controlled by BTG Holding and CAIXA Seguridade, with a 51.00% and 49.00% interest, respectively. The purpose of this company is to manage, guide and brokerage insurance for elementary insurance, life insurance and pension plans

d) Composition of investments in direct and indirect equity interests of CAIXA Seguridade:

Company	Description	% of the Company's interest	
		12/31/2019	
		Direct	Indirect
CAIXA Holding Securitária:	The Superintendence of Private Insurance (SUSEP) engages CAIXA Holding Securitária in the acquisition of equity interests in entities authorized to operate.	100.00	-
Too Seguros S.A.	It is a closed corporation and aims to operate in the segments of personal insurance (legal and physical), credit life, housing, personal injury (DPVAT) and in damage insurance. Its operations are part of a group of institutions that operate in an integrated manner in the financial market.	-	48.99
PAN Corretora	Its purpose is the administration, guidance and brokerage of: a) elementary insurance, b) life insurance and c) pension plans.	-	49.00
Caixa Seguros Holding:	Caixa Seguros Holding has as its corporate purpose the participation, as a shareholder or partner, in business companies, which explore: i) insurance activity in all branches, including health and dental; ii) capitalization segment; iii) open private pension plans, in the form of annuity and income; iv) consortium management; v) activities, related or complementary to the activities described above.	48.21	-
Caixa Seguros Participações Securitárias Ltda.:	A wholly owned subsidiary of Caixa Seguros, its corporate purpose is to hold interests in other companies operating in the segment regulated by the Superintendence of Private Insurance - SUSEP.	-	48.21
Caixa Seguradora S.A.	Full subsidiary of Caixa Seguros Participações Securitárias Ltda. has as its corporate purpose the exploration of elementary branches and life insurance.	-	48.21
Caixa Vida e Previdência S.A.	Full subsidiary of Caixa Seguros Participações Securitárias Ltda. is engaged in the sale of supplementary pension products.	-	48.21
Caixa Capitalização S.A.	Controlled by Caixa Seguros Participações Securitárias Ltda., which holds 51% of its shares, its corporate purpose is the sale of capitalization products.	-	24.59
Youse Seguradora S.A.	Full subsidiary of Caixa Seguros Participações Securitárias Ltda. its corporate purpose is participation in other companies. It was approved by SUSEP on 03/26/2018, the corporate transformation into Youse Seguradora S.A. which will have as its corporate purpose the exploitation of damage and people insurance through a digital platform.	-	48.21
PREVISUL Companhia de Seguros Previdência do Sul	A wholly owned subsidiary of Caixa Seguros Participações Securitárias Ltda., which holds 100% of its shares, has the corporate purpose of operating personal insurance.	-	48.21
Caixa Administradora de Consórcios S.A.	A wholly owned subsidiary of the Caixa Seguros, its corporate purpose is the management of consortium groups for the acquisition of movable and immovable property.	-	48.21
Caixa Seguros Assessoria e Consultoria Ltda.	A wholly owned subsidiary of Caixa Seguros is engaged in the consulting and advisory business.	-	48.21
Caixa Seguros Especializada em Saúde S.A.	A wholly owned subsidiary of Caixa Seguros has as its corporate purpose is acting as an insurer specializing in health insurance.	-	48.21
Wiz Soluções e Corretagem de Seguros S.A.	Publicly held corporation is engaged in insurance brokerage and insurance advisory and consultancy.	-	12.05
Caixa Seguros Participações em Saúde Ltda.:	A wholly owned subsidiary of Caixa Seguros is engaged in holding interests in other companies.	-	48.21
Odonto Empresas Convênios Dentários Ltda.	Wholly owned subsidiary of Caixa Seguros Participações em Saúde Ltda. Its corporate purpose is to act as a specialized operator in dental insurance.	-	48.21
CNPX S.A.S	A wholly owned subsidiary of Caixa Seguros in Colombia is engaged in holding interests in other companies.	-	48.21

Note 2 - Presentation of the individual and consolidated financial statements.

The financial statements have been prepared in accordance with accounting practices commonly adopted in Brazil including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and international financial reporting standards - IFRS, issued by the International Accounting Standards Board (IASB).

The presentation of the Statement of Added Value (DVA), individual and consolidated, is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to public companies. The (DVA) was prepared in accordance with the rules defined in the Technical Pronouncement CPC 09 - "Statement of Added Value". The International financial reporting standards – IFRS does not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

These individual and consolidated financial statements were approved and authorized for issue by the Board of Directors of CAIXA Seguridade on January 30th, 2020.

Note 3 - Main Accounting Practices

The main accounting policies applied in the preparation of the financial statements are defined below. These policies were applied consistently in the years presented, unless otherwise specified.

a) Functional and presentation currency

The items included in the individual and consolidated financial statements are measured using the currency of the main economic environment in which the Company operates (the functional currency).

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

b) Recognition of income and expenses

Revenue from access to the distribution network and the use of the CAIXA brand comprises the fair value of the consideration received or receivable, as remuneration for access to the sale and distribution of insurance products, supplementary pension plans, capitalization plans and quotas of consortium groups made available in the CAIXA distribution network by partner institutions, parts of contracts or operational agreements previously entered into with the CAIXA Seguridade Group.

The Group recognizes revenue when its value can be reliably measured, it is likely that future economic benefits will flow and when specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into account the type and specifics of each transaction.

Income and expenses are recognized by the jurisdictional regime and reported in the financial statements of the years to which they refer.

The result of investments in equity interests is earned using the equity method (EM) and recognized by the value of CAIXA Seguridade's equity interest in the results obtained by investees.

c) Cash and cash equivalents

Cash and cash equivalents include cash and cash equivalents and investments immediately convertible into cash and subject to low risk of changes in value, with liquidity originally less than 90 days.

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

d) Amounts receivable

The receivables correspond to the revenues, predominantly from related parties, related to the revenues from access to the distribution network and use of the CAIXA insurance brand, private pension plans, capitalization plans and quotas of consortium groups. The receipt period is less than one year, and the classification is recorded in current assets.

e) Business combination

The acquisition of a subsidiary through a business combination is recorded on the acquisition date, that is, on the date on which control is transferred to the Group, applying the acquisition method. In accordance with this method, the identified assets (including intangible assets not previously recognized), assumed liabilities and contingent liabilities are recognized at fair value on the acquisition date. Any positive differences between the acquisition cost and the fair value of the identifiable net assets acquired are recognized as goodwill. In the case of a negative difference (gain from a bargain purchase), the amount identified is recognized in the income for the year in other operating income.

The transaction costs that the Group incurs in a business combination, except for costs related to the issuance of debt or equity instruments, are recorded in the income for the year when incurred. Any contingent consideration payable is measured at fair value on the acquisition date.

The results of subsidiaries acquired during the accounting period are included in the financial statements from the date of acquisition until the end of the year. In turn, the results of subsidiaries sold during the year are included in the financial statements from the beginning of the year until the date of sale, or until the date on which the Company ceased to exercise control.

f) Investments in equity interests

Investments are accounted for using the equity method and are initially recognized by its cost value. The investment includes goodwill, as well as intangible assets identified in the acquisition, if any, net of any accumulated impairment losses.

The Group's share of profits or losses in associates and joint ventures is recognized in the income statement and the participation in changes in reserves is recognized in the Group's reserves. When the Group's share in the losses of an associate or jointly controlled ventures is equal to or greater than the carrying amount of the investment, including any other receivables, the Group does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the associated company or jointly controlled enterprises.

Unrealized gains on operations between the Group and its affiliates or jointly controlled ventures are eliminated in proportion to the interest. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss (impairment) of the transferred asset.

If the equity interest in the associate is reduced, but significant influence is retained, only a proportionate part of the amounts previously recognized in other comprehensive income will be reclassified to the result, when appropriate.

Dilution gains and losses, which occur in investments in associates, are recognized in the income statement.

g) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually to identify any need for impairment. Goodwill impairment reviews are carried out annually or more frequently if events or changes in circumstances indicate possible 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, which represents the higher of an asset's fair value less its disposal costs and its value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGUs)). For the purposes of this test, goodwill is allocated to Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the business combination from which the goodwill originated, and are identified according to the operating segment.

Non-financial assets, except for goodwill, which have been adjusted for impairment, are subsequently reviewed for the analysis of a possible reversal of impairment on the balance sheet date. Impairment of goodwill recognized in income for the year is not reversed.

h) Current and deferred income tax and social contribution

Income tax and social contribution expenses for the period comprise current and deferred taxes. Income taxes are recognized in the income statement, except to the extent that they are related to items recognized directly in equity or comprehensive income. In this case, the tax is also recognized in equity or comprehensive income.

Current and deferred income tax and social contribution charges are calculated based on tax laws enacted, or substantially enacted, on the balance sheet date of the countries in which the Group's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Group in calculating income taxes in relation to situations in which the applicable tax regulations give rise to interpretations; and establishes provisions, when appropriate, based on estimated amounts of payment to tax authorities.

Income tax and current social contribution are shown net, by taxpayer entity, in liabilities when there are amounts to be paid, or in assets when the amounts paid in advance exceed the total due on the report date.

Deferred income tax and social contribution are recognized using the liability method on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax and social contribution are not accounted for if they result from the initial recognition of an asset or liability in an operation that is not a business combination, which, at the time of the transaction, does not affect the accounting result, nor taxable profit (tax loss).

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable income will be available and against which temporary differences can be used.

Deferred income tax assets and liabilities are shown net in the balance sheet when there is a legal right and the intention to offset them when calculating current taxes, generally related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries, in general, are presented separately, and not by net.

i) Dividends distributed and interest on capital

Dividends distributed are calculated on the adjusted net income for the year.

The Group may at any time draw up new financial statements in compliance with any legal requirement or due to corporate interests, including for the resolution of interim dividends.

Brazilian companies can allocate a nominal interest expense, deductible for tax purposes, on their capital. This amount of interest on capital is considered as a dividend.

Dividends distributed and interest on equity are recognized as a liability at the end of the year, with the amount exceeding the mandatory minimum provisioned on the approval date and deducted from shareholders' equity.

j) Presentation of information by segment

The information by operating segments is presented in accordance with the corporate purpose: i) investment in equity interests in other companies, and ii) revenues from access to the distribution network and use of the insurance brand, private pension plans, capitalization plans and share quotas consortium groups.

These segments were used consistently by the CAIXA Seguridade's management, for the purposes of decision making and performance evaluation.

Note 4 - Recently issued pronouncements and laws

The following new standards were issued by the IASB and adopted in Brazil by the Accounting Pronouncements Committee (CPC), which came into force recently.

- I. IFRIC 23 (ICPC 22) "Uncertainty about Treatment of Taxes on Profit" - The interpretation clarifies how to apply the recognition and measurement requirements in CPC 32 - Taxes on Profit when there is uncertainty about the treatment of taxes on profit. The interpretation came into effect on January 1st, 2019 and do not affect the Company's financial statement.
- II. IFRS 16 (CPC 06 (R2)) - "Leasing Operations" - This new standard establishes the principles for the recognition, measurement, presentation and disclosure of leases. It became effective on January 1st, 2019 and replaces IAS 17 - "Leases". Management believes that the adoption of the standard has no material impact on the Company's financial statements.
- III. IFRS 17 - Insurance Contracts - In May 2017, the IASB issued a new standard aimed at the insurance market in order to standardize the accounting of insurance contracts worldwide.

IFRS 17 replaces IFRS 4, which was introduced as an intermediate standard in 2004. IFRS 4 provided the waiver for companies to continue accounting for insurance contracts using national accounting standards, resulting in different approaches. The new standard requires that all insurance contracts be consistently accounted for, benefiting both investors and insurance companies. IFRS is effective from January 1st, 2022, with early application permitted. To date the CPC has not issued an equivalent standard. The possible impacts resulting from its adoption in the group companies will be evaluated and concluded by the effective date of the standard.
- IV. IFRS 9 (CPC 48) - "Financial Instruments" - The CAIXA Seguridade has indirect interests in insurance companies, to which IFRS 9 does not apply. When there is a divergence in accounting practice in equity investments, it is necessary to adjust accounting practices in order to standardize them. However, CPC Technical Pronouncement Revision No. 12/2017 allowed, as an exemption for insurers, the entity to apply IFRS 9 without any adjustments to investments (until January 1st, 2021).

Note 5 - Main accounting judgments and estimates

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

Based on assumptions, the Group estimates regarding the future. By definition, the resulting accounting estimate will rarely be equal to the respective actual results. The estimate and assumption that presents a significant risk, with the probability of causing a relevant adjustment in the book values of assets and liabilities for the next fiscal year, are contemplated below:

a) Definition of the nature of the relationship with investees

- I. Caixa Seguros: As stated in the Shareholders and Other Covenants Agreement, signed on December 29th, 2011, CAIXA Seguridade (successor to CAIXAPAR) is guaranteed participation in decisions on relevant matters in the operational, financial and strategic aspects of Caixa Seguros Holding S.A. existence of significant influence over the

associate.

- II. Too Seguros: As stated in the Shareholders and Other Covenants Agreement, signed on August 21st, 2014 between BTG Pactual Holding de Seguros Ltda. and Caixa Participações S.A. (“CAIXAPAR”), to which Caixa Holding Securitária SA (“CAIXA Holding”) joined at the time of the merger of this investment by CAIXAPAR into CAIXA Seguridade, these entities declare, for all legal purposes, that they are members of the control group of Too Seguros. Thus, the joint control of Too Seguros is characterized.
- III. PAN Corretora: As stated in the Partners and Other Covenants Agreement, signed on August 21st, 2014 between Banco BTG Pactual SA and CAIXAPAR, to which CAIXA Holding Securitária S.A. joined when CAIXA Seguridade incorporated the CAIXAPAR investment, these entities declare, for all legal effects, which are part of the PAN Corretora control group. Thus, the joint control of PAN Corretora is characterized.

The board below shows the summary of the nature of the relationship with the investees:

Companies	% interest in voting capital	Nature of the Relationship	Evaluation Method
	12/31/2019		
CAIXA Holding	100.00	Subsidiary	Consolidation
Caixa Seguros	48.21	Associate	Equity method
Too Seguros	48.99	Joint control	Equity method
PAN Corretora	49.00	Joint control	Equity method

b) Impairment of non-financial assets

An annual assessment is made, based on internal and external sources of information, if there is any indication that a non-financial asset may be impaired. If there is such an indication, estimates are used to define the recoverable value (impairment) of the asset.

Annually, it is assessed whether there is any indication that an impairment loss recognized in previous periods for an asset, except goodwill for expected future profitability, may no longer exist or may have decreased. If such indication exists, the recoverable amount of that asset is estimated.

Regardless of any indication of impairment, the impairment test of an intangible asset with an indefinite useful life is performed annually, including goodwill acquired in a business combination or an intangible asset not yet available for use.

The determination of recoverable value in the assessment of impairment of non-financial assets requires estimates based on prices quoted in the market, calculations of present value or other pricing techniques, or a combination of several techniques, requiring Management to make subjective judgments and adopt the premises.

Note 6 - Risk Management

CAIXA Seguridade is a holding company in which the origin of the result is mainly due to the equity in the results of its affiliates and jointly controlled ventures and the income from access to the distribution network and use of the CAIXA brand.

CAIXA Seguridade understands that risk management is fundamental for strategic and financial planning. Thus, it has developed its risk management strategy to provide an integrated view of the risks to which it is exposed.

The area of risk management, internal controls and compliance, which is segregated from the Company's other units, including internal audit, whose duties are set forth in art. 56 of the Statute, adopts instruments and structure for risk identification, assessment, mitigation, monitoring and reporting. Information on risk management, internal controls and compliance is periodically generated and provided to other CAIXA Seguridade managers, deliberative and supervisory bodies, the regulator and the market.

CAIXA Seguridade adopts the three line of defense model in risk management. The first line of defense identifies, assesses and controls risks and is comprised of operational and internal

controls. Managers who hold business risks are responsible for managing them and implementing corrective measures in poor processes and controls. The second line of defense comprises the Company's risk management, internal controls and compliance area, and is responsible for monitoring and contributing to the implementation of effective risk management practices. The third line of defense is exercised by internal audit, which is responsible for providing governance bodies with objective and independent assessments of the effectiveness of internal controls, risk management and governance.

The Company carries out actions to disseminate and maintain the culture of risk, information security, internal controls, compliance and integrity, promoting employees' commitment to the proper management of risks within its scope.

CAIXA Seguridade has a risk management policy approved by the Board of Directors, with the purpose of maintaining risk exposure at levels considered acceptable to its management, ensuring the Company's business model, future performance, solvency, liquidity and sustainability.

In order to keep it adequate to the nature, complexity, size of risk exposures and compatible with the strategic objectives, this policy is reviewed annually and classifies the risks to which the Company is subject in four groups:

- Strategic Risks: it is composed of contagion, strategy, and social environmental and reputation or image risks;
- Financial Risks: consists of capital, credit, liquidity and market risks;
- Operational Risks: is formed exclusively by the operational risk itself, and its levels are established in the Company's internal standard.
- Regulatory Risks: Consists of compliance and legal risks.

The guidelines, best practices and mitigators adopted in risk management by CAIXA Seguridade are set out in the Risk Management Policy, Compliance, and Integrity Program available on the Company's website.

a) Market Risk

The market risk is the result of movements in market price levels or volatilities and the exposure to this risk comes from the financial assets portfolio maintained by the Company.

The management of market risk in the first line of defense occurs through the execution of the Financial Investment Policy approved by the Board of Directors, which defines the assets and the composition limits of the investment portfolio, and through systematic monitoring of the value in portfolio risk (VaR - Value at Risk).

The VaR model adopted considers the delta-normal parametric approach, based on an analytical model of covariance matrix, with a maintenance period of 21 working days and a 95% confidence level.

Market Risk	Parent company			
	12/31/2019	%	12/31/2018	%
Financial Investments (Note 8)	371,144	100.0%	182,725	100.0%
Market risk exposure value	3,788	1.02%	1,062	0.58%
Value at Risk (VaR)	93.8	0.03%	16.7	0.01%

Market Risk	Consolidated			
	12/31/2019	%	12/31/2018	%
Financial Investments (Note 8)	501,664	100.0%	249,702	100.0%
Market risk exposure value	6,036	1.20%	2,116	0.85%
Value at Risk (VaR)	144.2	0.03%	56.3	0.02%

b) Sensitivity Analysis

As of December 31st, 2019, CAIXA Seguridade's financial investment portfolio comprises only floating-rate instruments linked to the CDI variation and the exposure to market risk of its portfolio, classified exclusively in the fixed-rate risk factor, represents little more 1% of the gross balance of financial investments. As they generate irrelevant exposure, the market risk associated with the financial assets applied does not threaten the Company's business model, future performance, solvency, liquidity or sustainability.

c) Risks related to subsidiaries

In the following topics, we present information related to the risk management of Caixa Seguros Holding ("Caixa Seguros") and Too Seguros S.A. ("Too Seguros"), affiliated companies of CAIXA Seguridade that have their own Risk Management structure.

We highlight below the management policy and the main risks to which the affiliated companies are exposed, given the relationship they have with CAIXA Seguridade's equity income. The information provided below is provided in the Financial Statements of the companies that compose the CAIXA Seguridade group.

d) Caixa Seguros - Risk Management

Insurance Risk is the risk transferred from the contract holder to the issuer that is not a financial risk, in other words, the insurance risk is a pre-existing risk, transferred from the insured to the insurer. The definition of Insurance Risk refers to the risk that the Insurer accepts from the insured. Risk Management is the structured approach that aligns strategy, processes, people, technology and knowledge, in order to evaluate and manage these uncertainties as a way of creating value.

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

- a. Strategic risk - Lack of the Caixa Seguros' ability to protect itself, adapt to or anticipate changes (economic, technological, marketing, etc.) that may prevent the achievement of the established objectives and goals.
- b. Actuarial risk - Methodologies and/or incorrect calculations of insurance rates, due to insufficient maintenance of price lists, as well as periodic adjustments to be applied in policies, and due to the inadequate constitution of technical provisions.

- **Control of insurance risk**

The structure of the Caixa Seguros' Risk Management Process allows insurance risks to be identified, evaluated, monitored, controlled and mitigated in a unified way through a strong control mechanism implemented, including risk management functions, internal control functions and internal audit and compliance functions, independent of the business lines and other necessary segregation of functions. A regime of authority is clearly outlined and operating standards are well defined with well-described, disclosed and monitored rules, procedures and duties.

Caixa Seguros has policies for underwriting risks, preventing fraud, money laundering, and information security (implemented and monitored), and with the work of designated risk and compliance professionals, knowledgeable of their duties and active in all areas

i. Credit risk

Credit risk is the possibility that the counterparty of a financial transaction does not wish to comply with or undergo a change in the ability to honor its contractual obligations, thus generating some loss for Caixa Seguros. The key areas in which Caixa Seguros is exposed to credit risk are: i) reinsured part of insurance liabilities; ii) amounts due by reinsurers for claims paid; iii) amounts due by the insured persons regarding insurance contracts; iv) amounts owed by intermediaries in insurance operations; v) amounts related to loans and receivables; and vi) amounts related to debt securities.

Caixa Seguros is exposed to risk concentrations with individual reinsurers, due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. Credit risk management includes monitoring credit risk exposures of individual counterparties in relation to credit ratings by risk assessment companies, such as Fitch Ratings, Standard & Poor's, Moody's and others. Reinsurers are subject to a credit risk analysis process on an ongoing basis to ensure that insurance and credit risk mitigation objectives are achieved.

ii. Liquidity risk

Risk associated with the insufficiency of financial resources able for Caixa Seguros to honor its commitments due to mismatches in the flow of payments and receipts, considering the different settlement periods for assets and obligations. The lack of immediate liquidity may impose losses due to the need to dispose of assets with the consequent realization of losses. Through the liquidity management policy, sufficient financial resources are maintained to meet all obligations as required and a set of controls, mainly to reach technical limits, are part of the strategy and procedures for situations of immediate cash need.

In the case of the Caixa Seguros, the liquidity risk is insignificant, as the portfolio consists of assets classified as "for trading", is concentrated in government securities and there is no record of obligations of any nature.

iii. Market risk

Market risk is defined as the possibility of losses due to fluctuations in prices and rates due to mismatches in terms, currencies and indexes of an institution's active and passive portfolios. Market risk management consists of measuring, monitoring and controlling the exposure of the 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 dimensions of risk exposure. Among the risks inherent to the Caixa Seguros, the following stand out: interest rate risk, share price risk, derivative risk.

The methodology used by Caixa Seguros to measure exposure to market risks is Value-at-risk (VaR), which shows the maximum loss of the portfolio in a given period of time, considering a certain level of confidence. The parameters are defined by SUSEP, and the limits defined by the Administration in a conservative way. Among the information used to calculate VaR, such as the history of price quotations and the past behavior of the interest structure, exogenous variables are not considered for the purpose of scenario projections, such as natural catastrophes, external economic crises or shocks of asset prices.

Perform the calculations; the custodian uses the following parameters: non-parametric model; 99% confidence interval; one-day time horizon; and volatility under the EWMA criteria.

iv. Operational risk

The risk management process is essential in all activities of an organization due to the increasing complexity of services and products offered and due to the globalization of business.

The main starting points for developing good risk management involve: know, control and mitigate the impact of negative events; manage the uncertainties inherent in achieving the objectives; create opportunities, aiming to obtain competitive advantage and increase added value; establish, align and disclose the company's risk appetite with the strategies adopted; provide competitive improvements in capital allocation.

The management of risks inherent to activities in an integrated manner is supported by its structure of internal controls and compliance, which allows for the continuous improvement of risk management and the prevention of gaps that compromise its correct identification and measurement.

The Caixa Seguros' internal control system is based on the methodology and principles of the COSO - Committee of Sponsoring Organizations of the Treadway Commission, according to five components that, interrelated, form an integrated risk base ERM - Enterprise Risk Management, aiming to support Caixa Seguros to manage your risks effectively by applying the risk management process on several levels and within specific contexts.

The Caixa Seguros' risk and control management is comprised of the Audit, Control and Compliance, Accounting and Budget, Actuarial and Technical Risk Controls Units; independent of each other, who work in a coordinated manner with the objective of guaranteeing with reasonable certainty the protection of assets and the achievement of strategic objectives.

This risk management structure allows operational risks to be effectively identified, assessed, monitored and mitigated in a unified way.

v. Caixa Seguros – Sensitivity analysis

The sensitivity analyzes of the Caixa Seguros considering the changes in the main assumptions as of December 31st, 2019 and December 31st, 2018, net of tax effects, are presented in the following tables, showing the impacts of each assumption on income and equity:

Sensitivity	Consolidated			
	12/31/2019		12/31/2018	
	Gross of reinsurance:	Net Reinsurance:	Gross of reinsurance:	Net Reinsurance:
Rate + 1%	-2.11%	-2.11%	-2.01%	-2.01%
Rate -1%	2.15%	2.15%	1.87%	1.87%
Survival + 10%	0.00%	0.00%	0.00%	0.00%
Survival -10%	0.00%	0.00%	0.00%	0.00%
Mortality/Accident + 5%	2.43%	1.88%	1.62%	1.26%
Mortality/Accident -5%	-2.43%	-1.88%	-1.62%	-1.26%
Inflation + 1%	0.01%	0.01%	0.05%	0.05%
Inflation -1%	-0.01%	-0.01%	-0.05%	-0.05%
Convertibility + 10%	NA	NA	NA	NA
Convertibility -10%	NA	NA	NA	NA

a) The sensitivity to the interest rate was calculated on financial assets, using the duration and convexity calculation model, considering the fixed interest rate curve 100 basis points up and down;

b) The impacts of the inflation variation, 100 basis points up or down, were calculated according to the post-fixed financial assets;

c) For the convertibility test, after studies, the Company qualified this immaterial risk in view of the portfolio's result.

vi. Caixa Seguros - Asset Portfolio

Caixa Seguros' investment portfolio has assets classified as trading (MtM).

The method used for sensitivity analysis of Caixa Seguros' assets is the Stress Test, which is made for this classification. In daily stress exercises, the portfolio's VaR results are calculated using the 1 basis point shock for interest rates. This scenario includes variations in the Bovespa index; inflation curve and interest curve.

The results of the tests performed with the main risk and its variation are presented in the table below:

Description	Caixa Seguros - Consolidated			
	12/31/2019			
	Risk	Probable Scenario	Possible Scenario	Remote Scenario
DI - Commitments / Purchase	Increase in interest rate	(18,529,905)	(19,061,070)	(19,430,502)
Total	R\$			

vii. Caixa Seguros - Liability adequacy test (LAT)

As required by CPC 11, Caixa Seguros carried out a liability adequacy test for all contracts that meet the definition of an insurance contract under CPC 11 and that are in effect on the date of the test execution.

For this test, Caixa Seguros developed an actuarial methodology based on the present value of the current estimate of future cash flows from obligations already assumed. To determine future cash flow estimates, the contracts were grouped according to the groups of branches established in specific regulations. Current estimates of cash flows were discounted to present value based on the forward interest rate structures (ETTJ) defined by SUSEP, as required by law. Actuarial calculation of current cash flow estimates considered realistic and non-biased actuarial assumptions for each variable involved, as follows:

- Term structure of the interest rate (ETTJ): to discount the future values of the projected flows, the indices were used, according to the list published by SUSEP;
- Accident Ratio: to estimate the losses resulting from products that use the mortality table in their projections, the BR-EMS 2015 tables were used; for claims arising from products that use a disability table, the Álvaro Vindas table was used; to estimate the claims resulting from products that do not use biometric tables, claims were calculated based on the observed history of each product that makes up the study;
- Cancellation: to estimate annual cancellations used in the model, when applicable, the historical bases of the evolution of assets observed in each group that make up the study were used;
- Expenses: the expense estimates were segregated into administrative expenses, tax expenses and operating expenses, considering the average of the annual historical ratio of expenses to the premium issued, disregarding the values referring to DPVAT;
- Reinsurance: the projections were generated considering the values of gross reinsurance flows.

As a conclusion of the performed tests, no insufficiencies were found in any of the groupings analyzed, for the periods presented, except for the Non-SFH Housing Insurance group (branches 1061/1065/1068) related to the products of the HAB_MCMV group. The insufficiency observed for the group in question, in the amount of R\$ 404 million, was offset with the other branches of the company's housing segment, as established in Circular No. 543, of December

22nd, 2016, and subsequent amendments. Please be advised that we do not apply the liability adequacy test to DPVAT and DPEM contracts and certificates as they are immaterial.

The actuarial study containing the TAP was signed by the Responsible Technical Actuary and the Technical Director and is available at the Caixa Seguros' headquarters for the regulatory body and other inspections.

e) Too Seguros - Risk Management Structure

Too Seguros' Governance, Risks and Compliance (GRC) area is responsible for identifying, monitoring, evaluating and monitoring the management of risks inherent to the operational activities of the Too Seguros through the development and maintenance of an effective internal control structure that mitigates the risks identified and provide the necessary support to the other operational areas, aiming at the efficient use of own and third party resources, with a view to maximizing the benefit of the Insurance Too Seguros' shareholders, administrators, policyholders, suppliers and employees.

Too Seguros S.A. due to its operational activities has exposure to the following risk categories: insurance risk; operational risk; subscription risk; financial risk; and capital risk. Too Seguros establishes guidelines for the identification, monitoring, evaluation and management of each of these risk categories, as shown below.

i. Insurance Risk

The main risk related to insurance is that the frequency or severity of claims incurred is greater than estimated. The insurance risk includes the reasonable possibility of significant loss due to the uncertainty in the frequency of occurrence and severity of claims.

Insurance risk management consists of applying the probability theory and actuarial criteria in pricing, which considers the value of the insurance premium, as well as the adequate provisioning of technical reserves.

At the time of contracting an insurance contract, the insured transfers to Too Seguros (Subscriber) the risk of the occurrence of the claim on the insured asset and is assuming the responsibility for indemnifying the insured in the event of the occurrence of a claim during the term of the policy due to the receipt of the premium amount paid by the insured.

ii. Operational Risk

Operational risk is related to the possibility of losses due to failure, deficiency or inadequacy of internal processes, operating systems, personnel failure or external event.

Operational risk management is carried out periodically in conjunction with Too Seguros' areas through the risk matrix reviewed annually, aiming at building an effective governance and internal control structure and through the operational losses database where a mapping of the main operational losses that the company is exposed to. Controls for mitigating operational risks are periodically tested and reviewed and, whenever necessary, improvements in controls are requested.

In addition, annually or whenever necessary, the normative system that establishes guidelines with the best governance practices to be followed, as well as the Business Continuity Plan (BCP) is updated.

iii. Subscription Risk

Subscription risk arises from an adverse economic situation, which contradicts both Too Seguros' expectations and the uncertainties in the definition of actuarial assumptions that are the basis for pricing, considering the premium value and the appropriate constitution of technical provisions, that is, it is the risk that the frequency or severity of claims that may occur is greater than those that were initially estimated by Too Seguros.

The main objectives of the subscription analysis are: provide subsidies for the adequate acceptance of risks by Too Seguros based on its risk appetite, contemplating pricing, retention limits and acceptance by portfolio/branch; check the need to spread the risk to be accepted by contracting reinsurance/coinsurance for a specific portfolio/branch in order to reduce the impact of isolated risks; ensure the achievement of operational results.

The main exposures related to subscription risk are: inadequate pricing or underwriting (risk acceptance); spraying or transferring risk through inadequate reinsurance/coinsurance; fluctuations in the frequency and severity of events that have occurred or in the payment of compensation in relation to what was initially estimated; insufficiency or overvaluation in the constitution of Technical Provisions.

Subscription risk management is carried out through the following stages of the Too Seguros' risk acceptance process: product development supported by an appropriate actuarial methodology and in line with current regulatory demands and which should include: assessment, measurement and appropriate pricing of the risk under analysis for acceptance, including the Actuarial Technical Note, General Product Conditions and Retention Limit by portfolio/branch; Means of marketing the product; Analysis of acceptance in line with the Insurer's risk appetite; and Assessment of the expected loss ratio for the portfolio/branch.

Too Seguros carries out reinsurance operations with the following objectives: pulverize and transfer part of the risk in order to maintain/increase the Insurer's capacity to assume risks; ensure operational results; reduce the impact of possible deviations in the loss ratio presented by the portfolio/branch.

The following table shows the main reinsurers with which Too Seguros has a contract on June 30th, 2019.

Reinsurer	Classification
Austral Resseguradora S.A.	Domestic
BTG Pactual Resseguradora S.A.	Domestic
IRB Brasil Resseguros S.A.	Domestic

iv. Financial Risk

The risks related to the investment portfolio are monitored monthly by Too Seguros' Financial Department based on the guidelines established in the Investment Policy, which is periodically reviewed. Financial risk is divided into credit, liquidity and market risks.

v. Credit Risk

Credit risk is related to the possibility of financial losses arising from non-compliance, by the borrower or counterparty, of its financial obligations with the Insurer or to the deterioration in the risk classification of a borrower or counterparty, by rating agencies that may compromise compliance obligations.

Too Seguros adopts a conservative profile in its investments, with its portfolio mostly composed of government bonds, because of this, Too Seguros as low assesses the credit risk rating of the investment portfolio. The investment policy was developed in line with the allocation limits per issuer and investment modality established in CMN Resolution 4,484/2016.

Too Seguros operates mainly in the massified branches, whose characteristic is a stipulator (legal entity) responsible for the transfer of insurance premiums. The credit quality assessment of issuers and counterparties is mainly based on recognized credit levels and other public information available.

The credit risk management adopted by Too Seguros is an ongoing process and considers the periodic monitoring of the borrowers and counterparties with which Too Seguros maintains commitments with the rating agencies (Fitch Ratings or equivalent).

vi. Liquidity Risk

Liquidity risk is related to the possibility that Too Seguros will not be able to honor its expected current and future obligations, including those arising from the binding of guarantees, without affecting its daily operations and without incurring significant losses, and also the possibility of not being able to trade a position at market price due to its large size in relation to the volume normally traded or due to some discontinuity in the markets.

Too Seguros periodically evaluates its assets (investment portfolio, credits from operations with insurance and reinsurance, reinsurance assets, cash and cash equivalents) and liabilities (technical provisions, balance of accounts payable, debts from operations with insurance and reinsurance and deposit third parties), through undiscounted contractual cash flow.

Too Seguros carries out liquidity risk management by monitoring compliance with the legislation issued by SUSEP and CMN, especially with regard to the coverage of technical provisions by guaranteeing assets, capital sufficiency and solvency.

vii. Market Risk

Market risk is associated with potential losses because of exposures related to risk factors arising from the composition of the investment portfolio, such as: interest rate, price index and fluctuation in share prices, debentures.

Market risk management is carried out with the objective of monitoring the exposures, to which Too Seguros is subject, the main risk factors being:

- Interest rates: different interest rate risks in the pricing of assets and liabilities, as well as unexpected fluctuations in the slope, curvature and/or convexity of the term structures in force in the market and changes in the correlations between different interest rates;
- Price Index: risk of fluctuation in price indexes, such as the General Market Price Index (IGP-M) and the Broad National Consumer Price Index (IPCA);
- Share price: risk of loss due to fluctuation in the share price in which the Too Seguros has exposure.

viii. Capital Risk

Too Seguros maintains capital at a sufficient and adequate level in order to comply with the determinations of the National Private Insurance Council (CNSP) and the Private Insurance Superintendence (SUSEP), in addition to maximizing the return on capital of its shareholders.

ix. Too Seguros - Sensitivity Analysis

The Sensitivity Test aims to demonstrate the quantitative effects on the estimated amount of claims declared in the Insurer's Liabilities, as well as in Adjusted Equity (PLA) and Income, when any of the variables applied to the calculation methodology of the provision constituted on a given date is changed.

In this context, the Sensitivity Test performed for Too Seguros SA, as of 12/31/2019, was applied to the Provision of Claims and Related Expenses (PDR) and Provision for Settlement of Claims (PSL), declared for all branches operated by Too Seguros, and the results can be seen below:

Actuarial Assumptions	12/31/2019				12/31/2018			
	Liabilities (9)	Active (10)	PLA	Result (11)	Liabilities (9)	Active (10)	PLA	Result (11)
Increase of 5.0% in the claims rate, applied to the IBNR reserve (1)	13,591	(327)	7,655	7,655	8,507	945	4,159	4,159
Increase of 5.0% in the claims rate, applied to the IBNR reserve (2)	(13,591)	327	(7,655)	(7,655)	(8,507)	(945)	(4,159)	(4,159)
Increase of 5.0% in Claims, applied to PDR (referring to IBNR) (3)	338	(39)	208	208	288	27	144	144
Reduction of 5.0% in Class, applied to PDR (referring to IBNR) (4)	(338)	39	(208)	(208)	(288)	(27)	(144)	(144)
Increase of 0.5% in Inflation Index, applied to PSL (5)	434	149	157	157	478	192	157	157
Reduction of 0.5% in Inflation Index applied to PSL (6)	(434)	(149)	(157)	(157)	(478)	(192)	(157)	(157)
Increase of 0.5% in Inflation Ratio, applied to PDR (referring to PSL) (7)	36	15	12	12	22	5	10	10
Reduction of 0.5% in Inflation Ratio applied to PDR (referring to PSL) (8)	(36)	(15)	(12)	(12)	(22)	(5)	(10)	(10)

Comments:

- 1) Increasing the verified claim rate of the IBNR Provision by 5.0 (five) percentage points and maintaining the other variables applied to the respective reference dates analyzed.
- 2) Reducing the verified claim rate of the IBNR Provision by 5.0 (five) percentage points and maintaining the other variables applied to the respective reference dates analyzed.
- 3) Increasing the PDR loss rate (referring to IBNR) by 5.0 (five) percentage points and maintaining the other variables applied to the respective reference dates analyzed.
- 4) Reducing by 5.0 percentage points the claims rate of PDR (relating to IBNR) and holding all other variables applied to the respective base dates analyzed constant.
- 5) Increase of 0.5 (half) percentage point in the restatement index applied to outstanding claims, contained in the Settlement of Claims Reserve (PSL) declared on the respective reference dates analyzed, and keeping the other variables.
- 6) Reduction of 0.5 (one-half) percentage point in the restatement index applied to outstanding claims, contained in the Settlement of Claims Reserve (PSL) declared on the respective reference dates analyzed, and keeping the other variables.
- 7) Increase of 0.5 (one-half) percentage point in the update index applied to outstanding claims in the PDR (referring to the PSL) declared on the respective reference dates analyzed, while maintaining the other variables.
- 8) Reduction of 0.5 (one-half) percentage point in the update index applied to outstanding claims in the PDR (referring to the PSL) declared on the respective reference dates analyzed, while maintaining the other variables.
- 9) Amounts to be added or reduced to the insurer's liabilities to determine the impact on Equity and Income.
- 10) Amounts to be added or reduced to the insurer's assets to determine the impact on Equity and Income.
- 11) Amounts obtained after deduction of Income Tax and Social Contribution.

x. Too Seguros - Liability Adequacy Test ("LAT")

Pursuant to SUSEP Circular 517/2015 that established the LAT 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 PPNG, PMBaC e PMBC provisions, which have strict calculation rules that cannot be changed due to deficiencies. The adjustments resulting from deficiencies of other technical reserves determined by the LAT shall be made directly in the reserves. In this case, the company shall recalculate the LAT result based on the adjusted provisions, and record in the CCP only the remaining insufficiency.

The TAP was prepared gross of reinsurance and for its realization the Too Seguros considered the segmentation established by SUSEP Circular No. 517/2015, that is, between Events to Occur and Events Occurred; subsequently, between Damage insurance and Personal insurance and, finally, between Registered Premiums and Future Premiums, excluding DPVAT insurance operations.

For the preparation of cash flows, estimates of premiums, claims, expenses and taxes, measured on the base date of December 2019, discounted by the relevant term risk-free interest rate structure (ETTJ), based on methodology proposed by SUSEP, using the Svensson model for interpolation and extrapolation of interest curves and the use of generic algorithms in addition to traditional nonlinear optimization algorithms, for the estimation of model parameters.

Based on the insurer's Actuarial Study of Too Seguros Liability Adequacy Test as of 12/31/2019, it was concluded that its insurance contract liability is adequate for the Occurring Events and Occurred Events Groups and is not required. The adjustment of provisions recorded, less deferred acquisition costs and intangible assets directly related to technical provisions, as these were higher than the estimated cash flow values, which were prepared in accordance with the minimum parameters established by SUSEP Circular No. 517/2015.

Finally, we clarify that there were no changes in the criteria for determining the actuarial assumptions of the LAT as of December 31st, 2019, when compared to the LAT as of December 31st, 2018.

Note 7 - Information per segment

CAIXA Seguridade Group management understands that the best benchmarks for the presentation of segment information are the results of investments in equity interests and revenues from access to the distribution network and use of the CAIXA brand.

a) Revenue Analysis by Category

Description	January 1st to December 31st 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Revenue from equity investments	1,172,613	1,177,277	1,084,288	1,092,338
Revenue from distribution network access and use of brand	646,333	646,333	666,412	666,412
Total	1,818,946	1,823,610	1,750,700	1,758,751

b) Income statement by category

Description	January 1st to December 31st, 2019			January 1st to December 31st, 2018		
	Parent company			Parent company		
	Revenue from equity investments	Revenue from distribution network access and use of brand	Total	Revenue from equity investments	Revenue from distribution network access and use of brand	Total
Operating revenue	1,172,613	646,333	1,818,946	1,084,288	666,412	1,750,700
Revenue from the operation	1,172,613	646,333	1,818,946	1,084,288	666,412	1,750,700
Other operating income/(expenses)	(31,682)	(79,984)	(111,665)	(29,750)	(53,133)	(82,883)
Administrative Expenses ⁽¹⁾	(28,712)	(15,826)	(44,539)	(28,183)	(17,321)	(45,504)
Tax Expenses	(2,946)	(64,158)	(67,104)	(1,568)	(66,073)	(67,640)
Other operating income / (expenses)	(23)	-	(23)	-	30,261	30,261
Income before financial income and expenses	1,140,931	566,350	1,707,281	1,054,537	613,279	1,667,817
Financial Result	19,739	10,880	30,618	(3,686)	26,104	22,418
Financial income ⁽²⁾	20,057	11,055	31,113	-	28,370	28,370
Financial expenses	(319)	(176)	(494)	(3,686)	(2,265)	(5,952)
Earnings before interest, income tax and social contribution	1,160,670	577,229	1,737,899	1,050,851	639,384	1,690,235
Current income tax and social contribution ⁽³⁾	(7,381)	(193,493)	(200,874)	(4,803)	(206,614)	(211,416)
Profit Sharing	(625)	(344)	(969)	(750)	(461)	(1,211)
Net income for the period	1,152,664	383,392	1,536,057	1,045,298	432,309	1,477,607

(1) Administrative expenses: see Note 17 – Administrative expenses.

(2) Financial Revenues: Financial revenues came from investments of funds received related to revenues from access to the distribution network and use of the brand.

(3) Income tax and social contribution on JSCP: see Note 12 - Taxes.

Description	January 1st to December 31st, 2019			January 1st to December 31st, 2018		
	Consolidated			Consolidated		
	Revenue from equity investments	Revenue from distribution network access and use of brand	Total	Revenue from equity investments	Revenue from distribution network access and use of brand	Total
Operating revenue	1,177,277	646,333	1,823,610	1,092,338	666,412	1,758,751
Revenue from the operation	1,177,277	646,333	1,823,610	1,092,338	666,412	1,758,751
Other operating income/(expenses)	(33,563)	(80,013)	(113,576)	(32,081)	(52,953)	(85,034)
Administrative Expenses ⁽¹⁾	(28,753)	(15,786)	(44,539)	(28,262)	(17,242)	(45,504)
Tax Expenses	(4,787)	(64,228)	(69,015)	(3,818)	(65,972)	(69,791)
Other operating income / (expenses)	(23)	-	(23)	-	30,261	30,261
Income before financial income and expenses	1,143,714	566,320	1,710,034	1,060,258	613,459	1,673,717
Financial Result	22,559	12,385	34,943	(3,696)	27,592	23,896
Financial income ⁽²⁾	22,878	12,560	35,438	-	29,847	29,847
Financial expenses	(319)	(175)	(494)	(3,696)	(2,255)	(5,952)
Earnings before interest, income tax and social contribution	1,166,273	578,705	1,744,977	1,056,561	641,051	1,697,612
Current income tax and social contribution ⁽³⁾	(14,458)	(193,493)	(207,952)	(12,182)	(206,612)	(218,794)
Profit Sharing	(625)	(344)	(969)	(756)	(461)	(1,211)
Net income for the period	1,151,190	384,867	1,536,057	1,043,624	433,978	1,477,607

(1) Administrative expenses: see Note 17 – Administrative expenses.

(2) Financial Revenues: Financial revenues came from investments of funds received related to revenues from access to the distribution network and use of the brand.

(3) Income tax and social contribution on JSCP: see Note 12 - Taxes.

Note 8 - Cash and cash equivalents

CAIXA Seguridade's financial investments are fully allocated to CAIXA bank deposit certificates, with daily liquidity and a fixed return defined as a percentage of the Interbank Deposit (CDI). Since this relative profitability is assured until the contracted expiration, the risk associated with these investments is limited to that related to eventual variations of SELIC, with which the CDI has a strong relationship, given its backing role of interbank market operations.

Description	Parent company		Consolidated	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Bank deposits	57	63	65	70
Financial investments	371,144	182,725	501,664	249,702
Total	371,201	182,789	501,729	249,773

Note 9 – Financial Instruments

The Company classifies financial instruments into three hierarchical levels in determining fair value, namely: (i) Level 1: Quoted prices in active markets for identical assets and liabilities; (ii) Level 2: Inputs that are observable for the asset or liability, either directly or indirectly, except for quoted prices included in Level 1; and (iii) Level 3: Assumptions for the asset or liability that are not based on observable market data.

Currently the Company's Financial Instruments are restricted to Cash and Cash Equivalents, as evidenced in Note 8, classified in Level 2 in the fair value hierarchy.

Note 10 – Accounts receivable

The receivables correspond to the revenues described in note 16 - Revenues from access to the distribution network and use of the CAIXA brand, predominantly from related parties, related to the revenues from access to the distribution network and use of the insurance, private pension plans, capitalization plans and quotas of consortium groups.

Description	Parent company	
	12/31/2019	12/31/2018
Revenue receivable from related parties	95,295	78,686
Revenue receivable from third parties	70	43
Total	95,365	78,728

Description	Consolidated	
	12/31/2019	12/31/2018
Revenue receivable from related parties	95,295	81,626
Revenue receivable from third parties	70	43
Total	95,365	81,669

Note 11 - Investments in equity

a) Investment movement

Investments	Parent company				
	12/31/2018	Investment movement			12/31/2019
		Share of Investee's profit under the equity method	Dividends and interest on capital	Equity valuation adjustments	
Caixa Seguros	3,742,521	1,096,315	(753,212)	135,860	4,221,485
CAIXA Holding	418,853	76,299	(65,425)	669	430,395
Total	4,161,374	1,172,614	(818,637)	136,528	4,651,880

Investments	Parent company				
	12/31/2017	Investment movement			12/31/2018
		Share of Investee's profit under the equity method	Dividends and interest on capital	Equity valuation adjustments	
Caixa Seguros	3,402,526	1,034,494	(708,467)	13,968	3,742,521
CAIXA Holding	410,905	49,794	(41,949)	102	418,853
Total	3,813,431	1,084,288	(750,416)	14,070	4,161,374

Investments	Consolidated					
	12/31/2018	Investment movement				12/31/2019
		Share of Investee's profit under the equity method	Dividends and interest on capital	Equity valuation adjustments	Capital reduction	
Caixa Seguros	3,742,521	1,096,315	(753,212)	135,860	-	4,221,485
Too Seguros	319,772	54,457	(46,005)	669	(49,000)	279,892
PAN Corretora	15,806	26,506	(5,233)	-	(9,917)	27,162
Total	4,078,099	1,177,278	(804,450)	136,528	(58,917)	4,528,539

Investments	Consolidated					
	12/31/2017	Investment movement				12/31/2018
		Share of Investee's profit under the equity method	Dividends and interest on capital	Equity valuation adjustments	Capital reduction	
Caixa Seguros	3,402,526	1,034,494	(708,467)	13,968	-	3,742,521
PAN Seguros	368,764	52,610	(101,704)	102	-	319,772
PAN Corretora	26,698	5,234	(9,265)	-	(6,861)	15,806
Total	3,797,988	1,092,338	(819,436)	14,070	(6,861)	4,078,099

b) Summary composition of results of equity investments:

Description	January 1st to December 31st, 2019			January 1st to December 31st, 2018		
	Parent company			Parent company		
	Caixa Seguros	CAIXA Holding	Total	Caixa Seguros	CAIXA Holding	Total
Revenue from the operation	30,293,304	80,962	30,374,266	23,473,594	57,844	23,531,438
Operation/expenses costs	(26,500,384)	-	(26,500,384)	(19,841,258)	-	(19,841,258)
Operating margin	3,792,920	80,962	3,873,882	3,632,336	57,844	3,690,180
Administrative costs	(805,920)	-	(805,920)	(778,708)	-	(778,708)
Tax Expenses	(409,298)	(1,910)	(411,208)	(425,773)	(2,150)	(427,923)
Financial result	1,746,042	4,325	1,750,367	1,510,387	1,477	1,511,864
Equity result	(35,518)	-	(35,518)	22,754	-	22,754
Operating profit	4,288,226	83,377	4,371,603	3,960,995	57,171	4,018,166
Gains or losses on non-current assets	(316,621)	-	(316,621)	(56,156)	-	(56,156)
Profit before tax and participations	3,971,605	83,377	4,054,982	3,904,839	57,171	3,962,010
Income tax	(1,011,670)	(5,198)	(1,016,868)	(936,234)	(5,418)	(941,652)
Social contribution	(611,050)	(1,880)	(612,930)	(753,052)	(1,959)	(755,011)
Non-controlling interests	(86,691)	-	(86,691)	(69,748)	-	(69,748)
Net income attributable to controlling shareholders	2,262,194	76,299	2,338,493	2,145,805	49,794	2,195,599
Net income attributable to CAIXA Seguridade Group	1,096,315	76,299	1,172,614	1,034,494	49,794	1,084,288
Net income attributable to other controlling shareholders	1,177,726	-	1,177,726	1,111,311	-	1,111,311

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.

Description	January 1st to December 31st, 2019				January 1st to December 31st, 2018			
	Consolidated				Consolidated			
	Caixa Seguros	Too Seguros	PAN Corretora	Total	Caixa Seguros	Too Seguros	PAN Corretora	Total
Revenue from the operation	30,293,304	776,615	68,094	31,138,014	23,473,594	688,504	18,892	24,180,990
Operation/expenses costs	(26,500,384)	(364,784)	-	(26,865,168)	(19,841,258)	(315,678)	(6)	(20,156,942)
Operating margin	3,792,920	411,831	68,094	4,272,846	3,632,336	372,826	18,887	4,024,048
Administrative costs	(805,920)	(84,641)	(6,864)	(897,426)	(778,708)	(73,007)	(6,741)	(858,456)
Tax Expenses	(409,298)	(23,756)	(53)	(433,108)	(425,773)	(16,022)	(55)	(441,850)
Financial result	1,746,042	47,000	1,122	1,794,164	1,510,387	46,478	1,137	1,558,001
Equity result	(35,518)	(6)	-	(35,524)	22,754	(105)	-	22,649
Other operating income/expenses	-	(217,609)	-	(217,609)	-	(194,790)	6	(194,784)
Operating profit	4,288,226	132,819	62,299	4,483,344	3,960,995	135,380	13,233	4,109,608
Gains or losses on non-current assets	(316,621)	2,885	-	(313,736)	(56,156)	709	-	(55,447)
Profit before tax and participations	3,971,605	135,704	62,299	4,169,607	3,904,839	136,089	13,233	4,054,161
Income tax	(1,011,670)	(13,886)	(6,026)	(1,031,582)	(936,234)	(7,791)	(1,871)	(945,896)
Social contribution	(611,050)	(8,798)	(2,178)	(622,026)	(753,052)	(2,943)	(682)	(756,678)
Profit Sharing	-	(1,884)	-	(1,884)	-	(18,000)	-	(18,000)
Non-controlling interests	(86,691)	-	-	(86,691)	(69,748)	-	-	(69,748)
Net income attributable to controlling shareholders	2,262,194	111,136	54,094	2,427,424	2,145,805	107,355	10,679	2,263,839
Net income attributable to CAIXA Seguridade Group	1,096,315	54,457	26,506	1,177,278	1,034,494	52,610	5,234	1,092,338
Net income attributable to other controlling shareholders	1,177,726	56,679	27,588	1,261,993	1,111,311	54,745	5,445	1,171,501

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.



b.1) Analytical composition of Caixa Seguros results:

Description	January 1st to December 31st, 2019						
	Caixa Seguradora	Caixa Vida & Previdência	Caixa Capitalização	Caixa Consórcio	Caixa Seguros Saúde	Other / Consolidation adjustments	Caixa Seguros Holding
Revenue from the operation	6,803,836	22,966,794	331,225	546,062	35,863	(390,475)	30,293,304
Operation/Expenses costs	(3,619,805)	(22,078,331)	(126,,701)	(363,376)	(49,387)	(262,785)	(26,500,384)
Operating margin	3,184,031	888,463	204,524	182,687	(13,524)	(653,260)	3,792,920
Administrative costs	(555,621)	(67,624)	(43,950)	(54,290)	(6,158)	(78,278)	(805,920)
Tax Expenses	(237,683)	(75,792)	(18,327)	(63,018)	(244)	(14,235)	(409,298)
Financial result	501,696	126,849	153,087	15,841	69,828	878,701	1,746,042
Equity result	(731)	0	-	-	-	(34,787)	(35,518)
Operating profit	2,891,692	871,897	295,334	81,221	49,902	98,141	4,288,186
Gains or losses on non-current assets	(218,454)	198	-	-	-	(98,325)	(316,581)
Profit before tax and participations	2,673,238	872,095	295,334	81,221	49,902	(184)	3,971,605
Income tax	(650,202)	(215,557)	(73,989)	(19,943)	(8,000)	(43,978)	(1,011,670)
Social contribution	(403,998)	(131,437)	(44,424)	(7,364)	(4,828)	(18,999)	(611,050)
Profit Sharing	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-
Net income for the year	1,619,038	525,101	176,921	53,913	37,074	(63,162)	2,348,885
Attributable to stockholders of the Group	1,619,038	525,101	90,230	53,913	37,074	(63,162)	2,262,194
(+) Reversal of consolidation adjustment	-	-	-	-	-	-	11,848
(=) Attributable to stockholders of the Group - Adjusted	-	-	-	-	-	-	2,274,042
Attributable to non-controlling interests in subsidiaries	-	-	86,691	-	-	-	86,691
CAIXA Seguridade Group's ownership percentage							48.21%
Attributable to CAIXA Seguridade Group							1,096,315
Attributable to the other stockholders							1,177,726

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.

Description	January 1st to December 31st, 2018						
	Caixa Seguradora	Caixa Vida & Previdência	Caixa Capitalização	Caixa Consórcio	Caixa Seguros Saúde	Other / Consolidation adjustments	Caixa Seguros Holding
Revenue from the operation	5,862,191	16,870,079	278,126	480,979	277,498	(295,280)	23,473,594
Operation/Expenses costs	(2,773,118)	(16,110,612)	(123,956)	(282,835)	(285,316)	(265,421)	(19,841,258)
Operating margin	3,089,073	759,468	154,170	198,145	(7,818)	(560,701)	3,632,336
Administrative costs	(532,463)	(61,167)	(41,821)	(46,614)	(11,380)	(85,263)	(778,708)
Tax Expenses	(251,432)	(63,573)	(14,422)	(56,114)	(3,561)	(36,671)	(425,773)
Financial result	424,456	71,951	162,325	17,683	62,923	771,049	1,510,387
Equity result	(63)	-	-	-	-	22,817	22,754
Operating profit	2,729,571	706,679	260,252	113,100	40,164	111,230	3,960,995
Gains or losses on non-current assets	(39,438)	310	-	61	(14)	(17,076)	(56,156)
Profit before tax and participations	2,690,132	706,989	260,252	113,161	40,149	94,154	3,904,839
Income tax	(614,581)	(160,530)	(64,397)	(28,465)	(6,149)	(62,111)	(936,234)
Social contribution	(525,092)	(132,910)	(53,513)	(10,272)	(4,966)	(26,298)	(753,052)
Profit Sharing	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-
Net income for the year	1,550,459	413,549	142,342	74,423	29,034	5,745	2,215,553
Attributable to Stockholders of the Company	1,550,459	413,549	72,595	74,423	29,034	5,745	2,145,805
(+) Reversal of consolidation adjustment	-	-	-	-	-	-	-
(=) Attributable to stockholders of the Group - Adjusted	1,550,459	413,549	72,595	74,423	29,034	5,745	2,145,805
Attributable to non-controlling interests in subsidiaries	-	-	69,748	-	-	-	69,748
CAIXA Seguridade Company's ownership percentage							48.21%
Attributable to Company CAIXA Seguridade							1,034,494
Attributable to Other Shareholders							1,111,311

b.1.1) Analytical composition of Caixa Seguradora's insurance products:

Branch	January 1st to December 31st, 2019						
	Premiums issued	Changes in technical reserves for premiums	Earned premiums	Claims occurred	Acquisition Costs	Other operating income and expenses	Operating margin
Housing	2,432,114	-	2,432,114	(489,862)	(193,552)	74,262	1,822,962
Automobile	327,565	(17,121)	310,443	(164,553)	(48,968)	(55,840)	41,083
DPVAT	61,754	(2,969)	58,785	(44,619)	(12)	(981)	13,172
Equity Risks	517,867	(55,573)	462,294	(116,861)	(162,944)	(30,957)	151,532
Credit life insurance	1,842,387	(815,448)	1,026,938	(217,768)	(425,369)	(34,555)	349,247
Life insurance	1,417,731	(39,363)	1,378,368	(255,766)	(274,856)	(136,726)	711,021
Others	174,038	(1,393)	172,645	36,236	(46,457)	(67,410)	95,015
Total	6,773,457	(931,869)	5,841,588	(1,253,193)	(1,152,157)	(252,207)	3,184,031

Branch	January 1st to December 31st, 2018						
	Premiums issued	Changes in technical reserves for premiums	Earned premiums	Claims occurred	Acquisition Costs	Other operating income and expenses	Operating margin
Housing	2,110,152	903,010	3,013,162	(564,198)	(203,973)	(136,255)	2,108,736
Automobile	330,385	(24,179)	306,206	(200,714)	(51,472)	(64,480)	(10,460)
DPVAT	130,873	(671)	130,202	(106,024)	(1,571)	942	23,549
Equity Risks	465,268	(65,032)	400,236	(109,620)	(134,633)	(33,630)	122,353
Credit life insurance	1,461,377	(649,380)	811,997	(188,524)	(345,574)	(5,889)	272,010
Life insurance	1,270,600	3,560	1,274,160	(311,688)	(264,892)	(202,561)	495,019
Others	158,994	(5,501)	153,493	(14,865)	(32,067)	(28,695)	77,866
Total	5,927,649	161,807	6,089,456	(1,495,633)	(1,034,182)	(470,568)	3,089,073

b.2) Analytical composition of Too Seguros insurance products:

Branch	January 1st to December 31st, 2019						
	Premiums issued	Changes in technical reserves for premiums	Earned premiums	Claims occurred	Acquisition Costs	Other operating income and expenses	Operating margin
Surety bond – Public and private sector	219,126	56,463	275,589	(5,002)	(49,099)	(4,540)	216,948
Credit life insurance	244,687	(53,191)	191,496	(31,787)	(67,240)	(2,774)	89,695
DPVAT	15,165	(954)	14,211	(10,956)	(3)	599	3,851
Group personal accident	23,416	(2,605)	20,811	(839)	(6,215)	(1,022)	12,735
Extended Warranty - General Goods	7,715	1,448	9,163	(1,608)	(6,722)	952	1,785
Group life insurance	39,238	242	39,480	(100)	(22,355)	(6,840)	10,185
Homeowners' insurance – credit life	65,913	-	65,913	(36,398)	(4,185)	(1,101)	24,229
Homeowners' insurance – other coverages	88,289	-	88,289	(29,314)	(7,671)	(3,203)	48,101
Miscellaneous Risks ⁽¹⁾	73,066	(22,613)	50,453	(33,931)	(12,765)	545	4,302
Total	776,615	(21,210)	755,405	(149,935)	(176,255)	(17,384)	411,831

(1) Engineering risks; Rental guarantee; Trip; Income from random events; Unemployment / loss of income; Comprehensive residential and business; Micro insurance; Oil risks; Miscellaneous risks.

Branch	January 1st to December 31st, 2018						
	Premiums issued	Changes in technical reserves for premiums	Earned premiums	Claims occurred	Acquisition Costs	Other operating income and expenses	Operating margin
Surety bond – Public and private sector	246,366	(8,790)	237,576	510	(42,757)	(25)	195,304
Credit life insurance	197,675	(27,488)	170,187	(27,683)	(66,178)	(5,105)	71,221
DPVAT	33,390	(77)	33,313	(27,050)	(401)	143	6,005
Group personal accident	18,882	(3,526)	15,356	(1,700)	(4,635)	(777)	8,244
Extended Warranty - General Goods	9,389	2,319	11,708	(4,737)	(8,346)	(1,891)	(3,266)
Group life insurance	34,867	88	34,955	(10,689)	(17,960)	(4,520)	1,786
Homeowners' insurance – credit life	45,131	-	45,131	(11,916)	(1,927)	(2,025)	29,263
Homeowners' insurance – other coverages	91,553	-	91,553	(20,644)	(5,323)	(7,025)	58,561
Miscellaneous Risks ⁽¹⁾	11,251	2,311	13,562	(3,195)	(5,896)	1,237	5,708
Total	688,504	(35,163)	653,341	(107,104)	(153,423)	(19,988)	372,826

(2) Engineering risks; Rental guarantee; Trip; Income from random events; Unemployment / loss of income; Comprehensive residential and business; Micro insurance; Oil risks; Miscellaneous risks.

c) Summary composition of the equity elements of equity investments:

Description	Parent company					
	12/31/2019			12/31/2018		
	Caixa Seguros	CAIXA Holding	Total	Caixa Seguros	CAIXA Holding	Total
Assets	104,008,382	453,283	104,461,665	83,882,371	424,578	84,306,949
Cash and cash equivalents	228,110	130,527	358,637	184,724	66,984	251,708
Financial investments	94,313,715	-	94,313,715	75,095,670	-	75,095,670
Credit from insurance and reinsurance operations	2,512,551	-	2,512,551	2,146,526	-	2,146,526
Reinsurance and retrocession assets - technical provisions	180,444	-	180,444	264,615	-	264,615
Tax assets	2,013,194	-	2,013,194	1,976,641	-	1,976,641
Investments	47,685	307,054	354,739	203,860	335,578	539,438
Intangible	355,684	-	355,684	372,781	-	372,781
Other assets	4,356,999	15,702	4,372,701	3,637,554	22,016	3,659,570
Liabilities	95,036,686	22,887	95,059,573	75,952,808	5,725	75,958,533
Operating Liabilities	87,325,741	22,887	87,348,628	69,260,463	5,725	69,266,188
Tax liabilities	1,886,741	-	1,886,741	1,710,756	-	1,710,756
Debts from insurance and reinsurance operations	630,062	-	630,062	618,619	-	618,619
Provisions	4,032,062	-	4,032,062	3,429,110	-	3,429,110
Other liabilities	1,162,080	-	1,162,080	933,860	-	933,860
Equity	8,971,696	430,396	9,402,092	7,929,563	418,853	8,348,416
Attributable to company CAIXA Seguridade ⁽¹⁾ ⁽²⁾ ⁽³⁾	4,221,485	430,396	4,651,881	3,742,521	418,853	4,161,374
Attributable to the other stockholders	4,750,211	-	4,750,211	4,187,042	-	4,187,042
Total liabilities and equity	104,008,382	453,283	104,461,665	83,882,371	424,578	84,306,949

(1) Considers the consolidated equity of Caixa Seguros

(2) Total equity attributable to CAIXA Seguridade on December 31st, 2019: R\$ 4,651,881

(3) Total equity attributable to CAIXA Seguridade on December 31st, 2018: R\$ 4,161,374

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.



Description	Consolidated							
	12/31/2019				12/31/2018			
	Caixa Seguros	Too Seguros	PAN Corretora	Total	Caixa Seguros	Too Seguros	PAN Corretora	Total
Assets	104,008,382	2,620,118	60,511	106,689,010	83,882,371	2,586,471	40,367	86,509,209
Cash and cash equivalents	228,110	2,299	1	230,410	184,724	9,762	35	194,521
Financial investments	94,313,715	710,752	26,705	95,051,172	75,095,670	713,057	11,586	75,820,313
Credit from insurance and reinsurance operations	2,512,551	690,145	-	3,202,696	2,146,526	605,603	-	2,752,129
Reinsurance and retrocession assets - technical provisions	180,444	579,487	-	759,931	264,615	620,226	-	884,841
Tax assets	2,013,194	43,422	0	2,056,616	1,976,641	81,087	-	2,057,728
Investments	47,685	296	-	47,981	203,860	255	-	204,115
Intangible	355,684	337,882	24,093	717,659	372,781	354,488	27,024	754,293
Other assets	4,356,999	255,835	9,712	4,622,545	3,637,554	201,993	1,722	3,841,269
Liabilities	95,036,686	2,043,830	5,079	97,085,594	75,952,808	1,928,795	8,111	77,889,714
Operating Liabilities	87,325,741	912,972	1,147	88,239,860	69,260,463	823,278	885	70,084,626
Tax liabilities	1,886,741	47,965	3,908	1,938,614	1,710,756	52,084	1,202	1,764,042
Debts from insurance and reinsurance operations	630,062	542,316	-	1,172,378	618,619	489,262	-	1,107,881
Technical provisions	-	-	-	-	-	-	-	-
Provisions	4,032,062	517,666	-	4,549,728	3,429,110	535,269	-	3,964,379
Other liabilities	1,162,080	22,911	24	1,185,015	933,860	28,902	6,025	968,787
Equity	8,971,696	576,288	55,432	9,603,416	7,929,563	657,676	32,256	8,619,495
Attributable to company CAIXA Seguridade ⁽¹⁾ ⁽²⁾ ⁽³⁾	4,221,485	282,374	27,162	4,531,021	3,742,521	322,255	15,806	4,080,582
Attributable to the other stockholders	4,750,211	293,914	28,270	5,072,395	4,187,042	335,421	16,450	4,538,913
Total liabilities and equity	104,008,382	2,620,118	60,511	106,689,010	83,882,371	2,586,471	40,367	86,509,209

Considers the consolidated equity of Caixa Seguros

(1) Total equity attributable to CAIXA Seguridade on December 31st, 2019: R\$ 4,531,021

(2) Total equity attributable to CAIXA Seguridade on December 31st, 2018: R\$ 4,080,582

d) Reconciliation of investment financial information

Description	12/31/2019		
	Parent company		
	Caixa Seguros	CAIXA Holding	Total
Equity at January 1st	7,762,958	418,853	8,181,811
Distribution of dividends to stockholders	(1,562,355)	(65,425)	(1,627,781)
Net income for the year	2,274,042	76,299	2,350,341
Other comprehensive income	281,808	669	282,477
Equity as of December 31st	8,756,453(1)	430,395	9,186,848
Percentage of ownership - %	48.21	100.00	-
Investment Participation	4,221,485	430,395	4,651,880
Accounting balance of Group investment	4,221,485	430,395	4,651,880

(1) Considers consolidated equity of Caixa Seguros, excluding non-controlling interests

Description	12/31/2018		
	Parent company		
	Caixa Seguros	CAIXA Holding	Total
Equity at January 1st	7,057,721	410,905	7,468,626
Distribution of dividends to stockholders	(1,469,544)	(41,949)	(1,511,492)
Net income for the year	2,145,805	49,794	2,195,599
Other comprehensive income	28,975	102	29,077
Equity as of December 31st	7,762,957(1)	418,853	8,181,810
Percentage of ownership - %	48.21	100.00	-
Investment Participation	3,742,521	418,853	4,161,374
Accounting balance of Group investment	3,742,521	418,853	4,161,374

(1) Considers consolidated equity of Caixa Seguros, excluding non-controlling interests

Description	12/31/2019			
	Consolidated			
	Caixa Seguros	Too Seguros	PAN Corretora	Total
Equity at January 1st	7,762,958	657,677	32,256	8,452,891
Distribution of dividends to stockholders	(1,562,355)	(93,888)	(10,680)	(1,666,923)
Capital reduction	-	(100,000)	(20,239)	(120,239)
Net income for the year	2,274,042	111,136	54,094	2,439,272
Other comprehensive income	281,808	1,364	-	283,172
Equity as of December 31st	8,756,453(1)	576,288	55,432	9,388,172
Percentage of ownership - %	48.21	48.99	49.00	-
Investment Participation	4,221,485	282,374	27,162	4,531,021
Goodwill	-	(2,482)	-	(2,482)
Accounting balance of Group investment	4,221,485	279,892	27,162	4,528,539

(1) Considers consolidated equity of Caixa Seguros, excluding non-controlling interests

Description	12/31/2018			
	Consolidated			
	Caixa Seguros	PAN Seguros	PAN Corretora	Total
Equity at January 1st	7,057,721	757,654	54,490	7,869,864
Distribution of dividends to stockholders	(1,469,544)	(207,541)	(18,909)	(1,695,994)
Net income for the year	2,145,805	107,355	10,679	2,263,839
Other comprehensive income	28,975	208	-	29,183
Other movements	-	-	(14,002)	(14,002)
Equity as of December 31st	7,762,957(1)	657,676	32,258	8,452,891
Percentage of ownership - %	48.21	48.99	49.00	-
Investment Participation	3,742,521	322,255	15,806	4,080,582
Goodwill	-	(2,482)	-	(2,482)
Accounting balance of Group investment	3,742,521	319,772	15,806	4,078,099

(1) Considers consolidated equity of Caixa Seguros, excluding non-controlling interests

Note 12 - Taxes

a) Impact on income - Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)

CAIXA Seguridade adopts as a tax regime the real profit, opting for the annual calculation of IRPJ and CSLL. Because of this option, CAIXA Seguridade is subject to monthly payment of taxes with the adoption of the suspension/reduction balance sheet, if the requirements set forth in article 230 of Decree 3,000 of March 26th, 1999 and other applicable laws are met.

I. Amounts presented in the parent company and consolidated income statement:

Description	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
IRPJ and CSLL on revenue from distribution network access and use of	(193,491)	(193,491)	(206,553)	(206,553)
IRPJ and CSLL on revenue from equity investments ⁽¹⁾	(7,381)	(14,458)	(4,801)	(12,179)
Total current taxes	(200,872)	(207,949)	(211,354)	(218,732)

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

II. Reconciliation of IRPJ and CSLL charge included in the parent company and consolidated statement of income:

Description	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
I) Profit before IRPJ and CSLL	1,737,899	1,744,977	1,689,024	1,696,401
IRPJ (rate of 25%)	(434,209)	(436,220)	(422,232)	(424,076)
CSLL (9% rate)	(156,324)	(157,048)	(152,012)	(152,676)
IRPJ and CSLL	(590,533)	(593,268)	(574,244)	(576,752)
Effect of additions/exclusions - IRPJ (25%) and CSLL (9%) ⁽¹⁾	389,661	385,319	362,890	358,021
II) IRPJ and CSLL expense	(200,872)	(207,949)	(211,354)	(218,732)
Group's profit before IRPJ and CSLL (I)	1,737,899	1,744,977	1,689,024	1,696,401
III) Total IRPJ and CSLL expense (II)	(200,872)	(207,949)	(211,354)	(218,732)
Effective tax rate	12.40%	11.92%	12.51%	12.89%
IV) Deferred tax asset (IRPJ and CSLL)	(2)	(2)	(62)	(62)
V) Deferred tax liability (IRPJ and CSLL)	-	-	-	-
Total IRPJ and CSLL expense (III) + deferred tax asset/liability (IV - V)	(200,872)	(207,949)	(211,416)	(218,794)

(1) The effects of the exclusions derive from the exclusion of the equity accounting result in the investments held by the Company and the addition of non-deductible expenses from the calculation base.

b) Impact on revenue - Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS)

PIS - Social Integration Program and COFINS - Contribution to Social Security Financing are calculated through the application of the rates provided for in the tax legislation of the Group (Law No. 10,637/2002 and Law No. 10,833/2003).

The tax legislation provides for two calculation regimes for PIS and COFINS, namely:

- I. Cumulative: obligatory for private legal entities or those which calculate 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: Required for legal entities governed by private law and the equivalent that calculate IRPJ based on actual profit. In this regime, there is the possibility of calculating credits to deduct the calculation base.

The rates are also differentiated as follows:

- I. Cumulative Regime: PIS 0.65% and COFINS 4%;
- II. Non-cumulative regime: PIS 1.65% and COFINS 7.6%.

Regarding revenues from access to the distribution network and use of the brand and interest on equity (JSCP), the calculation of PIS and COFINS follows the non-cumulative regime, since the Company is part of this calculation, according to the legislation.

Description	January 1st to December		January 1st to December	
	Parent	Consolidated	Parent	Consolidated
Interest on capital on investments in	25,841	44,313	16,150	38,592
PIS (1.65%) / COFINS (7.6%)	(2,056)	(3,765)	(1,494)	(3,570)
Tax expense subtotal (I)	(2,056) ⁽¹⁾	(3,765) ⁽¹⁾	(1,494)	(3,570)
Revenue from distribution network	646,332	646,332	668,095	668,095
PIS (1.65%) / COFINS (7.6%)	(63,667)	(63,667)	(61,799)	(61,799)
Subtotal tax expense (II)	(63,667) ⁽²⁾	(63,667) ⁽²⁾	(61,799)	(61,799)
Other operating income	-	-	30,023	30,023
PIS (1.65%) / COFINS (7.6%)	-	-	(2,777)	(2,777)
Subtotal tax expense (III)	-	-	(2,777)	(2,777)
Earnings on fixed-income securities	31,113	35,438	28,370	29,847
PIS (0.65%) / COFINS (4.0%)	(1,381)	(1,582)	(1,319)	(1,388)
IOF	-	-	(251)	(257)
Tax expense subtotal (IV)	(1,381) ⁽³⁾	(1,582) ⁽³⁾	(1,571)	(1,645)
Total tax expense (I + II + III + IV)	(67,104)	(69,014)	(67,640)	(69,791)
Deferred tax liability - PIS (0.65%) /	-	-	-	-
Total tax expense + deferred tax liability	(67,104)	(69,014)	(67,640)	(69,791)

(1) Excluding the amount of R\$ 334 related to PIS / COFINS expenses levied on JSCP revenue earned in Dec/2019, in view of determining the negative tax base in the period, due to the reversal of revenues mentioned in Note 13 - Amounts Payable

(2) Includes the amount of R\$ 3,880 related to PIS / COFINS expenses on revenues from access to the distribution network and use of the reversed brand, as mentioned in Note 13 - Amounts payable, which will be the subject of an tax refund or compensation (PER / DCOMP).

(3) Excluding the amount of R\$ 65 related to PIS / COFINS expenses levied on income from fixed income securities earned in Dec/2019, in view of determining the negative tax base in the period, due to the reversal of revenues mentioned in Note 13 - Amounts Payable.

Note 13 – Accounts payable

Description	Parent Company and Consolidated	
	12/31/2019	12/31/2018
Accounts payable to CAIXA	116,151	10,335
Profit sharing – Short-Term ⁽¹⁾	729	999
Profit sharing – Long-Term ⁽¹⁾	776	756
Total	117,656	12,090

(1) Note 19 (e) - Related parties - Remuneration of key management personnel

The amounts payable to the CAIXA include the reimbursement of shared expenses and operating activities provided for in the Agreement for the Execution of Operational Activities and

Structure Sharing signed between CAIXA and CAIXA Seguridade (according to Note 19 (c) - Related Parties - Transactions with related parties, as well as reimbursement of costs related to the distribution of security products.

The variation verified in the period is justified by the review of the “Service Price” charged by CAIXA for the distribution of security products, which affected the amount payable in an equivalent amount of R\$ 106,765 thousand (recorded as revenue reversal).

Note 14 – Provisions and contingent liabilities

The Company and CAIXA Holding Securitária were incorporated on May 21st, 2015 and, as of the date of these individual and consolidated financial statements, are not parties to any relevant lawsuits and/or administrative proceedings. Accordingly, no provisions and contingent liabilities were recognized or identified by the Company.

Note 15 – Equity

a) Share capital

The shared capital, in the amount of R\$ 2,756,687, is divided into 1,200,000,000 common shares, represented in book-entry form and without par value. Equity on December 31st, 2019 was R\$ 5,140,791 (December 31st, 2018 - R\$ 4,603,698), corresponding to a book value of R\$ 4.28 per share (December 31st, 2018 - R\$ 3.84).

b) Equity interests

Stockholders	12/31/2019		12/31/2018	
	Actions	% Total	Actions	% Total
Caixa Econômica Federal - thousands	1,200,000	100.00	1,200,000	100.00
Total	1,200,000	100.00	1,200,000	100.00

c) Reserves

Profit Reserves	Parent Company and Consolidated	
	12/31/2019	12/31/2018
Legal reserve	296,848	220,045
Realizable profit reserve	1,371	-
Statutory Reserve	1,864,087	1,541,696
Total	2,162,306	1,761,742

d) Equity valuation adjustments

The amount at December 31st, 2019 was R\$ 221,798 (December 31st, 2018 - R\$ 85,270), and considers the comprehensive income of R\$ 136,528 (January 1st to December 31st, 2018 - R\$ 14,070) arising from other comprehensive income resulting from its investees, related to securities, as well as foreign exchange variation of investments in foreign currencies, coming mainly from Caixa Seguros

e) Earnings per share

e.1) Basic

In accordance with Brazilian corporate legislation, the parent company basic earnings per share is calculated by dividing net income for the year by the weighted average of total common shares outstanding at the end of each period, excluding shares repurchased by the Company and held as treasury shares. The table below shows the Company's basic earnings per share:

Parent company / Consolidated	January 1st to December 31st, 2019	January 1st to December 31st, 2018
Profit attributable to stockholders of the Group –thousands	1,536,057	1,477,607
Weighted average number of common shares issued– thousands	1,200,000	1,200,000
Basic earnings per share - R\$	1.28005	1.23134

e.2) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potential diluted common shares. The Company does not have any potential diluted common share class.

f) Dividends

On September 18th, 2019, the Company's Board of Directors approved the payment of interim dividends for financial year of 2019 based on profits earned through June 30th, 2019, in the amount of R\$ 210,000 thousand (R\$ 0, 0.17 per share) with its respective financial settlement on September 18th, 2019. Accordingly, on December 31st, 2019, R\$ 153,442 thousand (R\$ 0.13 per share) was highlighted for the complementary portion of the minimum mandatory dividend provided for in the Company's bylaws of 25% of adjusted net income, equivalent to R\$ 363,442 thousand (R\$ 0.30 per share). The portion of R\$ 1,095,811 thousand was allocated to reserves, which can be used to pay additional dividends to the shareholder.

Additionally, on December 31st, 2019, dividends equivalent to R\$ 153,442 thousand (R\$ 0.13 per share) were highlighted, as well as an unrealized profit reserve equivalent to R\$ 1,371 thousand, in order to reach the amount of R\$ 364,813 thousand (R\$ 0.30 per share), equivalent to the minimum mandatory dividends provided for under the Company's bylaws (25% of adjusted net income). The remaining portion of the profit of R\$ 1,094,440 thousand was allocated to reserves, which can be used to pay additional dividends to the shareholder.

On August 05th, 2019, the Company's Board of Directors approved the use of the partial balance of the statutory reserve account for the distribution of complementary dividends in the amount of R\$ 772,050 thousand (R\$ 0.64 per share) and, on August 6th, 2019, the payment of complementary dividends referring to the profit for the 2018 financial year was made. Accordingly, the total amount of dividends paid in respect of net income for the financial year 2018 was R\$ 1,122,982 thousand (R\$ 0.93 per share), equivalent to 80% of adjusted income and 76% of net income.

Note 16 – Revenue from distribution network access and use of brand

On June 30, 2015, CAIXA Seguridade Group and CAIXA entered into a concession agreement whereby CAIXA granted CAIXA Seguridade Group the right to freely negotiate and receive the full financial consideration due from institutions that have contracted with it to have access to the distribution network and use the brand for distribution and selling of the products, without prejudice to the consideration paid to CAIXA by operating companies for the rendering of products distribution and selling services.

The table below shows revenue from distribution network access and brand use by security product:

Description	Parent Company and Consolidated	
	January 1st to	January 1st to
Premium bonds	4,614	17,130
Consortium	22,582	22,446
Pension	81,574	104,690
Insurance – Homeowners	107,116	110,452
Insurance – Credit life	424,169	375,805
Insurances - Miscellaneous Risks ⁽¹⁾	6,279	35,890
Revenue from distribution network access and use of	646,333	666,412

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

Note 17 – Administrative expenses

Description	Parent Company and Consolidated	
	January 1st to	January 1st to
Personnel expenses (1)	31,090	24,449
Management compensation	5,167	4,294
Outsourced services (2)	4,564	13,559
Other administrative expenses	3,718	3,202
Total	44,539	45,504

(1) The increase in personnel expenses verified in the period is related to the expansion of the staff, due to the internalization of the operational activities previously carried out by the Parent Company CAIXA, within the scope of the Agreement for the Execution of Operating Activities and Structure Sharing.

(2) The reduction in the volume of expenses with third-party services reflects the internalization of operating activities, mentioned in item 1, as well as the execution of a lower volume of expenses with contracting consultancies throughout the year.

Note 18 – Finance result

Description	January 1st to December 31st, 2019		January 1st to December 31st, 2018	
	Parent company	Consolidated	Parent company	Consolidated
Financial income:	31,113	35,438	28,370	29,847
Certificates of bank deposit (CDBs)	24,339	28,664	26,751	28,228
Interest income	8	8	-	-
Repurchase agreements	6,766	6,766	1,619	1,619
Financial expenses:	494	494	5,952	5,952
Expense of monetary restatement of dividends	494	494	5,952	5,952
Total	30,618	34,943	22,418	23,896

Note 19 - Related parties

a) Controlling entity

CAIXA Seguridade was incorporated as a wholly owned subsidiary of CAIXA, a financial institution in the form of a state-owned company, linked to the Ministry of Economy, whose capital was fully paid up by the Federal Government. Thus, CAIXA Seguridade is under the direct control of CAIXA and indirectly of the National Treasury Secretariat - STN.

b) Related parties

Related parties	
Entity	Relationship
Union (National Treasury)	Indirect Parent Company
CAIXA	Direct Parent Company
CAIXA Holding	Direct Subsidiary
Too Seguros	Joint Venture Subsidiaries
PAN Corretora	
Caixa Seguros	Associate
CAIXA Participações S.A. – CAIXAPAR	Other Related Parties
CAIXA Instantânea S.A	

(1) Direct investment of CAIXA Seguridade, Caixa Seguros Holding holds the following equity interests a) Caixa Seguros Participações Securitária Ltda holds investments in interests in Caixa Seguradora S.A., Caixa Vida e Previdência S.A., Caixa Capitalização S.A., Youse Seguradora S.A., PREVISUL Companhia de Seguros Previdência do Sul; b) CAIXA Administradora de Consórcios S.A.; c) Caixa Seguros Assessoria e Consultoria Ltda; d) Caixa Seguros Especializada em Saúde S.A.; e) Wiz Soluções e Corretagem de Seguros S.A.; f) Caixa Seguros Participações em Saúde Ltda. holder of investment in participation in Odonto Empresas Convênios Dentários Ltda.; and g) CNPX S.A.S.

c) Transactions with related parties

Transactions with related parties (direct) are carried out in the course of CAIXA Seguridade's operating activities and are carried out under conditions and rates compatible with the averages practiced with third parties, when applicable, prevailing at the dates of the operations.

c.1) Parent company

The balances of existing transactions with the related party CAIXA refer to financial investments (according to Note 8), as well as the amounts payable related to the reimbursement of shared expenses and operational activities provided for in the Agreement for the Execution of Operational Activities and Structure Sharing signed between CAIXA and CAIXA Seguridade, as presented in Note 13.

The amounts payable due to the CAIXA are recorded in the accrual month and paid up to the 10th business day of the month following formal presentation to the Group. Accordingly, there are no amounts payable to CAIXA classified as non-current.

c.2) Joint ventures and associated companies:

The balances of transactions with related parties Too Seguros (jointly controlled) and Caixa Seguros (associate) refer to amounts receivable from revenues from access to the distribution network and use of the Security Products brand received in the CAIXA Seguridade Group, according to Note 16. These amounts are provided for in the contractual conditions of the operating agreements between CAIXA and CAIXA Seguridade.

Amounts receivable are recorded on the accrual month and received by the 5th business day of the subsequent month. Thus, there are no amounts classified as non-current liabilities.

As of December 31st, 2019, there was no default or impairment recorded in amounts receivable from related parties.

The maximum credit risk exposure at the balance sheet date is the carrying amount of receivables mentioned in this note.

In addition, CAIXA Seguridade Group as a direct shareholder has the right to record and receive dividends and interest on equity arising from related parties Caixa Seguros, Too Seguros and PAN Corretora, according to Note 11.

Dividends receivable from these related parties are paid in the first half of the subsequent year and, therefore, are classified as current assets.

c.3) Other related parties:

The existing balances and transactions with Management refer to amounts payable for share in the profit of the Company.

The tables below present the results and equity 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							
	12/31/2019				12/31/2018			
	Parent company	Joint ventures/ associates	Other related parties	Total	Parent company	Joint ventures/ associates	Other related parties	Total
Assets:	371,844	374,146	-	744,990	182,789	324,377	497	507,165
Cash and cash equivalents:	371,201	-	-	371,201	182,789	-	-	182,789
CAIXA	371,201	-	-	371,201	182,789	-	-	182,789
Financial instruments:	-	-	-	-	-	-	-	-
CAIXA	-	-	-	-	-	-	-	-
Dividends receivable:	-	256,530	-	256,530	-	231,963	-	231,963
Caixa Seguros	-	238,409	-	238,409	-	231,963	-	231,963
CAIXA Holding	-	18,121	-	18,121	-	-	-	-
Interest on capital receivable:	-	21,964	-	21,964	-	13,728	-	13,728
Caixa Seguros	-	21,964	-	21,964	-	13,728	-	13,728
Too Seguros	-	-	-	-	-	-	-	-
Accounts receivable: (*)	643	94,652	-	95,295	-	78,686	-	78,686
CAIXA	643	-	-	643	-	-	-	-
Caixa Seguros	-	94,012	-	94,012	-	78,189	-	78,189
Too Seguros	-	640	-	640	-	497	-	497
Liabilities:	269,593	-	1,505	271,098	34,556	-	1,755	36,310
Accounts payable:	116,151	-	1,505	117,656	10,335	-	1,755	12,090
CAIXA	116,151	-	-	116,151	10,335	-	-	10,335
Management	-	-	1,505	1,505	-	-	1,755	1,755
Dividends payable:	153,442	-	-	153,442	24,220	-	-	24,220
CAIXA	153,442	-	-	153,442	24,220	-	-	24,220

(1) The amount presented does not include the portion of R\$ 70 (R\$ 43 on December 31st, 2018) related to Revenues from access to the distribution network and use of the brand to be received from parties not related to CAIXA Seguridade, as explained in Note 10 - Amounts receivable.

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.



Description	Consolidated							
	12/31/2019				12/31/2018			
	Parent company	Joint ventures/ associates	Other related parties	Total	Parent company	Joint ventures/ associates	Other related parties	Total
Assets:	502,371	370,727	-	873,098	249,773	346,393	-	596,165
Cash and cash equivalents:	501,728	-	-	501,728	249,773	-	-	249,773
CAIXA	501,728	-	-	501,728	249,773	-	-	249,773
Dividends receivable:	-	238,409	-	238,409	-	231,963	-	231,963
Caixa Seguros	-	238,409	-	238,409	-	231,963	-	231,963
Interest on capital receivable:	-	37,666	-	37,666	-	32,803	-	32,803
Caixa Seguros	-	21,964	-	21,964	-	13,728	-	13,728
Too Seguros	-	15,702	-	15,702	-	19,076	-	19,076
Accounts receivable: (1)	643	94,652	-	95,295	-	81,626	-	81,626
CAIXA	643	-	-	643	-	-	-	-
Caixa Seguros	-	94,012	-	94,012	-	78,189	-	78,189
Too Seguros	-	640	-	640	-	497	-	497
PAN Corretora	-	-	-	-	-	2,940	-	2,940
Liabilities:	269,593	-	1,505	271,098	34,556	-	1,755	36,310
Accounts payable:	116,151	-	1,505	117,656	10,335	-	1,755	12,090
CAIXA	116,151	-	-	116,151	10,335	-	-	10,335
Management	-	-	1,505	1,505	-	-	1,755	1,755
Dividends payable:	153,442	-	-	153,442	24,220	-	-	24,220
CAIXA	153,442	-	-	153,442	24,220	-	-	24,220

(1) The amount presented does not include the portion of R\$ 70 (R\$ 43 on December 31st, 2018) related to Revenues from access to the distribution network and use of the brand to be received from parties not related to CAIXA Seguridade, as explained in Note 10 - Amounts receivable.

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.



Composition of equity balances arising from related party transactions:

Description	Parent company							
	January 1st to December 31st, 2019				January 1st to December 31st, 2018			
	Parent company	Joint ventures/ associates	Other related parties	Total	Parent company	Joint ventures/ associates	Other related parties	Total
Revenue:	31,113	643,609	-	674,721	28,370	694,224	5,375	722,594
Revenue from distribution network access and use of brand ⁽¹⁾	-	643,609	-	643,609	-	664,200	5,375	664,201
Caixa Seguros	-	636,632	-	636,632	-	658,825	-	658,825
Too Seguros	-	6,977	-	6,977	-	5,375	-	5,375
Other operating income	-	-	-	-	-	30,023	-	30,023
Caixa Seguros	-	-	-	-	-	30,023	-	30,023
Financial income	31,113	-	-	31,113	28,370	-	-	28,370
CAIXA	31,113	-	-	31,113	28,370	-	-	28,370
Expenses	(41,403)	-	-	(41,403)	(39,159)	-	-	(39,159)
Administrative Expenses: ⁽²⁾	(40,909)	-	-	(40,909)	(33,208)	-	-	(33,208)
CAIXA	(40,909)	-	-	(40,909)	(33,208)	-	-	(33,208)
Financial expenses:	(494)	-	-	(494)	(5,952)	-	-	(5,952)
CAIXA	(494)	-	-	(494)	(5,952)	-	-	(5,952)

(1) The amount presented does not include the portion of R\$ 2,725 (R\$ 2,212 - on December 31st, 2018) related to Revenues from access to the distribution network and use of the brand originating from parties not related to CAIXA Seguridade.

(2) Administrative Expenses include the shared expenses and operating activities provided for in the Operating Activities and Structure Sharing Agreement entered into between CAIXA and CAIXA Seguridade. The amount presented does not include the portion of R\$ 3,630 (R\$ 12,296 - on December 31st, 2018) related to administrative expenses incurred with parties not related to CAIXA Seguridade.

December 31st, 2019

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.



Description	Consolidated					
	January 1st to December 31st, 2019			January 1st to December 31st, 2018		
	Parent company	Joint ventures/ associates	Total	Parent company	Joint ventures/ associates	Total
Revenue:	35,438	643,608	679,045	29,847	694,224	724,071
Revenue from distribution network access and use of brand: (1)	-	643,608	643,608	-	664,201	664,201
Caixa Seguros	-	636,631	636,631	-	658,825	658,825
Too Seguros	-	6,977	6,977	-	5,375	5,375
Other operating income	-	-	-	-	30,023	30,023
Caixa Seguros	-	-	-	-	30,023	30,023
Financial income	35,438	-	35,438	29,847	-	29,847
CAIXA	35,438	-	35,438	29,847	-	29,847
Expenses	(41,403)	-	(41,403)	(39,159)	-	(39,159)
Administrative Expenses: (2)	(40,909)	-	(40,909)	(33,208)	-	(33,208)
CAIXA	(40,909)	-	(40,909)	(33,208)	-	(33,208)
Financial expenses:	(494)	-	(494)	(5,952)	-	(5,952)
CAIXA	(494)	-	(494)	(5,952)	-	(5,952)

(1) The amount presented does not include the portion of R\$ 2,725 (R\$ 2,212 - on December 31st, 2018) related to Revenues from access to the distribution network and use of the brand originating from parties not related to CAIXA Seguridade.

(2) Administrative Expenses include the shared expenses and operating activities provided for in the Operating Activities and Structure Sharing Agreement entered into between CAIXA and CAIXA Seguridade. The amount presented does not include the portion of R\$ 3,630 (R\$ 12,296 - on December 31st, 2018) related to administrative expenses incurred with parties not related to CAIXA Seguridade.

d) Remuneration of key management personnel

Up to the base date for the preparation of the Company's financial statements, the remuneration of key management personnel, in the period from January 1st to December 31st, 2019, was R\$ 5,167 (in the period from January 1st to December 31st, 2018 - R\$ 4,294), as shown in Note 17 - Administrative Expenses.

The Company's officers with an employment relationship with the parent company have their post-employment benefits paid for by it, while the other officers do not receive any post-employment assistance.

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

e) Employee and executive compensation

As determined by Law No. 13,303 of June 30, 2016, regulated by Decree No. 8,945 / 2016, as well as in accordance with the provisions of Technical Pronouncement CPC 05 (R1), the following information on personnel compensation, including officers and directors.

Monthly remuneration paid to CAIXA Seguridade employees and Management (in Reais):

Description	Parent Company and Consolidated	
	12/31/2019	12/31/2018
Employees		
Lowest salary ¹	9,297	5,545
Highest salary ¹	40,581	40,933
Average Salary ¹	17,189	19,154
Management		
CEO	50,240	50,240
Directors	41,868	41,868
Board members		
Audit Committee	9,525	9,434
Board of Directors	4,762	4,717
Supervisory Board	4,762	4,717

(1) Salary of employees assigned by CAIXA, the costs of which are reimbursed to CAIXA pursuant to the Agreement for Sharing of Infrastructure and Operating Activities.

Note 20 - Subsequent events

a) Tokio Marine Agreement

On January 6th, 2020, in continuity with the competitive process for restructuring its insurance operation disclosed by a relevant fact on May 10th, 2019, Caixa Seguridade Participações S.A. ("CAIXA Seguridade" or "Company") informed the general market that signed with Tokio Marine Seguradora S.A. ("Tokio Marine") association agreement ("Tokio Marine Agreement") for the formation of a new company that will explore, for a period of 20 years, the Home and Residential insurance lines in the distribution network of Caixa Econômica Federal ("CAIXA Counter").

Under the terms of the Tokio Marine Agreement, CAIXA Seguridade will have a 75% interest in the total capital of the new company ("New Company I"), holding 49.99% of the common shares and 100% of the preferred shares of the New Company I. Tokio Marine will hold 50.01% of the common shares, in an amount corresponding to a 25% interest in the total capital of the New Company I.

Therefore, at the closing of the transaction, Tokio Marine will subscribe a capital increase in the New Company I in the total amount of R\$ 1,520,000,000.00 (a billion, five hundred and twenty

million reais) which will be transferred by the New Company I to Caixa Econômica Federal under the terms of the grant granted by it (upfront) and Caixa Seguridade will enter into a distribution agreement with New Company I, which will give New Company the right to operate Caixa Counter for 20 years. The New Company I will remunerate Caixa Seguridade with the total selling expenses per product in pre-defined values (distribution fee of 36.4% and 20% for residential and housing, respectively), in addition to a performance fee linked to performance volume and profitability.

The New Company I will have shared management and governance between Caixa Seguridade and Tokio Marine in order to enhance the strengths of each shareholder, observing the best corporate governance practices. Accordingly, each shareholder will nominate four members to the Board of Directors, with a rotating and alternating chairpersonship between shareholders. The Executive Board of the New Company I will be composed of four members, with equal indication by the shareholders and will operate in a collegiate and shared manner.

The deadline for closing the transaction (compliance with all conditions precedent to closing the transaction) ends on January 4th, 2021.

The closing of the operation and the implementation of the partnership are subject to compliance with several suspensive conditions, including obtaining the necessary approvals by the Superintendence of Private Insurance (SUSEP), by the Central Bank of Brazil (BACEN) and by the Administrative Council for Economic Defense (CADE).

b) Approval by the Parent Company of the formation and hiring of a Banking Union

On January 8th, 2020, CAIXA Seguridade received the letter of approval from the Board of Directors of Caixa Econômica Federal for the formation and hiring of a Bank Union to assess the potential public offering of its shares.

At the opportunity, Caixa Econômica Federal informed that studies are in progress to evaluate the potential for the divestment opportunity of CAIXA Seguridade and that the approval hereby informed is a predecessor step in the established governance rite of potential divestments.

c) Icatu Agreement

On January 20th, 2020, in continuity with the competitive process for restructuring its insurance operation disclosed by a relevant fact on May 10th, 2019, Caixa Seguridade Participações S.A. ("CAIXA Seguridade" or "Company") informed the general market that signed with Icatu Seguros (Icatu) association agreement ("Icatu Agreement") for the formation of a new company that will explore, for a period of 20 years, the capitalization lines in the distribution network of Caixa Econômica Federal ("CAIXA Counter").

Under the terms of the Icatu Agreement, CAIXA Seguridade will have a 75% interest in the total capital of the new company ("New Company II"), holding 49.99% of the common shares and 100% of the preferred shares of the New Company II. The Icatu will hold 50.01% of the common shares, in an amount corresponding to a 25% interest in the total capital of the New Company II.

Therefore, at the closing of the transaction, Icatu will subscribe a capital increase in the New Company II in the total amount of R\$ 180.000.000,00, which will be transferred by the New Company II to Caixa Econômica Federal under the terms of the grant granted by it (upfront) and CAIXA Seguridade will enter into a distribution agreement with New Company II, which will give New Company II the right to operate Caixa Counter for 20 years.

The New Company II will remunerate CAIXA Seguridade with the total selling expenses per product in pre-defined values, in addition to a performance fee linked to the annual performance and profitability. Icatu will also pay Caixa Econômica Federal an annual bonus corresponding to

Explanatory notes to the financial statements

In thousands of reais, unless otherwise stated.

75% of the amount of net dividends received by Icatu from New Company II that exceed certain goals established for that year.

The New Company II will have shared management and governance between CAIXA Seguridade and Icatu in order to enhance the strengths of each shareholder, observing the best corporate governance practices. Accordingly, each shareholder will nominate four members to the Board of Directors, with a rotating and alternating chairpersonship between shareholders. The Executive Board of the New Company II will be composed of four members, with equal indication by the shareholders and will operate in a collegiate and shared manner.

The deadline for closing the transaction (compliance with all conditions precedent to closing the transaction) ends on January 4th, 2021.

The closing of the operation and the implementation of the partnership are subject to compliance with several suspensive conditions, including obtaining the necessary approvals by the Superintendence of Private Insurance (SUSEP), by the Central Bank of Brazil (BACEN) and by the Administrative Council for Economic Defense (CADE).

CAIXA SEGURIDADE PARTICIPAÇÕES S.A.

EXECUTIVE BOARD

MARCO ANTONIO DA SILVA BARROS
CEORAFAEL DE OLIVEIRA MORAIS
EXECUTIVE OFFICERGUSTAVO DE MORAES FERNANDES
EXECUTIVE OFFICERLEONARDO GIUBERTI MATTEDI
EXECUTIVE OFFICERMURILO VAZ GONÇALVES
ACCOUNTANT
CRC-020012/O-8 - DF

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***Caixa Seguridade
Participações S.A.***
***Parent company and consolidated
financial statements
at December 31, 2019
and independent auditor's report***

Independent auditor's report

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(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Caixa Seguridade Participações S.A.

Opinion

We have audited the accompanying parent company financial statements of Caixa Seguridade Participações S.A. (the "Company"), which comprise the balance sheet as at December 31, 2019 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Caixa Seguridade Participações S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2019 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caixa Seguridade Participações S.A. and of Caixa Seguridade Participações S.A. and its subsidiaries as at December 31, 2019, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the 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).

Basis for opinion

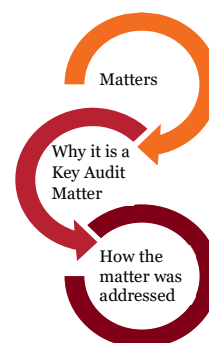
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent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

¹ Preencher com os dados completos do timbrado do escritório emissor.

Caixa Seguridade Participações S.A.

Key audit matters

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



Why it is a Key Audit Matter

How the matter was addressed in the audit

Critical accounting estimate, mainly technical reserves in the investees Caixa Holding Seguritária S.A. and Caixa Seguros Holding S.A. ("Holdings")

The Company is a holding company (Parent company and Consolidated) and the equity investments represent 86% and 84% of the total assets, respectively, and the result of the investment in ownership interests represents 67% and 64% of the profit of the Parent company and of the Consolidated profit, respectively, in 2019. These investments (Note 11) are comprised of equity interests in Caixa Seguros Holding S.A. ("Caixa Seguros") and in Caixa Holding Seguritária S.A. ("Caixa Holding"), collectively referred to as "Holdings", 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 Holdings present critical accounting estimates referring to transactions that require judgment for the record and measurement of the transactions and calculation of the accounting balances. The key estimate refers to technical reserves.

We decided to focus on this matter in our audit because of the subjectivity that is inherent to the technical reserves.

Our work, also as auditors of the Holdings and their respective operational companies, included, in addition to sending audit instructions to the auditors of these components, reviewing the work paper and discussing about the following key audit procedures:

Analysis of the reasonableness of applying certain assumptions and judgment used by management to measure technical reserves, as prepared by actuarial specialists.

Testing of the methodology used by management when measuring technical reserves as well as of the consistency of data, integrity and totality of databases involved in the calculation of technical reserve balances.

We consider that the criteria and assumptions that the Holdings' management adopted to determine the technical reserves result in amounts that are supported and that are reasonable in the context of the financial statements.



Caixa Seguridade Participações S.A.

Revenue from distribution network access and use of brand

The Company entered into an agreement with Caixa Econômica Federal (“CAIXA”) whereby CAIXA granted the Company the right to freely negotiate and receive the full financial consideration due from institutions that have contracted with it to have access to the distribution network and use the brand for distribution and selling of the products. This revenue represents 35% of the Consolidated financial information.

We decided to focus on this matter in our audit because this is the only operating activity of the Company, besides being a holding, and the relevance of this matter.

Our work included, in addition to sending confirmations of the financial consideration due from institutions that have contracted to have access to the distribution and selling of the products, the reperformance of the financial consideration and reconciliation of the amounts presented as revenue.

We consider that the criteria and assumptions that management adopted to register this revenue are supported and that are reasonable in the context 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, 2019, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to 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 Technical Pronouncement 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 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.

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



Caixa Seguridade Participações S.A.

that there is a material misstatement in the Management Report, we are required to report that fact. 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 and 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 subsidiaries.

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

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



Caixa Seguridade Participações S.A.

- 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 may 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 parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.⁴

Brasília, January 30, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Guilherme Naves Valle
Contador CRC 1MG070614/O-5



OPINION OF THE FISCAL COUNCIL

The Fiscal Council of Caixa Seguridade Participações S.A. in the use of its legal and statutory attributions, examined the Financial Statements, Budget Execution, Management Report and Distribution of Results of Caixa Seguridade Participações S.A., related to the fiscal year ended on December 31, 2019, which were approved by the Board of Directors on January 30, 2020.

Based on the examinations carried out, the information and clarifications received during the year by the Company's Management and also, in the PricewaterhouseCoopers Auditores Independentes Report, this Fiscal Council is favorable, without reservations, that the referred documents are in conditions to be forwarded for deliberation of the General Shareholders' Meeting.

Brasília, January 30, 2020.

Bruno Cirilo Mendonça de Campos
Member

Dermeval Bicalho Carvalho
Member Alternate

Oswaldo Bruno Brasil Cavalcante
Chairman of the fiscal Council

To
Board of Directors of CAIXA Seguridade Participações S.A.

1. Introduction

The Audit Committee of Caixa Seguridade Participações S.A. (COAUD or Committee), a permanent statutory body that reports directly to the Board of Directors (BD), acts within the limits of its powers set out in the Company's Bylaws and in its Internal Regulations, which are in accordance with current legislation, notably Law No. 13,303/2016, Decree No. 8,945/2016, the Resolutions of the Interministerial Committee on Corporate Governance and Administration of Corporate Participation of the Union (CGPAR) and the Instructions of the Brazilian Securities Commission (CVM).

It was installed on November 27th, 2018 and is composed of 4 (four) independent members, all appointed by the Board of Directors of CAIXA Seguridade, and the Chairperson of the Committee is also an independent member of that Board.

Under the terms of Article 10 of the Company's Bylaws, COAUD is an auxiliary body to management, with the main purpose of advising the Board of Directors in the performance of its functions, especially with regard to monitoring the quality, transparency and integrity of the individual Financial Statements and consolidated accounts, the effectiveness of risk management systems and internal controls, as well as the performance of internal and independent audits.

As an advisory body, COAUD does not have deliberative, decision-making or executive functions. Thus, the Company's Management is responsible for defining and implementing processes and procedures that aim to collect data in the preparation of the Financial Statements, in compliance with corporate law, accounting practices adopted in Brazil, in addition to the standards issued by the International Accounting Standards Board (IASB) and the Brazilian Securities Commission (CVM). Management is also responsible for preparing and ensuring the integrity of the Financial Statements, managing risks, maintaining an effective internal control system and ensuring compliance with the Company's activities and processes, and the Committee is responsible for recommending the correction or improvement of policies, practices and procedures identified within the scope of their duties.

The supervision and monitoring work performed by COAUD is based on the inputs received from the Management, from the various areas of the Company - especially those responsible for preparing the Financial Statements, for managing risks, internal controls, compliance and integrity -, the results of the work internal and independent auditors, in addition to the Committee's own analysis of the Company's documents and information to which it has access in the performance of its activities.

2. Period Activities

In 2019, COAUD held 69 (sixty-nine) meetings with the various areas of the Company, the internal and independent audits, the Transactions with Related Parties, the Executive Board and the Fiscal Council.

In addition, the members of the Committee participated in the Board of Directors' meeting that approved the Company's Financial Statements for the 2018 fiscal year and the Chairperson of the Committee - and a member of the Board of Directors - participated in the other Board meetings that took place during the year, having reported the activities carried out by COAUD and submitted, on a quarterly basis, all its Minutes to the Council.

The subjects included in the work plan and in the agendas of the meetings are related to the Committee's statutory and

regulatory powers, mainly of supervision/monitoring of the processes of preparation of the Financial Statements, of risk management, internal controls, compliance and integrity, as well as of the performance of internal and independent audits.

As a result of its analyzes and debates held at the meetings, the Committee issued 56 (fifty-six) requests and 29 (twenty-nine) recommendations to the various areas of the Company, to the management and to the internal audit, all duly recorded in Minutes.

The control of the fulfillment of demands is monitored monthly by the Collegiate and, at the end of the year; all had been properly attended by the responsible areas, showing the good functioning of governance in the Company.

Among the main requests, recommendations and guidelines issued by the Committee in 2019, the following stand out:

- disclosure to employees of guidelines on the use of social media, in order to mitigate labor and information security risks;
- alignment and harmonization of principles and guidelines of subsidiaries and holding companies, especially in relation to standards of conduct and integrity;
- improvement of the technological environment and evaluation of the need for automation of controls;
- monthly submission of balance sheets by the accounting department to COAUD, making it possible for the Committee to present more timely recommendations when and if necessary;
- definition of internal flow and communication with the parent company to optimize the process of attesting the services provided by the internal audit under the sharing agreement;
- maintenance of a permanent monitoring panel that allows for daily monitoring of the Company's compliance;
- inclusion of a performance indicator in the unit evaluation system related to meeting the demands of the Company's Board of Directors;
- diligent and timely monitoring by management on the implementation of corrective actions indicated by the internal audit.

2.1. Regulatory, Control and Inspection Bodies

COAUD takes note of the results of inspections, requests and notes from the regulatory, inspection and control bodies, following the measures adopted by the Company to comply with them.

It is worth noting, in 2019, the end of the compliance audit work carried out by the Federal Comptroller General at CAIXA Seguridade regarding a strategic project in progress, whose conclusion did not register notes and stressed that, despite the potential improvements recommended, the project has been properly managed, with consistent justification, compliance with good market practices and monitoring by decision-making bodies.

2.2. Internal Audit

Regular work includes audit tests on governance, quality and compliance with internal control and risk management

systems and compliance with policies and regulations, including those that affect the preparation of the Company's Financial Statements.

During the year, the Committee met with representatives of the internal audit to monitor its performance and the execution of its work, debating the conclusions and recommendations resulting from the audits carried out. As a result of the debates, the Committee presented recommendations/requests to the internal audit, which were duly accepted.

COAUD carries out an assessment of the objectivity, independence, effectiveness and efficiency of the internal audit and discusses the results with the maximum manager of the area responsible for the work carried out within the scope of CAIXA Seguridade.

Currently, Caixa Seguridade's internal audit work is performed by CAIXA's internal audit through a sharing agreement signed between the companies. In the exercise of sharing, the internal audit is linked to the Company's board of directors. The maintenance of sharing, the installation of an internal unit or outsourcing of the 3rd line of defense activity to a specialist market company is being evaluated by Caixa Seguridade's Management.

2.3. Independent Audit

The company PricewaterhouseCoopers Auditores Independentes (PwC) is responsible for the external audit work on the Financial Statements, and must give an opinion on whether they adequately present, in all relevant aspects, the equity and financial position of the Company and its affiliates and subsidiaries, the performance of its operations and their respective cash flows, in accordance with accounting practices adopted in Brazil.

In 2019, COAUD met with representatives of the independent audit, to monitor the results of their work, with emphasis on the audit on the individual and consolidated financial statements for the quarter and for the year.

The Committee assesses the objectivity and independence of the independent auditors, the quality and effectiveness of the work carried out and the relationship with this Collegiate.

The Committee gave its opinion on the renewal of the contract with the company PwC, whose current contract provides for the provision of services to CAIXA Seguridade until the Financial Statements of the year of 2019, and is following the procedures of the new hiring, considering the rotation rule established by CVM that prohibits the renewal of the current contract, behold, since it totaled 5 (five) years and there was no Audit Committee installed in the Company at the time of the first contraction.

2.4. Financial Statements

The Committee reviewed all CAIXA Seguridade's Financial Statements, individual and consolidated, quarterly and for the year, as well as the Management Reports and the Independent Auditors' Reports, prior to the Board of Directors' deliberation and disclosure.

To this end, it met with those responsible for preparing the Financial Statements and with the internal and independent auditors, to discuss relevant accounting topics, the main accounting practices adopted, the estimates made, as well as the presentations of the equity and financial situation, of the financial results, cash flows and added values and explanatory notes.

No divergences were identified between management, the independent audit and the Audit Committee in relation to the Company's Financial Statements.

2.5. Compliance and Internal Control Systems and Risk Management

The Committee held meetings with the area responsible for compliance and internal control, risk management systems, and evaluated all reports issued, with the objective of monitoring the Company's risk exposures and monitoring the quality and effectiveness of the existing controls.

All recommendations presented by COAUD were followed by the area in an appropriate and timely manner.

2.6. Ombudsman-General and Reporting Channel

The risk area is responsible for handling occurrences registered in the Company's Ombudsman channel, and COAUD followed the quarterly reports of the area on the matter.

COAUD also has its own channel for receiving complaints, whose access is restricted to Committee members. There were no occurrences on the channel during the 2019 financial year.

2.7. Monitoring Transactions with Related Parties

In December 2018, CAIXA Seguridade's Transactions with Related Party Committee (CTPR) was formed, composed of 3 (three) members, one of whom is an independent member of the Company's Board of Directors. It is incumbent upon CTPR to give its opinion, prior to the approval of the Executive Board and the Board of Directors, regarding the carrying out of transactions with related parties, as defined in the Policy of Transactions with Related Parties of the Company.

The Audit Committee, together with CTPR, the Company's management and the internal audit, must assess and monitor the adequacy of the transactions with related parties carried out and their respective disclosures.

During 2019, the Audit Committee met with CTPR and the internal audit to align the flow of monitoring transactions with related parties.

2.8. Other activities

Collegiate members participated in actions promoted by the Company with the objective of strengthening the Governance, Risk and Compliance (GRC) environment and specific training to comply with Law No. 13,303/2019 promoted by the parent company CAIXA to the statutory members of the conglomerate's collegiate bodies.

In addition, they participated in a training course (Audit Committee in non-financial companies) for members of audit committees, conducted by IBGC - Brazilian Institute of Corporate Governance.

3. Conclusions

The Audit Committee, due to the activities carried out in the period and due consideration of its responsibilities and the limitations resulting from the scope of its performance, recognizing the need for improvement in some corporate processes and investment in technological updating, especially regarding some control tools concluded that:

- i) Caixa Seguridade's risk management, internal controls, compliance and integrity systems reveal an adequate level of effectiveness, considering the size and complexity of the institution;
- ii) internal audit, with adequate budget and structure, performs its functions with independence, objectivity and quality;
- iii) the independent audit is effective, acts objectively and no situations were identified that could compromise its independence;
- iv) all relevant matters that have come to your attention are adequately disclosed in the Management Report and in the Financial Statements of Caixa Seguridade, individual and consolidated, for the year ended December 31st, 2019, accompanied by the Independent Auditors' Report, recommending their approval by the Caixa Seguridade Board of Directors.

Brasilia, January 30th, 2020.

MARIO RICARDO FERREIRA MATTOSO MAIA
Member

TELMO MARQUES COSTA
Member

ANTÔNIO JOAQUIM GONZALEZ RIO-MAYOR
Committee Chairman