CAIXA GERAL DE DEPÓSITOS GROUP CONSOLIDATED OPERATIONS

1ST HALF 2013

Unaudited accounts

www.cgd.pt

Caixa Geral de Depósitos, S.A. • Head Office: Av. João XXI, 63 – 1000-300 Lisboa • Share Capital EUR 5,900,000,000 • Registered with the Lisbon Companies Registry and Tax Payer no. 500 960 046

HÁ UM BANCO QUE ESTÁ A AJUDAR O PAÍS A DAR A VOLTA.

A CAIXA. COM CERTEZA.

There is a Bank that is helping the country to turn around.

Caixa. For sure.

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1 – Highlights

> Continued support to households, encouragement to save, financing and accompanying companies which represent added value for the upturn of the Portuguese economy, and, most importantly, the development of international business, continue to be the guidelines for CGD Group's policy and management strategy.
>
> In the context of the expected upswing of economic activity, Caixa is adjusting its business model to the new objectives and the needs of different segments of its customer base.
>
> In May and July, respectively, Caixa received the Mission Statement provided by its State Shareholder and DGCom's approval of its Restructuring Plan. Both confirm and reinforce the main guidelines already being followed by CGD Group.

Results – 1ST Half 2013

1. Caixa's commitment to its extensive, stable customer base continued to be rewarded by a positive evolution of deposits which, in consolidated, year-on-year terms were up 2.2%.

   CGD maintains leadership of its deposits market share, achieving more than 30% on the individual customers segment.

2. Consolidated Net Assets were down yet again, this time by 3.6% over the end of the preceding year and by 4.3% over June 2012, to €112,684 million.

3. In a context of reduction bank financing to the economy, Caixa recorded stabilization on corporate loans in Portugal (down 0.4% over the same period) has increasing respective market share.

4. The Total Overdue Credit Ratio at the end of June was 6.7% against 5.7% in December 2012. The Credit Overdue for more than 90 days ratio was 5.9%, in comparison to 5.3% at the end of 2012.

   The Credit at Risk and Non-performing Credit Ratios, calculated in accordance with Bank of Portugal Instruction 23/2012, were 7.0% e 1.8% respectively at the end of June 2013, against 9.4% and 6.4% respectively at the end of 2012.

5. CGD Group made Consolidated Net Losses of €181.6 million in first half 2013.

6. Net Interest Income, including Income from Equity Instruments was down 41.7% over first half 2012 to €468.3 million, both in terms of Net Interest Income (down 42.7%) and Income from Equity Instruments (down 32.6%). Net Interest Income continued to be significantly penalised by the fact that CGD's balance sheet is highly sensitive to the evolution of short term interest rates owing to the still dominant proportion of mortgage lending in its credit portfolio, almost all of which are indexed to Euribor with very low spreads.

7. The unfavourable evolution of Net Interest Income was heightened by the payment of extraordinary costs of €39.8 million to the state, during the half year, associated with the issue of Coco ("contingent convertible") bonds.

8. Income from Financial Operations totalled a significant amount of €195.3 million.

9. Net Operating Income from Banking and Insurance Activities was, therefore, down 27.3% by €434.2 million to €1,158.8 million in first half 2013.

10. Gross Operating Income, down 56.6% over June 2012, also reflects an interruption to the downwards trend of structural costs owing to the reintroduction of holiday and Christmas subsidies.

11. Maintaining its downwards evolution, impairment, however, was still very high, particularly in the credit segment, at €371.9 million net of reversals against €483.3 million in the same half of the preceding year. Provisions and impairment on other assets, net of reversals and recoveries, were down to €175.2 million against €245.2 million in June 2012.

12. The contribution to Consolidated Net Results made by Group Units abroad comprised losses of €54.6 million. Excludind Spain the contribution would have been a positive (€35.8 million).

13. Caixa Seguros e Saúde recorded in accordance with applicable accounting rules by CGD a Net profit of 75.9 million euros in the 1st half of 2013, representing an increase of 107.4% over the same period in 2012 (36.6 million euros).

    To this result contributed the alienation of HPP, achieved during the 1st quarter transaction that had a positive impact of 36.4 million euros

14. In the domestic sphere, Caixa BI's performance was highly positive in contributing around €14 million to the Group's Consolidated Net Results.

15. Notwithstanding its highly comfortable liquidity situation, Caixa once again tapped the market, at the beginning of 2013, with its launch of a €750 million Covered Bonds issue with a maturity of 5 years and a fixed coupon rate of 3.75%.

16. Furthering the guidelines towards lesser reliance on ECB funding, Caixa reduced its borrowings from the ECB by a further amount of around €2 billion in the first half year to €4.75 billion, in June.

17. The favourable performance of deposits, in conjunction with less dynamic performance in terms of credit translated into a reduction of the loans-to-deposits ratio to 110.5%.

18. This environment led to a deterioration of Cost-to-Income to 70.1% in June 2013.

    Other Administrative Expenditure maintained its downwards trajectory (3.0% year-on-year over 2012) reflecting the furtherance of the operational optimisation policy in progress in the Group.

19. Caixa received a Mission Statement from its shareholder at 31 May, followed in June by DGCOM's approval of its respective restructuring plan. In both cases, the main resulting guidelines confirm the strategic guidelines already being followed by the Group.

2 – Key Indicators

(EUR million)

RESULTS	Jun/12 (*)	Dec/12 (*)	Jun/13	Change Jun/13 Jun/12	Change Jun/13 Dec/12
Net interest income	722.5	-	414.1	-42.7%	-
Net interest income incl. income from equity investm.	803.0	-	468.3	-41.7%	-
Commissions (net)	257.8	-	256.1	-0.7%	-
Non-interest Income	542.0	-	475.6	-12.2%	-
Technical margin on insurance operations	247.9	-	214.9	-13.3%	-
Net operating income from banking and insurance oper.	1,592.9	-	1,158.8	-27.3%	-
Operating costs	797.2	-	813.6	2.1%	-
Gross operating income	795.7	-	345.2	-56.6%	-
Income before tax and non-controlling interest	63.7	-	-199.7	-	-
Net income	-12.7	-	-181.6	-	-
BALANCE SHEET					
Net assets	117,694	116,859	112,684	-4.3%	-3.6%
Cash and loans and advances to credit institutions	5,798	5,423	4,769	-17.8%	-12.1%
Securities investments (including Assets with Repurchase Agreement)	25,794	28,697	27,613	7.1%	-3.8%
Loans and advances to customers (net)	77,544	74,735	72,673	-6.3%	-2.8%
Loans and advances to customers (gross)	81,392	78,924	77,109	-5.3%	-2.3%
Central banks' and credit institutions' resources	13,996	12,227	9,837	-29.7%	-19.5%
Customer resources	70,345	71,355	71,827	2.1%	0.7%
Debt securities	11,150	10,591	9,085	-18.5%	-14.2%
Technical provisions for insurance operations	4,363	4,224	4,185	-4.1%	-0.9%
Shareholders' equity	6,839	7,280	7,106	3.9%	-2.4%
RESOURCES TAKEN FROM CUSTOMERS	86,411	89,267	89,611	3.7%	0.4%
PROFIT AND EFFICIENCY RATIOS					
Gross return on equity - ROE (1) (2)	1.7%	-5.69%	-5.55%	-	-
Net return on equity - ROE (1)	0.18%	-5.34%	-4.41%	-	-
Gross return on assets - ROA (1) (2)	0.09%	-0.31%	-0.35%	-	-
Net return on assets - ROA (1)	0.01%	-0.29%	-0.28%	-	-
Cost-to-income (consolidated) (2)	50.1%	57.7%	70.1%	-	-
Employee costs / Net operating income (2)	27.2%	30.8%	40.0%	-	-
Other administrative expenses / Net operating income	18.1%	21.3%	24.1%	-	-
Operating costs / Average net assets	1.09%	1.41%	1.41%	-	-
Net operating income / Average net assets (2)	2.17%	2.44%	2.01%	-	-

(%)

CREDIT QUALITY AND COVER LEVELS	Jun/12 (*)	Dec/12 (*)	Jun/13	Change Jun/13 Jun/12	Change Jun/13 Dec/12
Overdue credit / Total credit	5.4%	5.7%	6.7%	-	-
Credit more than 90 days overdue / Total credit	4.6%	5.3%	5.9%	-	-
Non-performing credit / Total credit (2)	5.7%	6.4%	7.4%	-	-
Non-performing credit (net) / Total credit (net) (2)	1.0%	1.1%	1.8%	-	-
Credit at risk / Total credit (2)	8.7%	9.4%	12.4%	-	-
Credit at risk (net) / Total credit (net) (2)	4.2%	4.4%	7.0%	-	-
Overdue credit coverage	87.5%	92.8%	85.6%	-	-
Credit more than 90 days overdue coverage	103.3%	100.6%	98.1%	-	-
Credit impairment (P&L) / Loans and adv. to customers (av. balance)	0.95%	1.24%	0.95%	-	-
STRUCTURE RATIOS					
Loans and advances to customers (net) / Net assets	65.9%	64.0%	64.5%	-	-
Loans and advances to customers (net) / Customer deposits (2)	120.4%	114.0%	110.5%	-	-
SOLVENCY RATIOS					
Solvency (2)	13.8%	13.6%	13.5%	-	-
Tier 1 (2)	11.3%	11.2%	10.9%	-	-
Core Tier 1 (2)	11.7%	11.6%	11.3%	-	-
Core Tier 1 (EBA)	9.6%	9.4%	9.2%	-	-

(1) Considering average shareholders' equity and net assets values (13 observations).
(2) Ratios defined by the Bank of Portugal (Instruction no. 23/2012).
(*) Pro forma accounts, considering the amounts in Caixa Seguros e Saúde, SA’s healthcare area as a non-current asset held for sale and the entities comprising the form of jointly owned entities being integrated by the equity accounting method.

3 – Economic-Financial Framework

Moderate growth of world economy

The world economy continued to grow, albeit at a moderate rate, in first half 2013.

The year began in a climate of a certain optimism associated with the less negative outlook on US growth, following legislators' successful avoidance of the "fiscal cliff" and an upturn in business confidence already in evidence at the end of 2012.

This positive sentiment was, however, to dissipate as a result of political uncertainty, firstly in Spain and then Italy, followed at the end of the first quarter by the Cyprus crisis, which entered into a financial assistance agreement negotiated in the meantime.

US: strong fiscal adjustment and announcement of an eventual reduction of monetary stimuli in the near future

Economic activity in the US continued to expand at a moderate pace in which a contributory factor was, not unexpectedly, the strong fiscal adjustment.

In the euro area (EA), the ECB cut its reference rate by 25 b.p. to 0.50% and its marginal lending facility by 50 b.p. to 1%. An improvement in confidence indicators, both corporate and household starting from the second quarter, was noted. Reference should be made to the resolutions issued by the Ministers of Finance for the purpose of the construction of the European Banking Union, as regards the Single Supervisory Banking Mechanism and the Single Supervisory Mechanism for the Resolution of Banking Crises.

Reduction of refi rates in the eurozone and further steps towards the construction of the European Banking Union

Unemployment was once again in the order of the day but for the wrong reasons, by hitting its highest level of the last 23 years in June (12.1%). Year-on-year inflation in the EA continued to fall, this time to 1.6%, in June.

The level of contraction, in Portugal, was less marked than noted at the end of 2012. GDP was down 0.4% in first quarter 2013 in comparison to the last quarter of 2012, comprising a year-on-year reduction of 4%..According to Bank of Portugal projections (Summer Economic Bulletin 2013) GDP for 2013 shall be reduced by 2%, despite the good performance of exports.

Economy in contraction in Portugal, albeit attenuating in first half. Unemployment causes serious concern

The indicators published continued to point towards a drop in activity. According to Eurostat, the unemployment rate was around 17.4% after having risen to 17.8% in April. The year-on-year inflation rate of 1.9% at the end of 2012 fell to 1.2% near the end of first half 2013.

The slowdown in the emerging economies, but above all, the actions of the authorities, contributed towards the uncertainty regarding the international environment. In the case of China the inertia of the central bank may be considered from a viewpoint of the Chinese leaders' desires for a cooling-off period, The case of Brazil was more marked, with the Brazilian central bank having increased its refi interest rate on two occasions, in response to the high level of inflation.

The uncertain environment contributed, during much of the second half, to a situation in which investors strengthened their positions in safer assets, in an environment of low interest rates. Consequently a fall in yields on 10 year maturities to new historic minimums, in Germany and France was seen. The Federal Reserve's signalling at the end of the half year of its intention to reduce economic stimuli to the economy translated into an increase in Euro Área interest rates, which returned to their highest levels since first half 2012.

The deterioration of sentiment regarding the economic situation in Europe in conjunction with the ECB's resolution to reduce its key reference rates led to a fall in Euribor rates, which, in the 6 and 12 months maturities fell to new historic minimums, with the latter occurrence of a correction deriving from the improvement of several economic indicators and the avowed intentions of the Federal Reserve.

New historic maximums on main US and Europe stock exchange indexes

The main stock exchange indexes reached new historic maximums close to the end of May, both in the US and Europe, with half year gains of 12.6% and 1.9%, respectively. In the case of the countries on the European periphery, except for Ireland whose index was up 16.7%, equity indices closed the year with accumulated losses of between 6.6% in Greece and 1.7% for the PSI20 in Portugal. The German index appreciated 4.6% in first half 2013.

4 – Evolution of CGD Group

Group focus on banking activity and reorganisation, converging to an economic paradigm shift

CGD Group's structure and organisation, in the first half year, continued to proceed along a convergence trajectory towards a model centred on the banking business as its core activity, whose development is based on an extended geographic platform with priority hubs and strategic vectors.

The following is a list of the main changes to the Group's structure and composition in first half 2013:

- **February**- Permission was given to set up and operate the Macau offshore branch.
- **March** - Completion of Caixa Seguros e Saúde, SGPS, SA's sale of HPP - Hospitais Privados de Portugal, SGPS, SA, the owner of six hospitals nationwide and responsible for the management of Cascais hospital to Brazilian healthcare group Amil;

Completion of sale of Hospitais Privados de Portugal

- **May** - Incorporation of CGD - Participações em Instituições Financeiras, Lta. (“CGD PINF”), into CGD Investimentos Corretora de Valores e Câmbio, S.A. (“CGD Securities”), in Brazil, designed to rationalise its structure in Brazil.
- **June** - Publication of Decree Law 80/2013, defining the rules governing the disposal of the share capital of companies Fidelidade-Companhia de Seguros, SA, Multicare-Seguros de Saúde, SA and Cares-Companhia de Seguros, SA or company or companies directly or indirectly owning the full or part amount of their respective assets.

Approval of rules governing sale of the insurance business published in Decree Law

Following the understanding reached between the governments of the Republic of Angola and the Republic of Portugal, the full amount of CGD's equity investment in Banco para a Promoção e Desenvolvimento (BPD) was sold to Sonangol Group.

Reference should also be made to the following actions in progress:

- Continuation of the domestic branch office network optimisation process, adjusting it to the new economic and technological environment, as well as the evolution of the profile and objectives of various customer segments.
- Continuation of the process of the transformation of the Group's presence in Spain based on its respective redimensioning and greater focus on bilateral trade involving export flows or investment operations among Group customers in Portugal and Spain.
- Reorganisation of the structure and operation of CGD, namely in the real estate segments with the aim of avoiding defaults and the need for credit recoveries, improving adjustments to the current environment.

5 – Results, Balance Sheet, Liquidity and Solvency

In the first half of 2013, Caixa still reported consolidated net losses deriving from the conjugation of a number of factors that reflect largely the extension of recessive situation of the Portuguese economy and the absence of clear signs of recovery activity in the Eurozone, with consequences for the external demand for Portuguese economy.

The evolution of Euribor rates and, albeit to a lesser extent than in the recent past, the high burden represented by impairment were once again reflected in the less favourable performance of Caixa Geral de Depósitos Group's profitability.

CGD maintained its policy of operational optimization, which is a strong commitment of CGD Group. However, one-off factors conditionated the trend of cost reduction in evidence over several successive periods.

Reference should also be made to CGD's comfortable liquidity situation, enabled by highly favourable, stable resource-taking from customers and higher ability to tap international capital markets.

In the context of the bank financing to the economy, CGD continues to increase its market share of individual customers and corporate loans.

Results

Translating the unfavourable performance of net interest income and the still marked impact of impairment, in addition to the one-off increase in staff costs, CGD Group made Consolidated Net Losses of €181.6 million in first half 2013, as opposed to losses of €12.7 million in the same period of the preceding year.

Consolidated net losses of €181.6million

Net interest income, including income from equity instruments, was down 41.7% over first half 2012 to €468.3 million, originating both from net interest income (down 42.7%) and income from equity instruments (down 32.6%).

Reduction of net interest income and net interest income including equity instruments particularly reflecting the evolution of Euribor rates

The CGD's assets structure, which still has a very high proportion of mortgage loans with Euribor-indexed interest rates, made a significant contribution to the 42.7% drop in Net Interest Income, in comparison to first half 2012.

Reference should, herein, be made to the fact that Caixa's mortgage loans portfolio, bank which by their nature and tradition assumes an important financial contributor to the Portuguese families, does not represent an added risk as its low average Loan-to-Value (LTV) ratio of less than 60% compares most favourably with other Portuguese and European banks in addition to its high level of granularity, translating into an average amount of around €50,000 in outstanding loans.

Worsening margin owing to costs of CoCos

The unfavourable evolution of net interest income was also heightened by the payment to the state of the costs/charges associated with the issue of €39.8 million of CoCo bonds in the half year. The elimination of this factor, which is exogenous to the Group’s business activities, would have reduced the negative change in net interest income to 37.2%.

Owing to the non-existence of an effective monetary transmission mechanism, Caixa has endeavoured to mitigate the consequent negative effect on margin by actively monitoring interest rates on lending and borrowing operations.

Net commissions at €256.1 million were very similar to the amount for the same period 2012 (-0.7%).

Active monitoring of interest rates on lending and borrowing operations

NET COMMISSIONS – BY BUSINESS AREAS

(EUR million)

	Jun/12	Jun/13	Change (%)
CGD Portugal	171.8	173.5	1.0%
International activities	69.3	65.8	-5.0%
Investment banking	26.3	32.4	23.3%
Asset management	10.7	9.3	-12.5%
Other	-20.3	-25.0	-
Total	**257.8**	**256.1**	**-0.7%**

Very good performance of financial operations

Financial operations continued to perform very favourably, with income of €195.3 million. It should be noted that notwithstanding the fact that, albeit down 23.7% over first half 2012, this amount included gains on own debt repurchasing operations. The elimination of such gains would have increased income from Financial Operations to 115.4% in first half 2013. The amounts for 2013 reflect the good performance of regular trading activities and asset portfolio management.

Reduction of technical margin on insurance activity

The Technical Margin on Insurance Operations also reflected the downturn in economic activity with a negative change of 13.3%, to € 214.9 million in June 2013.

Net Operating Income from Banking and Insurance Operations were therefore down €434.2 million (27.3%) to €1,158.8 million over first half 2013.

Increase in costs, exclusively resulting from the reintroduction of holiday and Christmas subsidies

Gross Operating Income was also negatively affected by the interruption of the downwards trend of structural costs which suffered an extraordinary increase associated with the reintroduction of holiday and Christmas subsidies, which translated into a 7% increase of €30.5 million in staff costs, notwithstanding the reduction of around 19% in the base remuneration of Group staff in Portugal. There was an increase, in the same period, of the charges relating to the Pension Fund.

This was offset by Other Administrative Expenditure, which maintained its downwards trajectory (of 3.0% over the same period 2012) reflecting the furtherance of the operational optimisation policy in progress in the Group.

OPERATING COSTS AND DEPRECIATION

(EUR million)

			Change	
	Jun/12	Jun/13	Total	(%)
Employee costs	433.4	464.0	30.5	7.0%
Other administrative expenses	288.0	279.3	-8.7	-3.0%
Depreciation and amortisation	75.8	70.4	-5.4	-7.1%
Total	**797.2**	**813.6**	**16.4**	**2.1%**

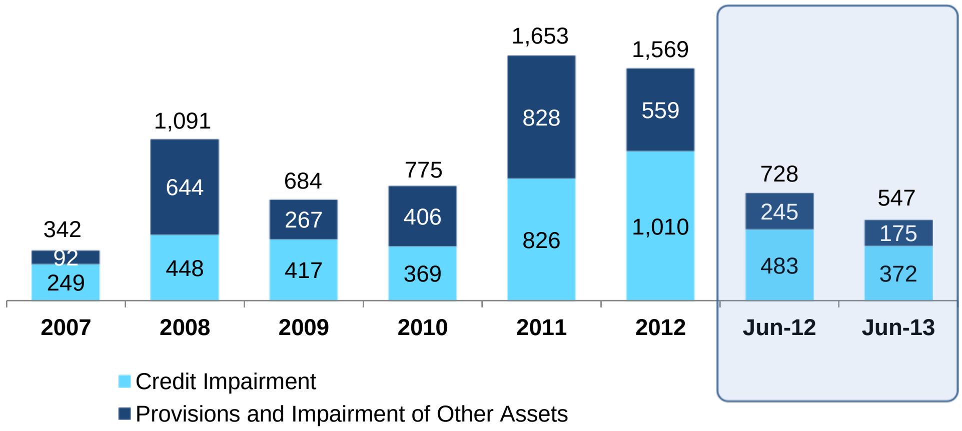
Notwithstanding the fact that Caixa continues to afford high priority to operational rationalisation and efficiency improvements, the above referred to extraordinary facts translated into an unfavourable evolution of Cost-to-Income which, in June was 70.1% against 57.7% in December 2012.

Continued reduction of Other Administrative Expenses and Depreciation

Maintaining a downwards evolution since the highest level recorded last June 2012, impairment at around €371.9 million, net of reversals, in June (against €483.3 million for the same half last year) is still, however, very high, particularly in the credit segment There was also a positive evolution of impairment on other assets, net of reversals and recoveries which were down to €175.2 million against €245.2 million in first half 2012.

PROVISIONS AND IMPAIRMENT (IS)

(EUR million)



Downwards trend of impairment, although still at very high levels, particularly on credit which also presents a reduction trend

Taxes on profits declined significantly to a negative 40.9 million euros, mainly contributed to such a decrease of deferred taxes which stood at -40.1 million euros.

Reflecting the developments described, the Consolidated Net Income CGD Group was negative 181.6 million euros in the first half of 2013, against -12.7 million euros in the same period of the previous year

Balance Sheet

In continuing to reflect the effect of the progressive balance sheet reduction policy, heightened at the time of the introduction of the Financial Assistance Programme, Consolidated Net Assets were down yet again, this time by 3.6% over the end of the preceding year and down 4.3% over June 2012, to €112,684 million.

This decline particularly derives from the reduction in credit, visible in all business segments, which reflects weak demand for financing in a highly anaemic economic environment.

Reduction of credit across most business segments

There was also a reduction in the balances of Claims and Investments in Credit Institutions (down 17.8% by €1,030 million over the same half 2012) and an increase in the Securities Portfolio (including Assets with Repurchase Agreements), up 7.1% over June 2012 to €27,613 million.

Loans and Advances to Customers (gross) were down 2.3% to €77,109 million in June 2013.

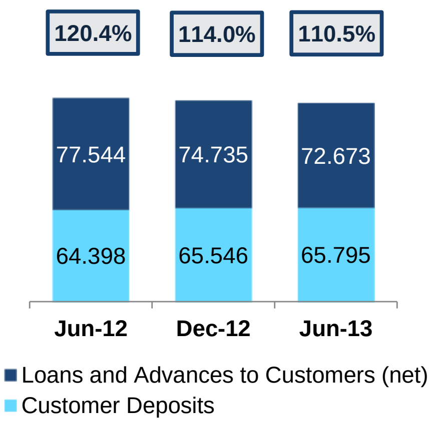
On the liabilities side, reference should be made to the effect of the €4,250 million reduction in Caixa's borrowings from the ECB which, at the end of June 2013, stood at €4,750 billion (€9 billion at the end of the preceding half). Debt Securities were also down 14.2% by €1,505 million to €9,085 billion at the end of the half year.

Increase in customer deposits confirming Portuguese customers' trust in Caixa Geral de Depósitos Group

The Customer Deposits balance amountedd to €65,795 million, up 2.2% over June 2012. At the end of the first half of 2013, the loans-to-deposit ratio was 110.5%, which is below the maximum limit recommended by the authorities

LOANS-TO-DEPOSIT RATIO

(EUR million)



Credit Impairment, Net of Cancellations and Reversals for the period in question represented 0.95% of the average credit portfolio, down 0.29 pp over the end of 2012.

Accumulated Impairment on Loans and Advances to Customers (regular and overdue) at the end of first half 2013 was up 15.3% by €589 million to €4,437 million in comparison to the same date in 2012, resulting in a coverage rate of 98.1% on Credit Overdue for More than 90 Days against 100.6% at the end of 2012.

The deterioration noted in the economic and financial situation has still not enabled credit quality to be stabilised and is reflected in a worsening of the respective indicators. The Total Overdue Credit Ratio was 6.7% at the end of June, in comparison to 5.7% in December 2012. The Credit Overdue for more than 90 Days ratio was 5.9% against 5.3% at the end of 2012.

Credit risk ratio recorded a decrease to 0.95%.

The cost of credit risk, measured by the respective impairment as a percentage of the average balance of total customer loans, was 0.95%, recording a decrease of 0.29% from the end of 2012.

Reference should be made to the fact that the "ageing" of overdue credit, in the portfolio of CGD Portugal, particularly in the mortgage lending segment, appears to indicate a decline in the number and volume of new cases of default.

No less importantly, the fact that Caixa has strengthened its prevention policies on credit to all business segments should help to mitigate the unfavourable evolution of credit quality, particularly during the present period involving an adjustment to the Portuguese economy.

Internal reorganisation viewing the prevention of non performing risks

Therefore, Caixa implemented procedures to monitor credit contracts enabling the early detection of signs of non performing risks for the rapid adoption of measures to prevent these events.

The Securities portfolio (including Assets with Repurchase Agreements) was up 7.1% by €1.8 billion over June 2012, largely on account of the recovery in the value of the debt component. A reduction of €1.1 billion was, however, recorded when compared to the December 2012 value, almost exclusively in the banking portfolio component. This reduction particularly derived from maturities of non-core assets, in the sphere of the deleveraging process provided for in the restructuring plan.

SECURITIES INVESTMENTS [(a)]

(EUR million)

	Jun/12	Dec/12	Jun/13	Change Jun13/Jun12		Change Jun13/Dec12	
				Total	(%)	Total	(%)
Banking	**17,352**	**19,606**	**18,575**	**1,223**	**7.0%**	**-1,031**	**-5.3%**
Fin. assets at fair value through profit or loss	4,029	3,946	3,576	-454	-11.3%	-370	-9.4%
Available for sale financial assets	13,322	15,664	14,999	1,677	12.6%	-665	-4.2%
Insurance	**8,442**	**9,090**	**9,038**	**596**	**7.1%**	**-52**	**-0.6%**
Fin. assets at fair value through profit or loss	84	56	43	-41	-49.3%	-13	-24.1%
Available for sale financial assets	5,232	5,417	5,589	357	6.8%	172	3.2%
Investm. assoc. with unit-linked products	624	1,148	1,064	440	70.6%	-84	-7.3%
Investments to be held to maturity	2,502	2,469	2,342	-160	-6.4%	-127	-5.1%
Total	**25,794**	**28,696**	**27,613**	**1,819**	**7.1%**	**-1,083**	**-3.8%**

(a) After impairment and including assets with repo agreements.

Liquidity Management

Highly comfortable liquidity situation creates conditions for CGD Group support the financing of economic agents

The environment of greater market stability and strengthening of the banks' financial situations, in the first few months of 2013, permitted an improvement in liquidity in the interbank markets and the progressive opening of the capital markets to lending to non-core countries, including Portugal. The persistent fragility of the eurozone economy, however, led the ECB to pass a resolution to reduce its respective reference rates to minimum levels (a refi rate of 0.5% and deposit rate of 0%) in May. This resolution, in conjunction with other concerted actions between the ECB and EU, for the creation of liquidity management facilitation and market access mechanisms, strengthened investor confidence and the progressive improvement in the capital market.

Reopening Covered Bond markets whose issue was heavily oversubscribed by investors in diverse geographic regions and institutional sectors

CGD, in exploiting the more favourable market conditions, launched a 5 year Covered Bonds issue, for the amount of €750 million at a coupon rate of 3.75%, at the start of the year, reopening this segment to Portuguese financial institutions. The excellent receptivity to this issue was evidenced by strong demand of more than €4 billion and sales of around 90% of the amount to non-resident investors, notably in the UK, Germany, Austria, France and Switzerland.

The rating agency DBRS assigned the notation A to this issue and confirmed the same notation for all series of covered bonds of CGD.

This background, in conjunction with the good performance of deposits led CGD to opt for a careful normalisation of financing policie including a less reliance on ECB funding.

CGD Group reduced its borrowings from the ECB in the first half year by €2 billion from €8.4 billion in December to €6.4 billion at the end of June. In the case of CGD as a separate entity, the reduction was even higher, with borrowings from the Central Bank down from €6.95 billion in December to €4.75 billion in the June 2013 LTRO. In turn, CGD Group's eligible assets pool at the end of the half year totalled €17 billion, with an uncommitted amount of €10.6 billion.

Further reduction in borrowings from ECB

Within the EMTN programme, the balance of the outstanding issues was reduced in the period under analysis by €1,704 million of which €1 billion comprised the repayment of a public issue made in 2009.

Solvency

Increase in Group's Shareholders' equity (3.9% year-on-year)

The Group shareholders equity at the end of first half 2013, totaled €7,106 million having been reinforced in €267,1 million (+3.9%) compared to that observed in June 2012.

SHAREHOLDERS' EQUITY

(EUR million)

				Change Jun/13 vs. Jun/12		Change Jun/13 vs. Dec/12	
	Jun/12	Dec/12	Jun/13	Total	(%)	Total	(%)
Share capital	5,900	5,900	5,900	0	-	0	-
Fair value reserves	-1,197	-190	-169	1,028	-	20	-
Other reserves and retained earnings	1,147	979	563	-584	-50.9%	-417	-42.5%
Non-controlling interests	1,002	985	994	-8	-0.8%	9	0.9%
Net income	-13	-395	-182	-169	-	213	-
Total	**6,839**	**7,280**	**7,106**	**267**	**3.9%**	**-174**	**-2.4%**

The improvement of €1,028 million in fair value reserves contributed positevely to the refered increase in shareholders equity.

The solvency ratio, on a consolidated basis, including retained earnings seen up reinforced from 13.6% in late 2012 to 13.5% in June 2013.

The Core Tier 1, on consolidated basis, including retained earnings, stood at 11.3% in June 2013, compared with 11.6% in December 2012.

Solvency ratios

Tier I: 10.9%
Core Tier I:11.3%
EBA Ratio:9.2%

6 – Main Business Area Developments

Retail Banking – Branch Office Network in Portugal

Slight scaling of the network and continued process improvement model of service to all customers

The Branch Office Network, in Portugal, at the end of the half, comprised 780 Branches of which 22 self-service and 34 Caixa Empresas "Corporate Offices", owing to the continuity of the service models redimensioning and optimisation policy.

RESOURCES

The fragile nature of the macroeconomic and social situation and persistent environment of uncertainty in Portugal did not prevent and may well have contributed to the increase in Portuguese households' savings levels, notwithstanding the reduction of their disposable income and continues to be reflected in the good performance of deposits in CGD, whose market share in Portugal remained close to 28%.

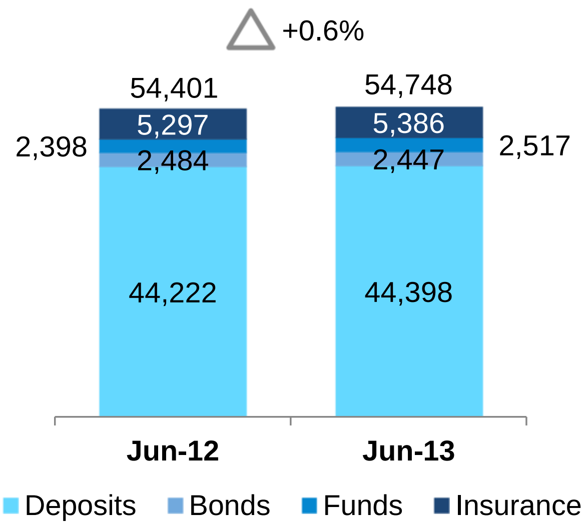
Individual Customers' Deposits in the branch office network, in Portugal, continue to increase year-on-year (0.4%), indicating customers' continued trust in Caixa in periods of greater difficulty and uncertainty.

Increase in deposits and other resource-taking instruments

Resource-taking products, in the segment as a whole were up 0.6%, over June 2012. Particular reference should be made, in addition to the growth of Deposits, to the 5% increase in Investment Funds and 1.7% increase in Insurance.

RESOURCE TAKING (INDIVIDUAL CUSTOMERS) - BRANCH OFFICE NETWORK (PORTUGAL)

(EUR million)



Good performance of new savings products

Reference should be made to the positive evolution of new savings products which, owing to their innovative character and the fact that they meet the needs and objectives of different customer strata, have played a significant pedagogical role in encouraging people to save.

Resource-taking products in the Corporate segment in the branch office network in Portugal grew at an overall rate of 4.9% in first half 2013. Special reference should be made to the 5.4% growth of Deposits and 16.3% growth of Investment Funds.

Total deposits in the branch office network in portugal were up 0.8%, year-on-year, to €54,937 million, influenced by growth in the Corporate (4.9%) and Individual Customers (0.4%) segments. In comparison to December 2012, Corporate and Individual Customers' Deposits grew 5.4% and 0.2%, respectively.

DEPOSITS - BRANCH OFFICE NETWORK (PORTUGAL)

(EUR million)

CGD's clear leadership in terms of resource-taking is the visible result of its credibility in the eyes of the Portuguese population, in addition to its successful strategy of providing a collection of savings solutions.

Strengthening and improvement of service models in the Individual Customers and Corporate segments

Caixa continued to strengthen its Caixa Mais service model, during the half year, owing to the importance of its depositors' base, by expanding its customer coverage (496,634 customers comprising 58% of turnover in the individual customers segment) together with a renewed and more interconnected offer of products and services in this sphere.

In the individual customers segment, reference should also be made to the Caixazul service, geared to the personalised management of Premium Customers which, at 30 June 2013, totalled 297,238 and around 37% of turnover in the Individual Customers Segment. The branch office network had 571 branches with spaces reserved for this service model.

CGD leads the field in specialised customer care

At the end of June 2013, more than 834 thousand Individual and Corporate customers were managed by a dedicated commercial account, with Caixa continuing to lead the national banking sector in terms of its customer care and service.

Total Resources Taken balance of CGD Group (excluding the Interbank money market) remained relatively stable in comparison to the same half of the preceding year and 2012 values, at €99,128 million.

The Customer Deposits balance grew 2.2% over June 2012, to €65,795 million, of which around €46,694 million (71% of the total) comprised term and savings deposits.

CGD maintains leadership of its deposits market share, achieving more than 30% on the individual customers segment.

RESOURCE -TAKING BY THE GROUP - BALANCES

(EUR million)

	Jun/12	Dec/12	Jun/13	Change Jun/13 vs. Jun/12 Total	Change Jun/13 vs. Jun/12 (%)	Change Jun/13 vs. Dec/12 Total	Change Jun/13 vs. Dec/12 (%)
Balance sheet	**86,818**	**87,718**	**86,599**	**-218**	**-0.3%**	**-1,118**	**-1.3%**
Retail	**75,318**	**76,823**	**77,083**	**1,765**	**2.3%**	**260**	**0.3%**
Customer deposits	64,398	65,546	65,795	1,397	2.2%	250	0.4%
Other customer resources	10,920	11,278	11,288	368	3.4%	10	0.1%
Institutional investors	**10,600**	**9,995**	**8,616**	**-1,984**	**-18.7%**	**-1,378**	**-13.8%**
EMTN	5,287	5,357	3,920	-1,367	-25.9%	-1,437	-26.8%
Covered bonds	3,146	3,042	3,806	660	21.0%	764	25.1%
Other	2,167	1,596	891	-1,276	-58.9%	-705	-44.2%
Portuguese State - Contingent convertible (CoCo) bonds	**900**	**900**	**900**	**0**	**-**	**0**	**0.0%**
Off-balance sheet	**11,094**	**12,443**	**12,527**	**1,434**	**12.9%**	**84**	**0.7%**
Investm. units in unit trust investm. funds	4,343	4,588	4,621	278	6.4%	33	0.7%
Pension Funds	2,124	2,306	2,282	158	7.4%	-24	-1.0%
Wealth management [(a)]	4,627	5,549	5,624	998	21.6%	75	1.4%
Total	**97,911**	**100,161**	**99,127**	**1,215**	**1.2%**	**-1,035**	**-1.0%**
Total (excl. instit. inv. and Portuguese state)	**86,411**	**89,267**	**89,611**	**3,199**	**3.7%**	**345**	**0.4%**

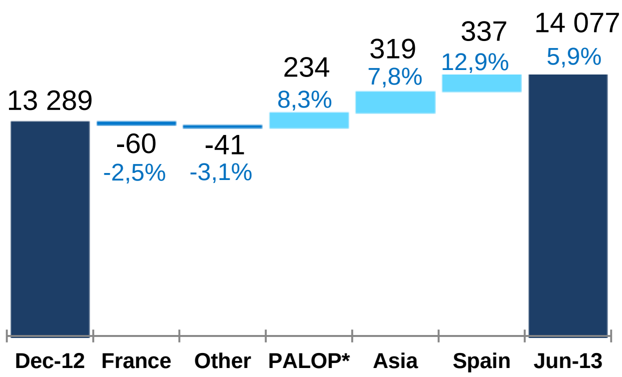
(a) Does not include CGD companies' insurance portfolios

Positive contribution to resource-taking from the international network

Group companies abroad continued to make a positive contribution to total Group resource-taking (up 5.9% over the end of 2012). With regard to geographic areas reference should be made to the increase in Customer Deposits in Spain (12.9%), the East (7.8%) and Lusophone Africa (8.3%).

CUSTOMER DEPOSITS - INTERNATIONAL ACTIVITY

(EUR million



* Lusophone Africa

In Spain notwithstanding the difficult economic environment, the increase in deposits was enabled by the reorientation of the business model to greater emphasis on resource-taking, which has, to an extent, been facilitated by the current context of a less aggressive approach by Spain's banks in comparison to the recent past.

Off-balance sheet resources were up by 12.9% year-on-year to €12,527 million at the end of June 2013, translating good performance by Wealth Management whose corresponding balance comprised a total change of €998 million (€5,624 million against €4,627 million at the end of first half 2012).

LOANS AND ADVANCES TO CUSTOMERS

The deleveraging process which began in 2011, the continuation of a recessionary environment with low levels of confidence in the future prospects for economic evolution both in Portugal and the EU, have continued to contribute towards the negative evolution of Caixa's consolidated gross credit, which (excluding repos operations) is down 2.1% since the start of the year.

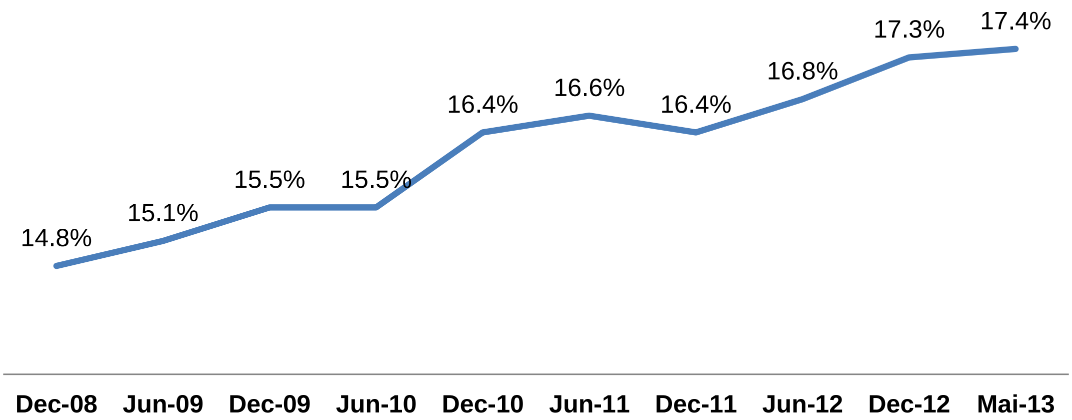
Stabilization of corporate loans in Portugal in first half 2013

Despite this reduction, in the first half of 2013, there was a stabilization of corporate loans in Portugal, having registered only a slight decrease of 0.4%.

It should be noted, in a context of credit retraction in the domestic market, a increase market share and especially the expansion of the business segments in particular dynamism and importance for the Portuguese economy.

Notwithstanding the less favourable evolution of Caixa's lending to the rest of the business sector, reference should be made to the increase in market share and especially business expansion in particularly dynamic segments of importance to the Portuguese economy.

MARKET SHARES - CORPORATE LOANS



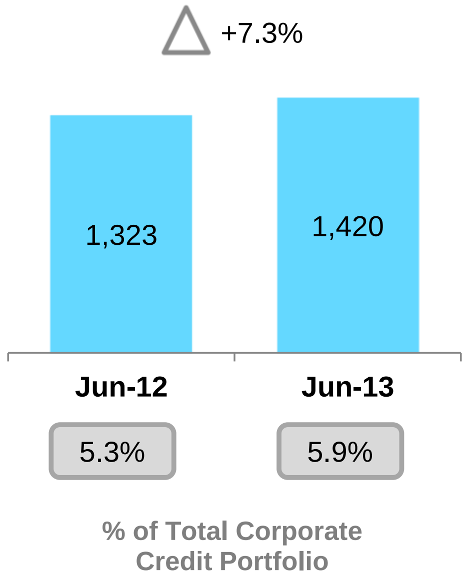
Market shares of corporate loans in sustained growth

The volume of credit issued by CGD in the sphere of companies with PME Líder ("Leading SME") status totalled €1,385 million at the end of June 2013, up 4.4% during the year.

Caixa has a 16.5% market share of Linhas PME Investe ("SME Invest Lines") 2012/13 by amount of finance and 12.9% in number of operations.

CREDIT LINE - PME INVESTE

(EUR million)



Credit boost to SMEs and priority sectors for economic upturn

Market shares in terms of Linha PME Crescimento ("SME Growth Line") 2012/13 are 16.6% and 13.8%, respectively.

A total number of 8,468 national companies enjoyed PME Lider ("Leading SME") status in June this year of which 2,359 (around 28%) worked with Caixa. 1,314 companies succeeded in achieving PME Excelência ("SME Excellence") status, in 2012; with Caixa providing day-to-day support to 331 SMEs with this status, comprising a market share of 25% of this sector.

These indicators reflect CGD's strategic focus in financing added value projects and entities, especially producers of tradable goods and/or with a high level of innovation content. Also based on this approach, Caixa has continued to further its relevant role in supporting external demand and the internationalisation of the economy and, of the utmost importance, the restructuring of the Portuguese productive sector and containment of unemployment.

Personalised management services to self-employed

The consolidation of the Caixa Empresas service model in the branch office network, underpinned by a personalised management concept for CGD's self-employed and small and micro-enterprises customers has made a visible contribution to this progression. The credit manager materialises the relational aspect of this model on the basis of an integrated approach to the corporate and individual needs of customers.

This service model, at 30 June 2013, had 24,445 customers and turnover of EUR 3,677 million.

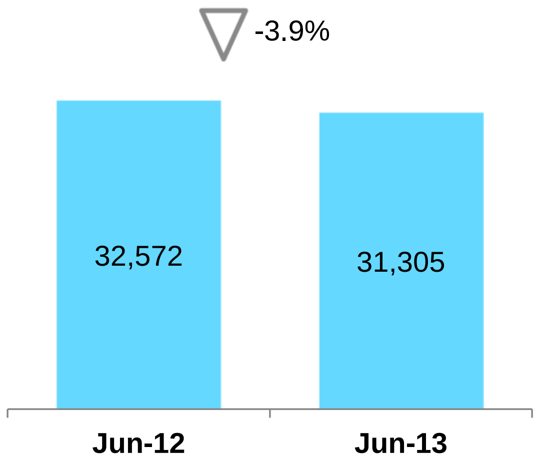
Reduction of mortgage loans in line with the lack of confidence displayed by the Portuguese population in the economic outlook over the short term

The reduction noted in loans and advances to individual customers was particularly the result of the smaller flow of new mortgage lending operations, deriving from the fragility of the current environment which has translated into the postponing of several decisions to buy or change homes and which is also associated with other more structural factors, such as market maturity, improved legislative amendments in progress in the rental market and changes to the behavioural patterns of the Portuguese population.

The outstanding balance on mortgage loans issued by the branch office network in Portugal was accordingly down 2% over December 2012 and 3.9% year-on-year, to €31,305 million at the end of first half 2013.

MORTGAGE CREDIT PORTFOLIO - BRANCH OFFICE NETWORK (PORTUGAL)

(EUR million)



However, as regards new operations, a certain inversion of the downwards movement noted in 2012, was witnessed during the course of the first half of the year, with 2,815 new operations totalling €216 million (up 10.8%), owing to endeavours to dispose of real estate assets in CGD's portfolio.

In consolidated terms, Loans and Advances to Customers (gross, excluding Repos operations) totalled €77,109 million, at the end of June 2013, of which more than 22% of the total was issued by other CGD Group companies.

LOANS AND ADVANCES TO CUSTOMERS [a]

(EUR million)

				Change Jun/13 vs. Jun/12		Change Jun/13 vs. Dec/12	
	Jun/12	Dec/12	Jun/13	Total	(%)	Total	(%)
CGD's operations in Portugal	**63,405**	**61,454**	**60,201**	**-3,204**	**-5.1%**	**-1,253**	**-2.0%**
Corporate	23,762	22,770	22,690	-1,072	-4.5%	-81	-0.4%
General government	4,189	3,481	3,379	-809	-19.3%	-101	-2.9%
Institutionals and other	1,530	1,954	1,620	90	5.9%	-335	-17.1%
Individual customers	33,925	33,249	32,513	-1,412	-4.2%	-736	-2.2%
Mortgage loans	32,572	31,957	31,305	-1,266	-3.9%	-651	-2.0%
Other	1,353	1,292	1,207	-145	-10.7%	-85	-6.6%
Other CGD Group companies	**17,878**	**17,336**	**16,908**	**-969**	**-5.4%**	**-428**	**-2.5%**
Total	**81,283**	**78,790**	**77,109**	**-4,173**	**-5.1%**	**-1,680**	**-2.1%**

(a) Before impairment and excluding repos operations.

The banks in Africa posted slight growth of 0.2%, in the first six months of 2013 to €2,439 million. Reference should be made to BCI in Mozambique with a 7.3% increase of €71 million over December 2012.

Expansion of credit activity of CGD Units abroad

In Macau, lending by BNU was up 6.7% by €97.1 million over the end of 2012.

In Europe, France branch, operating in a country which is slow to display evident signs of recovery, was down 7.9% by €309.8 million. Group companies in Spain also continued to decline by 2.4% and 6.3%, over December and June 2012, respectively.

International Area Activity

The development of international activity is one of the main thrusts of the policy followed by CGD Group. Its respective importance has been gradually enhanced by the present situation and outlook on the Portuguese economy. The fall in household disposable income, a still weak expectation of progression in terms of domestic demand and the urgent need to achieve the sustained development of the tradables sector comprise, inter alia, determining factors on the need to redefine cross-border business as being of major strategic importance within CGD Group.

Strengthening of the strategic importance of International Activity

This aspect of the activity has accordingly been developed on a structured basis and should continue to contribute to as quick a return as possible, to levels of consolidated Group profitability in line with its respective leading position in Portugal.

The expansion and consolidation policy of the international business on CGD's global network is, in any event, in line with compliance with the Group's objective, currently of increased importance, to promote and restructure productive activity and job creation in Portugal.

Support for the internationalisation and competitiveness of the best Portuguese companies

Caixa has accordingly played an active role in its support for the internationalisation of Portuguese companies, contributing towards an improvement of their export capacity and competitiveness, in addition to providing support to geographically dispersed Portuguese communities with a relevant role in terms of resource-taking.

Improvement and strengthening of the expertise of staff specialising in international business

In meeting this challenge, in first half 2013, Caixa has continued to endeavour to improve the quality/expertise of the means and resources available to its teams specialising in this business sphere, notably International Business Managers and Market Pivots with the aim of improving interaction over the whole of the network (domestic and international), enabling new international business and foreign trade opportunities to be identified and exploited.

Reference should be made, in this context, to the activity performed by International Desks, located in priority markets, for the purpose of improving interaction with diverse Group Units abroad. In addition to the Desks already in existence in BNU Macau, BCG Spain and France and NY Branches, also BCG Brasil and Mercantile Bank in South Africa have privileged interlocutors for the corporate bilateral business. The implementation of similar structures in BCGT Angola and BCI Moçambique, exclusively dedicated to boosting this area is currently in progress.

Highly favourable performance of CGD Group Units in Asia and Africa

Based on this strategy, the Group intends to expand the number and volume of cross-operations between CGD and CGD Units Abroad, particularly targeted at customers exporting to markets in which the Group has a presence, while, in parallel enabling new customers with international activities to be secured.

In this sphere, the Group's extensive international network is a tremendously valuable asset, particularly in terms of its potential to develop commercial and investment flows between Portugal and geographic areas currently comprising important worldwide growth hubs and where Caixa has major presences.

New development hubs include India, Canada and Algeria

Caixa has also been targeting its international business strategy to new hubs such as India, Canada and Algeria. The strategy in India is centred on the penetration, still at its early but nevertheless promising stages, of Portuguese companies and exports in the said market, in addition to business development between India and other territories in which CGD has a presence, notably China. In Canada, the activity is currently more geared to resource-taking from non-residents, on the basis of a relationship of greater proximity. The Algerian market, in turn, is an important hub for attracting Portuguese companies.

The growing thrust of international business has still to translate into evident signs of global results, which continue to be penalised by CGD's presence in Spain, operation currently underesizing and restructuring. This country's situation in economic and sectorial terms has required abnormal provisioning levels with the consequent negative effects on Group profitability.

Relevance of the Iberian operation leads to the network and business model restructuring

Iberian business continues however, to be of the highest relevance to Caixa and to the country. This is why the Group's immediate priority is to restructure and boost its respective activity and presence in Spain. This process, which has already taken the form of a visible redimensioning process, will also translate into a renewed business model in an integrated Iberian network resulting from the natural expansion of CGD's domestic network to the Spanish market.

The contribution to the Group's Consolidated Net Income was, accordingly, still negative comprising losses of €54.6 million in first half 2013. Excluding Spain, this contribution would have been a positive €35.8 million, against €25 million in first quarter 2013 and €55.6 million for the same half 2012.

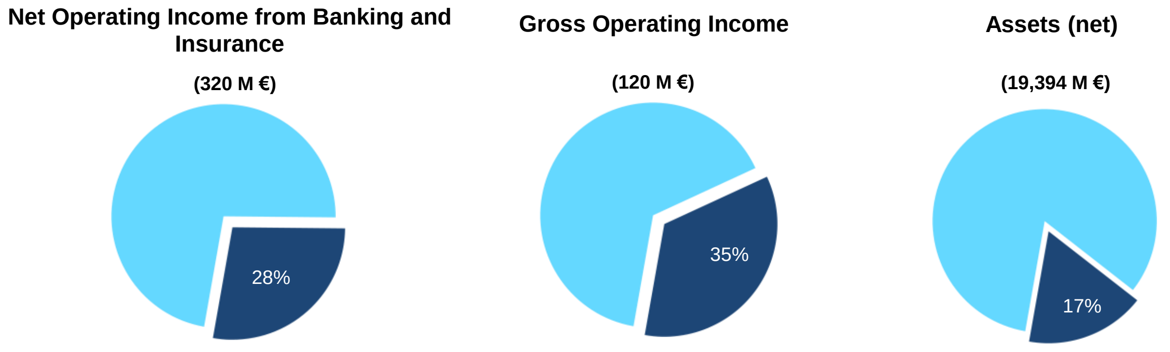
CONTRIBUTION FROM INTERNATIONAL ACTIVITY TO THE CONSOLIDATED INCOME

(EUR million)

	Jun-12	Jun-13	Change
Subsidiaries in Africa and Asia	35.6	43.4	7.8
Other Subsidiaries and Foreign branches	-47.2	-97.9	-50.8
Total International	**-11.6**	**-54.6**	**-43.0**
Total International, excluding Spain	**55.6**	**35.8**	**-19.9**

Confirming the Group's strategy of increasing its focus on regions with high growth potential, important contributions continue to be made to the net results of CGD from units in Asia, with BNU Macau having made a profit of €18.7 million in first half 2013, in Africa, with BCI Moçambique (equity stake of 51%), having contributed €6.9 million, BCG Totta Angola (equity stake of 26.01%) with €7 million and Mercantile in South Africa with €6 million. In the sphere of the so-called mature markets, special reference should be made to the good performance of the France branch translating into net results of €8.7 million in first half 2013.

CONTRIBUTION FROM INTERNATIONAL ACTIVITY



Notwithstanding the fact that the international area represents only around 17% of the Group's total assets, its contribution of 28% and 35% to Net Operating Income and Gross Operating Income, respectively, translates Caixa's international segment efficiency.

Complementarily, the relevance of the individual customers resident abroad business, plus new emigration flows, justify the special attention paid by Caixa to this segment. There has been a positive evolution of resource-taking notwithstanding the unfavourable perception of sovereign risk, confirming this customer segment's confidence in the Group.

Non-resident community provides CGD with new signs of confidence and loyalty

First half 2013 witnessed a 0.4% increase in total resources taken from Residents Abroad and a 2.9% growth in customers number. There is also a growth trend in terms of remittances received, in line with the evolution set out in Bank of Portugal's Balance of Payments Statistics. The highest growths have particularly been in Switzerland, France, Germany and the United Kingdom. Also relevant is the contribution made by customers resident in Angola and Brazil.

The new emigration flows, essentially fuelled by difficulties in the Portuguese labour market, are a challenge to which Caixa has provided a consistent response. In this period, Caixa has increased its cross-selling activities between individual and corporate customers, in its awareness of the importance of a global commercial approach to its customers and meeting their requirements in full.

Investment Banking

Investment banking with consolidated net income of €10.9 million notwithstanding provisions and impairment increases

The Consolidated Net Income of Caixa - Banco de Investimento, S.A. (CaixaBI or Bank) in first half 2013 totalled €10.9 million, benefiting from CaixaBI's participation in major operations enabling it to earn commission income of €32.9 million and a positive performance of income from financial assets of around €7 million, when adjusted for impairment on financial assets.

Net operating income totalled €48.1 million in June. Adjusted of impairment on financial assets changes, net operating income increases to €53.1 million.

The current macroeconomic environment continues to have a negative impact on the Bank's results, affected by provisions and impairment increases of €26.2 million in first half 2013 (€36.2 million in first half 2012).

Project Finance

In terms of project finance, reference should be made to the financial close of the water concession to Indaqua Oliveira de Azeméis, whose financial advisory and structuring services and financing organisation were provided by CaixaBI and the successful completion of the transfer of a part of ELOS's contractual package to Parpública.

Important contribution to advisory services for tenders in Brazil

On an international level, CaixaBI, in partnership with BCG – Brasil, provided advisory services to Abengoa on the tender for the award of a concession for the provision of operational, maintenance and expansion services for the flood control reservoirs system in the Alto Tietê hydrographic basin, in the state of São Paulo. Also in Brazil and in partnership with BCG – Brasil, CaixaBI was the advisor to one of the main Brazilian players for the tender for a collection of Federal roads in Brazil, the first bid for which is scheduled for September.

Structured Finance

As regards structured corporate operations, reference should be made to the structuring and organisation of financing for Tagus Holding SARL (a company 55% owned by José de

Mello Group and 45% by the Arcus European Infrastructure Fund) in the sphere of the Exit Mechanism for Brisa's Minority Shareholders and the completion of several syndicated financial liabilities reorganisation processes involving CGD Group, of which special reference should be made to Ges Siemsa, Yelmo, Erosky Group, Blinker and Bodybell Group.

Corporate Finance – Debt

Reference should be made to the following bond market operations in which CaixaBI participated, in first half 2013:

- Treasury Bonds: joint bookrunner and joint lead manager for an issue of Benchmark Treasury Bonds maturing in 2014, for the total amount of €3 billion.
- CGD**:** joint bookrunner and joint lead manager for the €750 million covered bonds issue in what was the first international market operation access for covered bonds by a Portuguese bank since January 2010;
- REN: joint bookrunner and joint lead manager for the €300 million Eurobond issue;
- PT: joint bookrunner and joint lead manager for a PT bond issue for the amount of €1 billion;
- Sonae Sierra and EDA and Viola Contesi: organisation and lead of bond issues for the amount of €75 million, €50 million and €10 million respectively;
- Galp: organisation and lead of a €600 million bond issue with a maturity of 4 years.

Participation in most significant bond market operations

CaixaBI also organised and led nine new Commercial Paper Programmes and completed twenty four extensions and/or revisions to Programmes opened in past years.

Equity Capital Market

On a capital market level, reference should be made to CaixaBI's participation as an advisor to Parpública and joint bookrunner for the sale of a 4.14% equity investment in EDP. This transaction which marked the completion of EDP's reprivatisation process was the most significant capital market operation in Portugal in the first six months of 2013, comprising the sale of a block of 151,517,000 EDP shares, based on an accelerated bookbuilding operation exclusively geared to domestic and international institutional investors.

CaixaBI also acted as the advisor to Parpública in the process for its admittance of the referred to block of 151,517,000 EDP shares to NYSE Euronext Lisbon's official trading list.

CaixaBI consolidated its relevant position in the Iberian capital market, as the only national financial institution listed in ECM Ibéria's Top 10 league table in first half 2013.

Corporate Finance – Advisory Services

In the first six months of 2013, CaixaBI developed and successfully completed several projects, particularly including its financial advisory services to Parpública for the sale of the referred to 4.14% equity investment in EDP, in addition to the closing of the HPP Saúde transaction, at the end of 2012.

Relevant financial advisory actions in Portugal

Syndication and Sales

CaixaBI was involved in the following primary market issues in first half 2013:

- Tap PGB 4.35% 2017 (MS+395): co-lead, with total demand of €12,000 million for a final placement of €2,500 million;
- CGD 3.75% 2018, Covered Bonds (MS+295): lead manager, with demand of more than €3,500 million for a final placement of €750 million;
- REN 4.125% 2018 (MS+320.4): lead manager, with demand of more than €650 million for a final placement of €300 million;
- Portugal Telecom 4.625% 2020: joint lead manager, for an operation with a final placement of €1 000 million;
- Banque Populaire Caisse D'Épargne 1.325% 2017: co-lead manager, for an issue of €500 million.

In the Commercial Paper segment, 159 issues for a total amount of €2,146 million were placed.

Financial Brokerage

According to data published by the CMVM, CaixaBI had an accumulated market share of 11.6%, in May, up 53.4% over its trading volume for the same period 2012. Contributory factors were CaixaBI's participation as bookrunner in the accelerated bookbuilding process for 4.14% of the capital of EDP and growth of activity in the international customers segment.

Reference should also be made to participation with Banque Degroof in the Belgium Post IPO and with Bankia Bolsa in the accelerated bookbuilding process for 12% of the capital of International Airlines Group (IAG), held by Bankia.

Trading – Public Debt and Liquidity Providing

CaixaBI's activity as a liquidity provider maintained high performance levels and continued to operate on a series of securities such as Cofina, Orey Antunes, Altri, Inapa, Ibersol and SAG Gest, listed on NYSE Euronext Lisbon, with Euronext having attributed its maximum "A" rating to CaixaBI for all securities and categories.

Market-making activity concentrated on a Fundiestamo real estate fund and a deeply subordinated Millenniumbcp Tier 1 perpetual issue.

Corporate Advisory and Risk Management Services

Operations contracted for in first half 2013 particularly included a hedge for the credit operation for the Luanda Shopping project, strengthening CaixaBI's position as a derivatives competence centre for CGD Group's International Area.

In light of the low demand for interest rate hedges, CaixaBI maintained its structuring of risk hedge operations with tailor made structured options and its development of solutions for commodities hedges.

Venture Capital

CaixaBI remained in first half 2013 focused on its activity of capturing and analysing investment opportunities suitable for inclusion in the four venture capital funds under Caixa Capital management, in the first half. A total number of 70 projects were considered of which 25 were filed or rejected, with 31 remaining under analysis and 14 approvals. The approved projects comprised a potential investment of approximately €43 million of which an amount of €2.1 million was invested.

Insurance

Caixa Seguros e Saúde, SGPS, S. A.

Caixa Seguros e Saúde's net results of €75.9 million are more than double those of the same half last year and particularly derive from the sale of HPP

In accordance with the accounting rules applicable by CGD, Caixa Seguros e Saúde achieved a net result of €75.9 million, in first half 2013, comprising 107.4% growth over the same period 2012 (€36.6 million).

A contributory factor was the first quarter sale of HPP, with a positive impact of €36.4 million.

FINANCIAL INDICATORS [(a)]

(EUR million)

	Jun/12	Jun/13
Net assets	12,870	13,346
Shareholders' equity	1,374	1,564
Inv. properties, securities portfolio, bank deposits and cash	11,384	12,131
Technical provisions net of reinsurance	4,130	3,967
Liabilities for customer resources and other loans	6,372	6,839
Net income	37	76
	Jun/12	Jun/13
Component parts of solvency margin	1,298	1,487
Required solvency margin	601	637
Surplus solvency margin	602	850
Solvency margin cover rate	216,1%	233,4%

(a) The amounts comply with standards relating to the presentation of financial statements in IFRS/IAS format (CGD Group) and correspond to the consolidated accounts

Improvement in financial activity and cost reductions more than offset drop in insurance premiums

In turn, insurance activity in the statutory accounts achieved a net result of €48.7 million, up 8.2% by €3.7 million year-on-year. This result incorporates a significant improvement of financial activity and control over operating costs which came in under budget. The evolution of these variables more than made up for the drop in insurance premiums deriving from the across-the-board economic slowdown and negative impact of the extraordinary claims rate for non-life insurance in the first quarter, deriving from the harshness of last winter's weather conditions.

Insurance Activity

Leadership

Caixa Seguros e Saúde market shares

Global: 28.4%
Life: 29.4%
Non-life: 26.5%

Caixa Seguros e Saúde maintained its undisputed leadership of the domestic insurance market, with a global market share of 28.4%, coming top in both life and non-life insurance segments with market shares of 29.4% and 26.5% respectively.

Caixa Seguros, in its activity in Portugal, earned an amount of €1,714 million in direct insurance premiums. This was up 26.1% over the preceding year and was particularly due to the favourable evolution of Life Insurance (up 46.9%)

Premium income from non-life insurance areas was down 4.2%, particularly Motor, Workman's Compensation, Multirisk Housing and Third Party, especially as a consequence of the retraction of economic activity.

Direct insurance premiums from international area up 3.2%

Direct insurance premiums in terms of international activity was up 3.2% over the same period last year to €35 million, essentially on account of the 6.2% increase in the Non-Life portfolio.

DIRECT INSURANCE

(EUR million)

	Jun/12	Jun/13
Operations in Portugal		
Total market share	28.4%	28.4%
Life insurance	29.8%	29.4%
Non-life insurance	26.6%	26.5%
Direct insurance premiums	1,359	1,714
Life insurance	806	1,184
Non-life insurance	553	530
Operations Abroad		
Direct insurance premiums	33	35
Life insurance	13	13
Non-life insurance	20	22

(a) Pro forma accounts, excluding non-securing annulments in 2011 the decrease of turnover in 2012 would amount to 2.6% corresponding to 0.1% increase in market share

Results

Reduction of 20.9% in global technical margin

The total technical margin, excluding financial activity, at €129.5 million, was down €34.2 million over the same period of the preceding year, particularly on account of the additional claims deriving from the occurrence of storms in the first quarter of the year.

The result, net of reinsurance represented a cost of €20.1 million, reflecting an improvement of €38.2 million over June 2012, particularly on account of the higher co-payments made by reinsurers for the cost of the claims occurring during the period.

Income from financial activity, after customer allocations, was €99.5 million, up €55.4 million over the same period of the preceding year, which was strongly influenced by the March 2012 recognition of impairment on Greek debt securities.

In the sphere of operating costs, External Supplies and Services were down 7.4%, to €54.1 million against €58.4 million in June 2012.

In turn, Staff Costs were up 7.1% over the first half of last year to €70.3 million. This derives exclusively from the processing of the costs of holiday and Christmas subsidies in the accounts, under the terms of the budget laws and taking into consideration the privatisation process in progress for insurance activity as a whole.

Solvency

Caixa Seguros e Saúde strengthened its solvency margin on a consolidated basis, achieving a respective coverage rate of 233.7% in comparison to 216.1% in June 2012.

7- Rating

In June 2013 the DBRS rating agency decided to maintain its ratings on CGD, with Fitch Ratings and Moody's also having confirmed their ratings on CGD in July 2013.

In turn, on 11 July, Standard & Poor's changed its rating on Caixa's outlook from stable to negative (BB-/B), following an identical revision of the outlook on the rating of the Portuguese Republic on 5 July last.

	Short Term		Long Term		
	CGD	Portugal	CGD	Portugal	
Standard & Poor's	B	B	BB-	BB	Jul/2013
FitchRatings	B	B	BB+	BB+	Jul/2013
Moody's	N/P	N/P	Ba3	Ba3	Jul/2013
DBRS	R-2 (mid)		BBB (low)	BBB (low)	Jun/2013

8 –Social Responsibility and Investment in the Future

Caixa returns the confidence that the community entrusted to it

More than a benchmark in the Portuguese financial system, CGD Group has provided the community with the recognition of its social responsibility and commitment to invest in the future. This is visible in a differentiated collection of actions and its approach to the development pillars of its actual business.

These actions enable Caixa to continuously enhance the public's perception of the value of and trust attached to its brand. Caixa is often identified as being the "Portuguese People's Bank".

Visible and recognised social responsibility component and investment in the future

Several of the Group's intervention thrusts have a strong impact on the living standards of the community to which it belongs. Reference should be made to the sphere of financial literacy, its support for culture and the arts, transversal social inclusion measures and support for strata of the population in need and an active pioneering, innovative approach.

Endeavouring to reward entrepreneurship and combat unemployment, particularly in the young people's segment, Caixa currently leads the microcredit ranking in Portugal.

Of major importance, Group investment in protecting the environment has provided it, in addition to public recognition, with efficiency gains in terms of its own operation. By way of example, reference should be made to the 20% reduction in its own energy bill under the scope of its Carbon Zero Project.

Protection of the environment, promotion of culture and people

This desire to constructively participate in civil society which Caixa defines as a "mission", naturally encompasses its own sphere in which the signs of its bilateral responsibility to its workers and between workers themselves are visible (and perceived as being natural).

The promotion of an environment comprising a healthy balance between professional and family lives, in addition to the detection, promotion and progression of talent and encouragement to play an active role in society are, for example, an integral part of Caixa's culture.

Characterised by its workers' high level of identification with it, Caixa aims to be more than a place in which the aim is to continue to work, but rather a place of which new human values aim to play a role.

9 – Prizes and Distinctions

CGD's continued commitment to sustainability demonstrates its leadership and innovation in its integration of social, environmental and corporate considerations in terms of its current activity. CGD furthers a structured, comprehensive sustainability programme, recognised by national and international entities which regularly monitor and audit its performance.

- Most Sustainable Bank in Portugal in 2012

  The New Economy

- Top 6 in Iberia "Iberia 125 Climate Change Report 2012"

  Carbon Disclosure Project

- "Best in class" company in the financial sector on an international level

  Oekom

The Caixa Geral de Depósitos brand was also distinguished on several occasions in first half 2013.

- Trusted Brand in Portugal - for the 13th consecutive time

  Selecções do Reader's Digest

- Portuguese Banking Brand with the Best Reputation

  Reputation Institute

- Most Valuable Banking Brand in Portugal

  Brand Finance Banking

- Excellence Brand - for the 5th consecutive time

  Superbrands

- Marcas que Marcam ("Brands which make a Difference") 2012

  QSP – Consultoria de Marketing, in partnership with Diário Económico

- Benchmark Bank for the Portuguese

  Prémios Marketeer 2013

CGD has endeavoured to keep pace with the latest developments in the new technologies area:

- The Best Mobile Banking App

  European Financial Management & Marketing Association

In the Investment banking area, Caixa BI was awarded the following prizes this year:

- CaixaBI - Best Investment Bank in Portugal in 2013

  World Finance

- CaixaBI - Best Investment Bank in Portugal in 2012

  Euromoney

- CaixaBI - Best Investment Bank in Portugal in 2012

  Emeafinance

- CaixaBI - Best Investment Bank in Portugal in 2012

  Global Finance

- CaixaBI - Best Investment Bank in Portugal in 2012

  World Finance

- CaixaBI - Best Cross-border M&A Deal in 2012

  Emeafinance

Caixa Geral de Depósitos

02 August 2013

10 – Consolidated Balance Sheet

(30 June 2013)

(EUR million)

				Change Jun/13 vs. Jun/12		Change Jun/13 vs. Dec/12	
ASSETS	Jun/12 (*)	Dec/12 (*)	Jun/13	Total	(%)	Total	(%)
Cash and cash equivalents with central banks	1,265	1,603	1,497	232	18.3%	-107	-6.6%
Loans and advances to credit institutions	4,533	3,819	3,272	-1,262	-27.8%	-548	-14.3%
Loans and advances to customers	77,544	74,735	72,673	-4,871	-6.3%	-2,062	-2.8%
Securities investments	25,381	28,193	26,937	1,556	6.1%	-1,256	-4.5%
Assets with repurchase agreement	413	504	676	263	63.6%	172	34.0%
Invest. in subsidiaries and associated companies	227	218	40	-187	-82.4%	-178	-81.7%
Intangible and tangible assets	1,379	1,316	1,167	-212	-15.4%	-150	-11.4%
Current tax assets	93	61	91	-2	-1.7%	30	49.5%
Deferred tax assets	1,670	1,468	1,459	-211	-12.6%	-9	-0.6%
Technical provisions for outwards reinsurance	229	197	214	-15	-6.5%	17	8.5%
Other assets	4,962	4,744	4,659	-303	-6.1%	-86	-1.8%
Total Assets	**117,694**	**116,859**	**112,684**	**-5,011**	**-4.3%**	**-4,175**	**-3.6%**
LIABILITIES							
Central banks' and credit institutions' resources	13,996	12,227	9,837	-4,159	-29.7%	-2,389	-19.5%
Customer resources	70,345	71,355	71,827	1,482	2.1%	472	0.7%
Financial liabilities	2,151	2,217	1,760	-391	-18.2%	-457	-20.6%
Debt securities	11,150	10,591	9,085	-2,065	-18.5%	-1,505	-14.2%
Provisions	894	973	1,026	132	14.8%	53	5.5%
Technical provisions for insurance operations	4,363	4,224	4,185	-178	-4.1%	-39	-0.9%
Subordinated liabilities	2,874	2,889	2,941	68	2.4%	52	1.8%
Other liabilities	5,083	5,103	4,915	-168	-3.3%	-188	-3.7%
Sub-Total	**110,855**	**109,579**	**105,577**	**-5,278**	**-4.8%**	**-4,001**	**-3.7%**
Shareholders' Equity	**6,839**	**7,280**	**7,106**	**267**	**3.9%**	**-174**	**-2.4%**
Total	**117,694**	**116,859**	**112,684**	**-5,011**	**-4.3%**	**-4,175**	**-3.6%**

(*) Pro forma accounts, considering the amounts in Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale and the entities comprising the form of jointly owned entities being integrated by the equity accounting method.

11 – Consolidated Income Statement

(30 June 2013)

(EUR million)

			Change	
	Jun/12 (*)	Jun/13	Abs.	(%)
Interest and similar income	2,758,727	1,921,095	-837,632	-30.4%
Interest and similar costs	2,036,239	1,507,044	-529,195	-26.0%
Net interest income	722,488	414,051	-308,437	-42.7%
Income from equity instruments	80,533	54,257	-26,276	-32.6%
Net interest income including income from equity investments	**803,021**	**468,307**	**-334,713**	**-41.7%**
Income from services and commissions	347,366	330,495	-16,871	-4.9%
Costs of services and commissions	89,541	74,398	-15,143	-16.9%
Commissions (net)	257,825	256,097	-1,728	-0.7%
Income from financial operations	256,118	195,348	-60,770	-23.7%
Other net operating income	28,012	24,152	-3,860	-13.8%
Non-interest income	**541,955**	**475,597**	**-66,358**	**-12.2%**
Premiums net of reinsurance	614,289	579,440	-34,850	-5.7%
Investment income allocated to insurance contracts	76,053	71,155	-4,898	-6.4%
Claims costs net of reinsurance	396,759	401,627	4,868	1.2%
Commissions and other assoc. income and costs	-45,638	-34,104	11,534	
Technical margin on insurance operations	247,945	214,863	-33,082	-13.3%
Net operating income from banking and insurance operations	**1,592,921**	**1,158,767**	**-434,153**	**-27.3%**
Employee costs	433,448	463,954	30,506	7.0%
Other administrative expenses	287,968	279,255	-8,713	-3.0%
Depreciation and amortisation	75,802	70,396	-5,407	-7.1%
Operating costs and depreciation	797,218	813,605	16,387	2.1%
Gross operating income	**795,702**	**345,162**	**-450,540**	**-56.6%**
Provisions and impairment of other assets (net)	245,178	175,241	-69,937	-28.5%
Credit impairment net of reversals	483,302	371,940	-111,362	-23.0%
Provisions and impairment	**728,480**	**547,181**	**-181,299**	**-24.9%**
Income from subsidiaries held for sale	**-1,433**	**0**	**1,433**	**-**
Income from associated companies	**-2,078**	**2,321**	**4,399**	**-**
Income before tax and non-controlling interest	**63,711**	**-199,698**	**-263,409**	**-**
Tax	**56,838**	**-40,905**	**-97,743**	**-**
Current and deferred	41,926	-53,472	-95,398	-
Extraordinary contribution on the banking sector	14,912	12,567	-2,345	-15.7%
Consolidated net income for period	**6,873**	**-158,793**	**-165,666**	**-**
of which:				
Non-controlling interest	19,586	22,802	3,216	16.4%
NET INCOME ATTRIBUTABLE TO CGD SHAREHOLDER	**-12,713**	**-181,595**	**-168,882**	**-**

(*) Pro forma accounts, considering the amounts in Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale and the entities comprising the form of jointly owned entities being integrated by the equity accounting method.

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Caixa Geral de Depositos