

# STRATEGIC PARTNERSHIP



Analyst Day – London  
May 2014

## *Agenda*

- *CAIXA's Overview*
- *CAIXA's IT Overview: Challenges and Strategy*
- *Our Strategic Partnership with Capgemini*
- *What are we doing?*
- *What do we need to do?*

**71,700** Million Clients

**153** Years

**98,200** Employees

### Assets

**US\$664 billion**  
Total Assets

**US\$379.9 billion**  
Company Assets

**US\$11.5 billion**  
Book Equity Value

**US\$218.7 billion**  
Credit Portfolio



### Market Share

**35.1%**  
Savings  
(in savings accounts)

**18.1%**  
Credit

**68.5%**  
Mortgage Lending



**5,570**

We are present in all Brazilian Counties

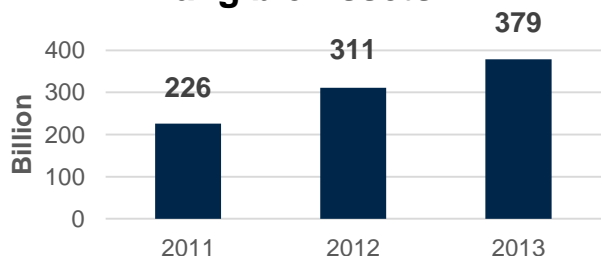


**67,500**

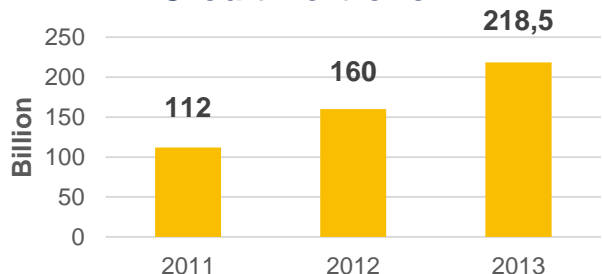
Points-of-presence

# Drilling deeper...

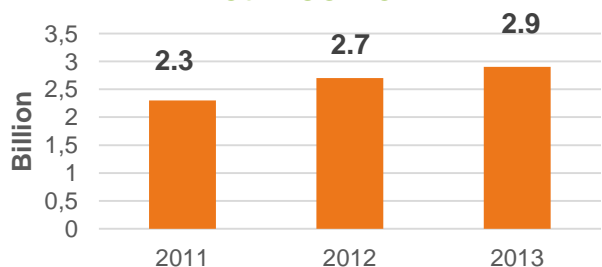
## Tangible Assets



## Credit Portfolio



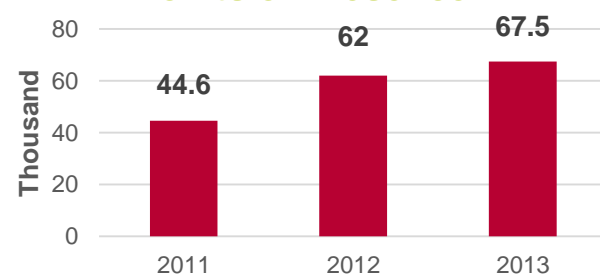
## Net Income



## Corporate Vision (Dec. 2012)

To be among the top three banks in Brazil by 2022, keeping leadership as a governmental social policy agent.

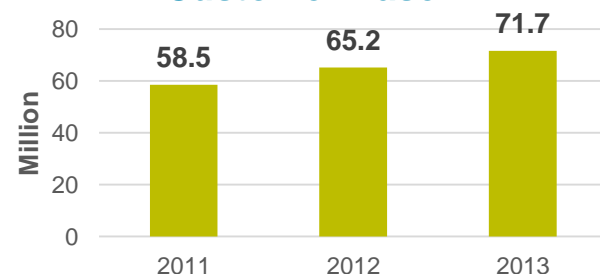
## Points of Presence



## Transactions Volume



## Customer Base



## Brazilian Bank with the largest number of client advocates\*

1st  
Mortgage Lending



2nd  
Credit Portfolio



4th  
Brazilian Bank  
Total Assets



51.9 million  
Saving Accounts

13.1 million  
Current Accounts

2.0 million  
of  
Company Accounts

To be among the top three banks in Brazil  
by 2022...

We'll be... before 2022. Certainly!

# CAIXA IT

## Mainframe



**219,000 MIPS**

## IT Assets



**133,000 Desktops**  
**11,300 Notebooks**  
**4,969 Routers**  
**12,900 Servers**

## Storage



**11 PB**  
**08 Robots**  
**08 Virtual Storage VSM**

## Applications



**439**  
**Business Applications**

## Budget & Suppliers



**168 Suppliers**  
**322 Active Contracts**  
**US\$4.3 billion Contracts**  
**US\$1.15 billion Budget**

## IT Units



**03 Development Units**  
**16 Support Units**  
**04 Datacenters**  
**02 PKI Sites**

## Staff



**3,015 Employees**  
**18 Software Houses**  
**09 External Operation Support teams**

## This IT Structure supports:

**12,900 Lottery Houses**  
**21,200 CAIXA AQUÍ Bank Partners**  
**683 Small Branches**  
**2 Boat Branches**

**3,329 Branches**



**3,200 Electronically Advanced Branches (PAE)**

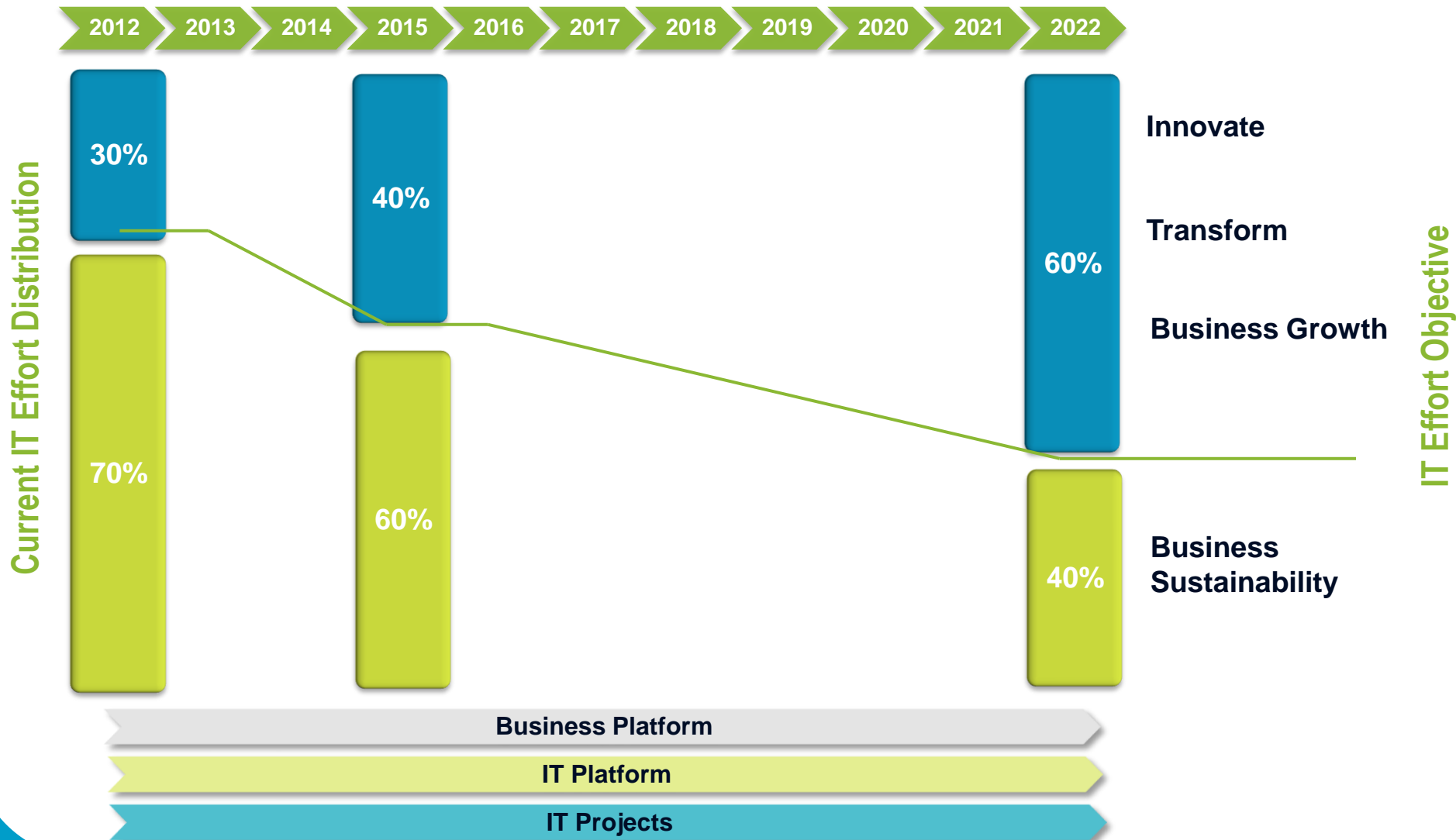
**3,287 Electronic Devices**

**4,321 ATM rooms**

**29,400 ATMs**

**18 Truck Branches**

# IT Strategy





# IT Strategic Partnership

## Deliverables

This model will allow to build specialized and solid teams favoring continuous performance growth and quality of IT delivery.



## Acquiring

CAIXA will exercise its right to contract directly from its subsidiary monitoring market prices for similar services.

## To tackle the following challenges

- Insufficient and Low Quality IT Delivery
- Inadequate speed in delivering innovative solutions
- Knowledge loss due to lack of long term partnership with third parties
- Inadequate IT effort to support CAIXA Strategic Objectives



# Decision Process

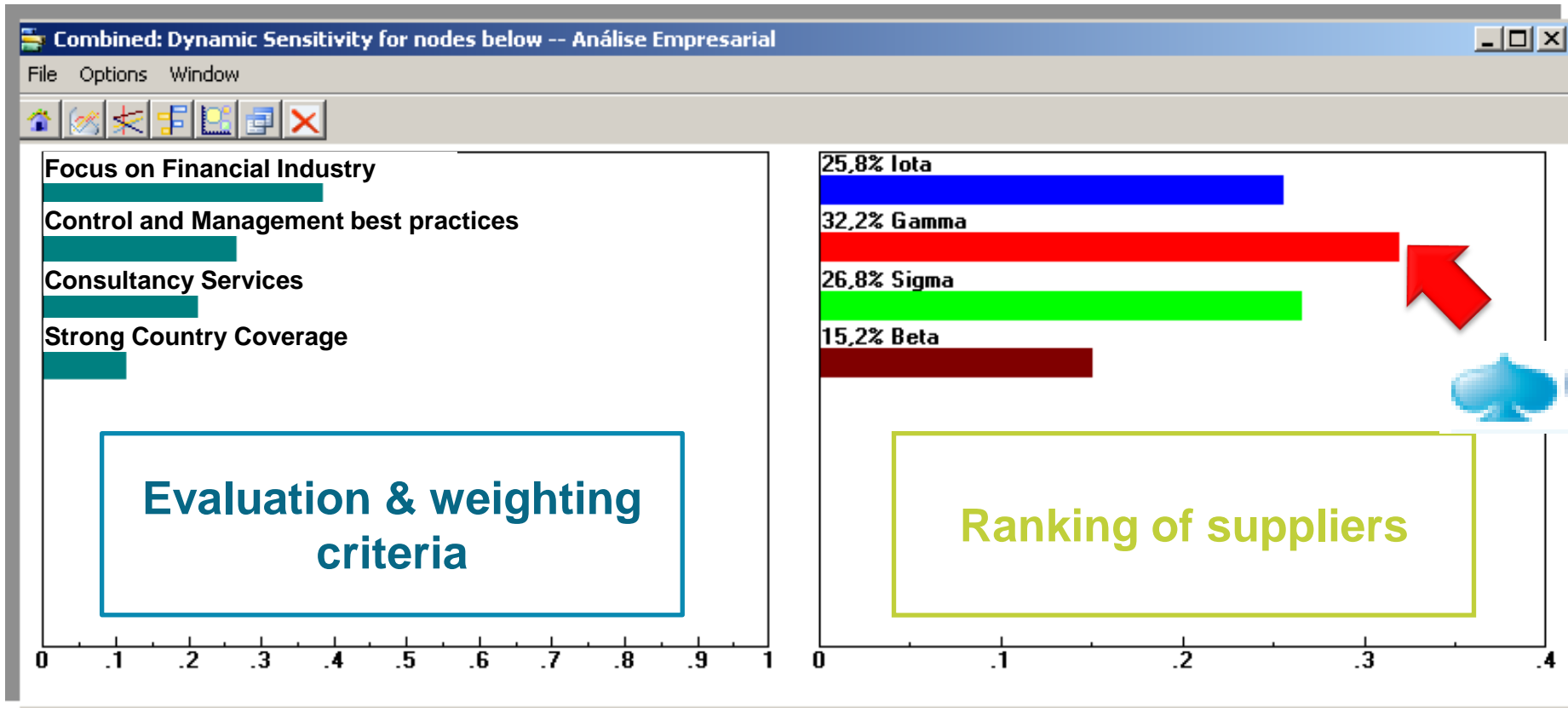
## Multiple-Criteria Decision Analysis (MCDA)

### Analysis Dimensions

- Focus on Financial Industry
- Control and Management Best Practices
- Consultancy Services
- Strong Country Coverage

- Gartner Advisory
- Benchmark

# Final Outcome



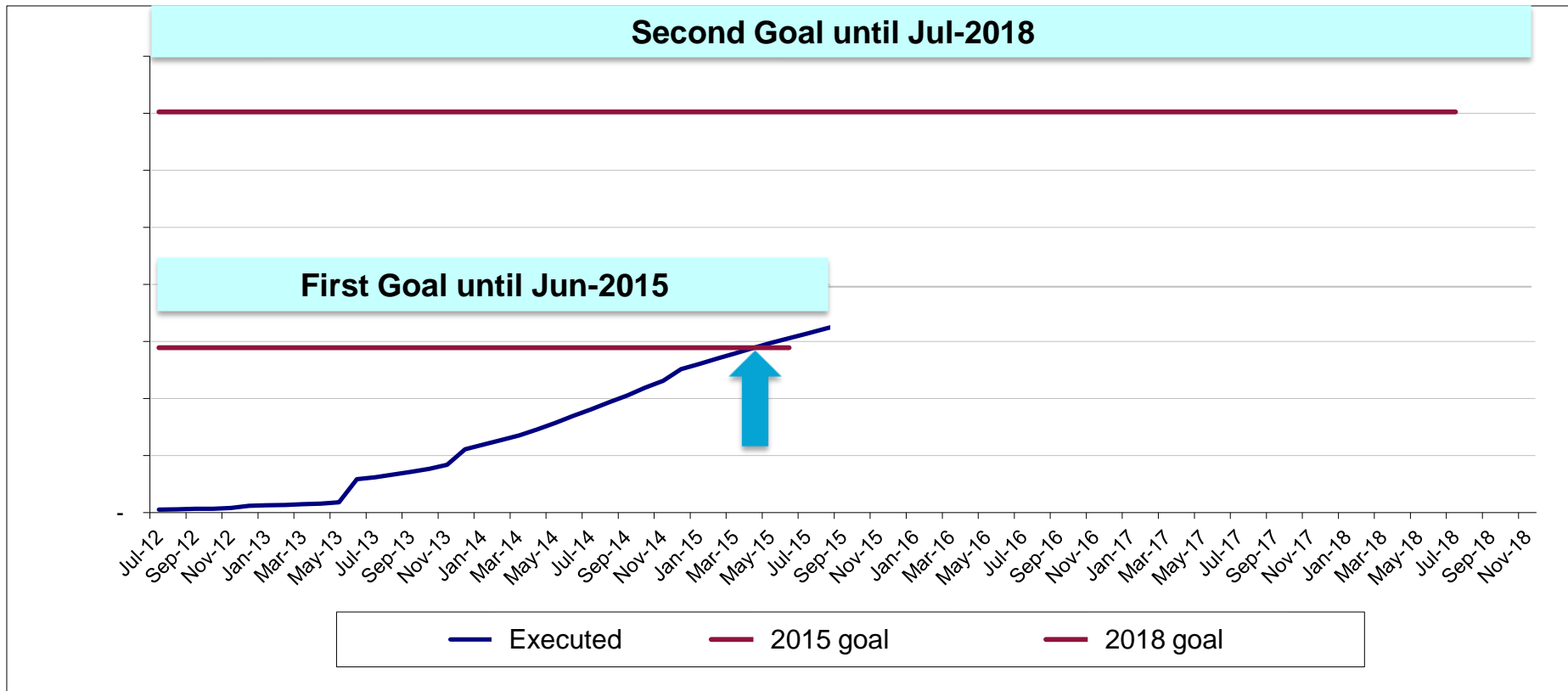
# The scope

## Current Services

- Network device maintenance
- Mortgage Project
- Support, Operation and Consultancy for CAIXA new Datacenters
- Development of the new Internet Banking CAIXA application including layout and features
- ERP and loan platforms (core banking)
- Social Services Platform
- CAIXA Mobile Platform development
- Consultancy for High Availability Infrastructure model

# Partnership Goals – Evolution

## Partnership Goals According to Stockholder Deal



With the contracted services, our first goal will be achieved two months ahead of target

# Together We Innovate!

## Process and Solutions

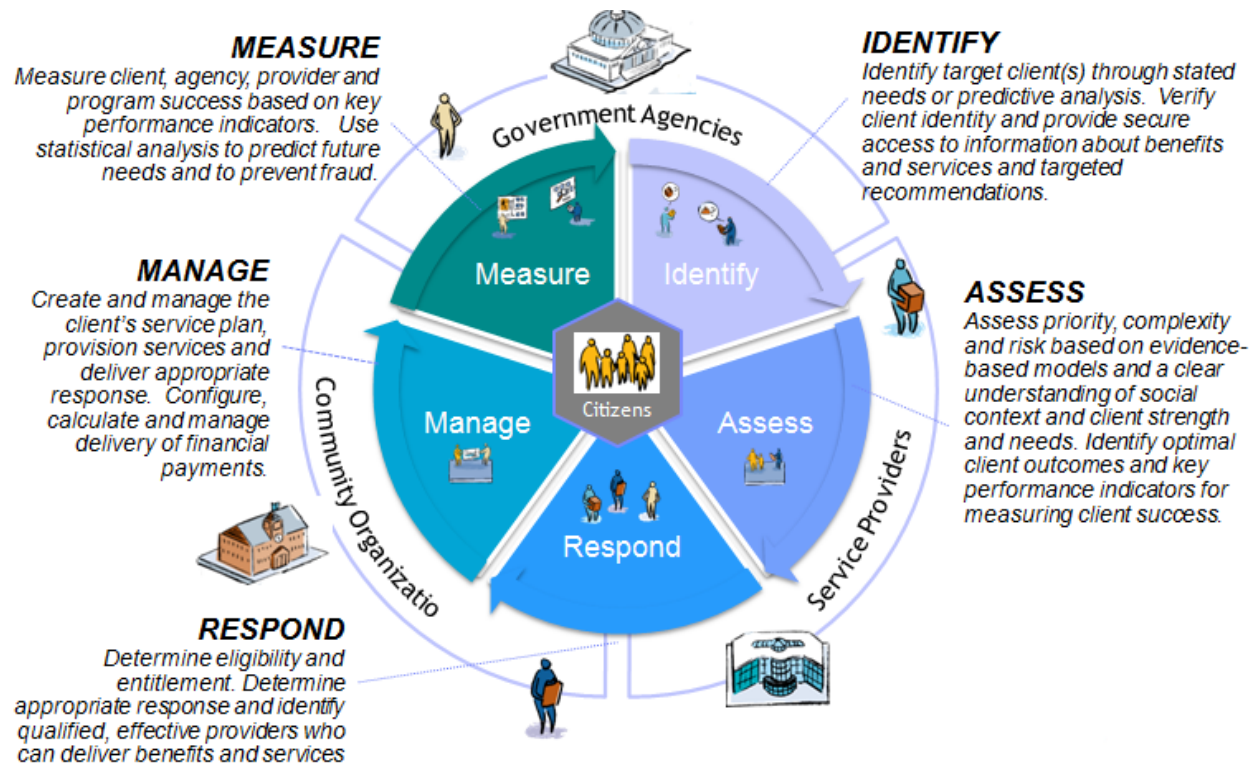
- **Mobile Devices Solutions**
  - **Objective:** Lead in mobile devices solutions
- **Loan Platform**
  - **Objective:** Reduce Time-to-market while launching new products, at lower costs
  - First of the major banks in Brazil to adopt a core banking platform for loan products
- **Internet and Mobile Banking**
  - **Objective:** Achieve leadership in Brazil with a product that focuses on usability and user experience

# Innovation & Competitiveness

Initiative	Key Innovation	Competitiveness
<b>New Internet Banking</b>	<ul style="list-style-type: none"> <li>Over 200 different functions available</li> <li>Mobility Readiness</li> <li>Enhanced user experience</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging a lower cost transaction channel</li> <li>Banking everywhere</li> <li>Universal access to unbanked population</li> </ul>
<b>ERP – Assets Management</b>	<ul style="list-style-type: none"> <li>Best Practice reference model</li> <li>Substitution of a 10 year legacy system</li> </ul>	<ul style="list-style-type: none"> <li>Agility and assertiveness</li> <li>Avoiding Regulatory Fines</li> <li>Reducing operational risk in +US\$30 million</li> </ul>
<b>Credit Platform</b>	<ul style="list-style-type: none"> <li>State of the art solution covering 90% of portfolio</li> <li>Platform based model instead of product based</li> <li>Faster time-to-market</li> </ul>	<ul style="list-style-type: none"> <li>Leaner process with faster credit concession</li> <li>Prepared to double the number of contracts reaching 14 million in 2022</li> </ul>
<b>Social Program Platform</b>	<ul style="list-style-type: none"> <li>Agility creating new welfare programs</li> <li>Substitution of a 10 year legacy system</li> <li>Platform based model instead of product based</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to handle Brazil's main social instrument</li> <li>Scalability</li> </ul>
<b>Mobility Office</b>	<ul style="list-style-type: none"> <li>New app development methodology</li> <li>Mobile advisory board</li> <li>Omni channel approach</li> </ul>	<ul style="list-style-type: none"> <li>Mobility lead in digital banking</li> <li>Faster time to market app delivery</li> <li>Addressing business needs on both B2C and B2E</li> </ul>
<b>Data center migration advisory</b>	<ul style="list-style-type: none"> <li>Dedicated Methodology developed for data center migration</li> <li>New Communication, People and Risk management model adoption.</li> </ul>	<ul style="list-style-type: none"> <li>High level migration security</li> <li>Agility and lean migration effort</li> <li>Over 99% assertivity</li> </ul>

# Social Platform Program

Integrated Platform to address the world's largest social program



Apply for Benefits and Services

Check Eligibility and Entitlement

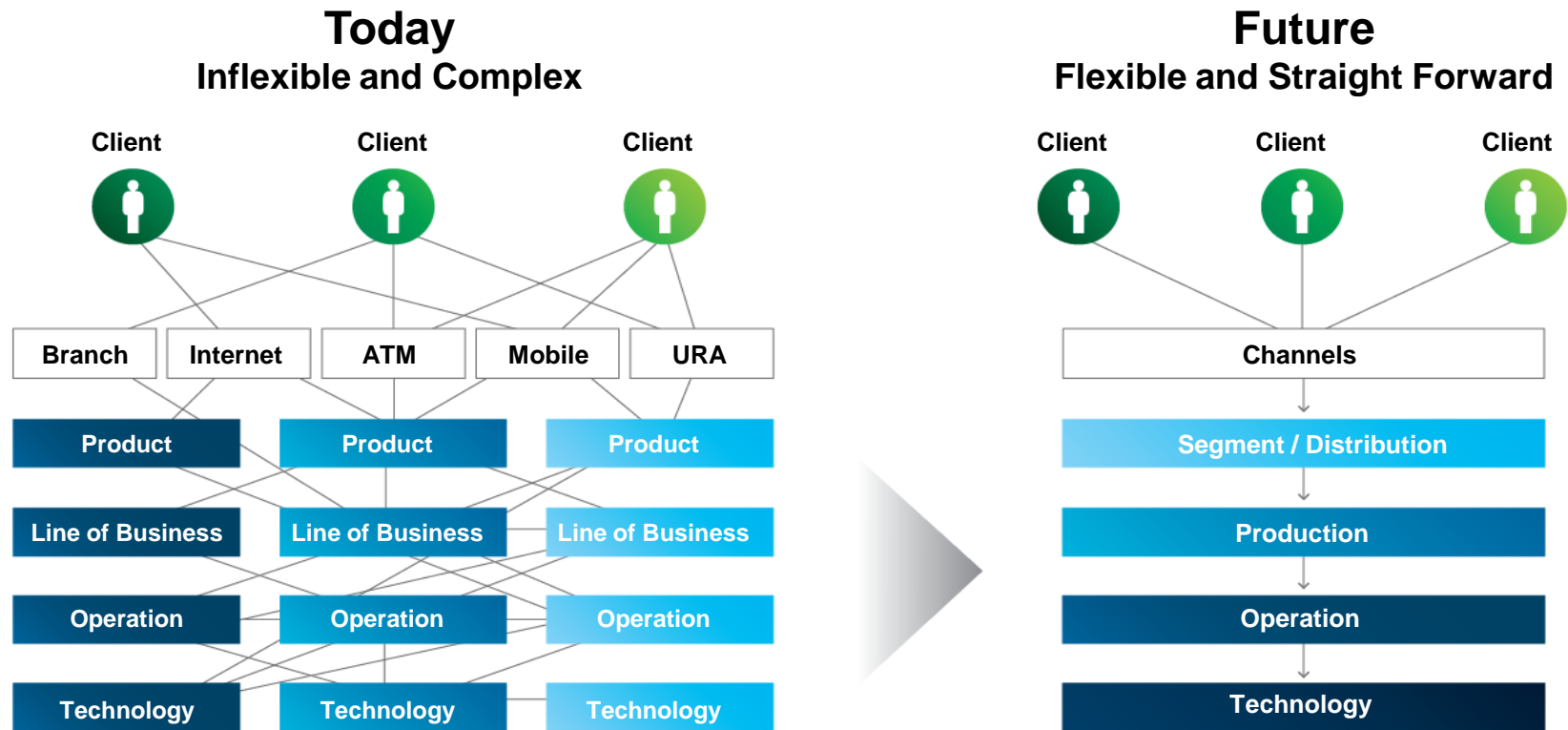
Plan Service and Benefit Delivery

Manage Delivery and Measure Outcomes



# New Credit Solution

Replace several dedicated solutions by one single Business Platform



Modernize, Transform, Enable Growth and Efficiency.

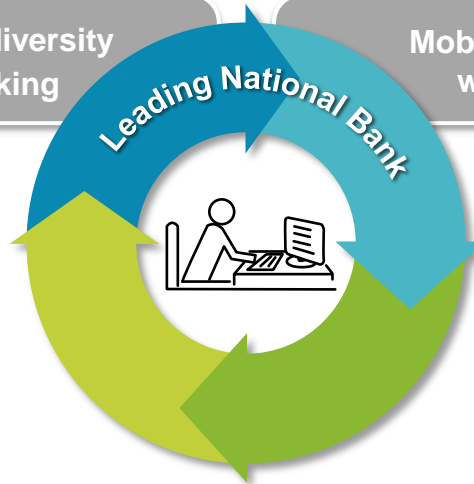
## Mobile Office

# Transforming How CAIXA Operates



Leadership in retail banking, diversity of operations in business banking

Mobile as the face to serve the client with the highest level of quality



Promote creativity and innovation targeted at customer's service and efficiency

**B2C**

**B2E**

**B2B**

Experience & Design to engage varied customers

Application Development With focus on Security

End-to-End Mobile Transformation

Mobile Factory

Outsourced, industrialized processes

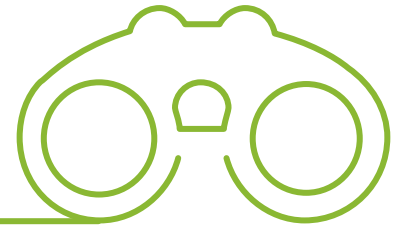
mCoE

# Project Pipeline

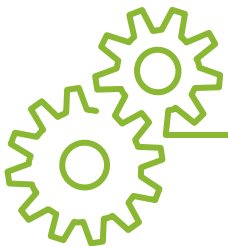
## Under Evaluation

- Consultancy for new business product development
- Loan Platform – New platform
- ERP – Post office shipping management
- ERP – Accounting and Controller's Department
- Consultancy for High Availability Model
- CAIXA Health Insurance Plan Management – 250,000 lives
- Service Desk – Combined Operation (16 sites)

# Looming on the Horizon...



**Lot's of work!**



***Questions?***

***Thank you!***

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