CAIXA GERAL DE DEPÓSITOS

CONSOLIDATED OPERATIONS

31 MARCH 2012

UNAUDITED ACCOUNTS

Caixa Geral de Depósitos, S.A. • Head Office: Av. João XXI, 63 – 1000-300 Lisboa
Share Capital EUR 5,150,000,000 • Registered with the Lisbon Companies Registry under no. 2900 • Tax Payer no. 500 960 046

1 – HIGHLIGHTS

Results for First Quarter 2012

1. **Gross operating income** was significantly up over first quarter 2011 to EUR 372.0 million (a 33.9% increase of EUR 94.2 million), owing to an expressive 8.8% increase of EUR 61.8 million in net operating income from banking and insurance operations in conjunction with a 7.6% decrease in operating costs.

2. **Caixa Geral de Depósitos Group's** results for first quarter 2012 continue to translate the adverse economic and financial conditions, pursuant to which provisions and impairment for the global amount of EUR 329.7 million were recognised as a cost for the period. Credit impairment totalled EUR 240.2 million, with EUR 89.5 million in provisions and impairment on other assets (net), including securities.

3. **Consolidated net income** totalled EUR 8.8 million, notwithstanding the above referred to provisioning efforts, in comparison to an amount of EUR 83.5 million recorded in first quarter 2011.

4. **Net interest income** was up 4.3% by EUR 15.9 million over the first quarter of the preceding year to EUR 384.9 million.

5. Income from **commissions (net)** was down 5.5% by EUR 6.9 million over the same period 2011 to EUR 117.7 million.

6. **Operating costs**, down 7.6% by EUR 32.4 million to EUR 392.5 million, derived both from employee costs and external supplies and services, respectively down by EUR 26.7 million (11.1%) and EUR 5.9 million (4.1%). The contribution made by CGD Portugal's **operating costs** to the consolidated total was down 14.4% by EUR 31.5 million over March 2011, essentially based on employee costs which were down 20.7% by EUR 27.5 million.

7. CGD Group's **net assets**, at the end of March 2012, totalled EUR 118.6 billion, down 3.9% over the preceding year. Contributory factors were the 4.8% reduction in loans and advances to customers and 5.9% reduction in securities investments, reflecting CGD's deleveraging strategy on its non-strategic assets.

8. The total **customer deposits** balance was up 7.6% by EUR 4.6 billion over the end of March 2011 to EUR 65.0 billion and up 1.5% by EUR 975 million since the start of the year. Excluding the repos balance, customer deposits were EUR 64.0 billion, representing an 8.6% annual increase of EUR 5.1 billion.

9. **Loans and advances to customers** (gross) was EUR 81.7 billion, slightly over the figures at the end of 2011 (up EUR 191 million or up 0.2%) and down 3.1% in comparison to March 2011. Loans and advances to companies in the case of operations in Portugal were up 2.7% in the first quarter 2012. On the other hand, both loans to individual customers and to general government were down 0.9% and 1.6%, respectively, over December 2011.

10. The **loans-to-deposits ratio**, measured by net credit to customer deposits was 121.9% in comparison to the ratio of 137.8% recorded at the end of March 2011 and is close to the recommended value of 120% for Portuguese banks in 2014 under the Economic and Financial Assistance Programme.

11. The **Core Tier I ratio**, on a consolidated basis, including retained earnings, was 9.6%, against 9.5% at the end of 2011.

12. **CGD's net exposure to the ECB** was reduced to EUR 6.95 billion at the end of March in comparison to last December's EUR 9 billion.CGD increased its total **assets eligible** as collateral with the ECB from EUR 14.4 billion at the end of December to EUR 15.4 billion.

13. The **credit overdue more than 90 days ratio** was 4.0% with a cover rate of 109.2%, in comparison to 3.6% and 116.5%, respectively at the end of December. The **credit at risk ratio** increased from 6.9% in December to 7.4%.

2 – KEY INDICATORS

CAIXA GERAL DE DEPÓSITOS

Consolidated Operations at 31 March 2012
Summary of Principal Indicators

(EUR million)

	Mar/2011 (*)	Dec/2011 (*)	Mar/2012	Change Mar/12- Mar/11	Change Mar/12 - Dec/11
Results :					
Net interest income	369.0		384.9	4.3%	
Net interest income including income from equity investments	380.8		389.5	2.3%	
Commissions (net)	124.6		117.7	-5.5%	
Non-interest income	222.4		263.8	18.6%	
Technical margin on insurance operations	99.5		111.2	11.8%	
Net operating income from banking and insurance operations	702.7		764.5	8.8%	
Operating costs	424.8		392.5	-7.6%	
Gross operating income	277.9		372.0	33.9%	
Income before tax and minority shareholders' interests	155.5		41.1	-73.6%	
Net income for period	83.5		8.8	-89.5%	
Balance sheet:					
Net assets	123 442	120 544	118 637	-3.9%	-1.6%
Cash and loans and advances to credit institutions	5 925	8 647	5 379	-9.2%	-37.8%
Securities investments	26 194	24 398	24 866	-5.1%	1.9%
Loans and advances to customers (net)	83 247	78 248	79 257	-4.8%	1.3%
Loans and advances to customers (gross)	85 937	81 631	82 839	-3.6%	1.5%
Central banks' and credit institutions' resources	14 285	15 860	13 538	-5.2%	-14.6%
Customer resources	67 374	70 587	71 150	5.6%	0.8%
Debt securities	18 785	14 923	13 754	-26.8%	-7.8%
Technical provisions for insurance operations	5 623	4 611	4 465	-20.6%	-3.2%
Shareholders' equity	7 483	5 354	5 945	-20.6%	11.0%
Resources taken from customers	85 308	85 989	86 538	1.4%	0.6%
Profit and efficiency ratios:					
Gross return on equity - ROE (1) (2)	8.46%	-8.13%	2.67%		
Net return on equity - ROE (1)	5.56%	-6.40%	1.39%		
Gross return on assets - ROA (1) (2)	0.50%	-0.44%	0.14%		
Net return on assets - ROA (1)	0.33%	-0.35%	0.07%		
Cost-to-income (consolidated) *(2)*	60.3%	60.8%	51.3%		
Cost-to-income (separate) *(2)*	63.8%	55.7%	45.0%		
Cost-to-income (banking activity) *(2)*	57.1%	60.7%	48.6%		
Employee costs / Net operating income (2)	34.1%	32.1%	27.9%		
Operating costs / Average net assets	1.37%	1.44%	1.29%		
Net operating income / Average net assets (2)	2.28%	2.36%	2.51%		
Credit quality and cover levels:					
Overdue credit / Total credit	3.3%	3.9%	4.6%		
Credit more than 90 days overdue / Total credit	2.7%	3.6%	4.0%		
Non-performing credit / Total credit (2)	3.3%	4.3%	5.0%		
Non-performing credit (net) / Total credit (net) (2)	0.2%	0.2%	0.7%		
Credit at risk / Total credit (2)	4.5%	6.9%	7.4%		
Credit at risk (net) / Total credit (net) (2)	1.4%	2.9%	3.2%		
Overdue credit cover	94.4%	105.0%	94.5%		
Credit more than 90 days overdue cover	114.7%	116.5%	109.2%		
Cobertura do Crédito em Risco (2)	69.1%	59.8%	58.2%		
Credit impairment (P&LA) / Loans and advances to customers	0.54%	0.97%	1.14%		
Structure ratios:					
Loans and advances to customers (Net)/ Net assets	67.4%	64.9%	66.8%		
Loans and advances to customers (Net) / Customer deposits (2)	137.8%	122.2%	121.9%		
Solvency ratios					
Solvency (2)	12.3%	11.6%	11.7%		
Tier 1 (2)	9.0%	9.0%	9.2%		
Core Tier 1 (2)	8.8%	9.5%	9.6%		

(1) Considering average shareholders' equity and net assets values (13 observations)
(2) Ratios defined by the Bank of Portugal (Instruction no. 23/2011)
(*) Pro forma accounts, considering the figures involving Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale

3 – ECONOMIC-FINANCIAL FRAMEWORK

Optimism over economic recovery in several areas of the globe in the first quarter, notably in the US, was in contrast to greater doubts concerning other regions such as the euro area, particularly on account of the fiscal situation of countries on the periphery, notwithstanding the fact that, at the end of the quarter, the Eurogroup and other EU partners formalised an increase in Europe's intervention capacity by means of a combination, albeit temporary, of the financial stabilisation mechanisms.

In the euro area and notwithstanding a certain improvement at the start of the quarter, business confidence indices remained in terrain associated with contraction. Unemployment was also a particularly negative factor, reaching its highest level of the last 17 years in February at 10.8%. On a price level, year-on-year inflation in the euro area was more than 2.0% for the fifth consecutive quarter.

In Portugal, available economic indicators continued to be consistent with a scenario of a contraction in economic activity accompanied by a deterioration both in the economic climate and consumer confidence, owing to fears regarding the labour market. The unemployment rate, which reached 15% in February was, according to Eurostat, the highest level since such information has been provided by the said organisation. In turn, the year-on-year inflation trend was downwards at 3.1% at the end of the quarter

The first three months of the year were also marked by greater uncertainty over the evolution of several emerging countries, notably China. Various central banks in such economies, owing to the decline in inflationary pressures, evidenced growing concerns over the outlook for growth. Reference should also be made to the Central Bank of Brazil, which announced more significant reductions of its interest rates, bringing them back down to two year minimums.

The more positive performance of indicators in certain regions such as the US and a more prudent approach by central banks to stimulating economic growth, enabled the improvements in financial markets, beginning in the fourth quarter, to continue into the first three months of 2012. This was visible, notwithstanding the continuation of many uncertainties over the valuation of risk assets, in the performance of share indices which, in the case of the US were traded at their highest levels since second quarter 2008 and a decline in debt spreads.

Interest rates in the interbank money market fell considerably in the first quarter, accentuating the movement beginning in the last few months of 2011, following the increase in liquidity provided by the ECB's organisation of another auction with a maturity of 3 years with an unlimited supply of funding.

Fresh tensions in the public debt market at different times and for different reasons in the first quarter of year, translated into fresh increases in spreads on the sovereign debt of the peripheral countries. At the start of the year, spreads on Italian public debt were close to the maximum recorded following S&P's downgrade of its rating on the securities of nine of the seventeen euro area member countries. The difference between spreads on Portuguese and German securities also reached a historical maximum in January, owing to fears that Portugal might follow the example of Greece and eventually restructure its debt. In the case of Greece and up to the completion of the debt restructuring process the spread on Greek debt rose to successive highs.

The first quarter of the year witnessed a decline in spreads in the corporate bond market. The favourable performance of US indicators, completion of the debt restructuring operation on Greek sovereign debt and the ECB's reinforcement of liquidity had a positive influence on the market, in contributing to the reduction of risk aversion.

Special reference should also be made to the performance of the commodities market owing to oil prices. Fears over the possibility of supply-side restrictions, owing to the uncertainties deriving from the situation in several oil producing countries and the very low level of stocks reported by several countries notably the US, had the effect of raising oil prices to their highest for almost a year, having once again exceeded $120/barrel starting from the end of February.

4 – FINANCIAL ANALYSIS – CONSOLIDATED OPERATIONS

Summary

Results

Caixa Geral de Depósitos's results for first quarter 2012 continued to be strongly penalised by the deteriorating economic and financial situation, requiring the recognition of extraordinary amounts of impairment on credit and securities account headings, as a cost for the period. Credit impairment therefore rose to EUR 240.2 million with **provisions and impairment on other net assets** of EUR 89.5 million. A significant part of the latter amount was to provide for the loss of value on CGD's equity investments in Portugal Telecom and La Seda Barcelona, and the Group's insurance area exposure.

As the sales process involving Caixa Seguros e Saúde, SA's healthcare area ("HPP") is in progress, the consolidated accounts for first quarter 2012, in addition to the respective comparisons, were re-expressed in order to submit HPP's accounts as a non-current asset held for sale and its respective result recognised in the income statement as "Income from subsidiaries held for sale".

Gross operating income evolved most favourably to EUR 372.0 million, with a 33.9% quarter-on-quarter increase of EUR 94.2 million over the preceding year, owing to an expressive 8.8% increase of EUR 61.8 million in net operating income from banking and insurance activities in conjunction with a 7.6% decrease in operating costs.

GROSS OPERATING INCOME FROM CGD GROUP'S MAIN BUSINESS AREAS

(EUR million)	Mar-11	Mar-12	Change Mar/12 - Mar/11	
			Total	%
Domestic commercial banking	161.0	237.5	76.5	47.5%
International operations	62.4	76.7	14.3	22.9%
Insurance operations	32.9	45.8	12.9	39.2%
Investment banking	21.6	12.0	-9.6	-44.2%
Gross operating income	**277.9**	**372.0**	**94.2**	**33.9%**

Affected by global provisioning of EUR 329.7 million, in the quarter, **consolidated net income** was EUR 8.8 million against a first quarter 2011 figure of EUR 83.5 million.

Results Analysis

Net interest income, including income from equity instruments, in first quarter 2012, was up 2.3% by EUR 8.7 million to EUR 389.5 million in comparison to the same quarter of the previous year, exclusively deriving from the 4.3% increase of EUR 15.9 million in net interest income, as the amount of income from equity instruments was down 61.2% by EUR 7.2 million.

Income from **commissions (net)**, down 5.5% to EUR 117.7 million, in comparison to the first quarter 2011 figure of EUR 124.6 million, mostly reflecting the decline in commissions from investment banking operations.

COMMISSIONS (NET)

(EUR million)	Mar-11	Mar-12	Change Mar/12 - Mar/11	
			Total	%
CGD Portugal	77.2	75.8	-1.5	-1.9%
International activities	26.4	27.6	1.2	4.6%
Investment banking	13.5	6.5	-7.0	-52.1%
Asset management	7.8	7.8	0.0	-0.4%
Other	-0.3	0.1	0.4	-
Total	**124.6**	**117.7**	**-6.9**	**-5.5%**

Income from financial operations evolved favourably to EUR 111.0 million (up 48.9 million over the first three months of the preceding year). This evolution essentially derived from income on the repurchase of own debt (EUR 96.4 million) and the net loss of EUR 16.7 million on the revaluation of financial investments.

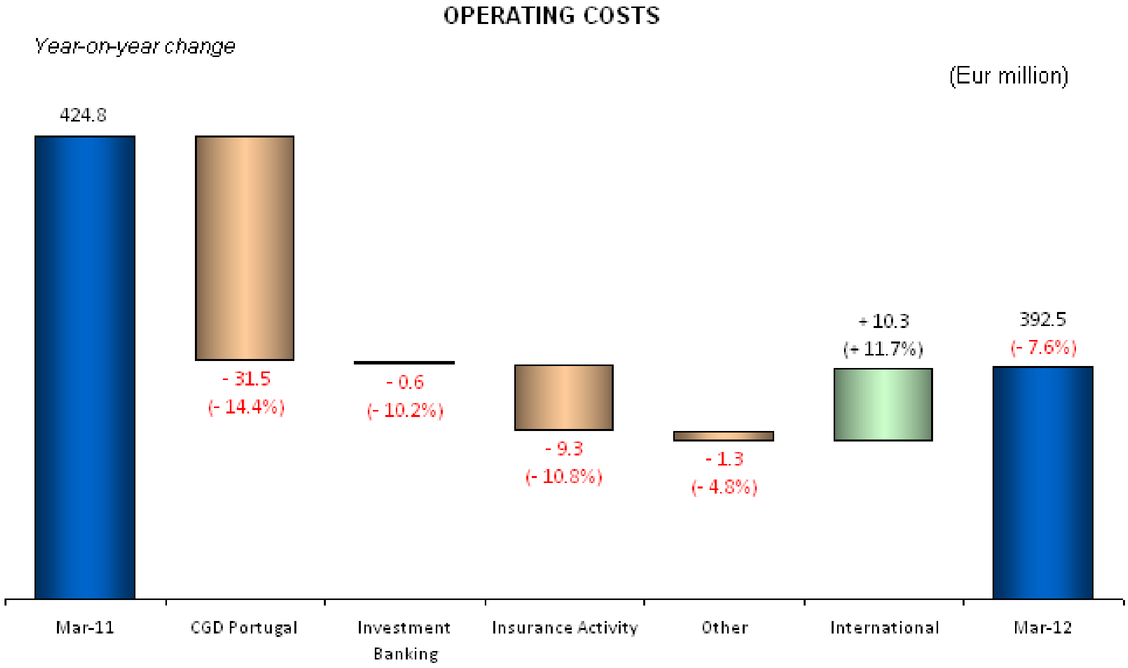
Other operating income, at EUR 35.1 million, was similar to the figure for first quarter 2011.

The **technical margin on insurance operations** contributed EUR 111.2 million, to the Group's net operating income, up 11.8% by EUR 11.7 million over the same quarter 2011. This change reflected the significant 7.0% drop of EUR 15.9 million in claims costs, net of reinsurance.

As a result of the above, **net operating income from banking and insurance operations** was up 8.8% by EUR 61.8 million over the first three months of the preceding year to EUR 764.5 million**.**

Operating costs, translating the continuation of the employee costs and external supplies and services containment policy were down 7.6% by EUR 32.4 million to EUR 392.5 million in comparison to first quarter 2011. Employee costs and external supplies and services were down EUR 26.7 million (11.1%) and EUR 5.9 million (4.1%), respectively.

By operating areas, CGD Portugal's contribution to the consolidated operating costs total was down 14.4% by EUR 31.5 million over first quarter 2011, deriving both from the 20.7% drop of EUR 27.5 million in employee costs and the 5.0% drop of EUR 3.1 million in external supplies and services. In the case of insurance activity the contribution of operating costs was down 10.8%, as opposed to international operations in which they were up 11.7%, translating the expansion occurring in this business segment.



The significant reduction in operating costs in conjunction with an increase in net operating income gave a strong boost to efficiency ratios particularly **cost-to-income**, down from 60.8% in December 2011 in CGD Group to 51.3% (9.5 percentage points).

The ratio for CGD's separate operations declined from 55.7% to 45.0%.

EFFICIENCY RATIOS

	Mar-11	Dec-11	Mar-12
Cost-to-income (consolidated operations) (1)	60.3%	60.8%	51.3%
Cost-to-income (separate operations) (1)	63.8%	55.7%	45.0%
Cost-to-income (banking) (1)	57.1%	60.7%	48.6%
Employee costs/net operating income (1)	34.1%	32.1%	27.9%
External supplies and services/net operating income	20.2%	21.9%	17.8%
Operating costs/average net assets	1.37%	1.44%	1.29%

(1) Calculated in accordance with Bank of Portugal Instruction 23/2011

Credit impairment, net of cancellations and reversals totalled EUR 240.2 million in the first three months of 2012, more than double the EUR 110.0 million recorded in the same period of the preceding year.

Provisions and impairment of other assets (net) for the quarter totalled EUR 89.5 million of which a significant proportion provided for loss of value on CGD's equity investments in Portugal Telecom and La Seda Barcelona, in addition to its exposure to securities held by the Group's insurance area.

In March, the Group was also party to the debt restructuring process on Greek sovereign debt, posting a total loss of around EUR 185.5 million. This, however, did not have an effect on results, having already been registered in securities impairment and provisions account headings in 2011.

Current and deferred tax plus the **extraordinary contribution** of EUR 7.4 billion on the banking sector totalled EUR 19.8 million.

Gross return on equity (ROE) was 2.67% (1.39% after tax). **Gross return on assets (ROA)** was 0.14% (0.07% after tax).

PROFIT RATIOS

	Mar-11	Dec-11	Mar-12
Gross return on equity – ROE (1) (2)	**8.46%**	**-8.13%**	**2.67%**
Net return on equity - ROE (2)	**5.56%**	**-6.40%**	**1.39%**
Gross return on assets – ROA (1) (2)	**0.50%**	**-0.44%**	**0.14%**
Net return on assets - ROA (2)	**0.33%**	**-0.35%**	**0.07%**
Net operating income(3)/average net assets (1) (2)	**2.28%**	**2.36%**	**2.51%**

(1) Calculated in accordance with Bank of Portugal Instruction 23/2011
(2) Considering average shareholders' equity and net assets values (13 observations)
(3) Includes income from associated companies.

Balance Sheet Analysis

CGD Group's **consolidated net assets** totalled EUR 118.6 billion at the end of March 2012, down 3.9% by EUR 4.8 billion in annual terms and down 1.6% by EUR 1.9 million since the beginning of the year, translating the effect of the balance sheet deleveraging strategy in progress.

There were therefore reductions in the loans and advances to customers and securities portfolios (including assets with repos agreements) of EUR 4.0 billion (4.8%) and EUR 1.6 billion (5.9%), respectively, in comparison to the preceding year. The balance on the cash and investments in credit institutions was down 9.2% by EUR 545 million.

On the **liabilities** side reference should be made to decreases in **debt securities** and **subordinated liabilities** of EUR 5.0 billion (down 26.8%) and EUR 0.8 million (down 28.5%), respectively over March 2011, partly offset by the 5.6% increase of EUR 3.8 billion in **customer resources**. **Technical provisions for insurance operations** and **resources taken from credit institutions** were down 20.6% by EUR 1.2 billion and 5.2% by EUR 0.7 billion, respectively.

CGD, in the first quarter, reduced its level of borrowing from the ECB to a net exposure of EUR 6.95 billion at the end of March against last December's EUR 9 billion.

Loans and advances to customers (gross), excluding repos operations, at the end of March were EUR 81.7 billion, up EUR 191 million (up 0.2%) over the figures at the end of 2011 and down EUR 2.6 billion (down 3.1%), in comparison to the preceding year.

Around 78% of loans and advances to customers derived from CGD's operations in Portugal although reference should be made to the 2.7% increase of EUR 674 million in loans and advances to companies and institutionals in first quarter 2012. This was balanced by a decrease in both loans and advances to individual customers and general government of 3.2% and 9% on an annual basis and 0.9% and 1.6% in comparison to December 2011.

LOANS AND ADVANCES TO CUSTOMERS (a)

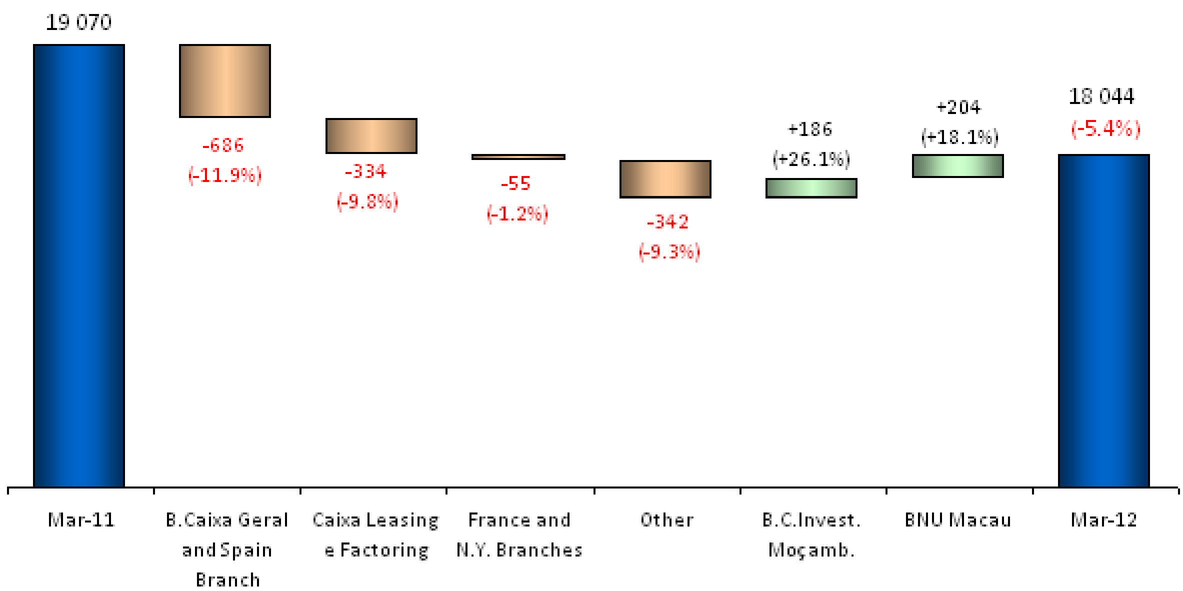
(EUR million)	Mar-11	Dec-11	Mar-12	Change Mar/12 - Mar/11		Change Mar/12 - Dec/11	
				Total	%	Total	%
CGD operations in Portugal	**65 238**	**63 382**	**63 680**	**-1 558**	**-2.4%**	**298**	**0.5%**
Corporate and Institutionals	25 926	25 174	25 848	-78	-0.3%	674	2.7%
Individual customers	35 598	34 773	34 450	-1 148	-3.2%	-322	-0.9%
Mortgage loans	33 937	33 193	32 922	-1 015	-3.0%	-271	-0.8%
Other	1 661	1 580	1 528	-132	-8.0%	-51	-3.2%
General government	3 714	3 435	3 381	-332	-9.0%	-54	-1.6%
Other CGD Group companies	**19 070**	**18 151**	**18 044**	**-1 026**	**-5.4%**	**-107**	**-0.6%**
Total	**84 308**	**81 533**	**81 724**	**-2 585**	**-3.1%**	**-191**	**0.2%**

(a) Before impairment and excluding repos operations.

Mortgage lending in terms of operations in Portugal was down 3.0% over March 2011 and by 0.8% over December 2011, having been reduced to 51.7% of the portfolio total. New mortgage lending activities taken out on domestic territory in first quarter 2012, totalling EUR 97.2 million split up unto 1 361 operations, were significantly down over the EUR 454.8 million and 5 336 operations recorded in the same period 2011.

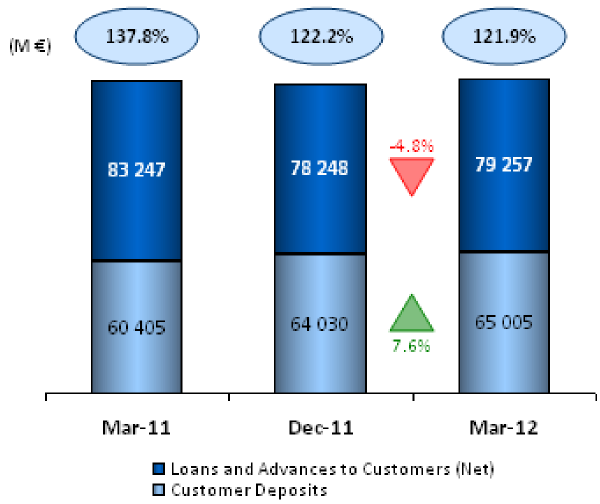
LOANS AND ADVANCES TO CUSTOMERS - OTHER GROUP COMPANIES

Change March -12/March -11



Loans made by other CGD Group companies represented 22.1% of total credit. Reference should be made to the reduction in Group businesses in Spain (down 11.9% by EUR 686 million over March 2011) and Caixa Leasing e Factoring (down 9.8% by EUR 334 million). BNU Macau and Banco Comercial e de Investimentos in Mozambique recorded an 18.1% increase of EUR 204 million and a 26.1% increase of EUR 186 million, respectively.

LOANS-TO-DEPOSITS RATIO



Benefiting from the highly favourable evolution of deposits, the **loans-to-deposits ratio** measured by net credit to customer deposits was 121.9% in comparison to the ratio of 122.2% recorded at the end of 2011 and 137.8% at the end of March 2011 and is close to the goal of 120% recommended for Portuguese banks in 2014.

The deteriorating economic and financial situation is reflected in credit quality indicators with a **total overdue credit ratio** of 4.6% at the end of March 2012, vis-à-vis the 3.9% posted in December 2011 and 3.3% at the end of March 2011. The **credit more than 90 days overdue ratio** was 4.0% at the end of March 2012, in comparison to 3.6% at the end of 2011**.**

The **credit at risk** and **non-performing credit** ratios, calculated in accordance with the Bank of Portugal's Instruction 23/2011 were 7.4% and 5.0%, respectively, against 6.9% and 4.3% respectively at the end of 2011. Credit at risk, in addition to credit overdue for a period of 90 days or more and associated outstanding credit also consider the total amount of restructured and other overdue credit operations on which there is evidence justifying their classification as credit at risk, notably a debtor's bankruptcy or liquidation.[1]

[1] Operations, overdue for 90 days or more whose respective contractual conditions have been changed without a debtor's having adequately reinforced guarantees or liquidated past due interest and other costs/charges.

ASSET QUALITY

	Mar-11	Dec-11	Mar-12
Non-performing credit/total credit (1)	3.3%	4.3%	5.0%
Credit at risk/total credit (1)	4.5%	6.9%	7.4%
Overdue credit/total credit	3.3%	3.9%	4.6%
Credit> 90 days overdue/total credit	2.7%	3.6%	4.0%
Non-performing credit, net/ total credit, net. (1)	0.2%	0.2%	0.7%
Credit at risk, net/ total credit, net. (1)	1.4%	2.9%	3.2%
Impaired credit/overdue credit	94.4%	105.0%	94.5%
Impaired credit/credit> 90 days overdue	114.7%	116.5%	109.2%
Impaired credit (IS)/total credit (average)	0.54%	0.97%	1.14%

(1) Calculated in accordance with the Bank of Portugal's Instruction 23/2011

Credit impairment, net of cancellations and reversals, in the quarter under analysis, comprised 1.14% of the average credit portfolio, up 0.17 pp over the end of 2011.

Accumulated impairment on loans and advances to customers (normal and overdue) was up 33.1% by EUR 891.6 million at the end of March to EUR 3 582.4 million, resulting in a credit overdue for more than 90 days cover ratio of 109.2% (116.5% at the end of 2011).

The securities portfolio (including assets with repos agreements) was reduced to EUR 25.8 billion in comparison to EUR 27.4 billion in March 2011 (5.9%), particularly deriving from the component held by the insurance companies.

SECURITIES INVESTMENTS (a)

(EUR million)	Mar-11	Dec-11	Mar-12	Change Mar/12 - Mar/11		Change Mar/12 - Dec/11	
				Total	%	Total	%
Banking	**16 706**	**16 226**	**17 149**	**443**	**2.7%**	**922**	**5.7%**
Financial assets at fair value	3 833	4 044	4 134	301	7.8%	89	2.2%
Available for sale financial assets	12 873	12 182	13 015	142	1.1%	833	6.8%
Insurance	**10 666**	**8 949**	**8 617**	**-2 049**	**-19.2%**	**-332**	**-3.7%**
Financial assets at fair value	99	87	89	-10	-10.3%	2	1.8%
Available for sale financial assets	9 870	5 440	5 384	-4 486	-45.5%	-56	-1.0%
Investments associated with unit linked products	697	585	609	-88	-12.6%	24	4.2%
Investments held to maturity	0	2 837	2 535	2 535	-	-302	-10.6%
Total	**27 372**	**25 176**	**25 766**	**-1 606**	**-5.9%**	**590**	**2.3%**

(a) After impairment inc. assets with repos agreements

Funding and Liquidity Management

The highly favourable evolution of the commercial gap in the first quarter, particularly as regards deposits, determined a significant reduction in borrowing requirements, enabling reliance on the ECB to be considerably reduced.

At the end of March, CGD's net exposure to the ECB had been reduced to EUR 6.95 billion, in comparison to 9 billion in December last. In turn CGD's assets eligible as collateral for use with the ECB had been reinforced from EUR 14.4 billion to EUR 15.4 billion, i.e. more than double the amount used, with the unused amount of assets up from EUR 5.4 billion to EUR 7.9 billion.

In parallel and exploiting a further ECB 3 year maturity liquidity injection operation, in March, CGD, with the aim of optimising its liquidity management, substituted a part of its short term funding by resources with a maturity of 3 years, extending the maturity profile of its liabilities to the central bank.

Pursuant to its active balance sheet management process, CGD launched a public tender offer for non-qualified investors on 5 March and a tender offer in the international markets for the issue of covered bonds and another for bonds on the public sector issued by it.

This operation enabled CGD to acquire around 30% of the outstanding amount of the two issues at below par, making capital gains of EUR 96 million. The fact that the prices defined for the repurchase of these issues had an implicit premium over secondary market levels determined good investor receptiveness.

The balance of **total resources taken** by the Group (excluding the interbank money market) was down 3.9% in annual terms and 0.3% over the amount registered at the end of 2011 to EUR 100.1 billion. However, not considering the funding obtained from institutional investors, the customer resources balance increased by around 1.4% and 0.6% over March and December of the preceding year to EUR 86.5 billion.

Balance sheet resources totalled EUR 89.4 billion, a large proportion of which from retail activities with EUR 75.8 billion, comprising an annual increase of 3.0% which benefited from the highly positive 7.6% increase of EUR 4.6 billion in customer deposits.

RESOURCES TAKEN BY GROUP

Balances	Mar-11	Dec-11	Mar-12	Change Mar12 - Mar11		Change Mar12 – Dec 11	
(EUR million)				Total	%	Total	%
Balance sheet	**92 501**	**90 209**	**89 368**	**-3 133**	**-3.4%**	**-841**	**-0.9%**
Retail	**73 644**	**75 858**	**75 826**	**2 183**	**3.0%**	**-32**	**0.0%**
Customer deposits	60 405	64 030	65 005	4 600	7.6%	975	1.5%
Capitalisation insurance (a)	10 254	8 893	8 300	-1 954	-19.1%	-593	-6.7%
Other customer resources	2 985	2 935	2 522	-463	-15.5%	-414	-14.1%
Institutional Investors	**18 855**	**14 352**	**13 541**	**-5 313**	**-28.2%**	**-809**	**-5.6%**
EMTN	8 156	7 128	5 853	-2303	-28.3%	-1 276	-17.9%
ECP and USCP	823	0	1 100	277	33.6%	1 100	-
Nostrum Mortgages	462	403	389	-73	-15.8%	-14	-3.5%
Covered bonds	7 130	5 806	5 177	-1 953	-27.4%	-629	-10.8%
Bonds guaranteed by the Portuguese Republic	1 262	0	0	-1 262	-100.0%	-	-
Bonds on the public sector	1 022	1 014	1 023	1	0.1%	9	0.9%
Off-balance sheet	**11 662**	**10 131**	**10 712**	**-950**	**-8.1%**	**581**	**5.7%**
Investment units in unit trust investment funds	4 722	4 055	4 262	-460	-9.7%	207	5.1%
Caixagest	3 058	2 490	2 698	-360	-11.8%	208	8.4%
Fundimo	1 664	1 565	1 564	-100	-6.0%	-1	-0.1%
Pension funds	2 188	2 075	2 129	-59	-2.7%	54	2.6%
Wealth management (b)	4 752	4 001	4 321	-431	-9.1%	320	8.0%
Total	**104 163**	**100 340**	**100 080**	**-4 083**	**-3.9%**	**-260**	**-0.3%**
Total excluding institutional investors	**85 308**	**85 989**	**86 538**	**1 230**	**1.4%**	**549**	**0.6%**

(a) Includes fixed-rate insurance and unit linked products

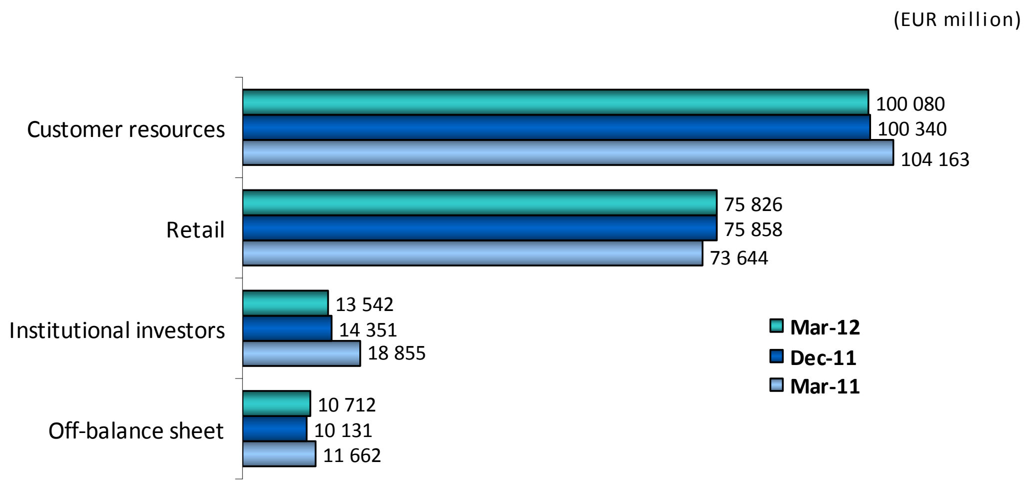
(b) Does not include CGD Group companies' insurance portfolios

The **customer deposits balance** was up 7.6% by EUR 4.6 billion to EUR 65 billion, over the end of March 2011 and up 1.5% by EUR 975 million since the beginning of the year. Excluding the balance associated with repos operations, customer deposits were up 8.6% by EUR 5.1 billion to EUR 64.0 billion during the year, stabilising in comparison to the end of 2011 (down 0.1%).

EUR 46.7 billion (71.9% of the total) of the global customer deposits balance comprised term and savings deposits which grew 11.1% by EUR 4.7 billion over the same date 2011 and 3.2% by EUR 1.5 billion since the beginning of the year, reflecting the active promotion of deposit-taking from customers and contributing to a decline in CGD Group's borrowing requirements from the wholesale market.

Translating banks' and domestic companies' difficulties in access to funding from the capital market, the balance of resources taken from **institutional investors** in the form of own issues was down 28.2% by EUR 5.3 billion over March 2011 and 5.6% by EUR 0.8 billion since the beginning of the year to EUR 13.5 billion.

TOTAL RESOURCES TAKEN



"Off-balance sheet" resources were down 8.1% over the preceding year to EUR 10.7 billion at the end of March although this was an improvement of 5.7% over the end of 2011. This evolution translates the changes occurring in the balance of Caixagest funds and the wealth management area.

Shareholders' Equity and Solvency Ratio

The Group's shareholders' equity was up 11% by EUR 590 million over the end of 2011 to EUR 5 945 million at the end of March.

SHAREHOLDERS' EQUITY

(EUR million)	Mar-11	Dec-11	Mar-12	Change Mar12 - Mar11		Change Mar12 - Dec	
				Total	%	Total	%
Share capital	5 050	5 150	5 150	100	2.0%	0	0.0%
Fair value reserves	-837	-2 044	-1 420	-563	--	624	--
Other reserves and retained earnings	1 739	1 692	1 162	-597	-34.0%	-530	-31.3%
Minority shareholders' interests	1 448	1 045	1 044	-403	-27.9%	-1	-0.1%
Net income for period	83	-488	9	-75	--	497	--
Total	**7 483**	**5 354**	**5 945**	**-1 538**	**-20.6%**	**590**	**11.0%**

The **Core Tier I Ratio** on a consolidated basis, including retained earnings was 9.6% at the end of March, slightly higher than the 9.5% recorded in December 2011.

In turn, the **Tier I Ratio** was 9.2% (9.0% in December 2011), lower than Core Tier I, penalised by the repurchase made under last September's exchange offer operation on preference shares issued by CGD Group.

The solvency ratio, on a consolidated basis, including retained earnings, increased from 11.6% at the end of 2011 to 11.7% in March 2012.

On 20 January 2012, CGD presented its capital plan required by the European Banking Authority (EBA) with the aim of achieving a Core Tier I ratio (as defined by the said authority) of 9% at 30 June 2012.

Rating

In the first quarter of 2012 the international rating agencies Standard & Poor's and DBRS made additional cuts to their ratings on Portuguese banks, including CGD, following their rating downgrades on the Portuguese public debt.

Information on CGD's current ratings is set out in the following table:

	Short Term		Long Term		
	CGD	Portuguese Republic	CGD	Portuguese Republic	
STANDARD & POOR'S	B	B	BB-	BB	Feb/2012
FITCHRATINGS	B	B	BB+	BB+	Nov/2011
MOODY'S	N/P	N/P	Ba2	Ba3	Feb/2012
DBRS	R-2 (mid)		BBB (low)	BBB (low)	Jan/2012

Standard & Poor's

On 14 February 2012, following its rating downgrade on nine euro area members, including Portugal, Standard & Poor's downgraded CGD's long term rating from BB+ to BB-, with a negative outlook having reaffirmed its short term B rating.

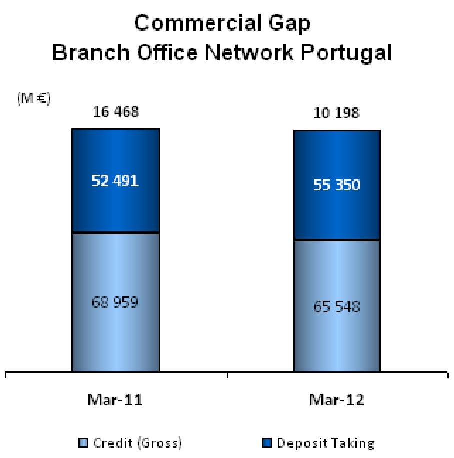
DBRS

On 31 January 2012, following its downgrade on the long term rating of the Portuguese Republic, the DBRS rating agency, which started its cover operations on CGD in December 2011, attributing it with a long term BBB rating and a short term R-2 (high) rating, both with a negative trend, downgraded the ratings to BBB (low), with a negative trend (identical to the Portuguese Republic's) and to R-2 (mid), also with a negative trend.

5 – MAIN BUSINESS AREA DEVELOPMENTS

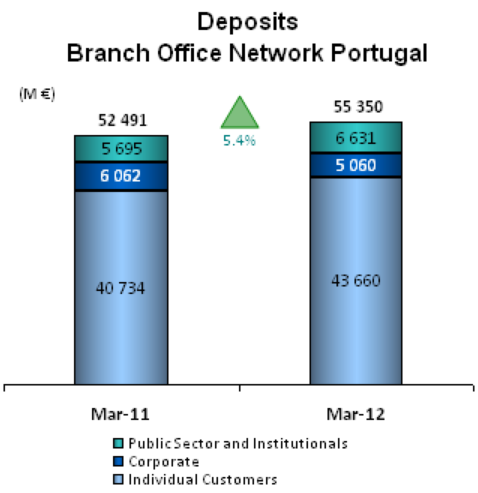
5.1. Retail Banking – Branch Office Network in Portugal

First quarter 2012 was characterised by continuity of the commercial transformation project, particularly the consolidation of service models, improved value proposals, commercial guidelines, quality of customer service and increased customer loyalty and satisfaction indices. At 31 March 2012, more than 813 thousand individual and corporate customers benefited from the management services of a dedicated commercial account officer with Caixa continuing to occupy the leading position in the national banking sector in terms of customer care and services.



The branch office network at 31 March 2012 comprised 828 branches and 37 *Caixa Empresas* corporate offices.

The year-on-year commercial gap was reduced via a reduction of credit and growth of total deposits.



In the branch office network **total deposits** of EUR 55 350 million were up 5.4% year-on-year, fuelled by the 16.4% increase made by general government and 7.2% made by individual customers. Corporate deposits were down 16.5%.

Individual Customers

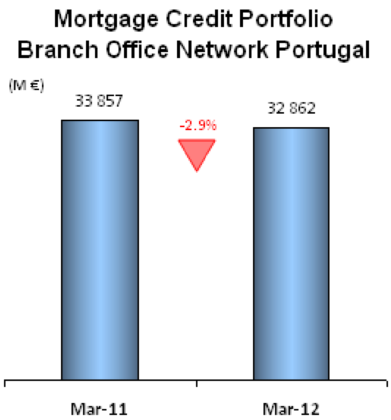
Turnover in the individual customers segment totalled EUR 86 874 million. Deposits in this customer segment were up 1.4% and sales down 3.4%.

Individual customers' deposits in the branch office network in Portugal were up 7.2% year-on-year to EUR 43 660 million at 31 March 2012.

Caixa Geral de Depósitos's clear lead in terms of deposit-taking reflects its successful implementation of a strategy based on the issue of a collection of savings solutions geared to customers in all segments, always providing the highest levels of security based on its financial solidity and helping to reinforce its liquidity.

Mortgage lending was down 2.9% year-on-year in portfolio value terms as a reflection of the market's maturity and the difficulties represented by the present economic-social context.

Reference should be made, in the individual customers' segment, to the *Caixazul* service, geared to the personalised management of premium customers, consisting of financial advisory and decision-making support services, based on customised solutions and opportunity management. This service, at 31 March 2012 , had 315 thousand customers and accounted for more than 38% of turnover in the individual customers' segment. The branch office network had 560 such dedicated spaces.

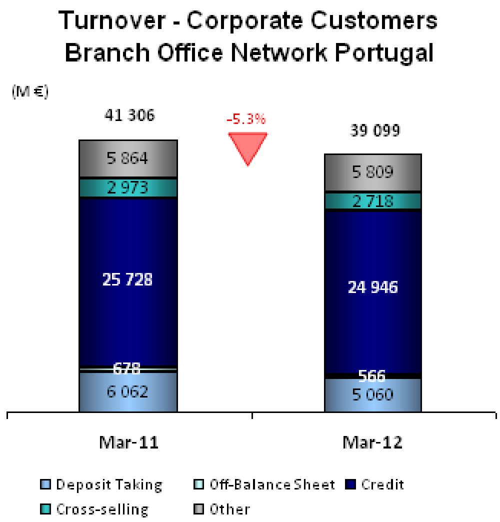


One of the most significant aspects of CGD's branch office network in first quarter 2012 was the promotion of the *Caixa Mais* service model by 990 commercial operatives at 809 branches covering 456 thousand customers. This new *Caixa Mais* service model is intrinsically associated with a new highly personalised, proactive branch office service model based on a CRM approach. The service model, at the end of first quarter 2012, accounted for 19% of turnover in the individual customers' business segment.

Corporate

Year-on-year turnover of EUR 39 099 million in the corporate segment at the end of first quarter 2012 was down 5.3% with a negative evolution of all components (deposits down 16.5%, sales down 3.6% and off-balance sheet down 0.9%, year-on year).

Lending to companies at 31 March 2012, was down 3%, year-on-year as a reflection of the current economic crisis in the eurozone and consequent economic contraction.



To implement CGD's strategic guidelines to grow its market share and business in the corporate segment, work continued to be performed on consolidating the *Caixa Empresas* service model, with the underlying concept of providing a personalised management service to the self-employed and CGD's small and medium sized corporate customers whose credit managers represent the relational aspect on the basis of an integrated approach to corporate customers' business and individual needs. This service model had 23 thousand customers in first quarter 2012 and a turnover of EUR 3 614 million.

5.2. International Area Operations

The continuation of a high level of uncertainty regarding the resolution of the sovereign debt crisis in the euro area, strongly conditioned the outlook for the evolution of the world economy, in 2012. Notwithstanding the measures implemented by the European Union, not only in 2011 but also at the beginning of this year, eurozone countries are particularly vulnerable as a result of the continued tensions associated with the debt crises which particularly affect Portugal, Greece and Ireland as well as, to a lesser extent, Spain and Italy. There are also risks of contagion between the euro area and other world economies, aggravated not only by the European economy's poor growth forecasts but also the eventual effects of the deleveraging in progress in the financial system. On a global level, the outlook remains one of a certain deceleration in the economies of emerging countries without, however, compromising their development.

It is therefore in an environment of major asymmetries and enormous challenge that the international area is becoming particularly relevant, in mitigating the difficulties and constraints currently hanging over domestic activity.

The vast worldwide presence of Caixa Geral de Depósitos, in a total number of 23 countries on 4 continents, provides a singular geographical diversity and is undeniably advantageous to the Group. With a network of more than 470 branch offices and around 5 000 workers abroad, Caixa particular focuses on the economies of emerging and developing countries such as Community of Portuguese Speaking Countrieso, other Latin American countries, China and the Maghreb.

Support for the internationalisation of Portuguese companies involves export mechanisms and support solutions in the form of commercial and concessionary lines of credit, trade finance instruments and support for the investment of Portuguese companies in markets with major potential for these customers, in the form of the presence of Caixa Group companies in such countries. Therefore, in the first three months of 2012, CGD Group continued to support foreign trade and the internationalisation of Portuguese companies, particularly focusing on SMEs. Caixa continued to fulfil all financial commitments undertaken under medium and long term concessionary and commercial lines of credit in support of exports which make a decisive contribution to promoting the export sector, maintaining its support to customers and global economic growth.

The Group's solutions also include corporate advisory services, provided by specialists in foreign markets and trade finance who cooperate closely with the domestic and foreign branch office network in providing detailed information on the specific characteristics of each of the relevant markets for the internationalisation of Portuguese companies and the development of tailor-made support to exports and investment, taking into account their customers' specific needs.

Caixa has also reinforced its process involving international business promotion on the basis of informational actions to improve its corporate customers' capacities in strategic markets for Caixa Group, accompanying its customers in their endeavours to internationalise.

Reference should be made, in this first quarter, to informational actions designed to improve the skills of Portuguese companies in their internationalisation processes in strategic markets in its support for and participation in the 20th Congress Commemorating AERLIS's 20th Birthday (Lisbon Regional Business Association), on the theme of "Funding, Innovation and Business Internationalisation", in February 2012 and the "Strategic Triangle: Latin America – Europe – Africa" meeting organised by IPDAL (Institute for the Promotion and Development of Latin America) in March 2012.

Internationalisation undoubtedly comprises a fundamental strategic vector for CGD Group, based on its exploitation of opportunities in diverse markets in which Caixa has a presence and the optimisation of synergies between various external entities.

On account of the strong economic relationship between Portugal and Spain and Caixa's support in promoting the internationalisation process of Portuguese companies, based on a joint network of around 1 000 branch offices in the Iberian Peninsula, Caixa Geral de Depósitos views its presence in Spain as a natural extension of its domestic market. Notwithstanding having reinforced its bilateral performance, CGD Group's activity in this market has been performed in a depressionary economic context, subject to major constraints in all operating sectors aggravated by additional impairment on several operations, translating into a negative contribution of around EUR 39 million to consolidated income.

In a difficult economic and financial international environment, characterised by high levels of uncertainty and instability, income from international activities, excluding our Iberian presence, was not immune to the difficulties deriving from the unfavourable external environment. The contribution made by international activity to the Group's consolidated net income was down 22.7% over the same quarter of the preceding year to EUR 26.8 million.

Several non-recurring factors, largely associated with impairment and provisions which, in net terms, totalled EUR 11.7 million, contributed to this change. Gross operating income on a consolidated basis for all branches and subsidiaries abroad was highly favourable with a 23% increase of EUR 12.3 million.

In the geographical perimeter in question branches as a whole made a positive contribution of around EUR 5.2 million to Caixa's consolidated net income, with other entities generating a profit of EUR 21.6 million, comprising an important supporting element for the Group's performance and the minimisation of the negative effects generated by the domestic economic recession.

Reference should also be made to the fact that several of CGD Group's main international presence particularly in Angola, Mozambique and South Africa made a highly favourable contribution to the Group's consolidated net income.

5.3. Investment Banking

CaixaBI earned net operating income of EUR 33.4 million and net income of EUR 18.5 million from its banking activities in first quarter 2012, up by around 29% over the same period 2011.

Net interest income was up by around 5% over the same period 2011 to EUR 7.2 million.

As a consequence of the continued slowdown in activity in the main economies in which CaixaBI has a more significant presence - Portugal and Spain - commissions levels contracted by EUR 9.8 million over 2011.

Notwithstanding the less favourable environment in terms of its activity, CaixaBI enjoyed a positive quarter, coming in the leading position in most league tables and having participated in the largest operations in the markets in which it operates.

Prizes and Rankings

CaixaBI's good performance continues to be recognised by its customers and partners and rewarded by its leading positions in the main rankings.

- "Best Investment Bank in Portugal in 2011" distinction awarded by the US Global Finance magazine.
- Best Debt House in Portugal 2011 - Award for Excellence: distinction awarded to CaixaBI by Euromoney.
- No. 1 Corporate Bond House: distinction awarded by NYSE Euronext Lisbon.
- Best Cross-border M&A Deal 2011: distinction awarded by the prestigious EMEA Finance magazine on the operation for Portugal Telecom's equity investment in the Oi Group, in which CaixaBI was the financial advisor.
- Latin America Transport Deal of the Year 2011: prize awarded by the prestigious Project Finance magazine owned by the Euromoney Editorial Group, for the Embraport project, in which CGD Group operated as the mandated lead arranger (MLA) for the A/B Loan of the Inter-American Development Bank.

- Americas Transportation Deal of the Year 2011: prize awarded by the prestigious Project Finance International magazine owned by the Thomson Reuters Group for the already referred to Embraport project.

- Project Finance League Tables (Dealogic): CaixaBI/CGD led the mandated lead arranger (MLA) ranking during the quarter for their role in project finance operations in Portugal as the best positioned Portuguese bank on an Iberian, European and global level.

- M&A league table (Bloomberg [2]): participation in the main M&A operations in its operating markets enabling CaixaBI to end the first quarter of 2012 in first position in Portugal, third position in Iberia and second position in Brazil in terms of completed transaction values.

Project Finance

Caixa Geral de Depósitos Group, via CaixaBI, came first as mandated lead arranger (MLA) for project finance operations in Portugal and was also the best positioned Portuguese bank on an Iberian, European and global level according to Dealogic's data for the quarter.

As regards project finance operations, reference should be made to CaixaBI's participation in the following processes:

- EuroWatt: successful completion of the refinancing process for the Petit Arbre, Hombleux I, Lislet II, St. Léger and Omissy I wind farms.

- TagusGás: completion of the Tagusgás refinancing process resulting from the change in the respective concession contract.

Structured Finance

As regards CaixaBI's activity in structured corporate operations, reference should be made to the financial advisory services to Tagus, a company 55% owned by the José de Mello Group and 45% owned by the Arcus European Infrastructure Fund, for the structuring and organisation of finance for the takeover bid on Brisa shares, preliminarily announced on 29 March last.

Corporate Debt Finance

As regards operations in the primary debt market, which was badly affected by the constraints related with the instability associated with the sovereign debt crisis and risk aversion to countries on the periphery of the eurozone, reference shou ld be made to the following operations:

[2] Extracted at 13 April 2012.

- Bonds: CaixaBI operated as joint dealer manager for CGD's tender offer on two covered bond issues (maturing in 2016 and bonds on the public sector maturing in 2014), which operation also involved a domestic aspect targeted at non-qualified investors resident in Portugal, in which CaixaBI was the sole dealer manager.

- Commercial paper: CaixaBI organised and led two new commercial paper programmes for Ibersol involving an amount of EUR 5 million and for Zon Multimédia, for the amount of EUR 100 million.

Equity Capital Market

On an equity capital level, reference should be made to CaixaBI's participation as advisor in the organisation and structuring of the already referred to public takeover offer for the share capital of Brisa, launched by Tagus.

Corporate Finance – Advisory

Notwithstanding the unfavourable macroeconomic context and continuation of the slowdown in M&A activities on a global level, CaixaBI's endeavours were reflected in the Bloomberg ranking for the first quarter of 2012, in which the bank came first in Portugal, third in Iberia and second in Brazil in terms of the volume of completed transactions.

Reference should be made to the following projects, successfully completed by CaixaBI in the quarter:

- Parpública: financial advisory service to Parpública for the second stage of the REN reprivatisation, translating into the sale of a 40% equity investment in REN to the State Grid China Corporation (25%) and the Oman Oil Company (15%).

- SGC Group: financial advisory service to SGC Group for the sale of Pargim Empreendimentos e Participações (real estate business focusing on shopping centres in Brazil) to the Brazilian company Aliansce, comprising a further example of CaixaBI's successful implementation of its cross-border strategy between Portugal and Brazil.

Syndication and Sales

CaixaBI was dealer manager and financial Intermediary for CGD's already referred to tender offer on two covered bond issues.

In terms of commercial paper issues, CaixaBI performed 100 issues totalling an amount of EUR 1 550 million.

Financial Intermediation

As regards stock market activities and notwithstanding a drop of around 6.3% in trading volumes over the same period 2011, according to CMVM data published at the end of February, the change in CaixaBI's trading volume in the same period was 8%.

According to the same source of information, CGD Group at the end of February came in fourth position in the Portuguese financial intermediaries ranking with a market share of 10.8%.

Trading – Public Debt and Liquidity Providing

Public debt market-making activities in the secondary market in the quarter continued to be characterised by extremely difficult conditions such as low liquidity, historically high bid-offer spreads and major volatility. Notwithstanding such market constraints, CaixaBI came first out of all primary dealers in IGCP's general performance ranking.

In terms of its activity as a liquidity provider CaixaBI is a benchmark operator with Euronext having awarded its maximum "A" rating on all securities and categories in which it operates.

Venture Capital

As regards CaixaBI's venture capital activity, a total number of 74 projects were examined during the year of which 46 were secured in the period and 28 brought forward from the previous year. Eight of the projects were approved comprising potential investment of around EUR 23 million of which completions totalled around EUR 1 million.

42% of the projects examined were industrial companies, 20% agro industrial, 19% in the information technologies sector and 10% commercial projects

5.4. Insurance and Healthcare Activity

Caixa Seguros e Saúde

The consolidated net result (CGD Gaap), for first quarter 2012 was up 60% over March 2011 to EUR 15.6 million, notwithstanding the significant impact of non-recurring factors, resulting in additional impairment registered for the period.

Insurance Market

The domestic insurance market recorded a decrease in activity in first quarter 2012, posting direct insurance premiums (including resources taken under investment contracts) of EUR 2 831. 9 million, down 13.8% over the same month 2011.

Life insurance areas, with premium income of EUR 1 693.6 million, were down 20% over the same period last year, essentially on account of financial capitalisation insurance and retirement savings plans.

Non-life insurance areas with sales of around EUR 1 138.4 million, reflecting the unfavourable socioeconomic context, were down 2.6%.

Market Leadership

Caixa Seguros e Saúde reinforced its undisputed lead of the domestic insurance market with an overall market share of 31.9%, in both life (35.3%) and non-life (26.9%) insurance areas.

CSS insurance companies increased their share of life insurance activity (up 7.4 pp), as a reflection of a better level of performance of financial insurance in comparison to the rest of the market as well as the non-life insurance segment (up 0.6 pp), especially on account of its sales endeavours in the health, commercial multirisk and industrial areas.

DIRECT INSURANCE

(EUR million)	Mar-11	Mar-12
Operations in Portugal		
Total market share	27.4%	31.9%
Life insurance	27.9%	35.3%
Non-life insurance	26.3%	26.9%
Direct insurance premiums	900	904
Life insurance	592	598
Non-life insurance	308	306
Foreign insurance operations		
Direct insurance premiums	18	17
Life insurance	11	7
Non-life insurance	7	10

Caixa Seguros earned EUR 905 million in direct insurance premiums from its operations in Portugal, up 0.6% over the preceding year, particularly on account of the 1.1% increase in life insurance.

Premium income from non-life insurance as a whole, centred on transport, personal accidents, motor vehicle and workman’s compensation areas owing to the economic slowdown, was down 0.4%. There was an increase in market share in the latter two areas with a nominal increase in market share, notwithstanding the nominal reduction in the premiums portfolio.

Results - Caixa Seguros e Saúde

According to the accounting rules applicable by CGD, Caixa Seguros earned net income of EUR 15.6 million. This performance reflects the impact of various adverse factors such as impairment on the insurance area's exposure to Greek sovereign debt.

Excluding these effects, current income would have been close to EUR 31 million.

Taking the HPP sales process into account, they were considered, at 31 March 2012, as a non-current asset available for sale. Therefore, in consolidated terms, the investment in HPP has not been recognised in assets on account of the fact that the amount of the investment, including adjustments, is negative and has therefore been recognised in shareholders' equity as comprehensive income.

INDICATORS (a)

(EUR million)	Mar-11	Mar-12
Net assets	15 034	12 939
Shareholders' equity	870	917
Investment properties, securities portfolio, bank deposits and cash	13 521	11 480
Technical provisions net of reinsurance	5 342	4 217
Liabilities for customer resources and other loans	7 418	6 458
Net income	10	16
Solvency margin components	990	1 157
Required solvency margin	719	632
Surplus solvency margin	271	525
Solvency margin cover ratio	137.6%	183.2%

(a) The amounts set out in this table comply with the financial statements in IAS/IFRS format (CGD Group) and correspond to the consolidated accounts

Caixa Seguros e Saúde earned statutory net income of EUR 16.8 million in the first quarter of 2012.

Insurance Area

Results

The net income attributable to the insurance area in the statutory accounts was, at EUR 18.2 million, close to the level recorded in 2011. This stabilisation of income, however, incorporates both positive and negative effects, notably the improvement in technical income from non-life insurance, decrease in operating expenses and recognition of impairment on Greek debt and the processing of various provisions.

Excluding non-recurring effects, net income would have been close to EUR 31 million, representing a significant improvement over the comparable result for the preceding year.

Improvement of Technical Income

Total technical margin, excluding financial activities, was EUR 66.6 million, up EUR 4.2 million over the preceding year, EUR 15.4 million of which from life insurance activities (down EUR 2 million over the preceding year) and EUR 51.2 million from non-life insurance (up EUR 6.2 million over March 2011).

Excluding extraordinary movements, the technical margin, prior to the financial effects would have been EUR 72 million which, in comparative terms represents an improvement of EUR 14 million over March 2011, which amount essentially derived from non-life insurance.

Losses from financial activity, after customer allocations, were EUR 6.4 million (owing to the effect of the recognition of impairment) against income of EUR 42.2 million in comparative terms recorded in the preceding year.

In terms of technical operation, the combined ratio, net of reinsurance, at 103.3%, was similar to the year-on-year figure for 2011.

TECHNICAL INDICATORS

(EUR million)	Mar-11	Mar-12
Life insurance premiums	**918**	**921**
Life insurance	603	605
Non-life insurance	315	316
Combined Ratio net of reinsurance (non-life)	**103.4%**	**103.3%**
Loss ratio net of reinsurance (non-life) [a]	72.3%	71.4%
Expense ratio net of reinsurance (non-life)	31.1%	31.9%

(a) Excluding technical income from mathematical provisions on workman's compensation insurance and the effect of the provision for other risks and costs account

Structural costs, excluding the provision for eventual impairment on assets, totalled EUR 69.8 million, down 2.7% year-on-year.

Solvency

In consolidated terms, Caixa Seguros e Saúde increased its solvency margin to 183.2%, resulting from an increase in its fair value reserve and therefore providing all customers and agents related with the Group with a high safety margin.

CAIXA GERAL DE DEPÓSITOS, S.A.

10 May 2012

6 – CONSOLIDATED BALANCE SHEET

CAIXA GERAL DE DEPÓSITOS

Consolidated Balance Sheet at 31 March 2012

(EUR million)

ASSETS

	31.03.2011 (*)	31.12.2011 (*)	31.03.2012	Δ Mar/12 - Mar/11 Total	Δ Mar/12 - Mar/11 Percent	Δ Mar/12 - Dec/11 Total	Δ Mar/12 - Dec/11 Percent
Cash and cash equivalents with central banks	1 879	2 704	1 178	-701	-37.3%	-1 526	-56.4%
Loans and advances to credit institutions	4 045	5 942	4 201	156	3.9%	-1 741	-29.3%
Loans and advances to customers	83 247	78 248	79 257	-3 990	-4.8%	1 009	1.3%
Securities investments	26 194	24 398	24 866	-1 329	-5.1%	468	1.9%
Assets with repurchase agreement	1 177	778	900	-277	-23.5%	122	15.7%
Investment in subsidiaries and associated compani	34	35	35	1	2.0%	0	0.7%
Intangible and tangible assets	1 469	1 503	1 482	12	0.8%	-22	-1.5%
Current tax assets	96	87	83	-13	-13.4%	-4	-5.1%
Deferred tax assets	1 144	1 928	1 754	610	53.3%	-175	-9.1%
Technical provisions for outwards reinsurance	275	226	243	-32	-11.7%	17	7.3%
Other assets	3 881	4 694	4 639	758	19.5%	-55	-1.2%
TOTAL	**123 442**	**120 544**	**118 637**	**-4 805**	**-3.9%**	**-1 907**	**-1.6%**

LIABILITIES

	31.03.2011 (*)	31.12.2011 (*)	31.03.2012	Δ Mar/12 - Mar/11 Total	Δ Mar/12 - Mar/11 Percent	Δ Mar/12 - Dec/11 Total	Δ Mar/12 - Dec/11 Percent
Central banks' and credit institutions' resources	14 285	15 860	13 538	-746	-5.2%	-2 321	-14.6%
Customer resources	67 374	70 587	71 150	3 776	5.6%	563	0.8%
Financial liabilities	1 347	1 918	2 020	673	50.0%	102	5.3%
Debt securities	18 785	14 923	13 754	-5 031	-26.8%	-1 169	-7.8%
Provisions	792	886	852	60	7.6%	-34	-3.8%
Technical provisions for insurance operations	5 623	4 611	4 465	-1 158	-20.6%	-146	-3.2%
Subordinated liabilities	2 766	2 075	1 978	-788	-28.5%	-97	-4.7%
Other liabilities	4 987	4 328	4 934	-53	-1.1%	606	14.0%
SUB-TOTAL	***115 959***	***115 190***	***112 692***	***-3 266***	***-2.8%***	***-2 497***	***-2.2%***
SHAREHOLDERS' EQUITY	7 483	5 354	5 945	-1 538	-20.6%	590	11.0%
TOTAL	**123 442**	**120 544**	**118 637**	**-4 805**	**-3.9%**	**-1 907**	**-1.6%**

(*) Pro forma accounts, considering the figures involving Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale

7 – CONSOLIDATED INCOME STATEMENT

CAIXA GERAL DE DEPÓSITOS

Consolidated Income Statement, at 31 March 2012

(EUR thousand)

	31.03.2011 (*)	31.03.2012	Change Total	Change Percent
Interest and similar income	1 209 524	1 381 804	172 280	14.2%
Interest and similar costs	840 503	996 877	156 374	18.6%
Net interest income	***369 021***	***384 928***	***15 906***	***4.3%***
Income from equity instruments	11 801	4 580	-7 221	-61.2%
Net interest income including income from equity investments	**380 822**	**389 508**	**8 686**	**2.3%**
Income from services and commissions	158 444	157 126	-1 318	-0.8%
Costs of services and commissions	33 868	39 413	5 545	16.4%
Commissions (net)	***124 576***	***117 713***	***-6 863***	***-5.5%***
Income from financial operations	62 106	110 995	48 888	78.7%
Other net operating income	35 702	35 103	-599	-1.7%
Non-interest Income	**222 385**	**263 811**	**41 426**	**18.6%**
Premiums net of reinsurance	308 959	310 406	1 447	0.5%
Investment income allocated to insurance contracts	37 315	33 131	-4 184	-11.2%
Claims costs net of reinsurance	228 586	212 652	-15 934	-7.0%
Commissions and other associated income and costs	-18 218	-19 715	-1 497	-8.2%
Technical margin on insurance operations	**99 470**	**111 170**	**11 700**	**11.8%**
Net operating income from banking and insurance operations	**702 677**	**764 489**	**61 812**	**8.8%**
Employee costs	240 031	213 324	-26 707	-11.1%
Other administrative expenses	142 014	136 161	-5 854	-4.1%
Depreciation and amortisation	42 769	42 978	209	0.5%
Operating costs and depreciation	**424 814**	**392 464**	**-32 351**	**-7.6%**
Gross operating income	**277 863**	**372 026**	**94 162**	**33.9%**
Provisions and impairment of other assets (net)	-8 167	89 495	97 662	
Credit impairment net of reversals	110 020	240 195	130 175	118.3%
Provisions and impairment	**101 853**	**329 690**	**227 837**	**223.7%**
Income from subsidiaries held for sale	-22 376	-1 206	21 170	
Income from associated companies	1 836	-12	-1 849	-100.7%
Income before tax and minority shareholders' interests	**155 470**	**41 117**	**-114 353**	**-73.6%**
Tax	**53 334**	**19 772**	**-33 562**	**-62.9%**
Current and deferred	46 434	12 338	-34 096	-73.4%
Extraordinary contribution on the banking sector	6 900	7 433	534	7.7%
Consolidated net income for period	**102 137**	**21 346**	**-80 791**	**-79.1%**
of Which:				
Minority shareholders' interests	18 664	12 593	-6 072	-32.5%
NET INCOME ATTRIBUTABLE TO CGD SHAREHOLDER	**83 472**	**8 753**	**-74 719**	**-89.5%**

(*) Pro forma accounts, considering the figures involving Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale
Gains related to the repurchase of liabilities in first quarter 2011 are recognised in results from financial operations