

MANAGEMENT REPORT

This document is based on the Consolidated Financial Statements of CAIXA on June 30, 2014, and contains statements about expectations, growth estimates, projections of results. Such statements are based on current expectations, estimates and projections about future events and financial trends that may affect the Company's business.

These statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of Management, and may thus result in balances and values different from those anticipated and discussed herein.

Since June 30, 2010, the information presented is consolidated and includes statements from both CAIXA Financial Institution and CaixaPAR company, wholly CAIXA-owned subsidiary.

Managerial statements for previous periods may have been reclassified for comparative purposes, generating possible differences with accounting publications due to reallocations or any grouping of items, which aim to provide a better understanding or vision of changes in assets, liabilities and results, or preserve data comparability between periods.

The figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them due to rounding adjustments. All indexes and variations presented were calculated based on whole numbers, there may be divergence when the calculation is made on the rounded values.

Hereafter, we present the results achieved and actions taken by CAIXA in the first half of 2014, according to the accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

Management Report – 1H14

INTRODUCTION

CAIXA earned net profit of R \$ 3.4 billion in the first half of 2014, increment of 7.9% in 12 months. The result was mainly due to the increase in financial income credit in 46.1%, the result of expansion of securities and derivatives in 45.5% and the increase in revenues from services and fees by 12.0%.

The amplified loan portfolio balance totaled R\$ 552.1 billion, an increase of 28.0% in 12 months, highlighting the operations of sanitation and infrastructure and commercial loan that evolved 52.4% and 23.6%, respectively.

At the half, the CAIXA injected R\$ 322.9 billion in the Brazilian economy by means of new loans, distribution of social benefits, investments in own infrastructure, salaries, social destination of lotteries, among others.

Total funding amounted R\$ 751.3 billion in the first half. Amplified loan portfolio corresponded to 73.5% of this total. This relation shows the existing financial balance between funding and grants, as well as an efficient ability to obtain funding from customers, because of the confidence that savers deposited in CAIXA's brand, the portfolio of products offered, and extensive service network, with more than 67 thousand points distributed by the Country.

Moreover, as the main financial agent of the Federal Government in the implementation of government programs, CAIXA paid in the first half of 2014, R\$ 13.1 billion in social benefits and R\$ 89.6 billion in benefits to workers.

These were some highlights of the first half. Next, the numbers of CAIXA in the period, and the benefits to society.

CUSTOMERS AND SERVICE CHANNELS

CAIXA aims to improve the relationship with its customers and invests constantly in improving its products and services, expanding its channels towards the excellence in service to their customers.

CAIXA network currently has more than 67.4 thousand service points. There are 4.1 thousand branches and service points, 32.5 thousand of lotteries and correspondent outlets, 30.8 thousand machines distributed around the country, 2 riverboat branches and 18 truckbased units.

CAIXA participated in the signing of the agreement among the seven largest financial institutions in the country to increase the number of shared ATMs - Banco24Horas, the action aims at rationalizing external ATM network ensuring expanded access to terminals with capillary and efficiency gains to the whole chain that supports self-service. Currently, CAIXA offers 15 thousand terminals Banco24Horas.



App "access to the account" to smartphones and tablets

Source: CAIXA News Agency. June 2014

Besides the physical network, CAIXA also offers to its customers the application "access to the account" via smartphones and tablets and the Internet Banking that reached a basis of 2.4 million and 22.6 million users, respectively, in the first half of 2014.

CAIXA offers versions for Mobile Banking, accessible for Android and iOS systems. With visual and navigation closer to the desktop version, customers, individuals and corporations, now have access to some operations that were previously made only by Internet Banking CAIXA - IBC, including performing loans, consulting FGTS statement, bets on lottery and monitoring of credit card bills.

Moreover, in order to align with market practices and considering the particularities of CAIXA as a public bank, the Company operates in social network to increase opportunities for relationship which this environment offers.

The customer bases grew 10.0% in the first six months of 2014, reaching 75.8 million of account holders and savers, of which 73.7 million in the individual portfolio, increment of 9.8% in 12 months and 2.1 million in the corporate portfolio, evolution of 18.8% comparing to June 2013.

SAC - Customer Service has served nearly 10.6 million occurrences and the CAIXA service for citizen has answered 42.1 million calls, regarding Social Integration Program - PIS, unemployment Insurance, FGTS, Social Card and Citizen Information Service.

Beyond traditional customer service channels available to our clients, CAIXA was one of the first companies to join the Consumer Portal, created by the Federal Government. This tool allows direct communication between customers and companies, provides essential information to the State to the preparation and implementation of public policies to consumer protection and encourages market competitiveness by improving quality and customer service.

ECONOMIC-FINANCIAL PERFORMANCE

CAIXA's net profit totaled R\$ 3.4 billion in the first half of 2014, increment of 7.9% in 12 months and 24.4% in the quarter. The most important factors influencing the result were the evolution of 24.8% in income from financial intermediation, highlighting the growth of 46.1% of income from loan operations and the increase of 45.5% in the result of securities and derivatives financial instruments, in 12 months. Operating profit was R\$ 3.7 billion, growth of 20.3% in relation to the first half of 2013.

At the end of the period, CAIXA's assets totaled R\$ 963.1 billion, increment of 18.2% in 12 months. Loan operations represented 57.3% from this total, with R\$ 552.1 billion, and securities with R\$ 167.1 billion corresponded to 17.3%.

Items (in R\$ Billion)	1H12	1H13	1H14
Caixa's Asset	596	815	963
Ampplified Loan Portfolio	303	431	552
Saving Deposits	162	190	221
Managed assets (Third party)	517	618	695

Assets under management by CAIXA totaled R\$ 1.7 trillion, increase of 15.7% in 12 months, highlighting FGTS with R\$ 388.5 billion of balance, growth of 12.8% and Asset Management that amounted R\$ 233.4 billion, evolution of 11.2% in 12 months.

Of total liabilities, 40.6% consisted in deposits and 26.7% were funding and notes in the open market. Time deposits grew 15.3%, and demand deposits totaled R\$ 24.3 billion.

CAIXA's net equity showed a balance of R\$ 36.2 billion at the end of the semester, including R\$ 8.0 billion in hybrid capital and debt instruments, eligible to compose the main capital in Basel III, as Net Equity. The return on average equity was 22.1% in the last 12 months. BIS Ratio, at the end of the semester was 13.3%, 2.3 p.p. above the legal requirement of 11%.

Ratios (em %)	1H12	1H13	1H14
Return on Average Assets (acum 12 months)	1.0	0.9	0.8
Return on Average Equity (acum 12 months)	29.3	25.3	22.1
BIS Ratio	12.9	14.7	13.3
Public Sector Debt	28.6	32.9	28.1
Fee Income / Administrative Expenses (acum. 12m)	66.6	63.8	63.2
Fee Income / Personnel Expenses (acum. 12m)	109.1	103.0	102.0
Operating Efficiency Ratio (acum. 12m)	57.3	61.1	57.9

The results directly reflect the goals established by the company that aimed to promote the efficient management of its resources, taking it to new levels of operational efficiency to ensure the maintenance of sustainable results.

As a result of actions to increase operational efficiency, combined with the early maturity of the investments made in recent years, CAIXA improved operating efficiency ratio by 3.1 p.p., if compared to the same period of 2013, reaching 57.9% in the first half.

SECURITIES AND DERIVATIVES FINANCIAL INSTRUMENTS

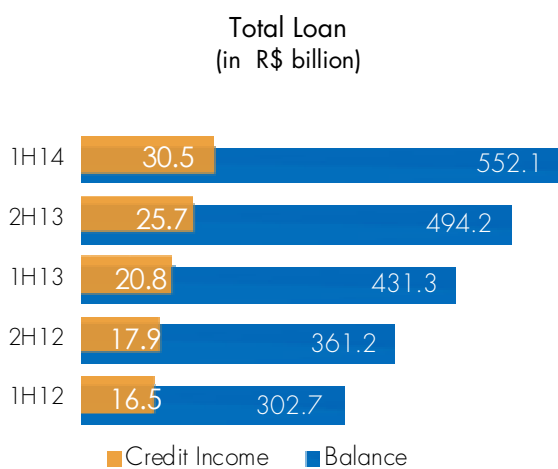
Securities and derivatives financial instruments portfolio had a balance of R\$ 167.1 billion in June 2014, of which R\$ 148.1 billion were government bonds and R\$ 18.9 billion were private-issued securities.

Operations with securities and derivatives financial instruments reached R\$ 12.4 billion, 45.5% higher than the first half of 2013.

Meeting the dispositions of BACEN Circular 3,068/2001, Article 8°, CAIXA states the intention of maintaining the securities classified Tier III, which totaled R\$ 46.7 billion, till their respective maturities, and also states to have the financial capability required to do so.

AMPLIFIED LOAN PORTFOLIO

CAIXA's amplified loan portfolio expanded 28.0% in comparison to the first half of 2013, reaching a balance of R\$ 552.1 billion. New loans increased 3.1% and reached R\$ 204.6 billion, highlighting commercial loan portfolio with R\$ 186.9 billion of balance and R\$ 127.0 billion of new contracts in the period, respectively 23.6% and 7.8% higher than the first semester of 2013.

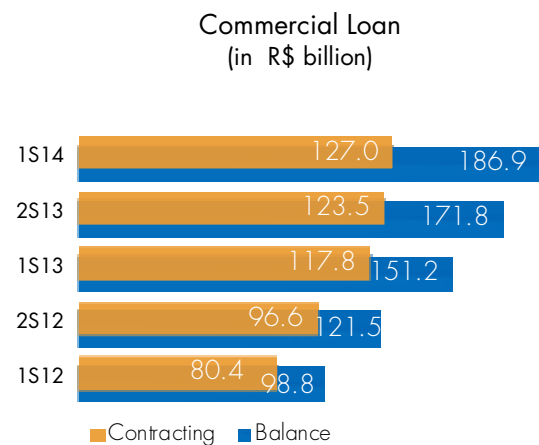


Operations with individuals registered R\$ 90.9 billion of balance, and operations with corporate presented a balance of R\$ 96.0 billion, respective growths of 31.3% and 17.0% in 12 months.

Contracts of credit for individuals totaled R\$ 70.7 billion in the half, growth of 13.6% in relation to the same period of 2013. Corporate segment ended the period with R\$ 56.3 billion hired, increment of 1.3%

Concerning commercial loan operations, the highlight was the increment of payroll deduction

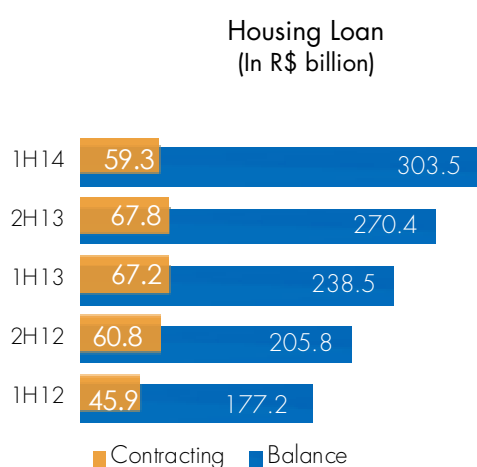
loans of 23.5% in 12 months, reaching R\$ 50.7 billion of balance, and the volume hired was R\$ 15.2 billion. Market share of payroll deduction loan reached 21.3% in June 2014, an evolution of 2.2 p.p. in the period.



The operations of sanitation and infrastructure presented a balance of R\$ 46.2 billion in the end of June, increment of 52.4% in 12 months. New loans in this segment reached the amount of R\$ 14.1 billion. From these, R\$ 2.3 billion were engaged in sanitation; R\$ 2.9 billion in electric power financing and logistics; R\$ 3.8 billion in urban mobility and R\$ 5.1 billion in urban infrastructure.

The balance of real estate portfolio reached R\$ 303.5 billion, evolution of 27.3% in 12 months. CAIXA remained the market leader with a 67.6 % of market share, not including mortgage-backed securities.

Contracts in housing loan portfolio totaled R\$ 61.5 billion in the semester, from these, R\$ 18.6 billion were engaged in with FGTS resources and R\$ 33.8 billion with Brazilian Savings and Loans System (Sistema Brasileiro de Poupança e Empréstimo, or SBPE) resources and R\$ 7.1 billion engaged with other resources.



The Institution performed in the semester, the 10th edition of “Feirão CAIXA da Casa Própria” (Housing Funding Program) that toured 13 cities and received 434.4 thousand visitors, 6.8% more than the accomplished in 2013. The total hired was R\$ 15.6 billion, 11.7% higher than the business enclosed in 2013.

To “My House, My Life” Program, R\$ 16.4 billion were engaged in the first quarter, totaling 210.4 thousand housing units. Of this amount, 32% were destined to families with maximum income of R\$ 1.6 thousand fully subsidized by the program.

In the last 12 months, the balance of CAIXA’s Rural Credit increased from R\$ 290 million to

R\$ 3.6 billion. Contracting in the period totaled R\$ 2.1 billion. The resources are destined to agricultural and cattle breeding, investment operations in machines and equipment, animal acquisition and rural infrastructure projects.

The delinquency rate reached 2.77%, up 0.14 percentage points in the quarter. This increase reflects the expansion of the loan portfolio and advancing participation in more profitable segments and, consequently, higher risk. However, more than 92.0% of the loan portfolio is concentrated in higher quality ratings (AA to C), which reflects its composition with almost 80% of the funds invested in low-risk operations.

The delinquency in commercial loan ended the period in 4.6%, increase of 0.6 p.p. in relation to March 2014, of which 6.1% in individual portfolio and 3.1% in the corporate portfolio. For real estate loans, the indicator maintained the same percentage of 1.9% presented in the previous quarter.

DEPOSITS AND FUNDING

The total funding reached at the end of the first half, a balance of R\$ 751.2 billion, evolution of 23.0% in relation to the same period of 2013. CAIXA's saving account reached a balance of R\$ 221.0 billion, evolution of 16.0% in 12 months, keeping the market leader with a 35.2 % of market share.

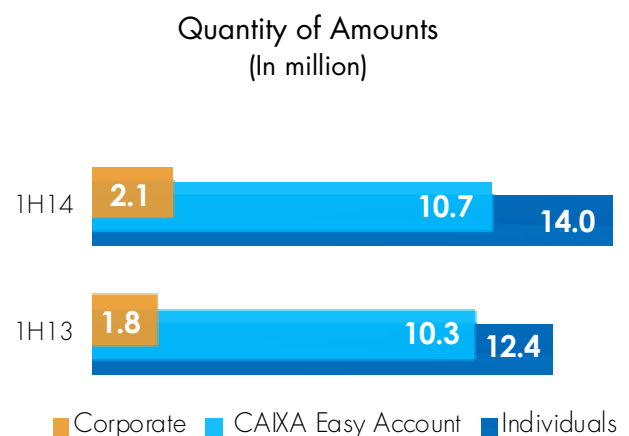
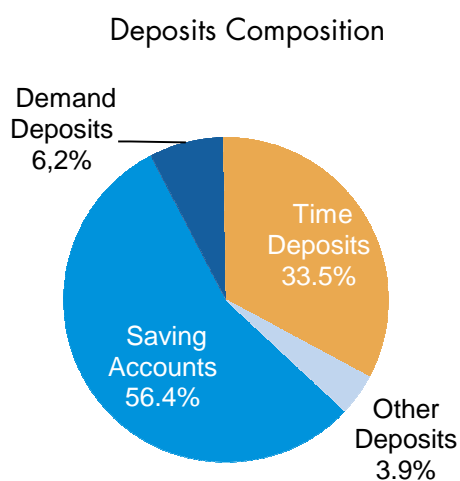
In 12 months, 8.4 million of savings accounts were opened totaling 55.6 million in June 2014, an increase of 13.2% in 12 months. The saving account's net funding in the period totaled R\$ 4.6 billion, which corresponding to 47.7% of the entire amount raised by the market in the period.

CAIXA's current account basis increased 9.9%, from 24.4 million to 26.8 million distributed as follows: 24.7 million of individual accounts, (10.7 million were CAIXA Easy Account - CAIXA Fácil), and 2.1 million of corporate accounts.

Demand deposits totaled R\$ 24.3 billion, decrease of 3.8% in relation to the first half of 2013. Time deposits grew 15.3% in the same comparison, reaching the mark of R\$ 130.7 billion. CDB (certificate of bank deposit) resources represented 63.0% from this total, accounting R\$ 82.3 billion and increment of 14.3% in the same period of 2013.

Judicial deposits expanded 17.1% in 12 months, reaching a balance of R\$ 48.4 billion. The remaining deposits ended the period with R\$ 15.3 billion of balance.

Mortgage linked notes, local credit notes and agribusiness credit notes ended the first half with R\$ 20.8 billion of net funding and R\$ 102.1 billion of balance, increment of 65.8% in comparison to the first half of 2013.



Emphasis on the mortgage linked notes evolution of 67.3%, reaching a balance of R\$ 67.1 billion in the semester, corresponding to 53.2% of market share. Local credit notes reached a balance of R\$ 32.6 billion, and agribusiness credit notes achieved R\$ 2.3 billion of balance, growths of 63.4% and 58.6%, respectively.

Regarding international funding CAIXA raised abroad the amount of US\$ 4.6 billion, with maturities between 2017 and 2024, allowing the Company a better diversification of funding, greater visibility, formation of the yield curve in foreign currency,.

Among these, we highlight the first Brazilian issuance of subordinated debt level II within the rules of Basel III, raising US\$ 500 million in July, with a rate of 7.25% p.a and maturity of 10 years.

The funds will compose CAIXA's capital, supporting the process of growth and opening up alternative to diversify sources of funding.

The raised volumes increment CAIXA Basel Index, support its capital plan and assist its continued gains in market share. With this operation, CAIXA becomes a frequent issuer in the international market, gaining greater visibility.

ASSET MANAGERMENTS

At the end of the first quarter, the net equity of asset managements and managed portfolio totaled R\$ 475.6 billion, including FI of FIC and FI FGTS. Exclusive funds, with R\$ 104.3 billion, grew 6.0% in comparison to the same period last year, and retail funds ended the semester with R\$ 100.4 billion, increment of 9.0% over the first half of 2013. Fixed income funds ended the period with R\$ 182.4 billion of balance.

At the end of June, the Institution participates with 8.7% of market funds, according to ANBIMA, growth of 0.4 p.p. in 12 months.

In this period, CAIXA managed 410 products of investment, from these 385 are Asset Management (not including FI de FIC), and 25 managed portfolio. In the first half, 12 new products were launched this quarter.

CREDIT AND DEBIT CARDS

In the half, CAIXA's cards costumers performed 610.1 million of transactions, moving a financial volume of R\$ 47.1 billion. The evolution was 26.6% while the turnover grew 31.9% in 12 months.

Debit cards reached a basis of 83.8 million in MasterCard, VISA Electron and Elo banners, 9.7% higher in comparison to June of last year. These cards performed more than 456.0 million of transactions, which represented an increment of 27.7% in 12 months and a financial volume of R\$ 29.3 billion.

Credit cards reached a basis of 10.3 million in Elo, MasterCard and VISA banners. Through these cards, more than 154.1 million of transactions were performed, growth of 23.5% in the same comparison, a financial volume of R\$ 17.8 billion.

Only Elo cards base reached the mark of 21.8 million, from this, 20.9 million were debt cards and 915.2 thousand were credit cards, increment of 133.0% and 343.4% in 12 months, respectively.



BANKING SERVICES

During the first half, 3.6 billion of banking transactions were made, evolution of 16.3% in comparison to the same period of 2013. Only Internet Banking reached 638.0 million transactions among withdrawals, deposits, payments and transfers, that correspond to 18.0% of the total transactions.

Aiming to meet the needs of its customers, in partnership with CAIXA Seguros Group, CAIXA provides its clients with products such as life, real

estate and vehicle insurance, capitalization certificates, private pension and consortium which moved R\$ 2.3 billion in the half, 13.7% higher than the value traded in the same period of 2013.

These products paid R\$ 120.5 million in fees in the first half, increment of 34.1% in 12 months.

CAIXA IN NUMBERS

R\$ 963.1

BILLION

Own assets

+18.2%

against 1H13

R\$ 1.7

TRILLION

AUM

+15.7%

in 12 months

R\$ 167.1

BILLION

Securities and
derivatives

+7.2

99.8

THOUSAND

employees

6.0 thousand

Hired in
12 months

Net Profit

R\$ 3.4

BILLION

1H14

+7.9%

More than 1H13

R\$ 552.1

BILLION

Amplified loan
portfolio

+28.0%

in 12 months

R\$ 33.0

MILLION

Invested in training
programs and higher
education in 1H14



CAIXA IN NUMBERS

**R\$ 47.1
BILLION**

financial volume moved
by CAIXA Cards

+ 31.9%
against 1H13

TOTAL LOAN

19.3%

Market share

SAVINGS

35.2%

Market share

HOUSING

67.6%

Market share

**75.8
MILLION**

In 12 months

+ 10.0%

ASSET MANAGEMENT

8.7%

Market share

**R\$ 142.0
MILLION**

Invested in sports
in 1H14

Nearly
**R\$ 53.0
MILLION**

Invested in culture
in 1H14

GOVERNMENT SERVICES

As the main operating agent of the Federal Government social programs, CAIXA actively contributes to eradicating poverty and improving income distribution for the Brazilian population. In the first half of 2014, we paid approximately 87.8 million of benefits totaling R\$ 13.1 billion.

The main income transfer program, Family Allowance, paid about 79.4 million of benefits in the period, which totaled R\$ 12.1 billion, increase of 3.7% in 12 months.

About the programs intended for workers, the Institution paid 73.1 million of benefits until June, including Unemployment Insurance (Seguro Desemprego), Salary Allowance (Abono Salarial) and Brazilian Social Integration Program—PIS (which we pay quotas and revenues) and Social Security, corresponding to R\$ 18.5 billion.

Moreover, we paid 32.9 million of retirement and pensions to the beneficiaries of National Institute of Social Security—INSS, representing an amount of R\$ 30.7 billion.

In the same period, FGTS collection was R\$ 51.2 billion and withdrawals totaled R\$ 40.4 billion.

LOTTERIES

In the first half of 2014, the collection of Lotteries was R \$ 5.8 billion, increment of 12.3% if compared to the total collected in the same period of 2013. Timemania, Lotogol and Dupla-Sena were the highlights, which had an increment of 35.2%, 33.3% and 32.1%, respectively, compared to the first half of 2013.

Another highlight was Quina de São João, a special contest held in June, that paid approximately R\$ 104.6 million in prizes, the largest amount paid for the modality since its inception.

At the end of the period, the Fund was comprised for 128.8 million of active accounts.

CAIXA established a partnership with the Ministry of Foreign Affairs in order to expand the FGTS withdrawal service to Brazilians living in Argentina, Paraguay, Uruguay and Bolivia.

The possibility of withdrawal from the Fund for Brazilians living abroad is a result of the agreement signed in 2010 between the Ministry Foreign Relations and CAIXA. From July 2010 to July 2014, Brazilians living abroad were responsible for more than 5.0 thousand FGTS withdrawal operations, totaling R\$ 84.0 million paid for workers.



Source: CAIXA News Agency. June 2014

In this period, from the amounts collected in Lotteries, R\$ 2.1 billion were transferred to the Federal Government' social programs in the areas of social security, education, culture, sport, health and public safety.

Lotteries Destination (in R\$ million)	1H12	1H13	1H14
Social destination	1,680	1,891	2,123
Prizes	1,638	1,864	2,064
Taxes	402	434	516
Expenses of Costs and Maintenance	893	1,000	1,123
Total	4,613	5,188	5,826

STRATEGIC INVESTMENTS

CAIXAPAR, our wholly-owned subsidiary, is the strategic partner of the Institution in business related to investments in other companies, working in economic sectors and in similar and complementary activities to the Company business.

The main activities are related to new business prospects, to the management and the governance

of our equity participations.

Currently, among the companies included in the portfolio holdings of CAIXAPAR, we highlight: CAIXA Seguros, Banco Panamericano, COM Braxis, Elo Services, Cia Brasileira Securitization - CIBRASEC, Interbank Payment - CIP, BIAPE, CIELO - Tecban Banking and Technology.

Compositions of Investments •(in R\$ million)	1H12	1H13	1H14
CAIXA Seguros Holding S.A.	1,619,506	1,923,994	2,096,717
Banco PAN	1,074,552	652,475	441,558
Capgemini	321,670	294,033	249,527
Elo Serviços	12,421	9,814	13,253
CIBRASEC – Cia Brasileira de Securitização	6,805	7,048	6,778
Caixa Seguros Participações - CSP	-	3,158	43,331
Crescer	-	5,163	4,209
Branes	-	2,019	1,860
BIAPE	1,143	1,140	542
FGO - Fundo de Garantia de Operações	-	113,208	104,445
FGHAB - Fundo Garantidor da Habitação Popular	-	141,689	186,565
Asset Management - Share	-	39,272	39,356
Others	214,428	1,026	6,834
TOTAL	3,250,525	3,194,039	3,194,975

INTERNATIONAL OPERATIONS

CAIXA 's international operations is aligned to the expectations of the Federal Government to support both Brazilians living abroad as the institutions from various countries, through the provision of services, products and sending remittances to Brazil.

By means of the Remittance Program, living abroad customers can send Money to Brazil. The program raised in the half, R\$ 190.5 million through the corresponding banks (SWIFT) and partner banks (insured), representing a growth of 31.0% over the first half of 2013.

Currently, the Institution has representative offices in Tokyo – Japan, New Jersey – USA and Caracas – Venezuela.

In the context of Representative Office in Japan - ERJAP, CAIXA has signed a Memorandum of Understanding with the Brazilian Consulate in Tokyo, renewing the partnership to support the achievement of sporting and cultural events dedicated to the Brazilian community. In this partnership, financial education lectures were held.

In April 2014, a Memorandum of Understanding was signed with the partner bank Iwata Shinkin Bank - ISB whose purpose is to facilitate the promotion of actions directed to the realization of investments in Brazil by Japanese capital enterprises and institutions that result in strengthening linkages trade between Brazil and Japan.

In relation to communication policy with international investors, CAIXA has strengthened their relationship by conducting quarterly conference calls to meet the needs of investors who acquired the CAIXA's role and potential buyers.

In May, CAIXA attended the International week of financial inclusion, sponsored by the Central Bank of Brazil. The event had the participation of representatives of the Central Banks of Bangladesh, India, Mexico, Mozambique, Nigeria, Senegal and Togo, tha could know the model of correspondents managed by the Company.

CORPORATE GOVERNANCE

CAIXA works to become a benchmark in corporate governance practices, either by the current management model, which has corporate governance as one of its components, either by adopting management practices aligned to principles such as transparency, equity, accountability, corporate social responsibility, compliance, strategic risk management and sustainability. Principles that have become concrete in various management tools, such as the CAIXA's Code of Ethics and CAIXA's Policies of Performance.

Its corporate governance is structured in a system that emphasizes an agile and decentralized collegial decision through the manipulation of strategic decision, the decision levels of the organization, the work agenda and vision of the key management issues.

INTERNAL CONTROLS

CAIXA's Internal Control System (CAIXA SCI) is the set of elements consisting of policies, rules, standards of conduct and culture adopted by the Institution to achieve its goals, to provide consistent managerial and financial information, and to have all its activities performed in accordance with the laws, internal and external rules applicable to them, reducing the risk of damages to its image.

The Institution's Internal Controls Policy and

As befits a good governance practice, CAIXA has collegiate and specific unit that perform the functions related to supervision and oversight of CAIXA's administrators management, besides supervisory boards and external control.

To learn more about the CAIXA's corporate governance, the Institution provides information that can be accessed on the website <http://www14.caixa.gov.br/portal/governanca>.



Compliance aims at establishing principles and guidelines that promote conditions to ensure the effectiveness of CAIXA's Internal Control System, structured according to the five COSO (Committee of Sponsoring Organizations of the Treadway Commission) components: control environment, risk assessment, control activities and compliance, monitoring, information and communication.

The verification of compliance with this policy is conducted through the monitoring of the SCI, which is the evaluation of a set of indicators developed from the principles and guidelines of the policy, measured and punctuated in order to show the degree of maturity of CAIXA's internal controls.

The process of recording information regarding the

activities of Internal Controls developed by the Institution's various units is automated, supporting the monitoring of the SCI and the preparation of Internal Control Reports for compliance with Resolution CMN 2,554/1998, Circular BACEN 3,467/2009 and IBRACON Technical Communication 003/2010, as well as CVM Instruction 505/2011.

RISK AND CAPITAL MANAGEMENT

CAIXA's risk and capital management is based on the best market practices and in compliance with the standards issued by the Central Bank of Brazil - BACEN, it is performed by means of adequate structures for the capital management, credit risk, operational, market, liquidity and other risks.

Policies approved by the Board of Directors establish the principles, values and guidelines adopted in the management of these risks and define the operational limits and procedures to maintain exposure in levels considered acceptable by the Institution.

The risk management activities are segregated of the business and audit activities. The inherent risks in new products and services are previously identified, analyzing their suitability to procedures and controls adopted by CAIXA, to exposure limits and concentration to risks.

The credit risk control occurs by monitoring indicators of delinquency, loss, provision and requirement of regulatory and economic capital in various sizes and groups, allowing a broad view of the profile of exposures, per borrower, operating, portfolio segments, geographic region and sector of activity, among others.

As a result of this monitoring, indicators of delinquency, allowance for loan losses, and the loss of the portfolio remained within expectations.

The operational risk management is integrated into the management of other risks, aiming to reduce exposure and minimize financial losses, in particular, the performance of the business network, the area of recovery and development of products and services.

The capital management of CAIXA is aligned to the business plan that considers business objectives, macroeconomic scenarios and the risks to which the institution is subject, Capital Plan

being prepared for a minimum horizon of three years, in normal and stress scenarios.

SOCIO ENVIRONMENTAL RESPONSIBILITY

Caixa has a standardized environmental policy and acts as an inducer of sustainable practices and environmental responsibility. By means of the Socio Environmental Fund, since 2010, the Institution allocates resources corresponding to 2% of the profits to support environmental projects.

This fund seeks to support financially projects and investments in social and environmental character, aims to consolidate and expand the performance of Caixa in encouraging actions that promote sustainable development.

In the first half of 2014, the Social Environmental Fund has invested R\$ 4.9 million to support projects and investments in environmental management, generation of employment and income, culture, health and education, among other areas related to sustainable development, benefiting primarily the low-income population.

In addition, CAIXA participates in the carbon credit market to finance landfill businesses. These lines of CAIXA credit are facing to public and private companies, in the form of clean

development mechanism in accordance with the Kyoto Protocol, designed to assist countries in reducing greenhouse gases or carbon capture, this mechanism enables Certified Emission Reductions can be marketed worldwide.

CAIXA has sold three million tonnes of Certified Emission Reductions in landfill projects. Negotiation is the result of agreement between the Institution and the World Bank.

Emphasis in the discussion brought by the Central Bank with the Resolution 4,327 of 2014 which provides for the guidelines to be observed in the establishment of the Social and Environmental Responsibility Policy by financial institutions.

The Resolution establishes, for example, that financial institutions have a Policy for Social Responsibility - PRSA and optionally a Committee for Environmental Responsibility. CAIXA already holds both.

For more information on the topic, CAIXA available on its website the Sustainability Report 2013, which presents data based on sector indicators and environmental responsibility.



INFORMATION TECHNOLOGY

In the first half of 2014, Caixa continued to invest in improvement, innovation and refinement of services for Information Technology and Communication. In that sense, until the end of this period R\$ 855.9 million were invested in new platforms, expansion, increased capacity, improvements in performance and availability, maintenance and upgrade of the technology park.

In May 2014, a major stage of High Availability Project has been completed, with the migration of the processing performed in Rio de Janeiro site, to the new site in Datacenter City Digital Technology Center in Brasilia.

With the change, the systems that were processed by the National Centralized of Information Technology Operations in Rio de Janeiro, CEPTIRJ started being processed in the new environment, considered one of the most modern processing centers of the country.

CAIXA provided a new generation of electronic service of FGTS collection guide, a GRF Web Domestic for employers. The tool will facilitate the procedures for payment of the contributions to the Fund, offer greater convenience to the employer, guaranteeing the rights of domestic workers.

PEOPLE MANAGEMENT

In the first half of 2014, Caixa totaled in its staff 99.8 thousand gazetted employees and 16.1 thousand trainees and apprentices. In the period, 2.3 thousand employees were hired.

The payroll expenditure totaled R\$ 8.5 billion in the half, contemplating the benefits provided to employees and their dependents in the amount of R\$ 1.1 billion and employees' remuneration plus charges.

The Institution offers to its employees the opportunity to supplement their income after retirement, with pension funds through sponsorship administered by the Caixa's Employee Foundation - FUNCEF, which reached about 96.7% of the staff by the end of the semester. FUNCEF completed the mark of 135.6 thousand associates. Within this number 99.1 thousand are active employees, 29.5 thousand are retirees and 6.9 thousand pensioners.

In addition to the many programs for health and safety of employees, the Institution seeks to integrate to the management of performance and skills, and to the knowledge management the corporate education, through training, creation and maintenance of systems and processes of knowledge dissemination and skills development. In this sense, Caixa invested R\$ 33.0 million, in the period in training programs and higher education.

In May 2014, CAIXA launched the People Performance Management, a model that is based on the result and style axes to guide the actions of employees and assess the extent of the contribution of each to the result, contributing to the cultural transformation in search of meritocracy and responsibility, promoting efficiency of processes

SUPPORT FOR CULTURE AND SPORTS

Tuned with the guidelines of the Federal Government, CAIXA include in its strategic planning, cultural marketing actions oriented for the following aspects: social inclusion, human development, national values, democratization, decentralization and transparency.

During the first half, more than R\$ 53.0 million were invested in cultural programs, including programs for cultural occupation of CAIXA Cultural spaces, craft, festivals, as well as projects in partnership with government agencies and events related to popular culture, totaling 258 events.

In addition, CAIXA stands out as an important sponsor of Brazilian sport, investing in modalities of prominence on the national and international scene as the sponsorship of the Brazilian Confederation of Athletics, Gymnastics, Olympic Wrestling, Brazilian Paralympic Committee, the circuit racing and street racing throughout the country, and Brazilian Confederations Cycling and shooting sports.

Institution also acts in football, sponsoring clubs, arenas and championships. In the sports segment were invested approximately R\$ 142.0 million in the first half of 2014.

AWARDS AND RECOGNITION

CAIXA stood out during the delivery of the E-Finance Award 2014, an initiative of the Financial Executives magazine that aims to recognize the most innovative implementations of infrastructure solutions and applications in the area of Information Technology - IT. At the event, CAIXA was the second institution to receive more awards, with 23 winning projects, inserted in 11 categories.

Another highlight was the CAIXA asset management which again were included in the ranking of the Best Asset Management of Brazilian Market, published in June this year in the Valor Invest Magazine.

CAIXA received a total of seven special awards, between four and five stars. To win the five stars, the methodology of ranking and also exceeds the return on risk-free asset (savings), the Fund needed to provide profitability above-average of asset management in the same category of profitability. Of the total funds administered by CAIXA, 36 were awarded.

CAIXA was also voted the most loved brand in Brazil, in the bank category by Modern Consumer magazine, and it is also the public bank which most pleases the customers, according to the newspaper Folha de São Paulo.

ACKNOWLEDGEMENTS

The results achieved in the period reflect the commitment and tireless work of all our employees and contractor, which we appreciate the effort.

We also thank our customers and partners for their trust and loyalty, which drive us in the constant search for improvement, essential to the development of the Caixa and Brazil.

CAIXA

A vida pede mais que um banco