

MANAGEMENT REPORT



A vida pede mais que um banco

This document is based on the Consolidated Financial Statements of CAIXA on December 31, 2014, and contains statements about expectations, growth estimates, projections of results. Such statements are based on current expectations about future events and financial trends that may affect the Company's business.

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

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

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

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

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

MANAGEMENT REPORT – 2014

INTRODUCTION

CAIXA was founded in 1861. Its biggest defiance was change the Brazilians life. At the time, there were only six employees that with dedication helped CAIXA to grow and become the bank of savings accounts and the house own. CAIXA has spread throughout Brazil and today is the third largest bank in assets of the country, and also the largest bank fully public in the Latin America.

With 154 years and with more than 100 thousand employees, CAIXA has established itself as an institution that seeks to promote the social and economic development of Brazil. In 2014, CAIXA's activities were responsible for inject nearly R\$ 689.6 billion in the Brazilian economy by means of new loans, distribution of social benefits, investments in own infrastructure, salaries, social destination of lotteries, among others.

Moreover, CAIXA is the bank that has the highest participation in the Brazilians life, reaching in 2014, 100% of the country's municipalities, with 67.7 thousand service points, including own units, lotteries and correspondent outlets, 18 itinerant units and 2 riverboat branches. All this for providing comfort and convenience to more than 78.3 million customers.

In the execution of government programs, during the year, R\$ 28.0 billion in social benefits and R\$ 199.9 billion in benefits to workers were paid, increases of 5.6% and 11.2% in 12 months, respectively. With the "My House, My Life", CAIXA contributed to more than 8.3 million people carried out the dream of home ownership, since the beginning of the program until the end of 2014.

As a result of its performance, in 2014 CAIXA has obtained net profit of R\$ 7.1 billion, 5.5% higher than the registered in 2013, and achieved the best operating efficiency ratio in recent years, 55.9% as a result of operational efficiency increase and the beginning of the investments maturation made in recent years.

The amplified loan portfolio balance totaled R\$ 605.0 billion, evolution of 22.4% in 12 months, highlighting the housing credit, 25.7% higher, reaching a balance of R\$ 339.8 billion, which represents 67.7% of the market.

This report presents CAIXA results in 2014, that endorse its role as a financial institution and public policy agent, and justify the recognition by society as one of the Institutions that most contribute to the growth of the country and the improvement people life quality.

CUSTOMERS AND SERVICE CHANNELS

In 2014, CAIXA's customer base reached 78.3 million of account holders and savers, increment of 9.3% in 12 months. The individual portfolio reached 76.1 million, 9.2% higher than the same period of the previous year, and the corporate portfolio, 2.2 million, evolution of 12.3% comparing to 2013.

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

Nowadays, CAIXA network has more than 67.7 thousand service points. There are 4.2 thousand branches and service points, 31.5 thousand of lotteries and correspondent outlets, 32.0 thousand machines distributed around the country, 2 riverboat branches and 18 truck based units. Beyond that, CAIXA offers 16.2 thousand Banco24Horas terminals.

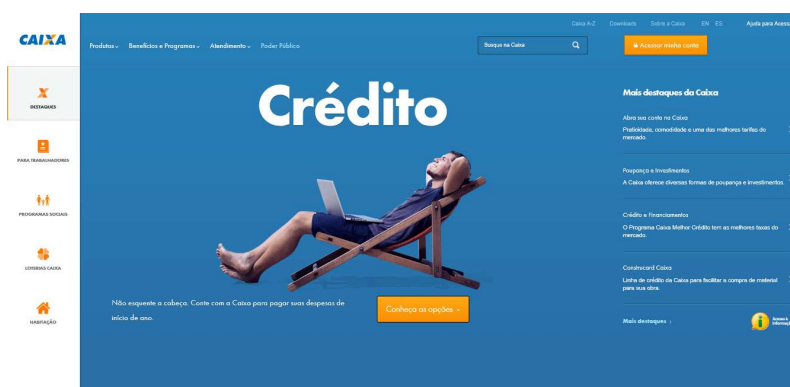
At the virtual ambient, the Institution offers to its customers the application "access to the account" by smartphones, tablets and Internet Banking that

reached a basis of 1.9 million and 12.1 million users, respectively, in 2014.

In addition, CAIXA has the most visited banking website in Brazil, with 56 million monthly visits, which was reformulated in consultation with the main users - customers, employees, beneficiaries of social programs and bettors.

The new site, launched in January, has more dynamic navigation and more objective content. Another difference is that the site is responsive, in other words it can be accessed either by computer, tablet or mobile, adapting to the screen.

CAIXA offers SAC - Customer Service that has served in 2014, nearly 23.5 million calls and CAIXA service for citizen has answered 44.2 million calls, regarding Social Integration Program - PIS, unemployment Insurance, FGTS, Social Card and Citizen Information Service.



Source: CAIXA website.

ECONOMIC-FINANCIAL PERFORMANCE

In December 2014, assets under management by CAIXA totaled R\$ 1.8 trillion, increase of 18.2% if compared to 2013, highlight to FGTS with a balance of R\$ 410.7 billion, and Asset Management that amounted R\$ 235.2 billion, evolutions of 12.4% and 3.6%, in 12 months, respectively.

Items (in R\$ Billion)	2012	2013	2014
CAIXA's Asset	703	858	1,065
Amplified Loan Portfolio	361	494	605
Saving Deposits	176	210	237
Managed assets (Third party)	558	657	726

CAIXA's assets totaled R\$ 1.1 trillion, increment of 24.0% in the same comparison. Loan operations represented 56.8% from this total, with R\$ 605.0 billion, and securities with R\$ 168.0 billion corresponding to 15.8%.

Of total liabilities, 39.4% consisted in deposits and 29.2% were funding and notes in the open market. Time deposits with a balance of R\$ 143.1 billion, growth of 26.0%, and demand deposits totaled R\$ 27.0 billion, evolution of 7.3% in relation to the previous year.

In the year, CAIXA's net profit totaled R\$ 7.1 billion. The most important factors influencing the result were the evolution of 42.7% of income from loan operations and the growth of 52.9% in income from securities and derivatives financial instruments, in 12 months. Operating profit was R\$ 6.6 billion, growth of 27.7% in relation to the registered in 2013.

CAIXA's net equity showed a balance of R\$ 62.1 billion, including R\$ 35.9 billion in Hybrid capital and debt instrument eligible as capital to compose the main capital in Basel III. The return on average equity was 15.2% in the last 12 months.

At the end of 2014, Total Capital Ratio was 16.1%, 5.1 p.p. above the legal requirement of 11%.

As a result of actions to increase operational efficiency, combined with the early maturity of the investments made in recent years, CAIXA improved operating efficiency ratio in 4.4 p.p., if compared to the same period of 2013, reaching 55.9% in December 2014.

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

Ratios (in %)	2012	2013	2014
Return on Average Assets (accumulated 12 months)	0.9	0.8	0.7
Return on Average Equity (accumulated 12 months)*	25.7	24.8	15.2
Total Capital Ratio	13.0	15.1	16.1
Public Sector Debt	29.0	24.7	28.4
Fee Income / Administrative Expenses (accumulated 12m)	64.6	64.4	63.9
Fee Income / Personnel Expenses (accumulated 12m)	105.6	102.7	103.0
Operating Efficiency Ratio (accumulated 12m)	61.2	60.3	55.9

*According to CMN Resolution 4,192/13, includes the Hybrid capital and debt instruments eligible as capital, in amount of R\$ 8.0 billion from December 2013 and more R\$ 27.9 billion from July 2014.

SECURITIES AND DERIVATIVES FINANCIAL INSTRUMENTS

At the end of 2014, securities and derivatives financial instruments portfolio had a balance of R\$ 168.0 billion, of which R\$ 149.8 billion were government bonds and R\$ 17.3 billion were private-issued securities.

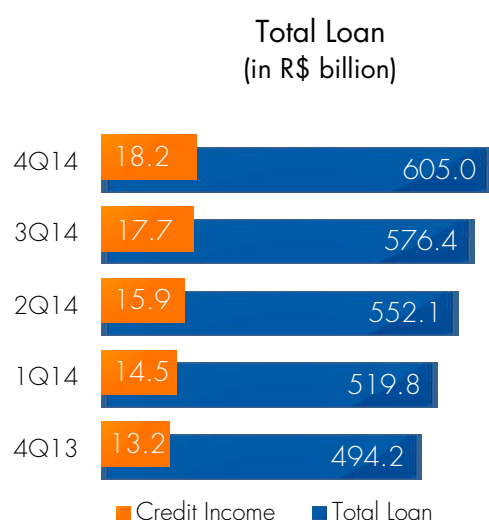
Operations with securities and derivatives financial instruments reached R\$ 30.1 billion, 52.9% higher than the registered in 2013. Influenced mainly by the SELIC rate and the increase in the portfolio.

In compliance with the dispositions of BACEN Circular 3,068/2001, Article 8º, CAIXA states the intention of maintaining the securities classified Tier III, which totaled R\$ 49.3 billion in December 2014, until their respective maturities, and also states to have the financial capability required to do so.

AMPLIFIED LOAN PORTFOLIO



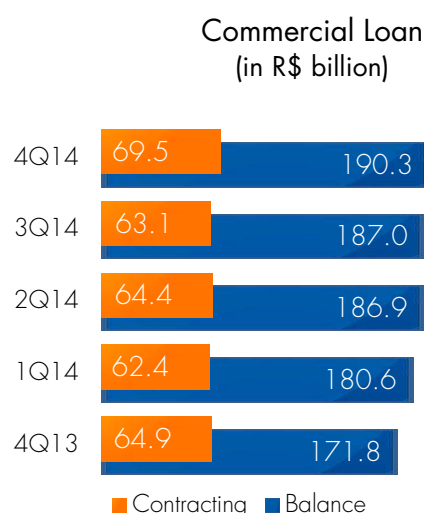
CAIXA's amplified loan portfolio expanded 22.4% in the year, reaching a balance of R\$ 605.0 billion. New loans increased 6.8% and totaled R\$ 502.9 billion. We highlight the commercial loan portfolio with a balance of R\$ 190.3 billion and R\$ 259.4 billion of new contracts in the period, amounts 10.8% and 7.8% higher than the registered in 2013, respectively.



Operations with individuals reached a balance of R\$ 94.0 billion, growth of 16.2% in 12 months. Contracting increased 11.4%, with a balance of R\$ 142.8 billion in 2014.

Among the individual segment products, we highlight the payroll with amount contracted of R\$ 31.0 billion and balance of R\$ 52.9 billion. The market share was 21.0%, in December 2014, increase of 0.39 p.p. in 12 months.

Corporate segment presented a balance of R\$ 96.3 billion and R\$ 115.5 billion hired, at the end of the period, with increases of 6.0% and 2.7% in 12 months, respectively



At the end of 2014, sanitation and infrastructure operations presented a balance of R\$ 56.7 billion, increment of 52.8% in relation to 2013. New loans in this segment reached the amount of R\$ 33.3 billion, increase of 11.7% in 12 months.

From these, R\$ 7.1 billion were hired in sanitation; R\$ 8.5 billion in electric power and logistic financing; R\$ 4.8 billion in urban mobility and R\$ 5.9 billion in urban infrastructure; R\$ 5.3 billion in shipbuilding and R\$ 1.7 billion in multisectoral activities in the segment.



At the end of 2014, the balance of real estate portfolio reached R\$ 339.8 billion, 25.7% higher than 2013. CAIXA remained the market leader with 67.7% of market share, not including mortgage-backed securities.

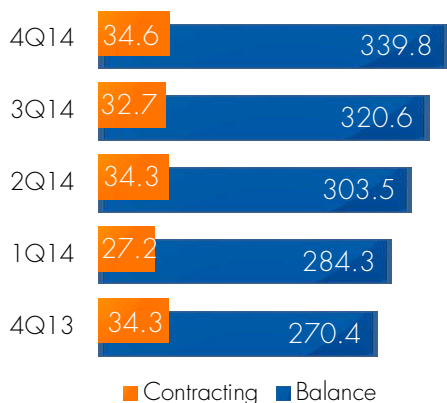
Contracts in housing loan portfolio totaled R\$ 128.8 billion until December 2014, of this amount, R\$ 40.9 billion were engaged with FGTS resources, including subsidies, R\$ 79.4 billion with Brazilian Savings and Loans System (Sistema Brasileiro de Poupança e Empréstimo, or SBPE) resources and R\$ 8.5 billion engaged with other resources.



CAIXA Rural Credit reached a balance of R\$ 4.9 billion in December 2014, evolution of 146.1%. In the period, contracting totaled R\$ 5.0 billion. The resources are destined to agricultural and cattle breeding, investment operations in machines and equipment, animal acquisition and rural infrastructure projects.

The loan portfolio quality remained high during the period, approximately 92% of its total classified in ratings from AA-C. The delinquency rate was 2.56%, showing a decrease of 0.17 p.p. compared with the previous quarter, keeping under the market average of 2.88%.

Housing Loan
(in R\$ billion)



In "My House, My Life Program", R\$ 35.9 billion were engaged in 2014, totaling 389.2 thousand housing units. Of this amount, 35.6% were destined to families with maximum income of R\$ 1.6 thousand fully subsidized by the program.

DEPOSITS AND FUNDING

The total funding reached a balance of R\$ 816.4 billion in December 2014, evolution of 18.3% in relation to 2013.

CAIXA deposits reached a balance of R\$ 419.0 billion, increase of 16.2% in 12 months. We highlight savings with balance of R\$ 236.8 billion, 13.0% higher than December 2013, and net funding of R\$ 12.7 billion, equivalent to 53.0% of the amount collected in the National Financial System which confirms CAIXA as a leadership in this market.

In the year, 8.9 million of savings accounts were opened, totaling 58.3 million at the end of the period, evolution of 12.2%.

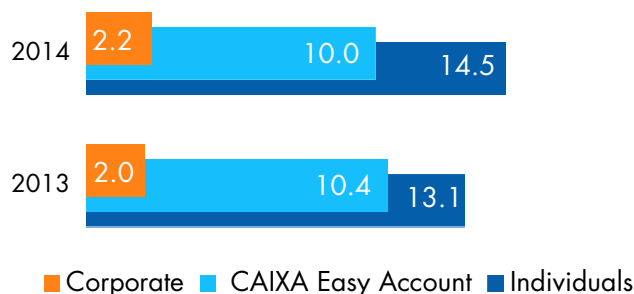
CAIXA's current account basis increased 4.9%, in 2014, evolving to 26.7 million distributed as follows: 24.5 million of individual accounts (10.0 million were CAIXA Easy Account - CAIXA Fácil), and 2.2 million of corporate accounts.

Demand deposits totaled R\$ 27.0 billion and time deposits, R\$ 143.1 billion, increase of 26.0% in relation to December 2013. Certificate of Bank Deposit - CDB resources represented 62.7% of the time deposits, accounting R\$ 89.9 billion, increment of 29.5% in relation to the same period of 2013.

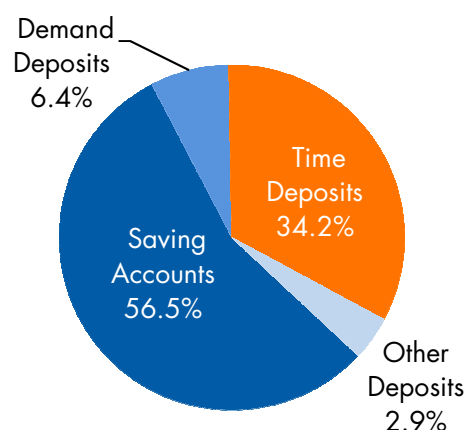
Judicial deposits expanded 20.6% in 12 months, reaching a balance of R\$ 53.5 billion. The remaining deposits totaled a balance of R\$ 12.1 billion.

In December 2014, Mortgage linked notes, local credit notes and agribusiness credit notes totaled R\$ 39.6 billion of net funding and balance of R\$ 127.0 billion, increase of 63.9%, if compared to December 2013, and 10.7% higher than the third quarter of 2014.

Quantity of Accounts
(In million)



Deposits Balance Composition



Emphasis on the mortgage linked notes that evolved 69.0%, reaching a balance of R\$ 87.3 billion in the year, corresponding to 54.1% of market share. Local credit notes reached a balance of R\$ 37.9 billion, growth of 61.8% in the year.

In relation to the international funding, CAIXA totaled a balance of R\$ 16.2 billion, an increase of 69.7% in 12 months, including international emissions and foreign loans.

During 2014, CAIXA has earned the trust of investors and consolidated itself in the international market after successive emissions, gaining greater visibility and diversifying its funding sources.

In 2014, CAIXA was the first bank of South America to accomplish international funding of subordinate resources in compliance with Basel III.

ASSET MANAGERMENTS

Net equity of asset managements and managed portfolio reached a balance of R\$ 488.6 billion in 2014, including FI FIC and FI FGTS. Exclusive funds totaled R\$ 102.5 billion of balance, and retail funds, R\$ 101.4 billion, increment of 9.1% in relation to 2013.

At the end of the period, fixed income funds totaled a balance of R\$ 186.7 billion, increase of 4.6% if compared to 2013.

At the end of December, the Institution participated with 8.5% of market funds, according to the National Association of Capital Markets Participants (ANBIMA).

In December 2014, CAIXA administrated 443 products of investment, of which 418 asset management (36 FI FIC) and 25 managed portfolios. There were launched six asset managements at the latest quarter of 2014.



CREDIT AND DEBIT CARDS

CAIXA's cards customers performed 1.3 billion of transactions, corresponding to a financial volume of R\$ 102.9 billion in 2014. The evolution of the transactions was 23.3% while the turnover grew 26.8% in 12 months.

Debit cards reached a basis of 86.6 million in MasterCard, VISA Electron and Elo banners, 8.4% higher in comparison to 2013. These cards performed more than 1.0 billion transactions, which represented an increment of 25.2% in 12 months and a financial volume of R\$ 64.1 billion.

Credit cards has reached a basis of 9.6 million in Elo, MasterCard and VISA banners. There were performed than 324.2 million transactions, corresponding to a financial volume of R\$ 38.7 billion.

Only Elo cards base has reached the mark of 26.6 million, from these 25.8 million were debt cards and 713.7 thousand were credit cards, increment of 102.4% and 48.2% in 12 months, respectively.



BANKING SERVICES

In 2014, 7.4 billion of banking transactions were performed, evolution of 12.4% if compared to 2013. Only the Internet Banking has reached 1.3 billion transactions including withdrawals, deposits, payments and transfers, corresponding to 17.4% of the total transactions. Transactions using cellphones and smartphones increased 126.7% in 12 months.

Income from services and fees totaled R\$ 18.4 billion in 2014, evolution of 12.6% in relation to the previous year. From these, we highlight banking services with R\$ 6.0 billion, increase of 12.6% in 12 months.

Aiming to meet the needs of its customers, in partnership with "CAIXA Seguros" Group, CAIXA provides its clients with products such as life, real estate and vehicle insurance, capitalization certificates, private pension and consortium that have been transacted R\$ 3.5 billion, 5.3% higher than the value traded in 2013.

CAIXA IN NUMBERS

R\$ 1.1
TRILLION

Own assets

+24.0%
against 2013

Net Profit

R\$ 7.1
BILLION

2014

+5.5%
Higher than 2013

R\$ 1.8
TRILLION

AUM

+18.2%
in 12 months

R\$ 71.0
MILLION

Invested in training
programs and higher
education in 2014

R\$ 605.0
BILLION

Amplified loan
portfolio

+22.4%
in 12 months

R\$ 168.0
BILLION

Securities and
derivatives

+2.9
in 12 months

101.5
THOUSAND
employees

3.9 THOUSAND
Hired in
12 months

CAIXA IN NUMBERS

**R\$ 102.9
BILLION**

financial volume moved
by CAIXA Cards

+ 26.8%
against 2013

**78.3
MILLION**

customers

+ 9.3%
In 12 months

MARKET SHARE

**Total Loan
19.8%**

**Housing
67.7%**

**Savings
35.7%**

Nearly
**R\$ 89.4
MILLION**

Invested in culture
in 2014

**R\$ 236.0
MILLION**

Invested in sports
in 2014

**Asset
Management
8.5%**

GOVERNMENT SERVICES

As the main operating agent of the Federal Government social programs, CAIXA contributes actively to eradicating poverty and improving income distribution for the Brazilian population. In 2014, approximately 176.0 million of social benefits were paid, corresponding to R\$ 28.0 billion.

The main income transfer program, Family Allowance (Bolsa Família) has paid about 161.7 million of benefits in the period, which totaled R\$ 26.0 billion, increase of 8.4% in 12 months.

In relation to the programs intended for workers, the Institution paid 173.5 million of benefits in 2014, totaling R\$ 199.9 billion, including Unemployment Insurance (Seguro Desemprego), Salary Allowance (Abono Salarial) and Brazilian Social Integration Program—PIS, corresponding to R\$ 48.1 billion, evolution of 5.7% in comparison to the same period of the previous year.

There were paid 66.3 million of retirement and pensions to the beneficiaries of National Institute of Social Security - INSS, representing an amount of R\$ 67.4 billion, growth of 12.4% in 12 months.

The FGTS collection has reached R\$ 104.7 billion and withdrawals totaled R\$ 84.3 billion. At the end of the year, the Fund was comprised for 132.7 million of active accounts.



Source: CAIXA News Agency.

CAIXA launched the campaign to workers join the FGTS extract service by SMS. Nowadays, the service is already carried out for 2.7 million workers in Brazil.

Besides being an option that encourages sustainability by reducing the issuance of statements on paper, the worker has the convenience of receiving information faster on your linked account, whenever there is some transaction, either deposit, withdrawal or income.

Citizens can join the service by the electronic address www.fgts.caixa.gov.br or by the telephone number 0800 726 0207, option 3.

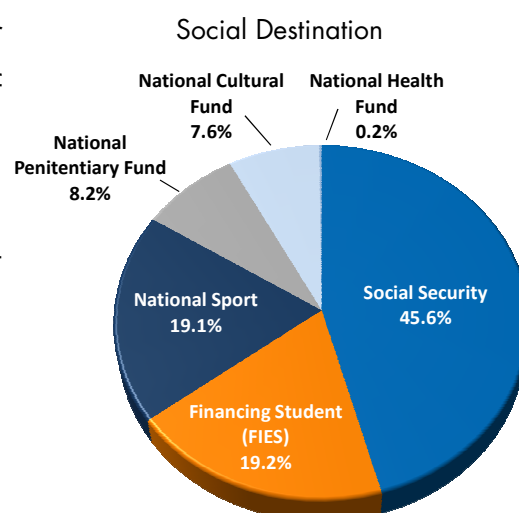
LOTTERIES

Products and processes managed by CAIXA Lotteries are globally recognized as excellent, certified for safety by the world's foremost authority, the World Lottery Association - WLA. In 2014, CAIXA joined through direct election, the second vice-presidency of the Executive Committee of this Association for the period 2015 to 2016. Therewith, the Brazilian lotteries gain greater prominence in the entity and increase their performance and participation in its decisions.

CAIXA also has certification in corporate social responsibility and responsible gaming by CIBELAE, association formed by state lotteries from Latin America, Portugal and Spain. Among other functions, the entity foments the change of experience among member countries, with the exchange between officials of the various lotteries, strengthens the state's role as regulator and operator of lotteries and betting, besides promoting discussions in seminars and conferences on lotteries.

In 2014, CAIXA Lottery revenues was R\$ 13.5 billion, 18.6% higher than the value collected in the previous year. We highlight Timemania, Instant Lottery and Lotogol products which increased by 68.8%, 27.7% and 24.2%, respectively, in relation to 2013.

In addition to provide the dreams of millions gamblers for their millionaire awards, CAIXA Lotteries are important source of resources for social development. From the amounts collected in the Lotteries portfolio in the period, approximately R\$ 5.2 billion were transferred to social programs from the federal government in areas of social security, sport, culture, public safety, education and health.



Lotteries Destination (in R\$ million)	2012	2013	2014
Social destination	3,780	4,162	5,248
Prizes	3,750	4,046	4,421
Taxes	933	1,009	1,131
Expenses of Costs and Maintenance	2,028	2,198	2,733
Total	10,490	11,415	13,533

STRATEGIC INVESTMENTS

CAIXAPAR, established in 2009, our wholly-owned subsidiary, is the strategic partner of the Institution in business related to investments in other companies, working in economic sectors and in similar and complementary activities to the Company business.

The main activities are related to new business prospects, to the management and the governance of our equity participations, contributing to the expansion and diversification of the CAIXA's business.

Among the companies included in the portfolio holdings of CAIXAPAR, highlight: CAIXA Seguros, Banco PAN, Capgemini, and Elo Services.

Compositions of Investments (in R\$ million)	2012	2013	2014
CAIXA Seguros Holding S.A.	1,919	2,082	2,437
Banco PAN	802	495	1,021
Capgemini	299	269	237
Elo Serviços	11	13	15
CIBRASEC – Cia Brasileira de Securitização	8	7	7
Caixa Seguros Participações - CSP	-	41	-
Crescer	-	9	-
Branes	-	2	2
BIAPE	1	1	1
FGO - Fundo de Garantia de Operações	-	202	92
FGHAB - Fundo Garantidor da Habitação Popular	-	167	211
Asset Management - Share	-	39	39
TECBAN	-	-	59
PAN Corretora	-	-	24
Others	239	14	43
TOTAL	3,279	3,341	4,188

INTERNATIONAL OPERATIONS

CAIXA international operation is aligned to the expectations of the Federal Government to support Brazilians living abroad and the institutions from several countries, through the provision of services, products and sending remittances to Brazil.

By means of the Remittance Program, living abroad customers can send money to Brazil. The program raised in 2014, R\$ 383.9 million through the corresponding banks (SWIFT) and partner banks, 18.5% higher than 2013.

In the foreign trade segment, CAIXA performed in 2014, R\$ 5.3 billion in foreign exchange operations and working capital to finance exports. We highlight the increase of 238.4% in contracting ACC/ACE operations in relation to the previous year, reflecting CAIXA commitment on increasing the Brazilian companies participation in the international trade.

In 2014, FGTS draft service was expanded to attend Brazilians and foreigners living abroad. Thus, it is now available to more than 2.8 million Brazilians living abroad, totaling 41 consular posts of care.

In April 2014, a Memorandum of Understanding was signed with the partner bank Iwata Shinkin

Bank - ISB whose purpose is to facilitate the business operations with Japanese enterprises that wish to invest in Brazil. The agreement will make available investments in the country through ISB, for Japanese capital enterprises and institutions, which result in the strengthening of trade linkages trade between Brazil and Japan.

Within the International Cooperation, CAIXA formalized in August a Memorandum of Understanding with the Regional Office of United Nations - UN Habitat in Latin America and the Caribbean. The document defines the partnership between the entities for achieving mutual exchange of experiences and cooperation projects for sustainable urban development, international technical cooperation and actions under the CAIXA Best Practices Program in Local Management.

CAIXA also signed a bilateral cooperation agreement with the French group *Caisse des Dépôts public et Consignations*, valid for two years, in which both institutions provide for the exchange experiences in the areas of urban development, housing, real estate and opportunities business.

CORPORATE GOVERNANCE

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

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

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

As part of its governance system, the Institution has instruments that ensure the inhibition of interest conflicts between their various levels of management. For the rules related to the non-participation of the Vice-Presidents of the segregated areas such as board members. CAIXA's Statute contains other segregation rules of duties that should be observed by the management.

CAIXA provides information about its corporate governance on the website <http://www.caixa.gov.br/sobre-a-caixa/governanca-corporativa>.

INTERNAL CONTROLS

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

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

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

Among its control activities we highlight the money laundering prevention, combating the terrorism financing and corruption. The guidelines of this activity are consolidated in the Prevention of Money Laundering Policy and Terrorism Financing.

Models for risk assessment of market, credit and operational risks are monitored for compliance and control, within the guidelines, principles and procedures approved by the Risk and Capital Committee, as well as external standards published by the Central Bank and the Bank for International Settlements - BIS.

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

RISK AND CAPITAL MANAGEMENT

CAIXA's risk and capital management is based on the best market practices and in compliance with the standards issued by the National Monetary Council – CMN and Central Bank of Brazil - BACEN, performed by compatible management structures with the size of exposures to the risk credit, operational, market, liquidity and other risks that CAIXA is exposed.

These structures are composed by policies, processes, practices, procedures, models and systems, appropriate to the nature and complexity of products and services offered by the Institution.

The risk management activities are segregated from the business and audit activities, and are maintained independent structures of monitoring models in order to avoid conflicts of interest and safeguard the impartiality of the work performed.

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

Based on the assessment it can be observed the delinquency ratios, the provision for loan losses

and the loss of the portfolio remained according to expectations.

In 2014, several actions have been completed that enabled the improvement CAIXA's capital structure, reflected in the Reference Assets, as follows:

- Agreement by Brazil Central Bank adequacy to R\$ 28.0 billion of its Hybrid Capital and Debt Instruments for Basel III as main Capital;
- Negotiating with the FGTS Trustee Council for converting R\$ 10 billion of existing debt in subordinated debt eligible as Tier II capital, of which R\$ 7.0 billion were contracted in 2014;
- Issuing of US\$ 500 million in eligible bonds for Tier II capital abroad;
- Funding in Subordinated Financial Notes eligible Tier II capital in the domestic market totaled R\$ 228.9 million.

In this sense, CAIXA innovated as the Brazilian bank that performed the first transaction bonus eligible as capital Tier II according to the Basel III rules in the international capital market.

SOCIAL ENVIRONMENTAL RESPONSIBILITY

CAIXA has a standardized environmental policy and social responsibility corporate and works as an inducer of sustainable practices. By means of the Social Environmental Fund, since 2010, the Institution allocates resources corresponding to up to 2% of the profits to support environmental projects and investments aiming to consolidate and expand its operations in encouraging actions that promote sustainable development.

In 2014, the Social Environmental Fund invested R\$ 14.6 million in projects related to environmental management, generation of wind and solar energy, work and income, culture, health and education, among other areas, benefiting primarily the low-income population.

Among the projects supported by the Fund, we highlight the generation of income and energy project whose goal is to assist low-income households by means of installing solar and wind microgeneration systems, and promote cooperative and exchange experiences and solutions that maximize the income earned by energy generation.

CAIXA discloses on its website the Sustainability Report 2013, which presents data based on sectoral indicators and environmental responsibility. The report can be accessed at http://www1.caixa.gov.br/relatorio_sustentabilidade_2013.

INFORMATION TECHNOLOGY

CAIXA invests in improvement, innovation and refinement of services for Information and Communication Technology. In 2014 R\$ 1.9 billion were invested in new platforms, expansion, increased capacity, improvements in performance and availability, maintenance and upgrade of its technological park.

In November, the last migration of data and systems was carried out for the Datacenter Digital City in Brasilia. The Datacenter Digital City processing environment, considered one of the most modern processing centers of the country, integrates the activities that were carried out in other technology sites in several parts of Brazil.

The next stage in the High Availability Project will take place from the conclusion of the CAIXA Technological Center - CTC which is in the final of construction.



Datacenter Digital City
Photography: CAIXA News Agency, 2014.

PEOPLE MANAGEMENT

At the end of 2014, CAIXA totaled in its staff 101.5 thousand gazetted employees and 16.3 thousand trainees and apprentices. In the year, 3.9 thousand employees were hired.

The payroll expenditure totaled R\$ 17.9 billion in 2014, contemplating the benefits provided to employees and their dependents in the amount of R\$ 2.2 billion and employees' remuneration plus charges.

Another benefit that the Institution offers employees is the possibility to supplement their income after retirement, by means of sponsorship of benefit plans pension, administered by the CAIXA's Employee Foundation - FUNCEF.

In 2014, FUNCEF completed 37 years of service services provided to its participants and reached about 99.4% of the staff, and completed the mark of 137.0 thousand associates. From these, 100.4 thousand are active employees, 29.6 thousand are retirees and 7.0 thousand pensioners.

In addition to several programs for health and safety of employees, the Institution seeks to integrate the management performance and skills and to the knowledge management the corporate education, by means of training, creation and maintenance of systems and processes of knowledge dissemination and skills development. In this sense, CAIXA invested R\$ 71.0 million, in the period in training programs and higher education.

SUPPORT FOR CULTURE AND SPORTS

CAIXA, important Brazilian sport stimulator, tuned with the guidelines of the Federal Government includes in its strategic planning, cultural marketing actions oriented for the following aspects: social inclusion, human development, national values, democratization, decentralization and transparency.

During 2014, nearly R\$ 89.4 million were invested in 560 cultural programs, including programs for cultural occupation of CAIXA Cultural spaces, craft, festivals, as well as projects in partnership with government agencies and events related to popular culture.

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

Institution also acts in football, sponsoring clubs, arenas and championships. In the sports segment were invested approximately R\$ 236.0 million in 2014.

AWARDS AND RECOGNITION

During 2014 CAIXA received several awards and recognitions that corroborate its commitment and its importance to their customers. We highlight the ranking of the most valuable brands in the world, published by the British consultancy Brand Finance in which CAIXA's brand is among the most valuable worldwide in the segment "banks".

The Institution also received the "Best Bank for Investing (MBI) in Fixed Income Category" award, created by the Center for Studies in Finance from FGV, the MBI aims to reward the banks that offered the best services and products investments for public retail and selective retailing.

Other awards received was the Top of Mind Award 2014, as the most recalled brand in the Savings Accounts category for the thirteenth consecutive time in annual Datafolha Institute survey. With 50% of the memories, CAIXA achieved the best performance of the brand since the category was created in 2002. The percentage is five times higher than the second place in the ranking and six points higher compared to the last edition.

CAIXA was also elected the most prestigious institution in the financial sector in Brazil. The information is from Época Negócios Magazine, conducted by Troiano Branding Group. Besides voted the most prestigious brand in the sector, CAIXA ascended in the general ranking. It is among the 10 most prestigious companies in Brazil.

Furthermore, the continuous search for excellence in the management and operation of the Severance Indemnity Fund for Employees - FGTS has afforded for the Institution the recognition of the Quality and Productivity Gaucho Program – PGQP for the fifth consecutive year.

According to an inedited ranking made by the Corporate Image public relations agency, of the 100 largest Brazilian companies that participated the ranking, CAIXA is the second one that best communicates. They were analyzed 58 standards related to the pressroom pages of the major companies listed on the 2013 edition of the ranking "Value 1000", from the Valor Econômico newspaper. The valuation included items such as the pace of updating the content, integration with social networking, multimedia and even access to basic information such as a phone number.

ACKNOWLEDGEMENTS

The results achieved in the period reflect the commitment and tireless work of all our employees and contractor, which we appreciate the effort. We also thank our customers and partners for their trust and loyalty, which drive us in the constant search for improvement, essential to the development of the CAIXA and Brazil.

CAIXA

A vida pede mais que um banco