

Caixa Econômica Federal

Investor Presentation

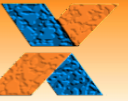
The logo for Caixa Econômica Federal, featuring the word "CAIXA" in a bold, blue, sans-serif font. The letter "X" is stylized with an orange diagonal stroke through it. The logo is positioned on the left side of the slide, partially overlapping a horizontal line that runs across the middle of the page. The background of the slide is white, with a diagonal blue line running from the top left towards the bottom right, and an orange triangle in the top left corner.

October 2017

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CAIXA Overview



Business Positioning & Strategy



Financial Highlights & Operating Results



CAIXA Current and Prospective Capital Position

CAIXA at a Glance



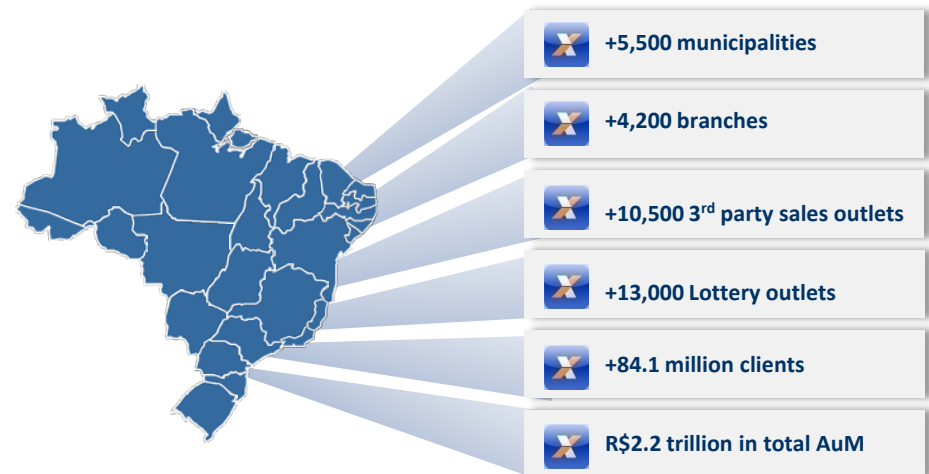
Highlights

-  Largest **fully-government owned** bank in Latin America, controlled by the **Brazilian National Treasury**
-  Established in 1861 by Brazilian **Federal Law**
-  **Exclusive Agent** managing social security benefit funds¹
-  **Major Agent** of Federal Government policies
-  **Largest Mortgage and Savings bank** in Brazil
-  **Largest Brazilian bank by credit portfolio**

Issuer Credit Ratings

	Ba2 (neg)
	BB (neg)
	BB (neg)

Balance Sheet	1H17
Total Assets	R\$1.3 trillion
Loan Portfolio	R\$ 716 billion
Total Deposits	R\$ 529 billion
<hr/>	
Profitability and Productivity	
Net Income	R\$ 4,074 million
ROE	9.02%
ROA	0.46%
Efficiency Ratio	50.90%
Total Capital Ratio	14.42%
Total Loan Delinquency Rate ²	2.51%



Source: Caixa Econômica Federal

¹ Includes FGTS: *Fundo de Garantia do Tempo de Serviço* (Severance Pay Fund) and PIS: *Programa de Integração Social* (Social Integration Program Fund)

² Over 90 days

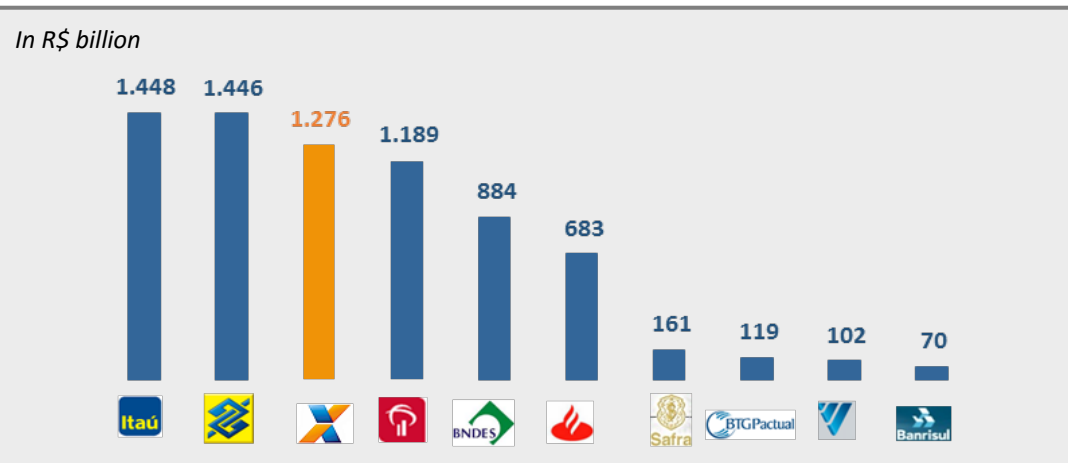
CAIXA Main Highlights



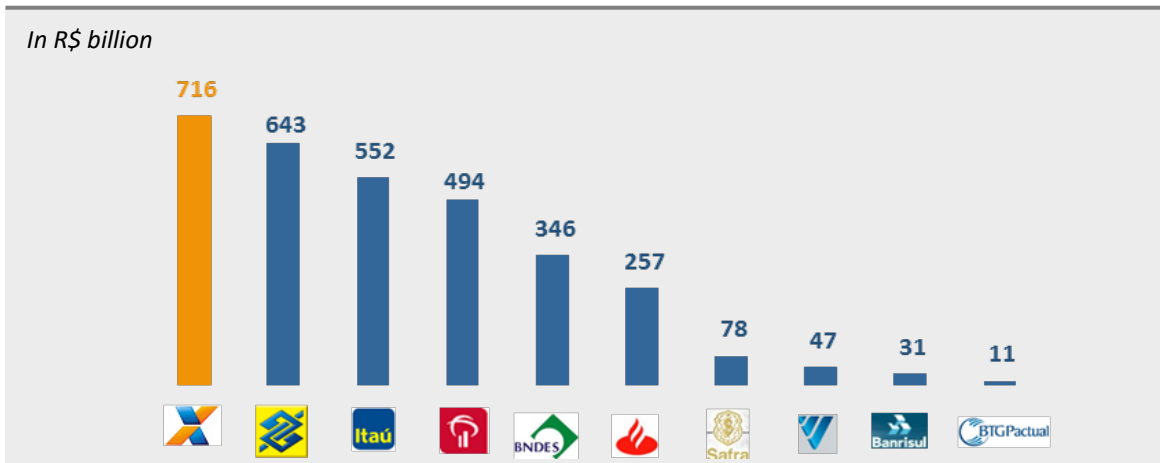
- A systemic institution, with leadership position in the Brazilian banking sector

As of June, 2017

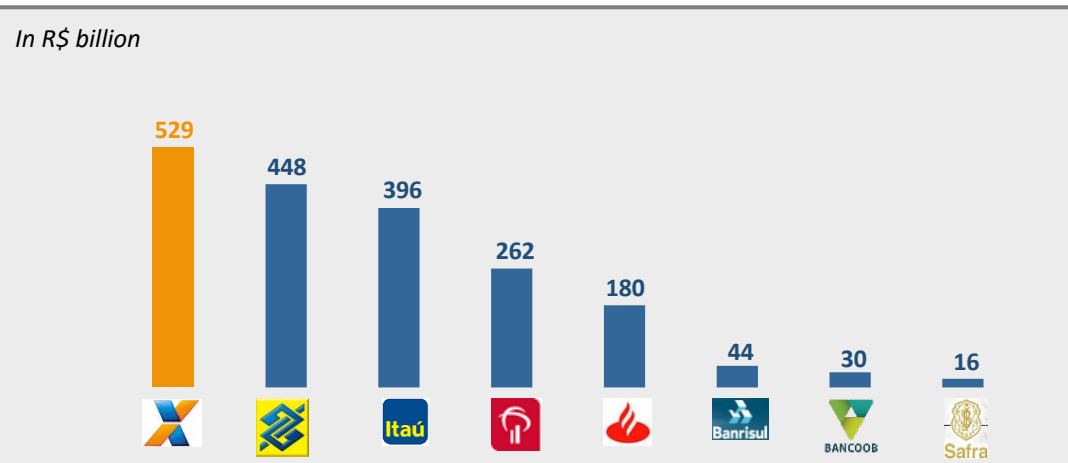
By Total Assets



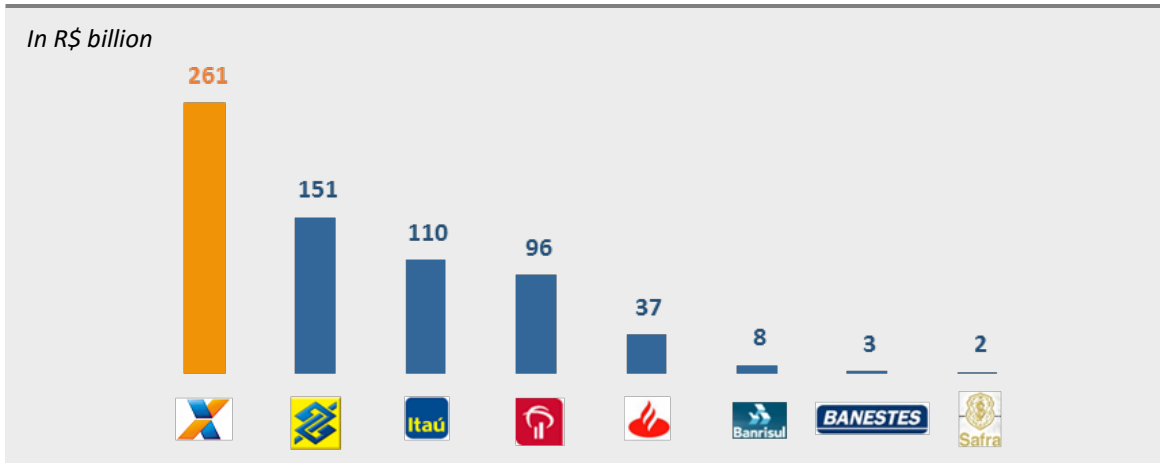
By Total Loans¹



By Deposits



By Savings Deposits



Source: Banks; Caixa Econômica Federal
1- Includes others credits

CAIXA's Key Business Activities



As of June, 2017

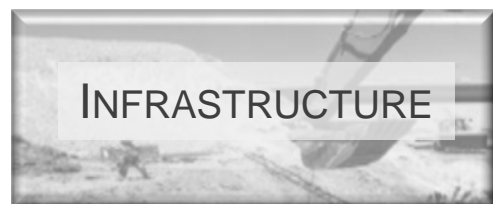
- Leadership position in Key Business Activities



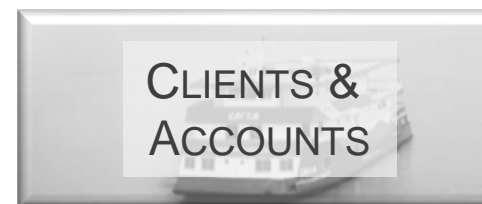
R\$ 421.4 billion
68.1% market share



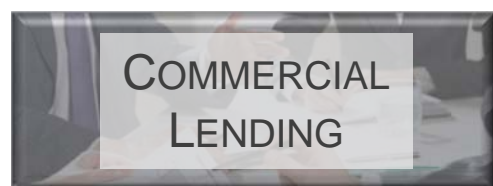
R\$ 313.5 billion
8.1% market share



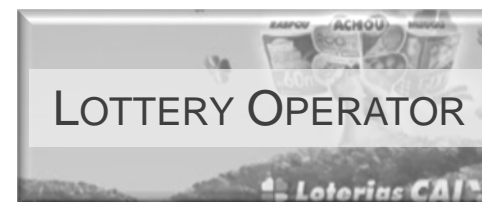
R\$ 79.9 billion



84.1 million clients
24.8 million current accounts



R\$ 182.7 billion
10.6% market share



R\$ 6.2 billion raised in 1H17
R\$ 606 million income from services



R\$ 261.3 billion
38.7% market share



R\$ 14.2 billion in 1H17
R\$ 367 million income from services

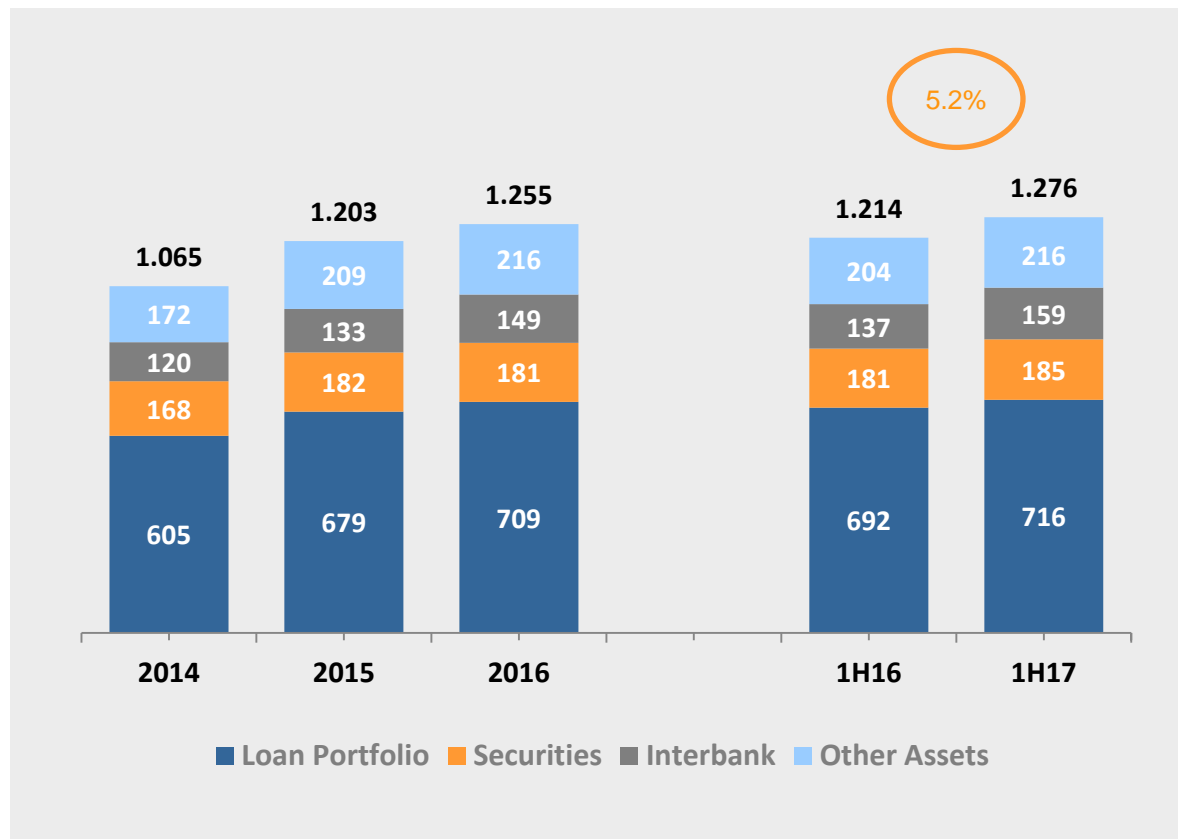
Total Assets Profile



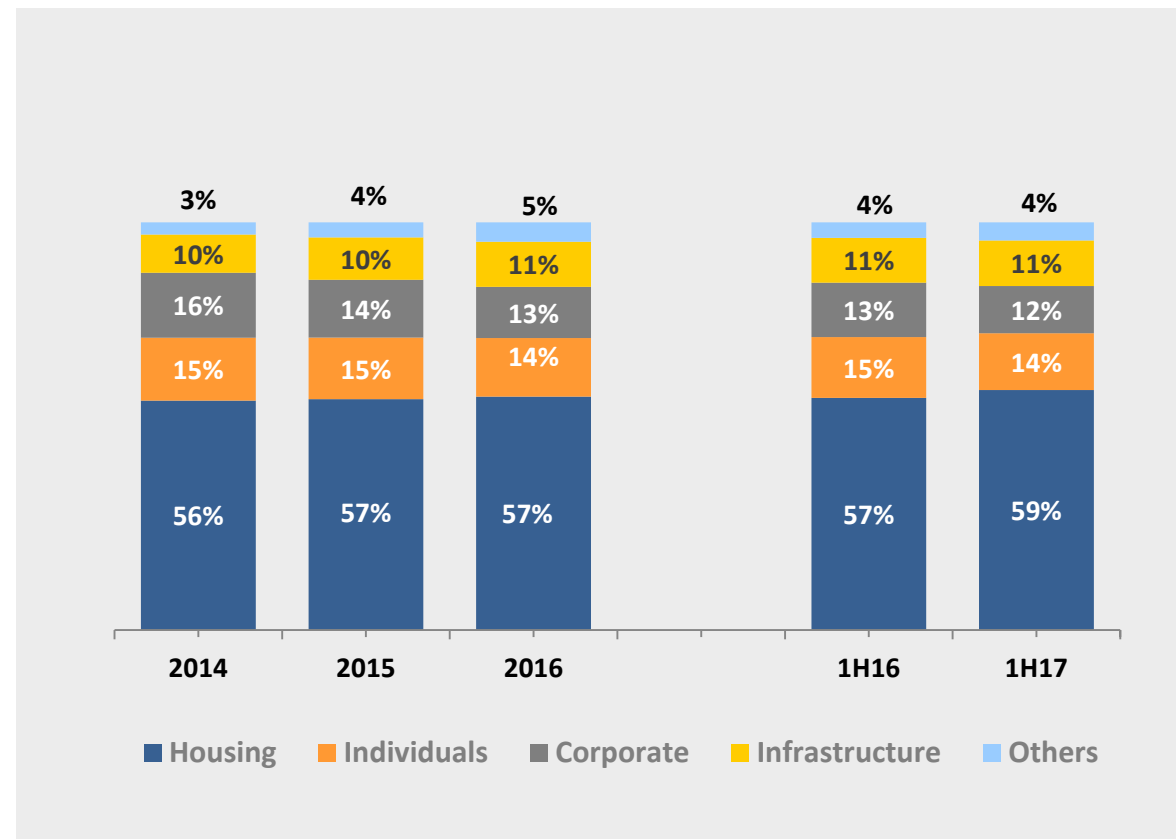
- We are Brazil's Leading Mortgage Lender

Total Assets

In R\$ billion



Breakdown of Loan Portfolio (%)



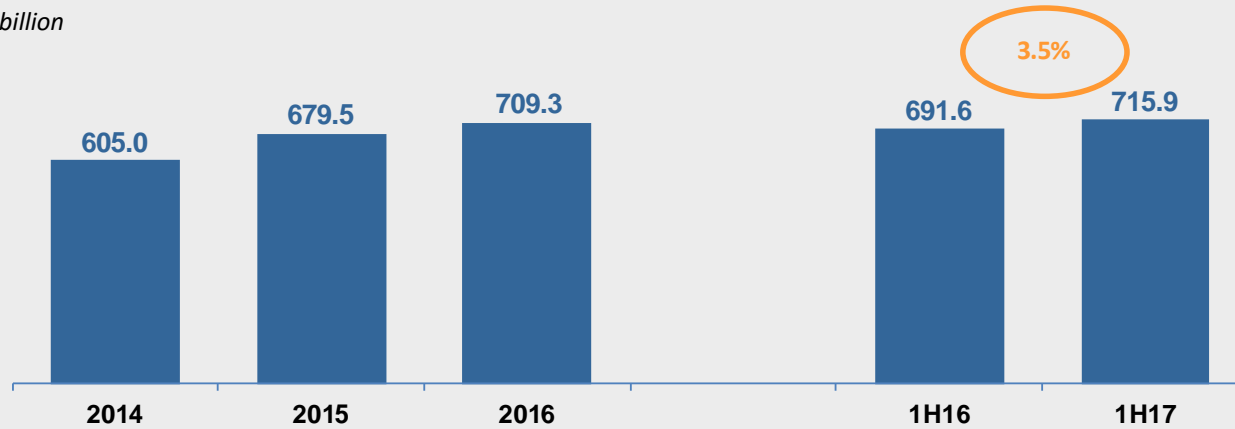
Loan Portfolio Overview



- Our concentration in high quality business segments allow us to have a low-risk Portfolio

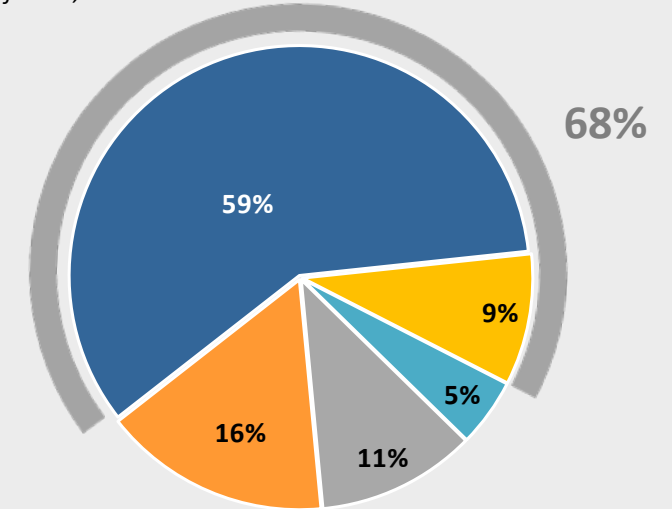
Loan Portfolio

In R\$ billion

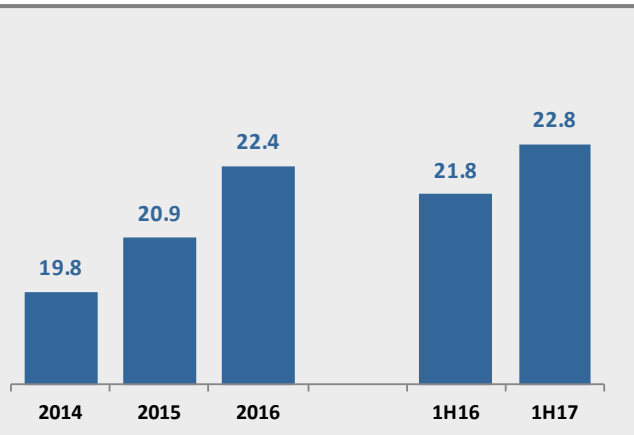


Concentrated in low risk loans

As of June, 2017

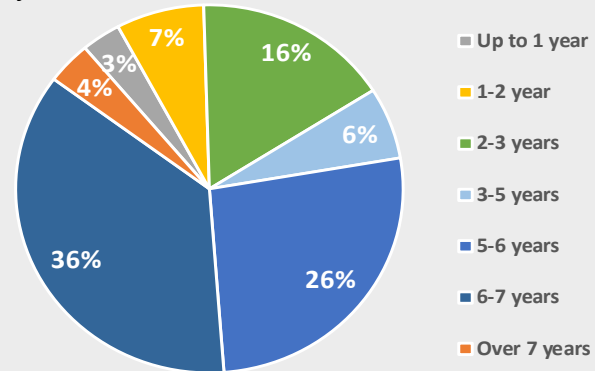


Market Share (%)



Breakdown by Duration (%)

As of June, 2017



- Housing
- Payroll Deductible
- Large Corporate
- Infrastructure
- Others

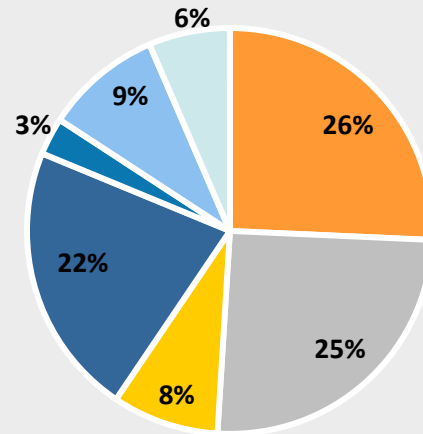
Funding Strategy



- Our business profile allows us to access attractive sources of funding

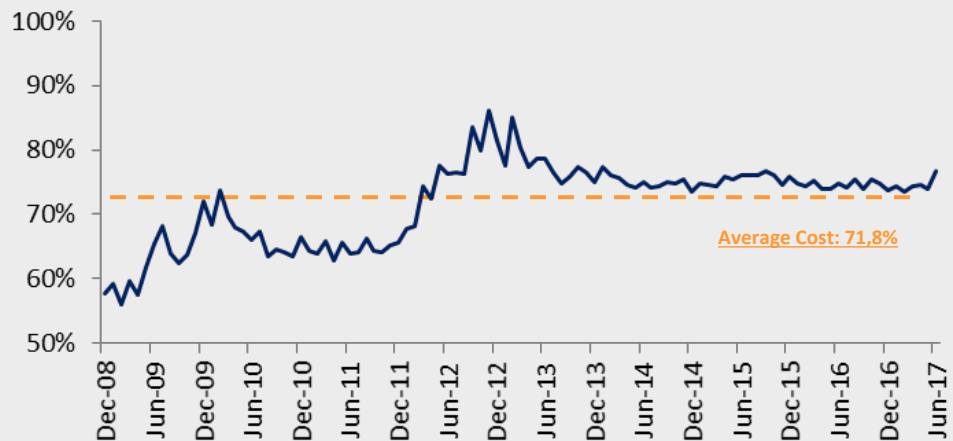
Sources of Funding

As of June, 2017

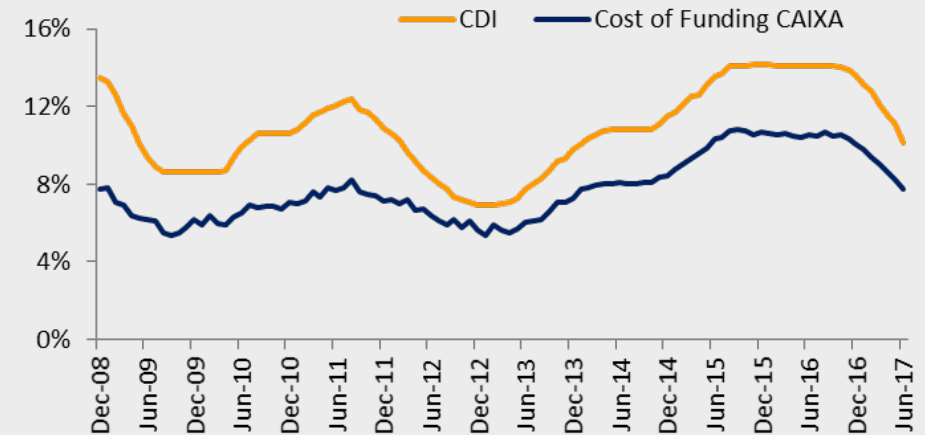


- Savings deposits
- Onlendings
- Repo - own portfolio
- Time deposits
- Demand deposits
- Mortgage linked notes
- Other Liabilities

Total Cost of Funding (CDI¹ %)



Cost of Funding CAIXA vs. CDI



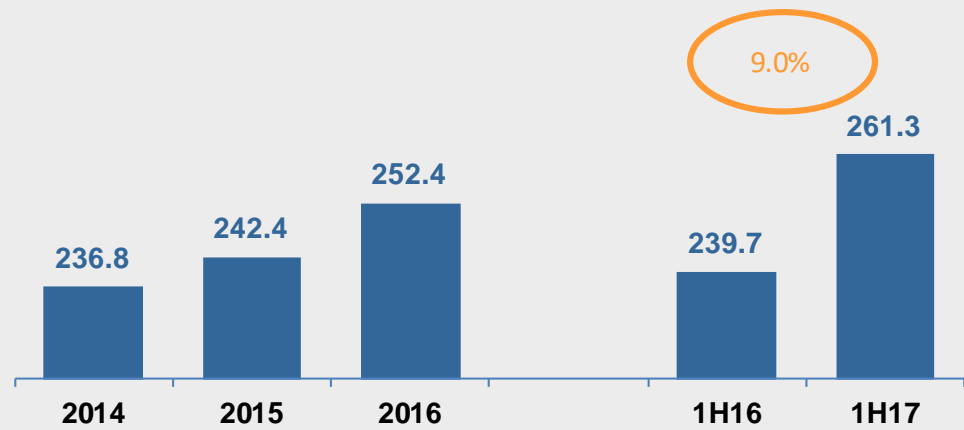
Source: Caixa Econômica Federal
1 Interbank Deposits

Funding Stability



Savings Deposits

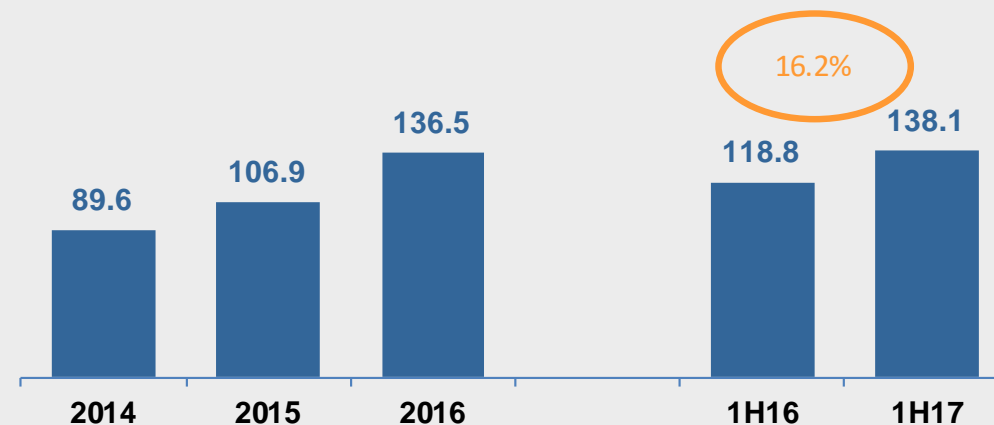
In R\$ billion



Time Deposits – CDB¹

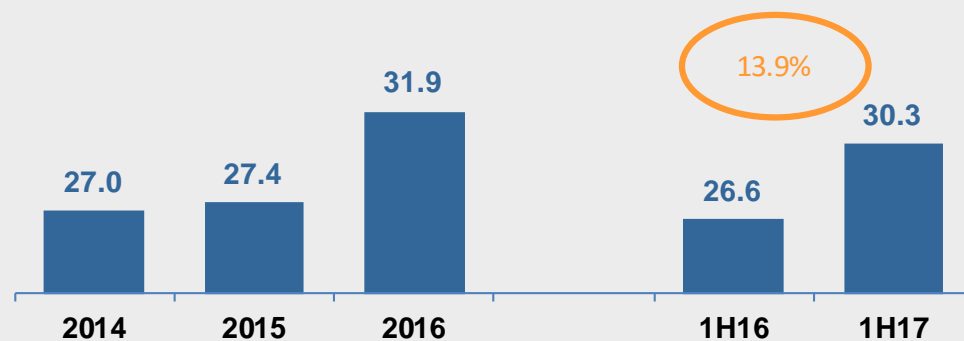
As of June, 2017

In R\$ billion



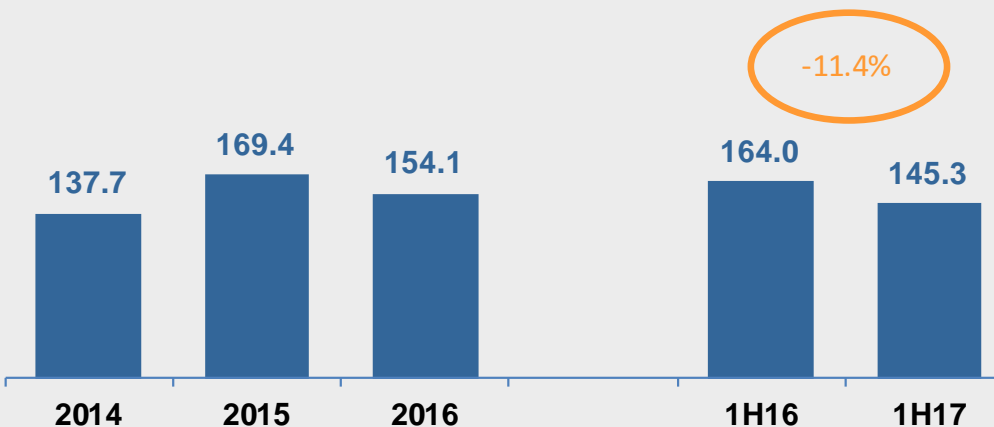
Demand Deposits

In R\$ billion



Local and International Notes

In R\$ billion



Source: Caixa Econômica Federal

1 Certificate of Deposits

Competitive Strengths



-  Relationship with the Federal, State and Municipal Governments of Brasil
-  Stable and Diverse Sources of Funding
-  Housing Market Expertise
-  Low Delinquency Rates
-  Key Participant in Infraestructure and Environmental Development Financing
-  Market Presence and Brand Recognition throughout all Regions in Brazil
-  Government Policy Agent and Financial Services Provider to the Public Setor



CAIXA Overview



Business Positioning & Strategy

Financial Highlights & Operating Results

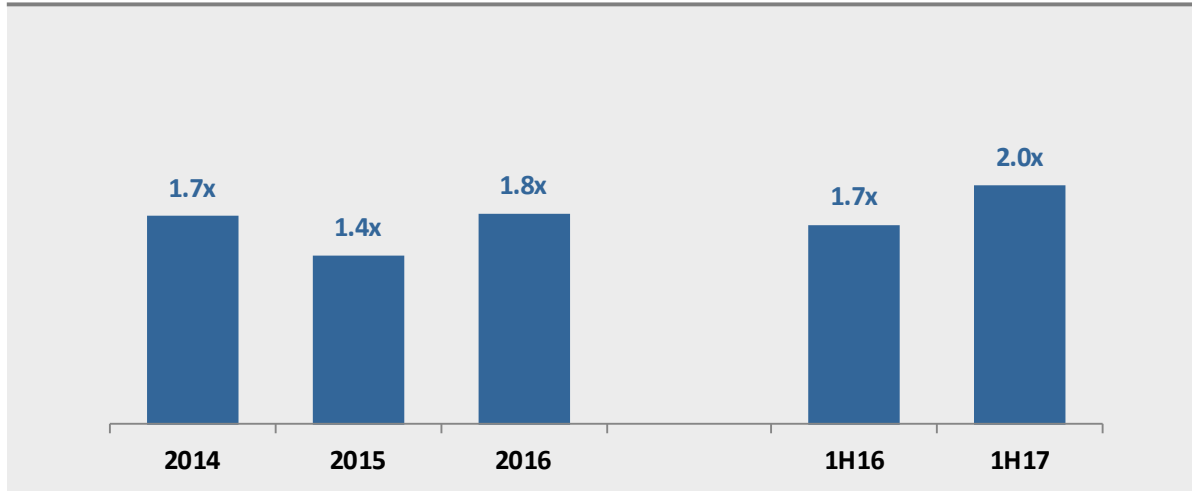
CAIXA Current and Prospective Capital Position

High Quality Credit Portfolio and Low Delinquency Rate

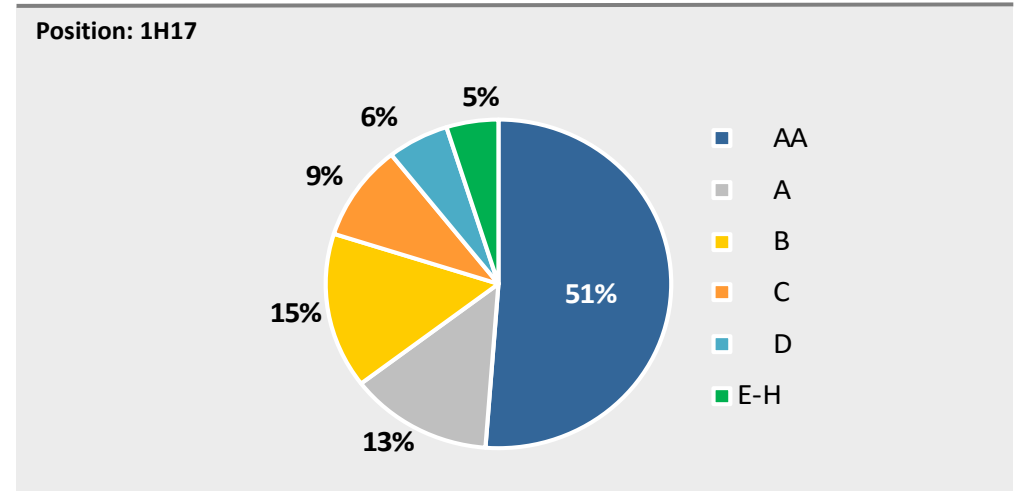


- We have a well provisioned balance sheet with low risk

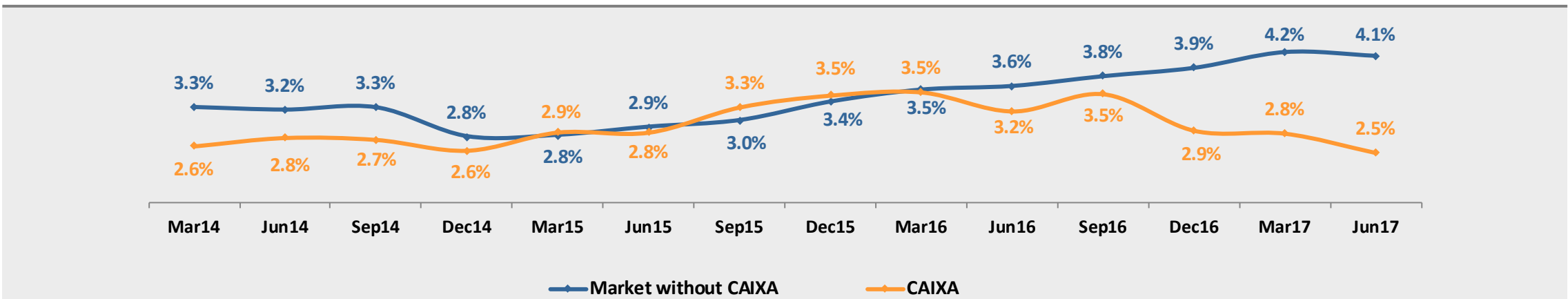
Provisions¹/Delinquency² – Coverage ratio



Breakdown by Risk (%) – according resolution CMN 2.682/99



CAIXA vs. Market Delinquency Rates (%)



¹ Includes provision for other credits with credit granting characteristics

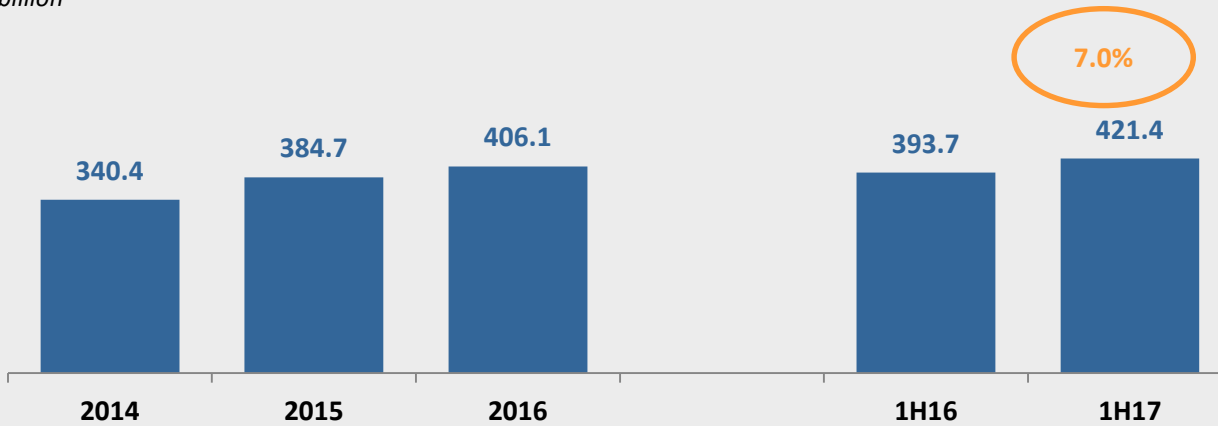
² Over 90 days

Credit Portfolio Breakdown – Mortgage Lending



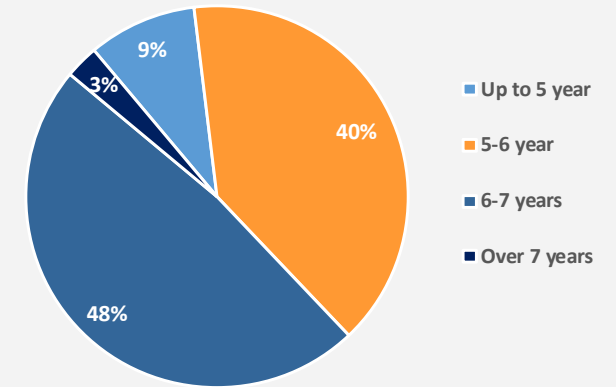
Housing Lending Portfolio Growth

In R\$ billion

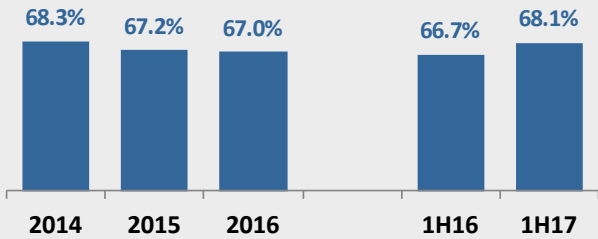


Breakdown by Duration (%)

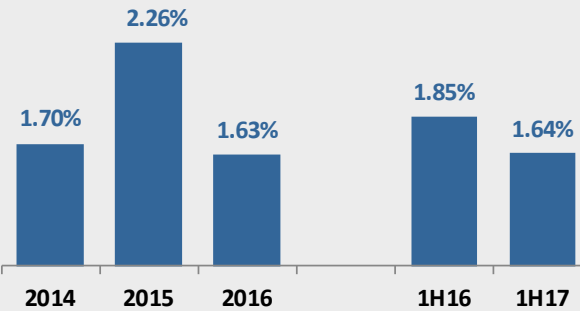
As of June, 2017



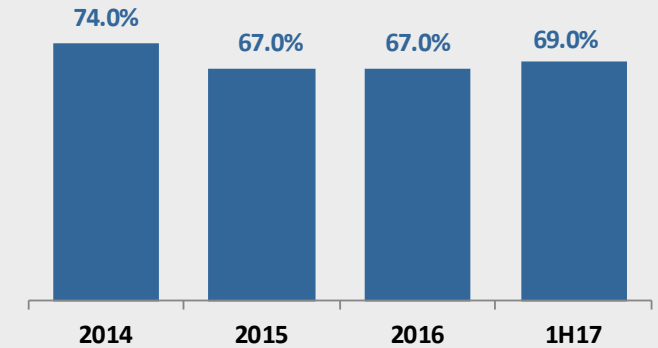
Market Share (%)



Delinquency Rate (%)



Loan to Value (%)

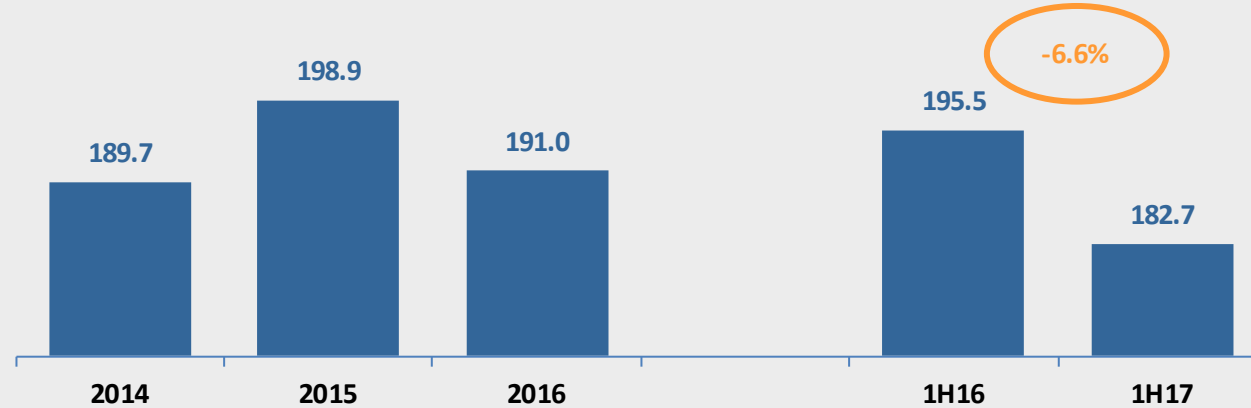


Credit Portfolio Breakdown – Commercial Lending

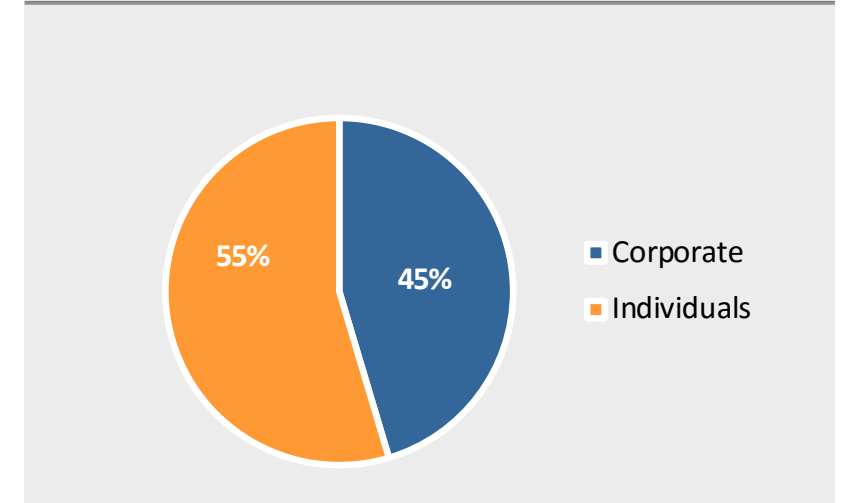


Commercial Lending Portfolio Growth

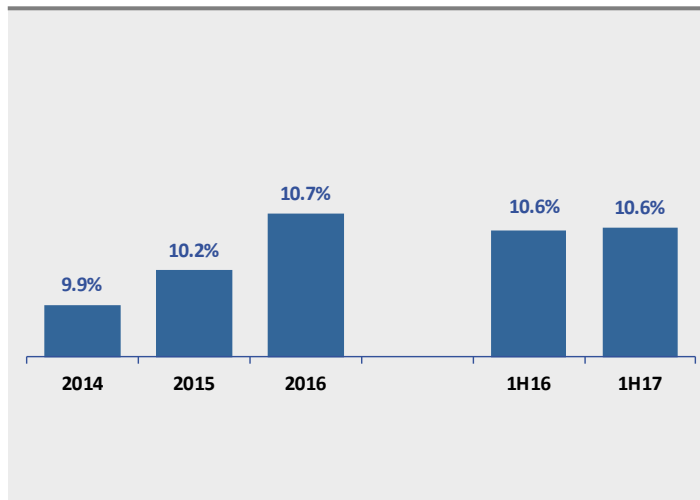
In R\$ billion



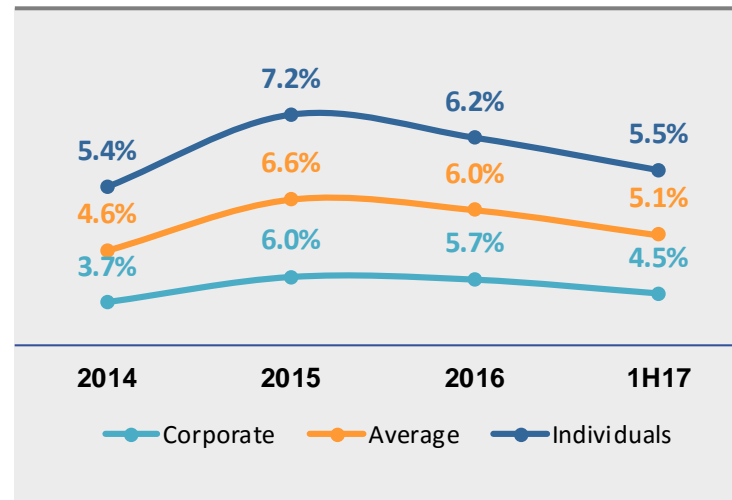
Breakdown by Type (%)



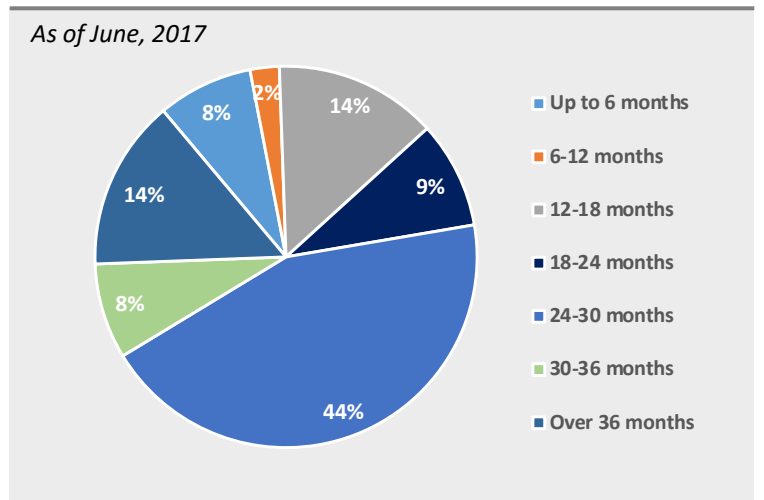
Market Share (%)



Delinquency Rate (%)



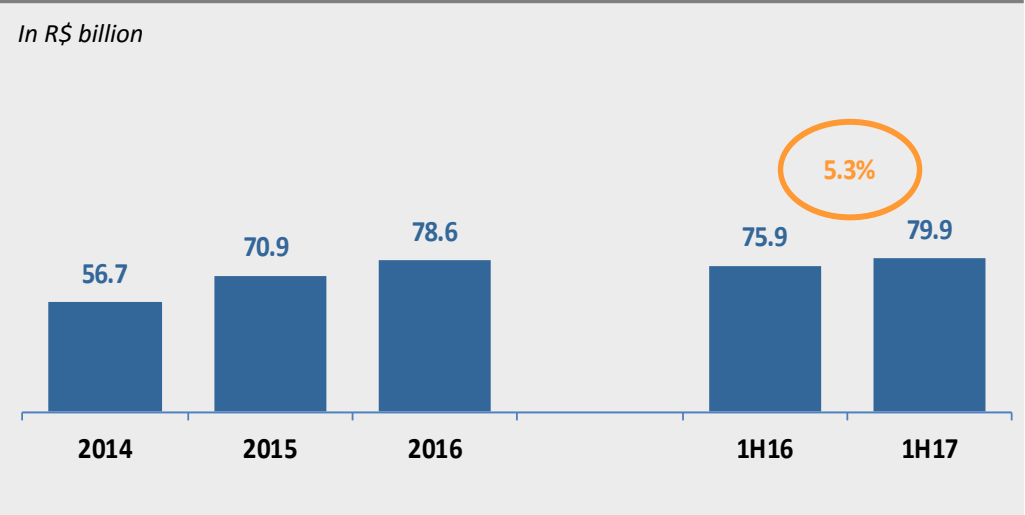
Breakdown by Duration (%)



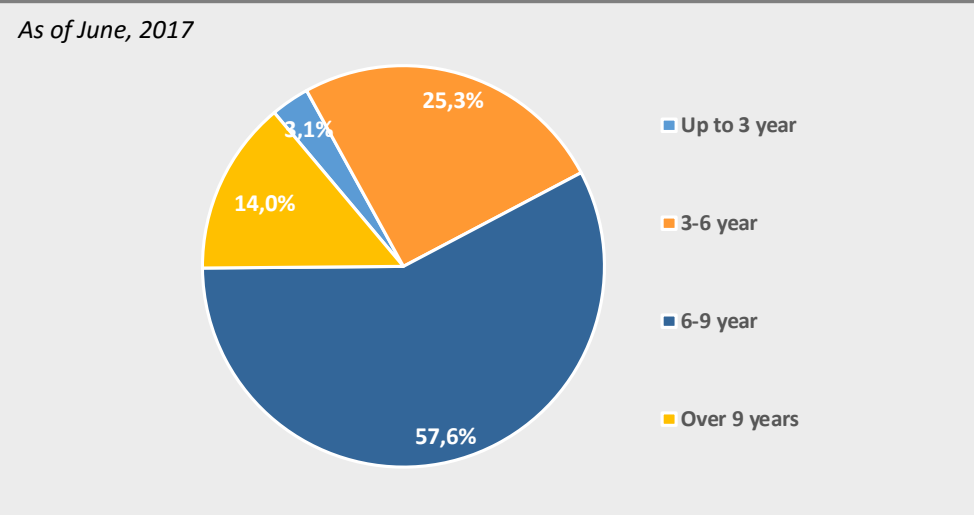
Credit Portfolio Breakdown – Infrastructure



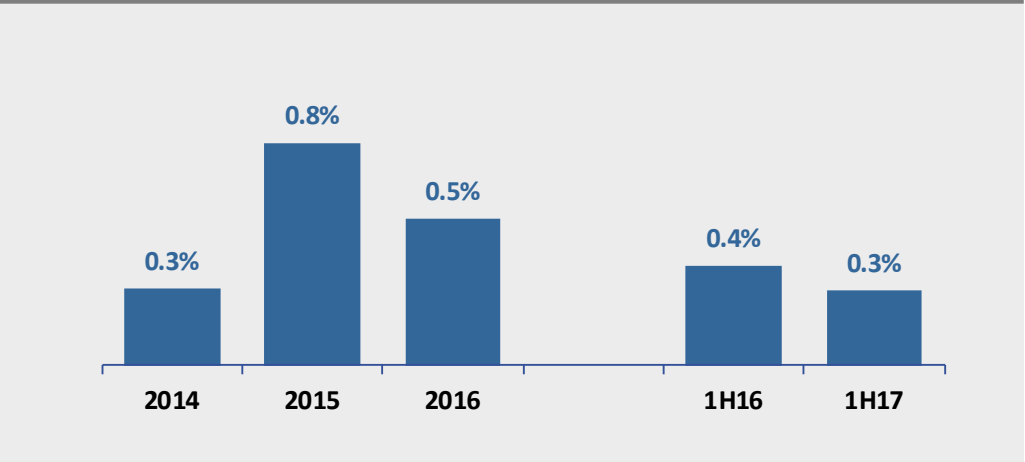
Infrastructure Lending Portfolio Growth



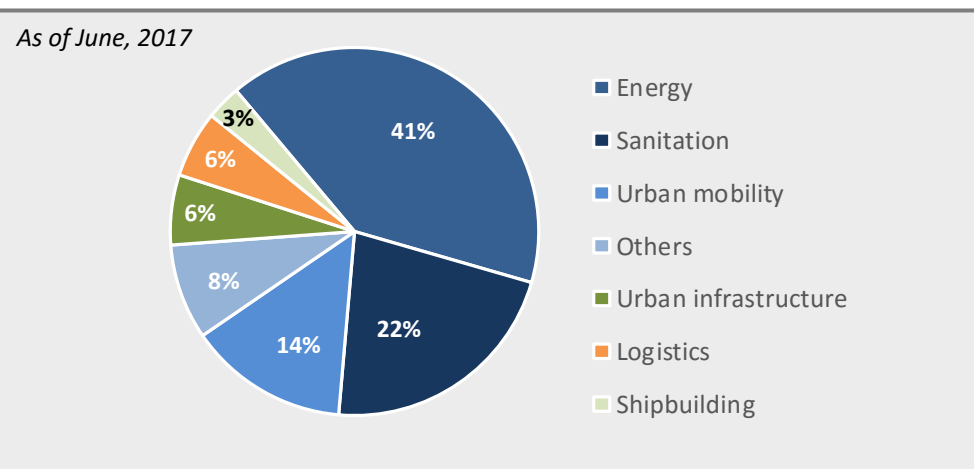
Breakdown by Duration (%)



Delinquency Rate (%)



Breakdown by Sector (%)



Source: Caixa Econômica Federal



CAIXA Overview

Business Positioning & Strategy

 **Financial Highlights & Operating Results**

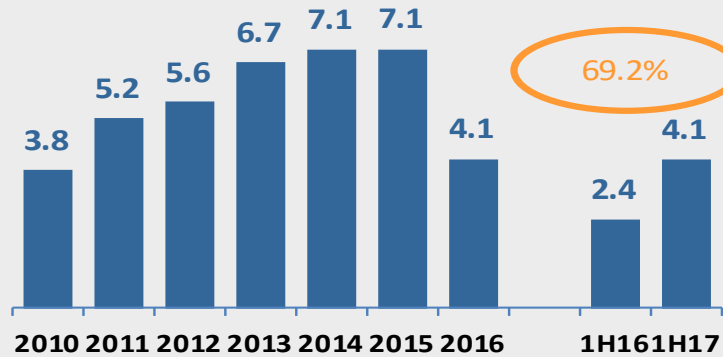
CAIXA Current and Prospective Capital Position

Financial Overview



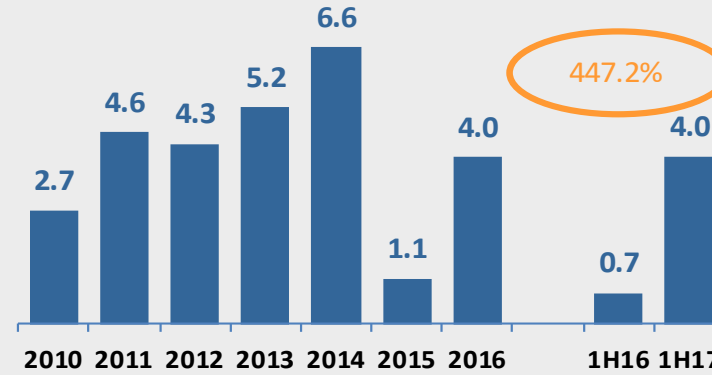
Net Income

In R\$ billion



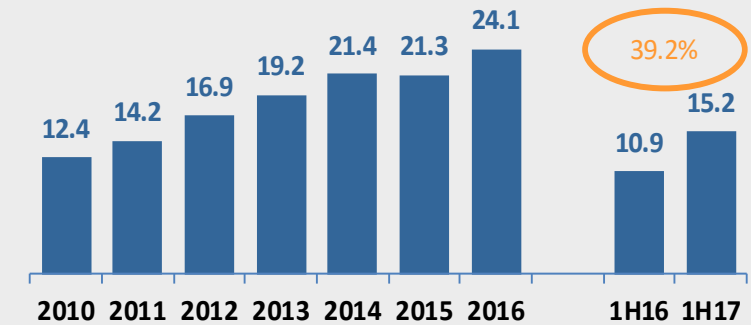
Operating Profit

In R\$ billion

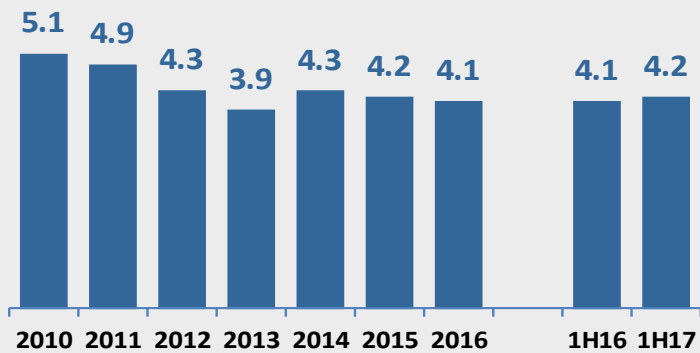


Gross Profit from Financial Intermediation

In R\$ billion

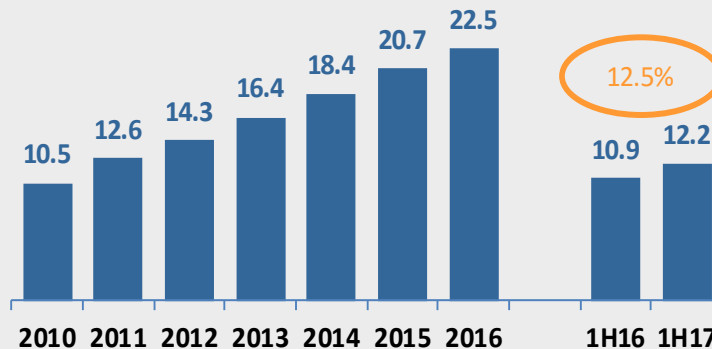


Net Interest Margin (%)¹

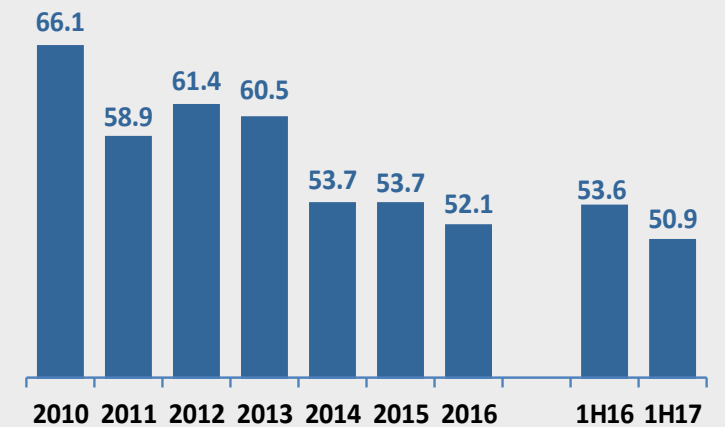


Income from Services and Banking Fees

In R\$ billion



Efficiency Ratios (%)²



¹The ratio values have been reprocessed, ensuring the comparability between the periods.

²Starting this period, the calculation formula of the Operating Efficiency Ratio was reviewed in order to allow a better comparison with the market, by excluding the operations of sales and transfers of assets. To calculate the ratio it was not considered the non recurring impact of R\$ 560 million of the PDVE (EVDP - Extraordinary voluntary dismissal program), registered in the first half of 2017.

Source: Caixa Econômica Federal

Income From Services & Administrative Expenses



Income From Services	2Q17	2Q16	Δ% 2Q17/2Q16	1H17	1H16	Δ% 1H17/1H16
Current Accounts ¹	1,371	1,167	17.5	2,655	2,288	16.0
Credit	395	373	6.0	799	705	13.3
Agreements and Recovery	948	756	25.4	1,759	1,447	21.5
Credit and Debit Cards	651	586	10.9	1,289	1,221	5.6
Insurance ²	46	58	(20.8)	93	71	31.1
Government Services	2,222	2,124	4.6	4,484	4,143	8.2
Asset Management	463	404	14.7	924	791	16.9
Others	114	109	4.8	226	204	10.6
Total	6,211	5,578	11.3	12,230	10,870	12.5

Administrative Expenses	2Q17	2Q16	Δ% 2Q17/2Q16	1H17	1H16	Δ% 1H17/1H16
Personnel Expenses ³	(5,380)	(5,040)	6.7	(10,704)	(10,061)	6.4
Other Administrative Expenses	(2,950)	(2,986)	(1.2)	(5,778)	(5,865)	(1.5)
Total	(8,330)	(8,026)	3.8	(16,483)	(15,925)	3.5

¹ Includes banking fees

² Includes only revenues for the use of CAIXA's branches. It does not consider equity income generated by Caixa Seguridade

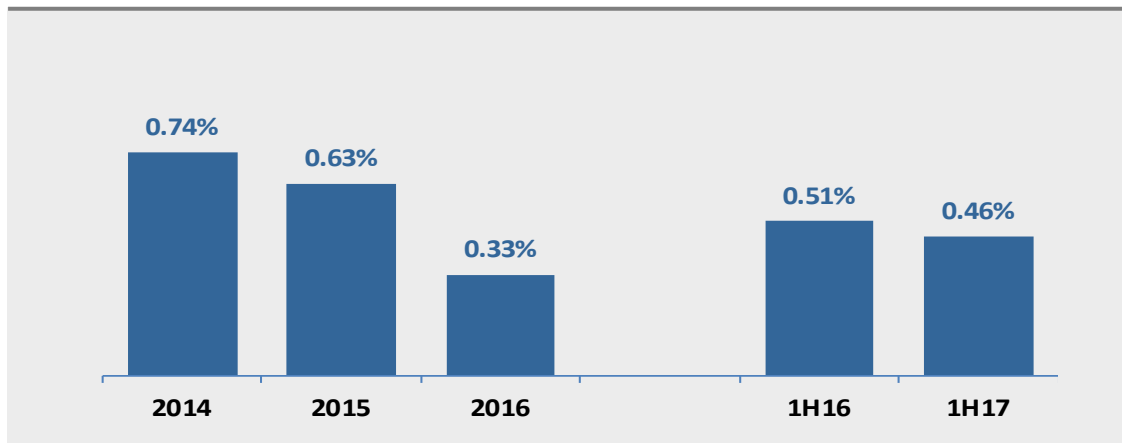
³ In 1Q17, disregards the non recurring impact of R\$ 560 million of the PDVE (Extraordinary Plan for Voluntary Resignation).

Financial Ratios

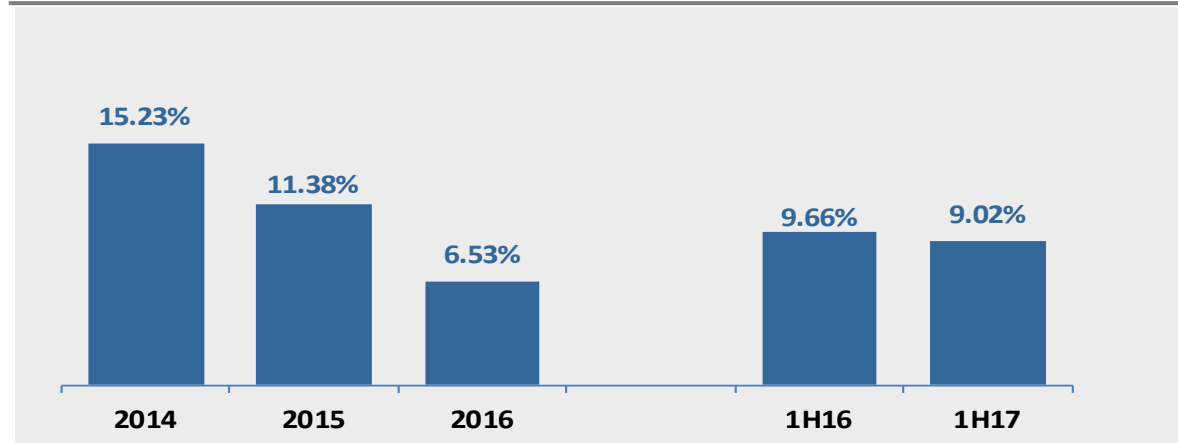


PROFITABILITY

Return on Average Assets

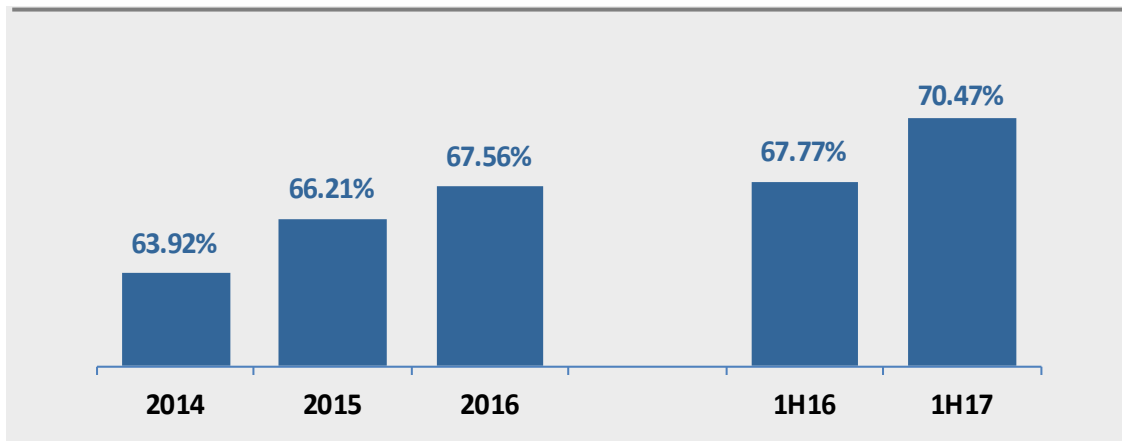


Return on Average Equity

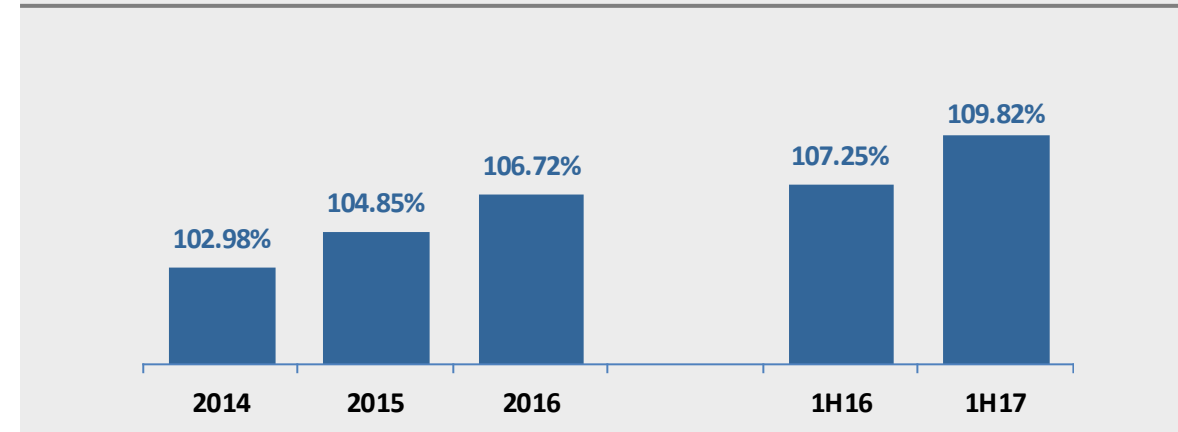


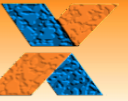
COVERAGE

Coverage Ratio of Administrative Expenses



Coverage Ratio of Personnel Expenses





CAIXA Overview

Business Positioning & Strategy

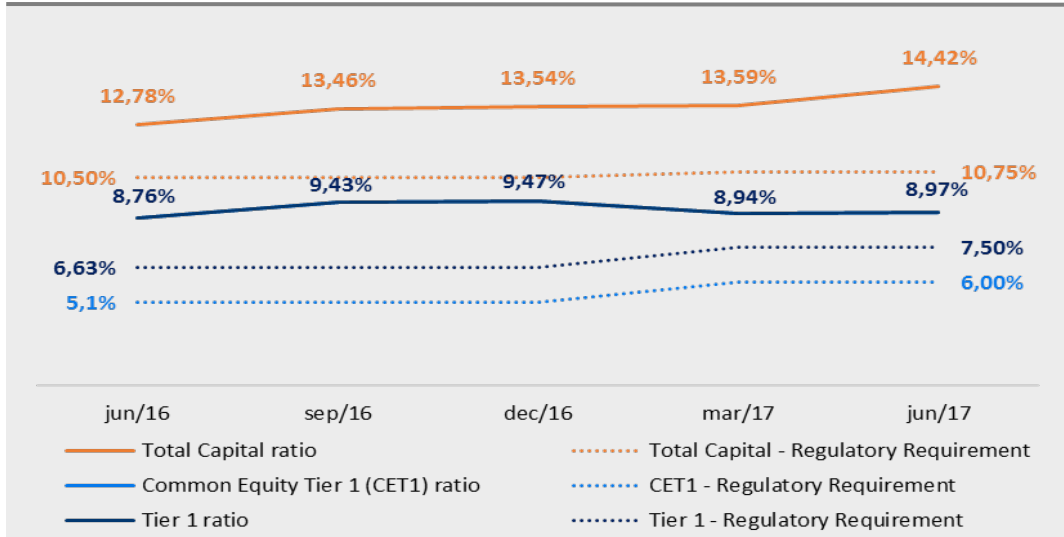
Financial Highlights & Operating Results

CAIXA Current and Prospective Capital Position

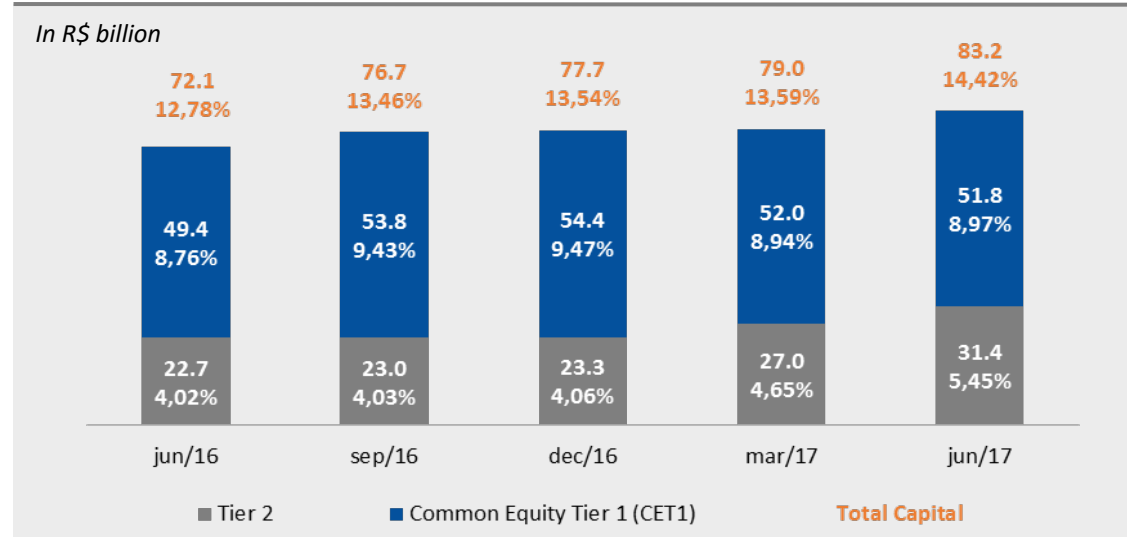
Capital Adequacy Ratios



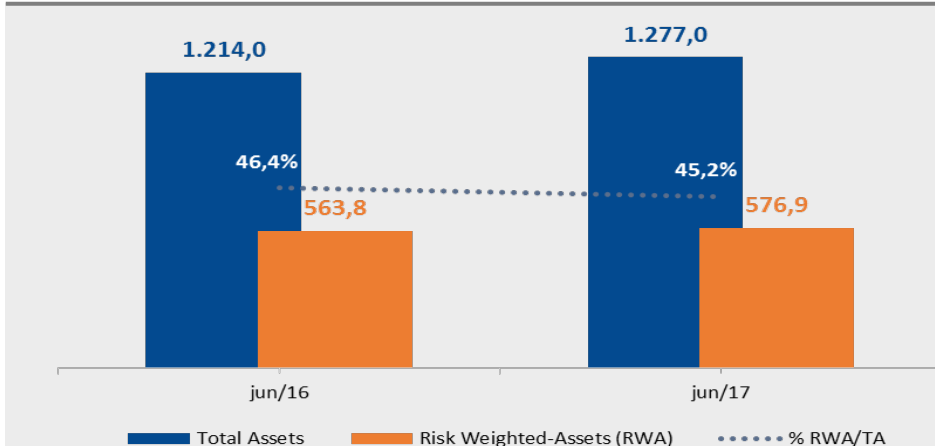
Capital Ratios



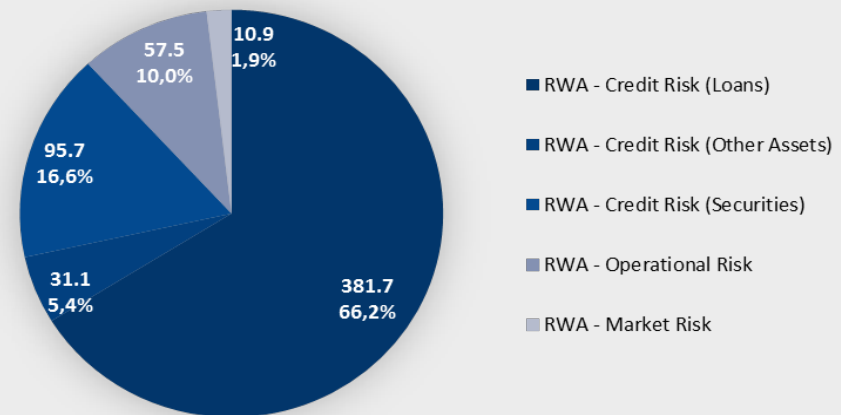
Composition of Total Capital



Risk Weighted-Assets (RWA)



RWA Composition

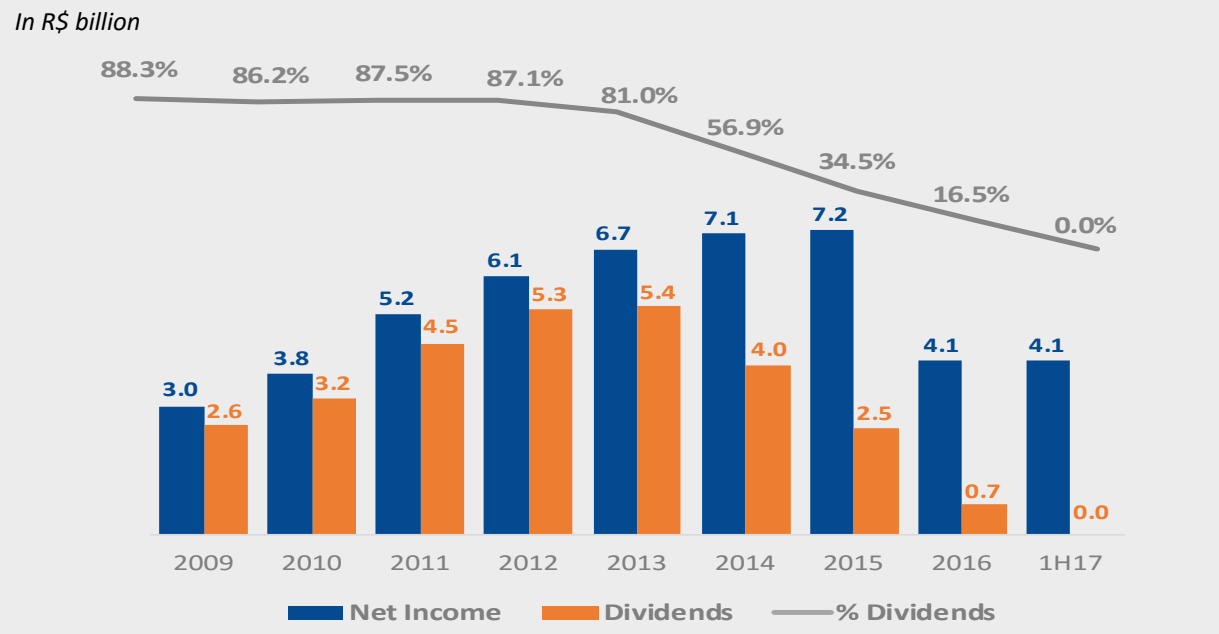


Capital Adequacy Ratios *(continued)*

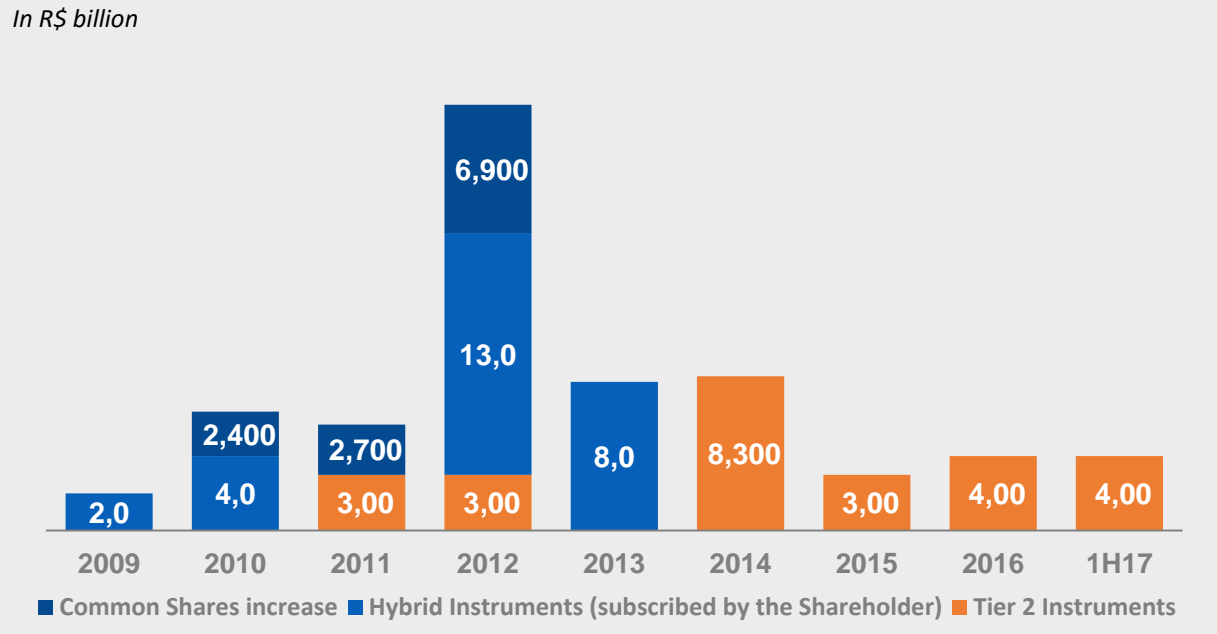


- Track record in generating organic capital and, when necessary, reducing dividend payments and/or raising capital from the market and its shareholder
- CAIXA reduced its dividend payout ratio from 87% in 2012 to 16.5% in 2016.

Dividend Payout – Accrual Basis



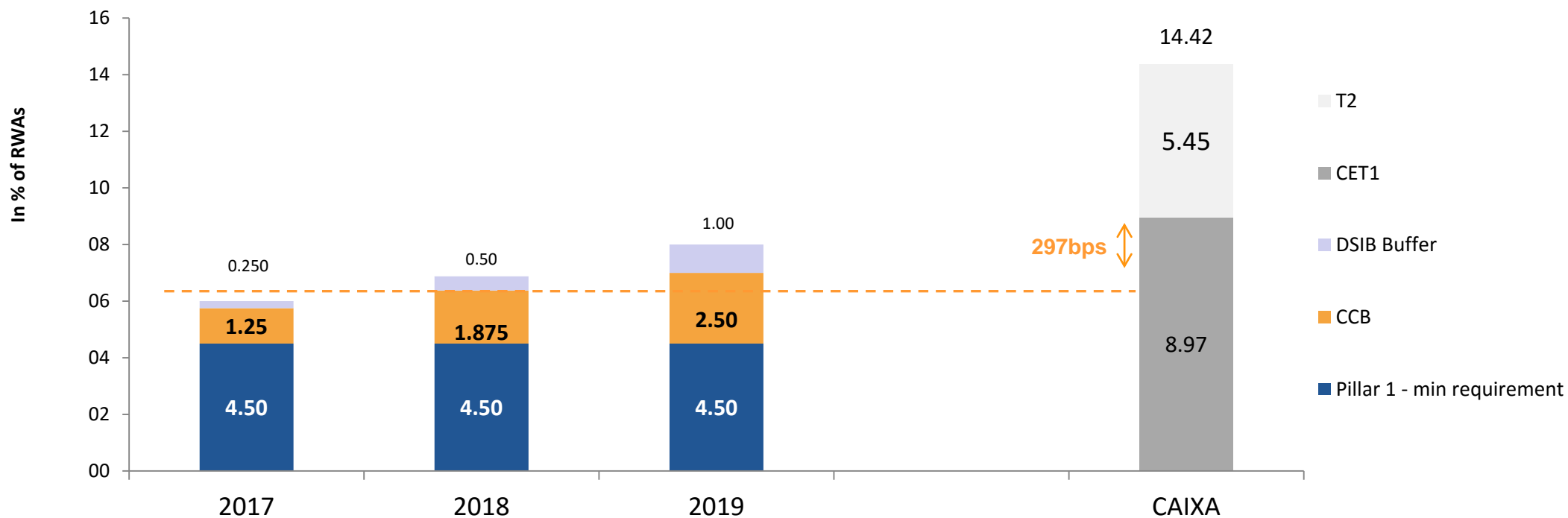
Capital Injections by the Brazilian National Treasury and Tier 2 Issuances



CAIXA holds CET1 Capital in excess of requirements








- CAIXA currently has a buffer of 297 bps above 2017 CET1 requirements



Capital Adequacy Planning - Recent Enhancements



-  Since 2016, CAIXA has been implementing thorough changes in its capital management process
-  The whole 2017 forecast process was based on Risk Adjusted metrics (RAROC)
-  RWA optimization through improvements in registration and control processes
-  Weekly monitoring of CET1 by senior management
-  Monthly update of the 36-month projection of the capital structure (considering stress scenarios)



CAIXA