CAIXA GERAL DE DEPÓSITOS GROUP CONSOLIDATED OPERATIONS

30 September 2012

Unaudited accounts

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

1 – HIGHLIGHTS

RESULTS FOR SEPTEMBER 2012

Caixa Geral de Depósitos Group strengthened its liquidity and solvency status, in an environment heavily penalised by the recessionary climate and the continued fall in interest rates.

1. The Group's **gross operating income** in September was up 23.3% to EUR 1,030.6 million, owing to an expressive increase in net operating income from banking and insurance activities of 7.3% to EUR 2,293.7 million, accompanied by the continuation of a downwards trend in operating costs (-3.0%).
2. The sharp downwards path of Euribor rates and effects of the deleveraging process on income from equity instruments translated into a 15.8% reduction of EUR 1,127 million in **net interest income, including income from equity instruments** at the end of the third quarter. However, this was more than offset by a significant 64.2% increase in non-interest income, resulting from a marked growth of **income from financial operations** to EUR 326 million in September.
3. The prudent provisioning policy continued with provisions and impairment of EUR 1,094.7 million recognised as a cost for the period in question, with credit impairment of EUR 773.7 million and provisions and impairment of other assets (net) totalling EUR 321.0 million, resulting in **consolidated net losses** of EUR 130 million in September.
4. Forecasts of different entities indicate the persistent difficulties in the macroeconomic scenario in the near future. The maintenance of low interest rates in the Eurozone is therefore expected. This scenario of money market segmentation between the so-called core countries and the Southern countries to which a high risk premium is associated, shall continue to penalise the net interest income as well as net income for period, at least within the coming context.
5. The Group's **shareholders' equity** at the end of September was up 36.4% by EUR 1,936 million to EUR 7,260 million, owing to the EUR 750 million increase in share capital, from CGD's Recapitalisation Plan of June 2012 and improvement in fair value reserves.

   The referred plan also included the issue of EUR 900 million in convertible subordinated debt instruments, eligible as **Core Tier 1** own funds. The total solvency ratio was 14.0% in September with a **Core Tier 1 Ratio** on a consolidated basis, including retained earnings of 11.8 % against 9.5% in December 2011, in accordance with Bank of Portugal regulations.

   The ratio, in accordance with the terms defined by the European Banking Authority (EBA), was 9.8% in September 2012. CGD's solvency indicators were therefore higher than national and European regulatory requirements for own funds.
6. In continuing a policy of operational rationalisation and efficiency, **operating costs** on domestic banking activity were down 8.9% with a decrease in staff costs of 11.8%. This led to an improvement in the **cost-to-income** ratio from 60.8% in December 2011 to 55.0% (5.8 percentage points) in consolidated terms and from 55.7% to 52.6% for CGD's separate operations.

7. CGD Group's **net assets** was EUR 117.4 billion at the end of September 2012, 2.7% lower than the figure of the end of 2011. Contributory factors were the reductions of investments in credit institutions, cash and cash balances at central banks, and loans and advances to customers.
8. At the end of September, **loans and advances to customers** were EUR 80.5 billion, down 1.4% in comparison with the amount of the end of December, and down 3.6% in comparable terms in the same period, reflecting the adverse environment of the Portuguese economy.
9. Notwithstanding the difficult economic environment, CGD Group continued to merit the confidence of its extensive customer base, reflected in a continuation of the upwards path of **customer deposits** (EUR 65.6 billion) with a 2.4% growth of EUR 1,526 million since the start of the year. Individual customers of the commercial branch network in Portugal recorded a year-on-year growth of 4.6%, i.e. almost EUR 2 billion.
10. The **loans-to-deposits ratio**, measured by net credit to customer deposits, at 116.5% was already lower than the maximum indicative ratio of 120% set for Portuguese banks by 2014 under the Economic and Financial Assistance Programme. This evolution broadened the Group's opportunity to continue to contribute towards the recovery of economic activity in Portugal.
11. The Group's improved liquidity status enabled CGD to reduce its **borrowings from the ECB** from EUR 9 billion at the end of 2011 to EUR 7 billion at the end of September 2012. This was accompanied by an increase of **assets eligible** for collateral with the ECB which were up from EUR 14.4 billion at the end of 2011 to EUR 16.3 billion in September 2012.
12. The difficult economic background has translated into a deterioration of credit quality. The **credit overdue more than 90 days ratio** was 5.3%, with a respective cover rate of 94.6%. The **credit at risk ratio** increased from 6.9% at the end of 2011 to 9.2%.
13. The **technical margin on insurance operations** was up 18.7% to EUR 380.9 million in September. Caixa Seguros e Saúde, SGPS consolidated its lead of the national insurance market, by retaining its top position with a total market share of 28.6%.
14. As part of the **Group's international strategy**, income levels associated with the development of business corridors between Caixa's different operating geographies continued. Reference should be made to the good performance of operations in Africa, particularly Mozambique, Angola and South Africa. Results however, continued to be strongly affected by the impairment increase in France, and particularly in Spain.

2 – KEY INDICATORS

(EUR million)	Sep/11 (*)	Dec/11 (*)	Sep/12	Change Sep/12 Sep/11	Change Sep/12 Dec/11
Results					
Net interest income	1,217.6		1,035.1	-15.0%	
Net interest income including income from equity investments	1,338.2		1,127.0	-15.8%	
Commissions (net)	378.7		376.8	-0.5%	
Non-interest Income	478.6		785.8	64.2%	
Technical margin on insurance operations	320.9		380.9	18.7%	
Net operating income from banking and insurance operations	2,137.7		2,293.7	7.3%	
Operating costs	1,302.2		1,263.2	-3.0%	
Gross operating income	835.5		1,030.6	23.3%	
Income before tax and non-controlling interest	162.2		-66.1		
Net income for period	12.9		-130.0		
Balance sheet					
Net assets	122,680	120,642	117,443	-4.3%	-2.7%
Cash and loans and advances to credit institutions	5,624	8,648	5,200	-7.5%	-39.9%
Securities investments	25,439	24,398	26,740	5.1%	9.6%
Loans and advances to customers (net)	82,515	78,248	76,403	-7.4%	-2.4%
Loans and advances to customers (gross)	85,536	81,631	80,466	-5.9%	-1.4%
Central banks' and credit institutions' resources	14,441	15,860	12,062	-16.5%	-23.9%
Customer resources	71,764	70,587	71,407	-0.5%	1.2%
Debt securities	15,782	14,923	10,991	-30.4%	-26.3%
Technical provisions for insurance operations	5,192	4,611	4,340	-16.4%	-5.9%
Shareholders' equity	5,573	5,324	7,260	30.3%	36.4%
Resources taken from customers	88,128	86,041	88,064	-0.1%	2.4%
Profit and efficiency ratios:					
Gross return on equity - ROE (1) (2)	3.03%	-8.13%	-1.45%		
Net return on equity - ROE (1)	1.17%	-6.40%	-2.24%		
Gross return on assets - ROA (1) (2)	0.17%	-0.44%	-0.07%		
Net return on assets - ROA (1)	0.07%	-0.35%	-0.11%		
Cost-to-income (consolidated) (2)	60.7%	60.8%	55.0%		
Cost-to-income (separate) (2)	62.1%	55.7%	52.6%		
Cost-to-income (banking activity) (2)	59.1%	60.7%	54.4%		
Employee costs / Net operating income (2)	32.9%	32.1%	29.7%		
Operating costs / Average net assets	1.39%	1.44%	1.41%		
Net operating income / Average net assets (2)	2.29%	2.36%	2.57%		
Credit quality and cover levels:					
Overdue credit / Total credit	3.8%	3.9%	5.7%		
Credit more than 90 days overdue / Total credit	3.4%	3.6%	5.3%		
Non-performing credit / Total credit (2)	4.1%	4.3%	6.4%		
Non-performing credit (net) / Total credit (net) (2)	0.6%	0.2%	1.5%		
Credit at risk / Total credit (2)	6.3%	6.9%	9.2%		
Credit at risk (net) / Total credit (net) (2)	2.9%	2.9%	4.4%		
Overdue credit cover	92.7%	105.0%	88.0%		
Credit more than 90 days overdue cover	104.9%	116.5%	94.6%		
Credit impairment (P&LA) / Loans and adv. to customers (av. balance)	0.72%	0.97%	1.25%		
Structure ratios:					
Loans and advances to customers (net) / Net assets	67.3%	64.9%	65.1%		
Loans and advances to customers (net) / Customer deposits (2)	126.5%	122.2%	116.5%		
Solvency ratios					
Solvency (2)		11.6%	14.0%		
Tier 1 (2)		9.0%	11.5%		
Core Tier 1 (2)		9.5%	11.8%		
Core Tier 1 (EBA)			9.8%		

(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 figures involving Caixa Seguros e Saúde, SA's healthcare area as a non-current asset held for sale

3 – ECONOMIC – FINANCIAL BACKGROUND – 3RD QUARTER 2012

The international economic environment in 3rd quarter 2012 continued to be characterised by enormous uncertainty, in both the developed and the developing economies, although its evolution is expected to react favourably to the economic stimulus measures being implemented by the central banks.

The ECB announced a new programme for the purchase of public debt in the secondary market with the aim of normalizing the transmission mechanism of the monetary policy to reduce fears over the euro's sustainability. Known as Outright Monetary Transactions (OMT) any activation is conditional upon a request for assistance to the European Union (EU) rescue and financial stability funds from countries in difficulty. The OMT programme has no upper limit on the volume of bond purchases and will be focused on maturities of up to three years. There was also an increased level of flexibility regarding the eligibility criteria for assets to be used as collateral for refinancing operations. In turn, in the USA, the Federal Reserve announced a programme of acquisition for 40 billion dollars of mortgage-backed securities per month up to the end of the year. In Japan, the central bank expanded the size of its financial assets purchase programme by 10 trillion yen, to a total of 55 trillion yen.

Signs of cooling economic activity, which were particularly visible in confidence indicators, triggered downwards revisions of growth estimates in 2012 and 2013 by many organisations including the IMF and the ECB. This contributed towards the persistence of a climate of risk aversion in markets, which was not helped by the perceived difficulties to define solutions to the European "sovereign debt crisis". During the quarter, the tension continued between the Greek government and the "Troika", regarding the negotiation of the conditions relating to the 2nd bailout package, while a formal request for assistance by Spain was still undefined.

Progress has however been made in the process for the recapitalisation of the banks with the entry into force of the new European Stability Mechanism (ESM) in October 2012, a permanent firewall, which provides financial assistance for the Eurozone member states with a maximum lending capacity of EUR 500 billion and that will replace the European Financial Stability Facility (EFSF).

In Portugal between April and June, the economy contracted for the 7th consecutive quarter. The economic indicators for the 3rd quarter point to the persistence of a high rate of a decline of economic activity, strongly associated with weak domestic demand although net external demand continued to make a positive contribution to GDP.

Notwithstanding signs of moderation in economic growth, the expectations and announcements of new economic stimulus programmes by the central banks made a clear contribution to attenuating the negative sentiment noted at the end of the first half of the year over a large part of the 3rd quarter. This led into an increase in the value of most financial assets along with a decline in the volatility of their market prices.

Spreads clearly narrowed in the bond market in comparison to Germany, both in the cases of countries on the periphery of Europe, in which the most pronounced case was that of Portugal, as in the countries in the European centre. European companies' spreads also narrowed in the secondary and derivatives market. September 2012 was the most significant month so far this year in terms of issues made by non-financial corporations. Reference should also be made to Portuguese companies' first bond issues since January 2011, which were warmly welcomed by the market.

The equities market showed signs of appreciation. Share indices in the USA and Europe rose during the quarter and in the case of the USA, reached their highest level since January

2008. In Portugal, the PSI20 recorded its highest quarterly gains in three years (10.75%), in comparison to a European market average of 6.89%. The indices of emerging markets, in turn, posted similar gains to Europe and outperformed the North American markets.

The announcement of additional monetary stimuli from the ECB, including a 25 b.p. reduction of the key reference rate at the start of the quarter and continuation of a negative perception regarding expectations of an economic slowdown, led to lower Euribor rates in comparison to the last quarter, particularly for maturities of more than 1 month. Similarly, medium and long term rates fell to historically low levels and in Germany, in the case of 2 year maturities, were negative for much of the quarter. Meanwhile medium and long term rates were also down in the USA.

Notwithstanding the uncertainties regarding the debt crisis in Europe and the ECB's decision to enhance its stimuli to the economy, the euro appreciated by around 1.52% against the dollar, starting in July and more markedly so from the start of September. This was, however, insufficient to offset the loss made in the first half of the year. As regards those currencies which generally benefit from times of greater risk aversion, both the Japanese yen and the Swiss franc increased in value owing to fears over the moderation of economic activity.

4 – FINANCIAL ANALYSIS – CONSOLIDATED OPERATIONS

SUMMARY

RESULTS

In an economic context of persistent difficulties and uncertainties CGD Group's banking business continued to perform well translated into a very favourable trend in net operating income from banking and insurance activities with a 7.3% increase of EUR 156.0 million over the same period of the preceding year. This positive change accompanied by a 3.0% decline of EUR 39.1 million in operating costs enabled a strong improvement of gross operating income, which was up 23.3% to EUR 1,030.6 million at the end of 3rd quarter.

Reference should be made to the good behaviour of non-interest income to which contributed the performance of financial operations in the amount of EUR 326.4 million in the first nine months of the year.

GROSS OPERATING INCOME OF CGD GROUP'S MAIN BUSINESS AREAS

(EUR million)	Sep/11	Sep/12	Change
Domestic commercial banking	428.5	588.2	37.3%
International operations	196.5	195.9	-0.3%
Insurance operations	155.0	201.0	29.7%
Investment banking	55.5	45.4	-18.1%
Gross operating income	**835.5**	**1,030.6**	**23.3%**

The adverse economic climate required a significant recognition of impairment amounts as a cost for the year. Total provisioning for the period in question was EUR 1,094.7 million, with impaired credit of EUR 773.7 million and provisions from other net assets of EUR 321.0 million. A significant proportion of this latter amount provided for the loss on CGD's investments and its exposure to securities held by the Group's insurance area and also on a significant increase of values associated to non-current assets held for sale, particularly property.

Caixa Geral de Depósitos Group therefore made a consolidated net loss of EUR 130.0 million, in the first nine months of 2012.

As the disposal process of Caixa de Seguros e Saúde, SA's healthcare area ("HPP") is in progress, the consolidated accounts in question, were restated in order to submit HPP's accounts in the form of a non-current asset held for sale under "IFRS 5 – Non-current assets held for sale and discontinued operations".

RESULTS ANALYSIS

The scenario of insistent drop in the Euribor rates in a context of the reduction of the Group's assets reflected in the first nine months of 2012, in net interest income including income from equity instruments that was down 15.8% to EUR 1,127.0 million, over the same period of the preceding year, owing to the 15.0% drop of EUR 182.5 million in net interest income and 23.8% decline of EUR 28.6 million in income from equity instruments.

Net commissions at EUR 376.8 million were close to the level for the same period 2011 (down 0.5%). In terms of change, reference should be made to the 12.7% increase in commissions from international operations.

NET COMMISSIONS – BY BUSINESS AREAS

(EUR million)	Sep/11	Sep/12	Change
CGD Portugal	229.9	222.6	-3.2%
International activities	83.0	93.5	12.7%
Investment banking	42.6	37.4	-12.3%
Asset management	23.3	23.7	1.8%
Other	-0.2	-0.4	142.2%
Total	**378.7**	**376.8**	**-0.5%**

Income from financial operations posted notable growth over the course of this year to EUR 326.4 million.

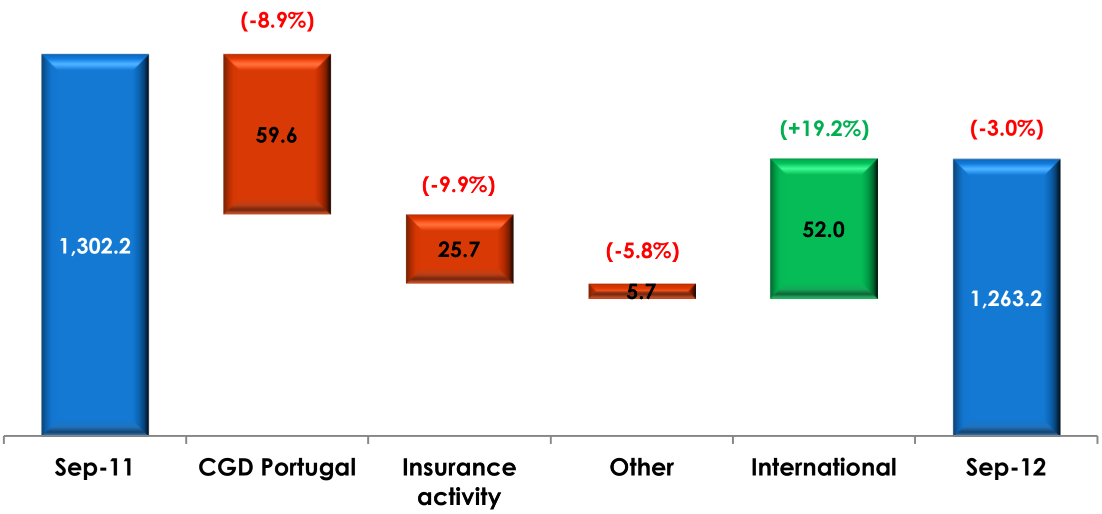
This result derived from three major components, notably the market recovery of Portuguese public debt and respective capital gains, good performance of regular trading activities and own debt repurchase operations, namely covered bonds, mortgage covered bonds, public sector bonds and EMTN which, in the overall, generated income of EUR 175.1 million (around EUR 100 million the previous year).

There was a strong 18.7% increase of EUR 60.0 million in the technical margin on insurance operations to EUR 380.9 million. This change offset the significant 14.2% drop of EUR 95.5 million in the claims cost, net of reinsurance.

Continuing the cost containment policy and efficiency costs, operating costs were down 3.0% to EUR 1,263.2 million in comparison to the same period 2011. Employee and external supplies and services costs were, accordingly, down 3.5% (EUR 24.4 million) and 3.4% (EUR 15.5 million) respectively.

OPERATING COSTS – CONTRIBUTION BY BUSINESS AREAS

(EUR million - year-on-year change)



Costs evolution was obviously not uniform in the different segments of activity, having recorded a favourable progression in CGD Portugal (reduction of 11.8% in staff costs and 5.7% in other administrative costs) and in the insurance business whose operating costs declined 9.9%. In the international area there was, in turn, an increase of 19.2% as a result of the Group's strategy in countries presenting a buoyant economic growth and increasingly competitive banking systems. These geographies have a crucial strategic role for the Group considering the growing business potential particularly in Mozambique and Angola.

Efficiency ratios were greatly improved by the significant reduction of operating costs and increase in net operating income. This was particularly so in the case of cost-to-income which was down from 60.8% in December 2011 in CGD Group to 55.0% (5.8 percentage points).

The cost to income ratio for CGD's separate operations was down from 55.7% to 52.6%.

EFFICIENCY RATIOS

(%)	Sep/11	Dec/11	Sep/12
Cost-to-income (consolidated operations) (1)	60.7%	60.8%	55.0%
Cost-to-income (separate operations) (1)	62.1%	55.7%	52.6%
Cost-to-Income (banking) (1)	59.1%	60.7%	54.4%
Employee costs / net operating income (1)	32.9%	32.1%	29.7%
External supplies and services / net operating income	21.4%	21.9%	19.3%
Operating costs / average net assets	1.39%	1.44%	1.41%

1) Calculated in accordance with Bank of Portugal Instruction 23/2012

Credit impairment, net of cancellations and reversals, for the period in question, was EUR 773.7 million.

Net provisions and impairment of other assets for the nine months totalled EUR 321.0 million, a significant part of which providing for the loss of value on CGD's investments in Portugal Telecom, La Seda Barcelona, and BCP, as well as its exposure to the securities held by the Group's insurance area and also on a significant amount of values associated to non-current assets held for sale, particularly property.

Current and deferred tax plus the banking sector's extraordinary contribution of EUR 22.3 million totalled EUR 35.8 million.

Gross return on equity (ROE) was minus 1.45% with gross return on assets (ROA) of minus 0.07%.

PROFIT RATIOS

(%)	Sep/11	Dec/11	Sep/12
Gross return on equity – ROE (1)(2)	3.03%	-8.13%	-1.45%
Net return on equity – ROE (2)	1.17%	-6.40%	-2.24%
Gross return on assets – ROA (1)(2)	0.17%	-0.44%	-0.07%
Net return on assets – ROA (2)	0.07%	-0.35%	-0.11%
Net operating income (3) / average net assets (1)(2)	2.29%	2.36%	2.57%

(1) Calculated in accordance with Bank of Portugal Instruction 23/2012
(2) Considering average shareholders' equity and net assets values (13 observations)
(3) Includes income from associated companies.

CGD Group's consolidated net assets were down 4.3% by EUR 5.2 billion to EUR 117.4 billion at the end of September 2012 in annual terms and down 2.7% by EUR 3.2 billion since the start of the year, reflecting the effect of the balance sheet deleveraging strategy.

In comparison to the end of 2011 there was a reduction in the balances of cash and cash equivalents and loans and advances to credit institutions of EUR 3.4 billion (down 39.9%) and loans and advances to customers (down EUR 1.8 billion, or 2.4%) and an increase in the securities portfolio (including assets with repurchase agreement) of EUR 2.1 billion (up 8.2%).

On the liabilities side reference should be made to the declines of 26.3% (EUR 3.9 billion) and 23.9% (EUR 3.8 billion) in debt securities and central banks' and credit institutions' resources respectively since December 2011. This last change reflects the reduction of borrowings from the ECB from EUR 9 billion at the end of 2011 to EUR 7 billion at the end of September 2012 in line with the goals established in this domain.

Loans and advances to customers (gross), excluding repo operations at the end of September totalled EUR 79.6 billion, 3.6% lower in comparison with the amount of the end of December translating the difficult current economic conditions.

LOANS AND ADVANCES TO CUSTOMERS (a)

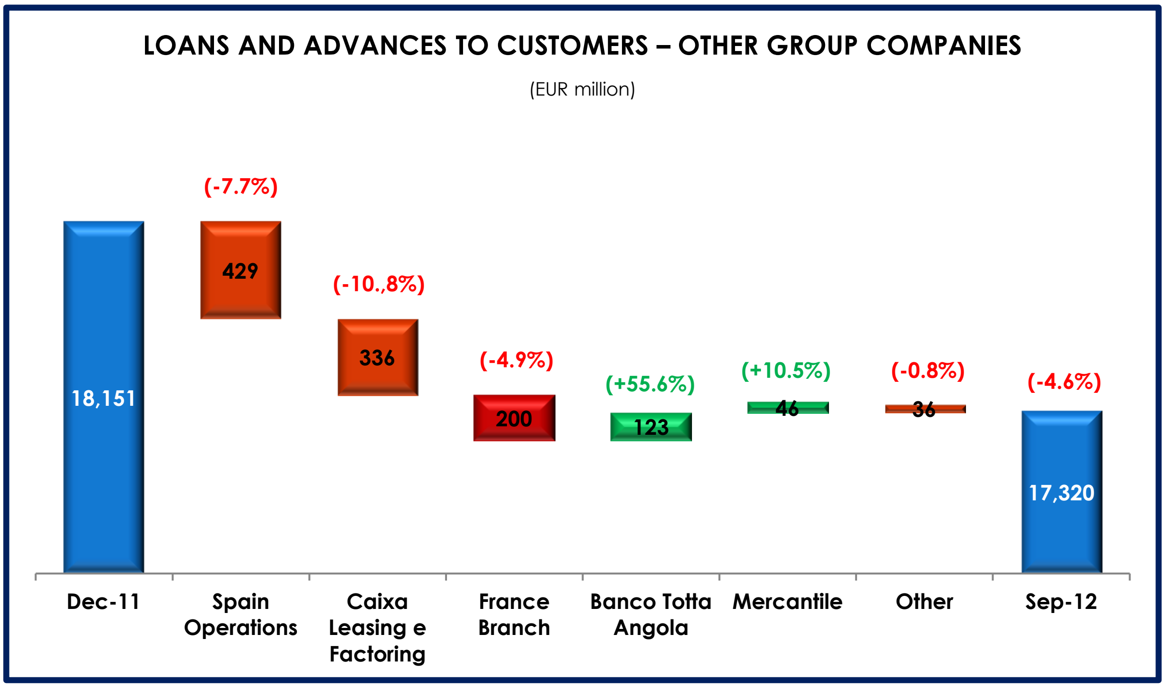
(EUR million)	Sep/11	Dec/11	Sep/12	Change Sep/12 Sep/11		Change Sep/12 Dec/11	
				Total	%	Total	%
CGD's operations in Portugal	**66,202**	**64,382**	**62,236**	**-3,966**	**-6.0%**	**-2,146**	**-3.3%**
Corporate	24,455	23,725	23,004	-1,451	-5.9%	-720	-3.0%
General government (b)	5,144	4,333	4,120	-1,024	-19.9%	-213	-4.9%
Institutionals and other	1,628	1,692	1,514	-114	-7.0%	-178	-10.5%
Individual customers	34,975	34,633	33,598	-1,377	-3.9%	-1,035	-3.0%
Mortgage loans	33,484	33,183	32,274	-1,210	-3.6%	-909	-2.7%
Other	1,491	1,450	1,325	-166	-11.2%	-125	-8.7%
Other CGD Group companies	**18,309**	**18,151**	**17,320**	**-989**	**-5.4%**	**-831**	**-4.6%**
Total	**84,512**	**82,533**	**79,556**	**-4,956**	**-5.9%**	**-2,977**	**-3.6%**

(a) Before impairment and excluding repos operations.
(b) For comparison purposes, in Sep 2011 and Dec 2011 this includes an amount of EUR 1 billion relative to BPN's commercial paper which was transferred to Parvalorem.

Around 78% of loans and advances to customers referred to CGD's activity in Portugal. Loans and advances to companies were down 3.0%, by EUR 720 million in the first nine months of 2012, with lending to general government and individual customers down 4.9% and 3.0%, respectively.

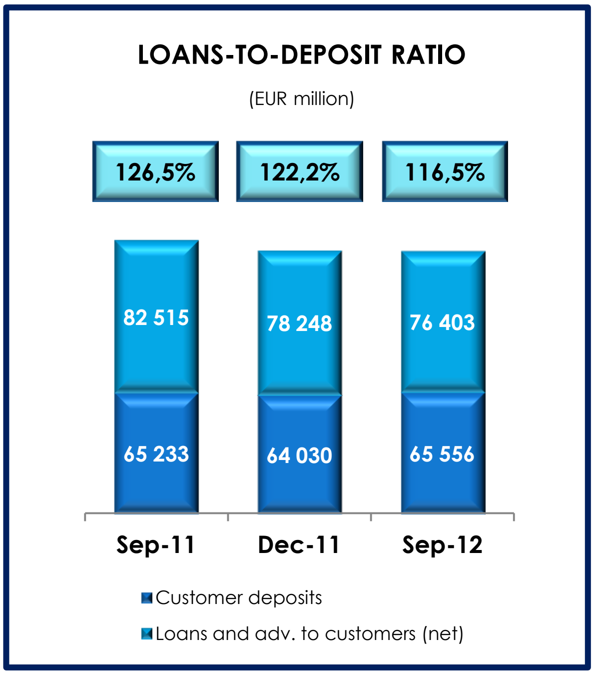
Mortgage loans for activities in Portugal were down 2.7% over the first nine months of the year, comprising around 40.6% of the portfolio total.

New mortgage loans taken out on domestic territory in the first nine months of 2012 totalled EUR 304.0 million, split into 4,106 operations, involving much smaller amounts than the EUR 1,045.0 million and 12,379 operations recorded in the same period in 2011. These amounts are the natural result of the demand containment. Reference should also be made to the fact that Caixa Group is in a strategic re-orientation process in terms of credit with the purpose of increasing the available resources for the exporting sector.



Credit granted by the other group units represented 22% of the overall credit.

The group banks in Africa increased significantly their credit portfolio and simultaneously there was a strong increase in resources taking reflecting the period of economic dynamics of the respective countries and the consolidation of an active and prudent policy in credit granting.



Activity in European mature economies that also face a slowdown period or even reduction in economic activity recorded a fall in credit granted as in the case of Spain with a negative change of EUR 429 million (down 7.7% in comparison with December 2011, and France branch also with a negative change of EUR 200 million (down 4.9%).

Caixa Leasing e Factoring recorded a decline of EUR 336 million (down 10.8%).

The decline in loans and advances to customers, together with the increase in customer deposits translated into a reduction of the loans-to-deposits ratio from 122.2% at the end of 2011 to 116.5% at the end of last September. The ratio is now lower than the 120% target recommended for Portuguese banks by 2014.

The deterioration witnessed in the economic situation is reflected in credit quality indicators, with a total overdue credit ratio of 5.7% at the end of September 2012, in comparison to 3.9% in December 2011. The credit overdue more than 90 days ratio was 5.3% at the end of September 2012, in comparison to 3.6% at the end of 2011.

The credit at risk and non-performing credit ratios, at the end of September, calculated in accordance with Bank of Portugal Instruction 23/2012 were 9.2% and 6.4% respectively, against 6.9% and 4.3% respectively at the end of 2011.

ASSET QUALITY

(%)	Sep/11	Dec/11	Sep/12
Non-performing credit / total credit [1]	4.1%	4.3%	6.4%
Credit at risk/total credit [1]	6.3%	6.9%	9.2%
Overdue credit /total credit	3.8%	3.9%	5.7%
Credit> 90 days overdue / total credit	3.4%	3.6%	5.3%
Non-performing credit (net) / total credit (net) [1]	0.6%	0.2%	1.5%
Credit at risk (net) / total credit (net) [1]	2.9%	2.9%	4.4%
Impaired credit / overdue credit	92.7%	105.0%	88.0%
Impaired credit / credit > 90 days overdue	104.9%	116.5%	94.6%
Impaired credit (P&L) / total credit (average)	0.72%	0.97%	1.25%

1) Calculated in accordance with Bank of Portugal Instruction 23/2012

Impaired credit net of cancellations and reversals for the period in question accounted for 1.25% of the average credit portfolio, up 0.28 b.p. since the end of 2011.

Accumulated impairment on loans and advances to customers (normal and overdue) at the end of September 2012 was up 34.5% by EUR 1,042.0 million since September 2011 to EUR 4,062.8 million resulting in a credit overdue more than 90 days cover rate of 94.6% against 116.5% at the end of 2011.

Securities investments (including assets with repo agreements) were up 4.5% over the same date of the preceding year to EUR 27.2 billion, fuelled by the favourable evolution of the banking portfolio.

SECURITIES INVESTMENTS [a]

(EUR million)	Sep/11	Dec/11	Sep/12	Change Sep/12 Sep/11		Change Sep/12 Dec/11	
				Total	%	Total	%
Banking	**16,671**	**16,226**	**18,489**	**1,818**	**10.9%**	**2,263**	**13.9%**
Fin. assets at fair value through profit or loss	4,069	4,044	4,158	89	2.2%	114	2.8%
Available for sale financial assets	12,602	12,182	14,331	1,729	13.7%	2,149	17.6%
Insurance	**9,383**	**8,949**	**8,739**	**-644**	**-6.9%**	**-210**	**-2.3%**
Fin. assets at fair value through profit or loss	94	87	93	-1	-1.0%	5	6.0%
Available for sale financial assets	5,767	5,440	5,314	-453	-7.9%	-125	-2.3%
Investm. assoc. with unit-linked products	631	585	864	234	37.1%	280	47.8%
Investments to be held to maturity	2,891	2,837	2,468	-423	-14.6%	-369	-13.0%
Total	**26,054**	**25,176**	**27,228**	**1,174**	**4.5%**	**2,053**	**8.2%**

(a) After impairment and including assets with repos agreements

FUNDING AND LIQUIDITY MANAGEMENT

CGD experienced an improving liquidity situation during the course of the year. A more proactive approach by the ECB with its organisation of long term financing operations starting in the 1st quarter, the broadening of the scope of assets eligible as collateral and, lastly, the opening of the public debt markets for unlimited intervention, created a certain expansionary environment in the interbank markets.

This was accompanied by the state's recapitalisation plan for CGD for the amount of EUR 1,650 million, comprising a EUR 750 million increase in share capital and the issue of EUR 900 million in debt as eligible own funds, in conformity with the recommendations of the European Banking Authority - EBA for increasing the capital and strength of banking institutions.

This influx of funds together with good results in terms of deposit-taking, enabled the maturity of EUR 3,791 million in debt issues to be accommodated and, under the scope of an active balance sheet management policy, to continue to make advance repurchases of own debt, both private and public issues, through the launch of takeover bids in the international markets, resulting in capital gains of EUR 175.1 million.

Notwithstanding this refinancing endeavour, it was possible to reduce borrowings from the ECB from EUR 9 billion in December 2011 to EUR 7 billion at the end of the 3rd quarter, as well as to achieve a structural improvement in the maturities profile, replacing a part of the short term funding by debt with a maturity of 3 years.

The pool of assets eligible for financing operations with the ECB increased from EUR 14.4 billion at the end of 2011 to EUR 16.3 billion in September, leading to a situation in which the volume of unused eligible assets, in September, was at its highest since the onset of the sovereign debt crisis.

The total amount of resources taken by the Group (excluding the interbank money market) was down by an annual 3.8% and by 0.9% since the end of 2011 to EUR 99.4 billion. However, when excluding the funds obtained from institutional investors and the Portuguese state there would be an increase of around 2.4% in the balance of resources since December this year to EUR 88.1 billion, as opposed to the 0.1% reduction over the 3rd quarter 2011.

The customer deposits balance was up 0.5% by EUR 323 million to EUR 65.6 billion since the end of September 2011 and 2.4% by EUR 1,526 million since the start of the year.

Deposits of individual customers in the commercial branch network in Portugal recorded a year-on-year growth of 4.6% to EUR 44,214 million at the end of September 2012.

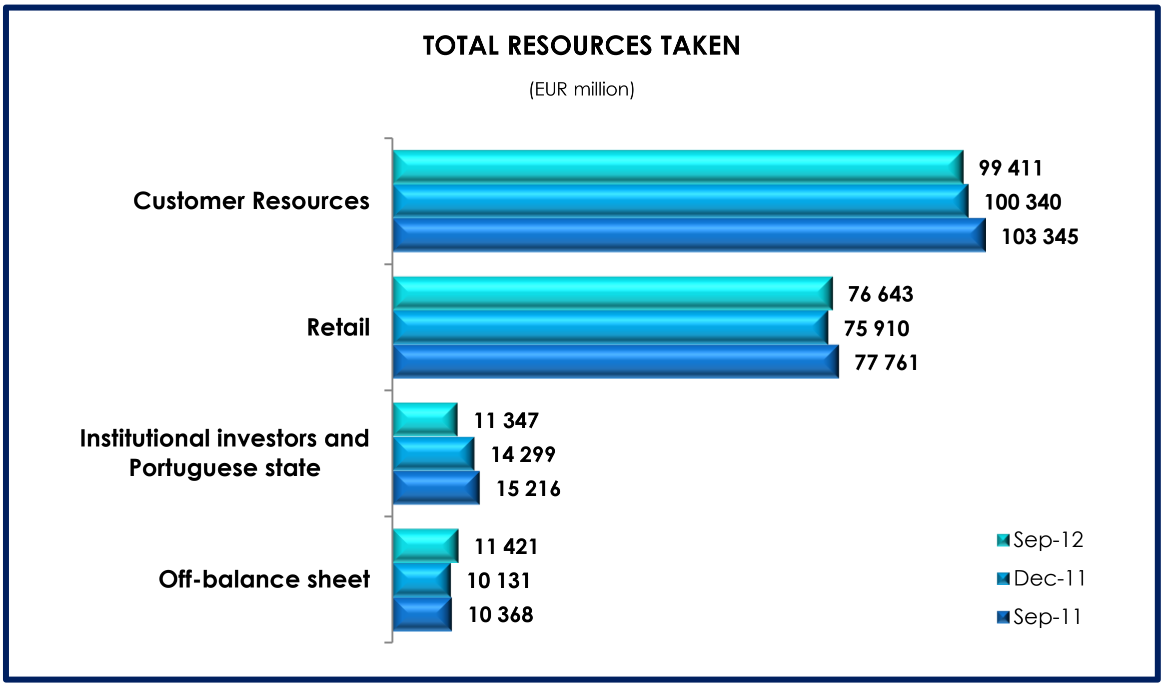
71.6% of the global balance of EUR 47.0 billion in customer deposits comprised term and savings deposits which, although down 0.6% by EUR 284 million over the same date 2011, were up 3.7% by EUR 1,686 million since the start of the year, reflecting active deposit-taking from customers, and contributing towards the reduction of CGD Group's borrowing requirements in the wholesale markets.

RESOURCE-TAKING BY THE GROUP - BALANCES

(EUR million)	Sep/11	Dec/11	Sep/12	Change Sep/12 Sep/11		Change Sep/12 Dec/11	
				Total	%	Total	%
Balance sheet	**92,977**	**90,209**	**87,990**	**-4,987**	**-5.4%**	**-2,219**	**-2.5%**
Retail	**77,761**	**75,910**	**76,643**	**-1,118**	**-1.4%**	**733**	**1.0%**
Customer deposits	65,233	64,030	65,556	323	0.5%	1,526	2.4%
Capitalisation insurance	9,377	8,893	8,189	-1,188	-12.7%	-704	-7.9%
Other customer resources	3,151	2,987	2,898	-253	-8.0%	-89	-3.0%
Institutional investors	**15,216**	**14,299**	**10,447**	**-4,769**	**-31.3%**	**-3,852**	**-26.9%**
EMTN	6,793	7,128	5,102	-1,691	-24.9%	-2,026	-28.4%
ECP and USCP	19	0	1,131	1,112	-	1,131	-
Nostrum Mortgages	414	403	362	-51	-12.4%	-41	-10.2%
Covered bonds	5,851	5,806	3,177	-2,674	-45.7%	-2,630	-45.3%
Bonds guaranteed by the Portuguese Rep.	1,150	0	0	-1,150	-100.0%	0	-
Bonds on the public sector	990	962	675	-315	-31.8%	-286	-29.8%
Portuguese state	**0**	**0**	**900**	**900**	**-**	**900**	**-**
Contingent convertible (CoCo) bonds	0	0	900	900	-	900	-
Off-balance sheet	**10,368**	**10,131**	**11,421**	**1,054**	**10.2%**	**1,290**	**12.7%**
Investm. units in unit trust investm. funds	4,143	4,055	4,391	248	6.0%	336	8.3%
Caixagest	2,514	2,490	2,878	364	14.5%	388	15.6%
Fundimo	1,629	1,565	1,513	-116	-7.1%	-52	-3.3%
Pension Funds	2,057	2,075	2,163	106	5.2%	88	4.2%
Wealth management [a]	4,168	4,001	4,867	700	16.8%	866	21.7%
Total	**103,345**	**100,340**	**99,411**	**-3,934**	**-3.8%**	**-929**	**-0.9%**
Total (excl. instit. inv. and Portuguese state)	**88,128**	**86,041**	**88,064**	**-64**	**-0.1%**	**2,024**	**2.4%**

(a) Does not include CGD companies' insurance portfolios

Reflecting bank and corporate difficulties to access the capital markets, and buy-back operations, the amount of funds taken from institutional investors in the form of CGD issues was down 31.3% by EUR 4.8 billion euros since September 2011 and 26.9% by EUR 3.9 billion since the start of the year to EUR 10.4 billion euros.



Off-balance sheet funds increased by an annual 10.2% to EUR 11.4 billion at the end of September. This was a 12.7% increase since the end of 2011, due to a strong improvement in wealth management activity.

SHAREHOLDERS' EQUITY AND SOLVENCY RATIO

There was a substantial 30.3% increase of EUR 1,687 million in the Group's shareholders' equity at the end of September to EUR 7,260 million in comparison to the end of 2011.

The increase in shareholders' equity over December 2011 derived from a EUR 750 million increase in CGD's share capital to EUR 5,900 million, following CGD's recapitalisation plan in June 2012, in addition to the marked improvement of EUR 1,418 million in fair value reserves.

SHAREHOLDERS' EQUITY

(EUR million)	Sep/11	Dec/11	Sep/12	Change Sep/12 Sep/11		Change Sep/12 Dec/11	
				Total	%	Total	%
Share capital	5,050	5,150	5,900	850	16.8%	750	14.6%
Fair value reserves	-2,245	-2,085	-667	1,578	-	1,418	-
Other reserves and retained earnings	1,614	1,703	1,142	-472	-29.2%	-560	-32.9%
Non-controlling interests	1,140	1,045	1,015	-125	-11.0%	-30	-2.9%
Net income for period	13	-488	-130	-143	-	358	-
Total	**5,573**	**5,324**	**7,260**	**1,687**	**30.3%**	**1,936**	**36.4%**

The increase in share capital together with the EUR 900 million issue of hybrid financial instruments eligible as Core Tier 1 own funds, which was also a part of the CGD Recapitalisation Plan, was fully subscribed for by the Portuguese state, strengthened the Core Tier I ratio on a consolidated basis. The figure including retained earnings, moved from 9.5% in December 2011 to 11.8% at the end of September, which is already higher than the 10% minimum target required by the Bank of Portugal by 31 December 2012.

Under the terms defined by the European Banking Authority (EBA), the Core Tier I ratio was 9.8% in September 2012, in comparison to the 9.0% minimum ratio required by the EBA by 30 June 2012.

The Tier I Ratio, in turn, increased from 9.0% in December 2011 to 11.5%.

The solvency ratio on a consolidated basis, including retained earnings, was up from 11.6% at the end of 2011 to 14.0% in September 2012.

RATINGS

In first half 2012 the Standard & Poor's and DBRS international rating agencies further downgraded their ratings on Portuguese banks including CGD, following the downgrades of the ratings on Portuguese public debt.

However, in July 2012, following June's recapitalisation operation, CGD's stand-alone credit profile (SACP) and viability rating (VR) were upgraded by Standard & Poor's and Fitch Ratings, respectively.

Information on CGD's short and long term 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	Jul/2012
FITCH RATINGS	B	B	BB+	BB+	Jul/2012
MOODY'S	N/P	N/P	Ba3	Ba3	Mar/2012
DBRS	R-2 (mid)		BBB (low)	BBB (low)	Mai/2012

STANDARD & POOR'S

On 11 July 2012, Standard & Poor's upgraded CGD's stand-alone credit profile (SACP) from b+ to bb-, following its recapitalisation plan, having reaffirmed its long and short term ratings of BB- and B, respectively, with a negative outlook.

FITCH RATINGS

On 17 July 2012, Fitch Ratings reviewed CGD's ratings following its recapitalisation plan, having upgraded its viability rating, from b to bb-. The long term ratings of BB+ with a negative outlook and short term B rating were reaffirmed on the same date.

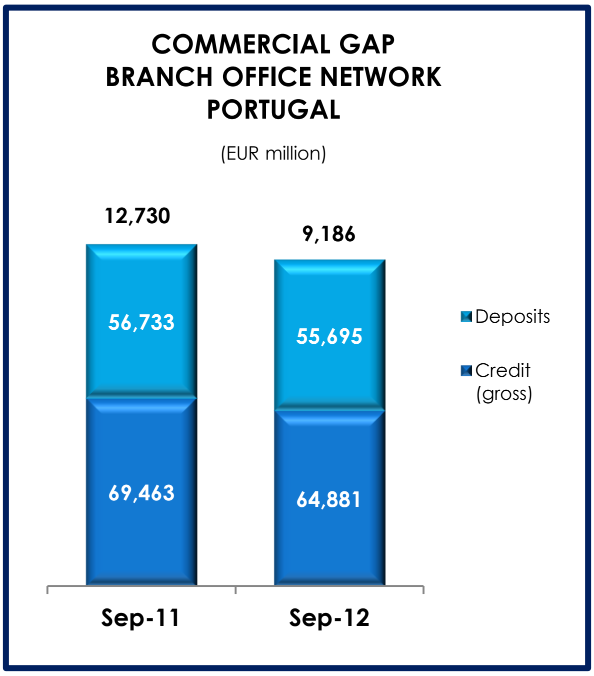
5 – MAIN BUSINESS AREA DEVELOPMENTS

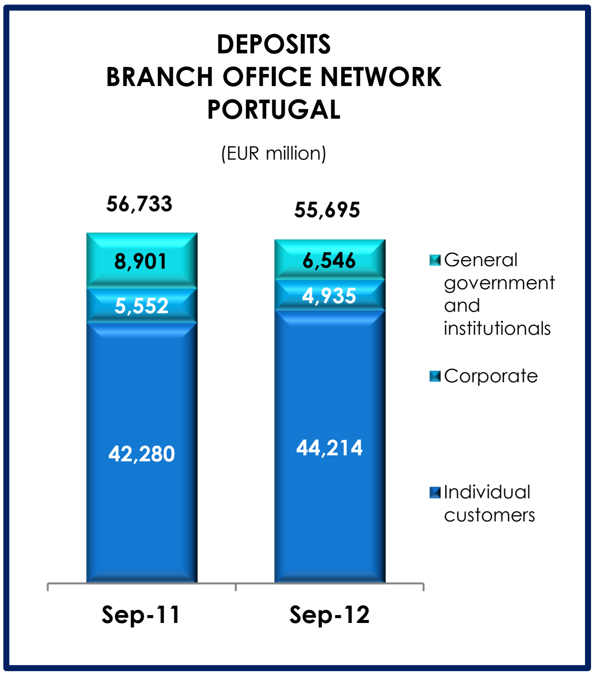
RETAIL BANKING – BRANCH OFFICE NETWORK IN PORTUGAL

In the first nine months of 2012, CGD Group maintained the consolidation path of the commercial service model which aims to excel by high quality standards and added value in the approach and follow up of a wide range of customers considered by the Group as one of its main assets. The success of this policy is visible in the fact that it has achieved high levels of customer satisfaction and loyalty. Caixa continues to occupy the lead position in the national banking sector in terms of customer care and at 30 September 2012, more than 830,000 individual and corporate customers benefited from the services of a dedicated commercial account manager.

The branch office network, in Portugal, at 30 September 2012, was made up of 813[1] branches and 36 Caixa Empresas corporate offices.

Notwithstanding the depressed domestic environment, at 30 September 2012, individual retail customers' deposits were up year-on-year by 4.6%, to EUR 44,214 million.





Total deposits in the branch office network, however, posted a negative year-on-year rate of change of 1.8% to EUR 55,695 million due to the 44.1% and 11.1% reductions in the general government and corporate segments, respectively, in line with the deceleration of the economic activity in the country.

The branch office network gap remained in line with the objectives established on this level, maintaining its downwards path of preceding quarters, deriving from the year-on-year drop in credit whose amplitude was broader than the reduction of the referred to total deposits.

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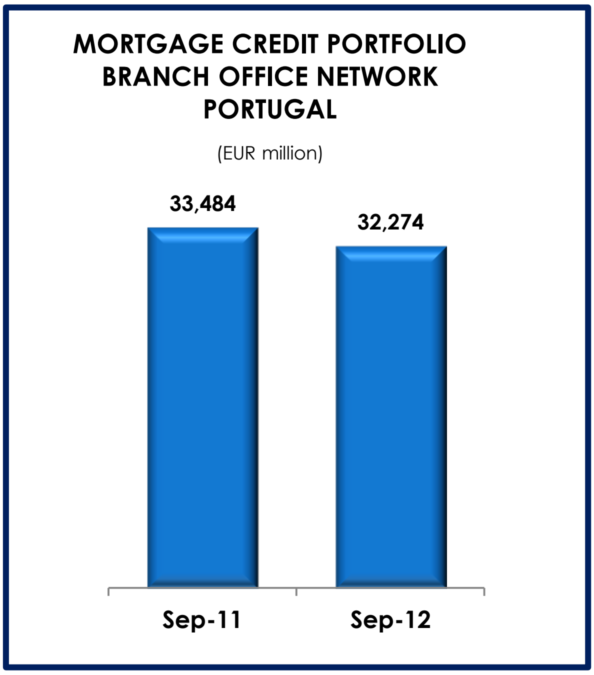
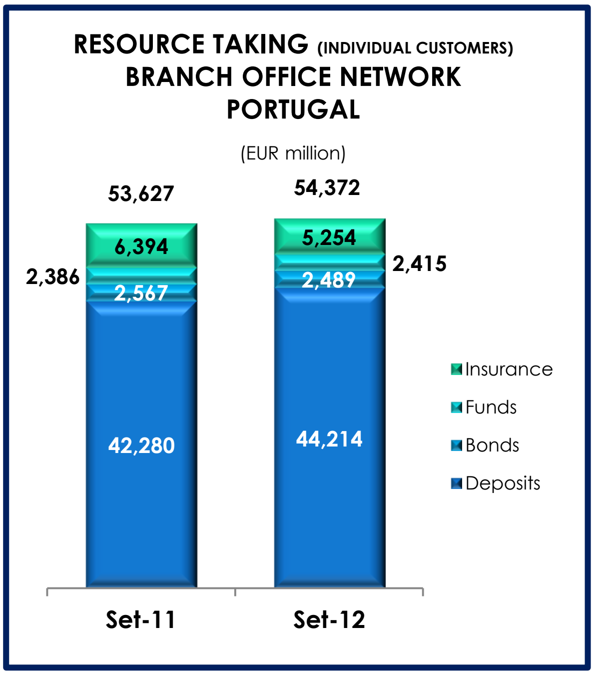
[1] Does not include branches with no face assistance

INDIVIDUAL CUSTOMERS

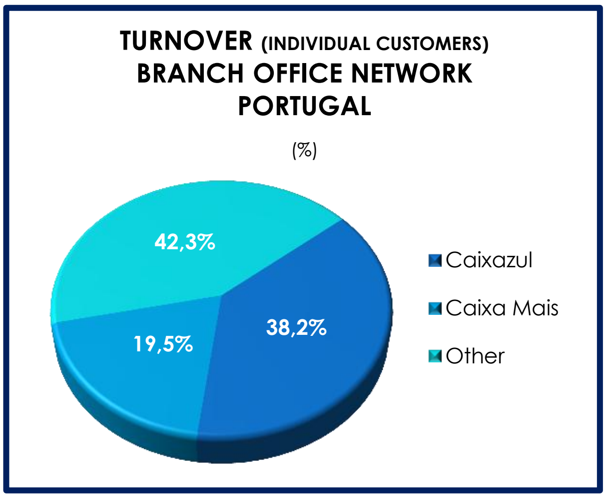
In this segment, resource taking products grew 1.4%, year-on-year. This growth was accompanied by an increase in unit trust investment funds which were up 1.2%. This was, however, mitigated by the 17.8% reduction in financial insurance products.

Caixa Geral de Depósitos's leading role in the Portuguese community is evident in its clear leadership of resource-taking in a context of difficulties and uncertainties on a global scale. It also reflects CGD's successful implementation of a commercial strategy based on a proactive proximity approach to different types of customers based on the quality of its offer which provides a collection of differentiated savings solutions tailored to customers' profiles and needs over the course of their respective personal and professional lives. Good results in terms of deposit-taking activities are indicative of and boost confidence and the safety levels attributed to the group's financial strength by the public, while at the same time, contributing to strengthening CGD's liquidity.





Reference should be made to the continued revitalisation of the Caixa Mais service model, managed by 1,022 commercial staff at 809 branches and encompassing 472,750 customers. This Caixa Mais service model is the obvious corollary of the said proximity approach model, very personalised dnd proactive focused on the prime assistance at a branch facility based on a CRM approach. Caixa Mais service model accounted for 19.5% of turnover in the individual customers segment, as of the end of the 3rd quarter 2012.



The Caixazul Service continues to be a major force in the individual customers market. This service, as of September 30th, accounted for more than 38.2% of turnover, with a total number of 316,412 customers. As a premium service it is geared to the personalised management of alpha customers and encompasses a wide range of financial advisory and decision-making support, based on tailored solutions, opportunity management and subsequent follow-ups. There are 568 branches with such dedicated spaces as of September 30th.

The current economic-social context and market maturity are visible in the evolution of mortgage lending, down 3.6% year-on-year in terms of portfolio value.

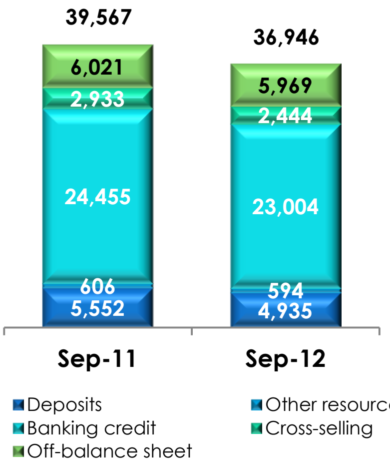
Total turnover in the individual customers segment was, at EUR 86,660 million, down 0.7% year-on-year at 30 September 2012.

CORPORATES

As of September 30th, turnover in the corporate segment continued its downwards path decreasing to EUR 36,946 million. Downturns continued to be recorded in all components (deposit taking, credit and off-balance sheet items).

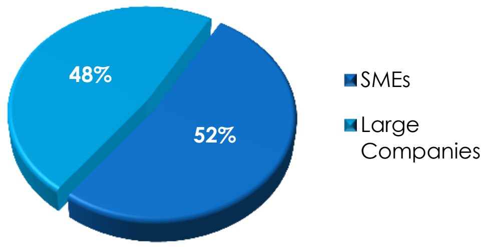
TURNOVER (CORPORATE CUSTOMERS)
BRANCH OFFICE NETWORK
PORTUGAL

(EUR million)



CREDIT PORTFOLIO (CORPORATE CUSTOMERS)
BRANCH OFFICE NETWORK
PORTUGAL

(%)



This evolution reflects the continuation of a recessionary environment as well as the option of some companies to diversify their funding means opting for the bond issues. These factors have conditioned the evolution of corporate loans that fell 3.0% compared to end of the previous year. Nevertheless, CGD´s market share in this segment records in 2012 a positive trend in accordance with the strategic guidelines defined with special emphases on top SMEs geared to tradables sector.

In this context, the consolidation of the Serviço Caixa Empresas model continued in the branch network, underlying the concept of personalised management service provided to self-employed customers, small and micro companies which materialises in the customer manager the relationship aspect through an integrated approach to the corporate and individual needs of its customers. As of September 30th the service model comprised 24,691 customers with turnover of EUR 3,636 million.

INTERNATIONAL AREA ACTIVITY

In a domestic environment marked by continued uncertainty regarding the economic growth, CGD Group has emphasised the importance of international activity as a strategic thrust. This commitment is consistent with the intended route to be taken by the country and CGD's customers over the next few years and will boost CGD's worldwide business.

CGD's has a presence in 23 countries on 4 continents, particularly in the highly relevant regions of Asia, Africa and the American continent. The extent of CGD's international network comprises a high value asset for the Group and the country.

Exploiting this advantage (which is unique in the Portuguese financial system), the CGD Group operates with its customers – particularly those involved in external markets – as a single network by means of enhanced linkage between the domestic network and CGD Group companies abroad.

Based on the growing increase in the value of external business, which is also visible in the Group's recently renewed structure and internal organisation in the international segment, CGD continues to fulfil its fundamental mission of backing the recovery of the Portuguese economy in an endeavour to contribute to the sustained growth of exports as a proportion of GDP while simultaneously achieving its own sustained profitability.

Reference should be made to the contribution made to the Group's consolidated net income by several of CGD's international presences, notably Macau, Mozambique, South Africa and Angola.

Traditional markets (in which the Group has major operations) have naturally been affected by the unfavourable international economic climate, particularly in Europe. Commercial operations produced a good performance, with net interest income up 3.8% and non-interest income up 31.3% (with particular reference to a 13.7% growth of net commissions).

Meanwhile, the international area as a whole, made consolidated net losses of EUR 5.9 million, largely due to increased impairment in Spain and France.

Excluding Spain (a market which, in strategic terms, CGD Group considers a natural extension of its home market) the international sector earned net income of EUR 72.5 million in September.

Net operating income from International banking activities was up 11.2% to EUR 522 million. Following the expansion strategy, structural costs were also up 19.2%. Gross operating income year on year was practically unchanged (down 0.3%).

With regard to balance sheet account headings, reference should be made to the strong deposit taking performance of the international network, expressed by an 11.8% increase in customer deposits to EUR 13,096 million. There was also a 3.8% decline in net loans and advances to customers to EUR 13,138 million owing to the macroeconomic weakness.

Total net assets in the international area were down 3% to EUR 19,260 million.

The Group's international business policy – highly geared to exporting SMEs,– some of them in a fresh internationalisation process but with high profitability potential, has been developed to provide business lines ranging from advisory services and to the supply of instruments and services for exports and exporters in external markets.

In this context, during the first nine months of 2012, promotional actions and the strengthening of the capacity of the Portuguese companies in internationalisation process in strategic markets for Caixa Group were also reinforced.

Caixa continued to fulfil all its commitments under the terms of medium and long term lines of credit provided for exports, which contribute in a significant way to boost the exporting sector, maintaining therefore the support to its customers and to the economic growth in general.

With regards to customer's resident outside of Portugal, CGD continued to consolidate a previously segmented approach and in 2012, strengthened the relationship between specialised distance banking division and the branch network in Portugal and abroad.

The several components of the residents segment abroad have been approached differently through regular contacts and systematised and geared actions in order to promote knowledge and meeting needs in terms of products and services. Work began, in September, on a campaign to identify and contact potential customers' resident outside Portugal.

CGD's presence in the local communities during the quarter also took the form of various cultural and sports sponsorships in countries such as France, Belgium, Switzerland, Germany, United Kingdom, United States and Canada.

Turnover for the residents outside Portugal segment at the end of September was around EUR 5.8 billion with a loans-to-deposits ratio of 18%. Approximately 9% of deposits have been taken by CGD from individual customers. Growth in the volume of resources taken indicates that the integrated approach is leading to improved results.

INVESTMENT BANKING

Notwithstanding the relatively unfavourable economic climate in Portugal and the main geographies in which it operates, CaixaBI achieved a positive level of performance in the first nine months of 2012, benefiting from its involvement in several major operations earning the bank commissions of around EUR 52.5 million. The bank's results, however, continued to be penalised by increases in provisions/impairment for credit and interest rate hedge operations, totalling EUR 46.3 million in September.

PRIZES AND RANKINGS

- Best Investment Bank in Portugal in 2012 - Award for Excellence 2012: distinction awarded to CaixaBI by Euromoney.
- "Best Investment Bank in Portugal in 2011" distinction awarded to CaixaBI by the North American Global Finance magazine, and by the specialised EMEA Finance magazine.
- Best Debt House in Portugal 2011 - Award for Excellence: distinction awarded to CaixaBI by Euromoney. This award was complemented by distinction as Nr. 1 Corporate Bond House, attributed 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. This project won Americas Transportation Deal of the Year 2011, prize awarded by the prestigious Project Finance magazine (Thomson Reuters Group).
- M&A league table (Bloomberg[2]): participation in the main M&A operations in its operating markets enabling CaixaBI to end first half 2012 in first position in Portugal

[2] Extracted at 8 October 2012.

and in Iberia and tenth in Brazil (leading Portuguese bank in this geography) in terms of announced/completed transaction values.

- Project Finance League Table (Dealogic Project Finance Review): CGD Group came 1st in the Project Finance Advisor ranking for Portugal at the end of the third quarter 2012 and 6th in the Iberian ranking.

PROJECT FINANCE

As to the funding activity on a project finance basis, reference should be made to the successful conclusion of refunding process of wind milt farms of Eurowatt and the conclusion of the refunding process of Tagusgás following the amendment of the referred to 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.

CORPORATE DEBT FINANCE

Reference should be made to the following operations:

- CGD: 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.
- Brisa Concessão Rodoviária: CaixaBI was the joint bookrunner for the issue of EUR 300 million in notes with a maturity of 5.5 years, launched following the opening of the first window of opportunity, since February 2011 enabling Portuguese issuers to access the Eurobond market. It was also the joint leader for Brisa's EUR 225 million public offering with a maturity of 2 years.
- Portugal Telecom: CaixaBI was joint lead manager for Portugal Telecom SGPS, S.A.'s EUR 400 million public bond offering with a maturity of 4 years.
- REN: CaixaBI was joint lead manager for REN's EUR 300 million bond offering with a maturity of 4 years.
- SONAE Investimentos: the bank was the organiser and lead manager for a EUR 170 million bond loan with a maturity of 5 years for Sonae Investimentos.
- Efanor Investimentos SGPS S.A.: The bank was lead manager for a EUR 65 million bond loan with a maturity of 5 years.
- Commercial Paper: CaixaBI organised and led seven new commercial paper programmes involving an amount of EUR 793 million in which special reference should be made to the Galp Energia programme for the amount of EUR 550 million and 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 Tagus's already referred to public takeover bid for Brisa.

CORPORATE FINANCE – ADVISORY

Reference should be made to CaixaBI's successful completion of the following projects, during the half year:

- Parpública: financial advisory service to Parpública for the 2nd stage of the REN reprivatisation, translating into the disposal of a 40% equity investment in REN to the State Grid China Corporation (25%) and the Oman Oil Company (15%).
- CGD: financial advisory service to Caixa Geral de Depósitos for the disposal of a 10.96% equity investment in Zon Multimédia and a 9.62% equity investment in Cimpor.
- SGC Group: financial advisory services to SGC Group for the disposal of Pargim Empreendimentos e to the Brazilian company Aliansce.
- Parparticipadas: Financial advisory services to Parparticipadas for the disposal of the full amount of the share capital of BPN Gestão de Activos.

SYNDICATION AND SALES

CaixaBI was Dealer Manager and Financial Intermediate of the Tender Offer launched by CGD as Joint Lead Manager in the issue of Brisa. In terms of the commercial paper issues, CaixaBI placed 263 issues, for the total amount of EUR 6,924 million.

FINANCIAL INTERMEDIATION

According to CMVM data published at the end of September, CGD Group at the end of August came 3rd in the Portuguese financial intermediaries ranking with a market share of 11.1%. The value of share orders received by financial intermediaries up to August 2012 was down 7.4%. The fact that the change in CaixaBI's intermediation volume for the same period was up 14%, indicated a clearly positive level of performance in comparison to other market players.

TRADING – PUBLIC DEBT AND LIQUIDITY PROVIDING

Notwithstanding market constraints such as poor liquidity, high bid-offer spreads and major volatility, CaixaBI came 2nd in IGCP's general performance ranking while market maker in the secondary public debt market. According to IGCP data, CaixaBI rose to 4th place in the second quarter of 2012 in the global ranking of specialist treasury securities traders. In terms of its activity as a liquidity provider CaixaBI continued to obtain the maximum "A" rating on all securities and categories in which it operates, according to the Euronext.

VENTURE CAPITAL

CaixaBI's venture capital activity appraised a total number of 111 projects of which 18 were approved, corresponding to a potential investment of approximately EUR 37 million. Investments of EUR 9.5 million were made.

INSURANCE AND HEALTHCARE ACTIVITY

HIGHLIGHTS – SEPTEMBER 2012

Caixa Seguros e Saúde's consolidated net income (CGD Gaap), in September 2012, was up 29.9% to EUR 62.7 million, over the same period in 2011 and represented a contribution of 54.8 million to the net income of CGD Group.

Caixa Seguros e Saúde is the leader of the national insurance market, maintaining a clearly dominant position with a global market share of 28.6%, while also coming first in life insurance with 29.9% and non-life insurance with 26.6%.

The combined ratio net of re-insurance from non-life insurance totalled 96.3%. This was down 4.3 %, over the same period for 2011, reflecting a 3.5 b.p. improvement of the claims rate and 0.8 b.p. reduction of most operating costs.

Caixa Seguros e Saúde posted a 225.7% solvency margin cover rate, in September 2012. This was a significant increase of around 80.6 b.p. since December 2011.

CAIXA SEGUROS E SAÚDE, SGPS, S.A.

Caixa Seguros e Saúde, in accordance with the accounting rules applicable by CGD, earned a net income of EUR 62.7 million in comparison to EUR 48.3 million in September 2011. This result incorporated the impact of adverse factors such as impairment on exposure to Greek government debt and was aided by a positive contribution to the non-life insurance claims rate and the containment of general expenses.

It should be noted that the HPP holding was considered, at 31 March 2012, as a non-current asset available for sale.

INDICATORS (a)

(EUR million)	Sep/11	Sep/12
Net assets	14,074	13,121
Shareholders' equity	769	1,435
Investment properties, securities portfolio, bank deposits and cash	12,444	11,627
Technical provisions net of reinsurance	4,927	4,109
Liabilities for customer resources and other loans	6,966	6,403
Net income	48	63
Component parts of solvency margin	997	1,359
Required solvency margin	687	602
Surplus solvency margin	310	757
Solvency margin cover rate	145.1%	225.7%

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

In turn, Caixa Seguros e Saúde's statutory net income in September 2012 (expressed in insurance companies' own accounts) totalled EUR 65.8 million.

INSURANCE OPERATIONS

Insurance Market

There was a drop in the activity of the domestic insurance market up to September 2012, with direct insurance premiums (including those taken under investment contracts) of EUR 7,752 million, equivalent to a reduction of 11.6% over the same period for 2011.

Life insurance premium income was EUR 4,694 million, down 16.3% from the same period last year, essentially deriving from financial capitalisation insurance and "PPRs" (retirement savings plans).

Non-life insurance sales were approximately EUR 3,058 million, down 3.4%, reflecting the unfavourable macroeconomic environment.

DIRECT INSURANCE

(EUR million)	Sep/11	Sep/12
Operations in Portugal		
Total market share	31.6%	28.6%
Life insurance	34.3%	29.9%
Non-life insurance	26.7%	26.6%
Direct insurance premiums	2,769	2,216
Life insurance	1,922	1,403
Non-life insurance	847	814
Foreign insurance operations		
Direct insurance premiums	52	50
Life insurance	24	18
Non-life insurance	28	32

Market Leader

Caixa Seguros e Saúde consolidated its lead of the domestic insurance market maintaining top position with a global market share of 28.6%, in both life (29.9%) and non-life (26.6%) insurance areas.

Caixa Seguros earned EUR 2,216 million in direct insurance premiums from its operations in Portugal. This was down 20.0% over the preceding year including the life insurance sector which was down 27.0%.

Premiums from non-life insurance areas as a whole, centred on transport, personal accidents, motor and workman's compensation insurance areas were down 3.9% as a consequence of the slowdown of economic activity. This rate of change was influenced by and the occurrence of an extraordinary movement in September 2011, the elimination of which would have resulted in a reduction of less than 2.7% in the non-life insurance portfolio.

International operations witnessed a 2.7% reduction in the volume of premiums over the same period of the preceding year to EUR 50 million, resulting from the reduction of the life insurance portfolio (which was only part offset by the 14.3% growth of the non-life insurance business).

Results

Total technical margin of EUR 251 million, excluding financial activity, represented an improvement of EUR 24.2 million over the same period of the preceding year, with EUR 67.3 million deriving from life insurance activity (up EUR 1.2 million in comparison to the preceding year) and EUR 183.7 million deriving from non-life insurance areas (up EUR 23.1 million since September 2011).

Income from financial activity after amounts allocated to customers was EUR 96.4 million against EUR 102.4 million for the same period of the preceding year; reflecting a decrease in income from the investments portfolio and recognition of impairment on Greek debt.

Structural costs, excluding the provision for other risks and liabilities totalled EUR 213.2 million, down 2.0% over the same period 2011.

The combined ratio on non-life insurance, net of reinsurance, was 96.3%, down 4.3 b.p. since September 2011, resulting from a loss rate of 70.8% and an expense rate of 25.5% - reflecting the continuation of efficiency gains.

In statutory accounting terms, net income attributable to the area under insurance management was up by around EUR 4.6 million over September 2011 to EUR 69.3 million. This evolution particularly derived from an improved claims rate.

Solvency

In consolidated terms, Caixa Seguros e Saúde achieved a significant increase in its solvency margin with a respective cover rate of 225.7%, mainly derived from the conversion of subordinated debt into capital and therefore continuing to convey a high safety margin for all customers and counterparties associated with the Group.

CAIXA GERAL DE DEPÓSITOS, S.A.

6 November 2012

6 – CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2012

(EUR million)	Sep/11 (*)	Dec/11 (*)	Sep/12	Change Sep/12 Sep/11		Change Sep/12 Dec/11	
				Total	%	Total	%
Assets							
Cash and cash equivalents with central banks	1,411	2,704	1,108	-303	-21.5%	-1,597	-59.0%
Loans and advances to credit institutions	4,213	5,944	4,092	-121	-2.9%	-1,851	-31.1%
Loans and advances to customers	82,515	78,248	76,403	-6,112	-7.4%	-1,844	-2.4%
Securities investments	25,439	24,398	26,740	1,301	5.1%	2,342	9.6%
Assets with repurchase agreement	615	778	489	-127	-20.6%	-289	-37.2%
Invest. in subsidiaries and associated companies	34	35	31	-3	-7.4%	-3	-9.6%
Intangible and tangible assets	1,492	1,516	1,480	-12	-0.8%	-36	-2.4%
Current tax assets	78	87	50	-28	-36.0%	-37	-42.6%
Deferred tax assets	1,687	1,915	1,565	-121	-7.2%	-350	-18.3%
Technical provisions for outwards reinsurance	256	226	226	-30	-11.7%	0	-0.1%
Other assets	4,941	4,791	5,259	318	6.4%	468	9.8%
Total	**122,680**	**120,642**	**117,443**	**-5,237**	**-4.3%**	**-3,199**	**-2.7%**
Liabilities							
Central banks' and credit institutions' resources	14,441	15,860	12,062	-2,379	-16.5%	-3,797	-23.9%
Customer resources	71,764	70,587	71,407	-357	-0.5%	819	1.2%
Financial liabilities	1,855	1,918	2,228	373	20.1%	309	16.1%
Debt securities	15,782	14,923	10,991	-4,791	-30.4%	-3,932	-26.3%
Provisions	781	886	909	129	16.5%	23	2.6%
Technical provisions for insurance operations	5,192	4,611	4,340	-852	-16.4%	-271	-5.9%
Subordinated liabilities	2,283	2,075	2,912	630	27.6%	837	40.3%
Other liabilities	5,010	4,457	5,333	324	6.5%	877	19.7%
Sub-Total	***117,107***	***115,318***	***110,183***	***-6,925***	***-5.9%***	***-5,136***	***-4.5%***
Shareholders' Equity	**5,573**	**5,324**	**7,260**	**1,687**	**30.3%**	**1,936**	**36.4%**
Total	**122,680**	**120,642**	**117,443**	**-5,237**	**-4.3%**	**-3,199**	**-2.7%**

(*)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

CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2012

(EUR thousand)	Sep/11 (*)	Sep/12	Change Sep/12 Sep/11	
			Total	%
Interest and similar income	3,917,041	3,987,489	70,448	1.8%
Interest and similar costs	2,699,465	2,952,416	252,950	9.4%
Net interest income	**1,217,576**	**1,035,073**	**-182,502**	**-15.0%**
Income from equity instruments	120,595	91,951	-28,645	-23.8%
Net interest income including income from equity	**1,338,171**	**1,127,024**	**-211,147**	**-15.8%**
Income from services and commissions	487,494	505,567	18,072	3.7%
Costs of services and commissions	108,820	128,734	19,914	18.3%
Commissions (net)	**378,674**	**376,832**	**-1,842**	**-0.5%**
Income from financial operations	2,926	326,391	323,464	-
Other net operating income	97,044	82,588	-14,457	-14.9%
Non-interest income	**478,645**	**785,811**	**307,166**	**64.2%**
Premiums net of reinsurance	946,821	915,524	-31,298	-3.3%
Investment income allocated to insurance contracts	123,542	114,179	-9,363	-7.6%
Claims costs net of reinsurance	674,148	578,687	-95,461	-14.2%
Commissions and other associated income and costs	-75,309	-70,144	5,166	-
Technical margin on insurance operations	**320,905**	**380,872**	**59,966**	**18.7%**
Net operating income from banking and insurance	**2,137,721**	**2,293,707**	**155,986**	**7.3%**
Employee costs	706,692	682,266	-24,426	-3.5%
Other administrative expenses	459,487	443,943	-15,544	-3.4%
Depreciation and amortisation	136,066	136,942	876	0.6%
Operating costs and depreciation	**1,302,246**	**1,263,151**	**-39,095**	**-3.0%**
Gross operating income	**835,475**	**1,030,555**	**195,080**	**23.3%**
Provisions and impairment of other assets (net)	192,408	320,985	128,576	66.8%
Credit impairment net of reversals	459,350	773,679	314,329	68.4%
Provisions and impairment	**651,758**	**1,094,663**	**442,905**	**68.0%**
Income from subsidiaries held for sale	**-30,217**	**-4,060**	**26,157**	**-**
Income from associated companies	**8,713**	**2,113**	**-6,600**	**-75.7%**
Income before tax and non-controlling interest	**162,213**	**-66,055**	**-228,268**	**-140.7%**
Tax	**99,760**	**35,847**	**-63,912**	**-64.1%**
Current and deferred	77,711	13,515	-64,196	-82.6%
Extraordinary contribution on the banking sector	22,049	22,332	284	1.3%
Consolidated net income for period	**62,453**	**-101,902**	**-164,355**	**-263.2%**
of which:				
Non-controlling interest	49,563	28,103	-21,459	-43.3%
NET INCOME ATTRIBUTABLE TO CGD SHAREHOLDER	**12,890**	**-130,006**	**-142,896**	**-**

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