



# Financial Statements

December 31, 2015



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## **Independent Auditor's Report**

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

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### **Independent auditor's report on consolidated financial statements**

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

We have audited the accompanying consolidated financial statements of Caixa Econômica Federal – CAIXA and its subsidiaries (“CAIXA” or “Institution”), which comprise the balance sheet as at December 31, 2015, and the related consolidated statements of income, of changes in equity and of cash flows for the year 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

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

## Independent Auditor's Report

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Caixa Econômica Federal - CAIXA and its subsidiaries as at December 31, 2015, and its consolidated financial performance and consolidated cash flows for the year 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 consolidated financial statements, which describes that at December 31, 2015 CAIXA has receivables from the Salary Variation Compensation Fund (FCVS), in the net amount of R\$ 26,070 million. Housing loans closed with FCVS coverage, not yet approved, amount to R\$ 11,393 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\$ 2,798 million. Realization of receivables from housing loans already approved by FCVS, of R\$ 17,475 million at December 31, 2015, follows a securitization process (issue of securities by the Federal Government), as provided for by Law 10,150 of 2000. Our opinion is not qualified in respect of this matter.

#### *Tax credits*

We draw attention to Note 20 (d) to the consolidated financial statements, which describes that at December 31, 2015 CAIXA had R\$ 36,914 million of tax credits 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\$ 1,011 million. The net amount of R\$ 35,903 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 qualified in respect of this matter.

#### *Tax credits recorded in jointly-controlled subsidiary*

At December 31, 2015, the jointly-controlled subsidiary Banco PAN S.A. valued under the equity accounting method records income tax and social contribution credits totaling R\$ 3,061 million, substantially recognized based on study conducted in December 31, 2015 of the current and future scenarios. The major assumptions used in such study were macroeconomic indicators, production and funding costs indicators. Realization of such tax credits depends on materialization of such projections and of the business plan, as approved by the management bodies of Banco PAN S.A. Our opinion is not qualified in respect of this matter.

## **Independent Auditor's Report**

### *Risks related to non-compliance with laws and regulations*

As mentioned in Note 2(d), due to news broadcasted in the media, as from April 10, 2015, in relation to the alleged involvement of CAIXA's service suppliers in the 11<sup>th</sup> investigation phase conducted by federal public authorities in the operation known as the "A Origem", CAIXA management adopted investigation actions in order to identify possible non-compliances with laws and regulations by its employees and management related thereto. Such actions have already been concluded, including the internal investigation process. However, since the operation "A Origem" is still ongoing, it is not possible to predict future developments arising from the investigation process conducted by public authorities or its possible effects on CAIXA's consolidated interim financial statements. Our opinion is not qualified in respect of this matter.

### *Restatement of corresponding figures*

We draw attention to Note 3(t) to the consolidated financial statements, which describes that, as a result of the changes in the accounting practices adopted by CAIXA, the figures corresponding to the year then ended December 31, 2014, presented for comparison purposes, were adjusted and restated as established in NBC TG 23, or CPC 23, (Accounting Policies, Changes in Accounting Estimates and Errors). Our opinion is not qualified in respect of this matter.

## **Other matters**

### *Consolidated statements of value added*

We have also reviewed the statements of value added (SVA) for the year then ended December 31, 2015, prepared under the responsibility of CAIXA management, which is being presented voluntarily by CAIXA. These statements were submitted to the same audit procedures described above and, based on our opinion, we are not aware of any fact that causes us to believe that they were not presented fairly, in all material respects, in accordance with the overall consolidated financial statements.

### *Presentation of individual financial statements*

CAIXA prepared a set of general purpose individual and consolidated interim financial statements for the year then ended December 31, 2015, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil, on which we issued an unmodified audit opinion containing the same emphasis paragraphs described above, dated March 3, 2016.

São Paulo, March 3, 2016

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

Flávio Serpejante Peppe  
Accountant CRC-1SP172167/O-6

Renata Zanotta Calçada  
Accountant CRC-1RS062793/O-8

**Consolidated Balance Sheet**

In thousands of reais, except where otherwise stated

ASSETS	12/31/2015	12/31/2014
<b>CURRENT ASSETS</b>	<b>593,580,550</b>	<b>513,826,774</b>
<b>CASH AND BANKS (Note 4)</b>	<b>11,510,594</b>	<b>13,242,976</b>
<b>SHORT TERM INTERBANK INVESTMENTS (Note 5)</b>	<b>153,488,590</b>	<b>120,600,940</b>
Money market investments	143,111,942	114,067,123
Interbank deposits	10,376,868	6,534,954
Provisions for losses	(220)	(1,137)
<b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)</b>	<b>131,584,306</b>	<b>120,275,760</b>
Own portfolio - unrestricted	58,252,803	76,144,829
Subject to repurchase agreements	61,308,900	41,152,003
Derivative financial instruments	745,707	184,009
Linked to guarantees given	11,276,896	2,794,919
<b>INTERBANK ACCOUNTS</b>	<b>106,684,916</b>	<b>93,879,294</b>
Payments and receipts pending settlement	19,846	83,229
Restricted deposits with the Brazilian Central Bank (Note 7(a))	106,116,550	93,345,132
Correspondent banks	548,520	450,933
<b>INTERDEPARTMENTAL ACCOUNTS</b>	<b>479,552</b>	<b>561,884</b>
Third-party funds in transit	687	192
Internal transfers of funds	478,865	561,692
<b>LOAN OPERATIONS (Note 8)</b>	<b>144,504,493</b>	<b>129,249,192</b>
Public sector	8,772,424	4,518,988
Private sector	155,052,519	138,256,038
Loan operations linked to assignment	764,730	748,074
Provision for loan transactions	(20,085,180)	(14,273,908)
<b>OTHER RECEIVABLES (Note 9)</b>	<b>42,751,379</b>	<b>34,458,544</b>
Receivables from guarantees honored	30,749	29,185
Foreign exchange portfolio	5,473,711	2,506,525
Income receivable	2,833,916	2,971,952
Negotiation and intermediation of securities	48,313	2,766
Specific receivables	836,716	765,593
Sundry	33,912,228	28,440,582
Provision for losses	(384,254)	(258,059)
<b>OTHER ASSETS (Note 10)</b>	<b>2,576,720</b>	<b>1,558,184</b>
Other assets	2,689,411	1,602,632
Provision for losses	(133,958)	(90,591)
Prepaid expenses	21,267	46,143
<b>NON-CURRENT ASSETS</b>	<b>609,700,290</b>	<b>550,856,630</b>
<b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Note 6)</b>	<b>50,393,554</b>	<b>47,716,797</b>
Own portfolio - unrestricted	10,151,228	8,062,680
Subject to repurchase agreements	36,843,514	36,289,543
Derivative financial instruments	3,395,414	721,629
Linked to the Central Bank of Brazil	820	1,046
Linked to guarantees given	2,578	2,641,899
<b>INTERBANK ACCOUNTS</b>	<b>26,162,028</b>	<b>25,145,776</b>
National Housing System (SFH) (Note 7(b))	26,162,028	25,145,776
<b>LOAN OPERATIONS (Note 8)</b>	<b>489,367,963</b>	<b>441,339,273</b>
Public sector	44,216,680	43,451,441
Private sector	453,946,351	405,528,944
Loan operations linked to assignment	4,596,632	4,605,327
Allowance for loan losses	(13,391,700)	(12,246,439)
<b>OTHER RECEIVABLES (Note 9))</b>	<b>31,774,297</b>	<b>25,565,848</b>
Sundry	31,794,014	25,594,041
Provision for losses	(19,717)	(28,193)
<b>PERMANENT</b>	<b>12,002,448</b>	<b>11,088,936</b>
<b>INVESTMENTS (Note 11)</b>	<b>4,890,146</b>	<b>4,188,450</b>
Investments in subsidiary and associated companies:	4,544,514	3,878,686
- In Brazil	4,544,276	3,878,067
- Abroad	238	619
Other investments	701,529	499,753
Provision for losses	(355,897)	(189,989)
<b>PROPERTY AND EQUIPMENT (Note 12)</b>	<b>3,864,762</b>	<b>3,754,040</b>
Properties in use	1,590,668	1,258,361
Revaluations of properties in use	715,978	739,998
Other property and equipment in use	7,295,520	6,709,767
Accumulated depreciation	(5,737,404)	(4,954,086)
<b>INTANGIBLE ASSETS (Note 13)</b>	<b>3,247,540</b>	<b>3,146,446</b>
Intangible assets	4,650,554	4,262,780
Accumulated amortization	(1,403,014)	(1,116,334)
<b>TOTAL</b>	<b>1,203,280,840</b>	<b>1,064,683,404</b>

The accompanying notes are an integral part of these financial statements

**Consolidated Balance Sheet**

In thousands of reais, except where otherwise stated

LIABILITIES AND EQUITY	12/31/2015	12/31/2014
<b>CURRENT LIABILITIES</b>	<b>715,340,420</b>	<b>621,007,710</b>
<b>DEPOSITS (Note 14)</b>	<b>367,127,623</b>	<b>341,467,033</b>
Demand deposits	27,414,590	27,013,964
Savings deposits	241,362,624	236,836,068
Interbank deposits	2,053,259	3,223,817
Time deposits	81,757,139	65,916,798
Special deposits and deposits of funds and programs	14,540,011	8,476,386
<b>DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)</b>	<b>186,597,458</b>	<b>165,935,128</b>
Own portfolio	87,121,336	69,854,249
Third-party portfolio	99,476,122	96,080,879
<b>FUNDS FROM ACCEPTANCES AND ISSUE OF SECURITIES (Note 16)</b>	<b>91,697,612</b>	<b>45,743,859</b>
Funds from housing bonds , mortgage notes, credit bills and Other	91,498,789	45,743,859
Securities issued abroad	198,823	
<b>INTERBANK ACCOUNTS</b>	<b>378,120</b>	<b>335,101</b>
Receipts and payments pending settlement	360,696	319,759
Correspondent banks	17,424	15,342
<b>INTERDEPARTMENTAL ACCOUNTS</b>	<b>1,598,196</b>	<b>1,533,644</b>
Third-party funds in transit	1,597,614	1,501,545
Internal transfers of funds	582	32,099
<b>BORROWINGS (Note 17)</b>	<b>7,435,182</b>	<b>4,918,919</b>
Foreign borrowings	7,435,182	4,918,919
<b>LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)</b>	<b>1,348,518</b>	<b>2,090,507</b>
Federal Treasury - Social Integration Program (PIS)	310,418	195,885
National Bank for Economic and Social Development (BNDES)	872,763	334,821
Government Severance Indemnity Fund for Employees (FGTS)	163,305	1,486,099
Other	2,032	73,702
<b>DERIVATIVE FINANCIAL INSTRUMENTS (Note 6 (g))</b>	<b>157,782</b>	<b>53,718</b>
Derivative financial instruments	157,782	53,718
<b>OTHER LIABILITIES (Note 18)</b>	<b>58,999,929</b>	<b>58,929,801</b>
Collection and payment of taxes and social contributions	353,726	342,884
Foreign exchange portfolio	104,235	342,662
Social and statutory obligations	2,933,544	1,874,197
Tax and social security obligations	3,105,411	2,044,388
Negotiation and intermediation of securities	3,073	70,597
Funds for specific purposes:	12,222,859	10,107,859
- Lottery operations	1,407,542	1,483,765
- Social funds and programs	9,305,546	8,074,813
- Financial and development funds	1,509,771	549,281
Hybrid capital and debt instruments	1,369,114	1,900,636
Debt instruments eligible to capital	875,430	851,580
Sundry	38,032,537	41,394,998
<b>NON-CURRENT LIABILITIES</b>	<b>425,236,977</b>	<b>381,584,971</b>
<b>DEPOSITS (Note 14)</b>	<b>87,534,510</b>	<b>77,578,706</b>
Interbank deposits	373,368	440,060
Time deposits	87,161,142	77,138,646
<b>DEPOSITS OBTAINED IN THE OPEN MARKET (Note 15)</b>	<b>7,663,763</b>	<b>6,834,756</b>
Own portfolio	7,663,763	6,834,756
<b>FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Note 16)</b>	<b>77,692,747</b>	<b>92,005,218</b>
Funds from housing bonds , mortgage notes, credit bills and other	62,188,626	81,227,368
Securities issued abroad	15,504,121	10,777,850
<b>BORROWINGS (Note 17)</b>	<b>6,902,375</b>	<b>531,120</b>
Foreign borrowings	6,902,375	531,120
<b>LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Note 17)</b>	<b>206,333,649</b>	<b>175,341,091</b>
Federal Treasury - Social Integration Program (PIS)	367,746	584,695
National Bank for Economic and Social Development (BNDES)	31,505,048	29,370,625
Government Severance Indemnity Fund for Employees (FGTS)	172,046,779	143,547,345
Other	2,414,076	1,838,426
<b>LIABILITIES FROM FOREIGN ONLENDINGS (Note 17)</b>	<b>59,184</b>	
Foreign onlendings	59,184	
<b>OTHER LIABILITIES (Note 18)</b>	<b>39,050,749</b>	<b>29,294,080</b>
Tax and social security obligations	127,238	144,104
Hybrid capital and debt instruments	430,152	
Subordinated debt - eligible as regulatory capital	23,243,491	19,325,625
Sundry	15,249,868	9,824,351
<b>EQUITY (Note 19)</b>	<b>62,703,443</b>	<b>62,090,723</b>
Share capital	22,054,802	22,054,802
- Capital - local residents	35,000,000	35,000,000
- Unpaid capital	(12,945,198)	(12,945,198)
Instrument eligible to capital	36,086,566	35,867,958
Capital reserves		167
Revaluation reserve	400,384	408,392
Revenue reserves	9,269,290	6,873,097
Carrying value adjustments	(5,107,599)	(3,113,693)
Retained earnings		
<b>TOTAL</b>	<b>1,203,280,840</b>	<b>1,064,683,404</b>

The accompanying notes are an integral part of these financial statements

**Consolidated Statement of Income**

In thousands of reais, except where otherwise stated

DESCRIPTION	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
<b>INCOME FROM FINANCIAL INTERMEDIATION (Note 21)</b>	<b>78,201,883</b>	<b>144,471,785</b>	<b>59,677,180</b>	<b>106,837,027</b>
Loan operations (Note 8(e))	45,841,182	86,600,379	35,919,247	66,348,709
Securities (Notes 5(a) and 6(d))	17,416,443	34,792,970	15,378,213	28,674,737
Derivative financial instruments (Note 6(j))	6,855,422	8,874,051	2,352,989	1,460,518
Foreign exchange (Note 9(c.1))	1,755,227	2,691,087	1,267,408	1,027,385
Compulsory deposits (Note 7(c))	6,294,405	11,435,117	4,693,625	8,936,308
Sales or transfers of financial assets	39,204	78,181	65,698	389,370
<b>FINANCIAL INTERMEDIATION EXPENSES (Note 22)</b>	<b>(67,428,292)</b>	<b>(123,085,119)</b>	<b>(49,599,274)</b>	<b>(85,472,550)</b>
Money market funds (Note 14(c); 15(b), 16(b) and 16(d))	(45,374,586)	(82,197,351)	(33,378,712)	(57,412,659)
Loans, assignments and onlendings (Note 17(c))	(10,681,506)	(18,415,235)	(7,146,526)	(12,374,978)
Sales or transfers of financial assets	(1,298,111)	(2,815,517)	(2,348,044)	(2,529,252)
Provision for loan losses (Note 8(i))	(10,074,089)	(19,657,016)	(6,725,992)	(13,155,661)
<b>GROSS PROFIT FROM FINANCIAL INTERMEDIATION</b>	<b>10,773,591</b>	<b>21,386,666</b>	<b>10,077,906</b>	<b>21,364,477</b>
<b>OTHER OPERATING INCOME (EXPENSES)</b>	<b>(11,053,979)</b>	<b>(20,230,840)</b>	<b>(7,185,132)</b>	<b>(14,729,599)</b>
Service revenues (Note 23 (a))	8,570,045	16,518,636	7,881,377	15,104,677
Income from banking fees (Note 23 (b))	2,216,254	4,196,309	1,754,644	3,299,643
Personnel expenses (Note 24)	(10,132,394)	(19,757,035)	(9,341,996)	(17,872,603)
Other administrative expenses (Note 25)	(5,898,544)	(11,529,003)	(5,611,445)	(10,919,588)
Taxes (Note 29)	(1,768,326)	(3,478,984)	(1,447,806)	(2,899,286)
Equity in the results of subsidiary and associated companies (Note 11)	632,343	942,991	359,236	645,456
Other operating income (Note 26)	4,140,813	9,086,594	6,293,441	11,160,211
Other operating expenses (Note 27)	(8,814,170)	(16,210,348)	(7,072,583)	(13,248,109)
<b>OPERATING PROFIT</b>	<b>(280,388)</b>	<b>1,155,826</b>	<b>2,892,774</b>	<b>6,634,878</b>
<b>NON-OPERATING EXPENSES (NOTE 28)</b>	<b>(393,315)</b>	<b>(646,019)</b>	<b>(328,760)</b>	<b>(614,650)</b>
<b>PROFIT BEFORE TAXATION AND PROFIT SHARING</b>	<b>(673,703)</b>	<b>509,807</b>	<b>2,564,014</b>	<b>6,020,228</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION (Note 20(a))</b>	<b>5,183,874</b>	<b>7,918,562</b>	<b>1,981,317</b>	<b>2,266,367</b>
Current taxes	468,637	(224,635)	(38,792)	(915,390)
Deferred tax assets	5,725,828	9,059,001	2,288,663	2,970,509
Deferred tax liabilities	(1,010,591)	(915,804)	(268,554)	211,248
<b>EMPLOYEE PROFIT SHARING</b>	<b>(837,044)</b>	<b>(1,272,015)</b>	<b>(843,013)</b>	<b>(1,194,810)</b>
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>3,673,127</b>	<b>7,156,354</b>	<b>3,702,318</b>	<b>7,091,785</b>

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

**Consolidated Statement of Changes in Equity**

In thousands of reais, except where otherwise stated

EVENTS	CAPITAL	Subordinated debt - eligible as regulatory capital	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
<b>BALANCES AT DECEMBER 31, 2013</b>	<b>22,054,802</b>	<b>8,000,000</b>	<b>167</b>	<b>392,929</b>	<b>2,005,496</b>	<b>2,896,900</b>	<b>23,069</b>		<b>35,373,363</b>
INSTRUMENT ELIGIBLE TO PRINCIPAL CAPITAL (Note 19)		27,867,958							27,867,958
CARRYING VALUE ADJUSTMENTS							(3,136,762)		(3,136,762)
REVALUATION RESERVE ADJUSTMENTS				22,410					22,410
REALIZATION OF RESERVE				(6,947)				6,947	
INCOME RESERVE – REVERSAL						(1,441,901)			(1,441,901)
PROFIT FOR THE PERIOD								7,091,785	7,091,785
APPROPRIATIONS OF PROFIT:									
Legal reserve (Income reserves)					319,830			(319,830)	
Lottery reserve (Income reserves)						704,654		(704,654)	
Operating Margin Reserve (Income Reserve)						2,388,118		(2,388,118)	
Interest on own capital proposed								(1,298,567)	(1,298,567)
Dividends proposed								(1,692,379)	(1,692,379)
Interest on Subordinated debt - eligible as regulatory capital								(695,184)	(695,184)
<b>BALANCES AT DECEMBER 31, 2014</b>	<b>22,054,802</b>	<b>35,867,958</b>	<b>167</b>	<b>408,392</b>	<b>2,325,326</b>	<b>4,547,771</b>	<b>(3,113,693)</b>		<b>62,090,723</b>
INSTRUMENT ELIGIBLE TO PRINCIPAL CAPITAL (Note 19)		218,608							218,608
CARRYING VALUE ADJUSTMENTS							(1,994,073)		(1,994,073)
RECLASSIFICATION OF EQUITY INSTRUMENTS OF INVESTEE'S			(167)				167		
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				16,847					16,847
PAYMENT OF TAXES ON REVALUATION RESERVE								(10,891)	(10,891)
REALIZATION OF RESERVE				(22,923)				22,923	
REVALUATION RESERVE REVERSAL				(1,932)					(1,932)
PAYMENT OF ADDITIONAL DIVIDENDS						(1,043,353)			(1,043,353)
PROFIT FOR THE PERIOD								7,156,354	7,156,354
APPROPRIATIONS OF PROFIT:									
Legal reserve (Income reserves)					292,083			(292,083)	
Lottery reserve (Income reserves)						622,716		(622,716)	
Operating Margin Reserve (Income Reserve)						2,524,747		(2,524,747)	
Interest on own capital proposed								(1,757,678)	(1,757,678)
Dividends proposed								(656,475)	(656,475)
Interest on Subordinated debt - eligible as regulatory capital								(1,314,687)	(1,314,687)
<b>BALANCES AT DECEMBER 31, 2015</b>	<b>22,054,802</b>	<b>36,086,566</b>		<b>400,384</b>	<b>2,617,409</b>	<b>6,651,881</b>	<b>(5,107,599)</b>		<b>62,703,443</b>

**Consolidated Statement of Changes in Equity**

In thousands of reais, except where otherwise stated

EVENTS	CAPITAL	Subordinated debt - eligible as regulatory capital	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
<b>BALANCES AT JUNE 30, 2014</b>	<b>22,054,802</b>	<b>8,000,000</b>	<b>167</b>	<b>388,622</b>	<b>2,174,969</b>	<b>1,709,115</b>	<b>(209,255)</b>	<b>2,126,099</b>	<b>36,244,519</b>
INSTRUMENT ELIGIBLE TO PRINCIPAL CAPITAL (Note 19)		27,867,958							27,867,958
CARRYING VALUE ADJUSTMENTS							(2,904,438)		(2,904,438)
REVALUATION RESERVE ADJUSTMENTS				24,399					24,399
REALIZATION OF RESERVE				(4,629)				4,629	
PROFIT FOR THE PERIOD								3,702,318	3,702,318
APPROPRIATIONS OF PROFIT:									
Legal reserve (Income reserves)					150,357			(150,357)	
Lottery reserve (Income reserves)						450,538		(450,538)	
Operating Margin Reserve (Income Reserve)						2,388,118		(2,388,118)	
Interest on own capital proposed								(644,299)	(644,299)
Dividends proposed								(1,602,992)	(1,602,992)
Interest on Subordinated debt - eligible as regulatory capital								(596,742)	(596,742)
<b>BALANCES AT DECEMBER 31, 2014</b>	<b>22,054,802</b>	<b>35,867,958</b>	<b>167</b>	<b>408,392</b>	<b>2,325,326</b>	<b>4,547,771</b>	<b>(3,113,693)</b>		<b>62,090,723</b>

EVENTS	CAPITAL	Subordinated debt - eligible as regulatory capital	CAPITAL RESERVE	REVALUATION RESERVE	REVENUE RESERVES		ADJUSTMENT TO FAIR VALUE	RETAINED EARNINGS	TOTAL
					LEGAL	STATUTORY			
<b>BALANCES AT JUNE 30, 2015</b>	<b>22,054,802</b>	<b>36,086,566</b>	<b>167</b>	<b>400,031</b>	<b>2,465,156</b>	<b>3,756,721</b>	<b>(3,839,032)</b>	<b>1,599,075</b>	<b>62,523,486</b>
INSTRUMENT ELIGIBLE TO PRINCIPAL CAPITAL (Note 19)									
CARRYING VALUE ADJUSTMENTS							(1,268,734)		(1,268,734)
RECLASSIFICATION OF EQUITY INSTRUMENTS OF INVESTEE'S			(167)				167		
TAX COLLECTION ON REALIZATION OF THE REVALUATION RESERVE				9,428					9,428
PAYMENT OF TAXES ON REVALUATION RESERVE								(5,858)	(5,858)
REALIZATION OF RESERVE				(7,143)				7,143	
REVALUATION RESERVE REVERSAL				(1,932)					(1,932)
PAYMENT OF ADDITIONAL DIVIDENDS								3,673,128	3,673,128
PROFIT FOR THE PERIOD									
APPROPRIATIONS OF PROFIT:									
Legal reserve (Income reserves)					152,253			(152,253)	
Lottery reserve (Income reserves)						370,413		(370,413)	
Operating Margin Reserve (Income Reserve)						2,524,747		(2,524,747)	
Interest on own capital proposed								(941,531)	(941,531)
Dividends proposed								(656,475)	(656,475)
Interest on Subordinated debt - eligible as regulatory capital								(628,069)	(628,069)
<b>BALANCES AT DECEMBER 31, 2015</b>	<b>22,054,802</b>	<b>36,086,566</b>		<b>400,384</b>	<b>2,617,409</b>	<b>6,651,881</b>	<b>(5,107,599)</b>		<b>62,703,443</b>

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

**Consolidated Statement of Cash Flows**

In thousands of reais, except where otherwise stated

	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>ADJUSTED PROFIT</b>	<b>11,786,282</b>	<b>23,964,209</b>	<b>10,586,913</b>	<b>22,119,530</b>
Profit for the period/year	3,673,128	7,156,354	3,702,318	7,091,785
Adjustments to profit:	8,113,154	16,807,855	6,884,595	15,027,745
Adjustments of securities and derivative financial instruments (assets/liabilities)	180,372	528,201	(117,451)	882,489
(Gain)/loss on investments	265,086	241,295	(34,239)	397,779
(Gain)/loss on sale of fixed assets		(4,193)		
(Gain)/loss on sale of fixed assets not for own use	(57,451)	(57,506)	795,096	(6,355)
Allowance for loan losses	10,074,089	19,657,016	6,725,992	13,155,661
Actuarial liabilities/assets (employee benefits)	961,582	1,700,218	419,290	838,586
Depreciation and amortization	847,499	1,650,250	751,926	1,474,152
Deferred taxes	(4,715,237)	(8,143,197)	(2,020,109)	(3,181,757)
Adjustment to provision for contingencies	1,006,640	1,843,712	394,495	879,801
Equity in the results of associates	(632,343)	(942,991)	(359,236)	(645,456)
Expenses with subordinated debt and hybrid instruments	182,917	305,629	328,831	1,232,845
Monetary adjustment expenses over additional dividends paid		29,421		
<b>CHANGES IN ASSETS AND LIABILITIES</b>	<b>26,551,537</b>	<b>23,023,518</b>	<b>8,522,228</b>	<b>41,297,539</b>
Decrease (increase) in short-term interbank investments	(3,938,070)	(5,473,859)	282,130	1,137,856
(Increase) decrease in marketable securities held for trading	1,960,452	(546,058)	787,721	(4,483,956)
(Increase) decrease in compulsory deposits with the Central Bank of Brazil	(10,348,052)	(12,771,418)	(2,340,756)	(7,156,612)
Decrease (increase) in interbank accounts (assets/liabilities)	225,773	(1,007,437)	(3,993,008)	(4,522,041)
Decrease (increase) in interdepartmental accounts (assets/liabilities)	514,186	146,884	138,710	(478,377)
Decrease (increase) in loan operations	(35,536,367)	(82,637,167)	(57,948,472)	(121,612,615)
Decrease (increase) in other receivables	(6,579,406)	(6,661,927)	(3,946,138)	1,590,515
Decrease (increase) in other assets	(553,880)	(961,030)	(1,050,877)	(496,384)
Increase (decrease) in deposits	28,774,454	35,616,394	27,740,389	58,275,985
Increase (decrease) in deposits obtained in the open market	18,077,317	21,491,337	26,936,118	56,280,255
Increase (decrease) in funds from issuance of securities	7,106,618	31,641,282	26,710,910	53,926,083
(Decrease) increase in derivative financial instruments	83,843	104,064	(241,632)	(35,453)
Increase (decrease) in borrowings and onlendings	21,648,057	39,197,271	5,287,675	21,327,525
Increase (decrease) in other liabilities	5,183,234	5,260,736	(9,204,011)	(11,006,279)
Income and social contribution taxes paid	(66,622)	(375,554)	(636,531)	(1,448,963)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>38,337,819</b>	<b>46,987,727</b>	<b>19,109,141</b>	<b>63,417,069</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>				
Acquisition and redemption of marketable securities available for sale	2,240,651	(1,037,427)	(1,894,078)	(1,676,360)
Acquisition and redemption of marketable securities held to maturity	(16,688,939)	(14,924,092)	(2,587,237)	(2,563,267)
Acquisition of investments			(600,000)	(600,000)
Sale of property and equipment in use	11,010	25,076	7,356	6,432
Acquisition of property and equipment in use	(491,595)	(1,065,169)	(901,239)	(1,559,701)
Write-off of intangible assets	46,697	58,164	284,319	295,083
Acquisition of intangible assets	(588,061)	(875,944)	(1,171,277)	(1,556,147)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,470,237)</b>	<b>(17,819,392)</b>	<b>(6,862,156)</b>	<b>(7,653,960)</b>
<b>NET CASH USED IN FINANCIG ACTIVITIES</b>				
IHCD acquisition/redemption			27,867,958	27,867,958
Incorporation of IHCD remuneration	(218,608)			
Supplementary dividends for years 2013 and 2014		(1,072,773)		(1,441,901)
Dividends/Interest on equity	(1,598,006)	(2,414,153)	(2,148,848)	(2,990,946)
Prepaid dividends and interest on equity				
IHCD remuneration paid	1,448,100		(695,184)	(695,184)
<b>NET CASH USED IN FINANCIG ACTIVITIES</b>	<b>(368,514)</b>	<b>(3,486,926)</b>	<b>25,023,926</b>	<b>22,739,927</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>22,499,068</b>	<b>25,681,409</b>	<b>37,270,911</b>	<b>78,503,036</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents at the beginning of the period/year	130,398,453	127,216,112	41,232,125	48,713,076
Cash and cash equivalents at the end of the period/year	152,897,521	152,897,521	78,503,036	127,216,112
<b>Increase (decrease) in cash and cash equivalents</b>	<b>22,499,068</b>	<b>25,681,409</b>	<b>37,270,911</b>	<b>78,503,036</b>

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

**Consolidated Statement of Value Added**

In thousands of reais, except where otherwise stated

DESCRIPTION	2015				2014 Note 3 (t)			
	2nd Semester		Year		2nd Semester		Year	
	R\$	%	R\$	%	R\$	%	R\$	%
<b>1. REVENUES</b>	<b>82,661,590</b>		<b>153,970,288</b>		<b>68,565,956</b>		<b>122,748,488</b>	
Financial intermediation	78,201,883		144,471,785		59,677,180		106,837,027	
Rendering of services	10,786,298		20,714,944		9,636,020		18,404,319	
Allowance for loan losses	(10,074,089)		(19,657,016)		(6,725,992)		(13,155,661)	
Other	3,747,498		8,440,575		5,978,748		10,662,803	
<b>2. EXPENSES OF FINANCIAL INTERMEDIATION</b>	<b>57,354,203</b>		<b>103,428,103</b>		<b>42,873,282</b>		<b>72,316,890</b>	
<b>3. MATERIALS AND SERVICES ACQUIRED FROM THIRD PARTIES</b>	<b>13,139,958</b>		<b>24,631,058</b>		<b>11,258,810</b>		<b>21,472,307</b>	
Materials, energy and others	1,283,827		2,487,564		1,137,881		2,222,070	
Data processing and communications	1,013,361		2,025,688		1,011,813		1,915,588	
Advertising, publicity and promotions	427,999		751,771		471,822		870,851	
Outsourced and specialized services	1,190,176		2,354,732		1,127,642		2,229,147	
Surveillance and security services	410,426		800,955		423,003		869,301	
Other	8,814,169		16,210,348		7,086,649		13,365,350	
- Services delegated by the Federal Government	882,133		1,862,519		1,378,394		2,536,777	
- Lottery and business partners	1,053,894		2,201,820		1,152,844		2,175,340	
- Discounts from loan operations	191,647		651,730		420,272		560,654	
- Expenses with credit/debit cards	478,625		1,147,790		742,429		1,298,523	
- Post-employment benefits	961,582		1,700,218		419,290		862,739	
- Sundry operating provisions	2,887,794		4,853,595		1,868,927		3,838,761	
- Sundry	2,358,494		3,792,676		1,104,493		2,092,556	
<b>4. GROSS VALUE ADDED(1-2-3)</b>	<b>12,167,429</b>		<b>25,911,127</b>		<b>14,433,864</b>		<b>28,959,291</b>	
<b>5. WITHHOLDING</b>	<b>847,499</b>		<b>1,650,250</b>		<b>752,026</b>		<b>1,474,252</b>	
Depreciation, amortization and depletion	847,499		1,650,250		752,026		1,474,252	
<b>6. NET VALUE ADDED (4-5)</b>	<b>11,319,930</b>		<b>24,260,877</b>		<b>13,681,838</b>		<b>27,485,039</b>	
<b>7. VALUE ADDED RECEIVED AS TRANSFER</b>	<b>632,343</b>		<b>942,991</b>		<b>359,236</b>		<b>645,456</b>	
Result of equity method	632,343		942,991		359,236		645,456	
<b>8. VALUE ADDED TO BE DISTRIBUTED (6+7)</b>	<b>11,952,273</b>		<b>25,203,868</b>		<b>14,041,074</b>		<b>28,130,495</b>	
<b>9. VALUE ADDED TO BE DISTRIBUTED</b>	<b>11,952,273</b>	<b>100.00</b>	<b>25,203,868</b>	<b>100.00</b>	<b>14,041,074</b>	<b>100.00</b>	<b>28,130,495</b>	<b>100.00</b>
Personnel	9,619,635	80.48	18,382,221	72.93	8,928,390	63.59	16,630,394	59.12
- Direct remuneration	7,343,546		13,881,317		6,688,316		12,355,653	
- Benefits	1,837,219		3,642,792		1,830,917		3,482,839	
- FGTS	438,870		858,112		409,157		791,902	
Taxes, fees and contributions	(2,065,745)	(17.28)	(1,792,749)	(7.11)	723,107	5.15	3,069,938	10.91
- Federal	(2,384,788)		(2,488,663)		443,774		2,495,953	
- State	122		713		215		649	
- Municipal	318,921		695,201		279,118		573,336	
Third-party capital remuneration	725,256	6.07	1,458,043	5.78	687,259	4.89	1,338,378	4.76
- Rentals	725,256		1,458,043		687,259		1,338,378	
Own capital remuneration	2,226,074	18.62	3,728,841	14.79	2,844,033	20.26	3,686,130	13.10
- Interest on own capital and dividends	1,598,007		2,414,154		2,247,291		2,990,946	
- Interest on Subordinated debt - eligible as regulatory capital	628,067		1,314,687		596,742		695,184	
Retained earnings	1,447,053	12.11	3,427,512	13.60	858,285	6.11	3,405,655	12.11

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

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### Note 1 – General information

Caixa Econômica Federal (“CAIXA” or “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. 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.

The Institution also operates in the insurance, private pension plan, capitalization and consortium management segments, through interests held in Caixa Seguros Holding S/A, Pan Seguros S/A and Panamericano Administração e Corretagem de Seguros e de Previdência Privada Ltda.

CAIXA has begun this year corporate reorganization of the security segment, with creation of CAIXA Seguridade Participações S/A (“CAIXA Seguridade”) and CAIXA Holding Securitária S/A (“CAIXA Securitária”), formerly named Caixa Operadora de Seguros S/A (“CAIXA Operadora”).

As a long-term financing of its operations, CAIXA issues debt bonds in the international market by means of senior and subordinated bonds eligible to Level II Capital under Basel III rules.

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.

To meet its business purpose and in conformity with Law No. 11908/2009, CAIXA established the wholly-owned subsidiaries Caixa Participações S/A - CAIXAPAR, CAIXA Seguridade and CAIXA Securitária.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 2 – Presentation of the consolidated interim financial statements****a) Overview**

Management is responsible for the consolidated financial statements of CAIXA. The consolidated financial statements as of December 31, 2015 were approved by the Executive Board on February 23, 2016 and by the Board of Directors on March 03, 2016.

The Consolidated Financial Statements were prepared and are presented regardless of the Central bank of Brazil's requirement for the presentation of financial statements, since CAIXA management believes such disclosure to be relevant for the market due to the volume of operations and operation of CAIXA in the national financial market.

Based on BACEN guidance to reclassify hybrid capital and debt instruments from equity to liabilities in the individual financial statements as from the quarter ended March 30, 2015, CAIXA's management chose not to present the Institution's individual financial statements, presenting only the Consolidated Interim Financial Statements, as it believes that these consolidated financial statements provide the elements needed for a better understanding of its financial position, the total volume of its operations and compliance with regulatory and prudential limits of BACEN, where hybrid capital and debt instruments are classified as eligible for capital and comprise equity.

**b) Basis of preparation and statement of compliance**

The consolidated financial statements of CAIXA were 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 consolidated financial statements are 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.

**c) Basis of consolidation**

The consolidated financial statements, including CAIXA and its subsidiaries CAIXAPAR and CAIXA Seguridade and its subsidiary CAIXA Securitária, were prepared considering the elimination of the equity, revenue, expense and unearned income balances between the companies.

The financial statements of CAIXAPAR, CAIXA Seguridade and CAIXA are prepared using consistent accounting practices. Interest in jointly-controlled entities and investments in subsidiaries are recorded under the equity pickup method. P&L of subsidiaries acquired or disposed of in the period is included in the consolidated income statements as from the acquisition or 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.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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.

**(d) Risks related to non-compliance with laws and regulations**

Due to news broadcasted in the media, as from April 10, 2015, in relation to the alleged involvement of CAIXA's service suppliers in the 11th investigation phase conducted by federal public authorities in the operation known as the "A Origem" (Origin), CAIXA management adopted internal provisional remedy measures to identify possible non-compliances with laws and regulations in relation thereto by its employees, management and suppliers.

Up to the reporting date of the consolidated interim financial statements for the quarter ended December 31, 2015, CAIXA, its managing officers and employees had not been notified of any denunciation or objective evidence other than those involving its service providers, possibly arising from facts related to the "A Origem" operation.

In this regard, CAIXA took measures to analyze the news disclosed in the media and the agreements with the companies cited.

Based on available information, an internal investigation process was conducted, which, however, did not identify consequences from such issue that could impact the consolidated financial statements for the year ended December 31, 2015, nor any objective information that could cast doubts about the good conduct of its employees, managing officers and suppliers.

Prospectively, CAIXA will continue to monitor and support the investigation process conducted by the competent authorities until its conclusion, systematically assessing any new information that could require additional analyses or the performance of another investigation process.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 3 – Significant accounting policies**

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

**(a) Foreign currency translation**

The consolidated interim financial information is presented in reais, CAIXA's functional currency. Items included in the consolidated 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 others maturing within 90 days.

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 consolidated 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 acquired to be included in their own portfolio are recorded at the amount actually paid, and 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 regardless in conformity with BACEN Circular 3068/2001 and classified in accordance with Management's intention, in three specific categories:

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

- **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, independently 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 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.

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 instruments classified under this category, as well as related financial assets and liabilities, are adjusted to market value and gains and losses are posted directly to P&L;
- **Cash flow hedge:** The effective portion of valuation or devaluation of financial instruments classified under this category is recorded in a specific equity account, net of taxes. The non-effective portion is recognized directly in P&L.

## Notes to the Consolidated Financial Statements

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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.

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

### (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

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

Loan operations, advances on exchange contracts and other loans with credit assignment characteristics are classified into nine levels, of which "AA" (minimum risk) and "H" (maximum risk), according to the parameters established by CMN Resolution No. 2682/1999, and in line with management's periodic assessment, which considers the economic scenario, past experience, and specific and global risks in relation to the operations, debtors and guarantors.

In addition, late payment periods established by CMN Resolution No. 2682/1999 are also considered in assigning customers' classification levels, 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

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

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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 will 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 from January 2012, according to CMN Resolutions No. 3.533/2008 and No. 3.895/2010, the results of loan assignments with substantial retention of risks and benefits are recognized over the remaining terms of the operations. Financial assets subject matter of the assignment remain recorded as loan operations and the amount received as liabilities for operations involving sale or transfer of financial assets are recorded as assets, with a matching entry in liabilities referring to the obligation assumed.

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.

**(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, considering the tax rates in force in the period of realization of these assets. 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, in "Other Receivables – Sundry", 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%. For the bank, CSLL was calculated considering the rate of 15%, until August 2015. From September 2015 to December 2018, the rate was changed to 20%, under Law No. 13169/15, decreasing to 15% as from January 2019. For the other companies, the social contribution tax is calculated considering the rate of 9%.

Since CSLL increased from September/2015 to December/2018, CAIXA set up supplementary CSLL credits, considering tax credits realizable during the effectiveness thereof at the increased rate, estimated in accordance with technical studies supporting the recognition of such assets.

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

## Notes to the Consolidated Financial Statements

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### (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 (Note 10).

### (k) Investments

Investments in subsidiaries or companies whose influence is significant are valued under the equity method. To calculate equity pickup of investments in non-financial entities, amounts are adjusted to converge with the standards and guidelines of the National Monetary Board (CMN), of the Central Bank of Brazil (BACEN). Other permanent investments are measured at acquisition cost. Investments, irrespective of the measurement method, are tested for impairment in conformity with BACEN guidelines and standards. Breakdown of investments in subsidiaries and associated companies is presented in Note 11.

Goodwill is set up as the difference between amount paid and book value of the investment acquired, arising from expected future profitability, based on an economic and financial analysis, amortized and subject to impairment test.

### (l) Property and equipment

Property and equipment for own use is represented by rights over tangible assets owned by CAIXA, intended for maintenance of its operating activities, such as buildings, land, furniture, equipment, computer hardware and other fixtures. Such assets are recognized at acquisition or build-up cost and depreciated by the straight-line method with no residual value.

Depreciation expenses of property and equipment are recognized in the income statement and calculated basically using 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 the year presented, 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.

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.

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### (m) Intangible

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, directly or indirectly, 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.

Intangible assets are comprised essentially of software and acquisition of payrolls. 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 has the following amortization periods:

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, as software 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 on a daily *pro rata* basis.

Terms and amounts of deposits and fund-raising in the open market, funds from acceptances and issue of bonds, and liabilities for loans and on-lending are accounted for in equity and P&L accounts, and their charges are monthly allocated due to the flow of their terms, as stated in Notes 14, 15, 16 and 17, respectively.

## Notes to the Consolidated Financial Statements

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For fund-raising operations by means of issue of marketable securities, as these are fixed rates, expenses are allocated to P&L over the operation term, and presented as the corresponding liability reducing account, 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:

- **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 consolidated financial statements 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 consolidated financial statements.

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.

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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.

In the variable contribution retirement plan, during the contribution phase, there is no guarantee in relation to the benefit amount to be received upon retirement. Therefore, it is considered as a defined contribution plan. However, when retirement is granted, the benefit amount is fixed, and it is classified as a defined benefit plan. Actuarial calculation procedures are then to be applied.

Other benefit granted is the healthcare plan – Saúde CAIXA, for employees, retirees and their corresponding dependents. For calculation of liabilities and costs of said healthcare plan, actuarial hypotheses and assumptions approved by CAIXA were adopted, as well as the Projected Unit Credit method.

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 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.

Pronouncement CPC 33 (R1) sets forth, for the sponsoring company, parameters specific for measuring assets, liabilities and surplus and deficit of pension plans. However, due to legal provisions in Brazil, the financial statements of the respective plans should be prepared in accordance with the provisions introduced by the corresponding Brazilian authority, resulting in different calculations of surplus and deficit. Considering that CAIXA has already set up an actuarial reserve, in compliance with CPC 33 (R1), this reserve should only be supplemented if deficit, subject to equation plan, calculated in accordance with local legislation, is higher than that set forth in CPC 33 (R1). In this case, the reserve should be supplemented matched against Equity, as provided for in ICPC 20 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

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 are events that occur between the financial statements reporting date and the date of authorization for their issue. They correspond to events that evidence conditions that already existed as of the financial statements reporting date and lead to adjustments. Events that evidence conditions that did not exist as of the financial statements reporting date do not lead to adjustments.

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### (t) Restatement of comparative balances

#### (i) Change in accounting practice – Reclassification of securities abroad expenses

Considering Central Bank of Brazil's authorization to use a specific account to record expenses from liabilities from securities abroad, CAIXA reclassified the amounts recognized in its financial statements.

This change in accounting practice affected only the Income Statement, Cash Flow Statement and Statement of Value Added.

(ii) The effects on the consolidated income statements arising from reclassifications of foreign marketable securities expenses, as determined by the Central Bank of Brazil, are as follows:

Description	2 <sup>nd</sup> half of 2014		
	Originally presented	Adjustments	Adjusted amount
<b>P&amp;L</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
<b>Financial intermediation income</b>	58,409,772	1,267,408	59,677,180
Foreign exchange gains <sup>(1)</sup>	-	1,267,408	1,267,408
<b>Financial intermediation expenses</b>	(48,092,343)	(1,506,931)	(49,599,274)
Market funding	(31,052,629)	(2,326,083)	(33,378,712)
Loans, assignments and onlendings	(6,635,744)	(510,782)	(7,146,526)
Foreign exchange gains (losses) <sup>(1)</sup>	(1,329,934)	1,329,934	-
<b>Gross income (expenses) from financial intermediation</b>	10,317,429	(239,523)	10,077,906
<b>Other operating income (expenses)</b>	(7,424,655)	239,523	(7,185,132)
Other operating income	6,307,507	(14,066)	6,293,441
Other operating expenses	(7,326,172)	253,589	(7,072,583)
<b>Operating income (expenses)</b>	2,892,774	-	2,892,774
<b>Income before income taxes</b>	2,564,014	-	2,564,014
<b>Income and social contribution taxes</b>	1,981,317	-	1,981,317
<b>Employees' profit sharing</b>	(843,013)	-	(843,013)
<b>Net income for the period</b>	<b>3,702,318</b>	<b>-</b>	<b>3,702,318</b>

(1) Adjusted foreign exchange gains presented, reclassified from "Financial intermediation expenses" to "Financial intermediation income", amounted to 1,267,408, comprising (1,329,934) – foreign exchange losses before reclassification less expenses totaling 2,597,342 (2,072,494 reclassified to Market funding + 524,848 reclassified to Loans, assignments and onlendings).

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

Description	2014		
	Originally presented	Adjustments	Adjusted amount
P&L	Consolidated	Consolidated	Consolidated
<b>Financial intermediation income</b>	105,809,642	1,027,385	106,837,027
Foreign exchange gains <sup>(1)</sup>	-	1,027,385	1,027,385
<b>Financial intermediation expenses</b>	(84,018,530)	(1,454,020)	(85,472,550)
Market funding	(55,217,630)	(2,195,029)	(57,412,659)
Loans, assignments and onlendings	(12,086,030)	(288,948)	(12,374,978)
Foreign exchange gains (losses) <sup>(1)</sup>	(1,029,957)	1,029,957	-
<b>Gross income (expenses) from financial intermediation</b>	21,791,112	(426,635)	21,364,477
<b>Other operating income (expenses)</b>	(15,156,234)	426,635	(14,729,599)
Other operating income	11,277,453	(117,242)	11,160,211
Other operating expenses	(13,791,986)	543,877	(13,248,109)
<b>Operating income (expenses)</b>	6,634,878	-	6,634,878
<b>Income before income taxes</b>	6,020,228	-	6,020,228
<b>Income and social contribution taxes</b>	2,266,367	-	2,266,367
<b>Employees' profit sharing</b>	(1,194,810)	-	(1,194,810)
<b>Net income for the period</b>	<b>7,091,785</b>	<b>-</b>	<b>7,091,785</b>

- (1) Adjusted foreign exchange gains presented, reclassified from "Financial intermediation expenses" to "Financial intermediation income", amounted to 1,027,385, comprising (1,029,957) – foreign exchange losses before reclassification less expenses totaling 2,057,342 (1,651,152 reclassified to Market funding + 406,190 reclassified to Loans, assignments and onlendings).

**Notes to the Consolidated Financial Statements**

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(iii) The effects on the Statement of Value Added arising from this guidance of the Central Bank of Brazil are as follows:

Description	2 <sup>nd</sup> half of 2014		
	Originally presented	Adjustments	Adjusted amount
<b>1. TURNOVER</b>	<b>65,968,614</b>	<b>2,597,342</b>	<b>68,565,956</b>
Financial intermediation	57,079,838	2,597,342	59,677,180
<b>2. FINANCIAL INTERMEDIATION EXPENSES</b>	<b>40,036,417</b>	<b>2,836,865</b>	<b>42,873,282</b>
<b>3. BOUGHT-IN INPUTS</b>	<b>11,498,333</b>	<b>(239,523)</b>	<b>11,258,810</b>
<b>4. GROSS VALUE ADDED (1-2-3)</b>	<b>14,433,864</b>	<b>-</b>	<b>14,433,864</b>
<b>5. RETENTION</b>	<b>752,026</b>	<b>-</b>	<b>752,026</b>
<b>6. NET VALUE ADDED (4-5)</b>	<b>13,681,838</b>	<b>-</b>	<b>13,681,838</b>
<b>7. VALUE ADDED RECEIVED IN TRANSFER</b>	<b>359,236</b>	<b>-</b>	<b>359,236</b>
<b>8. VALUE ADDED PAYABLE (6+7)</b>	<b>14,041,074</b>	<b>-</b>	<b>14,041,074</b>
<b>9. PAYMENT OF VALUE ADDED</b>	<b>14,041,074</b>	<b>-</b>	<b>14,041,074</b>

Description	2014		
	Originally presented	Adjustments	Adjusted amount
<b>1. TURNOVER</b>	<b>120,691,146</b>	<b>2,057,342</b>	<b>122,748,488</b>
Financial intermediation	104,779,685	2,057,342	106,837,027
<b>2. FINANCIAL INTERMEDIATION EXPENSES</b>	<b>69,832,912</b>	<b>2,483,978</b>	<b>72,316,890</b>
<b>3. BOUGHT-IN INPUTS</b>	<b>21,898,943</b>	<b>(426,636)</b>	<b>21,472,307</b>
<b>4. GROSS VALUE ADDED (1-2-3)</b>	<b>28,959,291</b>	<b>-</b>	<b>28,959,291</b>
<b>5. RETENTION</b>	<b>1,474,252</b>	<b>-</b>	<b>1,474,252</b>
<b>6. NET VALUE ADDED (4-5)</b>	<b>27,485,039</b>	<b>-</b>	<b>27,485,039</b>
<b>7. VALUE ADDED RECEIVED IN TRANSFER</b>	<b>645,456</b>	<b>-</b>	<b>645,456</b>
<b>8. VALUE ADDED PAYABLE (6+7)</b>	<b>28,130,495</b>	<b>-</b>	<b>28,130,495</b>
<b>9. PAYMENT OF VALUE ADDED</b>	<b>28,130,495</b>	<b>-</b>	<b>28,130,495</b>

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

## Note 4 – Cash and cash equivalents

Description	12/31/2015	12/31/2014
<b>Total cash and banks</b>	<b>11,510,594</b>	<b>13,242,976</b>
Cash and banks in local currency	8,792,280	8,572,363
Cash and banks in foreign currency	2,718,314	4,670,613
<b>Short-term interbank investments (1)</b>	<b>141,386,927</b>	<b>113,973,136</b>
<b>Total</b>	<b>152,897,521</b>	<b>127,216,112</b>

(1) Transactions falling due within 90 days from the date of acquisition, subject to insignificant risk of changes in fair value.

## Note 5 – Short-term interbank investments

Description	1 to 90 days	91 to 180 days	181 to 360 days	December 31, 2015	December 31, 2014
<b>Money market investments - non-financed position</b>	<b>41,793,277</b>	<b>1,725,015</b>	<b>-</b>	<b>43,518,292</b>	<b>17,956,455</b>
Financial Treasury Bills	99,997	-	-	99,997	-
Federal Treasury Bills	8,212,503	1,725,015	-	9,937,518	17,862,468
Federal Treasury Notes	33,480,777	-	-	33,480,777	93,987
<b>Money market investments - financed position</b>	<b>99,593,650</b>	<b>-</b>	<b>-</b>	<b>99,593,650</b>	<b>96,110,668</b>
Financial Treasury Bills	-	-	-	-	6,878,300
Federal Treasury Bills	30,911,806	-	-	30,911,806	34,770,744
Federal Treasury Notes	68,681,844	-	-	68,681,844	54,461,624
<b>Investments in interbank deposits</b>	<b>9,690,857</b>	<b>112,608</b>	<b>573,183</b>	<b>10,376,648</b>	<b>6,533,817</b>
Investments in interbank deposits	9,691,077	-	-	9,691,077	5,975,649
Investments in interbank deposits – associated with rural credit (1)	-	112,608	573,183	685,791	559,305
Provision for losses on investment in Interbank Deposits	(220)	-	-	(220)	(1,137)
<b>Total - current assets</b>	<b>151,077,784</b>	<b>1,837,623</b>	<b>573,183</b>	<b>153,488,590</b>	<b>120,600,940</b>

(1) These include the Obligation Offset and Settlement Agreement entered into by and between CAIXA and Banco SICRED amounting to R\$ 151,283 - at December 31, 2014, under CMN Resolution No. 3263/05.

## (a) Income from short-term interbank investments

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

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Income from money market investments</b>	<b>9,177,409</b>	<b>16,961,293</b>	<b>7,673,076</b>	<b>12,377,998</b>
Non-financed position	2,387,469	4,299,354	1,244,811	1,863,332
Financed position	6,789,940	12,661,939	6,428,265	10,514,666
<b>Income from investments in interbank deposits</b>	<b>539,774</b>	<b>922,482</b>	<b>309,224</b>	<b>599,929</b>
<b>Total</b>	<b>9,717,183</b>	<b>17,883,775</b>	<b>7,982,300</b>	<b>12,977,927</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Description	Own Portfolio – Unrestricted	Designated			Derivative financial instruments	Total
		Repurchase Agreement	Accountability	Central Bank		
<b>Brazilian Government Securities</b>	<b>60,060,426</b>	<b>90,825,428</b>	<b>11,279,474</b>	<b>820</b>	-	<b>162,166,148</b>
Financial Treasury Bills	3,432,434	43,216	-	-	-	3,475,650
Federal Treasury Bills	39,418,822	64,897,444	11,276,896	820	-	115,593,982
Federal Treasury Notes	16,927,134	25,884,768	2,578	-	-	42,814,480
Federal Treasury/Securitization	282,036	-	-	-	-	282,036
<b>Corporate Securities</b>	<b>8,343,605</b>	<b>7,326,986</b>	-	-	-	<b>15,670,591</b>
Debentures	659,030	6,917,038	-	-	-	7,576,068
Promissory note	812,793	-	-	-	-	812,793
Real Estate Credit Notes	82,873	-	-	-	-	82,873
Financial Notes	142,516	-	-	-	-	142,516
Investment Fund shares	187,804	-	-	-	-	187,804
Mortgage-Backed Securities	503,608	409,948	-	-	-	913,556
Shares	5,954,981	-	-	-	-	5,954,981
<b>Others</b>	-	-	-	-	<b>4,141,121</b>	<b>4,141,121</b>
<b>December 31, 2015</b>	<b>68,404,031</b>	<b>98,152,414</b>	<b>11,279,474</b>	<b>820</b>	<b>4,141,121</b>	<b>181,977,860</b>
<b>December 31, 2014</b>	<b>84,207,509</b>	<b>77,441,546</b>	<b>5,436,818</b>	<b>1,046</b>	<b>905,638</b>	<b>167,992,557</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(b) Consolidated classification by maturity**

December 31, 2015	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										
<b>Brazilian Government Securities</b>	<b>165,932,869</b>	<b>(3,688,458)</b>	<b>(78,263)</b>	<b>162,166,148</b>	<b>158,336,973</b>	-	<b>20,265,222</b>	<b>28,701,336</b>	<b>15,282,913</b>	<b>97,916,677</b>
Financial Treasury Bills	3,472,622	3,028	-	3,475,650	3,475,650	-	-	-	-	3,475,650
Federal Treasury Bills	118,970,533	(3,376,551)	-	115,593,982	115,244,854	-	20,265,220	28,701,336	15,282,913	51,344,513
Federal Treasury Notes	43,127,462	(314,935)	1,953	42,814,480	39,334,433	-	2	-	-	42,814,478
Federal Treasury/Securitization	362,252	-	(80,216)	282,036	282,036	-	-	-	-	282,036
<b>Corporate Securities</b>	<b>18,424,693</b>	<b>(75,226)</b>	<b>(2,678,876)</b>	<b>15,670,591</b>	<b>15,656,370</b>	<b>6,142,785</b>	<b>212,022</b>	<b>108,809</b>	<b>677,358</b>	<b>8,529,617</b>
Debentures	7,698,004	(75,223)	(46,713)	7,576,068	7,576,068	-	-	-	8,675	7,567,393
Promissory note	800,111	-	12,682	812,793	812,793	-	212,022	108,809	491,962	-
Real Estate Credit Notes	82,755	-	118	82,873	82,873	-	-	-	82,873	-
Financial Notes	142,286	-	230	142,516	142,516	-	-	-	93,848	48,668
Investment fund shares	187,804	-	-	187,804	187,804	187,804	-	-	-	-
Mortgage-Backed Securities	1,003,204	(3)	(89,645)	913,556	899,335	-	-	-	-	913,556
Shares	8,510,529	-	(2,555,548)	5,954,981	5,954,981	5,954,981	-	-	-	-
<b>Total – Securities</b>	<b>184,357,562</b>	<b>(3,763,684)</b>	<b>(2,757,139)</b>	<b>177,836,739</b>	<b>173,993,343</b>	<b>6,142,785</b>	<b>20,477,244</b>	<b>28,810,145</b>	<b>15,960,271</b>	<b>106,446,294</b>
Trading securities (3)	102,243,994	(3,763,684)	-	98,480,310	98,480,310	15,128	15,207,208	13,818,830	9,990,990	59,448,154
Available-for-sale securities	17,901,362	-	(2,757,139)	15,144,223	15,144,223	6,127,657	212,022	108,809	677,359	8,018,376
Held-to-maturity securities (4)	64,212,206	-	-	64,212,206	60,368,810	-	5,058,014	14,882,506	5,291,922	38,979,764
<b>Derivative financial instruments</b>	<b>4,141,121</b>	<b>-</b>	<b>-</b>	<b>4,141,121</b>	<b>4,141,121</b>	<b>-</b>	<b>373,199</b>	<b>70,988</b>	<b>301,520</b>	<b>3,395,414</b>
<b>Total – Securities and Derivatives</b>	<b>188,498,683</b>	<b>(3,763,684)</b>	<b>(2,757,139)</b>	<b>181,977,860</b>	<b>178,134,464</b>	<b>6,142,785</b>	<b>20,850,443</b>	<b>28,881,133</b>	<b>16,261,791</b>	<b>109,841,708</b>

(1) The mark-to-market in P&amp;L;

(2) 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 1,133,284 - December 31, 2014 – (732,450); 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 the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(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**

Description	December 31, 2015					December 31, 2014					
	No maturity	01 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Income / expense Adjustment	Market Value	Cost	Income / expense Adjustment	Market Value
<b>Brazilian Government Securities</b>	-	15,207,208	13,818,830	9,990,990	58,640,295	101,345,780	(3,688,457)	97,657,323	102,237,348	(1,572,172)	100,665,176
Financial Treasury Bills	-	-	-	-	3,475,650	3,472,622	3,028	3,475,650	338,741	181	338,922
Federal Treasury Bills	-	15,207,208	13,818,830	9,990,990	46,888,394	89,281,974	(3,376,552)	85,905,422	99,292,197	(1,563,359)	97,728,838
Federal Treasury Notes	-	-	-	-	8,276,251	8,591,184	(314,933)	8,276,251	2,606,410	(8,994)	2,597,416
<b>Corporate securities</b>	<b>15,128</b>	-	-	-	<b>807,859</b>	<b>898,214</b>	<b>(75,227)</b>	<b>822,987</b>	<b>988,398</b>	<b>44,362</b>	<b>1,032,760</b>
Debentures	-	-	-	-	806,756	881,980	(75,224)	806,756	967,040	44,346	1,011,386
Investment fund shares	15,128	-	-	-	-	15,128	-	15,128	19,596	-	19,596
Mortgage-backed securities	-	-	-	-	1,103	1,106	(3)	1,103	1,762	16	1,778
<b>Total</b>	<b>15,128</b>	<b>15,207,208</b>	<b>13,818,830</b>	<b>9,990,990</b>	<b>59,448,154</b>	<b>102,243,994</b>	<b>(3,763,684)</b>	<b>98,480,310</b>	<b>103,225,746</b>	<b>(1,527,810)</b>	<b>101,697,936</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Description	December 31, 2015							December 31, 2014			
	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
<b>Brazilian Government Securities</b>	-	-	-	-	<b>368,300</b>	<b>446,563</b>	<b>(78,263)</b>	<b>368,300</b>	<b>16,976</b>	<b>(947)</b>	<b>16,029</b>
Federal Treasury Notes	-	-	-	-	86,264	84,311	1,953	86,264	4,886	2,397	7,283
Federal Treasury/Securitization	-	-	-	-	282,036	362,252	(80,216)	282,036	12,090	(3,344)	8,746
<b>Corporate securities</b>	<b>6,127,657</b>	<b>212,022</b>	<b>108,809</b>	<b>677,359</b>	<b>7,650,076</b>	<b>17,454,799</b>	<b>(2,678,876)</b>	<b>14,775,923</b>	<b>17,899,570</b>	<b>(1,814,730)</b>	<b>16,084,840</b>
Debentures	-	-	-	8,676	6,760,636	6,816,024	(46,712)	6,769,312	6,906,485	(15,497)	6,890,988
Promissory note	-	212,022	108,809	491,962	-	800,112	12,681	812,793	-	-	-
Real Estate Credit Notes	-	-	-	82,873	-	82,755	118	82,873	259,069	27	259,096
Financial Bills	-	-	-	93,848	48,668	142,286	230	142,516	219,038	36	219,074
Investment fund shares	172,676	-	-	-	-	172,676	-	172,676	435,664	-	435,664
Mortgage-backed securities	-	-	-	-	840,772	930,417	(89,645)	840,772	784,097	79,377	863,474
Shares (2)	5,954,981	-	-	-	-	8,510,529	(2,555,548)	5,954,981	9,295,217	(1,878,673)	7,416,544
<b>Total</b>	<b>6,127,657</b>	<b>212,022</b>	<b>108,809</b>	<b>677,359</b>	<b>8,018,376</b>	<b>17,901,362</b>	<b>(2,757,139)</b>	<b>15,144,223</b>	<b>17,916,546</b>	<b>(1,815,677)</b>	<b>16,100,869</b>

(1) Mark-to-market adjustment includes the mark-to-market adjustment of marketable securities of the subsidiary. The effect of the mark-to-market recorded in Equity is R\$ (1,133,284) in December 31 2015; December 31, 2014 – (R\$ 732,450); net of tax effects.

(2) The equity interests, classified into Category II, are subject to periodic impairment testing, as provided for in BACEN Circular No. 3068/2001. In 2015, there was impairment of assets amounting to R\$ 228,233.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(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.

Description	December 31, 2015					December 31, 2014		
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Cost	Market Value	Cost	Market Value
<b>Brazilian Government Securities</b>	<b>5,058,014</b>	<b>14,882,506</b>	<b>5,291,922</b>	<b>38,908,083</b>	<b>64,140,525</b>	<b>60,311,350</b>	<b>49,144,587</b>	<b>49,159,865</b>
Federal Treasury Bills	5,058,012	14,882,506	5,291,922	4,456,120	29,688,560	29,339,432	14,276,641	14,152,869
Federal Treasury Notes	2	-	-	34,451,963	34,451,965	30,971,918	34,867,946	35,006,996
<b>Corporate securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,681</b>	<b>71,681</b>	<b>57,460</b>	<b>143,527</b>	<b>142,016</b>
Mortgage-backed securities	-	-	-	71,681	71,681	57,460	143,527	142,016
<b>Total</b>	<b>5,058,014</b>	<b>14,882,506</b>	<b>5,291,922</b>	<b>38,979,764</b>	<b>64,212,206</b>	<b>60,368,810</b>	<b>49,288,114</b>	<b>49,301,881</b>

**(d) Income from securities**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Financial assets held for trading	2,751,670	7,562,206	3,919,323	8,556,363
Financial assets available for sale	1,316,160	2,094,147	967,894	1,777,124
Financial assets held to maturity	3,619,912	7,241,492	2,508,168	5,367,628
Other	11,518	11,350	528	(4,305)
<b>Total</b>	<b>7,699,260</b>	<b>16,909,195</b>	<b>7,395,913</b>	<b>15,696,810</b>

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### (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

CAIXA established a fair value hedging structures to hedge against exposure to changes in market risk in the interest and principal payment of foreign issues and issues in financial bills indexed to Extended Consumer Price Index (IPCA) and, as from September 2015, loan agreements based on Law No. 4131/62.

Foreign onlendings and loans based on Law No. 4131/62 are hedged against dollar variation and dollar coupon in payment of principal, interest and 15% tax on payment of interest, which is hedged.

The structure is built for internalized balances and is hedged through swap contracts, as under:

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

Structured accounting hedge for financial bills indexed to IPCA aims to hedge against changes in IPCA and IPCA coupon, hedge underlying object, and is hedged through swap contracts, as under:

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

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

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

Hedge Accounting						
Structures	December 31, 2015			December 31, 2014		
	Hedge instruments		Hedge underlying object	Hedge instruments		Hedge underlying object
	Nominal value	Adjustment to market value (1)	Book Value	Nominal value	Adjustment to market value (1)	Book Value
Foreign onlendings	8,461,493	3,131,123	13,523,638	4,943,633	739,273	6,390,881
Loans 4131	8,051,087	943,617	9,421,628	-	-	-
Financial Bills	1,010,660	(91,401)	1,311,694	898,460	(45,676)	1,013,536
<b>Total</b>	<b>17,523,240</b>	<b>3,983,339</b>	<b>24,256,960</b>	<b>5,842,093</b>	<b>693,597</b>	<b>7,404,417</b>

(1) Accumulated adjustment of swap contracts

ESTRUTURA TEMPORAL					
Maturity	December 31, 2015			December 31, 2014	
	Foreign onlendings	Loans 4131	Financial Bills	Foreign onlendings	Financial Bills
2015	-	-	-	197,998	-
2016	413,232	2,063,749	-	188,617	-
2017	2,161,629	3,075,832	175,000	1,952,430	95,000
2018	958,578	2,911,506	16,500	124,083	6,500
2019	4,147,736	-	10,150	1,700,187	10,150
2020	30,805	-	11,360	30,805	11,360
2021	29,717	-	25,000	29,717	10,000
2022	719,797	-	-	719,797	-
2023	-	-	562,000	-	562,000
2024	-	-	203,450	-	203,450
2025	-	-	7,200	-	-
<b>Total</b>	<b>8,461,494</b>	<b>8,051,087</b>	<b>1,010,660</b>	<b>4,943,634</b>	<b>898,460</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(g) Breakdown of derivative financial instruments portfolio by index, stated at notional and equity value:**

Description	Offsetting account / reference value		Equity value receivable (received) / payable (paid)	Adjustments to market value (P&L / equity)	Equity value	
	December 31, 2015	December 31, 2014			December 31, 2015	December 31, 2014
	<b>Futures</b>					
<b>Subject to repurchase agreement</b>	<b>70,294,595</b>	<b>99,146,777</b>	-	-	-	-
Interbank market	70,292,013	99,066,737	-	-	-	-
Exchange Coupons	2,582	80,040	-	-	-	-
<b>Swaps</b>						
<b>Long Position</b>	<b>17,523,240</b>	<b>8,715,390</b>	<b>4,343,099</b>	<b>(201,978)</b>	<b>4,141,121</b>	<b>905,638</b>
Index	1,010,660	898,571	49,009	(46,528)	2,481	189
Foreign Currency	16,512,580	7,816,819	4,294,090	(155,450)	4,138,640	905,449
<b>Short Position</b>	<b>17,523,240</b>	<b>8,715,390</b>	<b>215,337</b>	<b>(57,555)</b>	<b>157,782</b>	<b>53,718</b>
Index	1,010,660	898,571	-	93,882	93,882	46,213
Foreign Currency	16,512,580	7,816,819	215,337	(151,437)	63,900	7,505

**(h) Breakdown of derivative financial instrument portfolio by counterparty and maturity, stated at equity value:**

Description	December 31, 2015							December 31, 2014
	Equity value receivable (received) / payable (paid)	Adjustments to market value (P&L / equity)	Equity value	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Equity value
<b>Long Position:</b>								
<b>Swap contracts – adjustments receivable</b>	<b>4,343,099</b>	<b>(201,978)</b>	<b>4,141,121</b>	<b>373,199</b>	<b>70,988</b>	<b>301,520</b>	<b>3,395,414</b>	<b>905,638</b>
BM&FBOVESPA	49,009	(46,528)	2,481	-	-	-	2,481	189
Companies	-	-	-	-	-	-	-	905,449
Financial Institutions	4,294,090	(155,450)	4,138,640	373,199	70,988	301,520	3,392,933	-
<b>Short Position:</b>								
<b>Swap contracts – adjustments payable</b>	<b>215,337</b>	<b>(57,555)</b>	<b>157,782</b>	<b>1,130</b>	<b>-</b>	<b>844</b>	<b>155,808</b>	<b>53,718</b>
BM&FBOVESPA	-	93,882	93,882	-	-	-	93,882	45,866
Companies	-	-	-	-	-	-	-	347
Financial Institutions	215,337	(151,437)	63,900	1,130	-	844	61,926	7,505

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i) Breakdown of derivative financial instrument portfolio by type of instrument, maturity, stated at reference value:**

Description	December 31, 2015					December 31, 2014
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Market Value	Market Value
<b>Offsetting account / reference value</b>						
Futures contracts	1,595,409	10,208,970	8,358,299	50,131,917	70,294,595	99,146,777
Swap agreements	1,513,512	171,145	792,324	15,046,259	17,523,240	8,715,390

**(j) Realized and unrealized gains (losses) in the portfolio of derivative financial instruments:**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Swap	2,886,334	4,277,477	1,119,722	691,443
Futuro	3,969,088	4,596,574	1,233,267	769,075
<b>Total realized</b>	<b>6,855,422</b>	<b>8,874,051</b>	<b>2,352,989</b>	<b>1,460,518</b>

**(k) 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:

Description	December 31, 2015	December 31, 2014
<b>Brazilian Government Securities</b>	<b>11,280,294</b>	<b>5,437,864</b>
Federal Treasury Notes	2,578	2,543
Federal Treasury Bills	11,277,716	5,428,684
Financial Treasury Bills	-	6,637

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

## 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.

Description	Yield	December 31, 2015	December 31, 2014
Compulsory deposits on demand deposits	None	4,970,101	5,386,280
Compulsory deposits on savings deposits (1)	TR + 6.17% p.a.	53,926,379	47,223,375
Compulsory deposits on time deposits	SELIC rate	22,343,773	7,207,801
Additional compulsory deposits (2)	SELIC rate	24,876,297	33,527,676
<b>Total</b>		<b>106,116,550</b>	<b>93,345,132</b>

- (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.  
(2) Variation arising from changes introduced by BACEN Circular No. 3755 of 05/28/2015, effective as from JUN/15.

(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.

Description	December 31, 2015	December 31, 2014
<b>FGTS reimbursable</b>	<b>91,941</b>	<b>85,207</b>
<b>FCVS receivable</b>	<b>28,867,828</b>	<b>28,028,495</b>
Not yet qualified (1)	1,686,271	2,053,613
Qualified and awaiting approval (2)	9,707,114	9,274,758
Qualified and approved (3)	17,474,443	16,700,124
<b>Provision of FCVS receivable</b>	<b>(2,797,741)</b>	<b>(2,967,926)</b>
<b>Total (net of provision)</b>	<b>26,162,028</b>	<b>25,145,776</b>

- (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 10150/2000, 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.

## (c) Income from compulsory investments

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Compulsory deposits at BACEN	5,083,022	9,192,461	3,876,248	7,308,196
Compulsory deposits at SFH	1,211,383	2,242,656	817,377	1,628,112
<b>Total</b>	<b>6,294,405</b>	<b>11,435,117</b>	<b>4,693,625</b>	<b>8,936,308</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Loan transactions	AA	A	B	C	D	E	F	G	H	December 31, 2015	December 31, 2014
<b>Loan transactions</b>	<b>330,543,542</b>	<b>102,271,253</b>	<b>94,520,958</b>	<b>72,516,092</b>	<b>32,699,178</b>	<b>7,869,795</b>	<b>4,375,577</b>	<b>5,014,308</b>	<b>17,538,633</b>	<b>667,349,336</b>	<b>597,108,812</b>
Loans and bills discounted	18,838,984	36,991,873	43,769,021	33,498,850	10,932,876	4,177,992	2,538,657	2,002,340	10,993,491	163,744,084	150,624,839
Financing	12,652,223	11,523,778	2,919,787	3,456,015	2,685,880	594,005	388,507	285,065	1,415,613	35,920,873	39,894,998
Rural and agribusiness financing	990,890	1,784,075	2,390,431	1,614,703	365,518	64,174	51,902	41,523	185,618	7,488,834	4,915,019
Real estate financing	253,015,354	35,628,548	39,049,288	29,415,151	17,798,475	1,988,374	1,387,501	964,814	4,928,378	384,175,883	339,838,641
Infrastructure and development financing	43,842,056	12,501,780	6,237,980	4,446,462	883,364	1,031,673	-	1,714,546	440	70,658,301	56,481,914
Loan operations linked to assignments	1,204,035	3,841,199	154,451	84,911	33,065	13,577	9,010	6,020	15,093	5,361,361	5,353,401
<b>Other loan-like receivables</b>	<b>3,279,710</b>	<b>5,805,431</b>	<b>1,226,079</b>	<b>989,208</b>	<b>397,217</b>	<b>190,942</b>	<b>45,853</b>	<b>23,406</b>	<b>179,405</b>	<b>12,137,251</b>	<b>9,820,919</b>
Letters of credit	905,190	4,833,321	395,778	457,654	199,854	61,057	30,306	18,805	126,711	7,028,676	7,171,685
Advances on exchange contracts (1)	2,366,677	799,539	721,444	457,404	76,618	35,301	7,622	3,306	49,359	4,517,270	1,906,534
Acquired credits (2)	-	168,218	104,967	67,773	101,829	87,786	-	-	-	530,573	684,730
Sundry	7,843	4,353	3,890	6,377	18,916	6,798	7,925	1,295	3,335	60,732	57,970
<b>Total</b>	<b>333,823,252</b>	<b>108,076,684</b>	<b>95,747,037</b>	<b>73,505,300</b>	<b>33,096,395</b>	<b>8,060,737</b>	<b>4,421,430</b>	<b>5,037,714</b>	<b>17,718,038</b>	<b>679,486,587</b>	<b>606,929,731</b>
Allowance for loan losses	(23,296)	(557,206)	(1,087,500)	(2,507,914)	(3,613,591)	(2,636,188)	(2,210,717)	(3,526,401)	(17,718,038)	(33,880,851)	(26,806,599)
<b>Total net provisions</b>	<b>333,799,956</b>	<b>107,519,478</b>	<b>94,659,537</b>	<b>70,997,386</b>	<b>29,482,804</b>	<b>5,424,549</b>	<b>2,210,713</b>	<b>1,511,313</b>	<b>-</b>	<b>645,605,736</b>	<b>580,123,132</b>

(1) Advances on exchange agreements are recorded as a reduction of "Other Liabilities",

(2) Credits acquired as guarantee of Banks PAN, Cruzeiro do Sul, BMG, Bonsucesso, BMB and Daycoval

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(b) Analysis of allowance for loan losses**

Loan transactions	AA	A	B	C	D	E	F	G	H	December 31, 2015	December 31, 2014
<b>Regulatory provision</b>	-	(540,384)	(957,471)	(2,205,160)	(3,309,641)	(2,418,221)	(2,210,717)	(3,526,401)	(17,718,038)	(32,886,033)	(26,806,599)
<b>Loan transactions</b>	-	(511,356)	(945,210)	(2,175,485)	(3,269,919)	(2,360,939)	(2,187,790)	(3,510,016)	(17,538,634)	(32,499,349)	(26,520,347)
Loans and bills discounted	-	(184,959)	(437,690)	(1,004,966)	(1,093,288)	(1,253,398)	(1,269,329)	(1,401,638)	(10,993,491)	(17,638,759)	(10,116,900)
Financing	-	(57,619)	(29,198)	(103,680)	(268,588)	(178,202)	(194,254)	(199,546)	(1,415,613)	(2,446,700)	(5,560,415)
Rural and agribusiness financing	-	(8,920)	(23,904)	(48,441)	(36,552)	(19,252)	(25,951)	(29,066)	(185,618)	(377,704)	(135,587)
Real estate financing	-	(178,143)	(390,493)	(882,455)	(1,779,848)	(596,512)	(693,751)	(675,370)	(4,928,378)	(10,124,950)	(10,208,721)
Infrastructure and development financing	-	(62,509)	(62,380)	(133,394)	(88,336)	(309,502)	-	(1,200,182)	(440)	(1,856,743)	(481,332)
Loan operations linked to assignments	-	(19,206)	(1,545)	(2,549)	(3,307)	(4,073)	(4,505)	(4,214)	(15,094)	(54,493)	(17,392)
<b>Other loan-like receivables</b>	-	(29,028)	(12,261)	(29,675)	(39,722)	(57,282)	(22,927)	(16,385)	(179,404)	(386,684)	(286,252)
Letters of credit	-	(24,167)	(3,958)	(13,730)	(19,985)	(18,317)	(15,153)	(13,164)	(126,711)	(235,185)	(229,054)
Advances on exchange contracts	-	(3,998)	(7,214)	(13,722)	(7,662)	(10,590)	(3,811)	(2,314)	(49,359)	(98,670)	-
Acquired credits	-	(841)	(1,050)	(2,033)	(10,183)	(26,336)	-	-	-	(40,443)	(52,631)
Sundry	-	(22)	(39)	(190)	(1,892)	(2,039)	(3,963)	(907)	(3,334)	(12,386)	(4,567)
<b>Supplementary provision (1)</b>	(23,296)	(16,822)	(130,029)	(302,754)	(303,950)	(217,967)	-	-	-	(994,818)	-
<b>Loans</b>	(23,001)	(16,521)	(128,325)	(296,279)	(299,091)	(214,314)	-	-	-	(977,531)	-
Loans and discounted notes	(15,179)	(9,974)	(75,231)	(219,410)	(234,532)	(145,564)	-	-	-	(699,890)	-
Financing	(5,486)	(2,326)	(14,735)	(46,227)	(61,821)	(68,575)	-	-	-	(199,170)	-
Rural and agribusiness financing	(335)	(384)	(3,788)	(14,992)	(1,281)	(175)	-	-	-	(20,955)	-
Real estate financing	(2,001)	(3,837)	(34,571)	(15,650)	(1,457)	-	-	-	-	(57,516)	-
<b>Other loan-like receivables</b>	(295)	(301)	(1,704)	(6,475)	(4,859)	(3,653)	-	-	-	(17,287)	-
Credit card	(87)	(93)	(769)	(2,992)	(3,557)	(2,353)	-	-	-	(9,851)	-
Advances on exchange contracts	(201)	(196)	(866)	(3,302)	(614)	(1,300)	-	-	-	(6,479)	-
Sundry	(7)	(12)	(69)	(181)	(688)	-	-	-	-	(957)	-
<b>Total provision</b>	(23,296)	(557,206)	(1,087,500)	(2,507,914)	(3,613,591)	(2,636,188)	(2,210,717)	(3,526,401)	(17,718,038)	(33,880,851)	(26,806,599)

(1) It refers to the provision supplementary to minimum percentages required by CMN Resolution No. 2682 of December 21, 1999, using the expected loss methodology, adopted in the institution's credit risk management.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(c) Maturity buckets and risk levels**

With respect to credit in Normal and Abnormal statuses (Notes 8 (c1) and (c2)), the classification criteria were changed. Based on paragraph 1 of art. 4 of Resolution No. 2682/1999, it is permitted to count periods in which payments are overdue in double for transactions with remaining term higher than 36 months. The amounts at December 31, 2014 and September 30, 2015 were adjusted based on the new criterion for comparison purposes.

**(c.1) Normal status**

Description	AA	A	B	C	D	E	F	G	H	December 31, 2015	December 31, 2014 (1)
1 to 30 days	5,291,997	8,688,793	4,018,829	3,349,155	1,110,262	272,224	114,493	1,793,259	461,941	25,100,953	23,424,577
31 to 60 days	4,084,403	4,148,137	2,399,386	1,856,014	592,235	134,159	56,748	34,141	208,811	13,514,034	12,653,054
61 to 90 days	3,952,777	3,532,431	2,185,496	1,828,420	525,500	117,592	46,439	30,178	186,875	12,405,708	11,585,191
91 to 180 days	12,225,326	9,649,662	7,158,204	5,412,140	1,480,867	317,609	126,398	79,023	510,206	36,959,435	32,379,962
181 to 360 days	24,390,185	12,601,707	11,088,533	8,534,967	2,334,621	467,527	172,635	97,857	620,963	60,308,995	49,364,793
More than 360 days	283,878,564	69,455,954	58,603,109	40,227,440	13,438,596	2,406,164	548,098	394,102	3,321,175	472,273,202	425,565,299
<b>Total</b>	<b>333,823,252</b>	<b>108,076,684</b>	<b>85,453,557</b>	<b>61,208,136</b>	<b>19,482,081</b>	<b>3,715,275</b>	<b>1,064,811</b>	<b>2,428,560</b>	<b>5,309,971</b>	<b>620,562,327</b>	<b>554,972,876</b>

(1) It does not include advances on foreign exchange contracts.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(c.2) Abnormal status**

Description	AA	A	B	C	D	E	F	G	H	December 31, 2015	December 31, 2014 (1)
<b>Past-due Installments</b>	-	-	<b>628,143</b>	<b>1,716,962</b>	<b>2,389,206</b>	<b>2,206,673</b>	<b>2,110,440</b>	<b>1,677,193</b>	<b>9,531,990</b>	<b>20,260,607</b>	<b>14,335,953</b>
1 to 30 days	-	-	521,597	214,299	163,576	44,438	28,073	20,129	82,690	1,074,802	1,052,117
31 to 60 days	-	-	106,546	750,262	265,250	101,041	48,948	28,661	140,926	1,441,634	1,410,621
61 to 90 days	-	-	-	492,775	1,282,419	409,410	157,515	88,745	425,199	2,856,063	2,531,099
91 to 180 days	-	-	-	259,626	677,886	1,244,651	1,412,155	1,057,969	1,779,345	6,431,632	4,285,324
181 to 360 days	-	-	-	-	75	407,133	463,749	481,689	6,261,606	7,614,252	4,723,868
More than 360 days	-	-	-	-	-	-	-	-	842,224	842,224	332,924
<b>Falling due Installments</b>	-	-	<b>9,665,337</b>	<b>10,580,202</b>	<b>11,225,108</b>	<b>2,138,789</b>	<b>1,246,179</b>	<b>931,961</b>	<b>2,876,077</b>	<b>38,663,653</b>	<b>35,714,368</b>
1 to 30 days	-	-	204,894	245,336	168,358	55,581	24,637	18,793	71,412	789,011	739,978
31 to 60 days	-	-	172,764	221,764	156,488	46,786	24,056	18,276	68,752	708,886	622,500
61 to 90 days	-	-	169,487	218,401	153,967	46,541	23,488	17,863	66,952	696,699	613,587
91 to 180 days	-	-	483,106	616,591	442,872	129,743	66,871	50,245	190,006	1,979,434	1,770,160
181 to 360 days	-	-	933,379	1,048,621	819,259	234,976	122,015	92,539	339,535	3,590,324	3,244,347
More than 360 days	-	-	7,701,707	8,229,489	9,484,164	1,625,162	985,112	734,245	2,139,420	30,899,299	28,723,796
<b>Total</b>	-	-	<b>10,293,480</b>	<b>12,297,164</b>	<b>13,614,314</b>	<b>4,345,462</b>	<b>3,356,619</b>	<b>2,609,154</b>	<b>12,408,067</b>	<b>58,924,260</b>	<b>50,050,321</b>

(1) It does not include advances on foreign exchange contracts.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(d) Breakdown of loan portfolio by activity sector**

Description	December 31, 2015	December 31, 2014 (1)
<b>PUBLIC SECTOR</b>	<b>53,154,586</b>	<b>47,934,072</b>
Direct administration	28,015,215	25,215,734
Indirect administration– petrochemical	11,308,664	11,269,806
Indirect administration– sanitation and infrastructure	4,169,113	3,863,358
Indirect administration – other	9,661,594	7,585,174
<b>PRIVATE SECTOR</b>	<b>626,332,001</b>	<b>557,089,125</b>
<b>LEGAL ENTITY</b>	<b>139,077,776</b>	<b>122,272,415</b>
Retail	24,428,543	25,626,361
Civil construction work	17,291,122	15,104,225
Iron and steel industry	9,630,222	9,615,257
Electricity	12,167,623	9,655,847
Financial services	8,457,686	5,840,081
Other industries	7,726,781	8,442,422
Transport	10,192,010	9,038,161
Agribusiness and extractive activities	5,330,556	3,688,586
Wholesale	7,105,384	5,872,840
Health	4,026,272	3,647,364
Sanitation and infrastructure	5,684,020	3,518,471
Petrochemical	2,497,286	2,321,577
Textile	2,047,543	2,106,974
Communications	1,538,300	1,564,542
Food	2,321,937	1,924,034
Personal services	346,073	375,437
Other services	18,286,418	13,930,236
<b>INDIVIDUAL</b>	<b>487,254,225</b>	<b>434,816,710</b>
<b>Total</b>	<b>679,486,587</b>	<b>605,023,197</b>

(1) It does not include advances on foreign exchange contracts.

**(e) Income from loan operations**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Loans, discounted notes and financing	22,661,761	44,277,328	19,400,509	36,105,307
Rural and agroindustrial financing	231,007	395,772	94,164	154,477
Mortgage loans	18,293,023	34,176,442	14,200,818	26,287,120
Financing of infrastructure and development	4,648,777	7,740,781	2,220,126	3,794,730
Other receivables	6,614	10,056	3,630	7,075
<b>Total</b>	<b>45,841,182</b>	<b>86,600,379</b>	<b>35,919,247</b>	<b>66,348,709</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(f) Financial assets sale or transfer operations**

CAIXA acquires, sells or transfers financial assets as a business strategy in its operations.

Credit assignment is in line with the Institution's operational strategy, which results in the recognition of revenues and expenses from these operations in trading revenues/expenses.

**(f.1) Loan portfolios assigned**

In 2015, there were onerous credit assignments, as follows:

Description	Credits - assets	Credits written off – losses	Total assignment	Amount received
Renova Securitizadora S.A. (1 <sup>st</sup> quarter)	27,569	1,318,061	1,345,630	64,329
Renova Securitizadora S.A. (2 <sup>nd</sup> quarter)	935,040	4,925,126	5,860,166	145,904
Ativos S.A (2 <sup>nd</sup> quarter)	355,044	721,611	1,076,655	26,303
Omni S/A (3 <sup>o</sup> quarter)	145,748	2,148,011	2,293,759	69,958
Omni Financeira (4 <sup>o</sup> quarter)	939,366	48,186	987,552	65,999
Ativos S.A (4 <sup>o</sup> quarter)	1,311,287	250,117	1,561,404	66,828
<b>Total</b>	<b>3,714,054</b>	<b>9,411,112</b>	<b>13,125,166</b>	<b>439,321</b>

Portfolio assignment				
Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Revenue from sales or portfolio assignment</b>	<b>1,482,162</b>	<b>3,237,459</b>	<b>2,396,571</b>	<b>2,577,435</b>
<b>Recovered amount – loss (1)</b>	<b>124,907</b>	<b>366,765</b>	<b>617,948</b>	<b>617,948</b>
Ativos S,A	56,123	85,132	-	-
EMGEA	-	-	604,203	604,203
Omni S/A	68,784	68,784	-	-
Renova Companhia Securitizadora S,A	-	212,849	13,745	13,745
<b>Reversal of provision (1)</b>	<b>1,084,038</b>	<b>2,352,007</b>	<b>1,546,920</b>	<b>1,546,920</b>
Ativos S,A	-	338,066	-	-
EMGEA	-	-	924,882	924,882
Omni S/A	1,084,038	1,084,038	-	-
Renova Companhia Securitizadora S,A	-	929,903	622,038	622,038
<b>Assignment-related revenue (2)</b>	<b>273,217</b>	<b>518,687</b>	<b>231,703</b>	<b>412,567</b>
RB Capital Securitizadora	273,217	518,687	231,703	412,567
<b>Sales or portfolio assignment expenses</b>	<b>(1,298,111)</b>	<b>(2,815,517)</b>	<b>(2,348,044)</b>	<b>(2,529,252)</b>
<b>Assignment-related expenses (2)</b>	<b>(275,050)</b>	<b>(519,166)</b>	<b>(231,835)</b>	<b>(413,043)</b>
RB Capital Securitizadora	(275,050)	(519,166)	(231,835)	(413,043)
<b>Obligation losses for assignment-related operations (1)</b>	<b>(1,023,061)</b>	<b>(2,296,351)</b>	<b>(2,116,209)</b>	<b>(2,116,209)</b>
Ativos S/A	(4,486)	(345,257)	-	-
EMGEA	-	-	(1,389,279)	(1,389,279)
Omni S/A	(1,018,575)	(1,018,575)	-	-
Renova Companhia Securitizadora S/A	-	(932,519)	(726,930)	(726,930)
<b>Expenses with the provision for portfolios assigned with co-liability (2)</b>	<b>(21,235)</b>	<b>(56,542)</b>	<b>(6,250)</b>	<b>(14,196)</b>
RB Capital Securitizadora	(21,235)	(56,542)	(6,250)	(14,196)
<b>P&amp;L</b>	<b>162,816</b>	<b>365,400</b>	<b>42,277</b>	<b>33,987</b>

(1) Credit assignment, without co-liability, to Ativos S,A,EMGEA,Omni S.A. and Renova Companhia Securitizadora de Créditos Financeiros S.A.

(2) Credit assignment, with co-liability, to RB Capital Securitizadora Residencial S.A

**Notes to the Consolidated Financial Statements**

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Effective as from January 1, 2012, CMN Resolution No. 3533/2008 establishes procedures to classify, record for accounting purposes, and report operations involving the sale or transfer of financial assets.

The classification as substantial retention of risks and benefits, in credit assignment operations, is characterized by credit assignment guarantees. In the referred to classification, assigned operations remain recorded in the assigning institution's assets, and the funds received are recorded in assets against liabilities, given the obligation assumed. Credit assignment-related revenues and expenses are recognized in P&L, over the remaining term of the operations.

**(f.2) Portfolios acquired**

P&L from portfolios acquired				
Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>With guarantee (1)</b>	<b>41,125</b>	<b>82,540</b>	<b>4,319</b>	<b>13,224</b>
Revenue from credits linked to operations acquired in assignment	41,341	85,133	4,603	14,011
Obligation expenses for assignment-related operations	(216)	(2,593)	(284)	(787)
<b>Without guarantee (2)</b>	<b>1,611,348</b>	<b>2,822,761</b>	<b>919,081</b>	<b>1,702,106</b>
Revenue from credits linked to operations acquired in assignment	1,611,136	2,823,051	928,666	1,712,026
Obligation expenses for assignment-related operations	212	(290)	(9,585)	(9,920)
<b>P&amp;L</b>	<b>1,652,473</b>	<b>2,905,301</b>	<b>923,400</b>	<b>1,715,330</b>

(1) Portfolios acquired for the period from banks Cruzeiro do sul, BMG, Bonsucesso, BMB, PAN and Davcoval.

(2) Portfolios acquired for the period from Bank PAN.

**(g) Concentration of main debtors**

Description	December 31, 2015	%	December 31, 2014	%
Main debtor	11,308,664	1.66	11,269,806	1.86
10 major debtors	47,803,402	7.04	42,036,699	6.95
20 major debtors	66,334,889	9.76	56,786,112	9.39
50 major debtors	89,689,691	13.20	77,560,357	12.82
100 major debtors	104,434,440	15.37	89,805,708	14.84

**(h) Breakdown of renegotiation portfolio**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Renegotiated Operations</b>	<b>7,392,620</b>	<b>13,004,376</b>	<b>5,068,165</b>	<b>10,269,836</b>
Commercial Operations	7,183,394	12,532,483	4,734,691	9,575,947
Housing Loan Operations	209,226	471,893	333,474	693,889
<b>Recovered Operations</b>	<b>1,407,960</b>	<b>2,460,437</b>	<b>2,225,461</b>	<b>3,029,774</b>
Commercial Operations	1,160,889	1,950,470	985,576	1,527,527
Housing Loan Operations	247,071	509,967	1,239,885	1,502,247

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i) Changes in the allowance for loan losses**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Opening balance</b>	<b>(29,413,979)</b>	<b>(26,806,599)</b>	<b>(25,411,010)</b>	<b>(23,966,296)</b>
Provision set up for the period	(21,668,531)	(39,023,091)	(12,306,980)	(21,637,366)
Reversal of provision for the period	11,594,442	19,366,075	5,580,988	8,481,705
Losses	5,607,217	12,582,764	5,330,403	10,315,358
<b>Closing balance</b>	<b>(33,880,851)</b>	<b>(33,880,851)</b>	<b>(26,806,599)</b>	<b>(26,806,599)</b>

- (1) The changes in 2015 essentially refer to credit assignment transactions.
- (2) In 2015, it includes reversals of provisions arising from adjusted loan debt that was with late charge adjustment in disagreement with CMN Resolution No. 2682/1999. This revenue increase is superseded by operating adjustment expenses in loan transactions (Note 27).

**Note 9 – Other receivables****(a) Analysis**

Description	December 31, 2015	December 31, 2014
Receivables from guarantees honored	30,749	29,185
Foreign exchange portfolio – Note 9 (c)	5,473,711	2,506,525
Income receivable	2,833,916	2,971,952
Dividends and interest on own capital receivable	217,944	193,288
Agreements with the private sector	106,535	121,822
Agreements with the public sector	499,310	542,349
Management of investment funds	61,192	48,089
Management of social funds and programs	1,901,374	1,960,237
Other receivables	47,561	106,167
Negotiation and intermediation of securities	48,313	2,766
Specific receivables	836,716	765,593
Sundry – Note 9 (b)	65,706,242	54,034,623
Provision for losses on other receivables	(403,971)	(286,252)
<b>Total</b>	<b>74,525,676</b>	<b>60,024,392</b>
Current assets	42,751,379	34,458,544
Non-current assets	31,774,297	25,565,848

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**b) Other receivables - sundry**

Description	December 31, 2015	December 31, 2014
Tax credits – (Note 20)	35,903,427	25,189,610
Receivables from escrow deposits – (Note 30 (c))	13,711,179	12,625,576
Salary advances and prepayments	208,821	190,724
Advance of dividends and interest on equity	2,414,154	1,400,065
Taxes and contributions to be offset	1,136,939	1,051,828
Credit cards (1)	7,393,442	7,313,709
Premium on purchase of loan portfolios	1,512,617	1,188,447
Insurance receivable	212,373	125,950
Credits acquired	530,574	684,730
Receivables – fund administration and social programs	138,843	176,617
Receivables – royalties (2)	277,384	17,260
Receivables – FND	451,485	410,761
Receivables – correspondents	107,097	146,546
Receivables – redemption of bonus	105,906	97,994
Receivables – government revenue and collection agreements	8,372	47,118
Receivables – administered credits	25,243	25,630
Receivables – health plans – self-management	13,805	22,224
Receivables –foreign marketable securities	-	344,967
Receivables – Credit assignment	30,896	-
Receivables – sureties and guarantees paid	181,918	103,577
Unrecognized amounts (2)	2,294,688	3,976,683
Other debtors	689,869	376,953
Discount on other financial assets (Note 7 (b))	(1,411,087)	(1,411,087)
Provision for losses - Sundry (4)	(231,703)	(71,259)
<b>Total</b>	<b>65,706,242</b>	<b>54,034,623</b>
Current assets	33,912,228	28,440,582
Non-current assets	31,794,014	25,594,041

(1) This includes R\$ 7,028,676 (December 31, 2014 – 7,171,685) of credits with credit lending characteristics (Note 8 (a)) and credit card annual fee, with no credit lending characteristics.

(2) Assets classified in suspense accounts, mainly, release of real estate credits and redemption of investments.

(3) These include impairment of securities and receivables from companies in bankruptcy protection amounting to R\$ (108,257) in 2015.

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

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(c) Foreign exchange portfolio**

Description	December 31, 2015	December 31, 2014
<b>Assets – Other receivables</b>		
Foreign exchange purchases pending settlement – Foreign currency	26,236	19,581
Receivables from foreign exchange sales – Local currency	5,368,387	2,467,809
Income receivable from advances granted - ACC/ACE	80,092	20,896
(-) Advances received – Local currency	(1,004)	(1,761)
<b>Current assets</b>	<b>5,473,711</b>	<b>2,506,525</b>
<b>Liabilities - Other liabilities</b>		
Foreign exchange sales pending settlement – Foreign currency	52,011	165,694
Payables for foreign exchange purchases – Local currency	4,489,402	2,104,398
(-) Advances on foreign exchange contracts (ACC/ACE)	(4,437,178)	(1,927,430)
<b>Current liabilities (Note 18 (a))</b>	<b>104,235</b>	<b>342,662</b>

**(c,1) Results of foreign exchange transactions**

Description	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
<b>Income</b>	<b>21,392,670</b>	<b>34,797,886</b>	<b>7,932,071</b>	<b>11,558,319</b>
Funds in foreign currency	21,305,493	34,659,800	7,904,815	11,522,050
Foreign securities	-	-	3,738	3,738
Others	87,177	138,086	23,518	32,531
<b>Expenses</b>	<b>(19,637,443)</b>	<b>(32,106,799)</b>	<b>(6,664,663)</b>	<b>(10,530,934)</b>
Expenses on exchange rate variations and differences	(19,637,001)	(32,106,078)	(6,664,402)	(10,530,491)
Foreign securities	-	-	-	-
Others	(442)	(721)	(261)	(443)
<b>Profit of foreign exchange transactions</b>	<b>1,755,227</b>	<b>2,691,087</b>	<b>1,267,408</b>	<b>1,027,385</b>

**Note 10 – Other assets**

These are 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;
- Prepaid expenses that mainly relate to prepayments of the 13<sup>th</sup> monthly pay of employees and prepayment of ordinary contributions to FGC (December 31, 2014);
- Inventory of store and supplies

**Notes to the Consolidated Financial Statements**

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Description	December 31, 2015	December 31, 2014
<b>Assets not for own use</b>	<b>2,654,566</b>	<b>1,567,595</b>
Properties not in use	403,467	224,992
Adjudicated/auctioned properties	2,251,099	1,342,603
<b>Prepaid expenses</b>	<b>21,267</b>	<b>46,143</b>
<b>Consumption mate</b>	<b>34,845</b>	<b>35,037</b>
<b>Provisions for real estate devaluation losses (Note 10 (a))</b>	<b>(133,958)</b>	<b>(90,591)</b>
<b>Total</b>	<b>2,576,720</b>	<b>1,558,184</b>

**(a) Provisions for loss on devaluation of properties**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Opening balance</b>	<b>(94,693)</b>	<b>(90,591)</b>	<b>(30,371)</b>	<b>(31,614)</b>
Provisions	(57,433)	(69,927)	(70,026)	(95,274)
Write-offs	18,168	26,560	9,806	36,297
<b>Closing balance</b>	<b>(133,958)</b>	<b>(133,958)</b>	<b>(90,591)</b>	<b>(90,591)</b>

**Note 11 – Investments in subsidiary and associated companies****a) Corporate reorganization of CAIXA's security segment**

On May 27, 2015, CAIXA established the wholly-owned subsidiary CAIXA Seguridade, enrolled with the Brazilian IRS Registry of Legal Entities (CNPJ) under No. 22.543.331/0001-00, engaged in acquisition of corporate shareholding or interest, direct or indirect, as a shareholder or member, of the capital of other companies, in Brazil or abroad, whose business purpose is the structuring and sale of insurance in various lines, supplementary pension plans and capitalization plans, management, sale and provision of private health care and dental plans, brokerage of such products, as well as structuring, management and sale of consortia and performance of reinsurance and retrocession operations in Brazil and abroad.

Under the corporate reorganization plan, at June 30, 2015, CAIXA Seguridade directly absorbed the major equity interests referring to the security segment held by CAIXA and its wholly-owned subsidiary Caixa Participações S.A. (CAIXAPAR), as described below:

100% of the shares of CAIXA Operadora S.A., incorporated on May 27, 2015 as a wholly-owned subsidiary of CAIXA, absorbed by CAIXA Seguridade at June 30, 2015;

- II. 49.00% of the shares of Panamericana Administração e Corretagem de Seguros and of Previdência Privada Ltda. ("PAN Corretora"), acquired on December 29, 2014 by CAIXAPAR;
- III. 48.99% of the shares of PAN Seguros S.A. ("PAN Seguros"), acquired on June 19, 2015 by CAIXAPAR;
- IV. 48.21% of the shares of Caixa Seguros Holding S.A. ("CAIXA Seguros"), organized on February 26, 2010 by CAIXAPAR.

CAIXA Operadora management, represented by its sole shareholder Caixa Seguridade Participações S.A, in the Special Shareholders' Meeting held on July 28, 2015, adopted the following resolutions:

- I. Change in the Company's name, becoming Caixa Holding Securitária S.A. ("CAIXA Securitária");
- II. Change in the Company's business purpose, solely comprising interests in companies authorized to operate by the Brazil's Private Insurance Supervisory Office (SUSEP)."

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

- III. Capital increase from R\$ 100, fully paid in, to R\$ 363,740, upon assignment to the Company of shares representing the capital of PAN Seguros and units of interest representing the capital of PAN Corretora, formerly owned by CAIXA Seguridade.

Major direct and indirect interests held by **CAIXA Seguridade**:

**CAIXA Seguros Holding S.A.**: privately-held company engaged in holding interests as shareholder or member in business companies that operate in the insurance industry with all lines, including dental health, capitalization plans, open-ended private pension plans that offer private saving plans or supplementary retirement benefits; consortium management; and activities that are related or supplementary to those described above. Capital of CAIXA Seguros Holding is divided substantially between the French group CNP Assurance, which holds 51.75%, and CAIXAPAR, with 48,21%. At June 30, 2015, CAIXAPAR underwent a partial spin-off, with transfer of the interest to CAIXA Seguridade.

**CAIXA Holding Seguritária**: Wholly-owned subsidiary of CAIXA Seguridade, established on May 27, 2015, engaged in management of the sale and distribution of (i) individual, property, rural, credit, vehicle or any other type of insurance; (ii) supplementary pension plans, as well as other products and services authorized for supplementary pension plan entities; (iii) capitalization plans, as well as other products and services authorized for capitalization entities; (iv) consortium group quotas; (v) health and dental insurance to individuals and/or legal entities; (vi) any products or services regulated by the Brazil's Private Insurance Supervisory Office (SUSEP), by the Brazil's Supplementary Health Agency (ANS) or by the Central Bank of Brazil (BACEN) related to consortium groups.

**PAN Seguros S/A**: privately-held company engaged in selling insurance policies to individuals and legal entities, credit life insurance, home insurance, mandatory insurance against personal injury caused by motor vehicle (DPVAT) and insurance against damage. On December 29, 2014, PAN Seguros's shareholding control was transferred to BTG Pactual Seguradora S.A. ("BTG"), pursuant to share purchase and sale agreement entered into between BTG and Banco PAN S.A. At December 31, 2014, PAN Seguros performed the reverse merger of BTG for R\$550,406 and became the direct subsidiary of BTG Pactual Holding de Seguros Ltda. with 99.99% interest. On June 19, 2015, CAIXAPAR purchased 48.99% of PAN Seguros shares, under the stock option agreement and other covenants, signed on August 21, 2014 with BTG Pactual Holding de Seguros Ltda. CAIXAPAR subsequently performed the partial spin off of the total interest held in PAN Seguros to CAIXA Seguridade at June 30, 2015.

**PAN Corretora**: privately-held company jointly held by BTG Pactual Holding de Seguros and CAIXAPAR, with 51.00% and 49.00% interest, respectively. The business purpose of the entity is management, guidance and brokerage of non-life and life insurance and social security plans. At June 30, 2015, CAIXAPAR performed the partial spin-off of the interest of PAN Corretora para a CAIXA Seguridade.

CAIXA Seguridade Participações S.A. management, in the Special Shareholders' Meeting (AGE) held on December 30, 2015, approved:

- I. Merger of the Capital Reserve into Company's Capital, amounting to R\$ 457,720, without changing the number of shares;
- II. Capital decrease amounting to R\$ 500,000, without cancelling the shares, for being excessive under article 173 of Law No. 6404/76. The shareholder will receive as refund of a portion of share value R\$ 0.416666 per share;
- III. Accordingly, Company's capital amounted to R\$ 2,756,687;
- IV. Capital decrease will be effective 60 (sixty) days after publication of the minutes of the Special Shareholders' Meeting, period for creditors to challenge it under article 174 of Law No. 6404/76.

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**b) Equity interests included in the consolidated financial statements:**

The consolidated investment portfolio is comprised of associates and jointly-controlled companies, over which CAIXAPAR and CAIXA Seguridade have significant influence or joint control, evaluated under the equity method.

Shareholding interest portfolio - CAIXAPAR	Number of shares		Interest %	
	Common	Preferred	Voting capital	Capital
Banco PAN	262,164,552	112,732,358	49.00	40.35
Branes	40,975,186	-	37.25	37.25
Capgemini	63,764,544	-	24.19	22.05
Cia. Brasileira de Securitização – CIBRASEC	6,000	-	9.09	9.09
Crescer	30,435,197	-	49.00	49.00
Elo Serviços	62,779	837,031,603	0.01	33.33
TECBAN	375,508,013	-	10.00	10.00

Shareholding interest portfolio - CAIXA Seguridade	Number of shares		Interest %	
	Common	Preferred	Voting capital	Capital
CAIXA Securitária (1)	100,000	-	100.00	100.00
PAN Seguros	166,210,711	51,313	48.99	48.99
PAN Corretora	149,940	-	49.00	49.00
CAIXA Seguros Holding S.A.	2,239,226	-	48.21	48.21

- (1) The equity interest in CAIXA Seguridade, consolidated in CAIXA, refers to the consolidated position of this investment. Accordingly, 100% interest of CAIXA Seguridade in CAIXA Securitária is eliminated upon preparation of the consolidated financial statements of CAIXA Seguridade.

Description	Investments		Equity pick-up result			
	December 31, 2015	December 31, 2014	2015		2014	
			2nd Semester	Year	2nd Semester	Year
CAIXA Seguros Holding	2,635,360	2,437,271	402,956	822,958	358,778	739,346
Banco PAN	1,183,161	1,020,949	250,787	121,570	22,562	(31,162)
Capgemini	177,957	236,891	(36,585)	(62,137)	(13,316)	(45,267)
Elo Serviços	18,542	14,931	(124)	3,694	1,677	1,612
Cia. Bras. de Securitização - CIBRASEC	6,956	6,880	124	249	103	194
Caixa Seguros Participações - CSP	-	-	-	-	(2,192)	-
Crescer	-	-	(3,815)	(5,094)	(11,380)	(21,782)
Branes	1,841	1,841	6	-	(19)	(56)
BIAPE	238	619	2	(448)	(305)	(207)
FGO – Fundo Garantia de Operações	76,069	91,943	-	-	-	-
FGHAB – Fundo Garantidor Habitação Popular	262,766	210,991	-	-	-	-
Fundo de Investimento em Participações	32,428	39,059	(725)	(7,319)	(467)	(1,017)
TECBAN	107,004	58,976	368	48,028	3,795	3,795
PAN Corretora	29,381	24,500	2,771	4,912	-	-
PAN Seguros (1)	353,709	-	16,578	16,578	-	-
Other investments (2)	4,734	43,599	-	-	-	-
<b>Total</b>	<b>4,890,146</b>	<b>4,188,450</b>	<b>632,343</b>	<b>942,991</b>	<b>359,236</b>	<b>645,456</b>

- (1) PAN Seguros: Company acquired by CAIXAPAR on June 18, 2015 and split off and merged into CAIXA Seguridade S.A at June 30, 2015 Note 11 (a).
- (2) Investments assessed at acquisition cost

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Changes in goodwill (Banco PAN and Capgemini)	YTD - 2015	YTD - 2014
<b>Prior balance</b>	<b>226,159</b>	<b>272,719</b>
Amortization	(45,628)	(46,560)
<b>Current balance</b>	<b>180,531</b>	<b>226,159</b>

**Note 12 – Property and equipment in use**

Considering the construction in progress rate of 14.34% (December 31, 2014 – 14.43%, CAIXA is classified as defined by CMN Decision No. 2669/1999, which determines a 50% limit of Regulatory Capital as from December 31, 2002.

Breakdown of property and equipment in use						
Description	December 31, 2015			December 31, 2014		
	Cost	Depreciation	Net	Cost	Depreciation	Net
<b>Properties in use</b>	<b>1,590,668</b>	<b>(518,560)</b>	<b>1,072,108</b>	<b>1,258,361</b>	<b>(355,224)</b>	<b>903,137</b>
Buildings	1,529,447	(518,560)	1,010,887	1,196,546	(355,224)	841,322
Land	61,221	-	61,221	61,815	-	61,815
<b>Revaluations of properties in use</b>	<b>715,978</b>	<b>(192,466)</b>	<b>523,512</b>	<b>739,998</b>	<b>(178,338)</b>	<b>561,660</b>
Buildings	524,127	(192,466)	331,661	540,437	(178,338)	362,099
Land	191,851	-	191,851	199,561	-	199,561
<b>Other assets in use</b>	<b>7,295,520</b>	<b>(5,026,378)</b>	<b>2,269,142</b>	<b>6,709,767</b>	<b>(4,420,524)</b>	<b>2,289,243</b>
Construction in progress	23,881	-	23,881	32,401	-	32,401
Facilities, furniture and equipment in use	1,606,314	(849,561)	756,753	1,434,613	(762,772)	671,841
Communications systems	91,424	(77,158)	14,266	91,922	(74,215)	17,707
Data processing system	5,154,717	(3,799,290)	1,355,427	4,771,998	(3,321,961)	1,450,037
Transport and security system	419,184	(300,369)	118,815	378,833	(261,576)	117,257
<b>Total</b>	<b>9,602,166</b>	<b>(5,737,404)</b>	<b>3,864,762</b>	<b>8,708,126</b>	<b>(4,954,086)</b>	<b>3,754,040</b>

Changes in property and equipment in use						
Description	31/12/2014	Transfers	Additions	Write-offs	Depreciation	31/12/2015
<b>Properties in use</b>	<b>903,137</b>	<b>7,649</b>	<b>432,301</b>	<b>(1,704)</b>	<b>(269,275)</b>	<b>1,072,108</b>
Buildings	841,322	7,278	432,301	(739)	(269,275)	1,010,887
Land	61,815	371	-	(965)	-	61,221
<b>Revaluations of properties in use</b>	<b>561,660</b>	<b>-</b>	<b>(122)</b>	<b>(18,171)</b>	<b>(19,855)</b>	<b>523,512</b>
Buildings	362,099	-	(98)	(10,485)	(19,855)	331,661
Land	199,561	-	(24)	(7,686)	-	191,851
<b>Other assets in use</b>	<b>2,289,243</b>	<b>(7,416)</b>	<b>632,990</b>	<b>(1,241)</b>	<b>(644,434)</b>	<b>2,269,142</b>
Construction in progress	32,401	(7,416)	57	(1,161)	-	23,881
Facilities, furniture and equipment in use	671,841	(507)	180,229	(1)	(94,809)	756,753
Communications systems	17,707	-	-	-	(3,441)	14,266
Data processing system	1,450,037	449	409,013	(53)	(504,019)	1,355,427
Transport and security system	117,257	58	43,691	(26)	(42,165)	118,815
<b>Total</b>	<b>3,754,040</b>	<b>233</b>	<b>1,065,169</b>	<b>(21,116)</b>	<b>(933,564)</b>	<b>3,864,762</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 13 – Intangible**

Description	12/31/2015				12/31/2014			
	Cost	Accumulated amortization	Impairment	Net	Cost	Accumulated amortization	Impairment	Net
Payroll acquisitions	2,905,765	(992,807)	(6,804)	1,906,154	2,797,650	(825,011)	(6,168)	1,966,471
Other intangible assets	366,655	(57,614)	-	309,041	370,855	(45,987)	-	324,868
Logistics projects - Software	1,384,938	(352,593)	-	1,032,345	1,100,443	(245,336)	-	855,107
<b>Total</b>	<b>4,657,358</b>	<b>(1,403,014)</b>	<b>(6,804)</b>	<b>3,247,540</b>	<b>4,268,948</b>	<b>(1,116,334)</b>	<b>(6,168)</b>	<b>3,146,446</b>

Description	12/31/2014	12/31/2015			Net
	Net	Changes			
		Additions	Write-offs	Amortization	
Payroll acquisitions	1,966,471	543,209	(58,164)	(545,362)	1,906,154
Other intangible assets	324,868	-	-	(15,827)	309,041
Logistics projects- Software	855,107	332,735	-	(155,497)	1,032,345
<b>Total</b>	<b>3,146,446</b>	<b>875,944</b>	<b>(58,164)</b>	<b>(716,686)</b>	<b>3,247,540</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 14 – Deposits**
**(a) Analysis**

Description	12/31/2015	12/31/2014
Demand deposits – without yield	27,414,590	27,013,964
Individuals	12,800,437	12,323,481
Companies	10,703,860	11,550,896
Restricted	2,071,944	1,842,482
Government	1,343,474	918,168
Foreign currencies	54,540	11,023
Financial institutions	36,620	60,575
Public entities	215,008	170,142
Accounts closed	18,195	-
Other	170,512	137,197
Savings deposits – floating-rate yield	241,362,624	236,836,068
Individuals	237,999,158	234,391,366
Companies	2,482,363	2,442,270
Restricted	2,323	2,432
Accounts closed	878,780	-
Interbank deposits	2,426,627	3,663,877
Time deposits	168,918,281	143,055,444
Fixed-rate yield	80,156,145	66,772,385
Time deposits in local currency	80,156,145	66,772,385
Floating-rate yield	88,762,136	76,283,059
Time deposits in local currency	26,730,337	22,826,263
Remunerated judicial deposits	62,031,799	53,456,796
Special deposits and deposits of funds and programs	14,540,011	8,476,386
Without yield	271,022	263,759
Fixed-rate yield	557,968	494,003
Floating-rate yield	13,711,021	7,718,624
<b>Total</b>	<b>454,662,133</b>	<b>419,045,739</b>
Current liabilities	367,127,623	341,467,033
Non-current liabilities	87,534,510	77,578,706

**(b) Deposits by maturity**

Deposits	No maturity	1 to 90 days	91 to 360 days	More than 360 days	December 31, 2015	December 31, 2014
Demand deposits	27,414,590	-	-	-	27,414,590	27,013,964
Savings deposits	241,362,624	-	-	-	241,362,624	236,836,068
Interbank deposits	-	1,813,107	240,152	373,368	2,426,627	3,663,877
Time deposits	62,057,328	6,518,604	13,181,207	87,161,142	168,918,281	143,055,444
Bank deposit certificates (CDB)	11,943	6,518,604	13,181,207	87,161,142	106,872,896	89,583,966
Judicial deposits	62,031,799	-	-	-	62,031,799	53,456,796
Other	13,586	-	-	-	13,586	14,682
Special deposits and deposits of funds and programs	14,540,011	-	-	-	14,540,011	8,476,386
<b>Total</b>	<b>345,374,553</b>	<b>8,331,711</b>	<b>13,421,359</b>	<b>87,534,510</b>	<b>454,662,133</b>	<b>419,045,739</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(c) Expenses with deposits**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Savings deposits	(9,184,163)	(17,355,821)	(7,685,242)	(14,517,622)
Interbank deposits	(139,143)	(271,511)	(186,586)	(295,465)
Time deposits CDB/RDB	(7,090,586)	(12,455,367)	(4,678,257)	(8,324,735)
Judicial deposits	(2,044,744)	(3,685,038)	(1,438,818)	(2,682,538)
Special deposits and deposits of funds and programs (d.1)	(878,018)	(1,525,007)	(542,655)	(1,063,910)
Other funding	(356,167)	(695,448)	(311,209)	(589,046)
<b>Total</b>	<b>(19,692,821)</b>	<b>(35,988,192)</b>	<b>(14,842,767)</b>	<b>(27,473,316)</b>

**(d) Special deposits and deposits of funds and programs**

Description	12/31/2015	12/31/2014
Deposits – FGTS	8,569,202	2,901,111
Special deposits with yield	2,064,505	1,824,348
Deposits - FAT (d,2)	1,553,768	1,763,026
Deposits – FISANE	9,722	9,010
Deposits – PRODEC	56,088	52,047
Deposits – PIS	150,246	22,671
Deposits – FGS	22,768	9,083
Deposits – FAR	104,815	69,166
Deposits – FDS	426,318	383,860
Deposits - Program for Expansion and Modernization of the Brazilian Fishing Fleet	8,107	7,945
Deposits – FAS	8,050	10,447
Deposits – PREVHAB	701,267	623,966
Saúde CAIXA	271,022	263,759
Other	594,133	535,947
<b>Total</b>	<b>14,540,011</b>	<b>8,476,386</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Description	Yield rate	2015		2014	
		2nd Semester	Year	2nd Semester	Year
Deposits – FGTS	Selic	(490,380)	(856,840)	(272,544)	(558,091)
Deposits – FAT	Selic and Long-term Interest Rate	(58,905)	(110,216)	(49,298)	(95,128)
Deposits – FISANE	TR	(386)	(712)	(303)	(582)
Deposits – PRODEC	TR + Interest 0.4868% p.m.	(2,205)	(4,041)	(1,760)	(2,409)
Deposits – PIS	Extra market	(71,671)	(112,679)	(27,216)	(50,924)
Deposits – FGS	Selic day factor /Extra market	(3,406)	(4,811)	(2,116)	(3,141)
Deposits – FAR	Selic	(24,966)	(26,764)	(20,295)	(36,234)
Deposits – FDS	Selic day factor	(28,339)	(51,732)	(20,969)	(39,376)
Deposits – Federal Treasury	Selic	(24,074)	(43,396)	(16,978)	(31,333)
Deposits – FAS	TR	(102)	(147)	(51)	(76)
Deposits - PREVHAB	Selic	(45,437)	(82,441)	(33,179)	(61,600)
Deposits – Guarantee	TR	(8,222)	(13,298)	(5,052)	(8,145)
Deposits – FCA	Extra – market	(30,337)	(53,604)	(22,149)	(41,457)
Deposits – Fundo Paulista de Habitação	CDI	(32,608)	(60,790)	(31,177)	(56,248)
Other		(56,980)	(103,536)	(39,568)	(79,166)
<b>Total</b>		<b>(878,018)</b>	<b>(1,525,007)</b>	<b>(542,655)</b>	<b>(1,063,910)</b>

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

FAT is a special accounting and financial fund established by Law 7998/1990, 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 no.8352/1991, 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 no. 439/2005 and 489/2006.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

Description	Resolution/ TADE	Return of FAT funds			12/31/2015			12/31/2014		
		Type	Date	Deadline	Available	Invested	Total	Available	Invested	Total
Programs					159,585	1,319,488	1,479,073	462,236	1,226,330	1,688,566
Proger - Urban					96,290	1,021,184	1,117,474	374,230	844,004	1,218,234
Investment	08/05	RA	10/10/2005		96,290	1,021,184	1,117,474	374,230	844,004	1,218,234
Proger export	17/05	RA	12/09/2005		-	-	-	-	-	-
FAT popular entrepreneur	23/05	RA	12/09/2005		-	-	-	-	-	-
FAT – housing	05/07	SD	11/09/2007		-	-	-	-	-	-
FAT infrastructure					62,920	293,584	356,504	64,789	378,609	443,398
Infrastructure economical	13/06	RA	08/08/2008		62,920	293,584	356,504	64,789	378,609	443,398
FAT – PNMPO					375	4,720	5,095	23,217	3,717	26,934
FAT – microcredit	15/06	RA	05/10/2007		375	4,720	5,095	23,217	3,717	26,934
Special lines of credit					417	74,278	74,695	300	74,160	74,460
FAT - Pan-American village	01/05	SD	12/09/2005		417	74,278	74,695	300	74,160	74,460
<b>Total</b>					<b>160,002</b>	<b>1,393,766</b>	<b>1,553,768</b>	<b>462,536</b>	<b>1,300,490</b>	<b>1,763,026</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Description	December 31, 2015	December 31, 2014
<b>Own portfolio (1)</b>	<b>94,785,099</b>	<b>76,689,005</b>
Financial Treasury Bills	42,991	-
Federal Treasury Bills	64,294,891	41,115,381
Federal Treasury Notes	22,689,765	27,661,569
Debentures	7,285,266	7,380,696
Mortgage Backed-Securities	472,186	531,359
Real Estate Notes	-	-
<b>Third-party portfolio</b>	<b>99,476,122</b>	<b>96,080,879</b>
Financial Treasury Bills	-	6,876,951
Federal Treasury Bills	30,798,362	34,742,305
Federal Treasury Notes	68,677,760	54,461,623
<b>Total</b>	<b>194,261,221</b>	<b>172,769,884</b>
Current liabilities	186,597,458	165,935,128
Non-current liabilities	7,663,763	6,834,756

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

**(b) Expenses of funds obtained in the open market**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Own portfolio	(6,192,813)	(10,897,047)	(4,134,591)	(7,366,824)
Third-party portfolio	(6,128,112)	(11,712,800)	(6,064,102)	(10,161,535)
Unrestricted portfolio	(18,083)	(37,822)	(114,669)	(114,669)
<b>Total</b>	<b>(12,339,008)</b>	<b>(22,647,669)</b>	<b>(10,313,362)</b>	<b>(17,643,028)</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

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

Deposits	Index	Maturity				12/31/2015	12/31/2014
		1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
Mortgage Bill	IGP-M	-	-	-	687,723	687,723	622,177
Mortgage Bill	INPC	-	-	-	15,029	15,029	13,522
Mortgage Bill	TR	-	-	-	-	-	1,842
Real estate Bill	IGP-M	-	-	-	9,962	9,962	9,011
Real estate Bill	CDI	12,350,695	15,081,699	31,547,648	52,241,692	111,221,734	86,641,772
Financial Bill	CDI	9,071,460	3,215,465	19,682,275	7,701,066	39,670,266	37,075,325
Financial Bill	IPCA	-	-	-	1,052,891	1,052,891	800,129
Agribusiness Bill	CDI	61,604	119,330	368,613	480,263	1,029,810	1,807,449
<b>Total</b>		<b>21,483,759</b>	<b>18,416,494</b>	<b>51,598,536</b>	<b>62,188,626</b>	<b>153,687,415</b>	<b>126,971,227</b>
Current liabilities						91,498,789	45,743,859
Non-current liabilities						62,188,626	81,227,368

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(b) Expenses related to funds from notes**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Real estate Bill	(6,433,736)	(11,520,911)	(3,722,380)	(6,294,664)
Mortgage Bill	(73,200)	(132,914)	(43,150)	(90,118)
Financial Bill	(2,883,423)	(5,381,560)	(2,012,100)	(3,481,578)
Agribusiness Credit Bills	(107,238)	(211,088)	(118,870)	(234,926)
<b>Total</b>	<b>(9,497,597)</b>	<b>(17,246,473)</b>	<b>(5,896,500)</b>	<b>(10,101,286)</b>

**(c) Securities issued abroad**

CAIXA issues securities abroad in order to build an alternative source to raise funds in the long term for financing its assets operations. Through December 31, 2014, five international issues were conducted, of which 4 senior tranches and 1 subordinated (Note 18 (d1)), whose characteristics are as follows:

Securities	Currency	Amount issued	Yield p.a.	Date of funding	Maturity	12/31/2015	12/31/2014
1 <sup>st</sup> series	US\$	1,000,000,000	2.38%	Nov/12	Nov/17	3,865,055	2,519,469
2 <sup>nd</sup> series	US\$	500,000,000	3.50%	Nov/12	Nov/22	1,812,940	1,259,734
3 <sup>rd</sup> series	US\$	1,250,000,000	4.50%	Oct/13	Oct/18	4,947,455	3,424,702
4 <sup>th</sup> series	US\$	1,300,000,000	4.25%	May/14	May/19	5,077,494	3,573,945
<b>Total</b>						<b>15,702,944</b>	<b>10,777,850</b>

(1) Amounts in thousands of US\$.

**(d) P&L from liabilities for marketable securities abroad**

Description	2015		2014 (Nota 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Securities abroad expenses - without subordination	(3,398,731)	(5,572,970)	(2,062,307)	(1,931,254)
Securities abroad expenses - with subordination	(446,429)	(742,047)	(263,776)	(263,775)
<b>Total</b>	<b>(3,845,160)</b>	<b>(6,315,017)</b>	<b>(2,326,083)</b>	<b>(2,195,029)</b>

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

## Note 17 – Local borrowings and onlendings

Description	12/31/2015	12/31/2014
<b>Local onlendings</b>	207,682,167	177,431,598
FGTS	172,210,084	145,033,444
BNDES	32,377,811	29,705,446
National Treasury - Social Integration Program – PIS	678,164	780,580
Merchant Marine Fund	2,228,930	1,838,426
Other institutions	187,178	73,702
Foreign onlendings	59,184	-
<b>Foreign borrowings</b>	14,337,557	5,450,039
From financial institutions abroad	4,726,401	2,020,285
Other credit facilities	9,611,156	3,429,754
<b>Total local borrowings and onlendings</b>	<b>222,078,908</b>	<b>182,881,637</b>
Current liabilities	8,783,700	7,009,426
Non-current liabilities	213,295,208	175,872,211

## (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 5.11 % p.a. (housing 4.99%, infrastructure 5.89% and sanitation 6.21%). The average maturity of these operations is 20 years (housing 21, infrastructure 20 and sanitation 14).

## (b) Foreign onlendings

The balance of foreign onlendings, referring to an agreement entered into between CAIXA and the World Bank (IBRD), for application to the Program for Funding for Urban Solid Waste Management and Clean Development Mechanism, is subject to US dollar (US\$) variation, interest rate of 0.8 % p.a., plus LIBOR. The transaction matures between 12 and 15 years.

## (c) Foreign borrowings

The foreign borrowing balance substantially comprises loans taken out from financial institutions abroad subject to interest not exceeding 4.5273% p.a. and foreign exchange variation of the currency to which they are pegged, maturing until 2018. Other funds raised abroad refer to credit lines subject to interest rate not exceeding 2.6310% p.a. and exchange variation of the currency to which they are pegged (substantially US dollar), maturing until 2016.

## (d) Expenses with local onlendings - official institutions

Description	2015		2014 (Nota 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Domestic onlendings	(8,097,199)	(14,972,302)	(6,320,672)	(11,701,946)
FGTS	(6,810,791)	(12,365,417)	(5,288,106)	(9,790,907)
BNDES	(1,160,274)	(2,041,215)	(762,199)	(1,562,852)
National Treasury – PIS	(29,556)	(54,912)	(26,940)	(49,895)
Merchant Marine Fund	(54,343)	(435,237)	(195,418)	(219,845)
Other institutions	(42,235)	(75,521)	(48,009)	(78,447)
Foreign onlendings	(25,655)	(25,655)	-	-
Foreign borrowings	(2,558,652)	(3,417,278)	(825,854)	(673,032)
<b>Total</b>	<b>(10,681,506)</b>	<b>(18,415,235)</b>	<b>(7,146,526)</b>	<b>(12,374,978)</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 18 – Other liabilities**
**(a) Analysis**

Description	12/31/2015	12/31/2014
Collections of taxes and social contributions	353,726	342,884
Foreign exchange portfolio (Note 9 (c))	104,235	342,662
Social and statutory obligations	2,933,544	1,874,197
Tax and social security obligations (Note 18 (b))	3,232,649	2,188,492
Negotiation and intermediation of securities	3,073	70,597
Funds for specific purposes (Note 18 (c))	12,222,859	10,107,859
Hybrid capital and debt instruments (Notes 18 (d))	1,799,266	1,900,636
Debt instrument eligible to capital (Note 18 (d))	24,118,921	20,177,205
Sundry (Note 18 (e))	53,282,405	51,219,349
<b>Total</b>	<b>98,050,678</b>	<b>88,223,881</b>
Current liabilities	58,999,929	58,929,801
Non-current liabilities	39,050,749	29,294,080

**(b) Tax and social security obligations**

Description	12/31/2015	12/31/2014
Taxes on salaries payable	438,803	420,826
Taxes on services payable	415,575	244,495
Taxes and contributions on profits payable	184,376	280,632
Income tax	14,413	98,780
Social contribution	3,647	43,032
Social Contribution on Revenues – COFINS	146,571	119,216
Public Service Employee Savings Program – PASEP	19,745	19,604
Deferred taxes and contributions	2,026,544	1,078,575
Revaluation of buildings	127,238	144,104
Market value adjustment - securities available for sale	264,045	273,846
Futures contracts	1,635,261	627,790
Fees receivables from Federal Government	-	32,835
Provision for tax risks (Note 30)	167,351	163,964
<b>Total</b>	<b>3,232,649</b>	<b>2,188,492</b>
Current liabilities	3,105,411	2,044,388
Non-current liabilities	127,238	144,104

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(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.

Description	12/31/2015	12/31/2014
Social funds and programs	9,305,546	8,074,813
FGTS	4,777,286	4,100,400
"Minha Casa Minha Vida"	3,919,855	2,876,925
Housing Subsidy Program (PSH)	295,477	281,990
Income Transfer Programs	195,751	140,812
FGTS	117,177	674,686
Other funds and programs	1,509,771	549,281
PIS	1,258,833	497,803
FAT	249,494	50,060
FINSOCIAL	1,444	1,418
Lottery operations	1,407,542	1,483,765
<b>Total</b>	<b>12,222,859</b>	<b>10,107,859</b>

**(d) Debt instruments eligible to capital****(d.1) Subordinated financial instruments – Level II**

CAIXA has 19 Subordinated Financial Instruments (IFS) authorized to compose Level II of Reference Assets – (RA), being 06 Subordinated Debt Instruments (IDS), 12 Subordinated Treasury Bills (LFS) and 1 Subordinated Note (NS) abroad, as detailed in the subsequent items.

The total amount raised through these IFSs of the Institution's capital, positively reflecting on reference assets, operating margin, Basel index, and other indexes, such as public sector equity and debt ratio.

**Subordinated Debt Instrument (IDS)**

CAIXA has 06 subordinated debt instruments authorized by the Central Bank of Brazil to comprise Level II of RA, in accordance with CMN Resolution No. 4192 / 13, contracted with the Government Severance and Indemnity Fund for Employees (FGTS) in 2005, 2011, 2012, 2014 and 2015

On the total debt amount will be levied the monetary restatement, upon the adoption of the restatement coefficient identical to the one used for the remuneration of accounts related to FGTS and interest monthly capitalized.

**Subordinated financial bills - LFS**

In 2015, CAIXA raised R\$ 6,000 in a total of 5 Subordinated Financial Bills in the local market. CAIXA has 12 LFS at face value of R\$ 234,900, all considered eligible to Level II of RA by BACEN.

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### Subordinated bond – NS

CAIXA successfully raised fund raising amounting to US\$ 500,000 thousand (five hundred million dollars) in the international market on July 16, 2014, by means of issue of subordinated bonds eligible for Level II capital under Basel III rules. Bonds issued are effective for 10 years, but can be called in the fifth year, and its return rate is 7.25% p.a.

This transaction was the first issue of Level II capital under Basel III rules conducted by a Brazilian bank, and the fifth CAIXA transaction in the international capitals market. Bonds have coupons that reset after the fifth year and a "loss absorption" clause, with possibility of principal and interest write-off. That is, bonds can be written off permanently at an amount at least equal to the amount accounted for as Level II capital in the following events: (i) Principal Capital lower than 4.5%, (ii) Enforcement of a commitment to contribute emergency capital to the Issuer, (iii) Determination by the Central Bank of Brazil of non-viability of the bank.

In October 2014, BACEN considered NS as eligible. Therefore, as from October 2014, the instrument became part of CAIXA Reference Assets Level II.

Maturity	Annual yield	Inception date	Amount issued	Monetary adjustment and interest	Amortization	Debt balance 12/31/2015	Debt balance 12/31/2014
Loans payable - FGTS funds							
Feb/2020	6.30%	Oct/05	3,439,717	2,577,663	(2,405,972)	3,611,408	4,404,309
Apr/2026	6.00%	Aug/11	3,000,000	995,860	-	3,995,860	3,708,587
Jul/2032	5.08%	Jun/12	3,000,000	668,116	-	3,668,116	3,434,019
Dec/2033	5.15%	Oct/14	3,000,000	246,532	-	3,246,532	3,007,518
Feb/2038	4.80%	Dec/14	4,000,000	271,464	-	4,271,464	4,000,000
Dec/2040	4.75%	Sep/15	3,000,000	56,866	-	3,056,866	-
Eligible financial bill – Level II							
Jun/2020	110%CDI	Jun/14	10,000	2,265	-	12,265	10,699
Jul/2019	110%CDI	Jul/14	17,400	3,753	-	21,153	18,451
Dec/2021	110%CDI	Dec/14	1,500	235	-	1,735	1,513
Jun/2024	100%IPCA	Jun/14	200,000	51,919	-	251,919	213,388
Feb/2025	100% IPCA + 6.74%	Feb/15	1,200	179	-	1,379	-
Feb/2025	100% IPCA + 6.65%	Feb/15	1,200	174	-	1,374	-
Feb/2025	100% IPCA + 6.58%	Feb/15	2,400	362	-	2,762	-
Mar/2025	100% IPCA + 6.45%	Mar/15	1,200	169	-	1,369	-
Eligible securities abroad – Level II							
Jul/2024	7,25%	Jul/14	1,106,450	868,269	-	1,974,719	1,378,721
<b>Total</b>			<b>20,781,067</b>	<b>5,743,826</b>	<b>(2,405,972)</b>	<b>24,118,921</b>	<b>20,177,205</b>

Additional information on Subordinated Financial Instruments is available in the Management Report of Risk and Capital – Pilar 3, at: [www.caixa.gov.br](http://www.caixa.gov.br), menu "About Caixa".

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### (d.2) Hybrid capital and debt instruments

Reference Assets Level I comprises Principal Capital and Supplementary Capital. CAIXA has 6 debt-equity hybrid capital and debt instrument - IHCD authorized to become part of its Principal Capital, but does not have hybrid instruments engaged with Supplementary Capital characteristics.

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 IHCD. 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 capital. 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, including conditions that qualify capital as Regulatory Capital Tier I and Tier II, respecting the limits.

Based on Provisional Executive Orders Nos. 600/12 and 620/13 and the requirements established by the Brazilian Monetary Council by means of CMN Resolution No. 4192/13, in June 2013, CAIXA and the Federal Government executed two Hybrid Capital and Debt Instruments (IHCD) totaling R\$ 8,000,000 (Agreements Nos. 868 of R\$ 3,000,000 and 869 of R\$ 5,000,000). In August 2013, BACEN deemed these agreements eligible to Tier I – Principal Capital of Reference Equity.

Whereas the implementation of Basel III rules as from October 2013, CAIXA signed amendments to contracts N° 348, 504, 752 and 754 in November 2013 for adequacy to CMN Resolution N° 4192/13, and filed a new application to the Central Bank of Brazil – BACEN for debt eligibility as Tier I – Principal Capital. .

While waiting for the BACEN authorization to classify these hybrid instruments as Tier I –Core Capital, as from October 2013 such instruments started being considered as Tier I – Supplementary Capital, of which 10% p.a. was applied as a reduction, pursuant to CMN Resolution N° 4.192/13.

In July 2014, BACEN considered contracts No. 348, 504, 752 and 754 eligible to Level I – Principal Capital of CAIXA reference assets. Therefore, the total amount of the contracts was included in the Institution's Principal Capital and the reduction by 10% p.a. invested through June 2014 it is no longer considered.

CMN Resolution No. 4192/13 determines, for presentation of the consolidated financial statements, the reclassification of instruments meeting the Principal Capital characteristics to equity. Therefore, additional information on subordinated financial instruments eligible to principal capita may be found in Note 19 (b).

The agreements have fully variable remuneration clauses; monetary restatement is included annually, after payment of interest for prior year.

The compensatory interest payable and monetary restatement not included comprise the hybrid capital and debt instruments, classified in Other liabilities – Debt instruments eligible to capital, amounting to R\$ 1,799,266 at December 31, 2015 (December 31, 2014 – R\$ 1,900,636).

**Notes to the Consolidated Financial Statements**

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**(e) Sundry**

Description	12/31/2015	12/31/2014
Actuarial liabilities – post-employment benefit (Note 32 (a))	15,744,858	11,665,078
<i>Saúde Caixa</i>	12,068,398	9,346,949
Meal vouched and food basket allowance	1,097,455	861,147
Benefit plans – private pension plan	2,579,005	1,456,982
Provisions for amounts payable	4,429,195	4,099,103
Sundry creditors - Country (Note 18(f))	14,655,218	15,289,661
Provision for labor contingencies (Nota 30)	3,860,506	2,836,810
Provision for civil litigation contingencies (Nota 30)	3,030,517	2,575,029
Real estate financing to be released	3,777,476	7,926,702
Funds linked to loan operations (1)	1,306	60,531
Funds linked to loans assigned (2)	5,392,832	5,496,219
Obligations related to agreements	710,351	622,597
Contributions to the National Housing System – SFH	28,211	67,681
FGTS funds for repayment	682,954	450,660
Payables to related parties (3)	965,690	129,189
Sundry creditors – Abroad	3,291	89
<b>Total</b>	<b>53,282,405</b>	<b>51,219,349</b>

- (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.
- (3) The changes in 2015 refer to increased liabilities related to acquisitions of credit portfolios without joint liability with Banco PAN.

**(f) Sundry creditors – Brazil**

Description	12/31/2015	12/31/2014
Credit cards	7,126,843	7,328,476
Asset Management Company (EMGEA) (1)	40,909	59,256
Suppliers	952,810	885,967
Acquisition of payrolls - amounts pending release	477,028	536,121
Commercial loans – onlendings	187,549	153,984
Real estate loans – onlendings	863,872	961,460
Federal Government obligations – onlendings	45,777	41,607
Other creditors - simplified savings	500,121	500,195
Accounts payable	141,894	158,468
Loan Guarantee Fund – FGC	59,673	54,695
Redeemable amounts – pledge	91,445	144,601
Amounts to be allocated (2)	3,953,131	4,152,811
Other sundry creditors	214,166	312,020
<b>Total</b>	<b>14,655,218</b>	<b>15,289,661</b>

- (1) Asset Management Company (EMGEA): these refer to financial amounts and contracts received by EMGEA on behalf of CAIXA.
- (2) Liabilities classified in a suspense account, mainly collections of commercial loans and housing loans.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 19 – Equity****(a) Share capital**

Decree no. 7973 of the Federal Government approved CAIXA's bylaws on March 28, 2013. Its article 7th set the Capital at R\$ 22,054,802, exclusively paid up by the Federal Government.

**(b) Debt instruments eligible as capital**

Article 16 of CMN Resolution No. 4192/13, authorizes federal financial institutions to make up their Tier I – Core Capital by using equity elements and junior financial instruments and the hybrid equity and debt instruments, provided that meeting the criteria set forth in the Resolution, e.g. having a fully variable remuneration, perpetuity characteristics and absorption of losses while a going-concern.

Also according therewith, the instruments meeting the Core Capital characteristics shall be reclassified as net equity for purposes of Consolidated interim financial statements.

Accordingly, in individual financial statements, the Hybrid equity and debt instruments eligible to comprise Principal Capital are recorded in liabilities and its financial charges recognized as operating expenses, while in the consolidated financial statements these are reclassified to equity, based on the understanding and guidance of the Central Bank of Brazil, in order to improve the quality of the consolidated financial statements.

Accordingly, all CAIXA's Hybrid Capital and Debt Instruments are classified as Core Capital and therefore, make up CAIXA's net equity for disclosure purposes. The table below presents the position of contracts.

Discriminação	12/31/2015	12/31/2014
Agreement No. 348	7,411,895	7,303,701
Agreement No, 504	7,564,073	7,453,659
Agreement No, 752	6,800,000	6,800,000
Agreement No, 754	6,310,598	6,310,598
Agreement No, 868 and 869	8,000,000	8,000,000
<b>Total</b>	<b>36,086,566</b>	<b>35,867,958</b>

The Regulatory Capital is made up by considering only the face value of contracts added to prior years' Monetary Restatement. Whereas the contracts have fully variable remuneration clauses, the monetary restatement is annually added after the payment of prior year interest.

In April 2015, there was payment of IHCD interest and monetary restatement application for 2014. Monetary restatement for 2015 will be applied in 2016, after payment of compensatory interest for this year.

**(c) Compliance with the levels required by Resolution 2099/94 (Basel Accord)**

Pursuant to CMN Resolution 2099/1994 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 14.43% (Note 33), 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.

**Notes to the Consolidated Financial Statements**

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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.

Description	12/31/2015	12/31/2014
Revaluation reserves	400,384	408,392
Revenue reserves	9,269,290	6,873,097
Legal reserves	2,617,409	2,325,326
Statutory reserves – lotteries	2,782,368	2,159,653
Operating margin reserves	3,869,513	2,388,118

**(e) Dividends and interest on capital**

In 2015, CAIXA formalized its principles and guidelines for distribution of profits and approved the Capital Management and Distribution of Profit Policy, establishing prudential capital limits for Principal Capital, Tier I and Basel of 1.5 p.p. above the minimum regulatory value determined by the Brazilian Monetary Council (CMN).

Based on such Policy, the distribution of profits for the year is 50% (fifty percent) of the Adjusted Net Income (LLA). It may a) exceed 50% (fifty percent) of LLA, provided that prudential limits and their respective projections are met for the next 24 months; or b) be lower than 50% (fifty percent) of LLA, in compliance with the minimum legal distribution of 25%, when the projection for the next 12 months indicates noncompliance with the prudential limits set.

As such, there are dividends on LLA of at least 25% after determination of profit for the period.

For the purpose of calculating dividends payable, interest on capital, calculated by applying the Long-term Interest Rate (TJLP) for the period to adjusted equity, limited to 50% of net income for the period, is considered. Interest on equity totals R\$ 1,757,678 (December 31, 2014 – R\$ 1,298,566) and reduced IR and CSLL tax expenses amounting to R\$ 703,072 in 2015 (R\$ 519,428 in 2014).

In 2015, there were payments to the Federal Government of R\$ 1,072,774 as additional dividends for 2014 (R\$ 29,421 corresponding to monetary restatement) and R\$ 2,414,154 as dividends (R\$ 1,510,064) and IOE (R\$ 816,147) prepaid in 2015, with monetary restatement on prepayments of R\$ 87,943.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Note 20 – Corporate income tax (IRPJ) and Social Contribution on net income (CSLL)**
**(a) Statement of IRPJ and CSLL expenses**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Current taxes	468,637	(224,635)	(38,792)	(915,390)
Deferred taxes	4,715,237	8,143,197	2,020,109	3,181,757
Deferred tax liabilities	(1,010,591)	(915,804)	(268,554)	211,248
Deferred tax assets	5,725,828	9,059,001	2,288,663	2,970,509
Temporary differences – set up / realization	5,497,048	9,124,507	2,299,762	3,530,975
Income and social contribution tax losses (1)	141,194	(41,186)	(7,433)	(439,847)
CSLL - MP No. 2158-35/01	87,586	(24,320)	(3,666)	(120,619)
<b>Income and social contribution taxes for the period</b>	<b>5,183,874</b>	<b>7,918,562</b>	<b>1,981,317</b>	<b>2,266,367</b>

(1) Social contribution tax losses were fully realized in 2014.

**(b) Changes in tax credits**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Income (loss) before taxes and contributions	(673,703)	509,807	2,564,014	6,020,228
IRPJ and CSLL charges	269,498	(203,899)	(1,025,593)	(2,408,067)
Tax effects – additions and exclusions	(92,148)	(1,193,844)	392,523	(6,799)
Interest on equity	376,613	703,072	496,418	797,500
Interests held in affiliates and subsidiaries	(5,965)	142,237	131,965	250,158
Other	(79,361)	327,799	(34,105)	451,818
<b>Current income and social contribution taxes</b>	<b>468,637</b>	<b>(224,635)</b>	<b>(38,792)</b>	<b>(915,390)</b>

**(c) Deferred tax liabilities**

Deferred tax liabilities - IRPJ/CSLL		
Description	12/31/2015	12/31/2014
Deferred expenses/MTM	1,678,516	769,940
Other	127,238	144,416
<b>Income and social contribution taxes for the period</b>	<b>1,805,754</b>	<b>914,356</b>

Deferred tax liabilities - PASEP/COFINS		
Description	12/31/2015	12/31/2014
Deferred expenses/MTM	220,791	164,125
Other	-	94
<b>Income and social contribution taxes for the period</b>	<b>220,791</b>	<b>164,219</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(d) Deferred tax assets**

Tax credits - IRPJ/CSLL				
Description	12/31/2014	Set up	Reversal	12/31/2015
<b>Temporary differences: (1)</b>	<b>21,012,647</b>	<b>28,004,104</b>	<b>(18,879,596)</b>	<b>30,137,155</b>
Allowance for loan losses	13,734,285	22,601,444	(17,443,754)	18,891,975
Actuarial liabilities	2,303,774	1,683,746	(170,717)	3,816,803
Provision for labor contingencies	1,134,723	603,716	(1,212)	1,737,227
Provision for civil litigation contingencies	1,125,286	453,344	(199,080)	1,379,550
Provision for tax contingencies	49,808	17,593	(10,324)	57,077
Adjustment to market value – Trading securities	654,647	1,032,195	(52,363)	1,634,479
Provision for devaluation of assets not for use	12,970	23,926	(2,790)	34,106
Others	1,997,154	1,588,140	(999,356)	2,585,938
<b>Income and social contribution tax losses:</b>	<b>1,680,031</b>	<b>-</b>	<b>(65,505)</b>	<b>1,614,526</b>
Income tax losses realizable	1,556,090	-	(41,186)	1,514,904
CSLL - MP No. 2158-35/01 (1)	123,941	-	(24,319)	99,622
<b>Total credits impacting P&amp;L</b>	<b>22,692,678</b>	<b>28,004,104</b>	<b>(18,945,101)</b>	<b>31,751,681</b>
Adjustment to market value – Available-for-sale securities	965,512	499,569	-	1,465,081
Actuarial losses CPC 33	1,337,990	1,014,890	-	2,352,880
<b>Total credits impacting on net equity</b>	<b>2,303,502</b>	<b>1,514,459</b>	<b>-</b>	<b>3,817,961</b>
<b>Total tax credits</b>	<b>24,996,180</b>	<b>29,518,563</b>	<b>(18,945,101)</b>	<b>35,569,642</b>
<b>Total unaccrued credits</b>	<b>1,586,238</b>	<b>-</b>	<b>(575,104)</b>	<b>1,011,134</b>

- (1) Including R\$ 2,374,879 thousand, related to increased social contribution tax rate on temporary additions and social contribution tax losses expected to be realized until December 2018, based on technical studies and analysis carried out by management, under Law No. 13169/15.

Tax credits - PASEP/COFINS				
Description	12/31/2014	Set up	Reversal	12/31/2015
<b>Total credits impacting P&amp;L</b>	<b>75,715</b>	<b>99,296</b>	<b>-</b>	<b>175,011</b>
Market adjustment	75,715	99,296	-	175,011
<b>Total credits impacting equity</b>	<b>117,715</b>	<b>41,059</b>	<b>-</b>	<b>158,774</b>
Market value adjustment - securities available for sale	117,715	41,059	-	158,774
<b>Total</b>	<b>193,430</b>	<b>140,355</b>	<b>-</b>	<b>333,785</b>

**(e) Expected realization**

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 December 31, 2015 are as follows:

BOOK VALUE				
Year of Realization	Income tax losses	Credit at 18% - 1998	Temporary difference	TOTAL
2016	1,514,904	99,622	15,706,258	17,320,784
2017	-	-	8,593,677	8,593,677
2018	-	-	1,334,524	1,334,524
2019	-	-	1,913,658	1,913,658
2020	-	-	671,594	671,594
2021	-	-	659,194	659,194
2022 to 2025	-	-	5,409,996	5,409,996
<b>Total</b>	<b>1,514,904</b>	<b>99,622</b>	<b>34,288,901</b>	<b>35,903,427</b>
Present value	1,498,273	98,528	29,755,678	31,352,479

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**Note 21 – Income from financial intermediation**

Description	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Income from loan operations	45,841,182	86,600,379	35,919,247	66,348,709
Repurchase agreements	9,177,409	16,961,293	7,673,076	12,377,999
Financial assets held for trading	2,751,670	7,562,206	3,919,323	8,556,363
Financial assets available for sale	1,316,160	2,094,147	967,894	1,777,124
Financial assets held to maturity	3,619,912	7,241,492	2,508,168	5,367,628
Income from derivative financial instruments	6,855,422	8,874,051	2,352,989	1,460,518
Compulsory deposits with the Central Bank of Brazil	5,083,022	9,192,461	3,876,248	7,308,196
Restricted deposits with the National Housing System - SFH	1,211,383	2,242,656	817,377	1,628,112
Foreign exchange transactions	1,755,227	2,691,087	1,267,408	1,027,385
Other	590,496	1,012,013	375,450	984,993
<b>Total</b>	<b>78,201,883</b>	<b>144,471,785</b>	<b>59,677,180</b>	<b>106,837,027</b>

**Note 22 – Expenses with financial intermediation**

Description	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Operations with customers	(28,173,258)	(51,438,148)	(20,010,025)	(36,215,227)
Operations with customers financial institutions	(139,143)	(271,511)	(186,586)	(295,466)
Repurchase agreements	(12,339,007)	(22,647,668)	(10,313,363)	(17,643,028)
Securities abroad – without subordination	(3,398,731)	(5,572,970)	(2,062,307)	(1,931,253)
Securities abroad – with subordination	(446,429)	(742,047)	(263,776)	(263,776)
Borrowings, assignments and onlendings	(10,681,506)	(18,415,235)	(7,146,526)	(12,374,978)
Special deposits and deposits of funds and programs	(878,018)	(1,525,007)	(542,655)	(1,063,909)
Allowance for loan losses	(10,074,089)	(19,657,016)	(6,725,992)	(13,155,661)
Sales or Transfer of Financial Assets	(1,298,111)	(2,815,517)	(2,348,044)	(2,529,252)
<b>Total</b>	<b>(67,428,292)</b>	<b>(123,085,119)</b>	<b>(49,599,274)</b>	<b>(85,472,550)</b>

**Notes to the Consolidated Financial Statements**

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

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
National Treasury and administration of social funds	<b>3,552,413</b>	<b>6,746,387</b>	3,182,349	5,985,010
Unemployment Compensation Fund (FGTS)	2,252,323	4,395,989	1,999,674	3,903,141
Wage Variation Compensation Fund (FCVS)	72,990	136,939	71,312	128,650
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	95,942	118,352	105,674	127,917
Federal lotteries	848,820	1,443,206	750,464	1,319,428
Student Finance (FIES)	211,333	420,125	154,409	282,359
Residential Lease Fund (FAR)	25,754	59,353	35,190	73,695
Brazilian National Treasury Department (STN) – onlendings	22,068	118,149	36,931	88,452
Unemployment insurance	23,037	52,699	28,153	59,630
Other	146	1,575	542	1,738
Revenue from cards	771,879	1,534,619	784,390	1,515,419
Loan transactions and guarantees provided	1,001,883	1,982,477	980,183	1,820,146
Collection	349,971	684,586	324,838	637,623
Amounts raised	1,231,986	2,416,853	1,130,094	2,279,241
Investment funds and administered portfolios	750,221	1,453,056	743,828	1,443,469
Checking account	202,196	330,616	110,994	165,610
Income transfer program	179,595	349,640	180,091	363,112
To affiliates – Investment funds	18,895	36,879	20,134	182,298
To affiliates	254,459	545,595	260,825	384,774
Other services	256,547	437,928	163,651	327,975
<b>Total</b>	<b>8,570,045</b>	<b>16,518,636</b>	<b>7,881,377</b>	<b>15,104,677</b>

**b) Income from bank fees**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Revenue from cards	271,969	578,374	280,846	494,111
Loan and registration operations	562,664	1,066,436	461,185	876,678
Service package	981,637	1,833,679	720,572	1,389,866
Deposit accounts	253,524	463,088	193,401	358,030
Transfer of funds	108,885	206,486	90,428	165,614
Other	37,575	48,246	8,212	15,344
<b>Total</b>	<b>2,216,254</b>	<b>4,196,309</b>	<b>1,754,644</b>	<b>3,299,643</b>

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

## Note 24 – Personnel expenses

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Salaries	(6,505,800)	(12,608,225)	(5,845,044)	(11,160,290)
Salaries and benefits	(5,800,707)	(11,398,036)	(5,381,525)	(10,375,417)
Labor indemnities	(705,093)	(1,210,189)	(463,519)	(784,873)
Benefits	(1,182,629)	(2,377,275)	(1,184,016)	(2,242,878)
Social charges:	(2,358,083)	(4,605,569)	(2,214,182)	(4,279,970)
FGTS	(438,870)	(858,112)	(409,157)	(791,902)
Social security	(1,350,223)	(2,647,483)	(1,256,787)	(2,437,335)
Private pension	(422,649)	(827,555)	(408,668)	(797,690)
Other charges	(146,341)	(272,419)	(139,570)	(253,043)
Other	(85,882)	(165,966)	(98,754)	(189,465)
<b>Total</b>	<b>(10,132,394)</b>	<b>(19,757,035)</b>	<b>(9,341,996)</b>	<b>(17,872,603)</b>

## Note 25 – Other administrative expenses

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
Communications	(275,115)	(589,812)	(355,285)	(685,214)
Maintenance and repair of assets	(462,066)	(901,807)	(462,992)	(903,255)
Water and electricity	(223,726)	(447,210)	(157,708)	(321,338)
Rentals and leases	(725,256)	(1,458,044)	(687,259)	(1,338,378)
Materials	(74,122)	(178,180)	(84,601)	(187,853)
Data processing	(738,246)	(1,435,875)	(656,528)	(1,230,373)
Promotions and public relations	(189,894)	(372,280)	(186,846)	(354,104)
Advertising and publicity	(238,104)	(379,490)	(284,976)	(516,746)
Financial system services	(268,089)	(516,953)	(228,490)	(429,917)
Outsourced services	(868,197)	(1,700,434)	(773,733)	(1,556,197)
Specialized services	(321,980)	(654,298)	(353,909)	(672,951)
Surveillance and security services	(410,426)	(800,955)	(423,003)	(869,301)
Amortization	(383,033)	(716,686)	(324,398)	(648,601)
Depreciation	(464,466)	(933,564)	(427,628)	(825,651)
Other administrative	(255,824)	(443,415)	(204,089)	(379,709)
<b>Total</b>	<b>(5,898,544)</b>	<b>(11,529,003)</b>	<b>(5,611,445)</b>	<b>(10,919,588)</b>

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

## Note 26 – Other operating income

Description	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Commissions and fees on operations	153,162	346,027	25,300	509,687
Commissions and fees on operations – FGTS financial agent	1,977,978	3,846,070	2,158,346	3,917,835
Recovery of expenses	679,919	1,346,949	1,696,574	2,293,954
Reversal of other operating provisions	227,399	1,162,070	1,336,851	2,284,986
Foreign exchange gains	473,712	881,010	377,399	706,439
Restatement of escrow deposits	48,657	88,390	35,450	66,444
Income from specific credits	10,146	13,191	1,349	77,530
Revenue from negative goodwill on acquisition of royalties	7,460	116,597	172,355	405,370
Recovery of expenses – PASEP/COFINS (1)	115,785	468,262	10,679	32,106
Monetary restatement on sundry operations (2)	446,595	818,028	479,138	865,860
<b>Total</b>	<b>4,140,813</b>	<b>9,086,594</b>	<b>6,293,441</b>	<b>11,160,211</b>

(1) Recovered PASEP/COFINS expenses refer to IHCD interest expenses added to the related tax base, based on Law No. 12973/2014;

(2) The change in 2015 refers substantially to monetary restatement of receivables for provision of services to OGU.

## Note 27 – Other operating expenses

Description	2015		2014 (Note 3 (t))	
	2nd Semester	Year	2nd Semester	Year
Expenses with FCVS receivable -provision/losses	(287,814)	(395,307)	(352,683)	(545,486)
Expenses of obligations with funds and programs	(432,396)	(979,851)	(980,068)	(1,239,418)
Hybrid instruments of capital and debt - monetary restatement	(182,919)	(305,629)	(328,830)	(1,232,845)
Expenses with cards	(478,625)	(1,147,789)	(742,429)	(1,298,523)
Expenses with lotteries	(100,223)	(213,122)	(115,276)	(214,563)
Expenses with lottery resellers and business partners	(1,053,894)	(2,201,820)	(1,152,844)	(2,175,340)
FGTS - Collection/payment	(239,272)	(492,321)	(243,852)	(490,358)
Automated services	(184,512)	(344,814)	(147,950)	(282,354)
Business leverage	(365,872)	(613,179)	(259,427)	(434,229)
Financial management with social security fund	-	-	-	(156,820)
Real estate financing operations	(279,994)	(609,205)	(348,572)	(674,190)
Goodwill on the purchase of commercial portfolios	(215,191)	(397,724)	(146,368)	(274,548)
Loan operation discounts	(191,647)	(651,729)	(420,272)	(560,654)
Improvement transactions - monetary restatement	(80,515)	(305,673)	(157,176)	(244,930)
Expenses related to operating provisions (1)	(1,062,796)	(1,600,582)	(337,975)	(608,864)
Provision for contingencies	(1,006,639)	(1,843,712)	(394,495)	(879,801)
Adverse legal judgments	(67,634)	(99,162)	(106,372)	(209,520)
Social benefits	(110,241)	(177,225)	(39,198)	(64,150)
Post-employment benefits	(961,582)	(1,700,218)	(419,290)	(838,586)
Impairment of securities and receivables	-	(108,257)	-	-
Operating adjustments in loan transactions (2)	(1,032,438)	(1,034,033)	(24,028)	(24,028)
Other	(479,966)	(988,996)	(355,478)	(798,902)
<b>Total</b>	<b>(8,814,170)</b>	<b>(16,210,348)</b>	<b>(7,072,583)</b>	<b>(13,248,109)</b>

(1) The changes in 2015 refer to a change in estimate to calculate the performance rate provided for in credit portfolio acquisition agreements with Banco PAN.

(2) In 2015, the variation refers to adjusted loan debt that was with late charge adjustment in disagreement with CMN Resolution No. 2682/1999. This expense increase is superseded by revenue from reversal of allowances for loan losses (Note 8 (i)).

**Notes to the Consolidated Financial Statements**

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**Note 28 – Non-operating income/expenses**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Non-operating income</b>	<b>109,250</b>	<b>232,196</b>	<b>103,823</b>	<b>208,984</b>
Gains on sales of assets	39,649	76,008	37,373	80,608
Sale of properties	13,315	26,905	11,078	24,626
Unclaimed cash surpluses	25,109	51,151	24,591	49,412
Fines and charged	10,666	21,718	18,334	36,908
Capital gains on adjustment of outstanding amounts	1,185	24,181	2,031	2,090
Recovery of losses on fraud	4,146	11,758	4,774	6,729
Other non-operating income	15,180	20,475	5,642	8,611
<b>Non-operating expenses</b>	<b>(502,565)</b>	<b>(878,215)</b>	<b>(432,583)</b>	<b>(823,634)</b>
Impairment of other assets	(47,680)	(61,043)	(67,248)	(76,640)
Indemnity for losses and damages	(156,183)	(267,348)	(90,804)	(199,885)
Losses on properties	(22,716)	(52,541)	(22,335)	(46,109)
Losses on fraudulent electronic withdrawals	(74,263)	(182,322)	(150,532)	(249,853)
Loss on sales of assets	(11,594)	(27,008)	(14,523)	(24,406)
Losses related to credit cards	(2,374)	(54,142)	(45,612)	(78,640)
Losses on permanent investments recorded at cost	(135,900)	(165,888)	(12,506)	(109,624)
Other non-operating expenses	(51,855)	(67,923)	(29,023)	(38,477)
<b>Total</b>	<b>(393,315)</b>	<b>(646,019)</b>	<b>(328,760)</b>	<b>(614,650)</b>

**Note 29 – Tax expenses**

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
COFINS	(1,221,079)	(2,357,521)	(989,899)	(1,988,188)
PIS/PASEP	(196,110)	(381,138)	(161,158)	(323,383)
Tax on Services - ISS	(304,602)	(616,274)	(270,052)	(503,845)
Municipal Property Tax - IPTU	(10,604)	(67,190)	(4,523)	(57,718)
Other	(35,931)	(56,861)	(22,174)	(26,152)
<b>Total</b>	<b>(1,768,326)</b>	<b>(3,478,984)</b>	<b>(1,447,806)</b>	<b>(2,899,286)</b>

## Notes to the Consolidated Financial Statements

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### 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:

Description	December 31, 2014	Changes in 2015					December 31, 2015
		New provisions	Monetary restatement	Additions to existing provisions	Reversals of existing provisions	Write-offs after payment	
Tax (Note 18 (b))	163,964	11,312	10,697	24,860	(40,791)	(2,691)	167,351
INSS	19,668	4,413	1,716	57	(83)	-	25,771
ISS	102,480	5,169	5,810	22,510	(35,663)	(2,641)	97,665
Other	41,816	1,730	3,171	2,293	(5,045)	(50)	43,915
Civil (Note 18 (e))	2,575,029	421,597	149,876	658,299	(726,202)	(48,082)	3,030,517
Losses and damage	832,693	304,885	55,695	84,307	(478,687)	(46,810)	752,083
Savings accounts	882,507	80,391	8,095	481,866	(174,865)	(1,270)	1,276,724
Lotteries	15,474	56	1,338	140	(6,767)	(2)	10,239
Real estate receivables	108,033	812	10,530	1,160	(15,266)	-	105,269
Contingencies related to FGTS	736,322	35,453	74,218	90,826	(50,617)	-	886,202
Labor (Note 18 (e))	2,836,810	595,546	182,823	869,610	(586,997)	(37,286)	3,860,506
<b>Total</b>	<b>5,575,803</b>	<b>1,028,455</b>	<b>343,396</b>	<b>1,552,769</b>	<b>(1,353,990)</b>	<b>(88,059)</b>	<b>7,058,374</b>

**Notes to the Consolidated Financial Statements**

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**(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 December 31, 2015, corresponding to the amount of R\$ 1,496,712 (December 31, 2014 – R\$ 1,467,472), for which a provision of R\$ \$ 25,340 (December 31, 2014 – R\$ 19,668; September 30, 2014 – R\$ 19,488) 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 December 31, 2015 is R\$ 506,743 (December 31, 2014 – R\$ 556,402).

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\$ 97,665 (December 31, 2014 – R\$ 102,480).

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\$ 7,795 (December 31, 2014 – R\$ 7,054), 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 December 31, 2015, a provision was recognized for 65,418 thousand labor proceedings, including approximately 62,405 thousand considered "not significant" and 3,013 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.

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**(iii) Civil proceedings**

CAIXA is a defendant in civil proceedings of a compensatory/contractual nature referring to its products, services and banking services. At December 31, 2015, a provision was recognized for 326,850 thousand civil proceedings, including approximately 325,778 thousand considered "not significant" and 1,072 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 December 30, 2015 a provision of R\$ 1,276,724 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.

The proceedings seeking compensation for damages involving transfer of funds from FGTS are also significant. At December 31, 2015, the provision for these proceedings amounts to R\$ 886,202 .

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

In 2015, CAIXA entered into 49,949 procedural agreements (70% referring to compensation claims and 30% to credit recoveries), 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 risk**

In accordance with CMN Resolution 3823/2009, companies are not required to record provisions for contingencies classified as possible losses:

Description	December 31, 2015	December 31, 2014
Tax proceedings	5,631,847	5,512,106
Civil Lawsuits	1,454,784	1,318,151
<b>Total</b>	<b>7,086,631</b>	<b>6,830,257</b>

**(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\$ 5,631,847, at December 31, 2015 (December 31, 2014 - R\$ 5,512,106), including the following main claims based on the amounts under dispute:

a) R\$ 82,772 (December 31, 2014 – R\$ 76,303) 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\$ 4,621,164 as of December 31, 2015 (December 31, 2014 - R\$ 4,491,551), 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;

**Notes to the Consolidated Financial Statements**

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c) PIS/PASEP tax notice amounting to R\$ 206,921 at December 31, 2015 (December 31, 2014 – R\$ 199,801), 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\$ 155,923 as of December 31, 2015 (December 31, 2014 – R\$ 147,465) 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\$ 233,211 (December 31, 2014 – R\$ 218,672, at December 31, 2015, 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.

**(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\$ 1,454,784 (December 31, 2014 – R\$ 1,318,151), 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:

Description	12/31/2015	12/31/2014
Tax proceedings	9,997,452	9,317,717
Civil lawsuits	917,780	738,601
Labor lawsuits	2,795,947	2,569,258
<b>Total</b>	<b>13,711,179</b>	<b>12,625,576</b>

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**Note 31 – Related parties****(a) Controlling entity**

CAIXA is a government financial institution, linked to the Department of Finance, and its capital was fully paid in by the federal government. Therefore, it is directly controlled by the Brazilian National Treasury Office (STN).

**(b) Related parties**

Considering the existence of related-party transactions for the consolidated financial statements reporting period, we present the nature of CAIXA relationships with these entities:

Related parties	
Company	Relationship
União (1)	Direct controlling agency
CAIXA Participações S.A. – CAIXAPAR (2)	Direct subsidiary
CAIXA Seguridade Participações S.A. (2)	Direct subsidiary
CAIXA Seguros Holding S.A. (3)	Joint Venture
Banco PAN S.A.	Joint Venture
Capgemini S.A.	Joint Venture
Elo Serviços S.A.	Joint Venture
Fundação dos Economizários Federais - FUNCEF	Post-retirement benefit plan

(1) Funds and social programs and entities under common control of the Federal Government.

(2) The transactions conducted with these wholly-owned subsidiaries are eliminated upon preparation of the consolidated financial statements of CAIXA.

(3) Organized in order to control CAIXA Seguros Group companies, this comprises: CAIXA Seguros Participações Societárias Ltda., CAIXA Seguradora S.A., CAIXA Vida e Previdência S.A., CAIXA Capitalização S.A., CAIXA Administradora de Consórcios S.A., CAIXA Seguros Especializada em Saúde S.A., CAIXA Seguros Assessoria e Consultoria Ltda., CAIXA Seguros Participações do Sul Ltda. and Companhia de Seguros Previdência do Sul S.A.

**(c) Related-party transactions**

Related-party transactions are conducted in the course of CAIXA operating activities, and their attributions are established in specific regulations.

CAIXA conducts sundry transactions with CAIXA Seguros Holding, including its investees, mentioned in the footnote to chart (b) – Related Parties. We point out the availability of its service network for sale, by the referred to parties, of insurance, certificate account with lottery prizes, private pension plans and pooled financing. On the other hand, CAIXA renders several bank services to these related parties, such as maintenance of deposit accounts, short-term investments and payment/collection agreements.

As regards transactions conducted with bank PAN, we point out, among others, maintenance of an operational agreement which determines a revolving credit limit for acquisition of credit portfolios and investment in interbank deposits.

With Capgemini, CAIXA has service agreements in information technology, focused on the development of corporate solutions for own use.

CAIXA has bank service agreements and real estate lease contracts with FUNCEF.

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Equity balances arising from related-party transactions, considering the nature of the relationship with those entities, are as follows:

Description	12/31/2015			12/31/2014		
	Controlling entity	Jointly-controlled entities	Other entities (1)	Controlling entity	Jointly-controlled entities	Other entities (1)
<b>ASSETS:</b>	<b>2,697,966</b>	<b>25,190,678</b>	<b>-</b>	<b>3,779,937</b>	<b>16,127,393</b>	<b>-</b>
Interbank deposits:	-	9,691,758	-	-	5,854,505	-
Income receivable:	1,830,660	25,299	-	2,125,658	28,045	-
Loans:	26,732	-	-	902,094	-	-
Credits acquired:	-	15,473,621	-	-	10,244,843	-
Other credits:	840,574	-	-	752,185	-	-
<b>LIABILITIES:</b>	<b>37,204,591</b>	<b>1,158,220</b>	<b>1,630</b>	<b>33,135,140</b>	<b>181,253</b>	<b>1,562</b>
Deposits	244,556	718	1,630	181,221	10,951	1,562
Open market funding	-	-	-	-	-	-
Local on-lending - official institutions (2)	35,286,937	-	-	32,326,599	-	-
Funds and social programs (3)	118,650	-	-	37,465	-	-
Financial and development funds (3)	1,509,771	-	-	549,281	-	-
Sundry liabilities	44,677	1,157,502	-	40,574	170,302	-

(1) FUNCEF comprises the group of other entities.

(2) In 2014, R\$ 32,323,720 were added to Company, referring to the Social Development Fund (FDS), Contribution Tax on Gross Revenue for Social Integration Program (PIS), National Bank for Economic and Social Development (BNDES) and Merchant Marine Fund (FMM). The amount disclosed in 2014 of R\$ 2,879 was only related to the Federal Government.

(3) Company amounts not stated in 2014.

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P&amp;L balances arising from related-party transactions, considering the nature of the relationship with those entities, are as follows:

Description	2 <sup>nd</sup> half - 2015			2 <sup>nd</sup> half - 2014		
	Controlling entity	Jointly-controlled entities	Other entities (1)	Controlling entity	Jointly-controlled entities	Other entities (1)
<b>REVENUE:</b>	<b>71,089</b>	<b>793,807</b>	<b>-</b>	<b>72,856</b>	<b>591,314</b>	<b>-</b>
Income from interbank deposits	-	539,893	-	-	310,355	-
Service income	22,432	253,914	-	37,406	280,959	-
Revenue from loan transactions	-	-	-	-	-	-
Other operating income	48,657	-	-	35,450	-	-
<b>EXPENSES:</b>	<b>(2,393)</b>	<b>(818,572)</b>	<b>(456,159)</b>	<b>(2,025)</b>	<b>(221,654)</b>	<b>(443,031)</b>
Funding expenses	-	-	-	-	-	-
Personnel expenses (2)	-	-	(422,627)	-	-	(408,603)
Administrative expenses – rentals	-	-	(33,532)	-	-	(34,428)
Other operating expenses	(2,393)	(818,572)	-	(2,025)	(221,654)	-

(1) FUNCEF comprises the group of other entities.

(2) Other Entities amounts not stated in 2014.

Description	Year - 2015			Year - 2014		
	Controlling entity	Jointly-controlled entities	Other entities (1)	Controlling entity	Jointly-controlled entities	Other entities (1)
<b>REVENUE:</b>	<b>207,336</b>	<b>1,465,294</b>	<b>-</b>	<b>156,225</b>	<b>1,167,966</b>	<b>-</b>
Income from interbank deposits	-	920,796	-	-	600,894	-
Service income	118,946	544,498	-	89,781	567,072	-
Revenue from loan transactions	-	-	-	-	-	-
Other operating income	88,390	-	-	66,444	-	-
<b>EXPENSES:</b>	<b>(4,423)</b>	<b>(1,011,661)</b>	<b>(876,501)</b>	<b>(4,113)</b>	<b>(221,654)</b>	<b>(861,383)</b>
Funding expenses	-	-	-	-	-	-
Personnel expenses (2)	-	-	(827,492)	-	-	(797,547)
Administrative expenses – rentals	-	-	(49,009)	-	-	(63,836)
Other operating expenses	(4,423)	(1,011,661)	-	(4,113)	(221,654)	-

(1) FUNCEF comprises the group of other entities.

(2) Other Entities amounts not stated in 2014.

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**(d) 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:

Description	2015		2014	
	2nd Semester	Year	2nd Semester	Year
<b>Short-term benefits</b>	<b>14,806</b>	<b>34,720</b>	<b>15,833</b>	<b>29,473</b>
Salaries	10,978	26,058	12,214	22,342
Payroll charges	3,828	8,662	3,619	7,131

Description	December 31, 2015 (amounts in R\$)		December 31, 2014 (amounts in R\$)	
	Management	Employee	Management	Employee
Highest salary	53,266.87	36,901.00	50,973.08	33,532.00
Average salary	42,982.42	8,101.39	41,131.50	7,204.18
Lowest salary	39,685.01	2,429.00	37,976.08	2,208.00
Benefits	4,747.86	2,404.27	5,094.26	2,390.38

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.

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**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.

These provisions are broken down as follows:

Description	December 31, 2015	December 31, 2014
Short-term benefits	3,020,078	2,789,963
Salary-related	2,500,687	2,315,831
Profit sharing	519,391	474,132
Post-employment benefits (Note 18 (e))	15,744,858	11,665,078
Saúde CAIXA (actuarial calculation (g,1))	12,068,398	9,346,949
Meal and food vouchers (actuarial calculation (g,2))	1,097,455	861,147
Benefit plans - private pension (actuarial calculation (g,4))	2,579,005	1,456,982
<b>Total</b>	<b>18,764,936</b>	<b>14,455,041</b>

**(b) Short-term benefits:**

The provisions for short-term benefits mainly comprise salaries payable, 13<sup>th</sup> 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 consolidated financial statements refer.

**(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).

Until December 31, 2014, CAIXA made actuarial calculations relating to post-employment benefits on an annual basis. As from 2015, actuarial calculations will be made on a half-yearly basis.

**(d) Plan management, organizational structure and corporate governance**

In relation to retirement and pension plans sponsored by CAIXA, their management is carried out by Fundação dos Economistas Federais (FUNCEF), a closely-held supplementary pension, nonprofit entity with administrative and financial autonomy, created based on Law No. 6435, of July 15, 1977 (repealed by Supplementary Law No. 109, of May 29, 2001).

The foundation is regulated by an industry-related legislation (<http://www.previdencia.gov.br/a-previdencia/previc/legislacao-da-previdencia-complementar/>), its Articles of Organization, regulations of Benefit Plans and management actions, such as the Code of Business Conduct and Code of Best Corporate Governance Practices ([www.funcef.com.br](http://www.funcef.com.br)).

FUNCEF has an Advisory Board, Executive Board and Supervisory Board, according to Supplementary Law No. 108/2001. The first two bodies are for management purposes and the last for internal control purposes.

The three bodies have internal regulations and obligations, roles, formation and criteria related to the provisions of the Articles of Organization of FUNCEF.

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In summary, the Advisory Board is the highest authority of the organizational structure of FUNCEF and responsible for defining entity's general management policy and benefit plans. The Supervisory Board is responsible for foundation's internal control. As management board, the Executive Board manages funds, plans and programs, in strict compliance with the rules contained in the Articles of Organization, in Regulations of Benefit Plans and in guidelines and resolutions of the Advisory Board.

The Articles of Organization also provide for Technical Advisory Committees, reporting to the Advisory Board, with their internal regulations approved by that body. In order to support the work of the three statutory bodies, Investment, Benefit, Ethics, Financial Information Quality and Audit Committees comprise members appointed by the Advisory Board, Patrocinadora CAIXA and Executive Board.

The Foundation also has internal groups and commissions created for specific purposes and organized by means of Portaria da Presidência da FUNCEF (PRESI).

With relation to supplementary health care plans and luncheon voucher/food staples basket, they are directly managed by CAIXA.

**(e) Actuarial risks**

Among other risks, CAIXA is exposed to actuarial risk, arising from the condition of sponsor of Pension Plans managed by FUNCEF (REG/REPLAN, REB and Novo Plano) and Caixa health care plans, luncheon voucher/food staples basket and PREVHAB, under direct management of CAIXA.

The concept of actuarial risk may be characterized by the inability to accumulate and/or maintain funds consistent with the commitments made to participants in a Pension Fund, health care plan beneficiaries and other beneficiaries.

Actuarial risk particularly arises from inadequate actuarial hypotheses and assumptions established, which may cause Benefit Plan volatility.

In order to measure actuarial risk from CAIXA sponsorship to Benefit Plans granted to its employees, a specific methodology was developed, based on the best practices of domestic and foreign markets. The model is based on the application of shocks to actuarial hypotheses and assumptions of Benefit Plans, simulating stress events. Considering the amounts generated by the model, CAIXA calculates capital to be allocated due to its exposure to actuarial risk, if needed.

For December 2015, the capital margin of CAIXA is more than sufficient to support the actuarial risk determined."

**(f) Asset/liability crosschecking strategy**

As established by CMN Resolution No. 3792 of September 24, 2009, to determine the allocation goal for funds that guarantee benefit plans by investment segment, FUNCEF adopts its own Asset Liability Management (ALM), which uses stochastic scenarios for changes in assets and liabilities, from pessimistic to optimistic scenarios built from scenarios approved by the Executive Board with detailed discussion in investment and technical advisory committees – having representatives of entities representing participants, sponsor and FUNCEF. The purpose of this model is to minimize the risk of benefit plans with expected profitability of five years, exceeding the accumulated actuarial target in more than 1% p.a., considering the individual characteristics of the plans, such as benefit payments, received contributions, committed capital, asset receipt flow and needed liquidity.

With relation to actuarial liability management and risk management associated with it for future projection purposes for ALM, a stochastic methodology is used, generating 50 actuarial liability flows with simultaneous variations in all assumptions previously established, using the SAS system. Stochastic flows consider variations on the main actuarial hypotheses, as follows:

- Economic variables related to actual interest and growth rate of participation salaries;
- Biometric and demographic variables related to survival or death of participant not disabled (active or assisted), survival or death of participant disabled, survival or death of spouse, participant as not disabled or disabled and participant turnover.

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**(g) Benefit plans**

Details on each of the plans, including those managed by FUNCEF, are as follows:

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

Saúde CAIXA is a self-managed health care program established and managed by CAIXA itself for the purpose of providing medical, hospital, laboratory, radiology, dental, psychological assistance, physical therapy, occupational therapy, social services, speech therapy and diet counseling to beneficiaries and their dependents. This benefit is granted by CAIXA to its employees and retirees associated with FUNCEF, PREVHAB, SASSE, PMPP Fund and the National Institute of Social Security (INSS).

The costs of the Saúde CAIXA Health Care Plan are defrayed by CAIXA through contributions equivalent to 70% of the assistance expenditures.

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.

PAMS is a benefit offered by CAIXA to beneficiaries and their dependents who are parties to injunction pending trial and lawsuits. It is a self-managed program established and managed by CAIXA itself for the purpose of providing medical, hospital, dental and psychological assistance, through a network of accredited entities, all over Brazil, in compliance with PAMS rules and Table.

The most recent actuarial studies of present value of the defined benefit obligation were conducted at December 31, 2015 by Deloitte Touche Tohmatsu, a member of the Brazilian Institute of Actuaries. The present value of the defined benefit obligation, current service cost and past service cost were measured by using the projected unit credit method.

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\$ 12,068,398 (December 31, 2014 – R\$ 9,346,949).

**(g.2) Meal Vouchers and Food Basket Allowance**

CAIXA provides its employees and managing officers with Luncheon/Meal Voucher and Food Staples Basket under current legislation and Collective Bargaining Agreement. The actuarial results presented, related to Luncheon Voucher and Food Staples Basket, refer only to benefits granted to participants assisted entitled to them.

The monthly value of Luncheon/Meal Voucher and Food Staples Basket is defined in September of each year. For the period from September 2015 to August 2016, the value of the luncheon/meal voucher is R\$ 652.08 per month to pay for meals at restaurants and similar establishments. The value of the food staples basket allowance from September 2015 to August 2016 is R\$ 491.52 per month to purchase food from supermarkets or similar commercial establishments. They have an indemnification nature and are not considered part of salary. Accordingly, there are no charges on the company and employees.

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\$ 1,097,455 (December 31, 2014 – R\$ 861,147).

**(g.3) Plano de benefícios - Assistidos PREVHAB**

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.

Among the obligations assumed by CAIXA in relation to the employees of BNH was the maintenance of Associação de Previdência dos Empregados do BNH – PREVHAB, a Pension Fund responsible for supplementing the social security benefits of the employees of BNH.

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For absorption of PREVHAB by Fundação dos Economistas Federais – FUNCEF or transfer of beneficiaries from the former to the latter, in compliance with the private law applicable to the situations, social security strategies were studied and adopted by CAIXA/FUNCEF; however, since they were not in line with CAIXA's proposal or did not meet the requirements established, 66 beneficiaries continue to receive amounts from CAIXA.

Given the characteristics of the Plan, Net Assets will be paid by the Sponsor in the same amount of the Obligation.

### (g.4) Supplementary private pension plans

- **REG/REPLAN**

CAIXA sponsors the REG/REPLAN Benefit Plan, managed by FUNCEF, structured as Defined Benefit plan. This plan was approved by the corresponding authority on May 17, 1977, starting on August 1, 1977. The plan incorporates the regulations introduced in 1977 (REG) and 1979 (REPLAN), treated as a single plan.

The settlement of the benefits of this plan was defined through an amendment to its regulations, on June 14, 2006. Such procedure means that the benefit amount is settled, calculated, and restated based on the plan's index, 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.

In line with the changes in previous plans, some items established by Supplementary Law No. 109, of May 29, 2001, are included, such as: guaranteed conditions for redemption and portability of the balance of the participant's individual account.

REG/REPLAN not settled assures its participants and beneficiaries the following benefits:

- Supplementary retirement benefits based on the contribution period;
- Supplementary retirement benefits for disability;
- Supplementary retirement benefits based on age;
- Supplementary special retirement benefits;
- Supplementary pension benefits for death;
- Supplementary annual bonus;
- Funeral payments;
- Self-sponsorship, deferred proportional benefit, portability and redemption.

The settled benefits provided to participants and beneficiaries are as follows:

- Full planned benefit;
- Prepaid planned benefit;
- Benefit for disability;
- Annual bonus;
- Prepaid single benefit;
- Pension for death;
- Benefit for death.

CAIXA adopted the Risk Sharing concept, considering that the Actuarial Liabilities shall be borne 50% by the Sponsor and 50% by the Participants. We point out that the adoption of the Risk Sharing concept is CAIXA's responsibility, which performed the analysis required technically.

In relation to the costing plan of REG/REPLAN, defined as the calculation prepared by the actuary responsible for the plan that defines the level of contribution necessary for setting up reserves that guarantee benefits, funds, provisions and coverage of other benefit plan expenses, for actuarial balance, it will define the contribution percentages to be applied to the Plan and will be segregated between those opting for settlement or not, with review of minimum annual periodicity, under plan's regulation (available on: [www.funcef.com.br/](http://www.funcef.com.br/)).

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As disclosed by Fundação dos Economistas Federais – FUNCEF, the REG/REPLAN Pension Plan sponsored by CAIXA had, in 2014, an accumulated technical deficit for three years in a row.

The plan for equating this accumulated deficit will follow the rule approved by the National Council for Supplementary Pension Plans (CNPB) on November 25, 2015 that entered into force due to MPS/CNPB Resolution No. 22/2015 published in the Official Gazette on December 3, 2015.

CAIXA, according to plan regulations and Supplementary Law No. 108 and 109/2001, shall equally bear with the participants of such plan the accumulated deficit subject to the equation plan.

The preparation of this plan is in progress by FUNCEF, expected to be implemented in 2016.

- **REB**

CAIXA sponsors the REB Benefit Plan, managed by FUNCEF. The REB Benefit Plan was approved by the corresponding authority on August 5, 1998 and started thereon.

REB is structured as Variable Contribution plan, and the participant's regular contribution is calculated by applying a percentage on the participation salary, defined upon adoption thereof, which cannot be lower than 2% (two percent).

Upon the establishment of the REB Plan, new adhesions to the REG/REPLAN ceased and that plan was offered to employees who joined CAIXA as from 1998. On February 4, 2002, the plan's regulation was amended to permit the migration of REG/REPLAN participants to REB, which was opposed by the members. This experience influenced the process of preparing the proposal for REG/REPLAN Settled and the establishment of the "Novo Plano" Benefit Plan.

Based on Order No. 160/2008/GENEP, the REB Benefit Plan that was virtually segregated into REB 1998 and REB 2002 was unified.

REB assures its participants and beneficiaries the following benefits:

- Life annuity based on the contribution period;
- Life annuity based on retirement for disability of the licensed participant;
- Life annuity based on retirement for disability;
- Pension for death;
- Benefit for death;
- Prepaid annuity;
- Annual bonus; and
- Self-sponsorship, deferred proportional benefit, portability and redemption.

In relation to the costing plan of the REB plan, defined as the calculation that determines the level of contributions of the sponsor, participants and assisted participants, in order to establish the benefit plan cost, it will be established with minimum annual periodicity, to properly set the level of social contributions due and administrative costs, mandatorily contained in the result of plan's actuarial assessment, as defined in plan's regulation (available on: [www.funcef.com.br/](http://www.funcef.com.br/)).

- **Novo Plano**

CAIXA sponsors the Novo Plano Benefit Plan, managed by FUNCEF. It was approved by the corresponding authority on June 16, 2006 and started on September 1, 2006.

Novo Plano is structured as Variable Contribution, with contribution defined in setting up reserves and benefit defined in receiving benefits, as well as in cases of risk benefits, such as disability and pension for death. It includes items established by Supplementary Law No. 109, of May 29, 2001 – such as guaranteed conditions for redemption and portability of the balance of the participant's individual account. It also adopts the new contribution base, increasing the portion allocated by CAIXA to the balance of the beneficiary's account. The participant's regular contribution is calculated by applying a percentage on the participation salary, defined upon adoption of the plan, which cannot be lower than 5% (five percent).

Administrative expenses shall be equally borne by the Sponsor, Participants and Beneficiaries and shall be approved by the Executive Board and Decision-Making Board of FUNCEF, in compliance with the limits and criteria established by the corresponding authority.

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Novo Plano assures its participants and beneficiaries the following benefits:

- Full planned benefit;
- Prepaid planned benefit;
- Benefit for disability;
- Annual bonus;
- Prepaid single benefit;
- Pension for death;
- Benefit for death; and
- Self-sponsorship, deferred proportional benefit, portability and redemption.

CAIXA adopted the Risk Sharing concept, considering that the Actuarial Liabilities shall be borne 50% by the Sponsor and 50% by the Participants. We point out that the adoption of the Risk Sharing concept is CAIXA's responsibility, which performed the analysis required technically.

The NOVO PLANO costing plan will establish the level of contribution necessary for setting up reserves that guarantee benefits, institutes, funds, provisions and coverage of other expenses, approved by the Executive Board, subject to approval of the Advisory Board of FUNCEF and the sponsor, in compliance with criteria established by the regulator, under plan's regulation (available on: [www.funcef.com.br/](http://www.funcef.com.br/)).

The costing plan will be annual, but may be reviewed at any time if duly justified by FUNCEF, and will be under the responsibility of the sponsor and participants, including those assisted.

FUNCEF's administrative expenses will be borne by the sponsor and participants, including those assisted, in compliance with the limit and criteria established by the regulator.

### (h) Number of participants – post-employment benefit:

Description	December 31, 2015			December 31, 2014		
	Active	Beneficiaries	Total	Active	Beneficiaries	Total
<i>Saúde Caixa</i> (Including dependents)	93,523	60,939	154,462	98,190	49,789	147,979
Meal Vouchers and Food Basket Allowance (retirees and pensioners)	-	15,101	15,101	-	14,421	14,421
PREVHAB (retirees and pensioners )	-	65	65	-	67	67
REG/REPLAN	25,127	38,513	63,640	28,532	34,913	63,445
REB	7,265	705	7,970	7,562	655	8,217
<i>Novo Plano</i>	88,028	4,865	92,893	88,465	3,856	92,321

### (i) Actuarial valuation of benefit plans

In 2014, Deloitte Touche Tohmatsu 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, PREVHAB, 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 PREVHAB.

#### (i.1) 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.

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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. In plans in which there was surplus at June 30, 2015, there were no economic benefits subject to recognition by the sponsor.

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

**(i.2) 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.

The calculation of the annual actuarial discount interest rate considers the rate of return on first-class government bonds used as reference, taking into account the inexistence of marketable securities with the conditions provided for in CPC 33. This alternative is provided for by such standard.

Among the main actuarial assumptions adopted in Saúde CAIXA is the Medical Cost Growth Rate, with projected annual rates of 5.50% for 2016, 5.00% for 2017, 4.50% for 2018, 4.00% for 2019, 3.50% for 2020, 3.00% for 2021, 2.50% for 2022, 2.00% for 2023, and 1.50% from 2024 onwards.

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**(i.3) Following are the main assumptions of actuarial calculation of benefit plans sponsored by CAIXA:**

Key assumptions adopted - financial and demographic														
Description	Saúde CAIXA (3)		Allowance and Food Basket		PREVHAB beneficiaries		REG/REPLAN settled		REG/REPLAN not settled		REB		NOVO PLANO	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Annual interest rate (1)	13.91	12.8	14.22	12.8	14.42	12.77	14.27	12.8	14.2	12.8	14.37	12.79	14.27	12.8
Projected annual salary increase	-	-	-	-	-	-	N/A	N/A	9.03	8.71	10.87	10.99	9.85	8.92
Projected annual benefit increases	N/A	N/A	N/A	N/A	6.47	6.19	6.47	6.19	8.41	7.81	6.47	6.19	6.47	6.19
Annual average inflation rate	6.47	6.19	6.47	6.19	6.47	6.19	6.47	6.19	6.47	6.19	6.47	6.19	6.47	6.19
Expected return on plan assets	-	-	-	-	14.42	12.77	14.27	12.8	14.2	12.8	14.37	12.79	14.27	12.8
Turnover rate (2)	1.08	FUNCEF experience	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	FUNCEF experience REB 2013	FUNCEF experience REB 2013	FUNCEF experience Novo Plano 2015	FUNCEF experience Novo Plano 2015
General mortality table	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000	RP 2000
	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)	(-20%)
Disability table	Light	Light	N/A	N/A	N/A	N/A	Light	Light	Light	Light	Light	Light	Light	Light
Disability mortality table	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58	CSO - 58
Retirement	M - 55	M - 55	N/A	N/A	N/A	N/A	M - 53	M - 53	M - 55	M - 55	100% - 1 <sup>st</sup> eligibility	100% - 1 <sup>st</sup> eligibility	M - 55	M - 55
	W - 52	W - 52					W - 48	W - 48	W - 52	W - 51			W - 52	W - 52

- (1) The annual actuarial discount interest rate calculation considers, in addition to inflation detected for the period (6.47%), the remuneration rate of first-tier federal government bonds used as reference, considering the inexistence of marketable securities with the conditions set forth in CPC 33. This alternative is set forth in the referred to pronouncement.
- (2) Changes in financial and demographic assumptions identified, in line with CPC 33, are explained by the need to consider the best estimates of the entity about variables that will determine the final cost of providing post-employment benefits.
- (3) Among significant actuarial assumptions adopted in Saúde CAIXA, we point out the Medical Cost Growth Rate, with projected annual rates of 5.00% for 2016, 4.50% for 2017; 4.00% for 2018, 3.50% for 2019; 3.00% for 2020; 2.50% for 2021; 2.00% for 2022; 1.50% for 2023, and 1.00% as from 2024.

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**(i.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.

The Projected Unit Credit Method is used to determine the present value of defined benefit obligations and the respective current service cost and, where applicable, past service cost. It is also known as “accumulated benefit method”, treats each period of service as the source of an additional benefit entitlement unit and measures each unit separately to determine the final obligation.

Description	Saúde CAIXA		Meal and food vouchers		PREVHAB		REG/REPLAN		REB		NOVO PLANO	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
VPOA <sup>1</sup> at beginning of year	(9,346,949)	(6,211,755)	(861,146)	(751,678)	(49,944)	(45,520)	(41,801,945)	(40,287,215)	(254,556)	(501,705)	(581,419)	(491,780)
Current service cost	(256,951)	(400,434)	-	-	-	-	(83,659)	(3,648)	(2,718)	(1,303)	(20,856)	(37,648)
Interest cost	(1,291,927)	(728,632)	(122,223)	(84,876)	(5,691)	(5,239)	(5,300,051)	(4,725,790)	(32,052)	(59,913)	(79,020)	(58,521)
Participant's expected contributions	-	-	-	-	-	-	(30,704)	(17,694)	(181)	(371)	-	(4,483)
Re-measurement of actuarial gains (losses)	(1,519,532)	(2,292,659)	(219,016)	(116,981)	10,131	(3,056)	1,816,641	1,283,417	(8,274)	302,163	(210,638)	1,101
Experience adjustments	958,037	(796,063)	(309,166)	(143,399)	5,988	(5,974)	(2,927,808)	(715,647)	(48,333)	304,633	(344,869)	(12,588)
Changes in demographic assumptions	(510,781)	296,766	-	(3,903)	-	174	190,595	(465,883)	3,002	(18,928)	17,081	(60,015)
Changes to financial assumptions	(1,966,788)	(1,793,362)	90,150	30,321	4,143	2,744	4,553,854	2,464,947	37,057	16,458	117,150	73,704
Benefits paid by the plan	346,961	286,531	104,930	92,388	4,388	3,871	2,985,053	1,948,985	20,176	6,573	30,830	9,912
<b>VPOA<sup>1</sup> at end of year</b>	<b>(12,068,398)</b>	<b>(9,346,949)</b>	<b>(1,097,455)</b>	<b>(861,147)</b>	<b>(41,116)</b>	<b>(49,944)</b>	<b>(42,414,665)</b>	<b>(41,801,945)</b>	<b>(277,605)</b>	<b>(254,556)</b>	<b>(861,103)</b>	<b>(581,419)</b>

 VPOA<sup>1</sup> - Valor Presente da Obrigação Atuarial

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i.5) Defined benefit obligation maturity:**

Description	Saúde CAIXA	Luncheon voucher/food staples basket	EX-PREVHAB	REG/REPLAN	REB	NOVO PLANO
	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015
Payment of expected benefits at the end of June 30, 2016	382,541	112,449	4,182	3,297,737	23,651	55,696
Payment of expected benefits at the end of June 30, 2017	402,893	102,253	4,513	3,144,969	21,853	53,346
Payment of expected benefits at the end of June 30, 2018	419,898	92,894	4,057	2,959,706	20,175	51,291
Payment of expected benefits at the end of June 30, 2019	433,384	84,297	3,638	2,782,555	18,614	49,054
Payment of expected benefits at the end of June 30, 2020 or after	10,429,682	705,562	24,726	30,229,698	193,312	651,716
<b>Total</b>	<b>12,068,398</b>	<b>1,097,455</b>	<b>41,116</b>	<b>42,414,665</b>	<b>277,605</b>	<b>861,103</b>
Duration of actuarial liabilities at December 31, 2015	27.86 years	12.82 years	8.54 years	Settled: 11.6 years Not settled: 13.3 years	9.5 years	11.5 years

**(i.6) 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:

Description	Saúde CAIXA		Meal and food vouchers		PREVHAB		REG/REPLAN		REB		NOVO PLANO	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
VJAP <sup>1</sup> at beginning of year	-	-	-	-	49,944	45,520	39,189,888	41,054,967	263,803	299,895	279,514	271,445
Interest income	-	-	-	-	5,691	5,239	4,768,136	4,820,209	32,355	35,702	39,089	32,574
Gains (losses) on plan assets (excluding interest income)	-	-	-	-	(10,131)	3,056	(3,165,071)	(4,775,300)	(25,838)	(65,609)	24,245	(22,711)
Employer's contributions	-	-	-	-	-	-	48,022	21,303	568	17	32,425	3,635
Contributions paid by the participants in the plan	-	-	-	-	-	-	30,704	17,694	181	371	-	4,483
Benefits paid by the plan	-	-	-	-	(4,388)	(3,871)	(2,985,053)	(1,948,985)	(20,176)	(6,573)	(30,830)	(9,912)
<b>VJAP<sup>1</sup> at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,116</b>	<b>49,944</b>	<b>37,886,626</b>	<b>39,189,888</b>	<b>250,893</b>	<b>263,803</b>	<b>344,443</b>	<b>279,514</b>

**VJAP<sup>1</sup> – Fair value of plan assets**

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i.7) Equity information of plan assets:**

Description	Saúde CAIXA		Luncheon voucher/food staples basket		PREVHAB		REG/REPLAN (settled)		REB		NOVO PLANO	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Fixed income	-	-	-	-	100.00%	100.00%	51.65%	43.74%	53.25%	41.34%	63.48%	50.02%
Variable income	-	-	-	-	-	-	23.76%	32.33%	23.94%	32.78%	18.14%	25.18%
Structured investments	-	-	-	-	-	-	9.31%	10.17%	7.89%	10.35%	6.78%	12.50%
Real estate investments	-	-	-	-	-	-	11.99%	10.79%	4.54%	4.65%	0.73%	0.80%
Participants	-	-	-	-	-	-	3.27%	2.95%	10.37%	10.87%	10.87%	11.51%
Other investments	-	-	-	-	-	-	0.02%	0.03%	0.01%	0.01%	-	-
<b>Total</b>	-	-	-	-	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**(i.8) Own instruments issued maintained as plan assets and plan properties occupied by CAIXA:**

Description	Saúde CAIXA	Luncheon voucher/food staples basket	EX-PREVHAB	REG/REPLAN	REB	NOVO PLANO
	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015
Savings account – Own portfolio	-	-	-	722	9	4
Investment funds – Own portfolio	-	-	-	617,506	34,033	329,279
Properties – Leased to CAIXA	-	-	-	684,197	8,185	7,206
<b>Total</b>	-	-	-	<b>1,302,425</b>	<b>42,227</b>	<b>336,489</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i.9) 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).

Description	Saúde CAIXA		Allowance/Food Basket		PREVHAB		REG/REPLAN		REB		NOVO PLANO	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
VPOA <sup>1</sup> of end of period	(12,068,398)	(9,346,949)	(1,097,455)	(861,147)	(41,116)	(49,944)	(42,414,665)	(41,801,945)	(277,605)	(254,556)	(861,104)	(581,419)
VJAP <sup>2</sup> of end of period	-	-	-	-	41,116	49,944	37,886,626	39,189,888	250,893	263,803	344,443	279,514
Surplus (deficit) of the plan	(12,068,398)	(9,346,949)	(1,097,455)	(861,147)	-	-	(4,528,038)	(2,612,057)	(26,712)	9,247	(516,661)	(301,905)
Effect of restriction on actuarial liability (3)	-	-	-	-	-	-	2,307,318	1,306,028	13,356	-	258,331	150,952
Asset ceiling effect (4)	-	-	-	-	-	-	(86,598)	-	-	(9,247)	-	-
<b>Net asset (liability)</b>	<b>(12,068,398)</b>	<b>(9,346,949)</b>	<b>(1,097,455)</b>	<b>(861,147)</b>	<b>-</b>	<b>-</b>	<b>(2,307,318)</b>	<b>(1,306,029)</b>	<b>(13,356)</b>	<b>-</b>	<b>(258,331)</b>	<b>(150,953)</b>

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

VJAP1 – Fair value of plan assets

(3) Refers to 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.

**(i.10) Changes in net assets/liabilities recognized in the Balance Sheet:**

Description	Saúde CAIXA		Auxílio/Cesta Alimentação		Meal and food vouchers		PREVHAB		REB		NOVO PLANO	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net (liabilities)/assets recognized at the beginning of the period	(9,346,949)	(6,211,755)	(861,146)	(751,678)	-	-	(1,306,029)	-	-	(100,905)	(150,953)	(110,167)
Service cost	(256,951)	(400,434)	-	-	-	-	(83,659)	(3,648)	(2,718)	(1,303)	(20,856)	(37,648)
Provision for benefit plans and other post-employment benefits	(1,291,927)	(728,631)	(122,223)	(84,876)	-	-	(265,957)	-	(145)	(12,105)	(19,966)	(12,974)
Entity contributions	-	-	-	-	-	-	48,022	21,303	568	17	32,425	3,635
Benefits paid directly by the Entity	346,961	286,531	104,930	92,388	-	-	-	-	-	-	-	-
Amount recognized in other comprehensive income	(1,519,531)	(2,292,660)	(219,016)	(116,981)	-	-	(699,695)	(1,323,684)	(11,061)	114,296	(98,981)	6,201
<b>(Liabilities)/assets recognized at the end of the period</b>	<b>(12,068,397)</b>	<b>(9,346,949)</b>	<b>(1,097,455)</b>	<b>(861,147)</b>	<b>-</b>	<b>-</b>	<b>(2,307,318)</b>	<b>(1,306,029)</b>	<b>(13,356)</b>	<b>-</b>	<b>(258,331)</b>	<b>(150,953)</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i.11) Expenses/Income and payments expected:**

(Expense) / income expected – CPC 33 (R1)										
Description	Saúde CAIXA		Luncheon voucher and food staples basket		REG/REPLAN		REB		NOVO PLANO	
	Year		Year		Year		Year		Year	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Cost of current service, net	(178,710)	(256,951)	-	-	8,545	(83,659)	(1,382)	(2,718)	(16,599)	(18,198)
Cost of interest, net	(1,651,529)	(1,291,927)	(164,042)	(115,421)	(329,120)	(265,957)	(1,712)	(145)	(35,639)	(19,197)
<b>Total (expenses)/ income to be recognized in the next year</b>	<b>(1,830,239)</b>	<b>(1,548,878)</b>	<b>(164,042)</b>	<b>(115,421)</b>	<b>(320,575)</b>	<b>(349,616)</b>	<b>(3,094)</b>	<b>(2,863)</b>	<b>(52,238)</b>	<b>(37,396)</b>

Expected payments – CPC 33 (R1)										
Description	Saúde CAIXA		Luncheon voucher and food staples basket		REG/REPLAN		REB		NOVO PLANO	
	Year		Year		Year		Year		Year	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Common / Risk Contributions (REB) / Benefits (Saúde CAIXA) – Defined benefit	382,541	297,370	112,449	81,763	51,130	22,622	605	18	34,523	3,860
Defined contribution	-	-	-	-	-	-	-	-	-	-
Management	-	-	-	-	-	-	-	-	-	-
<b>Total payments expected for the plan</b>	<b>382,541</b>	<b>297,370</b>	<b>112,449</b>	<b>81,763</b>	<b>51,130</b>	<b>22,622</b>	<b>605</b>	<b>18</b>	<b>34,523</b>	<b>3,860</b>

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**(i.12) 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 significant assumptions - CPC 33 (R1)									
Description	Actuarial table		Discount rate		Wage growth		HCCTR		December 31, 2015
	+ 1 age	- 1 age	+ 0.25%	-0.25%	+0.25%	-0.25%	+1.00%	-1.00%	
<b>Saúde CAIXA</b>									
Interest expense	(1,717,852)	(1,584,509)	(1,621,978)	(1,682,356)	N/A	N/A	(1,932,078)	(1,426,904)	(1,291,927)
Present value of liabilities	(12,563,127)	(11,569,948)	(11,649,870)	(12,511,603)	N/A	N/A	(14,085,998)	(10,452,989)	(12,068,398)
<b>Luncheon voucher and food staples basket</b>									
Interest expense	(160,838)	(167,192)	(164,306)	(163,773)	N/A	N/A	N/A	N/A	(122,223)
Present value of liabilities	(1,074,924)	(1,119,608)	(1,079,347)	(1,116,182)	N/A	N/A	N/A	N/A	(1,097,455)
<b>EX-PREVHAB</b>									
Interest expense	(5,384)	(5,900)	(5,613)	(5,643)	N/A	N/A	N/A	N/A	(5,691)
Present value of liabilities	(39,415)	(42,995)	(40,344)	(41,904)	N/A	N/A	N/A	N/A	(41,116)
<b>REG/REPLAN settled</b>									
Cost of services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(64,850)
Interest expense	(5,039,635)	(5,518,188)	(5,219,270)	(5,313,643)	N/A	N/A	N/A	N/A	(245,623)
Present value of liabilities	(36,919,660)	(40,273,217)	(37,548,754)	(39,503,816)	N/A	N/A	N/A	N/A	(38,512,812)
<b>REG/REPLAN not settled</b>									
Cost of services	(9,523)	(7,464)	(4,611)	(7,845)	N/A	N/A	N/A	N/A	(18,808)
Interest expense	(303,465)	(351,711)	(315,969)	(336,737)	N/A	N/A	N/A	N/A	(20,334)
Present value of liabilities	(3,740,445)	(4,080,205)	(3,790,006)	(4,017,255)	N/A	N/A	N/A	N/A	(3,901,852)
<b>REB</b>									
Cost of services	(510)	(1,468)	(672)	(1,422)	N/A	N/A	N/A	N/A	(2,718)
Interest expense	(36,542)	(40,016)	(38,024)	(38,351)	N/A	N/A	N/A	N/A	(145)
Present value of liabilities	(266,121)	(290,294)	(271,905)	(283,436)	N/A	N/A	N/A	N/A	(277,605)
<b>NOVO PLANO</b>									
Cost of services	(15,908)	(17,363)	(8,092)	(17,026)	N/A	N/A	N/A	N/A	(20,856)
Interest expense	(116,086)	(126,786)	(120,188)	(122,125)	N/A	N/A	N/A	N/A	(19,965)
Present value of liabilities	(900,465)	(900,465)	(839,732)	(883,068)	N/A	N/A	N/A	N/A	(861,104)

**HCCTR - Medical Cost Growth Rate**

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Sensitivity analysis of significant assumptions - CPC 33 (R1)									
Description	Actuarial table		Discount rate		Wage growth		HCCTR		December 31, 2014
	+ 1 age	- 1 age	+ 0.25%	-0.25%	+0.25%	-0.25%	+1.00%	-1.00%	
<b>Saúde CAIXA</b>									
Interest expense for the next six-month period	(1,137,524)	(1,216,680)	(1,157,980)	(1,196,800)	N/A	N/A	(1,374,507)	(1,018,301)	(1,176,940)
Present value of liabilities	(9,038,904)	(9,657,543)	(9,025,337)	(9,688,565)	N/A	N/A	(10,891,021)	(8,107,124)	(9,346,949)
<b>Luncheon voucher and food staples basket</b>									
Interest expense for the next six-month period	(112,970)	(117,843)	(113,454)	(117,463)	N/A	N/A	N/A	N/A	(115,421)
Present value of liabilities	(841,986)	(880,072)	(845,775)	(887,104)	N/A	N/A	N/A	N/A	(861,147)
<b>PREVHAB</b>									
Interest expense for the next six-month period	(5,994)	(6,220)	(6,084)	(6,082)	N/A	N/A	N/A	N/A	(6,083)
Present value of liabilities	(48,858)	(51,011)	(49,028)	(50,887)	N/A	N/A	N/A	N/A	(49,944)
<b>REG/REPLAN</b>									
Cost of services for the next six-month period	(135,157)	(149,817)	(142,830)	(154,449)	N/A	N/A	N/A	N/A	(148,509)
Interest expense for the next six-month period	(4,958,412)	(5,238,125)	(5,145,032)	(5,202,394)	N/A	N/A	N/A	N/A	(5,713,498)
Present value of liabilities	(40,120,702)	(42,304,217)	(40,806,998)	(42,835,229)	N/A	N/A	N/A	N/A	(41,801,945)
<b>REB</b>									
Cost of services for the next six-month period	(2,728)	(2,170)	(2,270)	(2,610)	N/A	N/A	N/A	N/A	(2,434)
Interest expense for the next six-month period	(31,469)	(31,272)	(24,019)	(31,626)	N/A	N/A	N/A	N/A	(31,342)
Present value of liabilities	(255,573)	(253,985)	(190,829)	(261,710)	N/A	N/A	N/A	N/A	(254,556)
<b>NOVO PLANO</b>									
Cost of services for the next six-month period	(20,078)	(16,508)	(17,117)	(19,360)	N/A	N/A	N/A	N/A	(18,199)
Interest expense for the next six-month period	(75,999)	(69,590)	(72,776)	(75,533)	N/A	N/A	N/A	N/A	(72,631)
Present value of liabilities	(607,996)	(557,368)	(559,920)	(604,128)	N/A	N/A	N/A	N/A	(581,419)

**HCCTR - Medical Cost Growth Rate**

**Notes to the Consolidated Financial Statements**

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**(h) Expenses recognized with pension plans with defined benefit characteristics:**

Description	December 31, 2015	December 31, 2014
REG/REPLAN	21,528	18,130
<b>Total</b>	<b>21,528</b>	<b>18,130</b>

**(i) Expenses recognized for coverage of risks with lawsuits related to benefit plans:**

Description	December 31, 2015	December 31, 2014
Lawsuits	3,390	3,780
<b>Total</b>	<b>3,390</b>	<b>3,780</b>

**Note 33 – Corporate risk management**

CAIXA adopts good local and international practices for managing its credit, operational, market, liquidity, interest rate, concentration, counterparty, strategic, reputation 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 and capital 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, Capital Management and Distribution of Profit Policy and 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" Corporate Governance.

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

### 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.

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; 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.

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**Regulatory Capital Requirements**

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

Calculation of regulatory capital requirement		
Description	December 31, 2015	December 31, 2014
<b>Patrimônio de Referência – PR</b>	<b>78,962,391</b>	<b>79,402,212</b>
<b>TIER I</b>	<b>55,537,056</b>	<b>59,237,192</b>
Principal capital – CP	55,537,056	59,237,192
Equity	26,616,877	26,222,765
Hybrid capital and debt instruments, authorized according to CMN Decision No. 4192/2013	36,086,566	35,867,958
Exceeded limit established in art. 25 of CMN Resolution No. 4192/2013	(1,646,635)	-
Prudential adjustments	(5,519,752)	(2,853,531)
Supplementary Capital – CC	-	-
Hybrid capital and debt instruments authorized under CMN Resolution No. 3444/2007	-	-
<b>Tier II</b>	<b>23,425,335</b>	<b>20,165,020</b>
Subordinated debt instruments	21,850,246	18,554,433
Subordinated debt instruments (20% deduction)	(722,282)	-
Subordinated notes	2,014,328	1,370,226
Financial bills	293,957	244,051
Financial bills (20% deduction)	(2,453)	(3,690)
Financial bills (40% deduction)	(8,461)	-
<b>Risk-weighted assets (RWA)</b>	<b>547,136,671</b>	<b>493,956,341</b>
Credit risk - $RWA_{CPAD}$	504,257,301	470,702,401
Market risk – negotiation portfolio - $RWA_{MPAD}$	2,529,614	2,986,701
Interest rate – $RWA_{JUR}$	1,715,595	1,985,813
Commodities – $RWA_{COM}$	-	-
Shares – $RWA_{ACS}$	-	-
Foreign exchange – $RWA_{CAM}$	814,019	1,000,888
Operating risk - $RWA_{OPAD}$	40,349,756	20,267,239
<b>Minimum Required Reference Equity (<math>RWA \times 0,11</math>) - PRMR</b>	<b>60,185,033</b>	<b>54,335,198</b>
<b>Market risk – non-negotiation portfolio- <math>R_{BAN}</math></b>	<b>8,226,904</b>	<b>6,561,083</b>
<b>Capital margin (PR - PRMR - <math>R_{BAN}</math>)</b>	<b>10,550,454</b>	<b>18,505,932</b>
<b>Principal capital rate (CP / RWA)</b>	<b>10.15%</b>	<b>11.99%</b>
<b>Capital rate – Level I (Level I / RWA)</b>	<b>10.15%</b>	<b>11.99%</b>
<b>Basel rate (PR / RWA)</b>	<b>14.43%</b>	<b>16.07%</b>

(1) As per CMN Resolutions 4192 and 4193/13, as of January 2015 the calculation of reference assets and the calculation of minimum capital requirement started to consider the Prudential Conglomerate.

(2) Equity discounted from hybrid debt/equity instruments authorized under CMN Resolution No. 4192/2013.

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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 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.

### 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.

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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.

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.

## Notes to the Consolidated Financial Statements

In thousands of reais, unless otherwise stated

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 <sup>(1)</sup>		
Risk Factors	12/31/2015	12/31/2015
PRE	23,523	8,546
IPCA Coupon	12,285	270
<b>VaR with ED</b>	<b>35,808</b>	<b>8,816</b>

(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.

Stress testing is conducted in accordance with BACEN Circular No. 3365/2007. Additionally, sensitivity analysis is performed to check any changes in the banking portfolio amount by applying percentage points to the term structure of each one of the risk factors, simulating the increase in rates and the consequent reduction in asset prices.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

**Financial instruments – Market Value**

Description	Valor Contábil		Valor Marcado a Mercado		Valores a Pagar ou a Receber	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value– ASSET</b>						
Investments in interbank deposits	10,376,648	6,533,817	10,376,993	6,533,766	345	(51)
Investments in repurchase agreements	143,111,942	113,973,136	143,111,942	113,952,540	-	(20,596)
Securities and Financial Instruments	177,087,448	166,025,859	173,244,049	166,039,625	(3,843,399)	13,766
Trading securities	98,480,310	101,697,936	98,480,310	101,697,936	-	-
Available-for-sale securities	14,394,931	15,039,809	14,394,931	15,039,809	-	-
Held-to-maturity securities	64,212,207	49,288,114	60,368,808	49,301,880	(3,843,399)	13,766
Loan operations, leases and other receivables	662,119,119	594,754,777	588,297,509	556,953,867	(73,821,610)	(37,800,910)
Commercial	199,664,957	190,519,837	213,447,169	197,257,226	13,782,212	6,737,389
Housing	384,175,883	339,838,641	317,248,681	311,713,400	(66,927,202)	(28,125,241)
Infrastructure/Development	70,658,301	56,481,914	49,981,681	40,068,856	(20,676,620)	(16,413,058)
Other receivables	7,619,978	7,914,385	7,619,978	7,914,385	-	-
<b>Comparison between the financial instruments recorded in the balance sheet accounts and their mark-to-market value – LIABILITY</b>						
Funding Transactions	276,941,479	227,640,742	281,422,870	226,931,157	4,481,391	(709,585)
CDB/RDB	107,551,120	89,891,665	108,017,121	90,118,460	466,001	226,795
LCI LH	153,687,415	126,971,227	156,956,988	125,510,353	3,269,573	(1,460,874)
Securities Obligations Abroad	15,702,944	10,777,850	16,448,761	11,302,344	745,817	524,494
Funds obtained from repurchase agreements	194,364,507	172,769,884	194,364,365	172,755,223	(142)	(14,661)
Local borrowings and onlendings and Other	217,538,099	180,008,939	140,358,592	130,600,029	(77,179,507)	(49,408,910)
Abroad	14,337,557	5,450,039	14,382,740	5,353,897	45,183	(96,142)
Treasury	44,677	40,574	46,530	41,910	1,853	1,336
Employee Severance Indemnity Fund - FGTS(1)	172,210,084	145,033,444	108,847,521	108,353,417	(63,362,563)	(36,680,027)
BNDES	29,823,211	28,239,713	16,229,536	15,799,197	(13,593,675)	(12,440,516)
Deposits without yield	1,122,570	1,245,169	852,265	1,051,608	(270,305)	(193,561)
Hybrid equity and debt instrument	24,118,920	20,177,205	14,500,124	14,869,513	(9,618,796)	(5,307,692)

## Notes to the Consolidated Financial Statements

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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, 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 December 31, 2015 are summarized in the following table:

Description	Risk	Probable scenario	25% shift	50% shift
Fixed rate	Increase in interest rate	(310,116)	(7,257,220)	(13,596,906)
Price index	Increase in price index coupons	(41,855)	(962,854)	(1,773,921)
TR/TBF/TJLP	Increase in TR coupon	(155,007)	(3,294,404)	(5,619,098)
Foreign exchange variation	Decrease in exchange rates	(1,012)	(6,822)	(35,409)

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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 is defined as the possibility of losses resulting from failure, deficiency or inadequacy of internal processes, people or systems or from external events. This includes the legal risk associated with inadequacy or weakness in contracts signed by the Bank, in addition to disciplinary actions from non-observance of legal provisions and damages paid to third parties arising from activities carried out by CAIXA.

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.

At CAIXA such management is ultimately based on a three-assumption framework, namely:

- 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.

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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.

### Calculation Methodology Adopted by CAIXA

According to criteria in BACEN Circular No. 3640/2013 for calculation of capital required for operational risk under the standardized method (RWAopad), 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).

CAIXA adopts ASA approach since this methodology has a more granular character for using gross profit, which is more suitable for operational risk exposure.

### Internal Models

The advanced approaches of capital allocation for operating risk involve the improvement of management and control techniques and, as a result, is expected to reduce the impact of fraud (internal and/or external), operating procedures failures, failures in the management of labor agreements, among others, in order to mitigate the operating risk exposure. The internal model, known by this terminology because it requires several pieces of information from the institution itself, requires more variables to be aggregated to calculate the portion related to operating risk, the risk-weighted assets, resulting in a more accurate value of regulatory capital to be allocated.

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.

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**Monitoring, Operating Control and Mitigation**

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 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

**Business Continuity Management**

Business continuity management is an essential part of operational risk management and has been a focus of CAIXA, through of 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 management**

Information security management is an important element in the structure of CAIXA, 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 of the bank.

**Crisis Management**

Crisis management is a component of business continuity risk management, which seeks to effectively manage events of significant impact affecting one or more pillars: people, business, infrastructure, information, IT and suppliers. This management involves actions involving the preparation, identification, response, resolution and at the end, observation of lessons learned, the so called post-crisis.

At CAIXA, the crisis management is structured in a model that includes assumptions, responsibilities and ways of working, always in coordination with the Group Management.

**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 of this risk category in the institution.

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.

**Spreading the Operational Risk Culture**

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.

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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 Resolution No. 3566/2008: **CPC 01** Impairment of Assets;
- CMN Resolution No. 3604/2008: **CPC 03** Statement of Cash Flows;
- CMN Resolution No. 3750/2009: **CPC 05** Related-Party Disclosures;
- CMN Resolution No. 3823/2009: **CPC 25** Provisions, Contingent Liabilities and Contingent Assets;
- CMN Resolution No. 3973/2011: **CPC 24** Subsequent Event; and
- CMN Resolution No. 3989/2011: **CPC 10** Share-Based Payment;
- CMN Resolution No. 4007/2011: **CPC 23** Accounting Policies, Changes in Estimates, and Correction of Errors;
- CMN Resolution 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 Consolidated 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	December 31, 2015	December 31, 2014
PIS	29,196,805	28,674,573
FGTS	94,024,286	75,023,898
FAR (1)	37,916,332	30,779,021
FDS	1,187,745	1,143,187
FGS	799,085	269,910
FGHAB (1)	1,705,304	1,788,550
FGCN	4,421,909	4,755,903
Others	105,499	91,795
<b>Total</b>	<b>169,279,750</b>	<b>142,526,837</b>
<b>FCVS (1)</b>	<b>(98,282,812)</b>	<b>(97,974,486)</b>

(1) November/2015 position

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**(c) Guarantees provided to third parties**

These guarantees amount to R\$ 69,554 (December 31, 2014 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. Credit risk assessment is recognized as a provision in CAIXA in "Sundry liabilities" amounting to R\$ 110,378.

**(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\$ 217,539 (December 31, 2014 - R\$ 186,651).

**Note 35 – Subsequent events**

On January 19, 2016, considering the resolutions of the Board of Directors, CAIXA organized as wholly-owned subsidiary company CAIXA Instantânea, under CNPJ No. 24.038.490/0001-83, engaged in the following activities:

- i) management and execution of Loteria Instantânea Exclusiva (LOTEX), throughout the Brazilian territory, as determined by Law No. 13155, of August 4, 2015;
- ii) production, storage, distribution and sale of LOTEX tickets, directly or by means of subcontracting; and
- iii) management and sale of LOTEX betting electronically, directly or by means of subcontracting.

CAIXA Instantânea is a closely-held corporation, for an indefinite period of time and paid-in capital of R\$ 100,000.00 (hundred thousand reais) represented by 10,000 (ten thousand) common shares, without par value, fully subscribed by CAIXA.

The Company is headquartered in Brasília/DF and may create, install and remove branches, agencies, offices and representations throughout the Brazilian or foreign territory, under applicable legislation.

**Notes to the Consolidated Financial Statements**

In thousands of reais, unless otherwise stated

Miriam Aparecida Belchior  
President

Antônio Carlos Ferreira  
Vice-President

Márcio Percival Alves Pinto  
Vice-President

Nelson Antônio de Souza  
Vice-President

Roberto Derziê Sant'Anna  
Vice-President

Rubens Rodrigues dos Santos  
Vice-President

Marcos Brasiliano Rosa  
Accounting Head of Department  
CRC 022351/O-1-DF

Fábio Lenza  
Vice-President

Marcos Fernando Fontoura dos Santos Jacinto  
Vice-President

Paulo José Galli  
Vice-President

Roberto Nogueira Zambon  
Vice-President in Charge  
Administrative Ruling No. 212/2016

Valter Gonçalves Nunes  
Vice-President in Charge  
Administrative Ruling No. 140/2016