CAIXA GERAL DE DEPÓSITOS CONSOLIDATED OPERATIONS

AT 30 JUNE 2014

Unaudited accounts

www.cgd.pt

Caixa Geral de Depositos

Caixa Geral de Depósitos, S.A. • Sede Social: Av. João XXI, 63 – 1000-300 Lisbon • Share Capital € 5,900,000,000 • CRCL and Tax no. 500 960 046

HÁ UM BANCO QUE ESTÁ A AJUDAR O PAÍS

A DAR A VOLTA.

A CAIXA. COM CERTEZA.

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

Caixa. For sure.

Index

This document is an English translation of the original Portuguese language document "Atividade Consolidada da Caixa Geral de Depósitos em 30 de junho de 2014". The Portuguese original prevails in the event of any inconsistency.

1 – Highlights

CGD is currently a renewed Bank which has held fast to its traditional principles and values, promoting the economy's structural transformation and endeavouring to promote Portuguese citizens' objectives and needs.

In continuing to implement a strategy of focusing on its core banking business, Caixa successfully completed its disposal of an 80% equity stake in Fidelidade, Multicare and Cares, in May. It is now concentrating on general lending to the economy and providing solutions to support Portuguese households and corporates, in a changing economic environment.

International business is one of our main strategic thrusts and, namely in high growth economies, contributes to the Group's return to levels of profit commensurate with its position in the financial system.

Results at 30 June 2014[1]

1. Net interest income continued to trend to positive in contributing to the sustained evolution of profitability with a 32.0% increase to € 481.2 million in June 2014. This was accompanied by a 22.0% improvement in net interest income, inclusive of income from equity instruments, in spite of the drop in income from equity instruments.

2. Income from financial operations once again posted a highly satisfactory € 166.2 million.

3. The positive evolution of net interest income and favourable performance of income from financial operations fuelled a 4.6% year-on-year increase in net operating income to € 925.3 million in June 2014.

4. In terms of operational efficiency, operating costs continued their downwards path, with a year-on-year rate of change of -6.1%. Of particular relevance was the 9.2% reduction in employee costs, in an environment which did not involve extraordinary measures to reduce the Bank's employee complement.

5. Cost-to-income was 66.8% against 75.2% in June 2013, owing both to cost reductions and higher levels of net operating income.

6. Gross operating income was up by an expressive 37.6% over the same period 2013, from € 217.7 million to € 299.6 million in June 2014.

   Pertaining to international activity, its contribution to gross operating income was up 31% year-on-year 2013, amounting to 157.1 million euros in June 2014 as compared to 119.6 million euros in June 2013.

7. Provisions and impairment costs continued to decline. The total of € 420.9 million compares favourably with the year 2013 average of € 563 million.

[1] 2013 values are *pro forma* as Caixa Seguros e Saúde, SGPS's subsidiaries were included as non-current assets held for sale; the joint ventures were integrated by the equity accounting method, as required by IFRS 11; the associate IMOBCI (Mozambique) was reclassified as a subsidiary and integrated by the equity accounting method following the implementation of IFRS 10.

The cost of credit risk was 1.02% in June 2014 against 1.06% in December 2013.

8. The successful disposal of the 80% equity stake in Fidelidade, Multicare and Cares, in May 2014, was also a factor in the positive evolution of consolidated net income.

9. As a reflection of the above, consolidated net income, at € 130 million, was again positive as in the first quarter of 2014.

10. Loans and advances to customers (net) were down 7.1% over June 2013, to € 67,477 million.

11. CGD's market share of loans and advances to companies continued along its upwards path to 18.2% in May. CGD retained its respective leading status in a wide range of credit lines with specific protocols.

12. Customer resources of € 67,126 million were very close to the values of the same period last year but up over the preceding quarter's € 66,499 million.

13. Caixa continues to be the undisputed leader in terms of its market share of customer deposits, with 32.2% of the individual customers segment in May 2014.

14. The international area made a positive contribution to consolidated net income which (including Spain), totalled € 5.5 million in the half year (against consolidated losses of € 54.6 million for the same period 2013).

This reversal was possible on account of the profound restructuring process in Spain, in which Banco Caixa Geral made a profit of € 12.0 million against losses of € 9.6 million in the same half year 2013. The Branch cut its respective losses by 81% from € 73.2 million in June 2013 to € 14 million in June 2014. The operations in Asia and Africa also posted higher earnings.

15. June 2014 witnessed yet another improvement of capital ratios on a consolidated basis, with an increase of the BDP Core Tier 1 to 12.1% and to 10.2% in the EBA Core Tier 1 ratios (both including the consolidated net income of the period). The Common Equity Tier 1 (CET 1) ratios, calculated by CRD IV / CRR "fully implemented" and "phasing-in" rules increased to 10.7% and 11.6%, respectively. The proceeds from the sale of the 80% equity stake in the insurance businesses made a particularly important contribution to this significant change.

16. After spearing Portugal's return to the covered bonds market, in January 2013, Caixa made a successful return to the market in January 2014, with the confirmation of its high level of acceptance and prestige as an issuer in the international capital markets.

Costs of credit on new covered bonds issuance in January 2014 were down by around 100 bp, in line with the continuous narrowing of spreads in the secondary market.

17. CGD continues to enjoy a highly robust financing structure (unique in the domestic financial system), with retail resources accounting for around 60% of the total, of which 97% comprising customer deposits (70.1% term and savings).

18. CGD’s borrowings from the ECB continue their downwards path with a fresh reduction of € 1,050 million over December 2013 (consolidated), to a total € 5,285 million.

2 – Main Indicators

(million euros)

RESULTS	Jun/13 (*)	Jun/14	Change
Net interest income	364.4	481.2	32.0%
Net interest income incl. income from equity instruments	417.4	509.2	22.0%
Commissions (net)	270.2	251.4	-7.0%
Non-interest income	466.8	416.1	-10.9%
Net operating income from banking	884.2	925.3	4.6%
Operating costs	666.5	625.7	-6.1%
Gross operating income	217.7	299.6	37.6%
Income before tax and non-controlling interests	-217.3	176.7	-
Net income	-182.7	129.9	-
BALANCE SHEET			
Net assets	115,387	100,225	-13.1%
Cash and claims on credit institutions	4,441	4,917	10.7%
Securities invest. (incl. assets with repurchase agreements)	18,103	19,456	11.3%
Loans and advances to customers (net)	72,626	67,477	-7.1%
Loans and advances to customers (gross)	77,063	72,366	-6.1%
Central banks' and credit institutions' resources	9,837	8,435	-14.3%
Customer resources	67,213	67,126	-0.1%
Debt securities	10,081	8,369	-17.0%
Shareholders' equity	6,936	7,209	3.9%
RESOURCES TAKEN FROM CUSTOMERS	94,354	94,814	0.5%
PROFIT AND EFFICIENCY RATIOS			
Gross return on equity - ROE (1) (2)	-6.0%	4.9%	-
Net return on equity - ROE (1)	-4.5%	4.5%	-
Gross return on assets - ROA (1) (2)	-0.4%	0.3%	-
Net return on assets - ROA (1)	-0.3%	0.3%	-
Cost-to-Income (2)	75.2%	66.8%	-
Employee costs / net operating income (2)	43.8%	37.7%	-
Operating costs / average net assets	1.2%	1.1%	-
Net operating income / average net assets (2)	1.5%	1.7%	-

(1) Considering average shareholders' equity and net assets values (13 observations).
(2) Ratios defined by the Bank of Portugal (Instruction no. 23/2012).
(*) 2013 values are *pro forma* as Caixa Seguros e Saúde, SGPS's subsidiaries were included as non-current assets held for sale; the joint ventures were integrated by the equity accounting method, as required by IFRS 11; the associated company IMOBCI (Mozambique) was reclassified as a subsidiary and integrated by the equity accounting method, following the implementation of IFRS 10.

(%)

CREDIT QUALITY AND COVERAGE LEVELS	Jun/13 (*)	Jun/14	Change
Overdue credit / total credit	6.7%	7.6%	-
Credit more than 90 days overdue / total credit	5.9%	7.0%	-
Non-performing credit / total credit (2)	7.4%	8.8%	-
Non-performing credit (net) / total credit (2)	1.8%	2.2%	-
Credit at risk / total credit (2)	10.2%	11.9%	-
Credit at risk (net) / total credit (net)(2)	4.7%	5.5%	-
Restructured credit / total credit (3)	-	10.0%	
Restruct. credit not included in credit as risk / total credit (3)	-	6.0%	-
Overdue credit coverage	85.6%	88.3%	-
Credit more than 90 days overdue coverage	98.0%	96.5%	-
Credit impairment (P&L) / loans and advances to customers (average balance)	0.95%	1.02%	-
STRUCTURE RATIOS			
Loans and advances to customers (net) / net assets	62.9%	67.3%	-
Loans and advances to customers (net) / customer resources	108.1%	100.5%	-
Loans and advances to customers (net) / customer deposits (2)	108.5%	101.1%	-
SOLVENCY RATIOS			
Solvency (2)	13.6%	13.4%	-
Tier 1 (2)	11.0%	11.6%	-
Core Tier 1 (2)	11.4%	12.1%	-
Core Tier 1 (EBA)	9.3%	10.2%	-
Common Equity Tier 1 (CRD IV/CRR phasing-in)	-	11.6%	-
Common Equity Tier 1 (CRD IV/CRR fully implemented)	-	10.7%	-

(1) Considering average shareholders' equity and net assets values (13 observations).
(2) Ratios defined by the Bank of Portugal (Instruction no. 23/2012). Core Tier 1 ratios are inclusive of income In the period.
(3) Ratios defined by the Bank of Portugal (Instruction no. 32/2013).
(*) 2013 values are *pro forma* as Caixa Seguros e Saúde, SGPS's subsidiaries were included as non-current assets held for sale; the joint ventures were integrated by the equity accounting method, as required by IFRS 11; the associated company IMOBCI (Mozambique) was reclassified as a subsidiary and integrated by the equity accounting method, following the implementation of IFRS 10.

3 – Economic and Financial Outlook

World

The world economy continued to grow in 1st half 2014 albeit at a clearly lower rate than expected, with first quarter economic activity posting its lowest rate of growth in two years. This deceleration was exacerbated by the extremely bad weather conditions in several countries and, no less importantly, major economic and geopolitical in several emerging economies.

World economy continues to grow…

The marked 2.9% consecutive fall of GDP in the US was fundamentally reflected in weak consecutive world economic growth of only 1.3% in the first three months of the year. Negative evolution was, in general, disseminated in geographical terms, with a deceleration of activity in China and the euro area's higher level of GDP being weaker than expected. The same period witnessed the economic effects of the Ukraine/Russia crisis. Global growth would have been even less expressive if Japan had not posted such strong growth, fuelled by domestic demand (before the forecast VAT hike) at the start of the second quarter.

… albeit still sluggish and at a lower than expected rate

In spite of such a mildly positive environment in terms of economic growth at the start of the year, there continued to be an appetite for high risk levels, with implicit volatility in the markets close to a minimum. This performance is likely to be associated with the positions of the central banks of the main developed economies, in favour of the maintenance of low interest rates over the longer term and implementation of new growth *stimuli*, notably the ECB's recent packet of measures to promote lending to corporates and for consumption.

Interest rates likely to remain at low levels for some time

The central banks of the main emerging economies continued to endeavour to anchor investors' confidence and attenuate the negative effects of currency depreciations to protect inflation targets. The central banks of several emerging countries were forced to tighten their monetary policies, which in several cases were already highly restrictive. This is exemplified by higher rates in Turkey and South Africa at the start of the year. Brazil, India and Russia also tightened their monetary policies, albeit to a lesser extent, as opposed to other countries, such as China, with a better grip on inflation and which implemented non-conventional stimulus measures.

ECB launches a package of measures to boost lending.

The main share indices in the US close to the end of June hit all-time highs and were at their highest since the start of 2008, in the case of Europe.

Equity markets on a roll

Europe

Slow rate of economic recovery in spite of improved confidence indices

In a scenario of fears over deflation, the new monetary *stimuli* in the euro area involved, *inter alia*, cuts in key reference interest rates, particularly including the 10 bp reduction in the deposit rate to -0.1% and announcement of new long term liquidity auctions from the third quarter of the year, conditional upon lending trends.

New monetary *stimuli*

Economic recovery in the euro area, noted in the second consecutive half year, remained highly sluggish, although data indicated a continuous improvement of the trajectory of business and consumer confidence. The long period of low inflation has become an issue of growing concern. The inflation rate at the end of the period under analysis was at its lowest rate for three and a half years, more than one percentage point less than the objective of 2.0%.

Fears of deflation

Across-the-board narrowing process on yields of the "peripherals"

Gradual economic improvement, together with signs of fiscal consolidation succeeded in overcoming the fears associated with sovereign debt in the euro area, with several of the peripheral countries seeing an improvement in their ratings or outlook from several of the rating agencies. The first half year therefore witnessed an environment of low and falling yields on 10 year bonds, with new historical minimums since membership of Economic and Monetary Union having been recorded in Spain and Italy. Portugal posted its lowest rate since September 2005. The yield on 10-year German bunds fell continuously across the whole of the half year.

Portugal: first issuance of 10 year bonds, after the adjustment programme

Such an environment enabled certain non-core countries to test their capacity to return to the debt markets, with new issuances of long term government bonds. Special reference should be made to the first 10 year debt issuance, successfully realised by the Portuguese Treasury following the official exit from the Economic and Financial Assistance Programme.

In spite of an improvement in business sentiment and the euro area's economic environment, ECB's signs and latter implementation of new monetary *stimuli*, translated into a new downwards movement of Euribor rates across much of the half year; falling within a period of one month to a new historic minimum. The remaining periods witnessed the lowest rates since around the end of first half 2013.

Euribor at minimum rates

The euro's appreciation over much of the half year led to an increase against the dollar to $1.40 at the end of April, i.e. its highest level since mid 2011. Its potentially negative impact on inflation helps to explain why ECB president Mario Draghi, expressed greater willingness to implement new expansionary measures in the region immediately following the meeting of the Governing Council in May. The depreciation trend in evidence since the said date led to a slight change of only -0.4% against the dollar, following the preceding half year's sharp appreciation of 5.6%.

Euro appreciates against the dollar

Portugal

Economic activity in Portugal, posted a consecutive contraction of 0.6% in the first quarter of the year and year-on-year growth of 1.3%, down 1.5% over 4th quarter 2013. There were successive signs of confidence in the 2nd quarter, with the economic climate indicator showing an improvement for the sixth consecutive quarter to its highest since September 2008. Consumer confidence was also at its highest since November 2009.

Improvement in confidence indicators with lower unemployment

The 1st quarter also breathed fresh life into the labour market. Unemployment was down 2.4 pp over the same period 2013 to 15.1% and down 0.2 pp over the preceding quarter to its lowest since 2nd quarter 2012.

Portugal exits Adjustment Programme without external support

Portugal's Economic and Financial Assistance Programme was brought to a successful conclusion at the end of the first half, without the need for any precautionary package involving external economic aid.

4 – Strategy and Structure of CGD Group: Evolution in 1st Half 2014

Strategic focus on banking activity

The Group's operations over the first half year are part of the strategy being followed over the last few years of progressively concentrating on its core banking operations and backing Portuguese economic recovery, both household and corporate, which still have to contend with a very demanding social and economic scenario.

Set against the above, without ever disregarding its traditional backing for Portuguese households, Caixa is increasingly playing the role of a manufacturing sector financier, particular focusing on SMEs with tradable goods and services.

Active policy of backing companies and continued support for households

At 30 April, as part of the reorganisation of its equity investments in Cape Verde, CGD and Banco Interatlântico disposed of their equity stakes in Garantia - Companhia de Seguros de Cabo Verde. Caixa also took a 6.76% equity stake in Banco Comercial do Atlântico from Garantia on 7 May, increasing its direct investment in the bank to 54.41%.

CGD took an important stride forward in terms of the strategic process in progress, involving greater concentration in banking activity, in May 2014, in its successful disposal of an 80% equity stake in Fidelidade (which could be as high as 85%, when considering all of the shares involved in the public offering for workers) and an 80% equity stake in Multicare and Cares.

Sale of 80% of the equity stakes in insurance businesses

The 1.1% equity stake in REN was also sold in the market in the first half year as part of the company's 2nd reprivatisation stage. The current dimension of Caixa's investment portfolio may be considered residual.

Caixa has been streamlining its branch office network, as part of its ongoing improvements to operational efficiency and continuing high levels of customer satisfaction, providing more and better products and services, benefiting from a robust and dynamic electronic channels network.

Positive results from streamlining the Spain operation

Work continued on the restructuring programme in Spain, which began in 2012. This took the form of streamlining the branch office network (59 fewer branches) and gearing business to the retail segment (households and small enterprises) reinforcing its focus on Iberian business, owing to its crucial role in terms of international trade flows.

The fact that the process is in full swing has been confirmed by the expressive improvement in profit and efficiency indicators achieved by the Spain operation.

5 – Results, Balance Sheet, Liquidity and Solvency

Results

Continuing along the road to profitability starting first quarter 2014, CGD posted consolidated net income of € 130 million in the first half year in comparison to losses of € 182.7 million in the same half 2013.

Caixa trends towards higher profitability

This derived from several factors, namely the evolution of net interest income, income from financial operations and ongoing cost reductions which, in line with the implementation of the operational streamlining process over the last few years were down 6.1% against first half 2013. Employee costs were down 9.2% in the period in question. Other operating income included costs of € 5.0 million, in 1st half 2014, for the contribution to the resolution fund set up to provide financial support for the banking sector's application of resolution measures defined by the Bank of Portugal.

Net interest income up 32%

Gross operating income was, accordingly up by an expressive 37.6%.

Gross operating income up 37.6%

CONTRIBUTION TO GROSS OPERATING INCOME

(million euros)

	Jun/13	Jun/14
Domestic commercial banking	62.0	102.3
International activity	119.6	157.1
Investment banking	38.5	49.0
Other	-2.3	-8.8
Gross operating income	**217.7**	**299.6**

Marked, ongoing cost reductions

In spite of the fact that interest rates remained at very low levels and the existence of a highly competitive credit segment market, Caixa's ongoing development of its repricing policy on borrowings enabled it achieve further favourable evolution of its net interest income which was 32.0% up over first half 2013 to € 481.2 million in June.

The 22.0% change in net interest income, including income from equity instruments was not as marked as in the case of net income *per se*, owing to the negative effect of income from equity instruments (in a reducing portfolio context).

Good performance of financial operations

Income of € 166.2 million from financial operations in June 2014 continued to perform very well but not well enough to enable non-interest income to achieve a positive change on account of the negative evolution of net commissions which, in a still relatively weak business environment, were down 7.0% year-on-year.

An expressively positive contribution was also made by the € 287.3 million in income from subsidiaries held for sale, particularly deriving from the successful disposal of 80% of the share capital of the insurance companies, as part of the Group's strategic plan of concentrating on its core banking activity.

Disposal of insurance's equity makes an extraordinary contribution to CGD's results

OPERATING COSTS AND DEPRECIATION

(million euros)

	Jun/13	Jun/14	Change Total	Change (%)
Employee costs	388.4	352.5	-35.8	-9.2%
Other administrative expenses	216.6	219.0	2.4	1.1%
Depreciation and amortisation	61.5	54.1	-7.4	-12.0%
Total	**666.5**	**625.7**	**-40.8**	**-6.1%**

Improved cost-to-income ratio

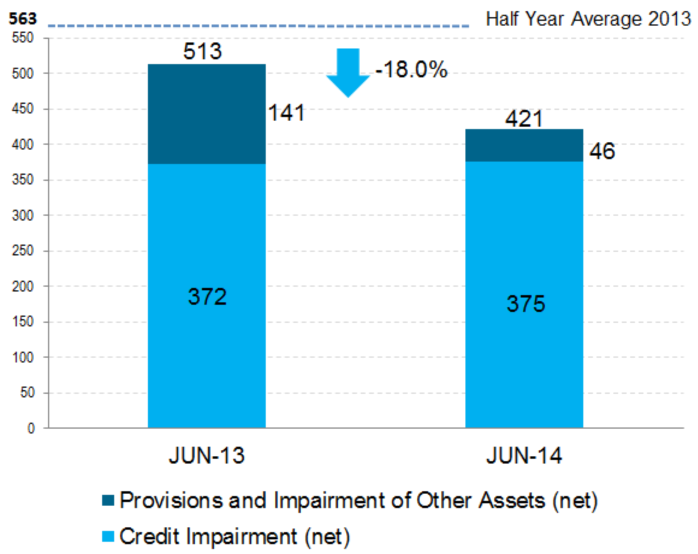
The cost-to-income indicator was 66.8% in comparison to 75.2% in June 2013. This indicator has shown an expressive improvement as a result of the ongoing cost reduction process and progressive improvement in net operating income.

CGD's prudent approach to provisioning associated with a certain improvement in the financial situation of companies and a reduction of new cases of default, continued to be reflected in a total reduction of € 421 million in impairment at the end of 1st half 2014 (a reduction of 18.0% year-on-year 2013). This was significantly lower than the half year average of € 563 million in 2013.

PROVISIONS AND IMPAIRMENT IN PERIOD

Provisions and impairment in period trend downwards

(million euros)



Reduction of cost of credit risk to 1.02%

The cost of credit risk was 1.02% in June 2014 against 1.06% in December 2013.

Balance Sheet

The disposal of the 80% equity stake in the insurance companies, in May, was clearly reflected in the reduction of consolidated net assets, which were down 13.1% over the same half 2013 to € 100,225 million, in June.

Reduction of assets on the disposal of CGD's insurance companies and reduction of credit balance

The 7.1% reduction on the balance of loans and advances to customers (net), which in June was € 67,477 million, continued to contribute towards the downwards balance sheet trend as a reflection of the fact that repayment flows continued to be higher than on new operations.

There was an 7.5% increase of € 1,353 million in the amount of securities investments, including assets with repurchase agreements.

Total liabilities, down 14.2% by € 93,016 million, also reflected the effects of the disposal of the 80% equity stake in Caixa Seguros, in conjunction with a fresh reduction of borrowings from the ECB (down € 1,050 million over December) and the reduction of € 1,713 million in debt securities largely on account of the early repayment of Caixa's state-backed debt.

Customer resources remained practically stable in comparison to first half 2013 at € 67,126 million, but were slightly up over the € 66,499 million registered in March 2014.

Resources performed well in a context in which Caixa proceeded to gradually reduce its interest rates on deposits, which compete in the market with high yield savings instruments.

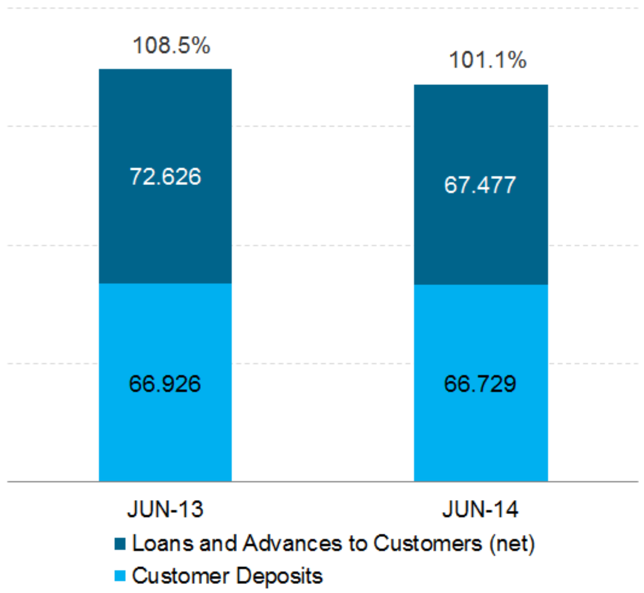
Customer resources stabilise

Off-balance sheet investments also continued to grow (up 6.8% over the same period 2013).

The loans-to-deposits ratio at the end of June was 101.1%.

LOANS-TO-DEPOSITS RATIO

(million euros)



The credit overdue more than 90 days ratio was 7.0% in comparison to 5.9% in first half 2013.

The credit at risk ratio, calculated in accordance with Bank of Portugal criteria, was 11.9%.

A certain deterioration of credit quality indicators, albeit reflecting the maintenance of asset quality

In spite of a certain deterioration, these indicators reflect the maintenance of asset quality, having been largely affected by the reduction of the average balance of the credit portfolio which, as already stated, is still coming down. There were no material entries to the default portfolio in the period under analysis.

Liquidity

Another successful issuance of € 750 million in covered bonds with a maturity of 5 years

CGD started the year with a covered bonds issuance of € 750 million, with a maturity of 5 years and coupon rate of 3%. The issuance was warmly welcomed by investors, with more than 90% being sold outside Portugal and recording demand of € 3.9 billion. In comparison to the 3.75% yield on the January 2013 issuance, there was a marked improvement in this issuance's financing conditions.

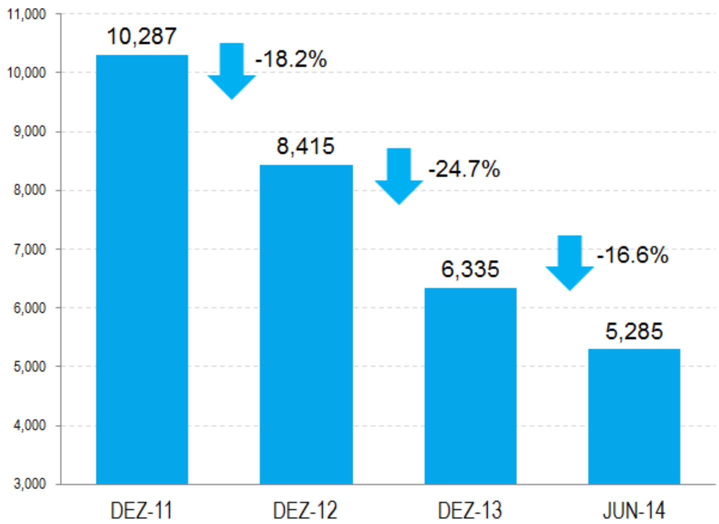
Investor interest in CGD debt was clearly visible in order book quality and volume which were heavily oversubscribed. Demand was recorded from investors in more than 20 countries, including the more traditional markets, such as Germany, Austria and the United Kingdom.

The stabilising liquidity situation and reduction of funding from the ECB enabled CGD to make an early repayment of € 2,100 million of State-backed issuances in the first half year, which had been retained in the portfolio.

Early repayment of State-backed debt and consequent reduction of costs

ECB FUNDING (CONSOLIDATED)

(million euros)



Sustained reduction of borrowings from ECB (down € 1,050 million in June against December 2013)

The first months of this year saw a significant decrease of the balance of outstanding debt, particularly resulting from maturity of an issuance of € 1,250 million. CGD however, succeeded in reducing its liabilities to the ECB by € 1,050 million, against December 2013, reducing its borrowings to € 3,700 million. On a CGD Group level, total resources obtained from the ECB at the end of June were € 5,285 million against € 6,335 million at the end of 2013.

Reduction of outstanding debt

Repayments of state-backed debt naturally implied a reduction of around € 3,954 million in the amount of eligible assets allocated to the ECB pool. The pool had a total value of € 13,145 million at the end of the half year.

The value of available (i.e. unencumbered) pool assets, at the end of June, remained highly comfortable at € 7,805 million.

Solvency

The Group's shareholders' equity of € 7,209 million at the end of 1st half 2014 was up 3.9% by € 272.6 million over the end of June 2013, benefiting from improved fair value reserves and net income as well as the increase in non-controlling interests regarding Fundimo, Fundiestamo and Ibéria real estate investment funds which have now been fully consolidated.

Increase in shareholders' equity

SHAREHOLDERS' EQUITY

(million euros)

	Jun/13	Jun/14
Share capital	5,900.0	5,900.0
Fair value reserves	-168.9	373.5
Other reserves and retained earnings	520.3	-97.1
Non-controlling interests	867.6	902.5
Net income	-182.7	129.9
Total	**6,936.3**	**7,208.9**

June 2014 saw an improvement in capital ratios on a consolidated basis. Including the net consolidated net income of the period, the Core Tier *1* ratio was accordingly 12.1% against 11.7% at the end of 2013, higher than the 10% core capital requirement established by the Bank of Portugal. The Core Tier 1 ratio in conformity with the EBA's definition, was 10.2% against 9.4% in December 2013.

Core Tier 1 (BdP): 12.1%

Core Tier 1 (EBA): 10.2%

The Common Equity Tier 1 (CET 1) ratio, calculated in accordance with CRD IV / CRR "fully implemented" rules, was 10.7%, against 7.6% at 31 December 2013 (minimum of 7%, comprising a CET 1 of 4.5% and buffer of 2.5%).

CET 1 *fully implemented*: 10.7%

The Common Equity Tier 1 (CET 1) ratio, calculated in accordance with CRD IV / CRR "phasing-in" rules, was 11.6% against 10.7% at 31 December 2013, higher than the reference value of 8% considered in the base scenario for the valuation of assets by the ECB.

CET 1 *phasing-in*: 11.6%

6 – Operating Segments

Reinforced corporate approach reflected in all operating segments

The strategic approach to retail business is naturally reflected in the Group's various operating segments and is simultaneously accompanied by a reinforced corporate approach which gradually converges across the whole of CGD's universe.

Commercial Banking

Over the 1st half year, in a macroeconomic environment trending to positive, Caixa has consolidated the transversal actions needed to transform the Bank, centred on the strategic pillars of a sustained improvement of quality of service and catering to a comprehensive customer base which has been renewing its respective needs and objectives and whose loyalty is Caixa's fundamental purpose.

Ongoing improvement of customer interaction functionalities

In furthering its strategic objective of enhancing its customer relationship management system for households and corporates, Caixa has continued to expand its commercial teams with dedicated management functions as well as increasing the number of customers to whom account managers have been assigned, while simultaneously expanding and improving the range of means and functionalities for interaction with customers, namely in the form of digital and mobile banking channels. At the end of first half 2014, the *Caixadirecta* App continued to be one of the first free financial Apps in the Google Play and Apple Store download rankings.

The *Caixadirecta* App was one of the first free financial apps

In terms of distance channels, reference should, *inter alia*, be made to the end of first quarter launch of new *Caixa plim* App for iOS, Android and Windows Phone 8 smartphones to facilitate transfers between CGD customers' current accounts.

Improvement and extension of distance channels

As part of an ongoing operational streamlining policy, work continued on adjusting the capillarity of the domestic branch office network which continues to have a physical presence in all of Portugal's municipal districts.

The domestic branch office network at the end of the half year was made up of 736 "universal" (i.e. general) branches (1 fewer than at the end of 2013) and 27 *Gabinetes Caixa Empresas* ("Corporate Offices") (2 fewer), totalling 763 business units with personal customer and 47 self-service branches, enjoying a strong relationship with the extensive international platform covering 23 countries and a clearly differentiating factor for CGD in the domestic banking scene.

Caixa continues to enjoy high rates of usage of its branch office network capacity, considering the 4 million customers who remain highly satisfied with its quality of service.

Resources

CGD's commercial approach to the household segment, in leveraging its unequivocally leading position in Portugal, continues to improve its knowledge of customers in acquiring an integral vision of their respective profiles. This enables Caixa to meet their needs on a proactive basis with the overriding objective of optimising loyalty/securing/profitability considerations.

Proactive range of savings solutions based on a better understanding of customer profiles

Caixa therefore continued to increase its number of dedicated account managers for its *Caixa Azul* service customers (personalised service for premium customers). This service is available on around 78% of the branch office network.

The *Caixa Mais* service (personalised service for customers with growth potential) was also expanded in the first half year to a further 241 branches and an additional 268 commercial assistants. The *Caixa Mais* service had 1,335 commercial assistants at 699 branches in

June 2014.

This proximity policy has enabled Caixa to maintain a positive trend in its funding from retail sources (whose dominance continues to differentiate it from its competitors and not only in the domestic sphere) over the period under analysis, in spite of the current policy of successive reductions of interest rates on deposits and no less importantly, the range of competing savings products with higher yields.

Good performance in resource-taking

The period therefore witnessed a globally favourable performance of deposit-taking from individual customers, with the virtual maintenance of customer deposits (-0.3%).

RESOURCES TAKEN BY CGD GROUP – BALANCES

(million euros)

			Change	
	Jun/13 (*)	Jun/14	Total	(%)
Balance sheet	**80,251**	**78,021**	**-2,231**	**-2.8%**
Retail	69,992	68,792	-1,201	-1.7%
Customer deposits	66,926	66,729	-197	-0.3%
Other customer resources	3,066	2,062	-1,004	-32.7%
Institutional investors	9,359	8,329	-1,030	-11.0%
EMTN	4,759	2,897	-1,862	-39.1%
Covered bonds	3,800	4,558	757	19.9%
Other	800	874	75	9.3%
Portuguese state (CoCo bonds)	900	900	0	-
Off-balance sheet	**24,362**	**26,022**	**1,660**	**6.8%**
Total	**104,613**	**104,043**	**-571**	**-0.5%**
Total (excl. instit. inv and Portuguese state)	**94,354**	**94,814**	**459**	**0.5%**

In the corporate segment, CGD has been strengthening its backing for those companies making a greater contribution to Portugal's economic recovery and its own returns, based on a more targeted approach and continuous oversight, with better Treasury management support solutions and external credit operations. This segment witnessed an 8.9% year-on-year growth of savings products, particularly investment funds and deposits, in Caixa's domestic operations.

It continues to enjoy a high market share of deposits, with particular reference to its 32.2% share of household deposits, in the domestic sphere.

Considering the Group as a whole, total resource-taking (excluding the interbank market) was up 0.5% year-on-year to a balance of € 94,814 million.

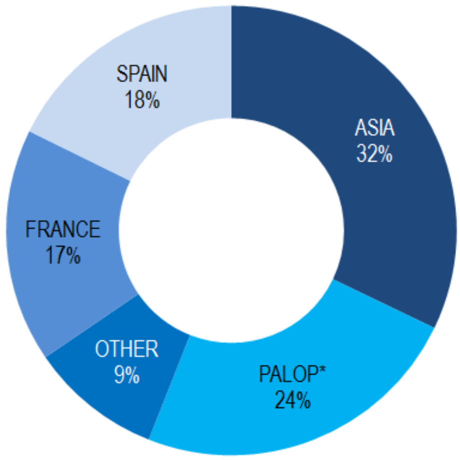
International branch office network accounts for € 13,907 million in deposit-taking from customers

The international area continued to make a highly favourable contribution to total resource-taking with a total of € 13,907 million, particularly including CGD Group businesses in Asia, Africa and France, together with Spain.

CUSTOMER DEPOSITS - INTERNATIONAL ACTIVITY

(%)

Expressive contribution from CGD Group businesses in Asia, Africa, France and Spain in deposit-taking



Credit

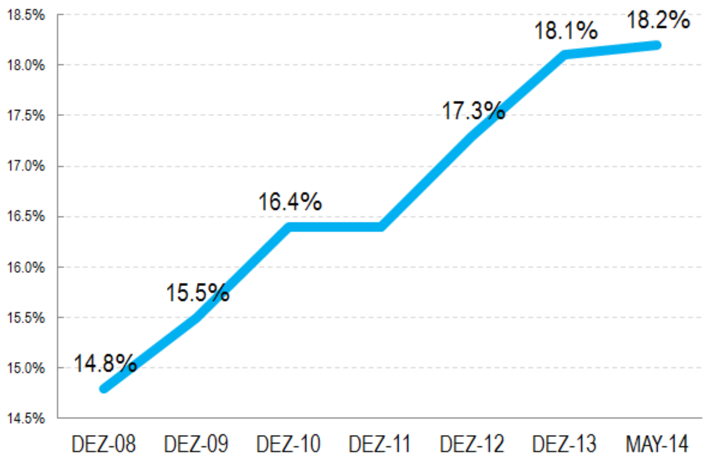
Based on its aim of achieving the status of the bank of choice of the best Portuguese companies, Caixa continues to provide new credit solutions, frequently complemented and particularly so in the case of companies with cross-border business by advisory and oversight services, to which the experience and extensive international branch office network makes a value added contribution.

This strategic approach has once again been confirmed by the sustained, positive evolution in the market share of loans and advances to companies which has grown on a practically continuous basis over the last five years to its present 18.2% in May 2014.

Endeavours to achieve an integrated relationship with the corporate segment in all sectors, particularly tradables, take the form of further backing to the Treasury function, investment and capitalisation.

MARKET SHARE – CORPORATE LOANS

(%)



Reference should be made, in the first half year to several actions strengthening the corporate *Offer*, namely:

New actions to strengthen corporate offer

- Launch of new lines of credit with specific protocols, including *PME Crescimento* (“SME Growth”) 2014, *Comércio Investe* (“Commerce Invest”) and *Linha Garantia Mútua-FEI* (“EIF Mutual Guarantee”) 2013-2015.
- Strengthening of Caixa’s Sectoral Offer, in its relaunch of its *Negócio Ibérico* (“Iberian cross-border Business”) proposal, improving the terms of the PRODER/PROMAR lines of credit and Secondary Lines of Credit for Companies in the Tourism Sector (Treasury and Offer Qualification).
- Launch of prepaid *On-Bizz* card, optimisation of the price terms of *IVA EnCaixa* (“VAT Proceeds”) and improved vehicle leasing plans (including a new partnership with Peugeot).
- Improvement of Caixa E-Banking functionalities, including, *inter alia*, foreign trade (Document and Information Centre requests and “other loans” views).
- Optimisation of interbank transfers based on the implementation of SEPA in credit transfers (CT) and direct debits (DD).
- Launch of new *Caixa Empresas Exportações e Produção de Bens Transacionáveis* (“Exports and Producers of Tradable Goods”) line of credit.
- Endorsement of new government lines.

Notwithstanding aggressive competition, CGD’s endeavours and dedication in its approach to the best companies has been rewarded by their trust, comprising its lead of the majority of the above referred to the special and specific protocol lines of credit.

There continues to be a decline in the loans and advances to households segment portfolio, to an overall balance of € 31,138 million.

LOANS AND ADVANCES TO CUSTOMERS[a] (CONSOLIDATED)

(million euros)

			Change	
	Jun/13	Jun/14	Total	(%)
CGD Portugal	**60,169**	**55,987**	**-4,183**	**-7.0%**
Corporate	22,690	21,207	-1,483	-6.5%
General government	3,379	2,931	-448	-13.3%
Institutionals and other	1,588	710	-878	-55.3%
Individual customers	32,513	31,138	-1,374	-4.2%
Mortgage credit	*31,305*	*30,051*	*-1,254*	*-4.0%*
Other	*1,207*	*1,087*	*-120*	*-10.0%*
Other CGD Group companies	**16,893**	**16,380**	**-514**	**-3.0%**
Total	**77,063**	**72,366**	**-4,697**	**-6.1%**

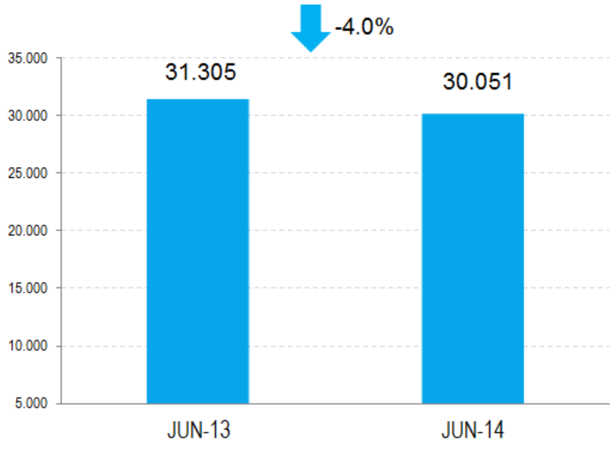
(a) Before impairment and excluding repos operations (assets with repurchase agreements)

11.1% increase in volume of new mortgage credit operations

Mortgage credit (in domestic terms) was down 4.0%. There has, however, been some growth in the volume of new mortgage credit operations which were 11.1% up over the same half 2013 to € 240 million.

MORTGAGE CREDIT PORTFOLIO – BRANCH OFFICE NETWORK (PORTUGAL)

(million euros)



Although economic recovery and the increased confidence of economic agents are likely to continue to help fuel the flow of new operations, the levels contracted for in the future are unlikely to be on a par with those of the past.

International Activity

International business comprises one of CGD Group's main strategic thrusts in terms of its convergence to a sustained profitability trajectory commensurate with its benchmark status in the Portuguese economy, in which it continues to be a major driving force.

Reinforcement of global alignment and integration between networks

During the course of 1st half 2014, Caixa continued to oversee and develop a series of initiatives and activities, with the objective of maximising growth potential and cross-border business, exploiting synergies and developing the links between its domestic network and foreign businesses (notably in France, Angola, Brazil, Mozambique, South Africa and China/Macao).

It made a major effort to align cross-border activity for the development of relationships with customers operating in the international sphere in such markets and to expand its foreign and particularly intra Group trade.

Reference should be made to CGD's organisation of a series of promotional and business facilitation actions, both in Portugal as in several of Caixa's priority markets, namely Mozambique and Macao.

This effort translated into a significant growth of foreign trade business and the number of companies using Caixa as their cross-border business support bank.

In terms of its backing for the international processes of Portuguese companies, CGD has also arranged for various concessionary credit lines for Portuguese exports, for a global amount of € 1,650 million, including 129 projects during their respective prioritisation periods under which an amount of € 68 million was disbursed in 1st half 2014. Reference should be made to the Concessionary Line of Credit for Social Housing in Cape Verde, both on account of the number of projects and companies involved.

Reference should be made to the permanent negotiations on the terms of the respective Lines of Credit for Portuguese Exports, namely extensions of the periods scheduled for project disbursement purposes.

In addition to the operations included in its Lines, Caixa has structured and submitted various tailor-made loan proposals providing for the specific needs of importers of Portuguese goods and services, providing Portuguese exporting companies (applying for this type of support) with the appropriate capacity to fund their local customers in various markets.

Contribution of international activity turns positive, including Spain

The international branch office network (including Spain) contributed € 5.5 million to consolidated net income in the half year (against consolidated losses of € 54.6 million for the same half year 2013.)

This reversal was possible on account of the profound restructuring process in Spain, which is still in progress. This took the form of a major redimensioning of the Bank's branch office network and employee complement and, no less importantly, in reorienting its business to households and SMEs and particularly concentrating on its Iberian cross-border business. This is a natural process owing to the importance of cross-border commercial flows.

The fact that the Bank has succeeded in containing impairment levels, together with cost reductions, has enabled it to counteract the effect of the reduction of margins (also associated with the reduction of key reference rates). BCG Espanha made a profit of € 12.0 million against losses of € 9.6 million for the same half year 2013 and the Branch reduced its respective losses by 81% from € 73.2 million, in June 2013 to € 14.0 million in June 2014.

CGD's businesses in Africa continued to perform well, with BCGT Angola and BCI Mozambique contributing € 7.4 million and € 6.4 million, respectively, to the net consolidated income.

BNU Macao's net income was up 3.8% to € 19.5 million at the end of the half year.

Reference should also be made to the evolution of the London Branch with net income of € 4.8 million.

Although representing only around 20% of the Group's total assets, international activity's contribution of 38% to consolidated net operating income, in June, confirms this segment's efficiency and growth potential.

BCI: distinguished as the Best Commercial Bank 2014 for the 2nd consecutive year and Best Retail Bank 2014

BCI opened 7 branches in Mozambique. BCI and *IPEME - Instituto para a Promoção das Pequenas e Médias Empresas* ("Small Enterprises Institute") entered into an agreement, in Maputo, on 27 February, to renew the memorandum of understanding binding upon the two institutions in the sphere of the Bank's backing for the nationwide expansion of *COrE* (Business Guidance") centres. The international 'Global Banking & Finance Review' magazine distinguished BCI for the 2nd consecutive year as the 'Best Commercial Bank 2014' and the 'Best Retail Bank 2014'.

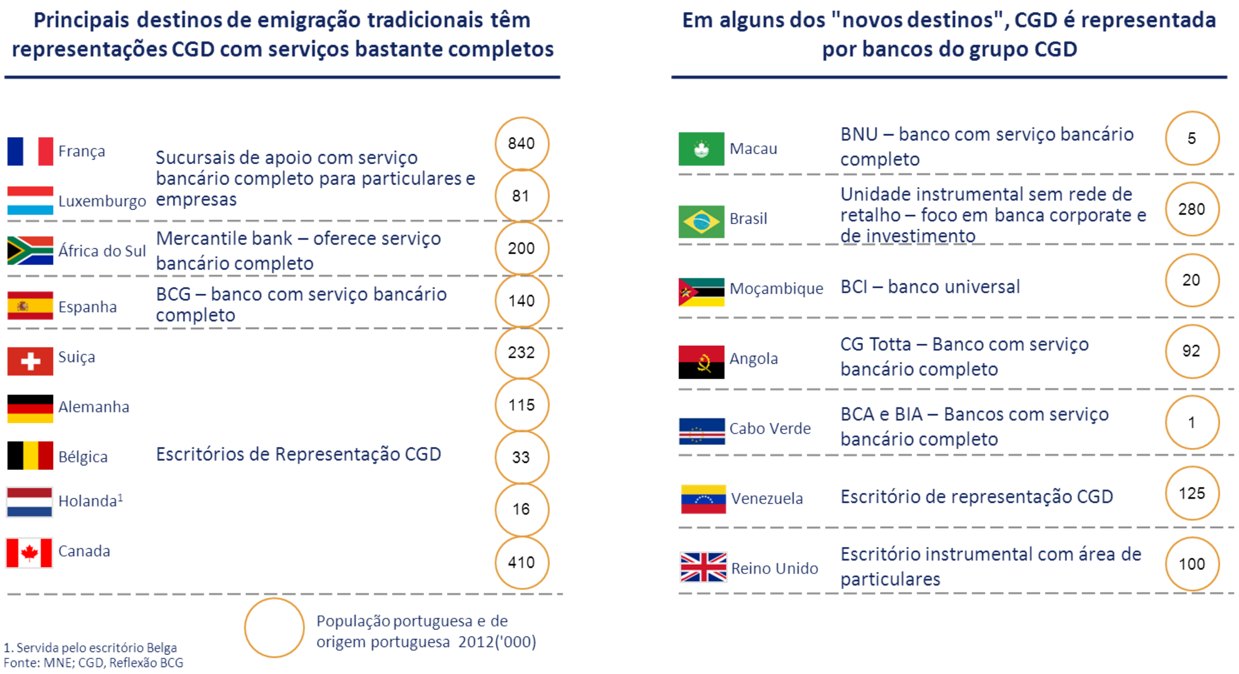
In Angola, BCGTA was actively engaged in supporting entrepreneurship, through its *Angola Investe* ("Angola Invest") programme. *Angola Investe* seminars for business operatives were held in Lobito, Lubango and Luanda. BCGTA has also been actively engaged on promoting financial inclusion in Angola, by expanding the geographical cover of its personal branch customer's office network, in addition to its supply of electronic channels which represent a powerful instrument in such a large country.

In Macao, Banco Nacional Ultramarino, in its twofold capacity as the local mint and a commercial bank is engaged on a modernisation project in an endeavour to achieve a level of differentiation from its competitors based on its quality of service. It launched its new BNU *Advantage* service in 2014, allocating an account manager to provide personalised services to specified customer *strata*.

Caixa has also been paying special attention to its individual customer's resident abroad segment, endeavouring to accompany its traditional customers and assist a new class of "emigrants" who continue to seek job opportunities outside the country.

With the objective of maintaining a close relationship with current and potential customers, CGD has been consolidating its distance service models, investing in the growing qualification of Group Businesses abroad, namely the Network of Representative Offices and the Individual Customers Areas of Branches and Subsidiaries and other Group Retail Banking Businesses.

The following chart presents a schedule of CGD's operations in countries of greater relevance in terms of emigration.



Note: The circles present the number of Portuguese nationals in the destination countries, in thousands.

1% increase in non-residents' deposits

The reinforcement of the total resources-taken aggregate, in the Individual Customers Resident Abroad segment in 1st half 2014 has surpassed 1%. This result is particularly explained by customers resident in Brazil, Angola and the United Kingdom.

As regards the countries of destination of new emigrant customers, reference should be made to the dimension of the United Kingdom, Switzerland and France.

In this period, Caixa endeavoured to boost its cross selling operations with individual customer's resident abroad and companies operating in the international sphere, in its awareness of the relevance of a global integrated commercial approach.

Investment Banking

CaixaBI achieved net income of € 11.2 million in first half 2014. Contributions included net commissions of € 26.5 million for the period and the positive performance of income from financial assets totalling € 7.4 million.

The current macroeconomic environment continues to have a negative effect on the Bank's results which were affected by higher provisions and impairment totalling € 9.9 million in the quarter. Cost-to-income, at 25.2%, however, remained clearly below that of its peers.

Corporate Debt Finance

CaixaBI came 1st in the Bloomberg ranking for bookrunners for bonds issued by domestic entities at the end of 1st half 2014. Particular reference should be made to the following bond market operations in which the Bank was involved.

- Republic of Portugal: joint bookrunner and joint lead manager for the tap issuance on Treasury Bonds 2019, in an operation involving € 3,250 million signalling the Portuguese Republic's first access to the markets in 2014. Sole bookrunner and lead manager for a € 1,267 million notes issuance maturing in 2022, sold in a private placement. Co-lead manager for the tap issuance on Treasury bonds 2024, totalling € 3,000 million.
- CGD: joint bookrunner and joint lead manager for the € 750 million covered bonds issuance, maturing in 2019.
- Brisa: joint bookrunner and joint lead manager in the € 300 million notes issuance which comprised the first Euromarket issuance by a Portuguese corporate in 2014.
- Participation in the Parpública, EDP, Altri/Celbi, Sonae Capital, FCP, BPCE SFH and Santander Totta issuances.

CaixaBI also organised and led nine new Commercial Paper Programmes and completed thirty two extensions and/or revisions of the terms of past year Programmes.

Equity Capital Market

An active role in the capital markets

CaixaBI successfully completed the following equity market operations in 1st half 2014:

- REN: global coordinator and bookrunner for the reprivatisation of 11% of the share capital in the form of a secondary public offering on Parpública's (9.9%) and CGD's (1.1%) remaining equity stakes.
- José de Mello Energia: bookrunner for the accelerated bookbuilding process on a block of 94.8 million EDP shares for 2.59% of its share capital.
- Sonae: co-lead manager for the issuance of Sonae SGPS, S.A. convertible bonds for an overall amount of € 210.5 million.
- Espírito Santo Saúde: co-lead in the initial public offering, comprising the sale of a 44.9% equity stake in the form of a public offering and institutional offer, accompanied by an increase in the company's share capital in the form of a public subscription offer.
- Mota-Engil: bookrunner for the sale of an equity stake in Mota-Engil and the same company's treasury shares, in the form of an accelerated bookbuilding process on a block of 16.8% of the issuer's share capital.

Corporate Finance – Advisory

Financial advisory services on the disposal of foreign insurance sector businesses

Corporate finance advisory services particularly included financial advisory services for the sale of CGD Group's insurance businesses to Fosun Group, for the amount of € 1.6 billion. This was last year's largest transaction in the insurance sector in Europe and the largest ever transaction involving a private Chinese entity in the European financial sector.

Syndication and Sales

CaixaBI participated in five primary market issuances as joint lead manager and bookrunner (Portuguese Republic, Parpública, CGD, Brisa and EDP), three issuances as co-lead manager (Portuguese Republic, BPCE and Santander Totta) and two private placements as sole lead manager and bookrunner (Altri/Celbi and Sonae Capital) in first half 2014.

CaixaBI was also involved in the IGCP sponsored repurchase of public debt operations, as well as in publicising and securing proposals from investors for the Treasury bonds and Treasury Bills auctions.

There were 83 Commercial Paper issuances comprising a total amount of € 997.4 million in the first half year.

Brokerage

CMVM data for the first five months of the year place CGD Group in 3rd position in the brokers ranking with a market share of 11.9% and 32% growth of trading volumes over the same period 2013. Special reference should be made to CaixaBI's contribution and participation in the following operations for this result:

- REN PUBLIC OFFERING: privatisation of 11.1% of capital.
- ESS IPO: first primary market operation for the year in Portugal.
- ABB Mota-Engil: accelerated bookbuilding process on around 16.8% of capital.
- ABB EDP: accelerated bookbuilding process on around 2.6% of capital.

Trading – Public Debt and Liquidity Providing

CaixaBI continued to operate as a liquidity provider on a series of NYSE Euronext Lisbon listed securities. Reference should also be made to the Bank's pioneering activity in the new segment created by NYSE Euronext designed to increase the liquidity of retail investors in the form of the Retail Matching Facility.

Corporate Risk Advisory and Management

In terms of risk advisory management, reference should be made to the continuity of coverage for the Luanda Shopping project's credit operations, strengthening CaixaBI's position as the Group's competence centre for derivatives.

Project Finance

Project finance particularly included the successful completion of the renegotiation of the Castellón Airport concession in Spain which culminated with the early repayment of the respective funding and completion of the economic-financial rebalancing of the municipal public water supply service concession of the municipalities of Santo Tirso and Trofa.

Structured Finance

Structured finance operations on a corporate basis particularly included the completion of advisory services for the financial reorganisation of Efacec Group, for an overall amount of around € 368 million.

Venture Capital

CaixaBI continued, over the course of the first half to secure and analyse investment opportunities eligible for inclusion in one of the four venture capital funds under Caixa Capital management. 14 of the total number of 87 projects under assessment were approved with 38 remaining under analysis. Approvals represented a potential investment of around € 100 million.

7 – Rating

April 2014 witnessed an improvement of the outlook on Fitch Ratings' long term rating on the Portuguese Republic from 'negative' to 'positive'.

May 2014: S&P removed CGD's *credit watch* with negative implications

In May 2014, Standard & Poor's (S&P) and DBRS took identical steps, changing the outlook on the long term rating of the Portuguese Republic from 'negative' to stable'. Following this action, S&P reaffirmed its ratings on CGD, in the same month removing it from credit watch with negative implications.

Moody's also raised the Portuguese Republic's long term rating to Ba2 ("On Watch - Possible Upgrade"), in May. The ratings on the Portuguese Republic were once again upgraded in June to Ba1, with a stable outlook.

	CGD			Portugal		
	Short term	Long term	Date	Short term	Long term	Date
Standard & Poor's	B	BB-	May/14	B	BB	May/14
Fitch Ratings	B	BB+	Jul/14	B	BB+	Apr/14
Moody's	N/P	Ba3	Jul/14	N/P	Ba1	Jul/14
DBRS	R-2 (mid)	BBB (low)	Jun/13	R-2 (mid)	BBB (low)	May/14

Fitch Ratings and Moody's reaffirmed their ratings on CGD in July.

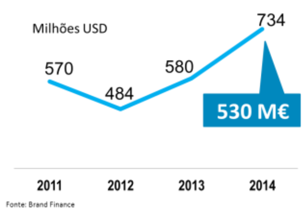
8 – Investment in the Future

Caixa has a comprehensive sustainability policy based on policies and initiatives adopted by the Group.

Corporate management of sustainability policy

The guidelines for Caixa's sustainability policy are implemented in the key areas set out in the following chart:

27% increase in the financial worth of the Caixa brand in comparison to 2013



Caixa considers its lead in terms of sustainable development to be clearly an investment in the Future.

Corporate responsibility based on the fulfilment of social, environmental and economic commitments is one of the pillars of the Caixa brand as the Portuguese banking brand most associated with environmental and social Sustainability and contribution to the country's economic growth.

Caixa is the Bank with the most valuable brand in Portugal. Caixa witnessed an improvement in its brand's recognition factor in 1st quarter 2014 as measured by the Brandscore brand barometer.

Caixa has endorsed the UN's 10 Global Compact principles

Following its commitment to the UN's "Global Compact" as the major worldwide corporate responsibility initiative, Caixa has endorsed the ten "Global Compact" principles in the human rights, labour, environmental and anti-corruption areas.

9 – Prizes and Distinctions

Caixa Geral de Depósitos is the undisputed leader in terms of brand recognition in the banking sector.

The different distinctions awarded to Caixa demonstrate recognition of the merit of its sustainable performance and commitments to the future, on behalf of various generations, society, domestic economy and the environment.

Information on several of the prizes and distinctions awarded to CGD Group is given below:

- **Prime Company** – Oekom ranking
- **CGD - the Most Valuable Portuguese Banking Brand** - Brand Finance
- **Carbon Disclosure Project Leadership Index Disclosure** (CDLI) - CGD achieves the highest classification of all Portuguese companies (99 points)
- **Carbon Disclosure Project Performance** (CPLI) – Best Iberian Bank (level A)
- **CGD Banking Brand with the Best Reputation** - Reputation Institute
- **Rock in Rio Sustainable Attitude** – award for a sustainable stand
- **Best Investment Bank in Portugal** - Caixa BI - (2014): Euromoney, Global Finance, Global Banking & Finance Review and IFM Awards; (2013): EMEA Finance
- **No. 1 IPO & Seasoned Equity Offer House** - Caixa BI - Euronext Lisbon Awards
- **Equities Winner Europe 2014: IPO CTT - Caixa BI** - The Banker, Deals of the Year
- **Winner in the Social Responsibility Category - CGD** - Best Ethical Practices Awards 2014

Best Ethical Practices Awards 2014
Social Responsibility

AWARD for a sustainable stand.

Most Valuable Banking Brand.

Prime Company.

Best Reputation

Carbon Disclosure Project leadership and performance

Best Investment Bank in Portugal 2014
CaixaBI Banco de Investimento

Best Investment Bank in Portugal 2014
CaixaBI Banco de Investimento

EURONEXT LISBON AWARDS 2014
Nº1 IPO & Seasoned Equity Offer House
CaixaBI Banco de Investimento

Best Investment Bank in Portugal 2013
CaixaBI Banco de Investimento

Best Investment Bank in Portugal 2014
CaixaBI Banco de Investimento

Best Investment Bank in Portugal 2014
CaixaBI Banco de Investimento

The Banker DEALS OF THE YEAR 2014
Equities Winner Europe
ctt
Initial Public Offer
€ 579,021,895
GLOBAL COORDINATOR & BOOKRUNNER
CaixaBI Banco de Investimento

Caixa Geral de Depósitos

31 July 2014

10 - Consolidated Balance Sheet

at 30 June 2014

(million euros)

			Change	
ASSETS	Jun/13 (*)	Jun/14	Total	(%)
Cash and claims at central banks	1,497	1,166	-330	-22.1%
Investments in credit institutions	2,944	3,750	806	27.4%
Loans and advances to customers	72,626	67,477	-5,149	-7.1%
Securities Investments	17,428	18,784	1,356	7.8%
Assets with repurchase agreements	676	1,366	690	102.2%
Non-current assets held for sale	13,562	741	-12,821	-94.5%
Investments in subsidiaries and associated companies	38	307	269	-
Intangible and tangible assets	914	838	-76	-8.4%
Current tax assets	82	114	32	38.0%
Deferred tax assets	1,281	1,361	80	6.3%
Other assets	4,339	4,320	-18	-0.4%
Total assets	**115,387**	**100,225**	**-15,162**	**-13.1%**
LIABILITIES				
Central banks' and credit institutions' resources	9,837	8,435	-1,402	-14.3%
Customer resources	67,213	67,126	-86	-0.1%
Financial liabilities	1,782	1,779	-3	-0.2%
Debt securities	10,081	8,369	-1,713	-17.0%
Non-current assets held for sale	11,559	2	-11,556	-
Provisions	917	907	-10	-1.1%
Subordinated liabilities	2,957	2,525	-432	-14.6%
Other liabilities	4,105	3,872	-233	-5.7%
Total liabilities	**108,451**	**93,016**	**-15,435**	**-14.2%**
Shareholders' equity	**6,936**	**7,209**	**273**	**3.9%**
Total liabilities and shareholders' equity	**115,387**	**100,225**	**-15,162**	**-13.1%**

(*) 2013 values are *pro forma* as Caixa Seguros e Saúde, SGPS's subsidiaries were included as non-current assets held for sale; the joint ventures were integrated by the equity accounting method, as required by IFRS 11; the associated company IMOBCI (Mozambique) was reclassified as a subsidiary and integrated by the equity accounting method, following the implementation of IFRS 10.

11 – Consolidated Income Statement

at 30 June 2014

(thousand euros)

	Jun/13 (*)	Jun/14	Change Total	Change (%)
Interest and similar income	1,791,616	1,721,788	-69,829	-3.9%
Interest and similar costs	1,427,172	1,240,560	-186,612	-13.1%
Net interest income	364,444	481,227	116,783	32.0%
Income from equity instruments	52,942	27,987	-24,955	-47.1%
Net interest income including income from equity instruments	**417,386**	**509,214**	**91,828**	**22.0%**
Income from services and commissions	344,833	323,410	-21,423	-6.2%
Costs of services and commissions	74,635	72,030	-2,604	-3.5%
Commissions (net)	270,199	251,380	-18,819	-7.0%
Income from financial operations	183,718	166,203	-17,515	-9.5%
Other net operating income	12,882	-1,526	-14,407	-
Non-interest income	**466,799**	**416,057**	**-50,742**	**-10.9%**
Net operating income	**884,185**	**925,272**	**41,086**	**4.6%**
Employee costs	388,369	352,542	-35,827	-9.2%
Other administrative expenses	216,609	219,036	2,427	1.1%
Depreciation and amortisation	61,490	54,121	-7,369	-12.0%
Operating costs and depreciation	666,468	625,698	-40,770	-6.1%
Gross operating income	**217,717**	**299,574**	**81,856**	**37.6%**
Provisions and impairment of other assets (net)	141,430	45,719	-95,711	-67,7%
Credit impairment net of reversals	371,940	375,138	3,199	0,9%
Provisions and impairment	**513,370**	**420,857**	**-92,513**	**-18,0%**
Income from subsidiaries held for sale	**76,519**	**287,254**	**210,734**	**-**
Income from associated companies	**1,874**	**10,770**	**8,896**	**-**
Income before tax and non-controlling interests	**-217,258**	**176,740**	**393,998**	**-**
Tax	**-54,523**	**15,869**	**70,392**	**-**
Current and deferred	-67,090	975	68,066	-
Extraordinary contribution on the banking sector	12,567	14,894	2,327	18,5%
Consolidated net income for period	**-162,735**	**160,871**	**323,606**	**-**
Of which	,	,	,	
Non-controlling interests	19,982	30,955	10,972	54,9%
Net income attributable to CGD shareholder	**-182,718**	**129,916**	**312,634**	**-**

(*) 2013 values are *pro forma* as Caixa Seguros e Saúde, SGPS's subsidiaries were included as non-current assets held for sale; the joint ventures were integrated by the equity accounting method, as required by IFRS 11; the associated company IMOBCI (Mozambique) was reclassified as a subsidiary and integrated by the equity accounting method, following the implementation of IFRS 10.

Caixa Geral
de Depositos