

(A free translation of the original in Portuguese)

Caixa Econômica Federal - CAIXA

**Financial Statements at
June 30, 2014**

**Independent Auditor's Report
Financial Statements - CAIXA
Notes to the Financial Statements**

A free translation from Portuguese into English of Independent Auditors' Review Report on interim financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Independent auditor's review report on interim financial statements

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

Introduction

We have audited the accompanying individual financial statements of Caixa Econômica Federal - CAIXA ("CAIXA" or "Company") and the consolidated financial statements of Caixa Econômica Federal - CAIXA and its subsidiary ("Consolidated"), which comprise the balance sheet as at June 30, 2014 and the related individual and consolidated income statements, statements of changes in equity and cash flow statements for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN), 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of CAIXA's financial statements 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 CAIXA's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caixa Econômica Federal – CAIXA, as well as the consolidated financial position of Caixa Econômica Federal – CAIXA and its subsidiary as at June 30, 2014, the individual and consolidated financial performance and its cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Emphasis of matters

Receivables from the Salary Variation Compensation Fund (FCVS)

We draw attention to Note 7(b) to the financial statements, which describes that at June 30, 2014 CAIXA (individual and consolidated) has receivables from the Salary Variation Compensation Fund (FCVS), in the net amount of R\$ 21,346 million. Housing loans closed with FCVS coverage, not yet approved, amount to R\$ 8,519 million, and its effective realization depends on compliance with a set of rules and procedures defined in regulations issued by the FCVS. CAIXA defined statistical criteria to estimate losses arising from operations that will not meet such rules, for which a provision was recorded totaling R\$ 3,261 million. Realization of receivables from housing loans already approved by FCVS, of R\$ 16,088 million at June 30, 2014, follows a securitization process, as provided for by Law 10,150 of 2000. Our opinion is not modified in respect of this matter.

Tax credits

We draw attention to Note 20 to the financial statements, which describes that at June 30, 2014 CAIXA (individual and consolidated) had R\$ 23,729 million regarding income tax, social contribution, PASEP and COFINS on tax losses, temporary differences and social contribution to be offset, less provision for realization of such credits totaling R\$ 2,673 million. The net amount of R\$ 21,056 million, recognized in assets, refers to management's projection of realization over the next ten years. Realization of such tax credits is directly related to generation of future taxable profit, which may vary from management's current projection. Our opinion is not modified in respect of this matter.

Tax credits recorded in jointly-controlled subsidiary

At June 30, 2014, the jointly-controlled subsidiary Banco Panamericano S.A. records income and social contribution tax credits totaling R\$ 2,924 million, substantially recognized based on study conducted in June 2014 of the current and future scenarios. The major assumptions used in such study were macroeconomic and production indicators, funding costs, inflow of funds by means of capital increase and realization of assets. Realization of such tax credits depends on materialization of such projections and of the business plan, as approved by the management bodies of Banco Panamericano S.A. Our opinion is not modified in respect of this matter.

Other matters

Statement of value added

We have also audited the individual and consolidated statements of value added (SVA), for the six-month period ended June 30, 2014, prepared under the responsibility of CAIXA management, which is being presented voluntarily by CAIXA. These statements were submitted to the same audit procedures previously described and, based on our opinion, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated financial statements.

Review of previous quarter (2Q2014) corresponding figures

We have reviewed the figures referring to the individual and consolidated income statements, statements of changes in equity, of cash flows and of value added for the second quarter of 2014, which are presented by CAIXA management as supplementary information, and we issued an unmodified review report thereon with the same emphases described above, dated August 13, 2014.

Restatement of figures corresponding to June 30, 2013

On August 14, 2013, we issued an unmodified report with the same emphases as described above on the individual and consolidated financial statements for the six-month period ended June 30, 2013. As mentioned in Note 3(t), for the purpose of the individual and consolidated financial statements for the six-month period ended June 30, 2014, the financial information for June 30, 2013 was restated in relation to the previously disclosed individual and consolidated financial statements for the reasons mentioned in Note 3(t).

São Paulo, August 13, 2014

ERNST & YOUNG
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6

Eduardo Braga Perdigão
Accountant CRC-1CE013803/O-8

Guilherme Portella Cunha
Accountant CRC-1RJ106036/O-5

Balance Sheet
 In thousands of reais

ASSETS	Parent Company			Consolidated		
	06/30/2014	12/31/2013	06/30/2013 (Note 3 (t))	06/30/2014	12/31/2013	06/30/2013 (Note 3 (t))
CURRENT ASSETS	484,153,074	400,149,115	407,623,908	485,250,568	400,931,075	408,234,975
CASH AND BANKS (Note 4)	11,485,920	11,480,407	6,097,970	11,485,921	11,480,407	6,097,970
SHORT TERM INTERBANK INVESTMENTS (Note 5)	85,275,228	44,904,342	90,986,245	85,275,228	44,904,342	90,986,245
Money market investments	78,459,281	37,232,669	86,062,522	78,459,281	37,232,669	86,062,522
Interbank deposits	6,816,469	7,672,360	4,924,775	6,816,469	7,672,360	4,924,775
Provisions for losses	(522)	(687)	(1,052)	(522)	(687)	(1,052)
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	122,965,609	112,639,473	110,267,101	124,118,864	113,261,241	110,802,301
Own portfolio - unrestricted	80,585,560	58,724,773	81,754,248	81,738,815	59,346,541	82,289,448
Subject to repurchase agreements	40,374,894	53,649,345	28,394,616	40,374,894	53,649,345	28,394,616
Derivative financial instruments	37,860	260,317	118,040	37,860	260,317	118,040
Restricted with the Brazilian Central Bank						
Linked to guarantees given	1,967,295	5,038	197	1,967,295	5,038	197
INTERBANK ACCOUNTS	93,904,977	86,740,369	82,341,691	93,904,977	86,740,369	82,341,691
Payments and receipts pending settlement	1,983,761	73,327	1,227,157	1,983,761	73,327	1,227,157
Restricted deposits with the Brazilian Central Bank (Note 7(a))	91,004,376	86,188,520	80,502,457	91,004,376	86,188,520	80,502,457
Correspondent banks	916,840	478,522	612,077	916,840	478,522	612,077
INTERDEPARTMENTAL ACCOUNTS	82,011	593,239	345,153	82,011	593,239	345,153
Third-party funds in transit	330	220	179	330	220	179
Internal transfers of funds	81,681	593,019	344,974	81,681	593,019	344,974
LOAN OPERATIONS (Note 8)	122,890,627	104,418,611	86,862,748	122,890,627	104,418,611	86,862,748
Public sector	5,091,381	3,817,686	3,447,738	5,091,381	3,817,686	3,447,738
Private sector	130,598,251	109,483,015	93,971,806	130,598,251	109,483,015	93,971,806
Loan operations linked to assignment	550,835	585,312	348,185	550,835	585,312	348,185
Provision for loan transactions	(13,349,840)	(9,467,402)	(10,904,981)	(13,349,840)	(9,467,402)	(10,904,981)
OTHER RECEIVABLES (Note 9)	46,246,299	38,317,229	29,661,262	46,190,537	38,477,421	29,737,129
Receivables from guarantees honored	29,260	26,042	35,156	29,260	26,042	35,156
Foreign exchange portfolio	1,209,399	686,732	587,146	1,209,399	686,732	587,146
Income receivable	2,426,070	2,019,622	1,705,239	2,370,400	2,180,487	1,779,133
Negotiation and intermediation of securities	15,662	864	186,379	15,662	864	186,379
Specific receivables	752,954	716,094	688,410	752,954	716,094	688,410
Sundry	42,085,088	35,143,263	26,546,402	42,084,996	35,142,590	26,548,375
Provision for losses	(272,134)	(275,388)	(87,470)	(272,134)	(275,388)	(87,470)
OTHER ASSETS (Note 10)	1,302,403	1,055,445	1,061,738	1,302,403	1,055,445	1,061,738
Other assets	1,237,916	1,020,169	886,267	1,237,916	1,020,169	886,267
Provision for losses	(30,371)	(31,614)	(26,291)	(30,371)	(31,614)	(26,291)
Prepaid expenses	94,858	66,890	201,762	94,858	66,890	201,762
NON-CURRENT ASSETS	479,162,612	458,326,241	407,175,934	477,819,635	457,394,261	406,381,106
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)	42,967,084	50,026,983	45,042,518	42,967,084	50,026,983	45,042,518
Own portfolio - unrestricted	9,578,204	14,200,836	9,997,342	9,578,204	14,200,836	9,997,342
Subject to repurchase agreements	30,868,426	31,542,429	32,213,714	30,868,426	31,542,429	32,213,714
Linked to the Central Bank of Brazil	993	944	897	993	944	897
Linked to guarantees given	2,519,461	4,282,774	2,830,565	2,519,461	4,282,774	2,830,565
INTERBANK ACCOUNTS	21,443,040	20,797,571	20,496,183	21,443,040	20,797,571	20,496,183
National Housing System (SFH) (Note 7(b))	21,443,040	20,797,571	20,496,183	21,443,040	20,797,571	20,496,183
LOAN OPERATIONS (Note 8)	396,189,106	357,426,648	314,423,388	396,189,106	357,426,648	314,423,388
Public sector	36,782,388	33,611,053	30,599,705	36,782,388	33,611,053	30,599,705
Private sector	367,805,114	334,360,959	292,359,455	367,805,114	334,360,959	292,359,455
Loan operations linked to assignment	3,356,758	3,629,761	1,889,958	3,356,758	3,629,761	1,889,958
Allowance for loan losses	(11,755,154)	(14,175,125)	(10,425,730)	(11,755,154)	(14,175,125)	(10,425,730)
OTHER RECEIVABLES (Note 9))	8,153,860	20,241,981	18,535,176	8,153,860	20,241,981	18,535,201
Sundry	8,187,742	20,290,362	18,755,006	8,187,742	20,290,362	18,755,031
Provision for losses	(33,882)	(48,381)	(219,830)	(33,882)	(48,381)	(219,830)
PERMANENT	10,409,522	9,833,058	8,678,669	9,066,545	8,901,078	7,883,816
INVESTMENTS (Note 11)	4,537,952	4,272,753	3,988,894	3,194,975	3,340,773	3,194,039
Investments in subsidiary and associated companies:	4,240,110	3,897,399	3,727,158	2,897,133	2,965,419	2,932,303
- In Brazil	4,239,568	3,896,611	3,726,018	2,896,591	2,964,631	2,931,163
- Abroad	542	788	1,140	542	788	1,140
Other investments	475,327	455,720	280,451	475,327	455,720	280,451
Provision for losses	(177,485)	(80,366)	(18,715)	(177,485)	(80,366)	(18,715)
PROPERTY AND EQUIPMENT (Note 12)	3,287,684	3,026,322	2,580,428	3,287,684	3,026,322	2,580,430
Properties in use	913,688	770,513	643,171	913,688	770,513	643,171
Revaluations of properties in use	744,196	743,272	743,718	744,196	743,272	743,718
Other property and equipment in use	6,172,759	5,667,682	5,063,196	6,172,760	5,667,682	5,063,198
Accumulated depreciation	(4,542,959)	(4,155,145)	(3,869,657)	(4,542,960)	(4,155,145)	(3,869,657)
INTANGIBLE ASSETS (Note 13)	2,583,886	2,533,983	2,108,562	2,583,886	2,533,983	2,108,562
Intangible assets	3,865,189	3,617,578	3,044,111	3,865,189	3,617,578	3,044,111
Accumulated amortization	(1,281,303)	(1,083,595)	(935,549)	(1,281,303)	(1,083,595)	(935,549)
DEFERRED CHARGES			785			785
Organization and expansion costs			6,741			6,741
Accumulated amortization			(5,956)			(5,956)
T O T A L	963,315,686	858,475,356	814,799,842	963,070,203	858,325,336	814,616,081

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

Balance Sheet
 In thousands of reais

LIABILITIES AND EQUITY	Parent Company			Consolidated		
	06/30/2014	12/31/2013	06/30/2013 (Note 3 (t))	06/30/2014	12/31/2013	06/30/2013 (Note 3 (t))
CURRENT LIABILITIES	570,234,245	526,346,591	497,786,395	569,988,762	526,196,571	497,602,634
DEPOSITS (Note 14)	320,979,781	304,015,240	285,345,416	320,517,031	303,729,806	285,071,689
Demand deposits	24,286,581	25,170,971	25,246,143	24,286,581	25,170,971	25,246,140
Savings deposits	220,990,257	209,573,848	190,432,395	220,990,257	209,573,848	190,432,395
Interbank deposits	4,092,776	2,226,373	233,631	4,092,776	2,226,373	233,631
Time deposits	60,820,996	56,888,921	55,818,583	60,358,246	56,603,487	55,544,859
Special deposits and deposits of funds and programs	10,789,171	10,155,127	13,614,664	10,789,171	10,155,127	13,614,664
DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)	141,541,598	115,453,523	133,088,684	141,452,590	115,368,762	133,002,657
Own portfolio	67,056,045	82,694,499	59,173,167	66,967,037	82,609,738	59,087,140
Third-party portfolio	74,485,553	32,759,024	73,915,517	74,485,553	32,759,024	73,915,517
FUNDS FROM ACCEPTANCES AND ISSUE OF SECURITIES (Note 16)	43,202,167	43,595,248	23,314,677	43,202,167	43,595,248	23,314,677
Funds from housing bonds , mortgage notes, credit bills and Other	43,202,167	37,263,075	19,976,163	43,202,167	37,263,075	19,976,163
Securities issued abroad		6,332,173	3,338,514		6,332,173	3,338,514
INTERBANK ACCOUNTS	2,991,812	526,624	1,639,680	2,991,812	526,624	1,639,680
Receipts and payments pending settlement	2,977,163	507,669	1,626,928	2,977,163	507,669	1,626,928
Correspondent banks	14,649	18,955	12,752	14,649	18,955	12,752
INTERDEPARTMENTAL ACCOUNTS	915,061	2,043,376	716,526	915,061	2,043,376	716,526
Third-party funds in transit	503,538	1,525,075	422,735	503,538	1,525,075	422,735
Internal transfers of funds	411,523	518,301	293,791	411,523	518,301	293,791
BORROWINGS (Note 17)	1,715,077	893,112	841,781	1,715,077	893,112	841,781
Domestic - other institutions						
Foreign borrowings	1,715,077	893,112	841,781	1,715,077	893,112	841,781
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	2,128,805	2,124,038	832,711	2,128,805	2,124,038	832,711
Federal Treasury - Social Integration Program (PIS)	402,671	641,650	453,436	402,671	641,650	453,436
National Bank for Economic and Social Development (BNDES)	897,482	618,401	113,590	897,482	618,401	113,590
Government Severance Indemnity Fund for Employees (FGTS)	826,418	861,689	263,326	826,418	861,689	263,326
Other	2,234	2,298	2,359	2,234	2,298	2,359
DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (g))	295,350	89,171	524	295,350	89,171	524
Derivative financial instruments	295,350	89,171	524	295,350	89,171	524
OTHER LIABILITIES (Note 18)	56,464,594	57,606,259	52,006,396	56,770,869	57,826,434	52,182,389
Collection and payment of taxes and social contributions	1,148,924	264,352	1,052,618	1,148,924	264,352	1,052,618
Foreign exchange portfolio	91,940	39,318	164,237	91,940	39,318	164,237
Social and statutory obligations	1,087,190	4,523,044	1,076,069	1,087,191	4,523,044	1,076,069
Tax and social security obligations	1,601,188	1,993,050	1,775,864	1,906,997	2,212,856	1,951,461
Negotiation and intermediation of securities	6,790	44,592	1,095	6,790	44,592	1,095
Debt instruments eligible to capital	845,954	842,957		845,954	842,957	
Funds for specific purposes:	8,455,446	8,852,307	7,916,749	8,455,446	8,852,307	7,916,749
- Lottery operations	756,764	1,310,495	665,720	756,764	1,310,495	665,720
- Social funds and programs	7,064,038	7,268,366	6,691,093	7,064,038	7,268,366	6,691,093
- Financial and development funds	634,644	273,446	559,936	634,644	273,446	559,936
Sundry	43,227,162	41,046,639	40,019,764	43,227,627	41,047,008	40,020,160
NON-CURRENT LIABILITIES	356,836,922	296,755,402	291,827,341	356,836,922	296,755,402	291,827,341
DEPOSITS (Note 14)	70,788,319	57,039,948	57,843,011	70,788,319	57,039,948	57,843,011
Interbank deposits	452,765	127,189	44,318	452,765	127,189	44,318
Time deposits	70,335,554	56,912,759	57,798,693	70,335,554	56,912,759	57,798,693
DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)	4,381,176	1,120,867	3,232,779	4,381,176	1,120,867	3,232,779
Own portfolio	4,381,176	1,120,867	3,232,779	4,381,176	1,120,867	3,232,779
FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16)	67,836,000	40,227,746	41,605,072	67,836,000	40,227,746	41,605,072
Funds from housing bonds , mortgage notes, credit bills and other	58,919,611	40,227,746	41,605,072	58,919,611	40,227,746	41,605,072
Securities issued abroad	8,916,389			8,916,389		
BORROWINGS (Note 17)	1,761,520	2,338,821	397,340	1,761,520	2,338,821	397,340
Foreign borrowings	1,761,520	2,338,821	397,340	1,761,520	2,338,821	397,340
LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)	171,988,560	156,198,141	138,778,044	171,988,560	156,198,141	138,778,044
Federal Treasury - Social Integration Program (PIS)	317,018	17,912	298,744	317,018	17,912	298,744
National Bank for Economic and Social Development (BNDES)	26,280,474	23,012,645	19,868,330	26,280,474	23,012,645	19,868,330
Government Severance Indemnity Fund for Employees (FGTS)	144,008,039	131,870,736	117,930,235	144,008,039	131,870,736	117,930,235
Other	1,383,029	1,296,848	680,735	1,383,029	1,296,848	680,735
OTHER LIABILITIES (Note 18)	40,081,347	39,829,879	49,971,095	40,081,347	39,829,879	49,971,095
Tax and social security obligations	149,808	154,242	158,088	149,808	154,242	158,088
Subordinated debt - eligible as regulatory capital	39,931,539	39,675,637	49,813,007	39,931,539	39,675,637	49,813,007
EQUITY (Note 19)	36,244,519	35,373,363	25,186,106	36,244,519	35,373,363	25,186,106
Share capital	22,054,802	22,054,802	22,054,802	22,054,802	22,054,802	22,054,802
- Capital - local residents	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
- Unpaid capital	(12,945,198)	(12,945,198)	(12,945,198)	(12,945,198)	(12,945,198)	(12,945,198)
Instrument eligible to capital	8,000,000	8,000,000		8,000,000	8,000,000	
Capital reserves	167	167		167	167	
Revaluation reserve	388,622	392,929	413,750	388,622	392,929	413,750
Revenue reserves	3,884,084	4,902,396	3,062,938	3,884,084	4,902,396	3,062,938
Carrying value adjustments	(209,255)	23,069	(1,420,908)	(209,255)	23,069	(1,420,908)
Retained earnings	2,126,099		1,075,524	2,126,099		1,075,524
T O T A L	963,315,686	858,475,356	814,799,842	963,070,203	858,325,336	814,616,081

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

Statement of Income

In thousands of reais

	Parent Company				Consolidated			
	2014		2013		2014		2013	
	2st-quarter period	1st semester	2st-quarter period	1st semester	2st-quarter period	1st semester	2st-quarter period	1st semester
INCOME FROM FINANCIAL INTERMEDIATION (Note 21)	24,912,633	47,695,725	17,032,886	32,240,074	24,916,755	47,699,847	17,032,886	32,240,074
Loan operations (Note 8(f))	15,949,635	30,429,462	10,936,237	20,825,234	15,949,635	30,429,462	10,936,237	20,825,234
Securities (Notes 5(a) and 6(d))	7,199,045	13,292,402	2,982,584	6,565,551	7,203,167	13,296,524	2,982,584	6,565,551
Derivative financial instruments (Note 6(g))	(849,949)	(892,471)	1,541,969	1,958,184	(849,949)	(892,471)	1,541,969	1,958,184
Foreign exchange (Note 9(c.1))	150,038	299,977	(177,767)	(185,486)	150,038	299,977	(177,767)	(185,486)
Compulsory deposits (Note 7(c))	2,202,394	4,242,683	1,649,728	2,898,931	2,202,394	4,242,683	1,649,728	2,898,931
Sales or transfers of financial assets	261,470	323,672	100,135	177,660	261,470	323,672	100,135	177,660
FINANCIAL INTERMEDIATION EXPENSES (Note 22)	(19,282,477)	(36,246,467)	(12,363,574)	(23,052,944)	(19,270,790)	(36,226,164)	(12,356,927)	(23,043,169)
Money market funds (Note 14(c); 15(b) and 16(b))	(12,476,724)	(24,185,304)	(7,876,881)	(14,520,923)	(12,465,037)	(24,165,001)	(7,870,234)	(14,511,148)
Loans, assignments and onlendings (Note 17(c))	(2,765,476)	(5,450,286)	(2,199,990)	(4,117,252)	(2,765,476)	(5,450,286)	(2,199,990)	(4,117,252)
Sales or transfers of financial assets	(88,824)	(181,208)	(45,525)	(93,140)	(88,824)	(181,208)	(45,525)	(93,140)
Allowance for possible loan losses (Note 8 (h))	(3,951,453)	(6,429,669)	(2,241,178)	(4,321,629)	(3,951,453)	(6,429,669)	(2,241,178)	(4,321,629)
GROSS PROFIT FROM FINANCIAL INTERMEDIATION	5,630,156	11,449,258	4,669,312	9,187,130	5,645,965	11,473,683	4,675,959	9,196,905
OTHER OPERATING INCOME (EXPENSES)	(3,900,074)	(7,711,550)	(2,964,821)	(6,076,316)	(3,913,695)	(7,731,579)	(2,971,067)	(6,085,399)
Service revenues (Note 23 (a))	3,721,682	7,223,300	3,425,259	6,574,590	3,721,682	7,223,300	3,425,259	6,574,590
Income from banking fees (Note 23 (b))	792,429	1,544,999	654,948	1,257,222	792,429	1,544,999	654,948	1,257,222
Personnel expenses (Note 24)	(4,245,301)	(8,529,511)	(3,786,247)	(7,513,950)	(4,245,874)	(8,530,607)	(3,786,695)	(7,514,845)
Other administrative expenses (Note 25)	(2,723,539)	(5,307,159)	(2,344,009)	(4,514,690)	(2,723,875)	(5,308,143)	(2,344,781)	(4,516,324)
Taxes (Note 29)	(694,778)	(1,451,424)	(597,510)	(1,128,031)	(694,780)	(1,451,480)	(597,524)	(1,128,083)
Equity in the results of subsidiary and associated companies (Note 11)	133,062	305,222	93,795	153,478	128,798	286,220	93,000	142,913
Other operating income (Note 26)	2,458,376	4,968,832	2,819,060	5,316,337	2,449,930	4,969,946	2,814,843	5,320,400
Other operating expenses (Note 27)	(3,342,005)	(6,465,809)	(3,230,117)	(6,221,272)	(3,342,005)	(6,465,814)	(3,230,117)	(6,221,272)
OPERATING PROFIT	1,730,082	3,737,708	1,704,491	3,110,814	1,732,270	3,742,104	1,704,892	3,111,506
NON-OPERATING EXPENSES (NOTE 28)	(218,168)	(285,890)	36,143	(14,699)	(218,168)	(285,890)	36,143	(14,699)
PROFIT BEFORE TAXATION AND PROFIT SHARING	1,511,914	3,451,818	1,740,634	3,096,115	1,514,102	3,456,214	1,741,035	3,096,807
INCOME TAX AND SOCIAL CONTRIBUTION (Note 20(c))	476,702	289,446	280,234	424,798	474,514	285,050	279,833	424,106
Current taxes	(441,399)	(872,194)	(388,781)	(593,023)	(443,589)	(876,598)	(389,180)	(593,717)
Deferred tax assets	607,764	681,838	1,189,172	1,240,432	607,766	681,846	1,189,170	1,240,434
Deferred tax liabilities	310,337	479,802	(520,157)	(222,611)	310,337	479,802	(520,157)	(222,611)
EMPLOYEE PROFIT SHARING	(109,424)	(351,797)	(190,377)	(380,311)	(109,424)	(351,797)	(190,377)	(380,311)
PROFIT FOR THE PERIOD/YEAR	1,879,192	3,389,467	1,830,491	3,140,602	1,879,192	3,389,467	1,830,491	3,140,602

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

Statement of Changes in Equity

In thousands of reais

EVENTS	CAPITAL	Subordinated debt - eligible as regulatory capital	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
ADJUSTED BALANCES AT DECEMBER 31, 2012 (Nota 3 (t))	22,054,802	-	-	423,165	1,669,327	1,023,737	(698,304)	(426,446)	24,046,281
CARRYING VALUE ADJUSTMENTS							(722,604)		(722,604)
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				4,536					4,536
PAYMENT OF TAXES ON REVALUATION RESERVE								(5,394)	(5,394)
REALIZATION OF RESERVE				(13,951)				13,951	
DIVIDENDS PAID IN ADVANCE								(581,157)	(581,157)
PROFIT FOR THE YEAR								3,140,602	3,140,602
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					157,030			(157,030)	
Lottery reserve (Revenue reserve)						212,844		(212,844)	
Interest on own capital proposed								(618,842)	(618,842)
Dividends declared								(77,316)	(77,316)
ADJUSTED BALANCES AT JUNE 30, 2013 (Nota 3 (t))	22,054,802	-	-	413,750	1,826,357	1,236,581	(1,420,908)	1,075,524	25,186,106
AT DECEMBER 31, 2013	22,054,802	8,000,000	167	392,929	2,005,496	2,896,900	23,069	-	35,373,363
CARRYING VALUE ADJUSTMENTS							(232,324)		(232,324)
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				4,433					4,433
PAYMENT OF TAXES ON REVALUATION RESERVE								(6,422)	(6,422)
REALIZATION OF RESERVE				(8,740)				8,740	
PROFIT FOR THE YEAR								3,389,467	3,389,467
Operating margin reserve (Income reserve)						(1,441,901)			(1,441,901)
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					169,473			(169,473)	
Lottery reserve (Revenue reserve)						254,116		(254,116)	
Interest on own capital proposed								(654,268)	(654,268)
Dividends declared								(89,387)	(89,387)
Interest on Subordinated debt - eligible as regulatory capital								(98,442)	(98,442)
AT JUNE 30, 2014	22,054,802	8,000,000	167	388,622	2,174,969	1,709,115	(209,255)	2,126,099	36,244,519
ADJUSTED BALANCES AT MARCH 31, 2013 (Nota 3 (t))	22,054,802	-	-	421,700	1,669,327	1,023,737	(738,965)	574,953	25,005,554
CARRYING VALUE ADJUSTMENTS							(681,943)		(681,943)
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				2,219					2,219
PAYMENT OF TAXES ON REVALUATION RESERVE								(2,297)	(2,297)
REALIZATION OF RESERVE				(10,169)				10,169	
DIVIDENDS PAID IN ADVANCE								(581,157)	(581,157)
PROFIT FOR THE YEAR								1,830,491	1,830,491
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					157,030			(157,030)	
Lottery reserve (Revenue reserve)						212,844		(212,844)	
Interest on own capital proposed								(309,445)	(309,445)
Dividends declared								(77,316)	(77,316)
ADJUSTED BALANCES AT JUNE 30, 2013 (Nota 3 (t))	22,054,802	-	-	413,750	1,826,357	1,236,581	(1,420,908)	1,075,524	25,186,106
AT MARCH 31, 2014	22,054,802	8,000,000	167	383,668	2,005,496	1,565,605	(494,001)	1,171,132	34,686,869
CARRYING VALUE ADJUSTMENTS							284,746		284,746
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				2,217					2,217
PAYMENT OF TAXES ON REVALUATION RESERVE								(4,205)	(4,205)
REALIZATION OF RESERVE				2,737				(2,737)	
PROFIT FOR THE YEAR								1,879,192	1,879,192
Operating margin reserve (Income reserve)						(110,606)			(110,606)
APPROPRIATIONS OF PROFIT:									
Legal reserve (Revenue reserve)					169,473			(169,473)	
Lottery reserve (Revenue reserve)						254,116		(254,116)	
Interest on own capital proposed								(305,865)	(305,865)
Dividends declared								(89,387)	(89,387)
Interest on Subordinated debt - eligible as regulatory capital								(98,442)	(98,442)
AT JUNE 30, 2014	22,054,802	8,000,000	167	388,622	2,174,969	1,709,115	(209,255)	2,126,099	36,244,519

The accompany notes are in integral part of these financial statements

Statement of Cash Flows

In thousands of reais

	Parent Company				Consolidated			
	2014		2013		2014		2013	
	2nd-quarter period	1st semester	2nd-quarter period	1st semester	2nd-quarter period	1st semester	2nd-quarter period	1st semester
CASH FLOWS FROM OPERATING ACTIVITIES								
ADJUSTED PROFIT	3,877,724	11,121,628	5,467,338	10,773,459	4,337,868	11,532,617	5,525,837	10,881,999
Profit for the period/year	1,879,192	3,389,467	1,830,491	3,140,602	1,879,192	3,389,467	1,830,491	3,140,602
Adjustments to profit:	1,998,532	7,732,161	3,636,847	7,632,857	2,458,676	8,143,150	3,695,346	7,741,397
Adjustments of securities and derivative financial instruments (assets/liabilities)	(740,249)	999,940	1,727,156	1,552,487	(740,249)	999,940	1,727,156	1,552,487
(Gain)/loss on investments	(45,803)	40,023	25,575	129,555	410,079	432,018	83,279	227,530
(Gain)/loss on sale of fixed assets	828		(2,475)	(2,906)	828		(2,475)	(2,906)
(Gain)/loss on sale of fixed assets not for own use	(801,451)	(801,451)			(801,451)	(801,451)	-	
Allowance for loan losses	3,951,453	6,429,669	2,241,178	4,321,629	3,951,453	6,429,669	2,241,178	4,321,629
Actuarial liabilities/assets (employee benefits)	209,648	419,296	175,996	351,992	209,648	419,296	175,996	351,992
Depreciation and amortization	423,412	722,226	309,559	571,776	423,412	722,226	309,559	571,776
Deferred taxes	(918,101)	(1,161,640)	(669,015)	(1,017,821)	(918,103)	(1,161,648)	(669,015)	(1,017,821)
Adjustment to provision for contingencies	290,357	485,306	180,964	372,807	290,357	485,306	180,964	372,807
Equity in the results of associates	(133,062)	(305,222)	(93,795)	(153,478)	(128,798)	(286,220)	(93,000)	(142,913)
Expenses with subordinated debt and hybrid instruments	(238,500)	904,014	(258,296)	1,506,816	(238,500)	904,014	(258,296)	1,506,816
CHANGES IN ASSETS AND LIABILITIES	3,307,098	32,654,812	(3,999,016)	(14,576,258)	3,318,694	32,775,310	(4,000,176)	(14,648,042)
Decrease (increase) in short-term interbank investments	948,233	855,726	(15,140,450)	(13,791,350)	948,233	855,726	(15,140,450)	(13,791,350)
(Increase) decrease in marketable securities held for trading	(14,164,682)	(5,271,677)	(23,689,862)	(25,242,173)	(14,164,682)	(5,271,677)	(23,689,862)	(25,242,173)
(Increase) decrease in compulsory deposits with the Central Bank of Brazil	(169,524)	(4,815,856)	(3,200,043)	(8,302,951)	(169,524)	(4,815,856)	(3,200,043)	(8,302,951)
Decrease (increase) in interbank accounts (assets/liabilities)	(222,147)	(529,033)	(638,052)	(1,610,401)	(222,147)	(529,033)	(638,052)	(1,610,401)
Decrease (increase) in interdepartmental accounts (assets/liabilities)	(156,466)	(617,087)	529,248	(300,348)	(156,466)	(617,087)	529,248	(300,348)
Decrease (increase) in loan operations	(35,568,151)	(63,664,143)	(41,329,947)	(71,585,465)	(35,568,151)	(63,664,143)	(41,329,947)	(71,585,465)
Decrease (increase) in other receivables	525,757	5,320,691	(3,227,259)	(1,214,045)	646,943	5,536,653	(3,089,176)	(1,146,761)
Decrease (increase) in other assets	684,372	554,493	(102,794)	(106,323)	684,372	554,493	(102,794)	(106,323)
Increase (decrease) in deposits	16,910,732	30,712,912	19,146,216	23,408,331	16,733,948	30,535,596	18,882,112	23,134,734
Increase (decrease) in deposits obtained in the open market	9,036,610	29,348,384	33,948,599	42,213,485	9,034,414	29,344,137	34,050,454	42,326,867
Increase (decrease) in funds from issuance of securities	14,274,907	27,215,173	8,137,297	15,916,555	14,274,907	27,215,173	8,137,297	15,916,555
(Decrease) increase in derivative financial instruments	129,406	206,179	(11)	(15)	129,406	206,179	(11)	(15)
Increase (decrease) in borrowings and onlendings	8,992,667	16,039,850	8,568,088	17,069,137	8,992,667	16,039,850	8,568,088	17,069,137
Increase (decrease) in other liabilities	2,771,150	(1,888,368)	13,373,742	9,474,863	2,840,540	(1,802,269)	13,396,748	9,496,010
Income and social contribution taxes paid	(685,766)	(812,432)	(373,788)	(505,558)	(685,766)	(812,432)	(373,788)	(505,558)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,184,822	43,776,440	1,468,322	(3,802,799)	7,656,562	44,307,927	1,525,661	(3,766,043)
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition and redemption of marketable securities available for sale	614,550	749,205	40,517	265,277	142,810	217,718	(16,822)	228,521
Acquisition and redemption of marketable securities held to maturity	(691,229)	23,970	5,883,634	5,857,503	(691,229)	23,970	5,883,634	5,857,503
Sale of property and equipment in use	(3,551)	(924)	6,567	72,486	(3,551)	(924)	6,567	72,486
Acquisition of property and equipment in use	(228,357)	(658,462)	(599,997)	(771,416)	(228,357)	(658,462)	(599,997)	(771,416)
Write-off of intangible assets	(35,829)	10,764	161,313	223,197	(35,829)	10,764	161,313	223,197
Acquisition of intangible assets	(167,020)	(384,870)	(365,861)	(493,307)	(167,020)	(384,870)	(365,861)	(493,307)
NET CASH USED IN INVESTING ACTIVITIES	(511,436)	(260,317)	5,126,173	5,153,740	(983,176)	(791,804)	5,068,834	5,116,984
CASH FLOW FROM FINANCING ACTIVITIES								
Supplementary dividends for years 2012 and 2013	(1,441,901)	(1,441,901)			(1,441,901)	(1,441,901)		
Dividends/Interest on equity paid/Interest IJCD	499,903	(842,097)	(967,918)	(1,277,315)	499,903	(842,097)	(967,918)	(1,277,315)
NET CASH USED IN FINANCING ACTIVITIES	(941,998)	(2,283,998)	(967,918)	(1,277,315)	(941,998)	(2,283,998)	(967,918)	(1,277,315)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,731,388	41,232,125	5,626,577	73,626	5,731,388	41,232,125	5,626,577	73,626
CHANGES IN CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at the beginning of the period/year	84,213,813	48,713,076	73,644,811	79,197,762	84,213,813	48,713,076	73,644,811	79,197,762
Cash and cash equivalents at the end of the period/year	89,945,201	89,945,201	79,271,388	79,271,388	89,945,201	89,945,201	79,271,388	79,271,388
Increase (decrease) in cash and cash equivalents	5,731,388	41,232,125	5,626,577	73,626	5,731,388	41,232,125	5,626,577	73,626

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

Statement of Value Added

In thousands of reais

DESCRIPTION	Parent Company								Consolidated							
	2014				2013				2014				2013			
	2nd-quarter period		1st semester		2nd-quarter period		1st semester		2nd-quarter period		1st semester		2nd-quarter period		1st semester	
	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%	R\$	%
1. REVENUES	27,715,498		54,717,297		21,727,118		41,051,895		27,711,173		54,722,532		21,722,901		41,055,958	
Financial intermediation	24,912,633		47,695,725		17,032,886		32,240,074		24,916,755		47,699,847		17,032,886		32,240,074	
Rendering of services	4,514,110		8,768,299		4,080,207		7,831,812		4,514,110		8,768,299		4,080,207		7,831,812	
Allowance for loan losses	(3,951,453)		(6,429,669)		(2,241,178)		(4,321,629)		(3,951,453)		(6,429,669)		(2,241,178)		(4,321,629)	
Other	2,240,208		4,682,942		2,855,203		5,301,638		2,231,761		4,684,055		2,850,986		5,305,701	
2. EXPENSES OF FINANCIAL INTERMEDIATION	15,331,023		29,816,798		10,122,396		18,731,315		15,319,336		29,796,495		10,115,749		18,721,540	
3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES	5,357,162		10,399,623		4,980,425		9,610,223		5,357,497		10,400,610		4,981,197		9,611,857	
Materials, energy and others	538,532		1,084,096		497,924		992,923		538,603		1,084,189		498,430		993,551	
Data processing and communications	468,989		903,775		438,820		836,646		468,989		903,775		438,820		836,646	
Advertising, publicity and promotions	238,987		399,029		163,994		290,303		238,987		399,029		163,994		290,303	
Outsourced and specialized services	541,369		1,100,615		471,392		923,846		541,634		1,101,505		471,658		924,852	
Surveillance and security services	227,279		446,298		178,178		345,233		227,279		446,298		178,178		345,233	
Other	3,342,006		6,465,810		3,230,117		6,221,272		3,342,005		6,465,814		3,230,117		6,221,272	
- Services delegated by the Federal Government	619,330		1,158,383		313,193		686,962		619,330		1,158,383		313,193		686,962	
- Lottery and business partners	534,962		1,022,496		568,176		1,002,416		534,962		1,022,496		568,176		1,002,416	
- Discounts from loan operations	84,635		140,382		112,120		161,922		84,635		140,382		112,120		161,922	
- Expenses with credit/debit cards	296,817		556,094		243,437		455,716		296,817		556,094		243,437		455,716	
- Post-employment benefits	218,340		443,449		175,996		351,992		218,340		443,449		175,996		351,992	
- Sundry operating provisions	990,141		1,969,834		1,418,276		2,775,953		990,141		1,969,834		1,418,276		2,775,953	
- Other	597,781		1,175,172		398,919		786,311		597,780		1,175,176		398,919		786,311	
4. GROSS VALUE ADDED(1-2-3)	7,027,313		14,500,876		6,624,297		12,710,357		7,034,340		14,525,427		6,625,955		12,722,561	
5. WITHHOLDING	378,199		722,226		309,559		571,776		378,199		722,226		309,559		571,776	
Depreciation, amortization and depletion	378,199		722,226		309,559		571,776		378,199		722,226		309,559		571,776	
6. NET VALUE ADDED (4-5)	6,649,114		13,778,650		6,314,738		12,138,581		6,656,141		13,803,201		6,316,396		12,150,785	
7. VALUE ADDED RECEIVED AS TRANSFER	133,062		305,222		93,795		153,478		128,798		286,220		93,000		142,913	
Result of equity method	133,062		305,222		93,795		153,478		128,798		286,220		93,000		142,913	
8. VALUE ADDED TO BE DISTRIBUTED (6+7)	6,782,176	100.00	14,083,872	100.00	6,408,533	100.00	12,292,059	100.00	6,784,939	100.00	14,089,421	100.00	6,409,396	100.00	12,293,698	100.00
9. VALUE ADDED TO BE DISTRIBUTED	6,782,176	100.00	14,083,872	100.00	6,408,533	100.00	12,292,059	100.00	6,784,939	100.00	14,089,421	100.00	6,409,396	100.00	12,293,698	100.00
Personnel	3,765,077	55.51	7,700,907	54.68	3,468,477	54.12	6,879,019	55.96	3,765,650	55.50	7,702,004	54.67	3,468,925	54.12	6,879,914	55.96
- Direct remuneration	2,734,290		5,666,293		2,578,075		5,127,249		2,734,840		5,667,337		2,578,499		5,128,098	
- Benefits	840,956		1,651,922		726,286		1,423,389		840,956		1,651,922		726,286		1,423,389	
- FGTS	189,831		382,692		164,116		328,381		189,854		382,745		164,140		328,427	
Taxes, fees and contributions	807,724	11.91	2,342,379	16.63	825,424	12.88	1,718,476	13.98	809,914	11.94	2,346,831	16.66	825,838	12.88	1,719,219	13.98
- Federais	679,481		2,047,727		695,148		1,439,970		681,671		2,052,179		695,556		1,440,706	
- State	307		434		421		458		307		434		421		458	
- Municipal	127,936		294,218		129,855		278,048		127,936		294,218		129,861		278,055	
Third-party capital remuneration	330,183	4.87	651,119	4.62	284,142	4.43	553,963	4.51	330,183	4.87	651,119	4.62	284,142	4.43	553,963	4.51
- Rentals	330,183		651,119		284,142		553,963		330,183		651,119		284,142		553,963	
Own capital remuneration	493,694	7.28	842,097	5.98	386,761	6.04	696,158	5.66	493,694	7.28	842,097	5.98	386,762	6.03	696,159	5.66
- Interest on own capital and dividends	395,252		743,655		386,761		696,158		395,252		743,655		386,762		696,159	
- Interest on Subordinated debt - eligible as regulatory capital	98,442		98,442						98,442		98,442					
Retained earnings	1,385,498	20.43	2,547,370	18.09	1,443,729	22.53	2,444,443	19.89	1,385,498	20.42	2,547,370	18.08	1,443,729	22.53	2,444,443	19.88

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

Notes to Financial Statements

In thousands of reais, unless otherwise stated



Notes to Financial Statements

June 30, 2014

Notes to Financial Statements

In thousands of reais, unless otherwise stated

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Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 1 – General information

Caixa Econômica Federal (“CAIXA” or the “Institution”) is a financial institution set up by Decree Law No. 759, of August 12, 1969, as a private government entity, linked to the Ministry of Finance, headquartered in Brasília – Federal District – Brazil. CAIXA operates throughout the Brazilian territory and abroad, and through representation offices in Japan, the United States, and Venezuela. CAIXA’s capital is fully controlled by the Federal Government.

CAIXA conducts its bank activities by raising and investing funds in various operations related to commercial portfolio, foreign exchange transactions, credit to consumers, real estate and rural credit, provision of banking services, including administration of funds and investment portfolios, and of social nature, in addition to supplementary activities related to intermediation of securities, credit and debit card transactions. CAIXA also operates with insurance, private pension, capitalization and management of consortiums by means of Caixa Seguros Holding S.A., an investee, subsidiary of Caixa Participações S.A. - CAIXAPAR.

CAIXA has an important role in promoting urban development and social justice in Brazil, and is the main partner of the Federal Government in promoting public policies, carrying out income transfer programs, and implementing national housing policies. CAIXA’s operations range through various areas, such as social interest housing programs, basic sanitation, infrastructure, environmental management, employment and income generation, rural development, and other activities related to the sustainable growth, focused on the improvement of the quality of life of Brazilian citizens, especially those of low income.

Administered by the Federal Government, CAIXA operates funds and social programs, with emphasis to the Unemployment Compensation Fund (FGTS), Wage Variation Compensation Fund (FCVS), Social Integration Program (PIS), Social Development Fund (FDS), Residential Lease Fund (FAR), Popular Housing Guarantee Fund (FGHAB), among others, and exclusively manages federal lottery services, and also holds a monopoly on civil pledge transactions, both permanently and continuously. The administered funds and programs are independent legal entities, managed by specific regulation and governance structure, and they have independent accounting.

According to Law No. 11908/2008, in order to comply with its purpose, CAIXA is authorized to set up subsidiaries, either wholly-owned or controlled, by means of its wholly-owned subsidiary CAIXAPAR.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 2 – Presentation of the financial statements**Overview**

The individual Financial Information (INDIVIDUAL) and consolidated Interim Financial Information (Consolidated) of CAIXA is the responsibility of management. The financial information as of June 30, 2014 was approved by the Executive Board on August 12, 2014 and by the Board of Directors on August 13, 2014.

The reclassification between current and noncurrent of balances related to foreign issue of debt securities and tax credits related to these operations in the financial statements at June 30, 2014 is not material for the reclassification of the comparative periods of December 31, 2013 and June 30, 2013.

a) Basis of preparation and statement of compliance

CAIXA's financial information was prepared based on the accounting standards determined by Law No. 4595/64 (National Financial System Law) and No. 6404/76 (Corporation Law), including changes introduced by Law No. 11638/07 and No. 11941/09, in accordance with the standards and rules of the Brazilian Monetary Council (CMN), the Brazilian Central Bank (BACEN), Brazil's National Association of State Boards of Accountancy (CFC), and the accounting practices adopted in Brazil.

These statements have records that reflect the historical cost of transactions, except for portfolio of securities classified as held for trading and available for sale, and derivative financial instruments, at fair value.

The financial information is presented in Brazilian reais and all amounts are rounded to thousands of reais, unless otherwise stated.

The accounting practices adopted in Brazil include Management judgment as to the estimates and assumptions for measurement of allowance for doubtful accounts, deferred tax assets, fair value of financial instruments, provision for civil, labor and tax proceedings, impairment of non-financial assets, other provisions, supplementary pension plan, assets and liabilities related to post-employment benefits, and determination of certain assets' useful lives. Definitive values may differ from those determined by these estimates and assumptions, and are only recognized when settled.

b) Basis of consolidation

The consolidated financial information, including CAIXA and subsidiary CAIXAPAR, was prepared considering the elimination of equity accounts, revenues, unrealized income and expenses between companies.

The financial information of CAIXAPAR and CAIXA is prepared using consistent accounting practices. Interest in jointly-controlled entities and investments in subsidiaries are recorded under the equity pickup method. Income of the acquired or disposed of subsidiary in the period is included in the consolidated income statements as from the acquisition date or the disposal date. The acquisition cost of a subsidiary is measured at fair value of offered assets, equity instruments issued and liabilities incurred or assumed at the trade date.

The identifiable assets acquired, contingencies and liabilities assumed in a business combination are initially measured at their fair value on the acquisition date, irrespective of the proportion of any non-controlling equity interest. The exceeding acquisition cost value of net identifiable assets in relation to the interest fair value is recorded as goodwill based on future profitability. When the acquisition cost is lower than the fair value of the subsidiary's net assets, CAIXA directly recognizes the difference in income statements.

The key companies where CAIXA holds direct or indirect interest - included in this consolidated financial information - are presented in Note 11.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 3 – Significant accounting policies

The significant accounting practices applied in the preparation of this financial information are set out as follows:

(a) Foreign currency translation

The financial information is presented in reais, CAIXA's functional currency. Items included in the financial information of each of the group's entities are measured using the same functional currency. Transactions in foreign currency are initially recorded at the functional currency rate prevailing at the transaction date. Foreign currency-denominated assets and liabilities are translated at the foreign exchange rate of the functional currency at balance sheet date. Gains or losses arising from the translation process are allocated in income for the period.

(b) Profit

Observing the accrual basis, revenue and expenses are recorded upon computation of income (loss) for the period, simultaneously, when they correlate and irrespective of their receipt or payment. Transactions with fixed financial charges are recorded at redemption value, and revenues (expenses) corresponding to future periods are presented as reduction of the respective assets and liabilities. Floating rate transactions or transactions indexed to foreign currencies are restated up to the balance sheet date.

Revenues and expenses of financial nature are recognized on a daily pro rata basis, computed based on the exponential method, except for those referring to discounted securities or related to foreign operations, which are determined under the straight-line method.

(c) Cash and cash equivalents

Amounts recognized as cash and cash equivalents are represented by cash and cash equivalents in Brazilian currency, foreign currency, investments in open market, investments in interbank deposits, bank deposit certificates and fixed-income funds.

Amounts in cash, in Brazilian currency, are stated at fair value based on their face value, and those in foreign currencies are translated at the foreign exchange rate disclosed by BACEN at the financial statements closing date. Cash equivalents are typified by their high liquidity, and are considered for management of short-term commitments, maturing within 90 days, and have immaterial risk of changes in value.

Breakdown, terms and earnings computed for the investments recorded under cash and cash equivalents are presented in Note 4.

(d) Short-term interbank investments

These are recorded at acquisition cost, plus earnings computed through balance sheet date, less valuation allowance, where applicable. As for repurchase agreements, executed under free movement agreement, when securities are definitively sold, the referring liability referring to return of the securities is assessed at market value.

Breakdown, term and earnings computed for short-term interbank investments are presented in Note 5.

(e) Securities

Securities are initially recognized on the trade date, i.e., the date when CAIXA becomes a party to the contractual provisions of the instrument, including purchases or sales of financial assets that require delivery within the timeframe established by regulations or market convention.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Management bases the initial classification of financial instruments on the purpose for which they were acquired and on their characteristics. All financial instruments are initially recognized at fair value plus transaction costs, except when financial assets and liabilities are recognized at fair value through profit or loss.

The securities portfolio is recorded in conformity with BACEN Circular 3,068/2001 and classified in accordance with Management's intention, in three specific categories:

- **Trading securities:** these are acquired to be actively and frequently traded, adjusted at fair value and matched against P&L for the period;
- **Available-for-sale securities** - instruments held for an indefinite period and that can be sold in response to the need for liquidity or changes in market condition and securities which are not considered as trading securities nor held to maturity. These are adjusted to fair value against a separate account in equity, denominated "Carrying value adjustments". Gains and losses, when realized/recorded as income or expense for the period, net of tax effects.
- **Held-to-maturity securities:** these are acquired to be held to maturity, recorded at acquisition cost or market value when reclassified from another category. Securities in this category shall include their respective earnings, matched against P&L for the period, not assessed at market value.

Securities' earnings, irrespective of their classification, are recorded on a pro rata daily basis, and also on an accrual basis, observing their remuneration clauses, recorded in the income statements. Securities' losses, irrespective of their classification, are directly recognized in P&L for the period, and then make up the new asset cost basis.

Every quarter CAIXA evaluates whether there is any objective indication of impairment in debt and equity securities, classified as available for sale and held to maturity. In the event that there is evidence, which is not considered temporary, including those mentioned below, its effects are recognized in P&L as realized losses for the period:

- Significant or prolonged decrease in market value of equity securities, below their cost;
- Significant changes with adverse effect, occurred in the IT, market, economic or legal environment where the issuer operates and indicates that the cost of the investment in equity cannot be recovered;
- Significant financial difficulties faced by the issuer, or breach of contract, such as failure to comply or delay in payment of interest or capital.

Classification, breakdown and segmentation of securities are presented in Note 6 (a), (b) and (c).

(f) Derivative financial instruments

CAIXA uses derivative financial instruments, such as swaps, interest rate future securities, foreign exchange future securities in foreign currency, held for trade for financial or accounting hedge purposes, recorded according to BACEN Circular Letter No. 3082/2002.

Derivatives are accounted for at fair value and held as assets when positive, and liabilities when negative. These are also subsequently revalued at fair value, and the corresponding increases and decreases are directly recognized in P&L for the period, except for the effective cash flows hedge portion, which is directly recognized in equity.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

When the derivative is contracted for trade, associated to the fund raising or investment transaction, under the terms of BACEN Circular Letter No. 3150/2002, revaluation is made under contractual conditions, with no adjustment arising from the derivative's fair value.

Derivative financial instruments use to fully or partially offset risks from variations in the market value of financial assets and liabilities qualified for accounting hedge are classified as follows:

- **Market Risk Hedge:** Financial assets and liabilities, as well as their related financial instruments, are marked to market with realized and unrealized gains and losses, and are recorded directly in the income statements;
- **Cash flow hedge:** The effective portion of the hedge of financial assets and liabilities, as well as their related financial instruments, are marked to market with realized and unrealized gains and losses, net of tax effects when applicable, recorded in a specific equity account. The non-effective portion of the hedge is recorded directly in the income.

By applying the accounting hedge methodology, CAIXA documents, at the beginning of the operation, the relation between hedge instruments (derivatives) and hedged items, the objectives of the risk management and the strategy for hedge realization.

The documentation also covers the nature of hedged risks, the nature of excluded risks, the prospective statement of effectiveness of hedge relation and how the effectiveness of the derivatives will be evaluated in order to offset variations in the fair value of cash flows referring to hedged items.

CAIXA applies the accounting hedge methodology and classifies derivative financial instruments under the market risk hedge category. Variations in fair value of these derivatives, classified as market risk hedge, are recorded in the income statements. Gain or loss resulting from the hedge item attributable to the hedged risk adjusts the recorded amount of the hedged item matched against income for the period. In case the hedge instrument no longer meets the hedge accounting criteria, the book value adjustment – evaluated at cost – of a hedged item is amortized in P&L for the period until the maturity of the respective financial instrument. If the hedged item is written off, the unamortized fair value is promptly recognized in P&L.

Breakdown of values recorded in derivative financial instruments, either in equity accounts or offsetting accounts, is presented in Note 6 (e) e (f).

(g) Fair value measurement

The fair value is determined based on consistent and verifiable criteria, which considers the average price of financial instruments at determination date or, in the lack thereof, the market price for assets or liabilities with similar characteristics. If this is also not available the fair value is obtained by quotation with market operators or valuation models that may require judgment by Management.

The fair value of the financial instruments traded in active markets at the balance sheet date is based on quoted market prices at the balance sheet date, without deductions for the transaction costs.

The valuation method consists in the construction of cash flows based on observable data, such as prices and rates of other financial instruments available in the market, such as future contracts, government securities, and swap transactions.

Additional information on how the fair value of financial instruments is calculated are available in Note 33.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(h) Loans, advances on exchange contracts, other receivables with loan features and allowance for loan losses

Loan operations are classified based on Management's assessment, which is carried out periodically and takes into consideration the economic scenario, past experience, and the specific and overall risks associated with the transactions, debtors, and guarantors. The assessment classifies the debtors into nine levels, from "AA" (minimum risk) to "H" (maximum risk). The periods of arrears established by CMN Resolution 2,682/1999 are also taken into consideration for the assignment of customer ratings, as follows:

Period in arrears	Special term (1)	Customer rating
from 15 to 30 days	from 30 to 60 days	B
from 31 to 60 days	from 61 to 120 days	C
from 61 to 90 days	from 121 to 180	D
from 91 to 120 days	from 181 to 240 days	E
from 121 to 150 days	from 241 to 300 days	F
from 151 to 180 days	from 301 to 360 days	G
over 180 days	over 360 days	H

For transactions with remaining term over 36 months, delayed periods are counted in double, as determined by CMN Decision No. 2682/1999.

Interest accrued on loans overdue up to 59 days is recorded as income from loans, and, after the 60th day, is recognized as income only when effectively received.

The operations classified as risk level "H" for more than six months and in arrears for more than 180 days are charged off against the existing allowance, and controlled for at least five years in memorandum accounts.

Renegotiated operations are kept at least at the same level into which they were classified. Renegotiations which had already been written off for losses, which controlled in offsetting accounts, are classified as of "H" level risk. Any gains from renegotiation can only be recognized when effectively received. When there is significant amortization, or new material facts justifying a change in the risk level take place, the operation can be reclassified to a lower level category.

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

As of January 2012, pursuant to CMN Resolutions 3,533/2008 and 3,895/2010, all credit assignments with retention of risks and benefits started to have their revenue recognized over the remaining terms of the transactions. The financial assets assigned continue to be recorded as loan operations and the amount received as obligations for sales or transfers of financial assets.

The modalities, values, terms, risk levels, concentration, participation in economic activity segments, renegotiations, and income from loan transactions, as well as breakdown of expenses and accounts of allowance for doubtful accounts are presented in Note 8.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(i) Income tax and social contribution on net income

Set up of tax credits is based on the estimate of their realization, based on technical and other analyses performed by Management. Deferred income and social contribution taxes, computed based on income and social contribution tax losses and temporary differences, are recorded as tax credits in accordance with the expected generation of income in the future, in compliance with the set-up, maintenance and write-off criteria determined by CMN Decision No. 3059/2002, amended by CMN Decision No. 3355/2006.

The realization of tax credits depends on their origin. Those originated from temporary differences are realized by the use or reversal of provisions that were used as a basis for their recognition. In turn, the tax credits on income tax and social contribution losses are realized upon the generation of taxable income, through the offset in the basis of the related taxes, limited to 30% of the taxable income for each year. CAIXA recognizes IRPJ, CSLL, PASEP and COFINS tax credits on the negative adjustments arising from the marking of marketable securities and derivative financial instruments to market recognized in the statement of income and in a separate Equity account.

The provision for income tax is recorded at the rate of 15% of taxable income plus a surcharge of 10%. The social contribution on net income before income tax is calculated at the rate of 15% for financial companies and for companies of the insurance segment, and at 9% for other companies.

Breakdown of income and social contribution tax amounts, evidence of calculations, origin and provision for realization of tax credits are presented in Note 20.

(j) Prepaid expenses

Prepaid expenses represent prepayments whose benefit or rendering of services will occur in future periods. They are recorded in assets on the accrual basis of accounting to ensure their proper recognition as an expense, simultaneously with income when this is related to the expense.

Breakdown of prepaid expenses is presented in Note 10.

(k) Investments

Investments in subsidiaries or companies with significant influence are measured by the equity pick-up method. Other permanent investments are evaluated at acquisition cost. The investments, irrespective of the valuation method, are submitted to impairment tests according to BACEN standards and instructions.

Breakdown of investments in subsidiaries and affiliates is presented in Note 11.

(l) Property and equipment

Property and equipment in use is represented by rights whose object are tangible goods owned by CAIXA and used for maintenance of its operating activities, such as: Buildings, pieces of land, furniture, equipment, computer hardware and other items. These assets are recorded at acquisition or buildup cost, monetarily restated through December 31, 1995 and depreciated on a straight-line basis without net book value.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Asset depreciation expenses are recognized in P&L and computed based on the following useful lives:

Property and equipment	Term
Buildings	25 years
Communication systems	10 years
Furniture and equipment	10 years
Data processing systems	05 years
Security systems	05 years

CAIXA is not engaged in financing of fixed assets or loans costs related to these assets. CAIXA, at the base date of the financial information, evaluates whether there is any indication of impairment of fixed assets. In this case, the book value of these assets is decreased to their recoverable value, and future depreciation expenses are proportionally adjusted to the reviewed book value and to the new remaining economic useful if, if this is once again estimated.

Likewise, if there is indication of recovery of the value of a fixed asset item, CAIXA reverses impairment losses recorded in previous periods and respectively adjusts future depreciation expenses. In any circumstance the reversal impairment loss of an asset can increase its book value above the value that it should have in the event that this loss had been recognized in previous years.

The estimated useful lives of property and equipment held for own use are reviewed at least at the end of each reporting period, to detect possible significant changes. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognized in the statement of income for coming periods, based on the new useful lives.

Subsequent costs are capitalized as property and equipment only if they meet the required recognition criteria. Maintenance costs of property and equipment, such as labor, consumption materials, and small-cost spare parts, are expensed as incurred.

Breakdown of cost value of goods and their depreciation, as well as the unrecorded value added for fixed assets and the construction in progress levels are presented in Note 12.

(m) Intangible assets

Intangible assets are represented by goods which do not have a physical body and allocated for maintenance of the entity's activities or exercised with this purpose. These identifiable non-monetary assets, that can be separated from other assets, without physical substance, arising from legal transactions or internally developed by consolidated entities, whose cost can be reliably estimated and based on which CAIXA considers that future generation of economic benefits is probable.

These assets are initially recognized at acquisition or buildup cost and subsequently deducted the accumulated amortization, computed under the straight-line method, observing the contractual terms and subject to impairment tests, as provided for by CMN Decision No. 3566/2008 and No. 3642/2008.

These can have indefinite useful lives when the period over which it is expected that the asset is capable of generating cash for consolidated entities is unforeseeable, based on analysis of all significant factors. Intangible assets with indefinite useful lives are not amortized, however, they are reviewed at the end of every accounting period in order to determine whether their useful lives remain indefinite and, if that is not the case, take the adequate measures.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Payroll-related intangible assets refer to amounts paid in connection with business partnerships formed with public and private sectors to ensure banking services relating to payroll processing, payroll deduction loans, maintenance of collection portfolios, payments to suppliers, and other banking services.

Internally developed software are recognized as intangible assets only if CAIXA is able capable to use or sell it and if the future generation of economic benefits can be reliably presented.

Expense with amortization of intangible assets is recognized in the income statements under Depreciation and amortization, in other administrative expenses, and have the following rates:

Intangible assets	Amortization period
Logistics projects – software	5 years
Payroll acquisitions	Up to 5 years

Breakdown of intangible assets and their changes are presented in Note 13.

(n) Impairment of non-financial assets

At the end of every year, CAIXA tests its non-financial assets for impairment. Irrespective of any indication of impairment, CAIXA checks the recoverable value of intangible assets still not available for use and of the goodwill on acquisition of investments at least on a yearly basis. If an indication of impairment is found, this is recognized in P&L for the period when the asset's book balance exceeds its recoverable value, which is determined by the potential sale value, or realization value less the respective expenses or by the value in use computed by the cash-generating unit.

CAIXA has no impairment in items classified as fixed assets in use

(o) Deposits, open market funding, funds from acceptance and issue of securities, and borrowings and onlending obligations

These are stated at their liability values and include, when applicable, charges accrued up to the balance sheet date.

Breakdown of deposits and open market funding, their terms and amounts recorded in balance sheet and P&L accounts, as well as funds from acceptances and issue of securities, borrowing and onlending obligations, are presented in Note 14, 15, 16 and 17, respectively.

In operations to raise funds by means of issuance of securities, expenses are allocated in P&L with the transaction term and presented as reducing accounts of the corresponding liabilities, as detailed in Note 15 (b).

(p) Contingent assets and liabilities and legal, tax, and social security obligations

The recognition, measurement and disclosure of provisions, asset and liability contingencies, and legal obligations are made according to the criteria defined by CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, approved by CMN Decision No. 3823/2009:

Notes to Financial Statements

In thousands of reais, unless otherwise stated

- **Contingent assets:** these are recognized only when there are actual guarantees or unappealable favorable judicial decisions, for which the gain is practically certain, and for their recovery capacity by receipt or offsetting with other liability. Contingent assets, whose positive outcome is probable, are disclosed in explanatory notes;
- **Contingent liabilities:** these are recognized in financial information when, based on legal counsel's and management's opinion, the likelihood of an unfavorable outcome for a lawsuit or an administrative proceeding is considered probable, with a probable outflow of funds for the settlement of obligations, and when the amounts involved can be reliably measured. Administrative or judicial issues classified as possible losses are not recognized but only disclosed in explanatory notes when individually significant, and no provision is set up for those whose likelihood of loss is remote, which are also not disclosed;
- **Provisions:** these are set up considering the legal counsel's and management's opinion, the nature of the proceeding, similarity with prior proceedings, complexity and positioning of courts, always that the likelihood of loss is considered probable, which would lead to a probable outcome of resources to settle such obligations, and when the involved amounts are reliably measured;
- **Legal, tax and social security obligations:** these involve ongoing judicial proceedings challenging the enforceability and constitutionality of the obligation and which, regardless of the likelihood of loss, have their amounts fully recognized in the financial information.

Details on contingent assets and liabilities, as well as on provisions, in addition to their corresponding changes, are presented in Note 30.

(q) Employee benefits

Benefits to employees, related to short-term benefits for current employees, are recognized on an accrual basis in accordance with the services provided. Post-employment benefits under the responsibility of CAIXA and related to supplementary retirement and healthcare are recognized in accordance with CVM Ruling No. 695/2012.

As for the defined benefit (BD) retirement plan, for which contributions are made to an independently managed fund, the actuarial risk of investments is fully or partially posed to the sponsoring entity. Recognition of costs requires the measurement of plan obligations and expenses, in view of the possibility of actuarial gains or losses, which may generate liabilities when the amount of actuarial obligations exceeds the amount of benefit plan assets. The present value of obligations arising from this benefit, as well as the current service cost and, where applicable, the cost of past services is determined under the Projected Unit Credit Method, attributing the benefit to periods when the obligation of providing post-employment benefits arises.

If, in subsequent years, an employee's service leads to a level of benefit materially higher than in earlier years, the benefit is attributed on the straight-line method up to the date when the additional service of the employee will lead to an immaterial amount of further benefits.

As for the defined contribution retirement plan, the actuarial risk and the investment risk are undertaken by the participants. Recognition of costs is determined by each period's contribution values, which represent CAIXA's obligation, and no actuarial calculation for measurement of obligations or expenses is necessary, since there is no actuarial gain or loss.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

CAIXA also provides its employees and managers with meal vouchers and food assistance, according to the legislation in force and the Collective Bargaining Agreement, with indemnification nature, not considered a part of their salaries and free of charges for CAIXA or its employees and managers. Profit sharing is monthly allocated at the proportion of 11.25% on the budgeted annual income. After the Collective Bargaining Agreement is closed, this value is adjusted considering the approved rules.

CVM Rule No. 695/2012 approved Technical Pronouncement CPC 33 (R1) – Employee Benefits and made changes in the defined benefit plans referring to the accounting and disclosure of post-employment benefits, such as the removal of the corridor mechanism to record plan obligations, in addition to changes in the criteria for recognition of compensatory interest of plan assets. The adoption of this pronouncement became effective as from January 1, 2013, thus requiring the full recognition of actuarial losses in liability account, as occurred, matching against Other equity pickup adjustments account in equity.

Breakdown of employee benefits and any changes thereof are presented in Note 32.

(r) Other assets and liabilities

Other assets are recorded at realization value, including, where applicable, yield, monetary and currency changes, and provision for losses, on a daily pro rata basis, when deemed necessary. Other liabilities include known and determinable amounts, plus, where applicable, charges, monetary and currency variations, on a daily pro rata basis.

(s) Subsequent events

Subsequent events correspond to events occurred between the financial information date and the date when they are authorized to be disclosed, as follows:

- **Events leading to adjustments:** Those presenting evidence of already existing conditions at the financial information date;
- **Events not leading to adjustments:** those presenting evidence of conditions not existing at the financial information date.

(t) Re-presentation of Comparative Balances

Change in accounting practice – Employee benefits

The opening amounts of the Statements of changes in shareholders equity as of December 31, 2012, presented for comparison purposes, were adjusted and are restated due to changes in the accounting criteria for employee benefits, under the terms described by CPC 33 (R1) – Employee benefits. Up to December 31, 2012, actuarial gains and losses were recognized under the corridor method. As from 2013, the reviewed CPC 33 was applied, and any actuarial gains/losses are then recognized as assets and liabilities, respectively, in the financial statements, matching against equity.

Change in accounting practice – Accounts closed due to registration non-conformities

In November 2013, CAIXA received a letter from the Brazilian Central Bank with specific instructions on treatment of balances of deposit accounts closed due to noncompliant registration items.

Compliance with said criteria implied in changed to the accounting practice adopted by CAIXA referring to the treatment of these accounts.

Before receiving said letter, CAIXA classified balances from deposit accounts closed due to registration non-conformities as contingent liabilities due to the remote likelihood of future disbursements of these amounts, which, therefore, were recognized in P&L matching against the liability write-off. However, with the instructions from the regulatory body, the referred to amounts are recognized in book accounts representing deposits.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

In compliance with CPC 23 – Accounting practices, Changes in Estimates and Error Correction, the new accounting practice was retrospectively applied, and the effect of its amendments were matched against equity, provided that the comparative balances are recalculated for presentation of these financial statements.

Effects on balance sheet accounts as of 12/31/2012 due to application of CPC 33 (R1) and changes in accounting practices referring to treatment of balances of deposit accounts closed due to registration non-conformities are presented as follows, with emphasis on the fact that the impacts caused by CPC 33 (R1) adjustments to the tax credit base are immaterial, considering realization in 10 years.

Description	December 31, 2012					
	As stated previously		Adjustments		Adjusted amount	
	Parent Company	Consolidated	Parent Company	Consolidated	Parent Company	Consolidated
Assets						
Current and	350,905,556	351,547,176	312,626	312,626	351,218,182	351,859,802
Other receivables	29,091,187	29,234,363	312,626	312,626	29,403,813	29,546,989
Sundry (1)	26,779,048	26,781,887	312,626	312,626	27,091,674	27,094,513
Non-current	352,034,110	351,347,795	-	-	352,034,110	351,347,795
Total Assets	702,939,666	702,894,971			703,252,292	703,207,597
Liabilities and Equity						
Current and	442,342,112	442,297,417	1,323,289	1,323,289	443,665,401	443,620,706
Deposits	279,990,109	279,989,979	739,072	739,072	280,729,181	280,729,051
Cash deposits (2)	27,381,103	27,381,099	4,468	4,468	27,385,571	27,385,567
Deposits in savings account (2)	175,566,036	175,566,036	732,586	732,586	176,298,622	176,298,622
Special deposits and deposits for funds and programs (2)	9,265,546	9,265,546	2,018	2,018	9,267,564	9,267,564
Other liabilities	50,374,218	50,529,062	584,217	584,217	50,958,435	51,113,279
Sundry (3)	34,081,591	34,081,866	584,217	584,217	34,665,808	34,666,083
Non-current	235,540,610	235,540,610	-	-	235,540,610	235,540,610
Equity	25,056,944	25,056,944	(1,010,663)	(1,010,663)	24,046,281	24,046,281
Carrying value adjustments (3)	(114,087)	(114,087)	(584,217)	(584,217)	(698,304)	(698,304)
Retained earnings (4)	-	-	(426,446)	(426,446)	(426,446)	(426,446)
Total Liabilities and Equity	702,939,666	702,894,971			703,252,292	703,207,597

(1) Tax to be offset and tax credits deferring to change in accounting practice of closed accounts.

(2) Recognition of liabilities referring to change of accounting practice of the closed accounts.

(3) Adjustments caused by amendments to the accounting practice on employee benefits.

(4) Impacts referring to change in accounting practice of closed accounts, net of tax effects.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Effects on balance sheet accounts as of 06/30/2012 due to the change in accounting practices referring to treatment of balances of deposit accounts closed due to registration non-conformities are as follows:

Description	June 30, 2013					
	As stated previously		Adjustments		Adjusted amount	
Assets	Parent Company	Consolidated	Parent Company	Parent Company	Parent Company	Parent Company
Current and	407,311,282	407,922,349	312,626	312,626	407,623,908	408,234,975
Other receivables	29,348,636	29,424,503	312,626	312,626	29,661,262	29,737,129
Sundry (1)	26,233,776	26,235,749	312,626	312,626	26,546,402	26,548,375
Non-current	407,175,934	406,381,106	-	-	407,175,934	406,381,106
Total Assets	814,487,216	814,303,455			814,799,842	814,616,081
Liabilities and Equity	Parent Company	Consolidated	Parent Company	Parent Company	Parent Company	Parent Company
Current and	497,047,323	496,863,562	739,072	739,072	497,786,395	497,602,634
Deposits	284,606,344	284,332,617	739,072	739,072	285,345,416	285,071,689
Cash deposits (2)	25,241,675	25,241,672	4,468	4,468	25,246,143	25,246,140
Deposits in savings account (2)	189,699,809	189,699,809	732,586	732,586	190,432,395	190,432,395
Special deposits and deposits for funds and programs (2)	13,612,646	13,612,646	2,018	2,018	13,614,664	13,614,664
Non-current	291,827,341	291,827,341	-	-	291,827,341	291,827,341
Equity	25,612,552	25,612,552	(426,446)	(426,446)	25,186,106	25,186,106
Retained earnings (3)	1,501,970	1,501,970	(426,446)	(426,446)	1,075,524	1,075,524
Total Liabilities and Equity	814,487,216	814,303,455			814,799,842	814,616,081

(1) Tax to be offset and tax credits referring to change in accounting practice of closed accounts.

(2) Recognition of liabilities referring to change of accounting practice of the closed accounts.

(3) Impacts referring to change in accounting practice of closed accounts, net of tax effects.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 4 – Cash and cash equivalents

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Total cash and banks	11,485,920	11,480,407	6,097,970
Cash and banks in local currency	7,064,908	8,208,226	5,834,710
Cash and banks in foreign currency	4,421,012	3,272,181	263,260
Short-term interbank investments (1)	78,459,281	37,232,669	73,173,418
Total	89,945,201	48,713,076	79,271,388

(1) Transactions falling due within 90 days from the date of acquisition.

Note 5 – Short-term interbank investments

PARENT COMPANY / CONSOLIDATED						
Description	1 to 90 days	91 to 180 days	181 to 360 days	June 30, 2014	December 31, 2013	June 30, 2013
Money market investments - non-financed position	3,973,729	-	-	3,973,729	4,473,645	11,585,997
Financial Treasury Bills	150,617	-	-	150,617	100,997	-
Federal Treasury Bills	2,218,702	-	-	2,218,702	2,637,397	1,943,342
Federal Treasury Notes	1,604,410	-	-	1,604,410	1,735,251	9,642,655
Money market investments - financed position	74,485,552	-	-	74,485,552	32,759,024	74,476,525
Financial Treasury Bills	10,404,661	-	-	10,404,661	11,103,849	-
Federal Treasury Bills	38,851,384	-	-	38,851,384	10,315,230	32,974,204
Federal Treasury Notes	25,229,507	-	-	25,229,507	11,339,945	41,502,321
Investments in interbank deposits	6,103,668	657,613	54,666	6,815,947	7,671,673	4,923,723
Investments in interbank deposits	6,103,980	657,823	54,666	6,816,469	7,672,360	4,924,775
Provision for losses on investment in Interbank Deposits (DI)	(312)	(210)	-	(522)	(687)	(1052)
Total - current assets	84,562,949	657,613	54,666	85,275,228	44,904,342	90,986,245

(a) Income from short-term interbank investments

Breakdown of "Income from security transactions" in income statements.

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Income from money market investments	2,308,524	4,704,922	1,608,761	2,943,086
Non-financed position	312,971	618,521	551,187	992,983
Financed position	1,995,553	4,086,401	1,057,574	1,950,103
Income from investments in interbank deposits	151,273	290,705	57,231	106,463
Total	2,459,797	4,995,627	1,665,992	3,049,549

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 6 – Securities and derivative financial instruments
(a) Portfolio

PARENT COMPANY						
Description	Own Portfolio – Unrestricted	Designated			Derivative financial instruments	Total
		Subject to repurchase agreement	Pledged in guarantee	Central Bank		
Brazilian Government Securities	77,038,644	66,579,205	4,486,756	993	-	148,105,598
Financial Treasury Bills	383,569	170,577	5,661	-	-	559,807
Federal Treasury Bills	66,849,887	41,803,006	4,478,583	993	-	113,132,469
Federal Treasury Notes	9,795,236	24,605,622	2,512	-	-	34,403,370
Federal Treasury/Securitization	9,952	-	-	-	-	9,952
Corporate Securities	13,125,120	4,664,115	-	-	-	17,789,235
Debentures	3,508,947	4,396,826	-	-	-	7,905,773
Real Estate Credit Notes	410,430	267,289	-	-	-	677,719
Financial Notes	223,181	-	-	-	-	223,181
Investment Fund shares	105,214	-	-	-	-	105,214
Mortgage-Backed Securities	878,944	-	-	-	-	878,944
Shares	7,998,404	-	-	-	-	7,998,404
Others	-	-	-	-	37,860	37,860
June 30, 2014	90,163,764	71,243,320	4,486,756	993	37,860	165,932,693
December 31, 2013	72,925,609	85,191,774	4,287,812	944	260,317	162,666,456
June 30, 2013	91,751,590	60,608,330	2,830,762	897	118,040	155,309,619

Notes to Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED						
Description	Own Portfolio - Unrestricted	Designated			Derivative financial instruments	Total
		Subject to repurchase agreements	Pledged in guarantee	Central Bank		
Brazilian Government Securities	77,038,644	66,579,205	4,486,756	993	-	148,105,598
Financial Treasury Bills	383,569	170,577	5,661	-	-	559,807
Federal Treasury Bills	66,849,887	41,803,006	4,478,583	993	-	113,132,469
Federal Treasury Notes	9,795,236	24,605,622	2,512	-	-	34,403,370
Federal Treasury/Securitization	9,952	-	-	-	-	9,952
Corporate Securities	14,278,375	4,664,115	-	-	-	18,942,490
Debentures	3,508,947	4,396,826	-	-	-	7,905,773
Real Estate Credit Notes	410,430	267,289	-	-	-	677,719
Financial Notes	223,181	-	-	-	-	223,181
Investment Fund shares	409,287	-	-	-	-	409,287
Mortgage-Backed Securities	878,944	-	-	-	-	878,944
Shares	8,847,586	-	-	-	-	8,847,586
Others	-	-	-	-	37,860	37,860
June 30, 2014	91,317,019	71,243,320	4,486,756	993	37,860	167,085,948
December 31, 2013	73,547,377	85,191,774	4,287,812	944	260,317	163,288,224
June 30, 2013	92,286,790	60,608,330	2,830,762	897	118,040	155,844,819

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Consolidated classification by maturity

PARENT COMPANY										
June 30, 2014	Cost	P&L adjustment (1)	Equity adjustment (2)	Book Value	Market Value	No maturity	01 – 90 days	91 – 180 days	181 – 360 days	More than 360 days
Description										
Brazilian Government Securities	148,878,130	(771,005)	(1,527)	148,105,598	148,513,614	-	16,841,276	23,034,563	33,360,379	74,869,380
Financial Treasury Bills	559,805	2	-	559,807	559,833	-	548,384	-	4,767	6,656
Federal Treasury Bills	113,902,582	(770,113)	-	113,132,469	113,140,510	-	15,693,281	23,034,563	29,142,193	45,262,432
Federal Treasury Notes	34,401,907	(894)	2,357	34,403,370	34,803,319	-	599,611	-	4,213,419	29,590,340
Federal Treasury/Securitization	13,836	-	(3,884)	9,952	9,952	-	-	-	-	9,952
Corporate Securities	19,127,761	(6,478)	(1,332,048)	17,789,235	17,789,235	8,103,618	34,948	255,125	383,758	9,011,786
Debentures	7,962,796	(6,500)	(50,523)	7,905,773	7,905,773	-	-	-	14,151	7,891,622
Real Estate Credit Notes	677,678	-	41	677,719	677,719	-	34,948	160,886	318,729	163,156
Financial Notes	223,164	-	17	223,181	223,181	-	-	94,239	50,878	78,064
Investment fund shares	105,214	-	-	105,214	105,214	105,214	-	-	-	-
Mortgage-Backed Securities	870,555	22	8,367	878,944	878,944	-	-	-	-	878,944
Shares	9,288,354	-	(1,289,950)	7,998,404	7,998,404	7,998,404	-	-	-	-
Total – TVM	168,005,891	(777,483)	(1,333,575)	165,894,833	166,302,849	8,103,618	16,876,224	23,289,688	33,744,137	83,881,166
Trading securities	104,013,467	(777,483)	-	103,235,984	103,235,984	22,779	15,727,120	23,034,563	23,537,440	40,914,082
Available-for-sale securities	17,291,547	-	(1,333,575)	15,957,972	15,957,972	8,080,839	34,948	255,125	369,607	7,217,453
Held-to-maturity securities	46,700,877	-	-	46,700,877	47,108,893	-	1,114,156	-	9,837,090	35,749,631
Derivative financial instruments	37,860	-	-	37,860	37,860	-	48	1,235	12,498	24,079
Total – TVM and Derivatives	168,043,751	(777,483)	(1,333,575)	165,932,693	166,340,709	8,103,618	16,876,272	23,290,923	33,756,635	83,905,245

(1) Provision for Mark-to-Market Adjustment (Statement of Income);

(2) Provision for Mark-to-Market Adjustment (Equity). Marked to market effect recorded in equity is (915,024); December 31, 2013 – (470,697); June 30, 2013 – (1,111,058), net of tax effects.

(3) Securities held as 'For Trading' are classified in current assets, pursuant to BACEN Circular no. 3068/2001.

(4) Securities in the category Held-to-maturity securities, were marked to market, only for disclosure and analysis purposes; however, this marking to market does not have any effect on profit/loss or Equity.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED										
June 30, 2014	Cost	P&L adjustment (1)	Equity adjustment (2)	Book Value	Market Value	No maturity	01 – 90 days	91 – 180 days	181 – 360 days	More than 360 days
Description										
Brazilian Government Securities	148,878,130	(771,005)	(1,527)	148,105,598	148,513,614	-	16,841,276	23,034,563	33,360,379	74,869,380
Financial Treasury Bills	559,805	2	-	559,807	559,833	-	548,384	-	4,767	6,656
Federal Treasury Bills	113,902,582	(770,113)	-	113,132,469	113,140,510	-	15,693,281	23,034,563	29,142,193	45,262,432
Federal Treasury Notes	34,401,907	(894)	2,357	34,403,370	34,803,319	-	599,611	-	4,213,419	29,590,340
Federal Treasury/Securitization	13,836	-	(3,884)	9,952	9,952	-	-	-	-	9,952
Corporate Securities	19,529,474	(6,478)	(580,506)	18,942,490	18,942,490	9,256,873	34,948	255,125	383,758	9,011,786
Debentures	7,962,796	(6,500)	(50,523)	7,905,773	7,905,773	-	-	-	14,151	7,891,622
Real Estate Credit Notes	677,678	-	41	677,719	677,719	-	34,948	160,886	318,729	163,156
Financial Notes	223,164	-	17	223,181	223,181	-	-	94,239	50,878	78,064
Investment fund shares	409,287	-	-	409,287	409,287	409,287	-	-	-	-
Mortgage-Backed Securities	870,555	22	8,367	878,944	878,944	-	-	-	-	878,944
Shares	9,385,994	-	(538,408)	8,847,586	8,847,586	8,847,586	-	-	-	-
Total – TVM	168,407,604	(777,483)	(582,033)	167,048,088	167,456,104	9,256,873	16,876,224	23,289,688	33,744,137	83,881,166
Trading securities	104,013,467	(777,483)	-	103,235,984	103,235,984	22,779	15,727,120	23,034,563	23,537,440	40,914,082
Available-for-sale securities	17,693,260	-	(582,033)	17,111,227	17,111,227	9,234,094	34,948	255,125	369,607	7,217,453
Held-to-maturity securities	46,700,877	-	-	46,700,877	47,108,893	-	1,114,156	-	9,837,090	35,749,631
Derivative financial instruments	37,860	-	-	37,860	37,860	-	48	1,235	12,498	24,079
Total – TVM and Derivatives	168,445,464	(777,483)	(582,033)	167,085,948	167,493,964	9,256,873	16,876,272	23,290,923	33,756,635	83,905,245

(1) Provision for adjustment to market value (P&L).

(2) Provision for adjustment to market value (equity). This includes the market value of the subsidiary's TVM. Marked to market effect recorded in equity is (11,397); December 31, 2013 - (179,176); June 30, 2013 – (673,502), net of tax effects.

(3) Securities held as 'For Trading' are classified in current assets, pursuant to BACEN Circular no. 3068/2001.

(4) Securities in the category Held-to-maturity securities, were marked to market, only for disclosure and analysis purposes; however, this marking to market does not have any effect on profit/loss or Equity.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) Summary of the classification of marketable securities by maturity bucket

The market value of the securities is based on quoted prices at the balance sheet date. If there is no market price quotation, the amounts are estimated using the mark-to-market model based on the cash flows of the assets and market interest curves.

Cash flows are prepared based on the characteristics of the marketable securities and interest rate curves using available information/pricing data/market rates of the financial instruments, such as: futures contracts, government securities, or swap transactions.

The marketable securities comprising CAIXA portfolio were not reclassified into categories I, II and III for the periods presented.

(c.1) Category I - Trading Securities

PARENT COMPANY / CONSOLIDATED														
Description	June 30, 2014								December 31, 2013			June 30, 2013		
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Income / expense Adjustment (1)	Market Value	Cost	Income / expense Adjustment (1)	Market Value	Cost	Income / expense Adjustment (1)	Market Value
Brazilian Government Securities	-	15,727,120	23,034,563	23,523,290	39,381,893	102,437,871	(771,005)	101,666,866	100,473,254	(1,774,312)	98,698,942	100,741,950	(1,588,762)	99,153,188
LFT	-	33,839	-	4,767	6,656	45,260	2	45,262	1,625,709	(9)	1,625,700	1,550,878	149	1,551,027
LTN	-	15,693,281	23,034,563	23,518,523	39,365,354	102,381,834	(770,113)	101,611,721	95,143,030	(1,772,513)	93,370,517	98,386,702	(1,583,277)	96,803,425
NTN	-	-	-	-	9,883	10,777	(894)	9,883	3,704,515	(1,790)	3,702,725	804,370	(5,634)	798,736
Corporate securities	22,779	-	-	14,151	1,532,188	1,575,596	(6,478)	1,569,118	42,591	257	42,848	44,733	363	45,096
Debentures	-	-	-	14,151	1,529,892	1,550,543	(6,500)	1,544,043	14,361	217	14,578	13,660	275	13,935
Investment fund shares	22,779	-	-	-	-	22,779	-	22,779	25,569	-	25,569	27,863	-	27,863
Mortgage-backed securities	-	-	-	-	2,296	2,274	22	2,296	2,661	40	2,701	3,210	88	3,298
Total	22,779	15,727,120	23,034,563	23,537,441	40,914,081	104,013,467	(777,483)	103,235,984	100,515,845	(1,774,055)	98,741,790	100,786,683	(1,588,399)	99,198,284

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c.2) Category II - Available-for-sale securities

PARENT COMPANY														
Description	June 30, 2014						December 31, 2013			June 30, 2013				
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Equity Adjustment (1)	Market Value	Cost	Equity Adjustment (1)	Market Value	Cost	Equity Adjustment (1)	Market Value
Brazilian Government Securities	-	-	-	-	17,147	18,674	(1,527)	17,147	19,064	(1,822)	17,242	50,736	(1,073)	49,663
LFT	-	-	-	-	-	-	-	-	-	-	-	31,312	(33)	31,279
NTN	-	-	-	-	7,195	4,838	2,357	7,195	4,728	2,193	6,921	4,567	2,733	7,300
Federal Treasury/Securitization	-	-	-	-	9,952	13,836	(3,884)	9,952	14,336	(4,015)	10,321	14,857	(3,773)	11,084
Corporate securities	8,080,839	34,948	255,125	369,607	7,200,306	17,272,873	(1,332,048)	15,940,825	17,743,193	(820,933)	16,922,260	17,501,652	(1,971,136)	15,530,516
Debentures	-	-	-	-	6,361,730	6,412,253	(50,523)	6,361,730	7,009,647	(68,414)	6,941,233	6,789,746	(27,326)	6,762,420
Real Estate Credit Notes	-	34,948	160,886	318,729	163,156	677,678	41	677,719	582,007	(77)	581,930	626,269	(593)	625,676
Financial Notes	-	-	94,239	50,878	78,064	223,164	17	223,181	211,709	(6)	211,703	131,567	(83)	131,484
Investment fund shares	82,435	-	-	-	-	82,435	-	82,435	32,960	-	32,960	13,614	-	13,614
Mortgage-backed securities	-	-	-	-	597,356	588,989	8,367	597,356	618,515	31,545	650,060	652,100	66,551	718,651
Shares	7,998,404	-	-	-	-	9,288,354	(1,289,950)	7,998,404	9,288,355	(783,981)	8,504,374	9,288,356	(2,009,685)	7,278,671
Total	8,080,839	34,948	255,125	369,607	7,217,453	17,291,547	(1,333,575)	15,957,972	17,762,257	(822,755)	16,939,502	17,552,388	(1,972,209)	15,580,179

1) The mark-to-market effect recorded in Equity is (762,939); December 31, 2013 – (470,697); June 30, 2013 – (1,111,058), net of tax effects.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED														
Description	June 30, 2014								December 31, 2013				June 30, 2013	
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	No maturity	01 to 90 days
Brazilian Government Securities	-	-	-	-	17,147	18,674	(1,527)	17,147	19,064	(1,822)	17,242	50,736	(1,073)	49,663
LFT	-	-	-	-	-	-	-	-	-	-	-	31,312	(33)	31,279
NTN	-	-	-	-	7,195	4,838	2,357	7,195	4,728	2,193	6,921	4,567	2,733	7,300
Federal Treasury/Securitization	-	-	-	-	9,952	13,836	(3,884)	9,952	14,336	(4,015)	10,321	14,857	(3,773)	11,084
Corporate securities	9,234,094	34,948	255,125	369,607	7,200,306	17,674,586	(580,506)	17,094,080	17,840,833	(296,805)	17,544,028	17,599,296	(1,533,580)	16,065,716
Debentures	-	-	-	-	6,361,730	6,412,253	(50,523)	6,361,730	7,009,647	(68,414)	6,941,233	6,789,746	(27,326)	6,762,420
Real Estate Credit Notes	-	34,948	160,886	318,729	163,156	677,678	41	677,719	582,007	(77)	581,930	626,269	(593)	625,676
Financial Notes	-	-	94,239	50,878	78,064	223,164	17	223,181	211,709	(6)	211,703	131,567	(83)	131,484
Investment fund shares	386,508	-	-	-	-	386,508	-	386,508	32,960	-	32,960	13,614	-	13,614
Mortgage-backed securities	-	-	-	-	597,356	588,989	8,367	597,356	618,515	31,545	650,060	652,100	66,551	718,651
Shares	8,847,586	-	-	-	-	9,385,994	(538,408)	8,847,586	9,385,995	(259,853)	9,126,142	9,386,000	(1,572,129)	7,813,871
Total	9,234,094	34,948	255,125	369,607	7,217,453	17,693,260	(582,033)	17,111,227	17,859,897	(298,627)	17,561,270	17,650,032	(1,534,653)	16,115,379

(1) Mark-to-market adjustment (Equity) includes the mark-to-market adjustment of marketable securities of the subsidiary. The effect of the mark-to-market recorded in Equity is (11,397); December 31, 2013 – (179,176); June 30, 2013 – (673,502), net of tax effects.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c.3) Category III - Held-to-maturity securities

CAIXA has financial capacity to hold these securities to their respective maturities, in accordance with Management's intention.

PARENT COMPANY /CONSOLIDATED										
Description	June 30, 2014				December 31, 2013		June 30, 2013			
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Market Value	Cost	Market Value	Cost	Market Value
Brazilian Government Securities	1,114,156	-	9,837,089	35,470,340	46,421,585	46,829,601	46,328,668	45,740,302	40,212,373	42,533,697
LFT	514,545	-	-	-	514,545	514,571	3,545,568	3,545,716	3,391,610	3,392,386
LTN	-	-	5,623,670	5,897,078	11,520,748	11,528,789	10,051,095	10,015,601	9,526,863	9,624,226
NTN	599,611	-	4,213,419	29,573,262	34,386,292	34,786,241	32,732,005	32,178,985	27,293,900	29,517,085
Corporate securities	-	-	-	279,292	279,292	279,292	396,179	396,179	200,743	200,743
Mortgage-backed securities	-	-	-	279,292	279,292	279,292	396,179	396,179	200,743	200,743
Total	1,114,156	-	9,837,089	35,749,632	46,700,877	47,108,893	46,724,847	46,136,481	40,413,116	42,734,440

(d) Income from securities

Description	PARENT COMPANY				CONSOLIDATED			
	2014		2013		2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Financial assets held for trading	2,838,403	4,637,039	(104,103)	509,877	2,838,403	4,637,039	(104,103)	509,877
Financial assets available for sale	517,046	805,108	229,903	405,213	521,168	809,230	229,903	405,213
Financial assets held to maturity	1,385,718	2,859,460	1,185,245	2,698,595	1,385,718	2,859,460	1,185,245	2,698,595
Other	(1,919)	(4,832)	5,547	(97,683)	(1,919)	(4,832)	5,547	(97,683)
Total	4,739,248	8,296,775	1,316,592	3,516,002	4,743,370	8,300,897	1,316,592	3,516,002

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(e) Derivative financial instruments

CAIXA uses derivative financial instruments (IFD) recorded in balance sheet and memorandum accounts, which are used to meet its own needs to manage exposures to manage its risk exposure (hedge). These operations involve DI futures contracts, US dollars, exchange coupons, and swap contracts.

Derivative financial instruments, when used as hedging instruments, are designed to hedge changes in foreign exchange rates and variations in the interest rates of assets and liabilities.

Derivatives usually represent future commitments to exchange currencies or indexes, or to purchase or sell other financial instruments under the terms and dates set forth in the contracts.

Swap contracts are recorded with or without guarantee in BM&FBovespa or CETIP.

In case they are registered with collateral, there is a clearing that becomes responsible for calculating the daily adjustments and the guarantee margin to be deposited for payment in the event of default of any party. Thus, it is the clearing that becomes the counterparty to the contracts. Accordingly, in this type of registration there is no credit risk.

In case they are registered without collateral, there is no clearing calculating the daily adjustments and guaranteeing the payments and these amounts are calculated between the parties. In this case, however, there is the possibility of entering into contracts (Master Derivative Agreement – CGD and Assignment in Trust), which establish clauses guaranteeing the payment between the parties. Furthermore, in this type of registration, there is a defined credit which, when exceeded, requires assets to be deposited in an escrow account, which is managed by the parties. In this case, there is a credit risk up to the limit set in the agreement.

The reference values of these derivatives are recorded in memorandum accounts, and the differences receivable or payable in balance sheet accounts

(f) Hedge Accounting

(f.1) External issue - Senior notes of 1st, 2nd and 4th series

On November 11, 2012, CAIXA issued overseas two series of securities falling due in 2017 (1st series - US\$ 1 billion) and in 2022 (2nd series - US\$ 500 millions), in US dollars and with payment of fixed semi-annual interest of 2.375% p.a. and 3.5% p.a., respectively. In May 2014, CAIXA completed the issuance of the 4th series totaling US\$ 1.3 billion and semi-annual interest at a 4.25% rate.

Additionally, the semi-annual payments require the payment of 15% on each portion of interest as tax payable in the country of issue.

Of all issued series, the full amount of the 1st and 2nd series and part of the amount of the 4th series (US\$ 600 million) were brought into the country and hedged by swap transactions.

Held in the country of issue, the transaction exposes CAIXA to US dollar coupon rate variation. However, the inflow into Brazil of funds raised adds to the US dollar variation risk, which led to performance of swap transactions to hedge against these risks, formalized as fair value hedge, as follows:

- Swap long position: US Dollar variation + foreign exchange rate;
- Swap short position: DI variation %.

The purpose of the fair value hedge is hedging US Dollar variation and exchange rate of senior notes, object of hedge, as follows:

- Foreign exchange rate variation:
 - 1st series, 2.375% p.a. over US\$ 1 billion or US\$ 11.9 million for six-month period, maturing from 2014 to 2017;
 - 2nd series, 3.50% p.a. over US\$ 500 million or US\$ 8.8 million for six-month period, maturing from 2014 to 2022.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

- 4th series, 4.25% p.a. over US\$ 600 million or US\$ 12.8 million for six-month period, maturing from 2014 to 2019.
- Foreign exchange rate of the principal:
 - 1st series, US\$ 1 billion, maturing in 2017;
 - 2nd series, US\$ 500 million, maturing in 2022;
 - 4th series, US\$ 600 million, maturing in 2019.
- Foreign exchange of tax due of 15% over the rate payable:
 - 1st series, US\$ 2.1 million for six-month period;
 - 2nd series, US\$ 1.5 million for six-month period;
 - 4th series, US\$ 2.25 million for six-month period.

Fair Value of Hedged Item			
Senior notes	June 30, 2014	December 31, 2013	June 30, 2013
1 st Series	2,258,555	2,357,153	2,161,654
2 nd Series	1,138,697	1,153,619	1,062,844
4 th Series	1,464,566	-	-
Total	4,861,818	3,510,772	3,224,498

Since future flows of the hedge underlying asset are matched with the swap long position, the effectiveness of this transaction remained at 100%, within the range of 80% and 125% for hedge effectiveness, as established in BACEN Circular Letter No. 3082/2002.

(f.2) Financial bills – IPCA rate

In August 2013, CAIXA raised funds through issuance of Financial Bills indexed to the IPCA rate, hedging against the variation in the liability fair value by taking out swap transactions.

The transactions were formally classified as fair value hedging account, in order to hedge from IPCA variation and IPCA rate, object of hedge, as follows:

- Swap long position: IPCA variation + rate;
- Swap short position: DI variation %.

Hedge Object Fair Value		
Financial Bill	June 30, 2014	December 31, 2013
August 15, 2023	215,847	195,550
September 18, 2023	32,781	29,789
November 13, 2023	377,182	345,899
December 23, 2020	11,144	10,316
January 11, 2021 (1)	5,551	-
February 1, 2021 (1)	5,701	-
February 11, 2019 (1)	1,092	-
February 10, 2020 (1)	1,498	-
February 13, 2019 (1)	5,260	-
May 07, 2018 (1)	3,674	-
May 16, 2017 (1)	46,914	-
June 03, 2024 (1)	219,172	-
Total	925,816	581,554

(1) Securities issued as of Jan 2014 total R\$ 265,660 thousand considering their face value (at 6/30/2014 totaling R\$ 288,862 thousand considering their fair value)

Since future flows of the hedge underlying asset are matched with the swap long position, the effectiveness of this transaction remained at 100.00%, within the range of 80% and 125% for hedge effectiveness, as established in BACEN Circular Letter No. 3082/2002.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(g) Analysis of the portfolio of derivative financial instruments by type of instrument, maturity, stated at market value:

PARENT COMPANY / CONSOLIDATED							
Description	June 30, 2014					December 31, 2013	June 30, 2013
	1 – 90 days	91 - 180 days	181 - 360 days	More than 360 days	Market Value	Market Value	Market Value
Memorandum Accounts/Reference Value							
Futures	15,564,725	16,044,393	20,157,903	40,646,094	92,413,115	93,986,048	80,651,657
Swap Contracts	5,468	94,069	656,941	6,757,212	7,513,690	5,737,232	397,547

PARENT COMPANY / CONSOLIDATED							
Description	June 30, 2014					December 31, 2013	June 30, 2013
	1 – 90 days	91 - 180 days	181 - 360 days	More than 360 days	Market Value	Market Value	Market Value
Balance Sheet Accounts							
Swap long position – receivable	48	1,235	12,498	24,079	37,860	260,317	118,040
Swap short position – payable	551	1,628	20,137	273,034	295,350	89,171	524

(h) Realized and unrealized gains (losses) in the portfolio of derivative financial instruments

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Swap	(218,182)	(428,279)	32,435	32,396
Futures	(631,767)	(464,192)	1,509,534	1,925,788
Total realized	(849,949)	(892,471)	1,541,969	1,958,184
Swap - unrealized	-	-	(171,514)	(177,858)

(i) Securities tied to BACEN and offered as collateral

The guarantee margin is the deposit required from all parties that have outstanding risk positions, with the purpose of ensuring performance of all the related contracts. The guarantee margin on transactions with financial instruments is as follows:

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Brazilian Government Securities	4,487,749	4,288,756	2,831,659
Financial Treasury Bills	2,512	5,039	4,820
Federal Treasury Bills	4,479,576	4,280,627	2,824,576
Federal Treasury Notes	5,661	3,090	2,263

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 7 – Interbank accounts

(a) The deposits with the Brazilian Central Bank mainly comprise compulsory deposits which are adjusted for inflation by official indexes and interest rates, except for those relating to demand deposits, and are not available to fund CAIXA's routine operations, therefore are not considered as cash equivalents.

PARENT COMPANY / CONSOLIDATED				
Description	Yield	June 30, 2014	December 31, 2013	June 30, 2013
Compulsory deposits on demand deposits	None	3,562,205	5,248,104	5,780,638
Compulsory deposits on savings deposits (1)	TR + 6.17% p.a.	43,900,489	41,509,247	37,538,014
Compulsory deposits on time deposits	SELIC rate	12,870,839	10,127,075	10,513,174
Rural credits	Not remunerated	-	1,021,462	-
Additional compulsory deposits	SELIC rate	30,670,843	28,282,632	26,670,631
Total		91,004,376	86,188,520	80,502,457

(1) For deposits made as from May 4, 2012, when the SELIC rate is lower than or equal to 8.5% per year, the yield of the compulsory deposits on savings deposits will be the Referential Interest Rate (TR) + 70% of the annual SELIC rate.

(b) Account "Linked credits – SFH" includes amounts to be refunded to FGTS and residual amounts of contracts terminated and to be reimbursed by FCVS, which are under novation with that Fund.

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
	Total Credit	Total Credit	Total Credit
FGTS reimbursable	96,976	81,879	70,740
FCVS receivable	24,606,903	23,903,656	23,506,694
Not yet qualified (1)	1,237,423	1,359,783	1,620,940
Qualified and awaiting approval (2)	7,281,612	7,139,629	6,798,522
Qualified and approved (3)	16,087,868	15,404,244	15,087,232
Provision of FCVS receivable	(3,260,839)	(3,187,964)	(3,081,251)
Total (net of provision)	21,443,040	20,797,571	20,496,183

(1) Contracts not yet submitted to approval of the FCVS, as they are in the process of qualification by CAIXA.

(2) Contracts already qualified by CAIXA, which are under analysis by FCVS for final approval of the FCVS.

(3) Qualified and approved credits represent the contracts already analyzed and accepted by the FCVS and which depend on the process of securitization, as set forth in Law 10,150/2000, for their realization.

The contracts to be reimbursed by FCVS accrue interest of up to 6.17% per year and are adjusted for inflation based on the Referential Interest Rate (TR). The effective realization of these credits depends on compliance with a set of rules and procedures defined in regulations issued by the FCVS.

CAIXA's management has implemented a process for analyzing and checking the conditions and details of these contracts as to their compliance with the rules and procedures, which enabled the establishment of criteria to estimate the provisions for probable losses arising from contracts that do not meet the rules and procedures defined by the FCVS. The provision for credits with the FCVS is based on half-yearly statistical studies and takes into account the history of loss due to the Fund's refusal to accept liability.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

CAIXA has a total of 6,558 financing contracts entered into up to December 5, 1990, for which the coverage of the Salary Variation Compensation Fund (FCVS) was denied, due to the multiple financing contracts submitted to the National Registration of Borrowers (CADMUT), which amount to R\$ 1,009,288,091.74. For these cases, the position adopted by the FCVS Board of Trustees (CCFCVS) is that the borrowers disregarded the SFH/FCVS legislation, particularly in respect of the provisions initially set forth in paragraph 1, article 9 of Law 4,380/64, which was in force when the financing contracts were entered into by the Financing Agents. However, the Superior Court of Justice (STJ), in the trial of a Special Appeal (RESP 1133769/RN), whose subject matter involved multiple financing contracts signed with the SFH, recognized the legal status of the housing contracts signed up to December 5, 1990 to be covered by the FCVS and determined the Fund's responsibility for the remaining debt balance.

Considering that the settlement of the debts by the FCVS has been judicially assured, CAIXA awaits the required procedures by the FCVS in order to recognize the automatic application of the court decision to the contracts with denied coverage due to the existence of multiple financing contracts signed up to December 5, 1990. Until December 2012, this amount was recorded in a depreciation account of the FCVS receivable. In 2013, this amount was reclassified to liabilities in Other liabilities.

(c) Income from compulsory investments

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Compulsory deposits at BACEN	1,780,500	3,431,948	1,112,927	2,099,495
Compulsory deposits at SFH	421,894	810,735	536,801	799,436
Total	2,202,394	4,242,683	1,649,728	2,898,931

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 8 – Loan portfolio
(a) Analysis of the loan portfolio by type of transaction and risk levels

PARENT COMPANY / CONSOLIDATED												
Loan transactions	AA	A	B	C	D	E	F	G	H	June 30, 2014	December 31, 2013	June 30, 2013
Loans and bills discounted	24,829,831	70,053,571	20,341,340	20,348,521	5,190,299	3,131,539	1,355,682	1,057,735	5,831,851	152,140,369	141,039,919	125,900,176
Financing	10,040,365	12,668,146	2,126,212	2,206,096	3,432,696	638,996	478,036	385,669	3,016,493	34,992,709	31,005,465	25,662,924
Rural and agribusiness financing	492,446	1,114,469	944,672	966,726	79,183	6,217	3,856	2,486	3,493	3,613,548	1,997,399	289,593
Real estate financing	130,358,957	88,104,644	35,018,019	31,907,019	9,112,564	1,066,335	750,917	568,615	6,660,922	303,547,992	270,392,302	238,521,798
Infrastructure and development financing	23,053,619	20,888,549	765,492	216,559	168,789	712,566	-	37,330	139,610	45,982,514	36,837,628	30,004,213
Loan operations linked to assignments	-	3,799,598	53,189	26,866	10,281	5,896	4,666	3,238	3,861	3,907,595	4,215,073	2,238,143
Other receivables (Note 9 (d))	507,401	4,520,624	1,690,724	699,109	145,015	166,347	18,681	12,325	163,150	7,923,376	8,749,294	8,681,468
Total	189,282,619	201,149,601	60,939,648	56,370,896	18,138,827	5,727,896	2,611,838	2,067,398	15,819,380	552,108,103	494,237,080	431,298,315
Allowance for loan losses		(1,005,748)	(609,396)	(1,691,132)	(1,813,883)	(1,718,370)	(1,305,920)	(1,447,181)	(15,819,380)	(25,411,010)	(23,966,296)	(21,638,011)
Total net provisions at June 30, 2014	189,282,619	200,143,853	60,330,252	54,679,764	16,324,944	4,009,526	1,305,918	620,217	-	526,697,093	-	-
Total net provisions at December 31, 2013	54,675,049	269,967,341	59,769,058	70,125,055	10,457,162	3,704,357	1,042,806	529,956	-	-	470,270,784	-
Total net provisions at June 30, 2014	46,585,482	216,238,458	58,960,975	73,446,696	9,490,996	3,375,747	1,087,771	474,179	-	-	-	409,660,304

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Analysis of allowance for loan losses

PARENT COMPANY / CONSOLIDATED											
Loan transactions	A	B	C	D	E	F	G	H	June 30, 2014	December 31, 2013	June 30, 2013
Loans and bills discounted	(350,268)	(203,413)	(610,456)	(519,030)	(939,462)	(677,841)	(740,415)	(5,831,851)	(9,872,736)	(7,809,150)	(6,256,581)
Financing	(63,341)	(21,262)	(66,183)	(343,270)	(191,699)	(239,018)	(269,968)	(3,016,493)	(4,211,234)	(3,028,291)	(2,096,032)
Rural and agribusiness financing	(5,572)	(9,447)	(29,002)	(7,918)	(1,865)	(1,928)	(1,740)	(3,493)	(60,965)	(33,107)	(9,885)
Real estate financing	(440,523)	(350,180)	(957,211)	(911,256)	(319,901)	(375,459)	(398,031)	(6,660,922)	(10,413,483)	(12,109,996)	(12,492,333)
Infrastructure and development financing	(104,443)	(7,655)	(6,497)	(16,879)	(213,770)	-	(26,131)	(139,610)	(514,985)	(633,356)	(461,629)
Loan operations linked to assignments	(18,998)	(532)	(806)	(1,028)	(1,769)	(2,333)	(2,268)	(3,857)	(31,591)	(28,627)	(14,251)
Other receivables (Note 9 (d))	(22,603)	(16,907)	(20,977)	(14,502)	(49,904)	(9,341)	(8,628)	(163,154)	(306,016)	(323,769)	(307,300)
Total	(1,005,748)	(609,396)	(1,691,132)	(1,813,883)	(1,718,370)	(1,305,920)	(1,447,181)	(15,819,380)	(25,411,010)	(23,966,296)	(21,638,011)

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) Maturity buckets and risk levels
c.1) Normal status

PARENT COMPANY / CONSOLIDATED												
Description	AA	A	B	C	D	E	F	G	H	June 30, 2014	December 31, 2013	June 30, 2013
1 to 30 days	4,081,898	9,453,357	2,465,403	2,416,857	732,775	189,284	69,996	48,134	415,544	19,873,248	16,596,864	15,797,690
31 to 60 days	2,854,647	5,948,353	1,441,328	1,384,108	362,079	107,386	30,190	24,294	216,027	12,368,412	10,662,566	8,959,604
61 to 90 days	2,576,024	5,390,398	1,354,070	1,301,712	324,459	97,416	27,527	20,387	193,940	11,285,933	9,748,258	8,198,691
91 to 180 days	7,095,443	14,091,834	3,833,715	3,443,390	874,500	266,282	74,324	61,596	533,176	30,274,260	26,607,940	22,301,192
181 to 360 days	11,406,318	22,002,850	5,653,672	5,238,230	1,372,883	433,155	89,997	65,382	625,057	46,887,544	42,989,482	36,573,273
More than 360 days	159,104,145	139,101,115	34,556,379	29,983,496	6,725,025	1,802,137	310,931	228,036	3,796,732	375,607,996	343,330,425	298,186,163
Total	187,118,475	195,987,907	49,304,567	43,767,793	10,391,721	2,895,660	602,965	447,829	5,780,476	496,297,393	449,935,535	390,016,613

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c.2) Abnormal status

PARENT COMPANY / CONSOLIDATED												
Description	AA	A	B	C	D	E	F	G	H	June 30, 2014	December 31, 2013	June 30, 2013
Past-due Installments	24,757	85,977	798,419	1,241,412	2,383,541	1,661,914	1,317,943	1,074,270	6,428,913	15,017,146	6,725,866	9,220,685
1 to 30 days	24,757	85,977	682,340	408,383	1,058,921	103,184	49,613	34,919	269,289	2,717,383	1,529,006	1,176,739
31 to 60 days	-	-	113,248	470,189	189,521	63,703	38,845	25,385	149,149	1,050,040	889,890	1,189,165
61 to 90 days	-	-	2,831	228,204	884,888	434,510	101,986	59,314	340,121	2,051,854	828,776	1,226,951
91 to 180 days	-	-	-	134,636	249,867	835,498	962,519	830,187	1,279,196	4,291,903	1,726,348	2,741,829
181 to 360 days	-	-	-	-	344	225,019	164,980	124,331	4,039,069	4,553,743	1,715,073	2,734,065
More than 360 days	-	-	-	-	-	-	-	134	352,089	352,223	36,773	151,936
Falling due Installments	2,139,387	5,075,717	10,836,662	11,361,691	5,363,565	1,170,322	690,930	545,299	3,609,991	40,793,564	37,575,679	32,061,017
1 to 30 days	21,600	69,534	195,585	191,427	96,919	39,037	19,585	12,679	75,982	722,348	752,507	609,279
31 to 60 days	20,794	66,795	176,989	183,787	84,210	26,265	13,891	11,169	68,565	652,465	691,109	401,066
61 to 90 days	20,750	66,708	174,646	179,687	83,052	25,716	13,731	10,841	66,643	641,774	675,763	395,911
91 to 180 days	60,615	196,791	498,905	515,607	240,146	73,466	39,039	31,061	189,677	1,845,307	1,936,228	1,302,685
181 to 360 days	117,250	385,116	915,966	948,707	445,394	134,374	71,338	57,454	343,839	3,419,438	3,527,509	2,555,658
More than 360 days	1,898,378	4,290,773	8,874,571	9,342,476	4,413,844	871,464	533,346	422,095	2,865,285	33,512,232	29,992,563	26,796,418
Total	2,164,144	5,161,694	11,635,081	12,603,103	7,747,106	2,832,236	2,008,873	1,619,569	10,038,904	55,810,710	44,301,545	41,281,702

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(d) Breakdown of the loan portfolio by industry

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
PUBLIC SECTOR	40,271,101	37,076,753	33,830,304
Direct administration	23,380,634	20,202,347	17,726,840
Indirect Administration – Petrochemicals	11,249,216	11,241,113	11,211,569
Indirect Administration – Basic Sanitation and Infrastructure	3,650,938	3,643,837	3,868,762
Indirect Administration – Other	1,990,313	1,989,456	1,023,133
PRIVATE SECTOR	511,837,002	457,160,327	397,468,011
LEGAL ENTITIES	117,470,832	104,196,494	92,118,479
Retail trade	25,863,980	23,923,477	20,244,259
Civil construction	13,741,772	11,450,176	10,323,624
Steelmaking and metallurgy	9,619,444	9,520,536	9,283,572
Electricity	10,066,859	7,845,936	6,907,739
Financial services	5,420,016	5,081,949	6,084,553
Other industries	7,683,115	6,800,733	5,420,944
Transport	7,720,851	6,729,159	4,981,005
Agribusiness and harvesting of natural resources	3,814,901	4,156,287	4,317,092
Wholesale trade	5,620,713	4,989,191	3,860,683
Healthcare	3,462,087	3,393,988	3,095,429
Basic Sanitation and Infrastructure	3,579,716	2,713,321	2,214,177
Petrochemicals	2,219,891	2,190,992	1,943,461
Textile	2,126,006	1,979,412	1,732,035
Communications	1,656,474	1,672,045	1,550,496
Foodstuffs	2,023,620	1,808,854	1,543,141
Personal services	378,977	344,604	279,145
Other services	12,472,410	9,595,834	8,337,124
INDIVIDUALS	394,366,170	352,963,833	305,349,532
Total	552,108,103	494,237,080	431,298,315

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(e) Income from loan operations

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Loans, discounted bills and financing	8,899,067	16,704,798	5,903,436	11,124,029
Rural and agribusiness financing	28,842	60,312	2,591	4,604
Real estate financing	6,198,056	12,086,303	4,530,005	8,739,525
Infrastructure and development financing	821,962	1,574,604	497,215	951,531
Other receivables	1,708	3,445	2,990	5,545
Total	15,949,635	30,429,462	10,936,237	20,825,234

(f) Main debtors

PARENT COMPANY / CONSOLIDATED						
Description	June 30, 2014	%	December 31, 2013	%	June 30, 2013	%
Main debtor	11,249,216	2.04	11,241,112	2.27	11,211,567	2.60
10 largest debtors	39,735,200	7.20	37,348,218	7.56	35,426,147	8.22
20 largest debtors	51,680,905	9.36	48,329,868	9.78	45,134,379	10.48
50 largest debtors	69,183,040	12.53	62,507,566	12.65	58,717,754	13.63
100 largest debtors	80,085,154	14.51	71,162,847	14.4	66,481,839	15.43

(g) Breakdown of renegotiation portfolio

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Renegotiated Operations	2,709,900	5,201,671	1,576,941	2,696,609
Commercial Operations	2,628,435	4,841,256	1,521,527	2,419,041
Housing Loan Operations	81,465	360,415	55,414	277,568
Recovered Operations	440,644	804,313	234,644	357,924
Commercial Operations	306,751	541,951	232,087	300,368
Housing Loan Operations	133,893	262,362	2,557	57,556

(h) Changes in the allowance for loan losses

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Opening balance	(24,354,042)	(23,966,296)	(20,724,487)	(19,921,098)
Provision set up for the period	(6,817,394)	(9,330,386)	(3,886,227)	(5,966,678)
Reversal of provision for the period	2,865,941	2,900,717	1,645,049	1,645,049
Losses	2,378,133	4,341,082	1,327,654	2,604,716
Reversal of loss (1)	516,352	643,873	-	-
Closing balance	(25,411,010)	(25,411,010)	(21,638,011)	(21,638,011)

(1) Receipt of amounts written off as losses, especially credits secured by the Transaction Guarantee Fund (FGO).

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 9 – Other receivables
(a) Analysis

PARENT COMPANY			
Description	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Receivables from guarantees honored	29,260	26,042	35,156
Foreign exchange portfolio – Note 9 (c)	1,209,399	686,732	587,146
Income receivable	2,426,070	2,019,622	1,705,239
Agreements with the private sector	102,597	121,777	96,972
Agreements with the public sector	324,667	462,927	409,717
Management of investment funds	89,830	107,829	96,040
Management of social funds and programs	1,451,160	1,098,764	959,624
Onlending - OGU	220,309	178,788	142,886
Dividends and interest on own capital receivable	146,120	-	-
Other receivables	91,387	49,537	-
Negotiation and intermediation of securities	15,662	864	186,379
Specific receivables	752,954	716,094	688,410
Sundry – Note 9 (b)	50,272,830	55,433,625	45,301,408
Provision for losses on other receivables – Note 9 (d)	(306,016)	(323,769)	(307,300)
Total	54,400,159	58,559,210	48,196,438
Current assets	46,246,299	38,317,229	29,661,262
Non-current assets	8,153,860	20,241,981	18,535,176

CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Receivables from guarantees honored	29,260	26,042	35,156
Foreign exchange portfolio – Note 9 (c)	1,209,399	686,732	587,146
Income receivable	2,370,400	2,180,487	1,779,133
Dividends and interest on own capital receivable	90,451	160,865	73,894
Agreements with the private sector	102,597	121,777	96,972
Agreements with the public sector	324,667	462,927	409,717
Management of investment funds	89,830	107,829	96,040
Management of social funds and programs	1,451,160	1,098,764	959,624
Onlending - OGU	220,308	178,788	142,886
Other receivables	91,387	49,537	-
Negotiation and intermediation of securities	15,662	864	186,379
Specific receivables	752,954	716,094	688,410
Sundry – Note 9 (b)	50,272,738	55,432,952	45,303,406
Provision for losses on other receivables – Note 9 (d)	(306,016)	(323,769)	(307,300)
Total	54,344,397	58,719,402	48,272,330
Current assets	46,190,537	38,477,421	29,737,129
Non-current assets	13,901,962	20,241,981	17,275,603

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Other receivables - sundry

Description	PARENT COMPANY			CONSOLIDATED		
	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Tax credits - Note 20	21,056,109	20,165,547	18,736,405	21,056,147	20,165,575	18,736,430
Receivables from escrow deposits - Note 30	12,079,589	11,290,593	10,837,495	12,079,589	11,290,593	10,837,495
Salary advances and prepayments	472,381	172,667	388,837	472,381	172,667	388,837
Prepaid profit sharing (1)	299,269	4,097,762	618,843	296,626	4,097,762	618,843
Taxes and contributions to be offset	323,437	488,536	221,686	323,437	489,991	226,222
Credit cards (2)	6,244,592	6,353,846	4,980,531	6,246,866	6,353,846	4,980,531
Premium on purchase of loan portfolios	1,103,902	1,117,851	976,505	1,103,902	1,117,851	976,505
Insurance receivable	108,311	102,601	96,520	108,311	102,601	96,520
Credits acquired	1,763,168	2,422,528	3,716,708	1,763,168	2,422,528	3,716,708
Receivables – fund administration and social programs	3,941,936	3,179,808	158,573	3,941,936	3,179,808	158,573
Receivables – royalties (3)	23,304	2,458,311	2,357,896	23,304	2,458,311	2,357,896
Receivables – FND	402,473	386,846	379,674	402,473	386,846	379,674
Receivables – correspondents	156,363	196,488	163,432	156,363	196,488	163,432
Receivables – redemption of bonus	94,621	91,515	88,648	94,860	91,515	88,648
Receivables – government revenue and collection agreements	47,075	35,083	5,331	47,075	35,083	5,331
Receivables – administered credits	26,185	28,246	27,335	26,185	28,246	27,335
Receivables – health plans – self-management	45,689	20,220	30,546	45,689	20,220	30,546
Unrecognized amounts	1,983,043	2,560,068	1,144,735	1,983,043	2,560,068	1,144,735
Other debtors	167,624	322,138	427,548	167,624	319,982	424,985
Provision for losses - Sundry (4)	(66,241)	(57,029)	(55,840)	(66,241)	(57,029)	(55,840)
Total	50,272,830	55,433,625	45,301,408	50,272,738	55,432,952	45,303,406
Current assets	42,085,088	35,143,263	26,546,402	42,084,996	35,142,590	26,548,375
Non-current assets	8,187,742	20,290,362	18,755,006	8,187,742	20,290,362	18,755,031

(1) Payment of interim dividends and interest on capital transferred to the Federal Government.

(2) This includes credits with credit lending characteristics (Note 9d) and credit card annual fee, with no credit lending characteristic.

(3) Change in 2014 refers to termination of agreement on acquisition of royalties and special interests relating to oil and natural gas exploration by RIOPREVIDENCIA.

(4) Provision for final net losses and indemnity claims related to housing financing.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) Foreign exchange portfolio

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Assets – Other receivables			
Foreign exchange purchases pending settlement – Foreign currency	16,752	5,366	8,041
Receivables from foreign exchange sales – Local currency	1,198,172	687,540	586,412
(-) Advances received – Local currency	(5,525)	(6,174)	(7,307)
Current assets (Note 9 (a))	1,209,399	686,732	587,146
Liabilities - Other liabilities			
Foreign exchange sales pending settlement – Foreign currency	56,187	21,402	58,572
Payables for foreign exchange purchases – Local currency	35,753	17,916	105,665
Current liabilities (Note 18 (a))	91,940	39,318	164,237

(c.1) Results of foreign exchange transactions

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Income	2,673,809	6,282,255	880,170	1,588,442
Funds in foreign currency	2,673,809	6,282,255	880,170	1,588,442
Expenses	(2,523,771)	(5,982,278)	(1,057,937)	(1,773,928)
Expenses on exchange rate variations and differences	(2,523,771)	(5,982,278)	(1,057,937)	(1,773,928)
Profit of foreign exchange transactions	150,038	299,977	(177,767)	(185,486)

(d) Other receivables with characteristics of loans

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Receivables	7,923,376	8,749,294	8,681,468
Credit cards	6,109,045	6,279,297	4,910,499
Receivables from guarantees honored	29,260	26,042	35,156
Debtors for purchase of assets	21,903	21,427	19,105
Credits acquired (1)	1,763,168	2,422,528	3,716,708
Provision (2)	(306,016)	(323,769)	(307,300)
Credit cards	(215,685)	(218,995)	(148,787)
Receivables from guarantees honored	(949)	(1,245)	(1,224)
Debtors for purchase of assets	(29,260)	(26,042)	(35,156)
Credits acquired (1)	(60,122)	(77,487)	(122,133)
Receivables - net of provision	7,617,360	8,425,525	8,374,168

(1) Credits acquired with guarantees from Cruzeiro do Sul, BMG, Bonsucesso and BMB banks.

(2) According to BACEN Circular Letter No. 3048/2002, provision for notes and credits receivable is classified as having "credit assignment characteristics".

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 10 – Other assets

Comprised of assets not for own use (properties adjudicated, properties received as payment of loans, and properties that are no longer used in CAIXA's operations), submitted to impairment tests.

They are also comprised of prepaid expenses that mainly relate to prepayments of ordinary contributions to FGC - *Fundo Garantidor de Créditos* (Credit Guarantee Fund) and of the inventory of consumption material.

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Assets not for own use	1,209,274	993,843	860,425
Properties not in use	161,053	146,510	138,747
Adjudicated/auctioned properties	1,048,221	847,333	721,678
Prepaid expenses	94,858	66,890	201,762
Consumption mate	28,642	26,326	25,842
Receivables from sales or transfers of assets (Note 10 (a))	(30,371)	(31,614)	(26,291)
Total	1,302,403	1,055,445	1,061,738

(a) Provisions for loss on devaluation of properties

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Opening balance	(30,425)	(31,614)	(100,567)	(103,028)
Provisions	(3,183)	(25,248)	(5,950)	(10,034)
Write-offs	3,237	26,491	80,226	86,771
Closing balance	(30,371)	(30,371)	(26,291)	(26,291)

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 11 – Investments in subsidiary and associated companies

Investments in subsidiaries and affiliates of Parent Company include mainly Caixa Participações S.A (CAIXAPAR), which reached the amount of R\$ 4,537,952 (12/31/2013 – R\$ 4,272,753; 6/30/2013 – R\$ 3,988,894). Equity pickup for the period was R\$ 305,222 (2nd quarter of 2013 R\$ 93,795; 1st quarter of 2013 – R\$ 153,478).

The consolidated investment portfolio includes associated and jointly-controlled companies, over which CAIXAPAR has significant influence or joint control, evaluated under the equity method.

CAIXAPAR equity interest portfolio				
Description	Number of shares		Interest (%)	
	common	common	Voting capital	Equity capital
Banco PAN	143,307,049	54,802,722	49.00	37.00
Branes	3,400,010	-	2.00	2.00
CAIXA Seguros Holding S.A.	8,161,452	-	48.21	48.21
Capgemini (1)	63,764,544	-	24.19	22.05
Caixa Seguros Participações – CSP	34,245,712	-	-	48.21
Cia. Brasileira de Securitização – CIBRASEC	6,000	-	9.09	9.09
Crescer	17,635,100	-	49.00	49.00
Elo Serviços	62,754	836,698,278	0.01	33.33

CONSOLIDATED							
Description	Investment			Equity pick-up result			
	June 30, 2014	December 31, 2013	June 30, 2013	2014		2013	
				2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
CAIXA Seguros Holding S.A.	2,096,717	2,082,025	1,923,994	191,328	380,568	169,743	314,000
Banco PAN	441,558	494,554	652,475	(38,585)	(53,724)	(57,045)	(150,016)
Capgemini	249,527	269,345	294,033	(16,713)	(31,951)	(17,234)	(17,507)
Elo Serviços	13,253	13,318	9,814	(1,910)	(65)	195	(974)
Cia. Bras. de Securitização - CIBRASEC	6,778	6,832	7,048	16	91	33	209
Caixa Seguros Participações - CSP	43,331	41,138	3,158	270	2,192	-	-
Crescer	4,209	9,323	5,163	(5,327)	(10,402)	(1,548)	(1,548)
Branes	1,860	1,897	2,019	(7)	(37)	(181)	(181)
BIAPE	542	788	1,140	98	98	(46)	(153)
FGO – Fdo. Garantia de Operações	104,445	201,552	113,208	-	-	-	-
FGHAB – Fdo. Garantidor Hab. Popular	186,565	166,958	141,689	-	-	-	-
Fundo de Investim. em Participações	39,356	39,029	39,272	(372)	(550)	(917)	(917)
Others investments (1)	6,834	14,014	1,026	-	-	-	-
Total	3,194,975	3,340,773	3,194,039	128,798	286,220	93,000	142,913

(1) Investments assessed at acquisition cost.

Goodwill on investment acquisition				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Opening balance	261,080	272,719	332,934	354,058
Amortizations	(11,641)	(23,280)	(21,127)	(42,251)
Closing balance	249,439	249,439	311,807	311,807

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 12 – Fixed assets in use

In June 2014, CAIXA changed the criteria adopted for computing depreciation expenses on property in use, pursuant to the Standard Chart of Accounts for Brazilian Financial Institutions (COSIF). This adjustment is not material to require the restatement of comparative amounts for 12/31/2013 and 6/30/2013.

Information of Fixed assets in use							
Description	June 30, 2014			December 31, 2013			June 30, 2013
	Cost	Depreciation	Net	Cost	Depreciation	Net	Net
Properties in use	913,688	(264,526)	649,162	770,513	(182,191)	588,322	498,090
Buildings	856,498	(264,526)	591,972	713,871	(182,191)	531,680	445,504
Land	57,190	-	57,190	56,642	-	56,642	52,586
Revaluations of properties in use	744,196	(168,856)	575,340	743,272	(157,772)	585,500	595,223
Buildings	543,817	(168,856)	374,961	543,219	(157,772)	385,447	394,713
Land	200,379	-	200,379	200,053	-	200,053	200,510
Other assets in use	6,172,759	(4,109,577)	2,063,182	5,667,682	(3,815,182)	1,852,500	1,487,115
Construction in progress	36,067	-	36,067	41,928	-	41,928	35,239
Facilities, furniture and equipment in use	1,348,307	(714,134)	634,173	1,293,521	(664,611)	628,910	565,847
Communications systems	91,406	(72,217)	19,189	91,387	(70,177)	21,210	21,669
Data processing system	4,348,334	(3,081,892)	1,266,442	3,919,076	(2,856,838)	1,062,238	801,242
Transport and security system	348,645	(241,334)	107,311	321,770	(223,556)	98,214	63,118
Total	7,830,643	(4,542,959)	3,287,684	7,181,467	(4,155,145)	3,026,322	2,580,428

Changes in Property and Equipment in Use						
Description	December 31, 2013	Transfers	Additions	Disposals	Depreciation	June 30, 2014
Properties in use	588,322	9,454	143,931	-	(92,545)	649,162
Buildings	531,680	8,906	143,931	-	(92,545)	591,972
Land	56,642	548	-	-	-	57,190
Revaluations of properties in use	585,500	-	-	924	(11,084)	575,340
Buildings	385,447	-	-	598	(11,084)	374,961
Land	200,053	-	-	326	-	200,379
Other assets in use	1,852,500	(9,454)	514,531	-	(294,395)	2,063,182
Construction in progress	41,928	(9,454)	3,593	-	-	36,067
Facilities, furniture and equipment in use	628,910	-	54,787	-	(49,524)	634,173
Communication systems	21,210	-	19	-	(2,040)	19,189
Data processing system	1,062,238	-	429,258	-	(225,054)	1,266,442
Transport and security system	98,214	-	26,874	-	(17,777)	107,311
Total	3,026,322	-	658,462	924	(398,024)	3,287,684

Considering the construction in progress rate of 14.41% (12/31/2013 – 12.85%; 06/30/2013 – 13.03%), CAIXA is classified as defined by CMN Decision No. 2669/1999, which determines a 50% limit of adjusted equity as from December 31, 2002.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 13 – Intangible assets and deferred charges
(a) Intangible assets

PARENT COMPANY / CONSOLIDATED									
Description	June 30, 2014				December 31, 2013				June 30, 2013
	Cost	Accumulated amortization	Impairment	Net	Cost	Accumulated amortization	Impairment	Net	Net
Payroll acquisitions	2,618,427	(1,054,779)	(6,666)	1,556,982	2,572,857	(909,854)	(6,887)	1,656,116	1,426,710
Other intangible assets	370,855	(37,762)	-	333,093	324,200	(29,715)	-	294,485	301,641
Logistics projects - Software	882,573	(188,762)	-	693,811	727,408	(144,026)	-	583,382	380,211
Total	3,871,855	(1,281,303)	(6,666)	2,583,886	3,624,465	(1,083,595)	(6,887)	2,533,983	2,108,562

PARENT COMPANY / CONSOLIDATED					
Description	December 31, 2013	June 30, 2014			
	Net book value	Changes			Changes
		Additions	Disposals	Amortizations	
Payroll acquisitions	1,656,116	172,916	(10,764)	(261,286)	1,556,982
Other intangible assets	294,485	46,655	-	(8,047)	333,093
Logistics projects- Software	583,382	165,299	-	(54,870)	693,811
Total	2,533,983	384,870	(10,764)	(324,203)	2,583,886

(b) Deferred charges

In accordance with CMN Resolution No. 3617/2008, the balances of deferred charges that existed prior to the enactment of this resolution, recorded in September 2008, were maintained until their effective realization in December 2013. The amount shown in Note 25, under "Amortization", includes R\$ 4,546 at 06/30/2013 relating to the amortization of deferred charges during this period.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 14 – Deposits
(a) Analysis

Description	PARENT COMPANY			CONSOLIDATED		
	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Demand deposits – without yield	24,286,581	25,170,971	25,246,143	24,286,581	25,170,971	25,246,140
Individuals	9,700,972	10,193,256	9,718,119	9,700,972	10,193,256	9,718,119
Companies	10,907,111	11,822,111	12,527,018	10,907,111	11,822,111	12,527,015
Restricted	2,168,284	1,791,248	1,359,762	2,168,284	1,791,248	1,359,762
Government	736,110	1,055,105	1,105,579	736,110	1,055,105	1,105,579
Foreign currencies	65,388	4,980	4,333	65,388	4,980	4,333
Financial institutions	36,890	40,902	33,903	36,890	40,902	33,903
Public entities	566,987	152,943	414,536	566,987	152,943	414,536
Other	104,839	110,426	82,893	104,839	110,426	82,893
Savings deposits – floating-rate yield	220,990,257	209,573,848	190,432,395	220,990,257	209,573,848	190,432,395
Individuals	218,312,489	205,688,360	187,320,217	218,312,489	205,688,360	187,320,217
Companies	2,675,350	3,882,990	3,109,476	2,675,350	3,882,990	3,109,476
Restricted	2,418	2,498	2,702	2,418	2,498	2,702
Interbank deposits	4,545,541	2,353,562	277,949	4,545,541	2,353,562	277,949
Time deposits	131,156,550	113,801,680	113,617,276	130,693,800	113,516,246	113,343,552
Fixed-rate yield	64,126,794	50,530,631	55,383,374	63,664,044	50,245,198	55,109,652
Time deposits in local currency	64,126,794	50,530,631	55,383,374	63,664,044	50,245,198	55,109,652
Floating-rate yield	67,029,756	63,271,049	58,233,902	67,029,756	63,271,048	58,233,900
Time deposits in local currency	18,654,435	18,942,280	16,910,148	18,654,435	18,942,280	16,910,146
Remunerated judicial deposits	48,375,321	44,328,769	41,323,754	48,375,321	44,328,768	41,323,754
Special deposits and deposits of funds and programs	10,789,171	10,155,127	13,614,664	10,789,171	10,155,127	13,614,664
Without yield	267,394	243,494	235,732	267,394	243,494	235,732
Fixed-rate yield	477,884	452,372	429,886	477,884	452,372	429,886
Floating-rate yield	10,043,893	9,459,261	12,949,046	10,043,893	9,459,261	12,949,046
Total	391,768,100	361,055,188	343,188,427	391,305,350	360,769,754	342,914,700
Current liabilities	320,979,781	304,015,240	285,345,416	320,517,031	303,729,806	285,071,689
Non-current liabilities	70,788,319	57,039,948	57,843,011	70,788,319	57,039,948	57,843,011

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Deposits by maturity

Deposits	PARENT COMPANY							CONSOLIDATED		
	No maturity	1 to 90 days	91 to 360 days	More than 360 days	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Demand deposits	24,286,581	-	-	-	24,286,581	25,170,971	25,246,143	24,286,581	25,170,971	25,246,140
Savings deposits	220,990,257	-	-	-	220,990,257	209,573,848	190,432,395	220,990,257	209,573,848	190,432,395
Interbank deposits	-	1,099,256	2,993,520	452,765	4,545,541	2,353,562	277,949	4,545,541	2,353,562	277,949
Time deposits	48,389,701	3,246,514	9,184,781	70,335,554	131,156,550	113,801,680	113,617,276	130,693,800	113,516,246	113,343,552
CDB	-	3,246,514	9,184,781	70,335,554	82,766,849	69,447,549	72,268,563	82,304,099	69,162,115	71,994,839
Judicial deposits	48,375,321	-	-	-	48,375,321	44,328,768	41,323,754	48,375,321	44,328,768	41,323,754
Other	14,380	-	-	-	14,380	25,363	24,959	14,380	25,363	24,959
Special deposits and deposits of funds and programs	10,789,171	-	-	-	10,789,171	10,155,127	13,614,664	10,789,171	10,155,127	13,614,664
Total	304,455,710	4,345,770	12,178,301	70,788,319	391,768,100	361,055,188	343,188,427	391,305,350	360,769,754	342,914,700

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) Expenses with deposits

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Savings deposits	(3,443,294)	(6,832,380)	(2,470,952)	(4,873,854)
Interbank deposits	(65,994)	(108,879)	(5,406)	(39,898)
Time deposits CDB/RDB	(1,912,942)	(3,662,534)	(1,216,854)	(2,213,517)
Judicial deposits	(627,252)	(1,243,720)	(450,697)	(877,893)
Special deposits and deposits of funds and programs (d.1)	(269,400)	(521,255)	(399,122)	(592,435)
Other funding	(141,827)	(277,837)	(116,310)	(225,852)
Total	(6,460,709)	(12,646,605)	(4,659,341)	(8,823,449)

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Savings deposits	(3,443,294)	(6,832,380)	(2,470,952)	(4,873,854)
Interbank deposits	(65,994)	(108,879)	(5,406)	(39,898)
Time deposits CDB/RDB	(1,903,452)	(3,646,479)	(1,213,375)	(2,210,037)
Judicial deposits	(627,252)	(1,243,720)	(450,697)	(877,893)
Special deposits and deposits of funds and programs (d.1)	(269,400)	(521,255)	(399,122)	(592,435)
Other funding	(141,827)	(277,837)	(116,309)	(225,851)
Total	(6,451,219)	(12,630,550)	(4,655,861)	(8,819,968)

(d) Special deposits and deposits of funds and programs

Special deposits and deposits of funds and programs comprise FGTS deposits and deposits of other funds.

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013 (Note 3 (t))
Deposits – FGTS	5,399,790	4,719,449	6,085,699
Special deposits with yield	1,796,301	1,729,558	1,611,676
Deposits - FAT (d.2)	1,637,081	1,794,679	1,961,226
Deposits – FISANE	8,707	8,428	8,170
Deposits – PRODEC	50,324	49,682	48,204
Deposits – PIS	73,458	122,945	22,365
Deposits – FGS	35,031	30,527	72,712
Deposits – FAR	56,619	76,925	1,934,023
Deposits – FDS	361,349	334,259	368,050
Deposits - Program for Expansion and Modernization of the Brazilian Fishing Fleet	8,114	8,114	8,733
Saúde CAIXA – FAS Saúde CAIXA	9,098	4,526	2,261
Deposits – PREVHAB	551,118	523,094	504,287
Saúde CAIXA	267,394	243,494	233,714
Other	534,787	509,447	753,544
Total	10,789,171	10,155,127	13,614,664

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(d.1) Expenses com Special deposits and deposits of funds and programs

PARENT COMPANY / CONSOLIDATED					
Description	Yield rate	2014		2013	
		2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Deposits – FGTS	Selic	(145,030)	(285,547)	(128,496)	(232,518)
Deposits – FAT	Selic and Long-term Interest Rate	(22,869)	(45,830)	(25,230)	(55,780)
Deposits – FISANE	TR	(139)	(279)	(118)	(235)
Deposits – PRODEC	TR + Interest 0.4868% p.m.	208	(649)	(723)	(1,475)
Deposits – PIS	Extra markt	(13,532)	(23,708)	(7,136)	(12,148)
Deposits – FGS	Selic day factor /Extra market	(703)	(1,024)	(1,109)	(1,677)
Deposits – FAR	Selic	(9,171)	(15,939)	(8,499)	(16,345)
Deposits – FDS	Selic day factor	(9,566)	(18,408)	(7,133)	(14,386)
Deposits – Federal Treasury	Selic	(7,441)	(14,355)	(4,762)	(8,954)
Deposits – FAS	TR	(13)	(25)	-	-
Deposits - PREVHAB	Selic	(14,679)	(28,421)	(9,793)	(18,521)
Deposits – Guarantee	TR	(1,412)	(3,093)	(178,943)	(179,364)
Deposits – FCA	Extra – market	(9,962)	(19,308)	(6,813)	(12,832)
Other		(35,091)	(64,669)	(20,367)	(38,200)
Total		(269,400)	(521,255)	(399,122)	(592,435)

(d.2) Special deposits and deposits of funds and programs – FAT

FAT is a special accounting and financial fund established by Law 7,998/1990, linked to the Ministry of Labor and Employment and managed by the Executive Council of the Workers' Assistance Fund (CODEFAT).

The main actions funded with FAT funds to promote employment are structured around the programs for the creation of jobs and income, whose resources are allocated through the special deposits established by Law 8,352/1991, in official federal financial institutions, according to the programs and credit facilities presented in the previous table.

The special FAT deposits, while available, incur interest on a daily pro rata basis based on the Average SELIC Rate (TMS); as these deposits are allocated to financing, the TMS is replaced with the Long-term Interest Rate - TJLP throughout the term of the financing.

The interest on the deposits is paid to FAT on a monthly basis, as set forth in CODEFAT Resolutions 439/2005 and 489/2006.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

PARENT COMPANY / CONSOLIDATED													
Description	Resolution/ TADE	Return of FAT Resources			June 30, 2014			December 31, 2013			June 30, 2013		
		Type	Date	Deadline	Available	Invested	Total	Available	Invested	Total	Available	Invested	Total
Programs					251,002	1,311,621	1,562,623	136,093	1,584,128	1,720,221	90,159	1,796,609	1,886,768
Proger - Urban					183,988	888,047	1,072,035	67,245	1,116,098	1,183,343	19,910	1,285,082	1,304,992
Investment	Aug/05	RA	10/10/2005	-	183,987	883,802	1,067,789	67,243	1,111,422	1,178,665	19,904	1,279,936	1,299,840
Proger export	17/2005	RA	12/09/2005	-	-	24	24	-	26	26	-	29	29
FAT popular entrepreneur	23/2005	RA	12/09/2005	-	1	4,221	4,222	2	4,650	4,652	6	5,117	5,123
FAT – housing	Aug/07	SD	11/09/2007	-	804	1,920	2,724	1,120	6,735	7,855	1,198	12,034	13,232
FAT infrastructure				-	65,735	419,321	485,056	66,779	458,011	524,790	67,611	494,414	562,025
Infrastructure economical	13/2006	RA	08/08/2008	-	65,735	419,321	485,056	66,779	458,011	524,790	67,611	494,414	562,025
FAT – PNMPPO				-	475	2,333	2,808	949	3,284	4,233	1,440	5,079	6,519
FAT – microcredit	15/2006	RA	05/10/2007	-	475	2,333	2,808	949	3,284	4,233	1,440	5,079	6,519
Special credit facilities					309	74,149	74,458	299	74,159	74,458	309	74,149	74,458
FAT - Pan-American village	Jan/05	SD	12/09/2005	-	309	74,149	74,458	299	74,159	74,458	309	74,149	74,458
Total					251,311	1,385,770	1,637,081	136,392	1,658,287	1,794,679	90,468	1,870,758	1,961,226

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 15 – Deposits obtained in the open market
(a) Analysis

Description	PARENT COMPANY			CONSOLIDATED		
	June 30, 2014	December 31, 2013	June 30, 2013	June 30, 2014	December 31, 2013	June 30, 2013
Own portfolio (1)	71,437,221	83,815,366	62,405,946	71,348,213	83,730,605	62,319,919
Financial Treasury Bills	170,240	4,627,738	4,607,150	170,240	4,627,738	4,607,150
Federal Treasury Bills	41,899,202	49,660,494	29,553,243	41,899,202	49,660,494	29,553,243
Federal Treasury Notes	24,139,107	26,052,299	28,196,834	24,050,099	25,967,539	28,110,807
Debentures	4,438,361	3,474,835	48,719	4,438,361	3,474,834	48,719
Mortgage Backed-Securities	523,106	-	-	523,106	-	-
Real Estate Notes (LCI)	267,205	-	-	267,205	-	-
Third-party portfolio	74,485,553	32,759,024	73,915,517	74,485,553	32,759,024	73,915,517
Financial Treasury Bills	10,404,661	11,103,849	-	10,404,661	11,103,849	-
Federal Treasury Bills	38,851,383	10,315,230	32,413,204	38,851,383	10,315,230	32,413,204
Federal Treasury Notes	25,229,509	11,339,945	41,502,313	25,229,509	11,339,945	41,502,313
Total	145,922,774	116,574,390	136,321,463	145,833,766	116,489,629	136,235,436
Current liabilities	141,541,598	115,453,523	133,088,684	141,452,590	115,368,762	133,002,657
Non-current liabilities	4,381,176	1,120,867	3,232,779	4,381,176	1,120,867	3,232,779

(1) Amounts calculated considering the "Guaranteed unit price" of the paper

(b) Expenses of funds obtained in the open market

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Own portfolio	(1,718,533)	(3,236,481)	(1,192,177)	(2,196,244)
Third-party portfolio	(2,010,543)	(4,097,432)	(1,045,547)	(1,754,633)
Total	(3,729,076)	(7,333,913)	(2,237,724)	(3,950,877)

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Own portfolio	(1,716,336)	(3,232,233)	(1,189,010)	(2,189,950)
Third-party portfolio	(2,010,543)	(4,097,432)	(1,045,547)	(1,754,633)
Total	(3,726,879)	(7,329,665)	(2,234,557)	(3,944,583)

Notes to Financial Statements

In thousands of reais, unless stated otherwise

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

PARENT COMPANY / CONSOLIDATED								
Deposits	Index	Maturity				June 30, 2014	December 31, 2013	June 30, 2013
		1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days			
Mortgage Note	IGP-M	-	-	-	583,604	583,604	600,065	548,983
Mortgage Note	INPC	-	-	-	12,549	12,549	12,723	11,826
Mortgage Note	TR	-	-	5,300	589	5,889	9,913	13,974
Housing Bond	IGP-M	-	-	-	8,911	8,911	8,691	8,380
Housing Bond	CDI	5,793,408	7,745,910	16,063,805	36,925,273	66,528,396	51,031,388	39,545,896
Financial Bond	CDI	7,416,973	3,380,526	1,739,828	19,398,438	31,935,765	22,816,089	19,971,444
Agribusiness Bill	CDI	52,424	683,370	320,623	1,291,848	2,348,265	2,424,251	1,480,732
Financial Bill	IPCA	-	-	-	698,399	698,399	587,701	-
Total		13,262,805	11,809,806	18,129,556	58,919,611	102,121,778	77,490,821	61,581,235
Current liabilities						43,202,167	37,263,075	19,976,163
Non-current liabilities						58,919,611	40,227,746	41,605,072

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Expenses related to funds from notes

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Mortgage Notes	(1,399,256)	(2,572,284)	(19,852)	(39,865)
Housing Bonds	(16,321)	(46,968)	(586,926)	(1,014,649)
Financial Notes	(813,726)	(1,469,478)	(373,038)	(692,083)
Agribusiness Credit Bills	(57,636)	(116,056)	-	-
Total	(2,286,939)	(4,204,786)	(979,816)	(1,746,597)

(c) Securities issued overseas

In November 2012, CAIXA made its first issue of securities, so as to open a long-term financing channel for its operations.

In October and May 2013, CAIXA made a new issuances of securities, in order to finance its asset transactions.

The table below describes the securities issued:

PARENT COMPANY / CONSOLIDATED								
Security	Currency	Amount issued	Yield p.a.	Date of funding	Maturity	June 30, 2014 (1)	December 31, 2013 (1)	June 30, 2013 (1)
1 st serie	US\$	1,000,000,000	2.38%	nov/12	nov/17	2,195,882	2,302,609	2,174,240
2 nd serie	US\$	500,000,000	3.50%	nov/12	nov/22	1,099,669	1,151,303	1,164,274
3 rd serie	US\$	1,250,000,000	4.50%	oct/13	oct/18	2,759,542	2,878,261	-
4 th serie	US\$	1,300,000,000	4.25%	may/14	may/19	2,861,296	-	-
Total						8,916,389	6,332,173	3,338,514

(1) Amounts in thousands of R\$..

(d) Expenses with foreign securities abroad

Expenses with securities abroad referring to the 2nd quarter of 2014 was R\$ 70,977 (6/31/2013 - R\$ 22,486). At June 30, 2014, the accumulated expense for the semester was R\$ 125,532 (6/31/2013 - R\$ 42,989).

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 17 – Local borrowings and onlendings

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Local onlendings	174,117,365	158,322,179	139,610,755
FGTS	144,834,457	132,732,425	118,193,561
BNDES	27,177,956	23,631,046	19,981,920
National Treasury - Social Integration Program – PIS	719,689	659,562	752,170
Other institutions	1,385,263	1,299,146	683,104
Foreign borrowings	3,476,597	3,231,933	1,239,121
From financial institutions abroad	1,069,064	896,512	839,542
Other credit facilities	2,407,533	2,335,421	399,579
Total de Local borrowings and onlendings	177,593,962	161,554,112	140,849,876
Current liabilities	3,843,882	3,017,150	1,674,492
Non-current liabilities	173,750,080	158,536,962	139,175,384

(a) Local onlendings

These mainly comprise funds transferred by the FGTS for investments in infrastructure, urban development and housing loan operations, and are adjusted for inflation based on the Referential Rate (TR) and an average interest rate of 6.17% per year. The average maturity of these operations is eight years.

(b) Foreign borrowings

The balance of foreign borrowings mainly comprises new credit facilities obtained from foreign financial institutions, subject to interest up to 2.052% per annum (p.a.) and exchange variation of the currency in which they are denominated, maturing until 2015. Other foreign borrowings incur interest of up to 1.561% p.a and exchange variation of the currency in which they are denominated, mainly US dollars, with maturities up to 2015.

(c) Expenses with local onlendings - official institutions

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd quarter period	1st-semester	2nd quarter period	1st-semester
FGTS	(2,255,472)	(4,502,801)	(1,819,301)	(3,425,892)
BNDES	(456,470)	(800,653)	(216,803)	(493,333)
National Treasury – PIS	(12,148)	(22,955)	(10,782)	(20,478)
Foreign borrowings	(22,190)	(69,013)	(76,878)	(83,620)
Other institutions	(19,196)	(54,864)	(76,226)	(93,929)
Total	(2,765,476)	(5,450,286)	(2,199,990)	(4,117,252)

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 18 – Other liabilities
(a) Analysis

PARENT COMPANY			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Collections of taxes and social contributions	1,148,924	264,352	1,052,618
Foreign exchange portfolio (Note 9 (c))	91,940	39,318	164,237
Social and corporate obligations	1,087,190	4,523,044	1,076,069
Tax and social security obligations (Note 18 (b))	1,750,996	2,147,292	1,933,952
Negotiation and intermediation of securities	6,790	44,592	1,095
Funds for specific purposes (Note 18 (c))	8,455,446	8,852,307	7,916,749
Debt securities eligible to capital (Note 18d)	40,777,493	40,518,594	49,813,007
Sundry (Note 18e)	43,227,162	41,046,639	40,019,764
Total	96,545,941	97,436,138	101,977,491
Current liabilities	56,464,594	57,606,259	52,006,396
Non-current liabilities	40,081,347	39,829,879	49,971,095

CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Collections of taxes and social contributions	1,148,924	264,352	1,052,618
Foreign exchange portfolio (Note 9 (c))	91,940	39,318	164,237
Social and corporate obligations	1,087,191	4,523,044	1,076,069
Social and corporate obligations (Note 18 (b))	2,056,805	2,367,098	2,109,549
Negotiation and intermediation of securities	6,790	44,592	1,095
Funds for specific purposes (Note 18 (c))	8,455,446	8,852,307	7,916,749
Debt securities eligible to capital (Note 18d)	40,777,493	40,518,594	49,813,007
Sundry (Note 18e)	43,227,627	41,047,008	40,020,160
Total	96,852,216	97,656,313	102,153,484
Current liabilities	56,770,869	57,826,434	52,182,389
Non-current liabilities	40,081,347	39,829,879	49,971,095

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(b) Tax and social security obligations

PARENT COMPANY			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Taxes on salaries payable	378,243	370,617	331,127
Taxes on services payable	263,522	279,247	202,266
Taxes and contributions on profits payable	295,221	176,992	203,247
Income tax	62,446	-	40,755
Social contribution	31,756	-	18,110
Social Contribution on Revenues – COFINS	172,985	152,285	124,324
Public Service Employee Savings Program – PASEP	28,034	24,707	20,058
Deferred taxes and contributions	634,165	1,066,177	952,287
Revaluation of buildings	149,808	154,242	158,089
Adjustments to market value - trading securities	-	-	-
Adjustments to market value - cash flow hedge	-	-	-
Futures contracts	244,905	734,097	743,141
Post-employment benefits	116,805	116,805	-
Fees receivables from Federal Government	40,711	61,033	-
Other	81,936	-	51,057
Provision for tax risks (Note 30)	179,845	254,259	245,025
Total	1,750,996	2,147,292	1,933,952
Current liabilities	1,601,188	1,993,050	1,775,864
Non-current liabilities	149,808	154,242	158,088

CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Taxes on salaries payable	378,243	370,617	331,127
Taxes on services payable	263,522	279,247	202,266
Taxes and contributions on profits payable	299,623	186,598	203,362
Income Tax	65,681	2,772	40,755
Social Contribution	32,923	3,308	18,218
Social Contribution on Revenues – COFINS	172,985	155,182	124,330
Public Service Employee Savings Program – PASEP	28,034	25,336	20,059
Deferred taxes and contributions	935,572	1,276,377	1,127,769
Revaluation of buildings	149,808	154,242	158,089
Adjustments to market value - trading securities	-	-	-
Adjustments to market value - available-for-sale Securities	301,405	210,200	175,482
Adjustments to market value - cash flow hedge	-	-	-
Futures contracts	244,905	734,097	743,141
Post-employment benefits	116,805	116,805	-
Fees receivables from Federal Government	40,711	61,033	-
Other	81,938	-	51,057
Provision for tax risks (Note 30 (a))	179,845	254,259	245,025
Total	2,056,805	2,367,098	2,109,549
Current liabilities	1,906,997	2,212,856	1,951,461
Non-current liabilities	149,808	154,242	158,088

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) Funds for specific purposes

These refer to obligations arising from lottery operations, resources from social funds and programs managed by CAIXA, and special programs supported by the Federal Government or public entities administered by CAIXA.

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Social funds and programs	7,064,038	7,268,366	6,691,093
FGTS	3,289,287	3,664,692	2,937,619
"Minha Casa Minha Vida"	2,685,359	2,567,678	2,605,826
Housing Subsidy Program(PSH)	274,302	269,911	260,635
Income Transfer Programs	172,568	223,537	295,740
Other funds and programs	642,522	542,548	591,273
Financial and development funds	634,644	273,446	559,936
PIS	633,233	272,032	443,232
FAT	-	8	115,301
FINSOCIAL	1,411	1,406	1,403
Lottery operations	756,764	1,310,495	665,720
Total	8,455,446	8,852,307	7,916,749

(d) Debt securities eligible to capital
(d.1) Subordinated debts

A portion of the debt referring to CAIXA's loan obligation with FGTS was translated into subordinated debt and classified as debt security eligible to capital, according to CMN Decision No. 4192/13.

The total debt balance will be monetarily restated by reference to the same monthly ratio applied to FGTS blocked accounts and capitalized interest, over the grace period or the period CAIXA fails to meet criteria for the minimum regulatory capital required by prevailing legislation.

PARENT COMPANY / CONSOLIDATED								
Maturity	Annual yield	Inception date	Amount issued	Monetary adjustment and interest	Amortization	Debt balance - 6/31/2014	Debt balance - 12/31/2013	Debt balance - 6/31/2013
Loans payable - FGTS funds								
2/20/2020	6.300%	Oct/05	3,439,717	2,209,962	(843,295)	4,806,384	5,212,848	6,023,770
4/20/2026	5.996%	Aug/11	3,000,000	583,539	-	3,583,539	3,469,062	3,362,799
7/20/2032	5.082%	Jun/12	3,000,000	332,681	-	3,332,681	3,240,169	3,154,597
Eligible financial bill – Level II								
6/03/2020	110%CDI	Jun/14	10,000	81	-	10,081	-	-
6/03/2024	100%IIPCA	Jun/14	200,000	1,786	-	201,786	-	-
Total						11,934,471	11,922,079	12,541,166

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(d.2) Hybrid capital and debt instruments

The Federal Government has been authorized, through Executive Order No. 347, of January 22, 2007, to grant CAIXA a loan of R\$ 5,200,000, under financial and contractual terms and conditions that allow the transaction to be classified as a hybrid capital and debt instrument, as defined then by Resolution No. 3444/2007 of the National Monetary Council (CMN). The grant of the loan was formalized on May 24, 2007 through loan agreement No. 348 entered into between the Federal Government and CAIXA.

On October 13, 2009, through Executive Order No. 470, a new loan agreement between CAIXA and the Federal Government was authorized, up to the limit of R\$ 6,000,000. As a result, CAIXA entered into agreement No. 504, and R\$ 2,000,400 was released in October 2009, and R\$ 3,999,600 in January 2010.

On September 20, 2012, through Executive Order No. 581, a new loan agreement between CAIXA and the Federal Government was authorized, up to the limit of R\$ 13,000,000, in financial conditions and contractual framework to enable the transaction to be classified as a hybrid capital and debt instrument. In this context, in September 2012, CAIXA entered into agreements No. 752 and No. 754 for R\$ 6,800,000 and R\$ 6,200,000 respectively.

Agreements No. 348, 504, 752 and 754 were executed in compliance with CMN Resolution No. 3444/07, then in effect, including conditions that qualify capital as Regulatory Capital Tier I, notwithstanding Tier I and Tier II limits.

In accordance with Basel III, all hybrid debt and equity instruments classified as Tier I up to the limit defined in CMN Resolution No. 3447/07 and as Tier II above that limit were increased in 2013 for compliance with the new Resolution. In this context, Hybrid instruments classified as Tier I and Tier II in September 2013 have been considered Tier I as of October 2013, when the new Basel III standards became effective.

The agreements amended to include conditions under Basel III are adequate and in line with the agreements previously approved by BACEN. However, considering they are pending approval and in compliance with article 28 of CMN Resolution No. 4192/13, these agreements are classified as Additional Capital and will be phased out on the basis of 10% p.a. as authorized; deductions shall not apply and all agreements shall comprise Common Equity Tier I, in compliance with article 16 of the Resolution.

As the agreements were amended for compliance with the new regulation, they have been subject to clauses involving monetary adjustment and floating compensatory interest. Considering the scope of the change and the particular nature of monetary adjustments and floating compensatory interest, the principal amount of each agreement now includes monetary adjustment accrued to August 31, 2013 and compensatory interest has been paid in connection with conditions then in effect in order to preserve the new yield structure following the amendments:

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
HDEI - eligible for capital	28,744,579	27,867,701	37,271,841
Agreement No. 348	7,672,071	7,303,575	7,307,718
Agreement No. 504	7,800,581	7,453,528	8,108,667
Agreement No. 752	6,883,676	6,800,000	7,095,567
Agreement No. 754	6,388,251	6,310,598	6,759,889
Agreement No. 868 and 869	-	-	8,000,000
HDEI - not eligible for capital	98,443	728,814	-
Total	28,843,022	28,596,515	37,271,841

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(e) Sundry

PARENT COMPANY			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Actuarial liabilities – post-employment benefit	7,636,950	7,218,765	7,734,124
Saúde Caixa	6,646,187	6,211,755	6,645,932
Meal vouched and food basket allowance	757,123	751,678	846,319
Benefit plans – private pension plan	233,640	255,332	241,873
Provisions for amounts payable	4,320,780	3,857,448	4,059,651
Sundry creditors - Country (Note 18f)	13,491,032	12,996,143	12,422,441
Provision for labor contingencies (Note 30)	3,211,582	3,086,733	2,927,536
Provision for civil litigation contingencies (Note 30)	2,675,840	2,642,634	3,147,953
Provision for other contingencies (Note 30)	1,995	52,599	44,046
Real estate financing to be released	6,939,189	5,830,105	6,139,792
Funds linked to loan operations (1)	169,755	301,567	376,689
Funds linked to loans assigned (2)	4,016,575	4,323,518	2,299,676
Obligations related to agreements	247,714	296,761	487,338
Contributions to the National Housing System – SFH	71,200	30,442	29,491
FGTS funds for repayment	381,629	298,937	264,711
Payables to related parties	62,778	110,182	83,707
Sundry creditors – Abroad	143	805	2,609
Total	43,227,162	41,046,639	40,019,764

CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Actuarial liabilities – post-employment benefit (Note 32 (a))	7,636,950	7,219,134	7,734,124
Saúde Caixa	6,646,187	6,212,124	6,645,932
Meal vouched and food basket allowance	757,123	751,678	846,319
Benefit plans – private pension plan	233,640	255,332	241,873
Provisions for amounts payable	4,321,245	3,857,447	4,060,047
Sundry creditors - Country (Note 18f)	13,491,032	12,996,143	12,422,441
Provision for labor contingencies (Note 30)	3,211,582	3,086,733	2,927,536
Provision for civil litigation contingencies (Note 30)	2,675,840	2,642,634	3,147,953
P Provision for other contingencies (Note 30)	1,995	52,599	44,046
Real estate financing to be released	6,939,189	5,830,105	6,139,792
Funds linked to loan operations (1)	169,755	301,567	376,689
Funds linked to loans assigned (2)	4,016,575	4,323,518	2,299,676
Obligations related to agreements	247,714	296,761	487,338
Contributions to the National Housing System – SFH	71,200	30,442	29,491
FGTS funds for repayment	381,629	298,937	264,711
Payables to related parties	62,778	110,182	83,707
Sundry creditors – Abroad	143	806	2,609
Total	43,227,627	41,047,008	40,020,160

- (1) Funds allocated in accounts linked to loan transactions on behalf of clients, not changed by these and remunerated with the same charges applied to the respective transactions.
- (2) Housing loan transactions securitized with risk retention - CMN Decision No. 3533/2008

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(f) Sundry creditors – Brazil

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Credit cards	6,305,828	6,130,233	4,862,341
Asset Management Company (EMGEA) (1)	60,880	255,135	248,819
Suppliers	992,934	919,673	895,098
Acquisition of payrolls - amounts pending release	529,140	499,328	449,983
Commercial loans – onlendings	110,470	118,693	483,437
Housing loans – onlendings	752,921	778,327	708,413
Federal Government obligations – onlendings	39,806	37,899	36,632
Other creditors - simplified savings	499,799	499,852	499,884
Accounts payable	1,124,012	1,110,288	1,049,399
Loan Guarantee Fund – FGC	47,467	43,282	39,351
Payable amounts – Royalties	-	-	1,300,000
Redeemable amounts – pledge	143,315	142,265	150,505
Amounts to be allocated	2,521,193	2,071,678	1,435,267
Other sundry creditors	363,267	389,490	263,312
Total	13,491,032	12,996,143	12,422,441

(1) Asset Management Company (EMGEA): these refer to financial amounts and contracts received by EMGEA on behalf of CAIXA

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 19 – Equity**(a) Share capital**

Decree no. 7,973 of the Federal Government approved CAIXA's bylaws on March 28, 2013.

Its article 7 set the Bank's Capital at R\$ 22,054,802, exclusively paid up by the Federal Government.

(b) Debt instruments eligible as capital

Pursuant to Executive Orders No. 600/12 and No. 620/13, and to the requirements established by the National Monetary Council in CMN Resolution No. 4192/13, which defines the new methodology for calculating Regulatory Capital (PR), thus superseding CMN Resolution No. 3444/2007, in June 2013, CAIXA and the Federal Government executed two Hybrid Debt and Equity Instruments (HDEI) for a total R\$8,000,000 (Agreements No. 868 for R\$ 3,000,000 and No. 869 for R\$ 5,000,000).

The changes brought by the regulatory agency through CMN Resolution No. 4192/13 refer to the implementation of standards worldwide known as Basel III, aimed at increasing the quality of financial institutions' capital, demanding better quality of equity held. Article 16 of CMN Resolution No. 4192/13 authorizes federal public financial institutions to make up their Common Equity Tier I using equity elements and subordinated financial instruments, as long as they meet the requirements listed in the standard, such as being subject to fully floating interest rates, having a perpetual nature and offsetting losses while in operation (going-concern).

Thus, the agreements totaling R\$ 8,000,000, entered into in June 2013, were executed in compliance with the requirements listed in CMN Resolution No. 4192/13, being part of Common Equity Tier I of CAIXA's Regulatory Capital, and pursuant to article 33 of the Resolution. They have been authorized by the Central Bank of Brazil to fully comprise Common Equity Tier I of CAIXA's Regulatory Capital.

(c) Compliance with the levels required by Resolution 2,099/94 (Basel Accord)

Pursuant to CMN Resolution 2,099/1994 and subsequent regulations, which establish the minimum levels of reference equity for financial institutions, based on the volume of their operations, CAIXA presents a ratio of 13.27% (Note 33 (b)), whereas the minimum ratio required in Brazil is 11%.

(d) Revaluation and revenue reserves

The revenue reserves are formed by the legal reserve, calculated at 5% of net income, the lottery reserve and the operating margin reserve.

The lottery reserves are formed by 100% of the result of the management of the federal lottery for which CAIXA is responsible as the performer of such public services to add to equity, after the portion of the Lottery Development Fund has been deducted. The purpose of the Lottery Development Fund is to fund the investments necessary for modernizing the lotteries and for advertising and publicity expenses, pursuant to the applicable legislation, and may not be used to fund public services.

The operating margin reserve intended for the maintenance of the operating margin consistent with the development of CAIXA's borrowing activities is formed by the justification of the percentage considered up to 100% of the profit balance deducted from the destination to the legal reserve, to the unrealized profit reserves, to contingency reserves, to tax incentive reserves, and for the minimum payment (25% of the adjusted profit) of dividends and interest on own capital, up to the limit of eighty percent of the share capital.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Reevaluation reserves	388,622	392,929	413,750
Revenue reserves	3,884,084	4,902,396	3,062,938
Legal reserves	2,174,969	2,005,496	1,826,357
Corporate reserves – lotteries	1,709,115	1,454,999	1,141,143
Operating margin reserves	-	1,441,901	95,438

(e) Dividends

Shareholders are entitled to dividends of at least 25% of the adjusted profit, after calculation of the profit for the period.

Interest on capital, calculated by applying the Long-term Interest Rate (TJLP) for the period to adjusted equity, and limited to 50% of profit, is included in the calculation of the dividend obligation.

In 2014, the amounts of R\$ 95,437 and R\$ 1,346,464 were transferred to the federal government in the form of supplementary dividends for years 2012 and 2013, respectively, totaling R\$ 1,441,901.

Total interest on equity reduced IR and CSLL tax expenses by R\$ 261,707 for the first half of 2014 (R\$ 247,537 first half of 2013).

PARENT COMPANY / CONSOLIDATED		
Description	June 30, 2014	June 30, 2013
Net income	3,389,467	3,140,602
Legal reserve	(169,473)	(157,030)
Realization of reserve	2,318	9,415
Lottery reserve	(254,116)	(212,844)
Dividend calculation basis	2,968,196	2,780,143
Dividends declared	743,655	696,158
Interest on equity	654,268	618,842
Dividends	89,387	77,316

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Note 20 – Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)**(a) Tax credits**

Tax credits account have significant amounts:

- CSLL credits, referring to periods ended until December 1998, at 18%, based on Article 8 of Provisional Executive Order No. 2158-35/2001;
- Corporate Income Tax (IRPJ) credit arising from accumulated imprescriptible tax losses and temporary expenses at 25%, social contribution tax (CSLL) credits from negative calculation base and temporary differences computed as from 1999 at 15%; and
- PASEP and COFINS credits from temporary differences from adjustment to market value referring to security transactions.

On a half-yearly basis, CAIXA conducts a technical analysis of the expected realization of tax credits in 10 years. The amounts determined in the analysis for June 30, 2014 are as follows:

BOOK VALUE					
Year of Realization	Income tax losses	Social contribution losses - 15%	Credit at 18% - 1998	Temporary difference	TOTAL
2014	49,816	-	29,889	9,558,286	9,637,991
2015	394,576	-	97,717	6,152,542	6,644,835
2016	734,013	-	-	779,817	1,513,830
2017	385,118	-	-	770,963	1,156,081
2018	-	-	-	435,764	435,764
2019 to 2023	-	-	-	1,667,608	1,667,608
Total	1,563,523	-	127,606	19,364,980	21,056,109

PRESENT VALUE					
Year of Realization	Income tax losses	Social contribution losses - 15%	Credit at 18% - 1998	Temporary difference	TOTAL
2014	49,288	-	29,573	9,457,095	9,535,956
2015	358,822	-	88,863	5,595,043	6,042,728
2016	615,777	-	-	654,202	1,269,979
2017	299,428	-	-	599,421	898,849
2018	-	-	-	315,461	315,461
2019 to 2023	-	-	-	1,008,659	1,008,659
Total	1,323,315	-	118,436	17,629,881	19,071,632

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Tax credits									
Description	June 30, 2014			December 31, 2013			June 30, 2013		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for loan losses	7,791,631	4,510,826	12,302,457	7,065,635	4,104,778	11,170,413	6,463,902	3,742,449	10,206,351
Provision SFH	815,210	489,126	1,304,336	796,991	478,195	1,275,186	770,313	462,188	1,232,501
Provision for contingencies	1,516,817	910,090	2,426,907	1,505,494	903,296	2,408,790	1,589,555	953,733	2,543,288
Other (1)	1,341,349	751,674	2,093,023	1,019,124	529,036	1,548,160	1,070,953	571,609	1,642,562
Provision for SAÚDE CAIXA - CPC 33	1,810,503	1,086,303	2,896,806	1,701,895	1,021,137	2,723,032	1,661,483	996,890	2,658,373
Adjustment to market value – expense	226,407	135,844	362,251	516,435	309,861	826,296	434,550	260,730	695,280
Adjustment to market value - equity (available for sale)	317,890	190,734	508,624	196,125	117,675	313,800	471,911	283,147	755,058
Adjustment of Actuarial Losses CPC 33	-	-	-	-	-	-	144,779	86,867	231,646
Subtotal of temporary differences	13,819,807	8,074,597	21,894,404	12,801,699	7,463,978	20,265,677	12,607,446	7,357,613	19,965,059
Tax losses	2,973,570	-	2,973,570	2,973,570	-	2,973,570	2,973,570	-	2,973,570
Cumulative reductions	(1,410,047)	-	(1,410,047)	(1,135,979)	-	(1,135,979)	(1,143,849)	-	(1,143,849)
CSLL losses up to 2000	-	701,139	701,139	-	701,139	701,139	-	701,139	701,139
Cumulative reductions	-	(701,139)	(701,139)	-	(542,793)	(542,793)	-	(547,611)	(547,611)
Credit at 18% - 1998	-	624,515	624,515	-	624,515	624,515	-	624,515	624,515
Cumulative reductions	-	(496,909)	(496,909)	-	(379,955)	(379,955)	-	(383,328)	(383,328)
Total	15,383,330	8,202,203	23,585,533	14,639,290	7,866,884	22,506,174	14,437,167	7,752,328	22,189,495

Notes to Financial Statements

In thousands of reais, unless stated otherwise

Tax credits									
Description	June 30, 2014			December 31, 2013			June 30, 2013		
	PASEP	COFINS	Total	PASEP	COFINS	Total	PASEP	COFINS	Total
Adjustment to market value – expense	11,392	70,101	81,493	12,769	78,577	91,346	10,340	63,628	73,968
Adjustment to market value - equity (available for sale)	8,668	53,344	62,012	5,348	32,910	38,258	14,830	91,263	106,093
Total	20,060	123,445	143,505	18,117	111,487	129,604	25,170	154,891	180,061

(1) The information in tax credits is the same in both the parent company and the consolidated financial statements, except for the item "Others", which is R\$ 2,093,060 (12/31/2013 – R\$ 1,548,179; 06/31/2013 – R\$ 1,642,587) in the consolidated financial statements.

(b) Changes in tax credits

Changes in tax credits			
Description	Gross amount	Provision	Total
Balance at June 30, 2013 (Note 3 (t))	22,369,556	(3,633,151)	18,736,405
Balance at December 31, 2013	22,635,778	(2,470,231)	20,165,547
IRPJ and CSLL Temporary differences recognized in the period	1,231,205	-	1,231,205
Reversal of Provision	202,698	(202,698)	-
PASEP/COFINS credits recorded	(9,853)	-	(9,853)
Market value adjustment - securities available for sale	218,577	-	218,577
Tax credits -Actuarial Loss CPC 33	(274,068)	-	(274,068)
Realization of IRPJ tax credits	(158,346)	-	(158,346)
Realization of CSLL tax credits	(116,953)	-	(116,953)
Tax credits written off - 2002 - Provisional Measure 2,158-35/01			
Balance at June 30, 2014	23,729,038	(2,672,929)	21,056,109

(1) The statement of changes in tax credits includes the same figures for both the parent company and the consolidated financial information, except for "Temporary differences recognized in the period", which is R\$ 1,231,242 in the consolidated financial information.

Notes to Financial Statements

In thousands of reais, unless stated otherwise

(c) IRPJ and CSLL calculation

Description	PARENT COMPANY							
	2014				2013			
	2nd-quarter period		1st-semester		2nd-quarter period		1st-semester	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit	1,511,914	1,511,914	3,451,818	3,451,818	1,740,634	1,740,634	3,096,115	3,096,115
Total IRPJ (25%) and CSLL (15%)	(377,972)	(226,787)	(862,942)	(517,773)	(435,153)	(261,095)	(774,017)	(464,417)
Tax effects of additions and exclusions	(211,167)	(126,705)	(326,731)	(196,094)	(94,931)	(56,727)	(96,796)	(57,748)
Interest on capital	101,077	60,646	188,177	112,907	77,362	46,416	154,711	92,826
Employee profit sharing	27,356	16,414	87,949	52,770	47,595	28,557	95,078	57,047
Deferred tax assets – IRPJ and CSLL	138,214	136,703	274,068	275,300	121,540	123,853	186,311	189,869
Tax incentives	16,619	-	33,755	-	11,548	-	18,763	-
Revaluation reserve	2,627	1,576	4,013	2,407	1,409	845	3,344	2,006
Current expense	(303,246)	(138,153)	(601,711)	(270,483)	(270,630)	(118,151)	(412,606)	(180,417)
Deferred tax assets	412,469	195,295	494,443	187,395	810,960	378,212	860,188	380,244
Temporary differences	550,683	331,998	768,511	462,694	838,505	502,064	952,503	570,113
Income Tax Loss / CSLL Negative Basis	(138,214)	(76,819)	(274,068)	(158,346)	(27,545)	(72,855)	(92,315)	(111,688)
CSLL at 18%	-	(59,884)	-	(116,953)	-	(50,997)	-	(78,181)
Deferred tax liabilities	193,961	116,376	299,877	179,925	(325,098)	(195,059)	(139,132)	(83,479)
Deferred expense/ mark-to-market	193,961	116,376	299,877	179,925	(325,098)	(195,059)	(139,132)	(83,479)
Income and social contribution taxes for the period	303,184	173,518	192,609	96,837	215,232	65,002	308,450	116,348

Notes to Financial Statements

In thousands of reais, unless stated otherwise

CONSOLIDATED								
Description	2014				2013			
	2nd-quarter period		1st-semester		2nd-quarter period		1st-semester	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxation and profit	1,514,102	1,514,102	3,456,214	3,456,214	1,741,035	1,741,035	3,096,807	3,096,807
Total IRPJ (25%) and CSLL (15%)	(378,520)	(227,115)	(864,042)	(518,432)	(435,398)	(261,243)	(774,190)	(464,521)
Tax effects of additions and exclusions	(173,710)	(104,230)	(249,543)	(149,781)	61,625	37,926	22,197	12,990
Interest on capital	101,077	(69,574)	188,178	112,906	85,083	51,050	154,711	92,826
Employee profit sharing	27,356	(106,726)	87,949	52,770	49,204	29,522	95,078	57,047
Deferred tax assets – IRPJ and CSLL	138,214	93,621	274,068	275,300	162,562	165,714	186,311	189,869
Tax incentives	16,619	-	33,755	-	14,192	-	18,763	-
Revaluation reserve	2,628	(892)	4,013	2,408	1,847	1,108	3,344	2,006
Investment in subsidiary and associated companies	33,700	18,954	74,662	43,531	41,058	24,635	77,159	46,296
Other	(44,607)	229,616	(96,914)	(147,426)	(251,094)	(166,971)	(196,486)	(117,117)
Current expense	(277,243)	(166,346)	(547,874)	(328,724)	(270,921)	(118,259)	(413,113)	(180,604)
Deferred tax assets	412,471	195,295	494,449	187,397	810,958	378,212	860,189	380,245
Temporary differences	550,685	331,998	768,517	462,696	838,503	502,064	952,504	570,114
Income Tax Loss / CSLL Negative Basis	(138,214)	(76,819)	(274,068)	(158,346)	(27,545)	(72,855)	(92,315)	(111,688)
CSLL at 18%	-	(59,884)	-	(116,953)	-	(50,997)	-	(78,181)
Deferred tax liabilities	193,961	116,376	299,877	179,925	(325,098)	(195,059)	(139,132)	(83,479)
Deferred expense/ mark-to-market	193,961	116,376	299,877	179,925	(325,098)	(195,059)	(139,132)	(83,479)
Income and social contribution taxes for the period	329,189	145,325	246,452	38,598	214,939	64,894	307,944	116,162

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 21 – Income from financial intermediation

PARENT COMPANY				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Income from loan operations	15,949,635	30,429,462	10,936,237	20,825,234
Repurchase agreements	2,308,524	4,704,923	1,608,761	2,943,086
Financial assets held for trading	2,838,403	4,637,039	(104,103)	509,877
Financial assets available for sale	517,046	805,108	229,903	405,213
Financial assets held to maturity	1,385,718	2,859,460	1,185,245	2,698,595
Income from derivative financial instruments	(849,949)	(892,471)	1,541,969	1,958,184
Compulsory deposits with the Central Bank of Brazil	1,780,500	3,431,948	1,112,927	2,099,495
Restricted deposits with the National Housing System - SFH	421,894	810,735	536,801	799,436
Foreign exchange gains	150,038	299,977	(177,767)	(185,486)
Other	410,824	609,544	162,913	186,440
Total	24,912,633	47,695,725	17,032,886	32,240,074

CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Income from loan operations	15,949,635	30,429,462	10,936,237	20,825,234
Repurchase agreements	2,308,524	4,704,923	1,608,761	2,943,086
Financial assets held for trading	2,838,403	4,637,039	(104,103)	509,877
Financial assets available for sale	521,168	809,230	229,903	405,213
Financial assets held to maturity	1,385,718	2,859,460	1,185,245	2,698,595
Income from derivative financial instruments	(849,949)	(892,471)	1,541,969	1,958,184
Compulsory deposits with the Central Bank of Brazil	1,780,500	3,431,948	1,112,927	2,099,495
Restricted deposits with the National Housing System - SFH	421,894	810,735	536,801	799,436
Foreign exchange gains	150,038	299,977	(177,767)	(185,486)
Other	410,824	609,544	162,913	186,440
Total	24,916,755	47,699,847	17,032,886	32,240,074

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 22 – Expenses with financial intermediation

PARENT COMPANY				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Operations with customers	(8,412,254)	(16,221,257)	(5,234,629)	(9,937,713)
Operations with customers financial institutions	(65,994)	(108,879)	(5,406)	(39,898)
Repurchase agreements	(3,729,076)	(7,333,913)	(2,237,724)	(3,950,877)
Borrowings, assignments and onlendings	(2,765,476)	(5,450,286)	(2,199,990)	(4,117,252)
Special deposits and deposits of funds and programs	(269,400)	(521,255)	(399,122)	(592,435)
Allowance for loan losses	(3,951,453)	(6,429,669)	(2,241,178)	(4,321,629)
Other	(88,824)	(181,208)	(45,525)	(93,140)
Total	(19,282,477)	(36,246,467)	(12,363,574)	(23,052,944)

CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Operations with customers	(8,402,763)	(16,205,202)	(5,231,150)	(9,934,233)
Operations with customers financial institutions	(65,994)	(108,879)	(5,406)	(39,898)
Repurchase agreements	(3,726,880)	(7,329,665)	(2,234,556)	(3,944,582)
Borrowings, assignments and onlendings	(2,765,476)	(5,450,286)	(2,199,990)	(4,117,252)
Special deposits and deposits of funds and programs	(269,400)	(521,255)	(399,122)	(592,435)
Allowance for loan losses	(3,951,453)	(6,429,669)	(2,241,178)	(4,321,629)
Other	(88,824)	(181,208)	(45,525)	(93,140)
Total	(19,270,790)	(36,226,164)	(12,356,927)	(23,043,169)

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 23 – Revenues from services and banking fees
a) Revenue from provision of services

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
National Treasury and administration of social funds	1,443,424	2,802,659	1,269,190	2,465,441
Unemployment Compensation Fund (FGTS)	964,411	1,903,467	857,184	1,691,844
Wage Variation Compensation Fund (FCVS)	29,636	57,338	25,958	51,245
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	11,577	22,243	11,187	22,702
Federal lotteries	287,447	568,964	270,748	502,758
Student Finance (FIES)	67,964	127,950	49,440	95,161
Residential Lease Fund (FAR)	18,948	38,504	21,862	43,842
Brazilian National Treasury Department (STN) - onlendings	46,868	51,521	17,186	25,490
Unemployment insurance	15,900	31,477	14,959	30,971
Other	673	1,195	666	1,428
Revenue from cards	382,524	731,030	346,826	595,389
Loan transactions and guarantees provided	455,052	839,964	469,036	878,497
Collection	157,500	312,785	146,551	281,268
Amounts raised	585,979	1,149,147	541,117	1,058,144
Investment funds and administered portfolios	357,962	699,509	322,297	649,120
Checking account	30,714	54,616	28,490	58,900
Income transfer program	91,850	183,021	89,695	176,808
Provided to subsidiaries and affiliates	136,378	286,113	137,487	263,467
Other services	80,299	164,456	74,570	147,556
Total	3,721,682	7,223,300	3,425,259	6,574,590

b) Income from bank fees

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Revenue from cards	113,744	213,265	78,669	149,844
Loan and registration operations	219,856	415,493	178,626	342,227
Service package	332,954	669,294	291,280	562,097
Deposit accounts	83,080	164,629	69,978	134,661
Transfer of funds	38,696	75,185	33,789	63,557
Other	4,099	7,133	2,606	4,836
Total	792,429	1,544,999	654,948	1,257,222

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 24 – Personnel expenses

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Salaries	(2,624,866)	(5,314,496)	(2,387,698)	(4,746,938)
Salaries and benefits	(2,452,706)	(4,993,143)	(2,174,461)	(4,389,286)
Labor indemnities	(172,160)	(321,353)	(213,237)	(357,652)
Benefits	(541,559)	(1,058,862)	(466,460)	(917,813)
Social charges:	(1,032,847)	(2,065,495)	(878,220)	(1,758,398)
FGTS	(189,830)	(382,692)	(164,116)	(328,381)
Social security	(589,649)	(1,180,402)	(508,148)	(1,015,242)
Private pension	(196,845)	(388,944)	(157,194)	(317,246)
Other charges	(56,523)	(113,457)	(48,762)	(97,529)
Other	(46,029)	(90,658)	(53,869)	(90,801)
Total	(4,245,301)	(8,529,511)	(3,786,247)	(7,513,950)

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Salaries	(2,625,270)	(5,315,246)	(2,388,007)	(4,747,543)
Salaries and benefits	(2,453,110)	(4,993,893)	(2,174,770)	(4,389,891)
Labor indemnities	(172,160)	(321,353)	(213,237)	(357,652)
Benefits	(541,559)	(1,058,862)	(466,460)	(917,813)
Social charges:	(1,032,982)	(2,065,788)	(878,334)	(1,758,624)
FGTS	(189,855)	(382,745)	(164,140)	(328,427)
Social security	(589,716)	(1,180,548)	(508,216)	(1,015,378)
Private pension	(196,880)	(389,022)	(157,208)	(317,274)
Other charges	(56,531)	(113,473)	(48,770)	(97,545)
Other	(46,063)	(90,711)	(53,894)	(90,865)
Total	(4,245,874)	(8,530,607)	(3,786,695)	(7,514,845)

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 25 – Other administrative expenses

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Communications	(176,508)	(329,930)	(148,168)	(295,857)
Maintenance and repair of assets	(212,653)	(440,263)	(205,772)	(396,906)
Water and electricity	(88,397)	(163,630)	(69,827)	(147,169)
Rentals and leases	(330,183)	(651,119)	(284,142)	(553,963)
Materials	(48,969)	(103,252)	(41,595)	(98,147)
Data processing	(292,481)	(573,846)	(290,652)	(540,789)
Promotions and public relations	(103,426)	(167,258)	(79,298)	(147,115)
Advertising and publicity	(135,561)	(231,771)	(84,696)	(143,188)
Financial system services	(100,445)	(201,427)	(90,008)	(174,460)
Outsourced services	(383,307)	(782,464)	(330,033)	(655,672)
Specialized services	(158,062)	(318,150)	(141,359)	(268,174)
Surveillance and security services	(227,279)	(446,298)	(178,178)	(345,233)
Amortization (1)	(170,095)	(324,203)	(144,639)	(288,332)
Depreciation	(208,104)	(398,023)	(164,920)	(283,444)
Other administrative expenses	(88,069)	(175,525)	(90,722)	(176,241)
Total	(2,723,539)	(5,307,159)	(2,344,009)	(4,514,690)

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Communications	(176,508)	(329,930)	(148,168)	(295,857)
Maintenance and repair of assets	(212,653)	(440,263)	(205,772)	(396,906)
Water and electricity	(88,397)	(163,630)	(69,827)	(147,169)
Rentals and leases	(330,183)	(651,119)	(284,142)	(553,963)
Materials	(48,969)	(103,252)	(41,595)	(98,147)
Data processing	(292,481)	(573,846)	(290,652)	(540,789)
Promotions and public relations	(103,426)	(167,258)	(79,298)	(147,115)
Advertising and publicity	(135,561)	(231,771)	(84,696)	(143,188)
Financial system services	(100,445)	(201,427)	(90,008)	(174,460)
Outsourced services	(383,307)	(782,464)	(330,033)	(655,672)
Specialized services	(158,328)	(319,041)	(141,625)	(269,180)
Surveillance and security services	(227,279)	(446,298)	(178,178)	(345,233)
Amortization (1)	(170,095)	(324,203)	(144,639)	(288,332)
Depreciation	(208,104)	(398,023)	(164,920)	(283,444)
Other administrative expenses	(88,139)	(175,618)	(91,228)	(176,869)
Total	(2,723,875)	(5,308,143)	(2,344,781)	(4,516,324)

(1) This includes R\$ 4,546 at 6/30/2013 for amortization expenses of deferred charges for the period.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 26 – Other operating income

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Commissions and fees on operations (1)	123,714	608,489	81,991	131,883
Commissions and fees on operations – FGTS financial agent	936,287	1,759,488	1,218,798	2,465,864
Recovery of expenses	305,278	600,424	759,991	1,117,981
Reversal of other operating provisions	434,745	948,135	220,393	847,039
Dividend income	6,561	6,561	1,968	1,978
Restatement of escrow deposits	164,126	329,039	120,699	237,493
Income from specific credits	15,913	30,994	11,102	21,239
Income from mark-to-market hedge accounting	-	-	330,383	330,383
Income from lotteries	9,533	13,838	1,598	5,714
Revenue from negative goodwill on acquisition of royalties	30,589	76,181	44,770	44,836
Recovery of expenses – PASEP/COFINS (2)	233,015	233,015	-	-
Other operating income	198,615	362,668	27,367	111,927
Total	2,458,376	4,968,832	2,819,060	5,316,337

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Commissions and fees on operations (1)	123,714	608,489	81,991	131,883
Commissions and fees on operations – FGTS financial agent	936,287	1,759,488	1,218,798	2,465,864
Recovery of expenses	303,747	597,380	758,670	1,115,236
Reversal of other operating provisions	434,745	948,135	220,393	847,039
Dividend income	6,575	17,647	2,049	11,658
Restatement of escrow deposits	164,126	329,039	120,699	237,493
Income from specific credits	15,913	30,994	11,102	21,239
Income from mark-to-market hedge accounting	-	-	330,383	330,383
Income from lotteries	9,533	13,838	1,598	5,714
Revenue from negative goodwill on acquisition of royalties	30,589	76,181	44,770	44,836
Recovered expenses - PASEP/COFINS (2)	233,015	233,015	-	-
Other operating income	191,686	355,740	24,390	109,055
Total	2,449,930	4,969,946	2,814,843	5,320,400

(1) The change in 2014 refers substantially to renegotiation of the agreement between CAIXA and EMGEA in the first quarter of 2014.

(2) Recovered PASEP/COFINS expenses refer to IHCD interest expenses added to the related tax base, per Law No. 12973/2014.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 27 – Other operating expenses

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Expenses with FCVS receivable -provision/losses	(96,512)	(192,804)	(230,679)	(374,569)
Expenses of obligations with funds and programs	(119,091)	(259,349)	(84,973)	(150,633)
Hybrid instruments of capital and debt - monetary restatement	(429,075)	(904,014)	(712,495)	(1,506,816)
Expenses with cards	(296,817)	(556,094)	(243,437)	(455,716)
Expenses with lotteries	(54,731)	(99,287)	(47,857)	(95,736)
Expenses with lottery resellers and business partners	(534,961)	(1,022,496)	(521,409)	(1,002,416)
FGTS - Collection/payment	(124,371)	(246,505)	(122,891)	(239,826)
Automated services	(71,609)	(134,404)	(54,435)	(105,789)
Expenses with business promotion	(96,044)	(174,802)	(79,234)	(145,238)
Financial management with social security fund	(79,085)	(156,820)	(78,038)	(152,217)
Real estate financing operations	(174,526)	(325,618)	(116,527)	(237,263)
Goodwill on the purchase of commercial portfolios	(53,865)	(128,180)	(59,201)	(103,552)
Loan operation discounts	(84,635)	(140,382)	(112,120)	(161,922)
Improvement transactions - monetary restatement	(23,233)	(87,725)	(4,814)	(30,533)
Security abroad – marked to market	(62,673)	(164,756)	(39,658)	(39,658)
Expenses related to operating provisions	(171,075)	(270,889)	(178,206)	(310,674)
Provision for contingencies	(290,357)	(485,306)	(180,964)	(372,807)
Adverse legal judgments	(72,374)	(103,148)	(31,582)	(53,336)
Social benefits	(8,006)	(24,952)	(22,432)	(42,188)
Post-employment benefits	(209,648)	(419,296)	(175,996)	(351,992)
Expenses with securities issued abroad	(70,977)	(125,532)	(22,485)	(42,989)
Other	(218,340)	(443,450)	(110,684)	(245,402)
Total	(3,342,005)	(6,465,809)	(3,230,117)	(6,221,272)

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 28 – Non-operating income/expenses

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Non-operating income	47,372	105,161	128,025	186,445
Gains on sales of assets	22,111	43,235	31,223	54,527
Sale of properties	2,785	13,547	79,676	85,354
Unclaimed cash surpluses	13,370	24,821	10,968	19,331
Capital gains on adjustment of outstanding amounts	58	59	3,541	4,066
Fines and charged	6,874	18,574	7,354	13,639
Reversal of permanent losses evaluated at cost	-	-	(7,541)	4,359
Other non-operating income	2,174	4,925	2,804	5,169
Non-operating expenses	(265,540)	(391,051)	(91,882)	(201,144)
Impairment of other assets	(1,721)	(9,392)	(2,858)	(3,686)
Indemnity for losses and damages	(66,390)	(109,081)	(32,687)	(73,142)
Losses on properties	(15,296)	(23,774)	(9,715)	(18,075)
Losses on fraudulent electronic withdrawals	(55,585)	(99,321)	(36,385)	(66,077)
Loss on sales of assets	(4,128)	(9,883)	(4,604)	(8,904)
Losses related to credit cards	(20,543)	(33,028)	(9,903)	(20,250)
Losses on permanent investments recorded at cost	(97,111)	(97,117)	7,505	(4,393)
Capital losses	(57)	(180)	(163)	(1,014)
Other non-operating expenses	(4,709)	(9,275)	(3,072)	(5,603)
Total	(218,168)	(285,890)	36,143	(14,699)

Note 29 – Tax expenses

Description	PARENT COMPANY			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
COFINS	(488,240)	(998,243)	(407,992)	(743,898)
PIS/PASEP	(79,339)	(162,215)	(66,299)	(120,883)
Tax on Services - ISS	(117,697)	(233,792)	(119,770)	(223,382)
Municipal Property Tax - IPTU	(7,367)	(53,195)	(7,455)	(48,470)
Other	(2,135)	(3,979)	4,006	8,602
Total	(694,778)	(1,451,424)	(597,510)	(1,128,031)

Description	CONSOLIDATED			
	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
COFINS	(488,241)	(998,289)	(407,999)	(743,936)
PIS/PASEP	(79,340)	(162,225)	(66,301)	(120,892)
Tax on Services - ISS	(117,697)	(233,792)	(119,770)	(223,382)
Municipal Property Tax - IPTU	(7,367)	(53,195)	(7,455)	(48,470)
Other	(2,135)	(3,979)	4,001	8,597
Total	(694,780)	(1,451,480)	(597,524)	(1,128,083)

Notes to Financial Statements

In thousands of reais, unless otherwise stated

Note 30 – Contingent assets and liabilities, and legal, tax, and social security obligations
Contingent assets

CAIXA has no contingent assets giving rise to the inflow of economic benefits that could be classified as probable.

Provisions and contingent liabilities

CAIXA is party to various judicial and administrative proceedings of tax, labor and civil nature, arising from the ordinary course of business. Based on the opinion of the legal counsel, and considering that the procedures adopted by CAIXA comply with the legal and regulatory determinations, Management understands that the provisions set up are sufficient to cover the risks arising from any unfavorable outcome.

Considering the high number of administrative and judicial proceedings, CAIXA uses the following methodology to compute the value at risk:

a) for significant proceedings, the analysis is individually made, where the probable case amount is estimated (provisioned); this calculation is based on the economic effect of the claims filed and is weighed according to the status of the proceeding and its prevailing case law in similar cases; these claims are classified as probable, possible or remote;

b) for other proceedings (not significant), the provisioned amount corresponds to the average historical case amount paid in similar proceedings in the last 36 months and are classified as probable.

The proceedings are grouped in tax, civil and labor claims, considering their subject matter and the economic significance of the group.

(a) Probable Risk

PARENT COMPANY / CONSOLIDATED								
Description	December 31, 2013	1st-semester as of 2014					June 30, 2014	June 30, 2013
		New provisions	Monetary restatement	Additions to existing provisions	Reversals of existing provisions	Write-offs after payment		
Tax contingencies (Note 18 (b))	254,259	8,042	3,847	17,929	(104,128)	(104)	179,845	245,025
INSS	52,116	-	1,295	6,978	(38,888)	-	21,501	49,781
ISS	152,780	4,344	1,328	1,814	(53,899)	(28)	106,339	132,728
Other	49,363	3,698	1,224	9,137	(11,341)	(76)	52,005	62,516
Civil contingencies (Note 18 (e))	2,642,634	157,796	67,172	257,091	(372,069)	(76,784)	2,675,840	3,147,953
Losses and damage	889,979	107,832	24,025	109,004	(147,065)	(73,163)	910,612	1,283,601
Savings accounts	729,129	27,000	3,676	97,328	(78,022)	(3,426)	775,685	1,041,793
Lotteries	11,685	3,142	179	3,546	(4,214)	(53)	14,285	11,578
Real estate receivables	128,488	6,763	4,199	44,156	(79,638)	(142)	103,826	110,586
Contingencies related to FGTS	883,353	13,059	35,093	3,057	(63,130)	-	871,432	700,395
Labor contingencies (Note 18 (e))	3,086,733	339,514	46,469	274,457	(489,099)	(46,492)	3,211,582	2,927,536
Other (Note 18 (e))	52,599	16,193	-	-	(66,797)	-	1,995	44,046
Total	6,036,225	521,545	117,488	549,477	(1,032,093)	(123,380)	6,069,262	6,364,560

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(i) Tax proceedings

Because CAIXA regularly complies with the tax and labor obligations affecting its activities, operations and services, it discusses, based on legislation, the lawfulness of the collection parameters adopted by finance departments from the various bodies of the Federal Government, in accordance with the corresponding specificities of each case.

Provisions set up for cases whose likelihood of loss is probable, based on the opinion of the legal counsel, refer to income and social contribution tax suits. CAIXA regularly monitors the status of the ongoing legal suits, which, in the medium and long term, may be favorable to CAIXA with the reversal of the respective provisions.

We emphasize the notices served by the National Institute of Social Security (INSS) for collection of social security taxes on payments to CAIXA employees, where the severance and non-compensatory nature of certain amounts are challenged, such as meal voucher, absence allowed for personal reasons (APIP), and premium license, reclassified for June 30, 2014, corresponding to the amount of R\$ 1,449,624 (R\$ 1,403,606 at 6/31/2013), for which a provision of R\$ 21,501 (6/31/2013 - R\$ 49,780) was set up based on the history of success and case laws, grounded on recent technical and legal analysis on the issue.

As for the Service Tax (ISSQN), CAIXA applies the provisions of Federal Supplementary Law No. 116, of July 31, 2003, adjusting its systems and procedures for determination of the tax basis and payment of the tax on services rendered. Notwithstanding this, tax audits conducted in various Brazilian cities filed suits against CAIXA alleging non-payment or underpayment of the tax, bringing to light the discussion on different interpretations of the materiality, applicable rates and location where the tax should be levied, the total amount of which at June 30, 2014 is R\$ 559,209 (6/31/2013 - R\$ 507,980). In view of the history of success and case laws, evaluated in technical and legal analysis of this issue, the related provision amounts to R\$ 106,339 (6/31/2013 - R\$ 132,728).

It is also worth noting that CAIXA has been discussing with the Administrative Board of Tax Appeals the materiality of CSLL debt arising from two PER/DCOMP proceedings not authorized amounting to R\$ 6,873 (6/31/2013 - R\$ 6,338), referring to procedural aspects of offsetting credits effectively accrued in DCTF, for which, based on case laws on the matter, the consultants suggested the setup of provision for the full amount.

(ii) Labor proceedings

CAIXA is a defendant in claims filed by employees, former employees of CAIXA or service providers and workers' unions, related to their labor activities, career plans, collective bargaining agreements, severance pay, benefits, retirement, subsidiarity, among others. At June 30, 2014, a provision was recognized for 61.5 thousand labor proceedings, including approximately 59 thousand considered "not significant" and 2.5 thousand "significant".

Aiming to reduce litigation and the amounts spent on proceedings, CAIXA continues adopting its in-court and out-of-court reconciliation policy, voluntarily fulfills certain court decisions and makes the analysis of losses incurred in order to mitigate further litigation involving similar cases. Accordingly, the significant claims are not individually disclosed in order not to adversely affect possible agreements.

(iii) Civil proceedings

CAIXA is a defendant in civil proceedings of a compensatory/contractual nature referring to its products, services and banking services. At June 30, 2014, a provision was recognized for 293 thousand civil proceedings, including approximately 292 thousand considered "not significant" and 1 thousand "significant".

We emphasize proceedings challenging the disregard of the effects of indexes of economic plans, as part of the economic policy of the Federal Government to avoid past inflation rates, upon restatement of savings accounts balances. CAIXA fulfilled the legal requirements in force at the time, however, considering the suits effectively filed and analysis of the current case laws of the High Court of Justice (STJ), at June 30, 2014 a provision of R\$ 775 million was recognized for these proceedings. It is worth highlighting that the statute of limitations for filing of new claims has expired, thus the absence of a representative potential liability. The Supreme Court (SFT) suspended the analysis of all appeals until a decision is rendered by that Court binding all related cases discussing this issue.

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The proceedings seeking compensation for damages involving transfer of funds from FGTS are also significant. At June 30, 2014, the provision for these proceedings amounts to R\$ 871 million.

The claims seeking compensation for damages refer to occasional problems with banking services, with the rendering of services or with product acquisition/maintenance.

In order to reduce litigations in 2014, CAIXA entered into 9.3 thousand procedural agreements, consequently decreasing the amounts that would be fully paid had the judicial decision remained the same, in addition to offering the customer a quick solution to settle the issue. Additionally, CAIXA voluntarily fulfills certain court decisions and makes the analysis of losses incurred in order to mitigate further litigation involving similar cases. Accordingly, the significant suits are not individually disclosed in order not to adversely affect possible agreements.

(b) Possible losses

In accordance with CMN Resolution 3,823/2009, companies are not required to record provisions for contingencies classified as possible losses:

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Tax proceedings	5,266,426	4,778,552	4,636,979
Civil Lawsuits	1,157,096	1,086,235	2,207,113
Labor Lawsuits	-	-	51,154
Total	6,423,522	5,864,787	6,895,246

(i) Tax proceedings

CAIXA continuously monitors administrative and legal tax proceedings in which it is a defendant or a claimant and, supported by the opinions of its legal units, classified as possible loss cases that amounted to R\$ 5,266,426, at June 30, 2014 (6/31/2013 - R\$ 4,636,979), including the following main claims based on the amounts under dispute

- a) R\$ 72,642 referring to a tax violation notice filed by the National Foundation for Education Development (FNDE), which claims that CAIXA failed to timely pay the contribution tax as shown in a Tax Debt Notice;
- b) PIS/PASEP deficiency notices, totaling R\$ 4,429,137 as of June 30, 2014 (6/30/2013 - R\$ 4,316,196), based on underpayment for the period from January 1991 to December 1995, when Decree-Law No. 2445 and No. 2449/1988 were effective, which changed the tax calculation system, and alleged improper offset of overpayments made from January 1992 to May 1993;
- c) PIS/PASEP tax notice amounting to R\$ 196,373 at June 30, 2014, based on the identification of different tax bases for payment from January 1996 to December 1998, and from January to October 1999, resulting from the exclusion of revenues (or failure to include them) and from computing expenses considered incorrect and nondeductible from the tax base, respectively;
- d) CSLL amounting to R\$ 143,392 as of June 30, 2014 relating to credit arising from overpayment reported in DIPJ and offset in 2003, with discussion regarding procedural issues; and
- e) ICMS deficiency notice served by the São Paulo State Finance Department totaling R\$ 203,906 at June 30, 2014, claiming the tax payment stemming from failure to withhold and collect ICMS at source on services classified under "communication" for tax purposes. This tax notice further determines that CAIXA is the ICMS taxpayer due to tax liability under the special agreement published by Brazil's National Board for Fiscal Policy (CONFAZ).

The contingent matters in dispute are followed up on considering possible consolidation or changes in case laws. This enables their maintenance as a consequence of loss risks continually assessed by CAIXA.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(ii) Civil proceedings

CAIXA, based on the opinion of its legal counsel, systematically monitors all proceedings whose likelihood of loss is possible or remote.

The amount of R\$ 1.157 billion, whose likelihood of loss is possible, refers to a class action suit claiming that CAIXA is unlawfully managing funds from PREVHAB, referring to the succession of BNH.

(c) Analysis of deposits in court:

The balances of amounts deposited in escrow in connection with probable, possible and/or remote contingent liabilities are as follows:

PARENT COMPANY / CONSOLIDATED			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Tax proceedings	9,003,715	8,475,837	8,125,338
Civil lawsuits	679,155	666,706	647,097
Labor lawsuits	2,396,719	2,148,050	2,065,060
Total	12,079,589	11,290,593	10,837,495

Note 31 – Related parties
(a) Transactions with related parties

Transactions with related parties are carried out in connection with CAIXA's operating activities and its duties established in specific regulations.

CAIXA carries out banking transactions with related parties, such as current account deposits, interest-earning deposits, rendering of services, and rental of properties. These transactions are carried out under terms and conditions which are compatible with those used in arms' length transactions on the dates of the transactions. The related parties not included in the consolidated financial statements are:

- Banco PAN S.A.;
- Caixa Seguros Holding S.A.;
- National Treasury Office - STN; and
- Federal Savings and Loans Bank Employees' Foundation - FUNCEF.

CAIXA has an operating agreement with Banco PAN establishing a revolving limit for the acquisition of loan portfolios and for investment in interbank deposits.

ASSETS			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Investments in interbank deposits	5,474,370	4,977,657	3,575,919
Banco PAN	5,474,370	4,977,657	3,575,919
Income receivable	2,571,188	2,301,599	2,013,626
Caixa Seguros Holding S.A.	478	342	239
STN – National Treasury Office	2,570,710	2,301,257	2,013,387
Credits purchased	8,547,618	7,581,165	5,971,539
Banco PAN	8,547,618	7,581,165	5,971,539
Total	16,593,176	14,860,421	11,561,084

Notes to Financial Statements

In thousands of reais, unless otherwise stated

LIABILITIES			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Deposits	598,990	171,758	444,340
Caixa Seguros Holding S.A.	12,843	11,680	21,248
FUNCEF	1,714	1,453	6,517
STN - National Treasury Office	584,433	158,625	416,575
Local onlending - official institutions	431	(1,131)	(3,945)
STN - National Treasury Office	431	(1,131)	(3,945)
Sundry liabilities	38,772	36,867	35,598
STN - National Treasury Office	38,772	36,867	35,598
Total	638,193	207,494	475,993

INCOME				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Income from interbank deposits	151,330	290,539	57,997	107,435
Banco PAN	151,330	290,539	57,997	107,435
Income from services rendered	183,718	338,488	155,131	289,868
Caixa Seguros Holding S.A.	136,378	286,113	137,487	263,467
STN – National Treasury Office	47,340	52,375	17,644	26,401
Other operating income	34,884	70,203	158,683	185,555
STN – National Treasury Office	34,884	70,203	158,683	185,555
Total	369,932	699,230	371,811	582,858

EXPENSES				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Administrative expenses – rentals	(14,918)	(29,408)	(21,362)	(40,689)
FUNCEF	(14,918)	(29,408)	(21,362)	(40,689)
Other operating expenses	(910)	(2,088)	(779)	(1,547)
STN - National Treasury Office	(910)	(2,088)	(779)	(1,547)
Total	(15,828)	(31,496)	(22,141)	(42,236)

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(b) Remuneration of key management personnel

The costs incurred with compensation and other benefits provided to key management personnel (Board of Directors, Statutory Audit Board, Executive Board, and Audit Committee) are shown below:

PARENT COMPANY / CONSOLIDATED				
Description	2014		2013	
	2nd-quarter period	1st-semester	2nd-quarter period	1st-semester
Short-term benefits	6,100	13,251	3,865	6,489
Salaries	4,534	9,810	2,825	4,745
Payroll charges	1,566	3,441	1,040	1,744

CAIXA does not provide variable share-based compensation and other long-term benefits, and neither does it offer post-employment benefits to its managers. Post-employment benefits are only offered to CAIXA's staff.

In accordance with prevailing standards, CAIXA does not grant loans or advances to key management personnel.

Note 32 – Employee benefits**(a) Analysis of the provision for employee benefits**

Provisions for employee benefits include expected costs in the short term and in the post-employment period. Provisions for short-term benefits are recognized to settle payroll-related costs and profit sharing. Provisions for post-employment benefits refer to expected costs (actuarial calculations) on retirement, pension and health care plans and meal/food vouchers offered by Caixa.

The information on the provision for employee benefits applies to both the parent and consolidated financial statements, except for the item "Short-term, salary-related benefits" of R\$ 2,332,081 (12/31/2013 – R\$ 2,063,622 and 3/31/2013 - R\$ 2,005,244) in the consolidated financial statements. The provisions are broken down as follows:

Provision for employee benefits			
Description	June 30, 2014	December 31, 2013	June 30, 2013
Short-term benefits	2,969,834	2,488,533	2,666,319
Salary-related	2,626,298	2,063,252	2,286,433
Profit sharing	343,536	425,281	379,886
Post-employment benefits (Note 18 (e))	7,636,950	7,218,765	7,734,124
Saúde CAIXA (actuarial calculation)	6,646,187	6,211,755	6,645,932
Meal and food vouchers (actuarial calculation)	757,123	751,678	846,319
PREVHAB (actuarial calculation)	-	44,260	40,691
Benefit plans - private pension (actuarial calculation ¹ (c.4))	233,640	211,072	201,182
Total	10,606,784	9,707,298	10,400,443

Actuarial calculation¹ - Actuarial calculations shown in this Explanatory Note were developed by Gamma Consultores Associados, a consulting company engaged to perform the actuarial valuation of employee benefit plans sponsored by Caixa.

(b) Short-term benefits:

The provisions for short-term benefits mainly comprise salaries payable, 13th-month salary, vacation pay, bonus leave, frequency bonus, and employee profit sharing, and mature in the course of twelve months following the period to which the financial statements refer.

Notes to Financial Statements

In thousands of reais, unless otherwise stated

(c) Post-employment benefits

Caixa sponsors post-retirement, pension, supplementary health care plans and meal/food vouchers. These benefits are offered to employees, officers, retirees and pensioners in connection with their employment relationship or with the succession to duties or rights of other entities (as the case is with former Banco Nacional de Habitação – BNH). Details of each plan are described below:

(c.1) Health care plans – Saúde CAIXA and PAMS

Saúde CAIXA is a self-managed program established and managed by CAIXA itself for the purpose of providing medical, hospital, dental, psychological assistance, physical therapy, speech therapy, occupational therapy, diet counseling and social services, through a network of accredited entities and based on a reimbursement system all over Brazil.

This benefit is granted by CAIXA to beneficiaries who choose to enroll in the plan, employees and retirees linked to FUNCEF, PREVHAB, the PMPP Fund and the National Institute of Social Security (INSS). The costs of the Saúde CAIXA Healthcare Plan are defrayed by CAIXA through contributions equivalent to 70% of the assistance expenditures, with a minimum limit of 3.5% of personnel expense, including social charges. The beneficiary defrays 30% of the assistance expenditures through monthly payments of 2% on the base remuneration for the family group, plus a co-participation of 20% on the use of the assistance, limited to a co-participation cap, and monthly payments for each indirect dependent enrolled.

Saúde CAIXA plan does not have financial assets, therefore the provision calculated corresponds to the amount of the actuarial liability. This liability represents the actuarial present value of the post-employment benefits relating to the currently retired employees and beneficiaries, and was calculated considering that these groups have already completed the full length of service. As to active employees, the actuarial provision was calculated taking into consideration the ratio between the length of service at the valuation date and at the retirement date.

The amount of the actuarial provision obtained through the discount to present value of all the flows of assistance expenses relating to current and future retirees and pensioners is R\$ 6,646,187 (December 31, 2013 – R\$ 6,211,755 and June 30, 2013 – R\$ 6,645,932).

The costs of the Supplementary Medical Assistance Program (PAMS) are defrayed by CAIXA on an annual basis, and correspond to 3.5% of the payroll, including social charges, and also by the participants. This program follows a financial model that is being discontinued and its duration depends on injunctions awaiting judicial decisions and lawsuits.

(c.2) Meal Vouchers and Food Basket Allowance

The monthly value of the meal vouchers and food baskets provided by CAIXA for employees and management is defined in September of each year. For the period from September 2013 to August 2014, the value of the meal voucher is R\$ 509.96 per month to pay for meals at restaurants and similar establishments. The value of the food basket allowance is R\$ 397.36 per month to purchase food from supermarkets or similar commercial establishments.

The amount of the actuarial provision obtained through the discount to present value of all the flows of meal and food voucher expenses relating to current and future retirees and pensioners is R\$ 757,123 (December 31, 2013 – R\$ 751,678 and June 31, 2013 – R\$ 846,319).

(c.3) Benefit plan - PREVHAB beneficiaries

Under Decree No. 2291, of November 21, 1986, the National Housing Bank (BNH) ceased to exist and Caixa has been the successor to all of its duties and rights, including those arising from employment relations.

Thus, CAIXA manages the remaining balance of the guarantee funds of the technical reserves of the beneficiaries of PREVHAB, the pension fund responsible for supplementing the social security benefits of employees of the former National Housing Bank (BNH). Therefore, the amounts related to benefits paid to those who were formerly assisted by PREVHAB are debited from the Guarantee Funds of the Reserves of the beneficiaries of PREVHAB.

Notes to Financial Statements

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(c.4) Pension plan – Supplementary pension**• REG/REPLAN**

The plan, structured as a Defined Benefit type, incorporates the regulations introduced in 1977 (REG) and 1979 (REPLAN), considered as a single plan, and was last amended on June 14, 2006.

The settlement of the benefits of this plan was defined through an amendment to its regulations. Such procedure means that the benefit amount is settled, calculated, and restated based on the plan's index (INPC/IBGE), with no further reference to the participation salary, and the benefit is granted and maintained by a social security government agency. The regular contribution to this plan is cancelled and the participant adheres to another benefit plan offered by the sponsor.

REG/REPLAN benefit plan provides its participants and payees with retirement and pension plans, funeral allowance, self-funding institutes, proportional deferred benefit, portability and withdrawal. Retirement benefits, survivorship pension, annual bonus and lump-sum payment in the event of death are provided to participants and payees who have opted for the definitive interruption of plan contributions, keeping their right to proportional payouts.

REB

The REB benefit plan is sponsored by CAIXA and FUNCEF and managed by FUNCEF. This is a Variable Contribution Plan. The regular participant's contribution, including the self-sponsored participant, is calculated by applying a percentage on the participant's salary, defined at the time of adhesion, not lower than 2%. For programmable events, which adopted the Defined Contribution (CD) type of plan, the portion corresponding to the defined contribution of the total contributions made by the Sponsoring Entity is recorded.

Upon the establishment of the REB Plan, new adhesions to the REG/REPLAN ceased and, on February 4, 2002, the plan's regulation was amended to permit the migration of REG/REPLAN participants to REB. This experience influenced the process of preparing the proposal for REG/REPLAN Settlement and the establishment of the "Novo Plano" Benefit Plan.

REB benefit plan provides its participants and payees with pension, survivorship pension, annual bonus, lump-sum payment in the event of death, early income, portability, withdrawal, among other benefits.

Novo Plano

The Novo Plano benefit plan was approved by the appropriate authorities on June 16, 2006, and started operating on September 1, 2006. This is a Variable Contribution Plan, with a defined contribution during the stage of formation of reserves and a defined benefit during the stage of receipt of benefits and in cases of risk, such as disability and death pension.

The Novo Plano Benefit Plan also adopts a new contribution basis by increasing the portion allocated by CAIXA to the participant's account balance. The participant's regular contribution, including that of the self-sponsored participant, will be calculated by applying a percentage on the participant's salary, defined at the time of adhesion, not lower than 5%. The sponsor's contribution equals the participants' regular contributions, limited to 12% of the total salaries of the participants and the total regular contributions made by the participants, including the beneficiaries.

Administrative expenses will be equally supported by the sponsor and the participants, including the beneficiaries, and shall be approved by the Executive Board and FUNCEF's Deliberative Council, subject to the limits and criteria established by the regulating authorities.

Novo Plano provides its participants and payees with retirement and pension plans, survivorship pension, annual bonus, lump-sum payment in the event of death, early income, portability, withdrawal, among other benefits.

Notes to Financial Statements

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(d) Number of participants – post-employment benefit

Description	Number of participants					
	2013			2012		
	Active	Beneficiaries	Total	Active	Beneficiaries	Total
Saúde Caixa (Including dependents)	227,267	49,015	276,282	216,317	51,485	267,802
Meal Vouchers and Food Basket Allowance (retirees and pensioners)	-	12,279	12,279	-	13,288	13,288
EX-PREHVAB (retirees and pensioners)	-	68	68	-	71	71
REG/REPLAN	28,872	34,775	63,647	30,945	33,099	64,044
REB	11,088	635	11,723	11,000	638	11,638
Novo Plano	83,359	3,634	86,993	76,262	3,093	79,355

(e) Actuarial valuation of benefit plans

Gama Consultores Associados was engaged to perform the actuarial valuation of benefit plans sponsored by Caixa. The aforesaid actuarial valuation comprised the following benefit plans Saúde CAIXA, Meal Vouchers and Food Basket Allowance , EX-PREHVAB, REG/REPLAN, REB and Novo Plano.

The actuarial calculations and surveys conducted by the advisory department with the accounting pronouncement Brazilian FASB (CPC) 33 (R1), approved by CVM Resolution No.695/2012, support CAIXA's accounting of equity and profit or loss.

CAIXA is partially responsible for covering the liabilities of REG/REPLAN, REB and Novo Plano plans, and fully responsible for covering the commitments held with Meal Vouchers and Food Basket Allowance and beneficiaries of EX-PREHVAB.

(e.1) Interest rates

The interest rate used to discount post-employment benefits obligations at present value corresponds to the blue chip National Treasury Notes (NTN-B) rate, since it complies with the requirements of CPC 33 (R1). The Plan's interest rate of 5.78% was determined considering the position at October 31, 2012, maturing in 2035. The Plan's investments are allocated on a diversified basis, and most of them are invested in Investment Funds. The annual rate of return on assets is 12.02% and inflation is stated at 5.9% p.a.

(e.2) Recognition of actuarial gains and losses

CAIXA's accounting policy of gains and losses accounted for in its financial statements for pension and health plans, and post-employment benefits structured as Defined Plan, as determined by CPC 33 (R1), corresponds to recognition of all actuarial gains and losses in the period they take place under Other Comprehensive Income.

In the plans with net actuarial asset, these are limited to the economic benefit amount that CAIXA eventually uses, being calculated as the present value of cash flow of plan-related amounts reversed to CAIXA or the effective reduction of future contributions, if any.

With regards to Defined Benefit (BD) pension plans, these do not generate actuarial gains or losses.

Notes to Interim Financial Statements

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(e.3) Main actuarial assumptions adopted in the actuarial valuation of the plans:

As determined by CPC 33 (R1), assumptions (financial and demographic) should be defined for the actuarial evaluation of benefit plans reflecting the best estimates of the entity on the variables that will determine the final cost to provide these benefits to its employees. Following are the main assumptions of actuarial calculation of benefit plans sponsored by Caixa:

Main assumptions adopted – financial and demographic												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREVHAB		REG/REPLAN		REB		NOVO PLANO	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Interest rate for annual actuarial discount	12.02	9.91	12.02	9.91	12.02	9.91	12.02	9.91	12.02	9.91	12.02	9.91
Projected annual salary increase	9.13	8.55	-	-	-	-	-	-	8.74	8.55	8.74	8.55
Portion unpaid	-	-	-	-	-	-	8.66	8.04	-	-	-	-
Portion paid-in	-	-	-	-	-	-	5.9	5.5	-	-	-	-
Projected annual benefit increases	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5
Annual average inflation rate	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5	5.9	5.5
Expected return on plan assets	-	-	-	-	12.02	9.91	12.02	9.91	12.02	9.91	12.02	9.91
Turnover rate	3.02	3.06	-	-	-	-	FUNCEF Experience		FUNCEF Experience		FUNCEF Experience	
Mortality table	AT 2000 M and		AT 2000 M and		AT 2000 M and		AT 2000 M and		AT 2000 M and		AT 2000 M and	
	AT 2000 F		AT 2000 F		AT 2000 F		AT 2000 F		AT 2000 F		AT 2000 F	

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In thousands of reais, unless otherwise stated

(e.4) Reconciliation of present value of plan actuarial obligations

The present value of the actuarial obligation represents the final costs at present value of defined benefit plans for sponsoring entities. The calculation of these costs considers several variables such as salaries on the benefit grant date, employee turnover and mortality, employee contributions and trends of medical cost. This is, therefore, an attempt to identify actuarial amounts, which mainly intends to calculate with as accurate as possible the obligation amount resulting from employee service in current and past periods.

Reconciliation of present value of plan actuarial obligations												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREHAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
VPOA ¹ at beginning of year	(6,317,036)	(4,637,895)	(844,804)	(624,439)	(47,121)	(37,535)	(44,902,581)	(35,033,289)	(596,455)	(412,518)	(487,761)	(254,250)
Current service cost	(352,180)	(288,160)	-	-	-	-	(30,577)	(56,245)	(2,186)	(2,850)	(44,032)	(25,060)
Interest cost	(611,146)	(525,743)	(75,413)	(68,856)	(4,488)	(4,127)	(4,358,610)	(3,967,316)	(58,801)	(47,419)	(47,873)	(28,993)
Re-measurement of actuarial gains (losses)	784,486	(1,134,176)	82,387	(230,743)	2,435	(9,355)	7,164,152	(7,497,924)	149,530	(140,980)	78,527	(187,989)
Experience adjustments	(857,351)	(1,134,176)	(39,953)	(230,743)	(4,820)	(9,355)	(1,150,943)	(7,497,924)	25,011	(140,980)	(86,834)	(187,989)
Changes to biometric assumptions	1,641,837	-	-	-	-	-	161	-	(22,482)	-	(323)	-
Changes to financial assumptions	-	-	122,340	-	7,255	-	8,314,934	-	147,001	-	165,684	-
Benefits paid by the plan	284,121	268,938	86,152	79,234	3,655	3,897	1,840,401	1,652,193	6,207	7,312	9,360	8,532
VPOA¹ at end of year	(6,211,755)	(6,317,036)	(751,678)	(844,804)	(45,519)	(47,120)	(40,287,215)	(44,902,581)	(501,705)	(596,455)	(491,779)	(487,760)

 VPOA¹ - Present value of the actuarial liability

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In thousands of reais, unless otherwise stated

(e.5) Reconciliation of present value of plan actuarial obligations

Plan assets represent the funding amounts (main and profitability of interest, dividends and other revenues) held by the entity or pension fund to cover actuarial liabilities of each benefit plan sponsored by Caixa. These funds are measured at fair value, i.e., considering the amount effectively received for the sale of an asset or paid for the allocation of a liability in unforced transactions between market participants on measurement date. The following reconciliation shows the evolution of fair value of plan assets:

Reconciliation of fair value of plan assets												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREHAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
VPOA ¹ at beginning of year	-	-	-	-	42,019	43,649	45,650,669	41,498,618	426,035	343,455	285,803	277,166
Interest income	-	-	-	-	3,982	4,836	4,434,400	4,719,039	41,947	39,444	28,278	31,975
Gains (losses) on plan assets (excluding interest income)	-	-	-	-	3,173	(2,570)	(7,223,118)	1,052,777	(162,582)	49,852	(41,742)	(20,395)
Employer's contributions	-	-	-	-	-	-	16,708	16,214	351	298	4,233	2,794
Contributions paid by the participants in the plan	-	-	-	-	-	-	16,708	16,214	351	298	4,233	2,794
Benefits paid by the plan	-	-	-	-	(3,655)	(3,897)	(1,840,401)	(1,652,193)	(6,207)	(7,312)	(9,360)	(8,532)
VJAP¹ no final do exercício	-	-	-	-	45,519	42,018	41,054,966	45,650,669	299,895	426,035	271,445	285,802

 VPOA¹ - Present value of the actuarial liability

Notes to Interim Financial Statements

In thousands of reais, unless otherwise stated

(e.6) Net value of plan assets (liabilities) recognized in balance sheets

The net amount of assets/liabilities arises from the cross checking of actuarial obligation of plans with their respective amounts of assets measured at fair value. The existence of a possible deficit (liability) promotes the need for the sponsoring entity to provision funds to cover the identified incremental actuarial obligation based on its participation in the plan (sharing effect).

The existence of surplus (asset) may lead to the reversal of amounts of the plan in favor of the sponsoring and sponsored entities, based on their participations, also considering the recognition limit of actuarial asset (effect of asset ceiling).

Net value of plan assets (liabilities) recognized in balance sheets												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREHVAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))	12/31/2013	12/31/2012 (Note 3 (t))
VPOA ¹ of end of period	(6,211,755)	(6,317,036)	(751,678)	(844,804)	(45,519)	(47,120)	(40,287,215)	(44,902,581)	(501,705)	(596,455)	(491,779)	(487,760)
Effect of restriction on actuarial liability (3)	-	-	-	-	-	-	-	-	100,905	85,210	110,167	100,979
Net VPOA ¹	(6,211,755)	(6,317,036)	(751,678)	(844,804)	(45,519)	(47,120)	(40,287,215)	(44,902,581)	(400,800)	(511,245)	(381,612)	(386,781)
VJAP ² of end of period	-	-	-	-	45,519	42,018	41,054,966	45,650,669	299,895	426,035	271,445	285,802
Surplus (deficit) of the plan	(6,211,755)	(6,317,036)	(751,678)	(844,804)	-	(5,102)	767,751	748,088	(100,905)	(85,210)	(110,167)	(100,979)
Asset ceiling effect (4)	-	-	-	-	-	-	(767,751)	(748,088)	-	-	-	-
Net asset (liability)	(6,211,755)	(6,317,036)	(751,678)	(844,804)	-	(5,102)	-	-	(100,905)	(85,210)	(110,167)	(100,979)

VPOA¹ - Present value of the actuarial liability/ VJAP² - Fair value of plan's assets

(3) Refers -se the calculation of risk-sharing effect with the participants and beneficiaries of the plan, so as to limit the actuarial liability to be recognized by the Bank.

(4) Refers to the calculation of economic benefit available provided for item 65 of CPC 33 R1 (CVM Resolution 695/2012), so as to limit the actuarial asset to be recognized by the Bank.

Notes to Interim Financial Statements

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(e.7) Reconciliation of effect of asset ceiling:

The reconciliation of the effect of the asset ceiling shows the evolution from one period to another, from portions of actuarial surplus of the plans not recognized by the sponsoring organization, considering that do not translate into economic benefits available as Technical Pronouncement CPC 33 (R1).

Reconciliation of the asset ceiling effect												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREVHAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))
At the beginning of the year	-	-	-	-	-	-	(748,088)	(6,465,329)	-	-	-	-
Interest expense / profitability	-	-	-	-	-	-	(75,791)	(751,723)	-	-	-	-
Total before recalculation	-	-	-	-	-	-	(823,878)	(7,217,052)	-	-	-	-
Recalculation	-	-	-	-	-	-	58,966	6,445,147	-	-	-	-
Cost of net service / contributions	-	-	-	-	-	-	(2,840)	23,817	-	-	-	-
Total at the end of the year	-	-	-	-	-	-	(767,752)	(748,088)	-	-	-	-

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(e.8) Changes in net assets (liabilities) recognized in the Balance Sheet:

Changes in net (liabilities) / assets recognized in balance sheets												
Description	Saúde CAIXA		Meal and food vouchers		EX-PREHVAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))		(Note 3 (t))
Net (liabilities)/assets recognized at the beginning of the period	(6,317,036)	(5,632,367)	(844,804)	(638,356)	(5,102)	3,684	-	-	(85,210)	-	(100,979)	(7,977)
Sponsor's contributions, net of administrative fee	284,121	268,938	86,153	79,234	-	-	16,708	16,214	351	298	4,233	2,794
Provision for benefit plans and other post-employment benefits	(963,326)	(813,903)	(75,413)	(68,856)	(505)	709	(15,288)	(40,031)	(10,613)	(14,656)	(24,022)	(22,266)
Amount recognized in other comprehensive income	784,486	(139,704)	82,386	(216,826)	5,607	(9,495)	(1,420)	23,817	(5,433)	(70,852)	10,601	(73,530)
(Liabilities)/assets recognized at the end of the period	(6,211,755)	(6,317,036)	(751,678)	(844,804)	-	(5,102)	-	-	(100,905)	(85,210)	(110,167)	(100,979)

Notes to Interim Financial Statements

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(e.9) Expenses/Income and payments expected for 2014

Expected expense/income – year 2014 – CPC 33 (R1)					
Description	Saúde CAIXA	Meal and food vouchers	REG/REPLAN	REB	NOVO PLANO
Net (Liabilities)/assets recognized at the beginning of the period	(400,434)	-	(3,648)	(1,303)	(37,648)
Sponsor's contributions, net of administrative fee	(728,631)	(84,876)	-	(12,105)	(12,974)
Provision for benefit plans and other post-employment benefits	-	-	(3,648)	(13,408)	(50,622)
Total (expense)/income to be recognized in the next period	(1,129,065)	(84,876)	-	-	-
Plan administration	-	-	(882)	-	(223)
Total (expense) / income to be recognized in the next year	(1,129,065)	(84,876)	(4,530)	(13,408)	(50,845)

Expected payment – year 2014 – CPC 33 (R1)					
Description	Saúde CAIXA	Meal and food vouchers	REG/REPLAN	REB	NOVO PLANO
Rules/ Risk Contributions (REB) / Benefits (Saúde CAIXA)	300,885	91,235	17,694	371	4,483
Extraordinary	-	-	-	-	-
Administration	-	-	882	-	223
Total expected plan payments	300,885	91,235	18,576	371	4,706

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In thousands of reais, unless otherwise stated

(e.10) Sensitivity analysis of main financial and demographic assumptions:

The goal of sensitivity analysis is to measure how the defined benefit obligation would be affected by changes in certain significant actuarial assumptions, considering all other constants are maintained.

Sensitivity analysis of main hypothesis - CPC 33 (R1)									
Description	Biometric table		Interest rate		Salary growth		HCTR		Position at 12/31/2013
	+ 1 age	- - 1 age	+ 0,25%	- 0,25%	+ 0,25%	- 0,25%	+ 0,25%	- 0,25%	
Saúde CAIXA									
VPOA ¹	6,054,579	6,368,710	6,005,930	6,429,483	N/A	N/A	6,219,400	6,204,100	6,211,755
VJAP ²	-	-	-	-	N/A	N/A	-	-	-
Surplus/ (Deficit)	(6,054,579)	(6,368,710)	(6,005,930)	(6,429,483)	N/A	N/A	(6,219,400)	(6,204,100)	(6,211,755)
Meal and food vouchers									
VPOA ¹	735,703	767,382	735,362	767,696	N/A	N/A	N/A	N/A	751,678
VJAP ²	-	-	-	-	N/A	N/A	N/A	N/A	-
Surplus/ (Deficit)	(735,703)	(767,382)	(735,362)	(767,696)	N/A	N/A	N/A	N/A	(751,678)
EX-PREHVAB									
VPOA ¹	44,631	46,383	44,547	46,531	N/A	N/A	N/A	N/A	45,519
VJAP ²	45,519	45,519	45,519	45,519	N/A	N/A	N/A	N/A	45,519
Surplus/ (Deficit)	888	(864)	972	(1,012)	N/A	N/A	N/A	N/A	-
REG/REPLAN									
VPOA ¹	39,795,582	40,761,947	39,211,646	41,369,337	40,288,732	40,286,015	N/A	N/A	40,287,215
VJAP ²	41,054,966	41,054,966	41,054,966	41,054,966	41,054,966	41,054,966	N/A	N/A	41,054,966
Surplus/ (Deficit)	1,259,384	293,019	1,843,320	(314,371)	766,234	768,951	N/A	N/A	767,751
REB									
VPOA ¹	504,389	498,954	484,500	520,303	506,925	496,609	N/A	N/A	501,705
VJAP ²	299,895	299,895	299,895	299,895	299,895	299,895	N/A	N/A	299,895
Surplus/ (Deficit)	(204,494)	(199,059)	(184,605)	(220,408)	(207,030)	(196,714)	N/A	N/A	(201,810)
NOVO PLANO									
VPOA ¹	496,119	485,115	472,841	509,286	492,430	491,141	N/A	N/A	491,779
VJAP ²	271,445	271,445	271,445	271,445	271,445	271,445	N/A	N/A	271,445
Surplus/ (Deficit)	(224,674)	(213,670)	(201,396)	(237,841)	(220,985)	(219,696)	N/A	N/A	(220,334)

 VPOA¹ - Present value of the actuarial liability/ VJAP² - Fair value of plan's assets / HCTR - Projected health costs increases

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Note 33 – Corporate risk management

CAIXA adopts good local and international practices for managing its credit, market, liquidity, interest rate, concentration, counterparty, strategic, reputational and social environment, including an active capital management in conformity with the principles, amounts, guidelines and limits established by the Board of Directors.

Risk management is understood by Senior Management as a distinguishing feature for financial market competitiveness and the best way of safeguarding CAIXA's solvency, liquidity and profitability.

The risk management structures are in accordance with the current regulations, being adjusted to the nature and complexity of CAIXA's financial instruments, products, services and operations, and good corporate governance practices, ensuring that Senior Management is able to identify the capital commitment required to cover risks, evaluate the impacts on results of operations and make prompt decisions on acceptable exposure limits.

The Risk Management Policy and the exposure limits are reviewed at least annually, based on the strategy, macroeconomic factors, the business environment, and on the ability to take risks, and are clearly communicated to all employees in the internal system for disclosure of standards.

A detailed description of the risk and capital management structures, including responsibilities, practices, processes, procedures and models is available for consultation on CAIXA's website: <http://www.caixa.gov.br> under the "About CAIXA" menu.

Capital Management

The capital management structure, capital management process and the internal process of capital adequacy assessment (ICAAP) are adopted by CAIXA in accordance with CMN Resolution No. 3988/11, BACEN Circular No. 3547/11 and BACEN Circular letter No. 3565/12.

CAIXA adopts the best national and international capital management practices in compliance with principles, values, guidelines and limits defined by the Board of Directors, and recommendations of Basel Committee and other regulatory bodies.

The purpose of capital management is ensuring that there is sufficient capital to carry out the Company's strategies and businesses, given that the process is compatible with the nature of its operations, complexity of the products and services offered and the dimension of its exposure to risks.

Accordingly, capital is managed through:

- Mechanisms enabling the identification and evaluation of significant risks incurred by CAIXA;
- Capital management policies and strategies establishing mechanisms and procedures to keep the capital compatible with the risks incurred by CAIXA;
- Capital plan covering a minimum 3-year period;
- Simulation of severe events and extreme market conditions (stress tests) and evaluation of their impacts on capital;
- Periodical management reports on adequacy of capital for Management and Board of Directors, if any; and
- Internal Capital Evaluation and Adequacy Process (ICAAP).

With this management, CAIXA controls and assesses the need for capital in order to avoid risks, evaluates impacts thereof, plans goals through strategic objectives and complies with the guidelines of the Board of Directors. CAIXA also seeks the prospective adoption, with application of ordinary and stress scenarios in order to check and plan its capital use.

Notes to Financial Statements

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Regulatory Capital Requirements

The table below presents the calculation of the regulatory capital requirement:

Calculation of the regulatory capital requirement			
Description	30/06/2014 (1)	31/12/2013 (1)	30/06/2013 (2)
PR – REFERENCE EQUITY	68,203,567	71,440,993	58,173,322
TIER I	56,480,962	59,518,914	29,605,200
Principal capital – CP	34,186,596	34,437,984	25,164,420
Equity	28,244,519	27,373,363	25,612,551
Hybrid capital and debt instruments, authorized according to CMN Decision No. 4192/2013	8,000,000	8,000,000	-
Prudential adjustments	(2,057,923)	(935,379)	-
Revaluation reserves	-	-	(413,750)
Deferred permanent assets	-	-	(722)
Adjustments to market value	-	-	(33,659)
Supplementary capital – CC	22,294,366	25,080,930	4,440,780
Hybrid capital and debt instruments, authorized according to CMN Decision No. 3444/2007	22,294,366	25,080,930	4,440,780
Level II	11,722,605	11,922,079	29,605,200
Subordinated debt instruments, authorized according to CMN Decisions No. 3444/2007 and 4192/2013	11,722,605	11,922,079	12,541,167
Revaluation reserves	-	-	413,750
Hybrid capital and debt instruments, authorized according to CMN Decision No. 3444/2007	-	-	16,616,624
Adjustments to market value	-	-	33,659
Deductions from PR	-	-	(1,037,078)
Shares issued by financial institutions	-	-	(1,035,938)
Interest in financial institution abroad	-	-	(1,140)
Risk-weighted assets (RWA)	514,119,087	472,075,444	395,721,502
Credit risk - RWA_{CPAD}	491,776,859	450,874,561	375,372,472
Market risk – negotiation portfolio - RWA_{MPAD}	1,966,187	1,447,893	1,160,167
Interest rate – RWA_{JUR}	1,631,057	1,447,893	1,160,167
Commodities – RWA_{COM}	-	-	-
Shares – RWA_{ACS}	-	-	-
Foreign exchange – RWA_{CAM}	335,130	-	-
Operating risk - RWA_{OPAD}	20,376,041	19,752,990	19,188,863
Minimum Required Reference Equity ($RWA \cdot 0.11$) - PRMR	56,553,100	51,928,299	43,529,365
Market risk – non-negotiation portfolio- R_{BAN}	4,176,822	3,923,466	2,966,163
Capital margin (PR - PRMR - R_{BAN})	7,473,645	15,589,228	11,677,794
Principal capital rate (CP / RWA)	6.65%	7.30%	6.36%
Capital rate – Level I (Level I / RWA)	10.99%	12.61%	7.48%
Basel rate (PR / RWA)	13.27%	15.13%	14.70%

(1) Basel III Rules, effective as from October 2013. Reference equity amounts and minimum capital requirements computed according to CMN Decisions No. 4192/2013 and No. 4193/2013, respectively, and other related rules.

(2) Basel II rules, effective until September 2013. Reference equity values, and minimum capital requirements determined according to CMN Decisions No. 3444/2007 and 3490/2007, respectively, and other related rules.

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Credit Risk

Credit risk is defined as the possibility of incurring losses because a borrower or counterparty fails to perform its financial obligations in accordance with the terms and conditions of the agreement entered into with CAIXA, as well as losses arising from the impairment of loan agreements as a result of the deterioration in the borrower's risk rating, decrease in gains or remuneration, advantages granted upon renegotiation and recovery costs.

Credit risk is controlled and monitored through the identification, measurement, assessment and follow-up of delay and exposure indicators, credit limit by borrower, transaction, segment, geographic region and economic activity sector; incurred, expected and unexpected losses; provisions; transaction ratings; regulatory and economic capital requirements; alternatives proposed to mitigate credit risk and reporting to product and service managers and CAIXA's decision-making levels.

Credit exposures of CAIXA are assessed based on consistent and verifiable criteria which are capable of measuring and classifying the risks involved in each transaction.

All credit exposures of CAIXA are assessed based on consistent and verifiable criteria which are capable of measuring and classifying the risks involved in each transaction. Furthermore, new transactions are evaluated based on Credit Scoring - CS models or analyses performed by experts, depending on the characteristics of the borrower and transaction. Transactions in the portfolio are periodically reviewed; retail transactions make use of Behavioral Scoring - BS models, and rating re-evaluation is used for the other exposures.

As part of the ongoing improvement of the process for controlling and monitoring credit risk, CAIXA annually reviews its models, policies, strategies, exposures or extrapolation limits for purposes of reporting and approval by the Executive Board and Board of Directors. The purpose of the periodic reviews of policies, strategies, practices, processes, models and systems is to ensure compliance with the best market practices and the requirements of the New Capital Accord and regulatory authorities.

All processes and models adopted are previously evaluated and approved by an internal and independent unit for the monitoring and validation of models, whose predictive ability is constantly monitored.

Market Risk

Market risk consists of the possibility of losses arising from changes in the market values of the positions held by the Institution, including transactions subject to foreign exchange variation and fluctuations in interest rates and prices of shares and commodities.

CAIXA's risk area maintains a market risk management structure which is compatible with the nature and complexity of financial instruments, products, transactions and the extent of the exposure to this risk.

CAIXA's risk area maintains activities of market risk management are separated from business and audit activities, with independent structures for the development and monitoring of models, in order to avoid conflicts of interest and to safeguard the impartiality of the work performed.

The Market Risk Management Policy, which is approved by the Board of Directors, establishes a set of principles and guidelines that govern the measurement, control, monitoring and mitigation of the exposures to market risk, with a view to minimizing the impacts of unexpected and undesirable events on CAIXA's ability to generate profits and fulfill its strategic goals.

The risks inherent to new financial instruments, products and transactions are previously identified, with an analysis of the adequacy of the procedures and controls adopted by CAIXA. The exposure limits and market risk concentration, for both the transactions included in the trading portfolio and other positions, including all significant sources of market risk, are monitored with timely reporting to decision-making levels, ensuring lower volatility in CAIXA's results of operations, alignment with the best market practices and compliance with legal requirements.

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Market Risk Measurement

Market risk measurement begins with the marking-to-market of securities, i.e., with the calculation of the trading prices of these instruments in the secondary market, based on the identification of all the positions held by CAIXA and the calculation of their cash flows, discounted at the market interest rates for each instrument. These interest rates are shown by the term structure of interest rates, which is a graphical depiction of the relationship between the interest rates of instruments of the same credit quality, but with different maturities, and whose main objective is to serve as the basis for the pricing of fixed-income instruments.

At CAIXA, this structure is estimated using information on rates or prices traded in the secondary and derivative markets, or, in the case of assets which are not traded, on an appropriate methodology.

Value at Risk – VaR

CAIXA uses the Delta Normal approach to calculate the VaR internal model, a methodology based on a covariance matrix analytical model which assumes that the returns on the portfolio are normally distributed.

Volatilities and correlations are calculated daily for a historical data period of 252 business days based on the series of the returns of the market curves of the various risk factors.

To calculate the VaR, the market risk measurement system uses a data weighting technique, the EWMA - Exponentially Weighted Moving Average, a method that applies weighting factors that decrease exponentially in accordance with the decrease parameter selected, provided that the VaR result is more conservative than that obtained through sample variance.

The accuracy of this model is daily monitored based on a compliance test program, using two methodologies which count the number of violations, a standard procedure established in the Basel Accord and Kupiec's Proportion of Failure (POF) Test. These tests verify whether unrealized gains or losses are lower than the VaR calculated for the 95%, 97.5% and 99% confidence levels.

The determination of the number of violations for the application of these methodologies is carried out by measuring unrealized losses and actual results.

Under the first methodology, violation is defined as the negative result arising from unrealized losses which exceeds the VaR projected for the day. Under the second methodology, violation is defined as the negative result arising from changes in the value of the portfolio, considering the trading activities performed during the day, which is higher than the VaR projected for the day. In both cases, the number of violations in a certain period must be consistent with the confidence interval established for the model.

Stress Testing

The Stress Testing Program, which supplements the information provided by the VaR calculation, adopts historical scenarios and dates, prospective scenarios and sensitivity analyses to reproduce historical periods and important dates, and simulate adversities based on the characteristics of the portfolio and the macroeconomic environment which represent severe conditions and gradual changes in market yield curves, respectively.

The analysis of historical scenarios uses the worst-case scenarios for interest curves which have already occurred to measure their impacts on the value of CAIXA's portfolio. Two scenarios are used to assess the impacts: the first consists of finding the worst date in the database to define the stress VaR, and the second consists of finding the worst date for each risk factor in the portfolio and adding up these results, thus considering a possible assumption breach.

The analysis of historical dates calculates the VaR based on important and known stress dates which took place from 2000 to 2003. The worst shocks observed in this period are determined and applied to the yield curves with a view to measuring the impairment in the value of the portfolio should these shocks occur again.

The analysis of prospective scenarios consists of verifying the impacts on the value of CAIXA's portfolio in the event the projected scenario takes place.

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At CAIXA, the prospective scenarios are proposed by the Vice President of Finance, who explains the assumptions and hypotheses adopted for each model variable, and are approved by the Risk Committee, so that they can be used as inputs for the risk models.

Currently, three types of prospective scenarios are used in market risk management:

- Basic scenario, considering the most likely changes in variables and macroeconomic indicators;
- High-stress scenario, weighting possible internal and external adversities which lead to an increase in the interest rate above that considered in the basic scenario; and
- Low-stress scenario, considering alternative events which lead to a decrease in the interest rate below that considered in the basic scenario.

The sensitivity analysis, which determines the portfolio's sensitivity to possible changes in the rates of risk factors, is performed by applying percentage points to the term structure of each risk factor, in order to simulate an increase in the rates and a consequent reduction in the prices of the assets.

The results of stress tests are considered during the entire market risk management process, also to establish or review policies and limits on risk exposure.

Trading portfolio

CAIXA's trading portfolio comprises all transactions involving securities, financial instruments, and commodities, including derivatives held for trading or to hedge other components of the portfolio that are not subject to trading limitations. The changes in the portfolio's value at risk, by risk factor, are as follows:

Value at Risk - Normal Scenario (1)			
Risk Factors	June 30, 2014	December 31, 2013	June 30, 2013
PRE	10,425	12,905	63,865
IPCA Coupon	1	7	87
SELIC Coupon	-	-	8
TR Coupon	1	1	10
VaR without ED	10,427	12,913	63,970

(1) All amounts considering the portfolio diversification effect.

Operations not classified in the trading portfolio

These refer to securities classified in categories II - available-for-sale and III - held-to-maturity, the loan operations of the commercial, housing, sanitation, and infrastructure portfolios and the funding and deposit liability operations.

With a view to ensuring that the Reference Equity (PR) is sufficient to cover the market risks taken by CAIXA, the risk area measures and assesses the interest rate risk of these operations, considering their nature, the complexity of the products and the extent of the exposure to this risk.

The estimation of PR compatible with market risk of operations not classified in the trading portfolio and subject to interest rate variations is performed by means of the Economic Value of Equity (EVE) methodology, in line with the criteria established by BACEN Circular no. 3365/07 and the principles of the Basel Accord.

The monitoring of the levels of exposure of these operations to interest rate risk and the compliance with the limits established are reported to Senior Management on a monthly basis.

Currently, CAIXA maintains exposures in foreign currency and in assets subject to the foreign exchange variation (PCAM), hedged through hedge transactions with futures contracts and swap transactions, which result in an exposure below 2% of the Reference Equity. Consequently, PCAM is equal to zero, pursuant to BACEN Circular 3,608/2012.

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Financial instruments – Market Value

Description	Book Value			Marked-To-Market Value			Amounts payable or receivable		
	06/30/2014	12/31/2013	06/30/2013	06/30/2014	12/31/2013	06/30/2013	06/30/2014	12/31/2013	06/30/2013
Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value– ASSET									
Investments in interbank deposits	6,815,947	7,671,673	4,923,723	6,815,587	7,671,035	4,922,701	(360)	(638)	(1,022)
Investments in repurchase agreements	78,459,281	37,232,669	86,062,522	78,459,281	37,229,588	86,041,611	-	(3,081)	(20,911)
Securities and Financial Instruments	165,894,833	162,406,138	155,191,579	166,302,849	161,826,343	157,512,903	408,016	(579,795)	2,321,324
Trading securities	103,235,984	98,741,794	99,198,284	103,235,984	98,741,794	99,198,284	-	-	-
Available-for-sale securities	15,957,972	16,939,498	15,580,179	15,957,972	16,939,498	15,580,179	-	-	-
Held-to-maturity securities	46,700,877	46,724,846	40,413,116	47,108,893	46,145,051	42,734,440	408,016	(579,795)	2,321,324
Loan operations, leases and other receivables	544,587,248	488,024,608	431,298,315	530,337,613	475,469,738	426,742,686	(14,249,635)	(12,554,870)	(4,555,629)
Commercial	187,133,079	172,045,384	154,090,836	201,274,344	177,940,009	162,184,448	14,141,265	5,894,625	8,093,612
Housing	303,547,993	270,392,302	238,521,798	285,189,209	259,412,788	230,262,437	(18,358,784)	(10,979,514)	(8,259,361)
Infrastructure/Development	45,982,514	36,837,628	30,004,213	35,950,398	29,367,647	25,614,333	(10,032,116)	(7,469,981)	(4,389,880)
Other receivables	7,923,662	8,749,294	8,681,468	7,923,662	8,749,294	8,681,468	-	-	-
Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value – LIABILITY									
Funding Transactions	193,819,396	153,295,906	137,213,271	199,097,963	155,484,450	135,806,540	5,278,567	2,188,544	(1,406,731)
CDB/RDB	82,781,229	69,472,911	72,293,522	82,980,643	68,403,221	71,418,306	199,414	(1,069,690)	(875,216)
LCI LH	102,121,778	77,490,821	61,581,235	106,454,037	80,521,427	61,163,736	4,332,259	3,030,606	(417,499)
Securities Obligations Abroad	8,916,389	6,332,174	3,338,514	9,663,283	6,559,802	3,224,498	746,894	227,628	(114,016)
Funds obtained from repurchase agreements	145,922,774	116,574,390	136,321,463	147,023,300	116,570,767	136,871,746	1,100,526	(3,623)	550,283
Local borrowings and onlendings and Other	154,020,030	141,593,461	124,557,991	115,366,304	113,389,821	109,064,425	(38,653,726)	(28,203,640)	(15,493,566)
Abroad	3,476,597	3,231,933	1,239,121	3,472,652	3,227,204	853,027	(3,945)	(4,729)	(386,094)
Treasury	38,772	36,868	35,598	40,231	38,427	36,840	1,459	1,559	1,242
Employee Severance Indemnity Fund - FGTS	144,834,457	132,732,425	118,193,561	104,075,425	102,947,269	102,075,924	(40,759,032)	(29,785,156)	(16,117,637)
BNDES	4,595,361	4,404,660	3,778,200	6,814,265	6,107,360	4,901,727	2,218,904	1,702,700	1,123,527
Deposits without yield	1,074,843	1,187,575	1,311,511	963,731	1,069,561	1,196,907	(111,112)	(118,014)	(114,604)
Hybrid capital and debt instruments	40,777,493	48,518,594	37,271,840	37,274,461	36,496,451	27,487,092	(3,503,032)	(12,022,143)	(9,784,748)

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Determination of the marked-to-market value of financial instruments

The prices of the financial instruments in the securities portfolio are determined based on rates or prices adopted in daily transactions, provided that a minimum number of business transactions has been reached on the calculation date.

The market price of shares listed on stock exchanges corresponds to the closing price of the day and the market price of standardized derivatives at the adjustment price of the day.

Trading prices of fixed-income instruments are calculated through the assessment of discounted cash flows at the market interest rates of each instrument.

These interest rates are established by the estimated term structure of interest rates based on information on rates and prices adopted in the secondary market, or, in the case of assets which are not traded, on an appropriate methodology, using the following assumptions in this exact order

- a) Use of prices and reference rates calculated and disclosed by ANBIMA.
- b) Construction of the term structure by adding the spread between an interest rate curve of government securities and one of BM&F with similar characteristics, or the curve of a similar asset which has liquidity in the secondary market, to the charge or surcharge of the security.

The marking-to-market of the other transactions not classified in the trading portfolio and subject to interest rate risk is based on the construction of the cash flows of assets and liabilities and of the term structures of market interest rates.

The cash flows are constructed based on the characteristics of the operations, using statistical models for those without a defined maturity. These cash flows are discounted by the term structures estimated based on available information on rates and trading market prices of the financial instruments available, such as futures contracts, public securities or swap transactions.

Sensitivity analysis of the significant positions - CVM Instruction no. 475

The sensitivity analysis enables the verification of the impact of interest rate changes on the prices of assets and liabilities by risk factor. These hypothetical studies become a market risk management tool, allowing the definition of mitigation measures in the event such scenarios take place, since the exposures are monitored on a daily basis, and adverse changes in the market result in prompt actions by the units involved in the process with a view to minimizing any possible losses.

In compliance with CVM Instruction 475, of December 17, 2008, the sensitivity analyses for each type of market risk deemed significant by Senior Management, to which CAIXA was exposed at June 30, 2013, included all the relevant transactions with financial instruments and considered the most significant losses in each of the following scenarios:

- Scenario I:** Probable scenario which considers the most likely trend for the variables and macroeconomic indicators;
- Scenario II:** Possible scenario which considers a +25% or -25% parallel shock in scenario I in the risk variables at the balance sheet date;
- Scenario III:** Second possible scenario which considers a +50% or -50% parallel shock in scenario I in the risk variables at the balance sheet date, which are deemed the worst possible losses.

The Financial Instruments results at 06/31/2014 are summarized in the following table:

Sensitivity analysis of significant positions - CVM Instruction No. 475				
Description	Risk	Probable scenario	25% shift	50% shift
Fixed rate	Increase in interest rate	(187,757)	(4,528,315)	(8,696,598)
Price index	Increase in price index coupons	(12,160)	(309,869)	(622,183)
TR/TBF/TJLP	Increase in TR coupon	(552,785)	(12,618,903)	(23,119,435)
Foreign exchange variation	Decrease in exchange rates	(489)	(12,381)	(25,103)

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Liquidity Risk

Liquidity risk is defined as:

I - the possibility that CAIXA will be unable to efficiently fulfill its expected and unexpected, current and future, commitments, including those arising from offered guarantees, without affecting its daily operations or incurring significant losses; and

II - the possibility that CAIXA will be unable to sell a position at market price, due to its large size in relation to the volume usually traded, or on account of some market discontinuity.

The rules for managing liquidity risks, involving practices, processes, procedures, models and reports, have been established by the Risk Committee and aim at maintaining the risk exposure at acceptable levels and avoiding mismatches between assets and liabilities which may affect CAIXA's ability to meet its payment obligations.

Liquidity risk is managed by using internal models for projecting the financial flows of CAIXA's products, services and transactions under normal and stress circumstances.

In order to deal with stress situations, a Liquidity Contingency Plan has been established to identify in advance and increase CAIXA's ability to handle internal or external liquidity crises, minimizing their potential effects on the continuity of CAIXA's businesses, its ability to generate profits and reputation. This Plan describes the parameters used to identify crises, the responsibilities of the units and levels involved in the carrying out of the plan, and the procedures to be followed to ensure an acceptable situation for CAIXA, or restore the liquidity level it had prior to the onset of the crisis.

The measurement and monitoring of the levels of exposure to liquidity risk are reported to the Vice-Presidents of Control, Risk and Finance on a daily basis; to the Risk Committee on a monthly basis; and to the Board of Directors on a half-yearly basis.

Operational Risk

Operating risk refers to the risk of losses resulting from internal processes, persons, inadequate systems or system failures and external events. This definition includes legal risk, but does not cover strategic and reputation risks.

The perfect cycle for Operating Risk Management and Management of Information on Operating Risks is made up of identification, assessment, measurement, mitigation, and control stages.

CAIXA's Operating Risk Management is supported by a structure that follows three basic assumptions:

- Proper management environment of operational risk, made up by the senior management sponsorship, a set of policies and rules and an audit process;
- Management process of operational risk, made up by the different phases: Identification, Evaluation, Control/Mitigation, Monitoring and Report. All these phases are connected so that the analysis flow has a well-defined beginning, middle and end; and
- Disclosure of information on operational risk, defined according to the goal and targeted audience.

At CAIXA, Operating Risk is realized through two analyses: a preventive and a reactive analysis. The preventive analysis seeks variables and indicators that may reveal probable occurrences so that actions can be taken before these events take place. The reactive analysis seeks to study the behavior of losses with a view to identifying their possible causes. In both cases, the assessment seeks to provide instruments and sufficient information for the risk to be controlled/mitigated, monitored and reported. The various managing units of CAIXA are the greatest sources of information for the Identification and Assessment of Operating Risk.

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Calculation Methodology Adopted by CAIXA

According to criteria in BACEN Circular No. 3640/2013, a tool has been developed to perform calculations integrating three approaches provided for:

- Basic Indicator Approach (BIA);
- Alternative Standardized Approach (ASA); and
- Simplified Alternative Standardized Approach (ASA2).

The Alternative Standardized Approach (ASA), methodology used by CAIXA, follows the procedures defined in the above-mentioned BACEN to calculate the installment of weighted assets related to the calculation of capital requirement for Operating Risk.

Internal Models

The internal model for the assessment and allocation of capital to Operating Risk is governed by BACEN Circular no. 4193/13, 3647/13 and 3647/13. CAIXA is developing its own internal model based on the assumptions provided for in this Circular and other articles and documents known by the market. The internal model seeks to explain the allocation of capital as part of a large and strong management process based on best practices.

The internal model requires, at least, the use and integration of four elements:

- Internal data of operational loss – The databases of occurrences of internal operational losses must include information from operational areas in line with accounting information.
- External database of operational loss – This database helps to quantify operational risk events which have occurred in other financial institutions, as well as to quantify events which seldom occur at CAIXA.
- Factors related to business environment and internal controls – These factors reflect the internal controls and the business and operating environments to which CAIXA is exposed, and which will act as mitigation factors to the exposure of operational risk.
- Analysis of scenarios – opinions of specialists and managers that allow the depiction of changes in the internal and external business environment, including situations that are not covered by internal data, since it enables the consideration of the impacts of extreme events on CAIXA's operations.

Monitoring, Operating Control and Mitigation

The interconnection between identification and assessment activities and mitigation, monitoring and control activities makes it possible for the Operating Risk Management area to take a proactive and preventive approach, enabling the delivery of ready and timely solutions.

Monitoring actions are given special attention, since they give continuity to the management cycle and show the effectiveness of this management through CAIXA's solidity and sustainability indicators.

The losses arising from operational risk events are monitored and reported with a view to improving the decision-making process related to the mitigation actions. Moreover, information on the indicators of CAIXA's exposure to the occurrence of operational risk events is regularly monitored.

The effective operational risk management cycle ends with the mitigation and control of operational risk events, seeking to provide CAIXA with solidity and sustainability.

The operational control of products and services to be launched is carried out using a specific tool which consolidates opinions from various areas, making contributions that range from the presentation of projects to the assessment of the behavior of products and services in relation to projected risk levels.

The actions taken to mitigate operational risks are recorded in a corporate system to improve the monitoring of preventive or corrective measures and risk management, so that failures, if any, are not repeated or have reduced financial consequences.

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Business Continuity Management

Business continuity management is an essential part of operational risk management and has been a focus of CAIXA, through its Business Continuity Program (PCN CAIXA), to be implemented whenever there is an interruption in services and activities, as a key factor for the success of any initiative for the preservation or restoration of CAIXA's ability to do business.

Information Security is another key element in the operational risk management process, involving all CAIXA's areas in the construction and consolidation of models, procedures, structures, tools and a corporate culture that lead to a management whose main focus is the protection of CAIXA's assets and information.

Crisis Management

This is a process of managing crisis situations, where urgent and coordinated decision-making is required, through the allocation of human and material resources to mitigate possible adverse financial, operational, and reputational impacts on CAIXA.

The adoption of these actions plays an important role in the definition of strategies for the preservation of the physical integrity of CAIXA's employees and customers, as well as the protection of its assets.

In a crisis situation, before actions are taken, the Management Group provides guidance for the areas involved, with the objective of choosing the best alternative to mitigate the adverse impacts

Choose the best mitigating alternative so as to minimize negative impacts.

Transparency and Disclosure

Transparency and disclosure of information on CAIXA's operational risk management are indispensable factors for market players to be able to assess the quality of this management.

There is a structured process of internal communication and disclosure to the market to make transparency a regular routine and demonstrate CAIXA's commitment to the consistency of the data, banking environment, and to the Brazilian society.

In order to internally disseminate the operational risk management culture, the Bank is offering two courses, basic and advanced, at University CAIXA, which can be accessed on the Bank's Intranet. Accordingly, the Bank made available regulatory manuals related to Operational Risk Policy and procedures associated with this risk management cycle.

The report on CAIXA's operational risk management structure is available at: <http://www.caixa.gov.br> , under the "About Caixa" menu.

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Note 34 – Other information
(a) Conversion with the International Financial Reporting Standards (IFRS)

In order to converge the accounting practices adopted in Brazil (BRGAAP) with the International Financial Reporting Standards (IFRS), Brazilian Monetary Council (CMN) approved the following accounting pronouncements issued by the Brazilian FASB (CPC):

- CMN Decision No. 3566/2008: **CPC 01** Impairment of Assets;
- CMN Decision No. 3604/08: **CPC 03** Statement of Cash Flows;
- CMN Resolution No. 3750/2009: **CPC 05** Related-Party Disclosures;
- CMN Decision No. 3823/2009: **CPC 25** Provisions, Contingent Liabilities and Contingent Assets;
- CMN Decision No. 3973/2011: **CPC 24** Subsequent Event; and
- CMN Decision No. 3989/2011: **CPC 10** Share-Based Payment;
- CMN Decision No. 4007/2011: **CPC 23** Accounting Policies, Changes in Estimates, and Correction of Errors;
- CMN Decision No. 4144/2012: **CPC 00** Basic Conceptual Pronouncement;

CPC pronouncements No. 00, 01, 03, 05, 23, 24, and 25 were already adopted during the preparation of these financial statements, as well as other pronouncements approved by the Brazilian National Association of State Boards of Accountancy (CFC) which are not different from the standards issued by the regulatory body.

(b) Net assets of the social funds and programs managed by CAIXA:

Net assets of social funds and programs			
Description	June 30, 2014 (1)	December 31, 2013 (2)	June 30, 2013 (3)
PIS	28,761,529	28,415,317	29,958,561
FGTS	69,536,089	62,978,979	58,834,266
FAR	24,966,191	18,316,041	15,644,305
FDS	1,124,003	1,190,819	1,155,142
FAS	27,962	24,495	24,514
FGS	128,228	137,246	141,683
FGHAB	1,585,032	1,364,939	1,426,782
CCA	53,821	45,725	38,349
CCAM	24	21	19
FGCN	3,717,930	3,941,813	3,409,844
FCE	7	98	93
Total	129,900,816	116,415,493	110,633,558
FCVS	(93,193,761)	(90,620,246)	(88,917,718)

(1) Position in May, 2014

(2) Position in November, 2013

(3) Position in May 2013

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(c) Guarantees provided to third parties

These guarantees amount to R\$ 69,554 (12/31/2013 - R\$ 69,554 and 06/31/2013 – R\$69,554) and refer to properties and securities pledged as collateral offered to third parties in connection with lawsuits filed against CAIXA

(d) FGTS

The credit risk from transactions contracted as from June 1, 2001 falls on CAIXA, which is the Operator, while the Federal Government is subject to risk arising from investments made to such date, as established in article 9 of Law No. 8036/1990, amended by article 12 of Provisional Executive Order No. 2196-3/2001. Based on CAIXA's risk management structure, no provisions are required to be set up to cover such credit risk.

(e) FIES

The credit risk of operations contracted as of June 12, 2001 lies with CAIXA in its capacity of Financing Agent and joint debtor, up to the limit of 25%, as established in article 5 of Law 10,260/2001. amended by Law 11.552/2007. The result of the assessment of this credit risk is recognized by CAIXA as a provision under "Sundry liabilities" in the amount of R\$ 183,973 (12/31/2013 – R\$ 167.717 e 06/31/2013 - R\$ 163,932).

(f) Law No. 12973/14

Law No. 12973/14 was published on May 13, 2014, object of conversion of Provisional Executive Order No. 627 of 2013, establishing, among other provisions:

- Amendment to federal law on IRPJ, CSLL, PIS/PASEP and COFINS, adjusting it to accounting standards based on international accounting standards, determining adjustments to calculate the referred to taxes;
- Repeal of the Transition Tax Regime;
- Taxation on legal entity domiciled in Brazil, regarding equity increase arising from participation in profits accrued abroad by subsidiaries and affiliates.

Considering the current provisions, we understand that the related impacts are not significant.

Note 35 – Subsequent events**(a) Capitalization in Banco PAN**

By means of its wholly-owned subsidiary CAIXAPAR, CAIXA subscribed 118,857,496 common shares and 45,452,854 preferred shares, both types at a face value of R\$ 3.38 per share, during the rights offering period for subscription of shares relating to the capital increase approved in the Board Meeting of Banco PAN held on June 13, 2014, ending on July 17, 2014.

On August 7, 2014, CAIXAPAR subscribed an additional 12,476,784 shares not subscribed by other shareholders, for the same exercise price from the previous step, during the exercise of subscription period of leftover shares, pursuant to the Notice to Shareholders published by Banco PAN on July 25, 2014.

The amount subscribed was R\$ 597,540,512.92, allowing CAIXAPAR to keep its 49% interest in the Company's voting capital and the following equity breakdown: 262,164,546 commons shares and 112,732,358 preferred shares.

Due to Banco PAN subscription transaction, CAIXA management authorized the contribution of R\$ 600 million to subsidiary CAIXAPAR, which was completed on July 14, 2014.

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(b) Issuance of subordinated debt in the international capital market

CAIXA successfully completed a transaction in the international market on July 16, 2014 raising the amount of US\$ 500 million, through the issuance of subordinated bonds eligible for Tier II Capital under Basel III. The securities issued have 10-year term, are eligible for call in the 5th year, and have a 7.25% rate of return per annum.

This transaction represents the first issuance of Tier II Capital under Basel III in Brazil, being the fifth transaction performed by CAIXA in the international capital market. The bonds' new features include the coupon rate reset after the 5th year and the "loss absorption" clause with potential write off of principal and interest. In other words, the bonds may be written off permanently for an amount at least equal to the amount accounted for as Tier II Capital in the following cases: (i) Common Equity Tier I less than 4.5%, (ii) execution of a commitment to contribute emergency capital to the Issuer, (iii) determination of non-viability by the Brazilian Central Bank.

After five years, if the bonds are not called, the coupon will be reviewed (reset) and will pay a 555 basis points spread plus five-year Treasury rate of return at that point. If the American Treasury bond rate rises more than expected, CAIXA will have the option to call the bonds.

The bonds were allocated not only in the USA (38%) and Europe (32%), but also in Asia (19%) and Latin America (11%). Given that CAIXA has its brand name widely known by retail and private bank investors alike, retail investors were allocated to a 26% share, with institutional investors also having strong participation: Asset Managers (36%), hedge funds (13%). Bank Treasury (21%) were also major investors in this transaction.

(c) Debt instruments eligible for Common Equity Tier I

On July 24, 2014, CAIXA was authorized by BACEN to include in its Common Equity Tier I (Note 33 - Table "Regulatory Capital Requirement") Debt and Equity Hybrid Instrument Contracts No. 348, No. 504, No. 752 and No. 754, amended with clauses complying with Basel III (Note 18 (d.2)).

BACEN authorization will allow CAIXA to reclassify its Additional Capital contracts to Common Equity Tier I. As a result of this change, CAIXA capital ratios will be favorably impacted to reflect a more robust capital structure.

This will not only improve the quality of equity, with the higher share of Common Equity Tier I in total capital (now representing some 84% of total capital), but also increase capital ratios, since the limited recognition of the amount of such instruments as equity (Article 28 of CMN Resolution No. 4192) will no longer apply.

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Jorge Fontes Hereda
President

Alexsandra Camelo Braga
Vice-President

Joaquim Lima de Oliveira
Vice-President

José Henrique Marques da Cruz
Vice-President

Márcio Percival Alves Pinto
Vice-President

Roberto Derzie de Santanna
Vice-President

Marcos Brasileiro Rosa
National Chief Executive Officer
Accountant CRC 022351/O-1-DF

Fábio Lenza
Vice-President

Jose Carlos Medaglia Filho
Vice-President

José Urbano Duarte
Vice-President

Paulo Roberto dos Santos
Vice-President

Sérgio Pinheiro Rodrigues
Vice-President