CAIXA GERAL DE DEPÓSITOS CONSOLIDATED OPERATIONS

AT 30 SEPTEMBER 2014

Unaudited accounts

www.cgd.pt

Caixa Geral de Depositos

Caixa Geral de Depósitos, S.A. • Head Office: 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.

A bank 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 setembro de 2014". The Portuguese original prevails in the event of any inconsistency.

Caixa Geral de Depósitos made a profit for the third consecutive quarter, with consolidated net income of €55.5 million in September 2014.

Caixa Geral de Depósitos successfully completed the European Central Bank's (ECB's) Comprehensive Assessment on 130 European banks, whose results were announced on 26 October 2014.

The referred to assessment, comprising the Asset Quality Review (AQR) and Stress Test, confirmed the capacity of CGD's balance sheet to provide for very rigorous assets valuation criteria, in addition to the effects of a hypothetical scenario involving a new sovereign debt crisis.

Caixa Geral de Depósitos has accordingly reaffirmed its strength as the Portuguese banking system's leading institution, able to contribute towards domestic economic development on behalf of its customers, in line with its mandate.

1 – Highlights

Results at 30 September 2014[1]

1. Net interest income of €743.0 million in September was up 32.9% over the same period 2013 and has continued to contribute towards the sustained evolution of profitability. Net interest income, including income from equity instruments continued to trend towards improvement (up 26.2%), in spite of the drop in income from equity instruments.

2. Net commissions were down 2.3%.

3. Income from financial operations at €213.1 million, benefiting from the appreciation of the securities portfolio, continued to perform favourably having benefited from the capital gains made on the appreciation of the securities portfolio deriving from an improvement of perception of risk attached to the Portuguese economy.

4. The positive evolution of net interest income, together with a 5.1% reduction of non-interest income, translated into a 10.4% year-on-year increase in net operating income to €1,375.8 million in September 2014.

5. Operating costs continued to trend downwards (by 3.5%) particularly on

[1] The amounts relating to 2013 have been restated 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 full integration method, following the implementation of IFRS 10 and the amounts reflect the application of IFRS 10 which implies a change to the preceding year's net income owing to the inclusion of two SPEs in the consolidation perimeter.

account of the fresh reduction of 6.9% in employee costs.

6. Cost-to-income of 69.4%, against 79.8% in September 2013, reflected cost reductions and an improvement of net operating income.

7. Gross operating income posted a sharp increase of 66.4% over the same period 2013, to €413.3 million.

   The contribution of international operations to gross operating income was up 34.6%, from €179.1 million in September 2013 to €241.2 million in September 2014.

8. Provisions and impairment costs were down by a year-on-year 13.1%, totalling €580.8 million in spite of higher credit impairment as a consequence of non-recurring factors some of them with a significant impact on international activity. The same factors were reflected in an increase in the cost of credit risk from 0.81% in September 2013 to 1.04% in September 2014.

9. The proceeds from the disposal of the 80% equity stake in Fidelidade, Multicare and Cares, in May 2014 which generated a capital gain of € 234,9 million (before tax), also contributed to the positive evolution of consolidated net income.

10. Caixa made a profit for the third consecutive quarter with consolidated net income of €55.5 million (against losses of €283.5 million in September 2013).

11. Loans and advances to customers (net) were also down 6.0% and 4.4% over September and December 2013, respectively, to €66,903 million.

12. CGD had a 17.7% share of loans and advances to companies in August (against the preceding year's 17.4%). Backing for this strategic segment continues to be CGD's strategic focus.

13. Customer resources were up 3.9% by €2,659 million and 3.3% by €2,259 million over September and December of the preceding year, respectively, to a balance of €70,084 million.

14. CGD therefore increased its lead of the customer deposits segment from 27.6% at the end of 2013 to 28.5% in August 2014, particularly in the case of its end of August market share of 32.7% of the individual customers' segment.

15. In the international sphere, Asia and Africa continued to make a highly positive contribution to consolidated profitability with €36.2 million and €28.3 million, respectively.

    Reference should be made to BCG Spain's good performance with profits of €15.1 million, against losses of €13.1 million for the same period 2013, reflecting the success of the restructuring programme in progress in the bank.

16. CGD maintained a policy of gradually reducing its borrowings from the ECB as part of its funding structure, which were down to €3,110 million at the end of September (consolidated) as opposed to €5,285 million at the end of first half 2014.

17. CGD's liquidity situation enabled it to make an early redemption of its respective state-backed bonds issuances for the amount of €3.6 billion.

18. The common equity Tier 1 (CET 1) ratios, calculated in accordance with CRD IV / CRR fully implemented and phasing-in rules, including net income for the period were 10.7% and 11.7%, respectively. A particularly important contribution to this significant change was made by the proceeds from the disposal of the 80% equity stake in the insurance companies. Considering the adhesion to the Special Scheme applicable to Deferred Tax Assets, the referred to ratios would be 11.1% and 11.9%, respectively.

19. CGD successfully completed the European Central Bank's (ECB's) Comprehensive Assessment (in collaboration with domestic entities) on 130 European banks, whose results were announced on 26 October 2014. The projection for the CET1 (transitional dispositions) ratio in 2016 is 9.40% for the base and 6.09% for the adverse scenarios i.e. in both cases higher than the minimum thresholds of 8% for the base and 5.5% for the adverse scenarios. The results comprehensive assessment confirms the resilience of CGD to both scenarios. The AQR assessment resulted in a CET 1 ratio of 10.4%, only 44 bp down over CGD's ratio at 31.12.2013 (cf. BoP).

2 – Main Indicators

(%)

RESULTS	Sep/13 (*)	Dec/13 (*)	Sep/14	Change Sep/14 Sep/13	Change Sep/14 Dec/13
Net interest income	559.1		743.0	32.9%	
Net interest income including income from equity instruments	618.1		779.9	26.2%	
Commissions (net)	390.3		381.3	-2.3%	
Non-interest income	627.8		595.8	-5.1%	
Net operating income from banking	1,245.9		1,375.8	10.4%	
Operating costs	997.6		962.5	-3.5%	
Gross operating income	248.3		413.3	66.4%	
Income before tax and non-controlling interests	-310.1		130.0	-	
Net income for period	-283.5		55.5	-	
BALANCE SHEET					
Net assets	114,894	113,477	100,255	-12.7%	-11.7%
Cash and claims on credit institutions	3,747	4,357	6,127	63.5%	40.6%
Securities investments (including assets with repurchase agreements)	19,990	19,035	18,749	-6.2%	-1.5%
Loans and advances to customers (net)	71,171	70,018	66,903	-6.0%	-4.4%
Loans and advances to customers (gross)	75,621	74,530	71,946	-4.9%	-3.5%
Central banks' and credit institutions' resources	10,276	9,735	6,164	-40.0%	-36.7%
Customer resources	67,425	67,824	70,084	3.9%	3.3%
Debt securities	9,420	8,791	7,345	-22.0%	-16.4%
Shareholders' equity	6,760	6,684	7,269	7.5%	8.8%
RESOURCES TAKEN FROM CUSTOMERS	93,894	94,108	98,375	4.8%	4.5%
PROFIT AND EFFICIENCY RATIOS					
Gross return on equity - ROE (1) (2)	-5.7%	-9.4%	2.4%		
Net return on equity - ROE (1)	-4.4%	-7.2%	1.9%		
Gross return on assets - ROA (1) (2)	-0.4%	-0.6%	0.2%		
Net return on assets - ROA (1)	-0.3%	-0.5%	0.1%		
Cost-to-income (2)	79.8%	81.6%	69.4%		
Employee costs / net operating income (2)	45.9%	46.1%	38.5%		
Operating costs / average net assets	1.2%	1.2%	1.2%		
Net operating income / average net assets (2)	1.4%	1.5%	1.7%		

1) Considering average shareholders' equity and net assets values (13 observations)

2) Ratios defined by the Bank of Portugal (*Instruction* 23/2012)

(*) The amounts relating to 2013 have been restated 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 full integration method, following the implementation of IFRS 10 and the amounts reflect the application of IFRS 10 which implies a change to the preceding year's net income owing to the inclusion of two SPEs in the consolidation perimeter.

CREDIT QUALITY AND COVERAGE	Sep/13 (*)	Dec/13(*)	Sep/14	Change Sep/14 Sep/13	Change Sep/14 Dec/13
Overdue credit / total credit	6.6%	6.7%	7.7%		
Credit more than 90 days overdue / total credit	6.3%	6.1%	7.2%		
Non-performing credit / total credit (2)	8.0%	7.5%	9.0%		
Non-performing credit (net) / total credit (2)	2.3%	1.6%	2.2%		
Credit at risk / total credit (2)	11.9%	11.3%	12.8%		
Credit at risk (net) / total credit (net) (2)	6.3%	5.6%	6.2%		
Restructured credit / total credit (3)	-	8.0%	10.5%		
Restructured credit not included in credit at risk / total credit (3)	-	4.8%	6.2%		
Overdue credit coverage	88.8%	91.0%	90.9%		
Credit more than 90 days overdue coverage	94.2%	99.9%	97.7%		
Credit impairment (P&L) / loans and advances to customers (average balance)	0.81%	1.06%	1.04%		
STRUCTURE RATIOS					
Loans and advances to customers (net) / net assets	61.9%	61.7%	66.7%		
Loans and advances to customers (net) / customer deposits (2)	105.9%	103.5%	96.0%		
SOLVENCY RATIOS (4) (CRD IV/CRR)		(01/JAN/2014)			
Common equity Tier 1 (phased-in)	-	10.7%	11.7%		
Tier 1 (phased-in)	-	10.7%	11.7%		
Total (phased-in)	-	12.2%	13.5%		
Common equity Tier 1 (fully implemented)	-	7.6%	10.7%		
Considering DTA:					
Common Equity Tier 1 (phased-in)	-	-	11.9%		
Total (*phased-in*)	-	-	13.7%		
Common Equity Tier 1 (fully implemented)	-	-	11.1%		

(1) Considering average shareholders' equity and net assets values (13 observations).
(2) Ratios defined by the Bank of Portugal (Instruction no. 23/2012).
(3) Ratios defined by the Bank of Portugal (Instruction no. 32/2013).
(4) The solvency ratios include net income for the period
(*) The amounts relating to 2013 have been restated 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 full integration method, following the implementation of IFRS 10 and the amounts reflect the application of IFRS 10 which implies a change to the preceding year's net income owing to the inclusion of two SPEs in the consolidation perimeter.

3 – Economic–financial Framework

There were differences in the levels of performance of the main economies in third quarter 2014. The UK and US economies once again trended to positive as opposed to other regions which were affected by geopolitical or economic constraints and in which growth remained low or even negative

The world economy continues to show different growth patterns

The second quarter figures show that four consecutive quarters of some growth were followed by stagnation in the euro area, particularly on account of the fall of investments in fixed assets, which was more evident in the construction sector. The slowdown led the European Central Bank (ECB) to reduce its economic growth forecast for the year from 1.0% to 0.9%.

Downwards revision of growth estimate by ECB (from 1% to 0.9%)

There was a fresh consecutive increase of 0.3% in economic activity in Portugal, following a first quarter break in the positive trend recorded since the start of 2013. The "economic sentiment" indicators continued to improve, particularly in the case of indicators referring to the "consumer confidence" or "feel good factor" which, at the end of the quarter stood at its highest level since October 2006. Second quarter unemployment was down 2.1 pp year-on-year to 13.9% - its lowest level since the end of 2011.

This combination of factors translated into more dynamic levels of private consumption. Although showing several signs of recovery, the rate of investment is still insufficient to achieve the trajectory required to sustain the recovery and transformation of the Portuguese economy. Albeit less dynamic than noted in the recent past, foreign trade continues to play a decisive role in Portuguese economic growth as well as the changes in its GDP structure.

Portugal
- Consecutive GDP growth of 0.3%
- 13.9% unemployment rate in June at its lowest level since 2011
- Good export performance

Inflation, down 0.4% year-on-year September, remained in negative territory.

As regards the rest of the world, reference should be made to the good performance of the US economy which, following a consecutive, annualised 2.1% contraction in the first quarter, particularly owing to bad weather, grew 4.6% in the second quarter. Unemployment, at 5.9%, stood at its lowest level since July 2008. In turn, there were differences in the level of performance of the emerging economies in which developments were worse than expected, with a certain improvement of activity having been noted in India, a visible slowdown in China and Russia and technical recession in Brazil in the second quarter.

High levels of productive capacity and low levels of domestic demand generally kept inflation low, giving rise to the maintenance of expansionary monetary policies, both in the developed bloc as in various emerging areas.

The ECB decided to implement fresh monetary stimuli in a context of weak growth and risks of deflation. Its reference rate was cut by a further 10 bp to a new historical low of 0.05%, with a deposit rate of -0.2%. New assets purchase programmes were also announced, both in the form of ABS - assets backed securities and covered bonds.

New monetary stimuli by ECB: reference rate down to 0.05% and deposit rate to -0.2%

In spite of the expansion of the US economy and the continued backing of the main central banks, the persistence of geopolitical risks in both Eastern Europe and the Middle East, associated with the weakness of the main economic indicators in the euro area and China, as well as in several emerging economies, was reflected in the higher volatility of financial assets and a higher level of risk aversion. This evolution is in contrast with the first half of the year when accommodative monetary policies, designed to spur economic growth, translated into an across-the-board trend towards an appreciation of financial markets.

Higher volatility of financial assets

European and US equity markets achieved marginal gains of 0.6% and 0.4%, in the quarter respectively. In Portugal, the PSI20 was down 15.6%, with consecutive losses being made in the second quarter and a correction of -12.7% over the end of 2013. Emerging markets' indices, down 4.3%, posted their worst performance since second quarter 2013.

Continued reduction of yields on sovereign debt, both in core and peripheral countries

Yields on public bonds were down for the third consecutive quarter, both in leading countries such as Germany or the US and in the European periphery, sinking to new minimums since the creation of monetary and economic union. This was also particularly evident in Portugal.

Re-establishing of Portugal's sovereign credit in capital markets increasingly evident

Reference should be made to the Portuguese debt issuance and management policy which, even prior to the successful conclusion of the bail-out package, was governed by a strategy of re-establishing Portugal's presence in international markets, translated by the good performance of Portuguese sovereign debt, in both primary and secondary markets.

The ECB played a decisive role in the trajectory of Euribor rates, with a second consecutive quarter of falls, with 1 and 2 week maturities falling to negative levels.

General appreciation of dollar against the euro over the quarter

The US Federal Reserve's gradual removal of monetary stimuli, as opposed to the ECB's adoption of new expansionary measures, led the euro to depreciate 7.8% against the dollar which tended to appreciate in the third quarter.

4 – Strategy and structure of CGD Group

CGD Group continued to play a leading role in the Portuguese economy during the course of 2014, operating as a major growth driver, particularly focusing on the SMEs producing tradable goods and services segment and furthering its strategy of gradually concentrating on banking in a highly demanding social and economic framework for households and companies alike.

Strategic focus on banking activity

International business also continued to be one of the Group's main strategic thrusts, making a relevant contribution to a sustained trajectory of profitability.

Reference should be made to the following developments within CGD Group's structure in the first nine months of 2014:

Active policy of support for companies and households in a still demanding macroeconomic context

- CGD and Banco Interatlântico disposed of their equity stakes in Garantia - Companhia de Seguros de Cabo Verde at 30 April, as part of the reorganisation of their equity investments in Cape 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%.
- In May 2014 CGD added an important stage to its current strategic process of greater concentration on banking activity, with the successful completion of the disposal of its 80% equity stake in Fidelidade, Multicare and Cares.
- CGD disposed of its 1.1% equity stake in REN – Redes Energéticas Nacionais, SGPS on 17 June, in the company's second re-privatisation stage, comprising a public offering in the domestic market and direct sale to qualified domestic and international investors. Caixa's current investment portfolio may currently be considered residual.
- The period for the public offering on the 5% of Fidelidade's share capital, held by Caixa Seguros e Saúde, SGPS, reserved for workers took place between 29 September and 10 October.

Rationalisation of branch office network in a framework of constant improvements to customer service

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

Programme for streamlining operations in Spain moving at a fast pace

The fact that the restructuring process in Spain, starting 2012, is progressing at a fast pace has been confirmed by the expressive improvement of BCG Spain's profitability and efficiency ratios, aided by the streamlining of its branch office network with 58 fewer branches since the start of the year and a strategic focus on the retail business segment (individual customers and small enterprises).

14 new branches open in Mozambique and 3 in Angola

In Mozambique, Banco Comercial e de Investimentos, in turn, opened 14 branches in the first nine months of this year, while also strengthening its commitment to new products and services and its leadership in the development of electronic channels, enabling it to consolidate its market share as the second largest bank in Mozambique's financial system, maintaining its characteristic innovation and dynamism in backing Mozambique's economy.

Banco Caixa Geral Totta de Angola's network also added 3 branches since the start of the year to 32 and continues to concentrate on corporate banking and premium customers as a strategic focus in addition to accompanying Group customers' businesses.

5 – Results, balance sheet, liquidity and solvency

Results

Caixa furthers trend to positive profitability levels

CGD has made a profit for the third consecutive quarter, with consolidated net income of €55.5 million in the first nine months of 2014, against losses of €283.5 million for the same period 2013.

A decisive contribution has been made by the continued growth of net interest income (*per se* and including income from equity instruments) and operating costs benefits deriving from the continued policy of optimising efficiency and operational rationalisation.

Net interest income *per se* and including income from equity instruments up 32.9% and 26.2% respectively

Net interest income (*per se* and including income from equity instruments) was therefore up 32.9% and 26.2% year-on-year respectively and operating costs were down 3.5%. Reference should be made to the continued reduction of employee costs which were down by a further 6.9% in September.

Capital gains in the context of better perception of sovereign risk

Income of €213.1 million from financial operations at the end of September continued to perform very favourably, benefiting from capital gains on the appreciation of the securities portfolio arising from improved risk perception of the Portuguese economy.

Furtherance of efficiency optimisation policy translates into a marked, continued reduction of costs

Other operating income includes €7.5 million in costs in the first nine months of 2014 relating to the contribution to the resolution fund created to provide financial support for the application of the resolution measures for the banking sector as adopted by the Bank of Portugal.

Significant 66.4% increase in gross operating income

These different factors helped to accentuate the positive evolution of gross operating income noted in the first half of the year, to €413.3 million, up by an expressive 66.4%.

CONTRIBUTION TO GROSS OPERATING INCOME

(million euros)

	Sep/13	Sep/14
Domestic commercial banking	22.6	131.0
International activity	179.1	241.2
Investment banking	49.3	52.5
Other	-2.8	-11.4
Gross operating income	**248.3**	**413.3**

The current policy of a continued reduction of interest rates on deposits has been a crucial factor in the visible improvement of net interest income, which has followed a marked growth trajectory, in spite of a significant increase in the customer resources balance, in addition to pressure on lending rates, on the credit side, deriving from aggressive competition in this segment of activity.

Net interest income totalled €743 million against €559.1 million year-on-year 2013.

Active deposits managment policy permits a highly positive evolution of net interest income

The change in net interest income, including income from equity instruments (up €161.9 million), was not so marked owing to the continuation of the year-on-year decline of €22.1 million in income from equity instruments.

The unfavourable evolution of net commissions noted in a still cooling economic and business environment, together with a less expressive level of income from financial operations which, in spite of its good performance, was down year-on-year, had a constraining effect on non-interest income which was down 5.1%.

Evolution of commissions remains unfavourable

Net operating income from banking was up 10.4%, to €1,375.8 million in September. This change, together with a 3.5% reduction of operating costs (with a marked contribution from the continued reduction of employee costs, down 6.9% year-on-year), translated into a marked 66.4% growth of gross operating income.

10.4% increase of net operating income from banking

OPERATING COSTS AND DEPRECIATION

(million euros)

			Change	
	Sep/13	Sep/14	Total	(%)
Employee costs	574.0	534.2	-39.8	-6.9%
Other administrative expenses	329.4	346.0	16.6	5.0%
Depreciation and amortisation	94.1	82.2	-11.9	-12.6%
Total	**997.6**	**962.5**	**-35.1**	**-3.5%**

Cost-to-income was 69.4%, against 80.1% in September 2013, owing to cost reductions and higher net operating income from banking.

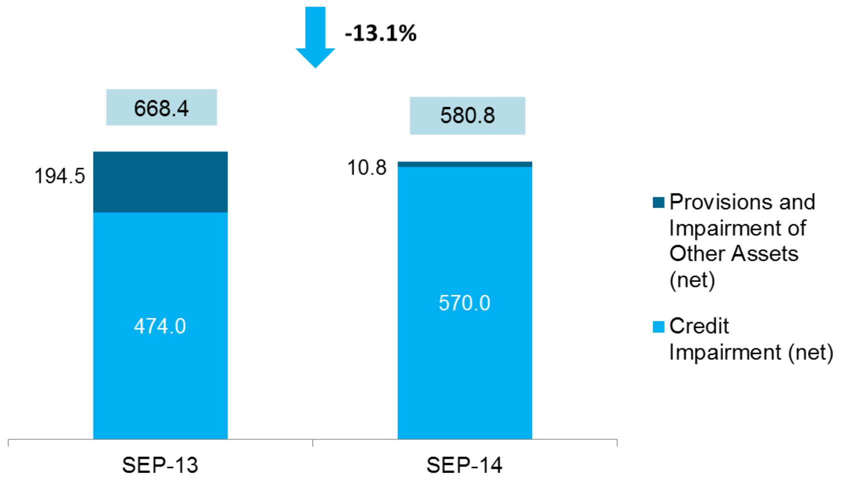
Albeit down 13.1% year-on-year, provisions and impairment costs are still very high (€580.8 million against €668.4 million year-on-year), particularly on account of major provisioning requirements deriving from non-recurring factors.

High provisioning levels in a context of a reducing credit balance increased the cost of credit risk to 1.04% in September 2014.

PROVISIONS AND IMPAIRMENT FOR PERIOD

(million euros)

Year-on-year decrease of provisions and impairment which are still higher than expected owing to non-recurring factors



Consolidated net income of €55.5 million

Income generated by held for sale subsidiaries (deriving from the last May's disposal of the 80% equity stake in the insurance operation) and, to a lesser extent, income generated by associates, made a positive contribution to consolidated net income which, after tax and non-controlling interests, totalled €55.5 million at the end of the third quarter.

Balance sheet

Asset reduction owing to the sale of the insurance companies and drop in the credit balance

The disposal of the 80% equity stake in the insurance businesses and decline in the loans and advances to customers balance were the main contributory factors in the year-on-year reduction of assets to €100.3 billion at the end of September, down 12.7% over the same date 2013.

In spite of the gradual growth of new credit operations, the rate and volume of settlements have had a downwards conditioning effect on the loans and advances to customers balance (net) which was down 4.4% over the end of 2013, although the downwards trend was less marked than in the recent past.

Expressive growth of customer resources

The loans and advances to customers (net) balance of €66,903 million in September, reflected the stronger flow of repayments as opposed to new operations.

Customer resources were significantly up in the third quarter with a year-on-year rate of change of 3.9% to €70,084 million.

A certain deterioration of credit quality indicators, particularly reflecting non-recurring factors

In spite of the signs of economic recovery, non-recurring situations have made a decisive contribution to the deterioration of credit quality indicators. Credit at risk, calculated in accordance with Bank of Portugal criteria, is 12.8%, as opposed to the credit overdue for more than 90 days ratio of 7.2%. The respective coverage ratio for the quarter increased from 96.5% to 97.7%.

Liquidity

Early redemption of state-backed debt with a reduction of costs

Confirming its prestige as an international capital market issuing entity, CGD successfully launched its 5th covered bonds issuance for an amount of €750 million, a maturity of 5 years and coupon rate of 3% in January this year. The interest of investors, mainly international, was expressed in order book quality and volumes with subscriptions of €3.9 billion. Bearing witness to the appeal of CGD debt, demand was recorded from investors in more traditional markets such as Germany, Austria and the United Kingdom.

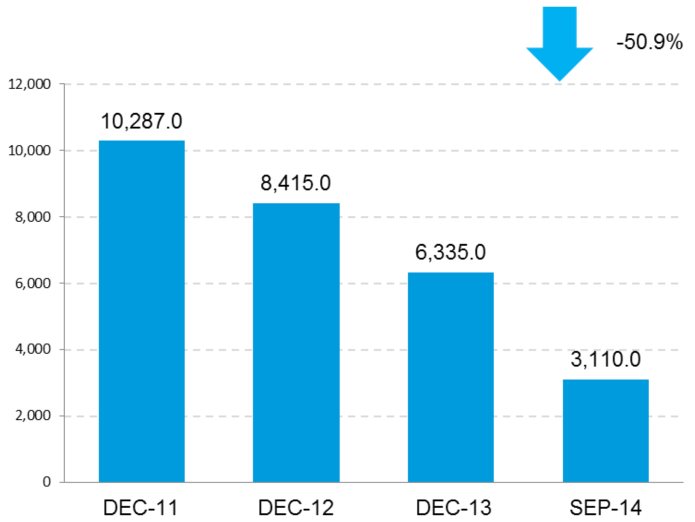
Sustained reduction of borrowings from the ECB which, in consolidated terms was €3.1 billion in September (€1.5 billion in the separate accounts)

The first nine months of the year were marked by a significant decrease in the own debt balance, particularly the maturity of two public issuances totalling more than €2 billion. CGD has, nevertheless, been continually reducing its liabilities to the ECB, having obtained funding of €1.5 billion at the end of September (separate data). This amount is down €3.3 billion over December last. On a CGD Group level, this was also reflected in total resources of €6.3 billion obtained from the ECB in December 2013 against €3.1 billion at the end of the third quarter of this year.

CGD's easing liquidity situation and lower levels of borrowings from the ECB have enabled it to make an early redemption of its €3.6 billion in state-backed bond issuances with a consequent reduction of costs.

ECB FUNDING (CONSOLIDATED)

(million euros)



Collateral of €8.4 billion, eligible for ECB operations fully covers all of the debt issued in the wholesale market

Redemptions of state-backed debt originated a decline in CGD's pool of assets eligible for ECB funding, which stood at €9.7 billion at the end of September. On a CGD Group level, this decline is also reflected by the pool of eligible assets, which stood at €11.5 billion at the end of the quarter.

The amount of available (i.e. unused) assets, both in CGD's and CGD Group's pool, remained at relatively stable levels of €8.1 billion and €8.4 billion, respectively at the end of September. This amount is highly comfortable and fully covers all outstanding debt issued in the wholesale market.

Solvency

Year-on-year change of 7.5% in the Group's shareholders' equity

The Group's shareholders' equity of €7,269 million at the end of September 2014, benefiting from improved fair value reserves, and net income, was up 7.5% by €509 million over the preceding year.

SHAREHOLDERS' EQUITY

(million euros)

	Sep/13	Dec/13	Sep/14
Share capital	5,900	5,900	5,900
Fair value reserves	-202	64	377
Other reserves and retained earnings	469	413	-17
Non-controlling interests	877	885	953
Net income for period	-284	-579	55
Total	**6,760**	**6,684**	**7,269**

Capital ratios (CRD IV/CRR) :

Phased-in

- CET 1 of 11.7%
- Tier 1 of 11.7%
- Total of 13.5%

Fully implemented

- CET 1 of 10.7%

Considering DTA

Phased-in

- CET 1 of 11.9%
- Total of 13.7%

Fully implemented

- CET 1 of 11.1%

September 2014 saw an improvement in capital ratios on a consolidated basis. The Common Equity Tier 1 (CET 1) ratio, calculated in accordance with CRD IV / CRR fully implemented rules was 10.7%, against 7.6% on 1 January 2014 (subject to a minimum of 7%, comprising a CET 1 of 4.5% and a buffer of 2.5%).

The Common Equity Tier 1 (CET 1) ratio, calculated in accordance with CRD IV / CRR phased-in rules, was 11,7%, against 10.7% at 1 January 2014, higher than the reference value of 8% considered in the base scenario for valuation of assets by the ECB.

Considering the adhesion to the Special Scheme applicable to Deferred Tax Assets, the referred to ratios would be 11.1% and 11.9%, respectively.

Projections for 2016 based on the results of the Comprehensive Assessment:

Scenarios

- Base: 9.40%
- Adverse: 6.09%

CGD successfully completed the European Central Bank's (ECB's) Comprehensive Assessment (in cooperation with the national competent authorities) on 130 European banks, whose results were announced on 26 October 2014. The projection for the CET1 ratio (transitional dispositions) in 2016 is 9.40% for the base and 6.09% for the adverse scenarios i.e. in both cases higher than the minimum thresholds of 8% for the base and 5.5% for the adverse scenarios. The results comprehensive assessment confirms the resilience of CGD to both scenarios.

6 – Operating segments

Strengthening of corporate approach reflected in the management of all segments of activity and Group businessess

Caixa continued to strengthen its corporate management approach in 2014 with transversal transformation actions on the Bank centred on its strategic pillars of achieving a sustained improvement of quality of service encompassing a broad range of customers.

Commercial banking

Almost one million customers with a dedicated account manager

It therefore continued to implement a commercial transformation process, in third quarter 2014, translating into the consolidation of commercially oriented service models, based on continued quality improvements and stronger customer ties. More than 959 thousand individual customers and companies were managed by a dedicated account manager, at the end of September and CGD continues to occupy the leading position in the national banking sector in terms of customer care and services indicators.

Continuous improvement of interaction with customers based on alternative functionalities

In the corporate segment, the Caixa Empresas service model on the branch office network with the underlying concept of providing a personalised management service to the self-employed and CGD's small and micro corporate customers whose account managers represent the relational aspect on the basis of an integrated approach to its customers' corporate and individual needs, covered 27,864 customers, with sales revenues of €4,031 million at the end of September, up 7.4% year-on-year.

In the individual customers' segment, the Caixazul service, geared to the personalised management of premium customers, covered 292,352 customers at the end of September and accounted for 36.1% of the volume of individual customers' sales revenues. The branch office network had 572 branches with spaces geared to this service.

Proactive offer of savings solutions based on dynamic oversight of customers' profiles and needs

The continuation of the Caixa Mais service, which is intrinsically associated with a more personalised customer-centric branch office service model based on a CRM approach is provided by 1,337 account managers at 699 branches, covering 623,024 customers and has also been one of the most relevant aspects of CGD's branch office network, with sales revenues of €21,850 million, up 21% year-on-year.

Caixazul and Caixa Mais service models represent 61.7% of the volume of sales revenues in the individual customers' segment.

In terms of distance channels, reference should be made to the acceptance of the Caixadirecta app which, at the end of September 2014, continued to be one of the free financial apps most in demand in "Google Play" and the Apple "App Store" with around 300 000 downloads and around 125,000 customers. Reference should also be made to continued endeavours to promote internet banking in the corporate segment through the supply of new functionalities which include the crediting of prepaid cards such as the Caixa Break meal card and the Lol card.

Improvement and expansion of distance channels

The continued quest for alternative, innovative forms of improving the customer experience in interactions with CGD, either based on a proximity approach or a customer's profile continues to be a present concern in Caixa's multichannel strategy.

The combination of the Caixadirecta *on-line* service and telephone enables shares to be traded on the Amsterdam, Brussels and Paris Euronext markets, in addition to trading on Euronext Lisbon, enhancing the service provided to customers.

Caixa's physical domestic branch office network at the end of September comprised 736 "universal" (i.e. general) branches (1 fewer than at the end of 2013) and 27 Caixa Empresas Corporate Offices (2 fewer), totalling 763 business units.

This network enjoys strong links with the extensive international platform made up of banking affiliates and branches in 23 countries. The experience of commercial teams in Portugal, allied with the knowledge of the local market of Group businesses abroad, enables relevant information to be provided on the market and the provision of a global. joint service to CGD Group customers as a whole in their activities in Portugal and the countries in which it has commercial or investment relations.

Resources

Reflecting, *inter alia*, the success of its resource-taking strategy based on a collection of savings solution geared to meeting the requirements of customers from all segments and with different profiles, CGD continues to enjoy a high level of market share of deposits in Portugal, particularly in the case of individual customers with an accentuating growth trend, at 32.7% in August 2014.

Marked growth of resource-taking capacity in the framework of the continued suitability of the remunerations policy

Caixa issued new savings and investment solutions in third quarter 2014 to promote the retention and taking-in of sufficiently profitable new resources. Reference should be made, in terms of deposits, to the two bi-monthly resource-taking initiatives (base and integrated deposits offer and the 10 automatic savings solutions) and commercialisation of 14 tracker deposits, with a guarantee of capital on maturity, over the short and medium term, with different interest structures ranging from interest rates to share trackers, share indices and exchange rate trackers. Two medium/long term financial insurance packages campaigns were also launched.

Total deposits in the branch office network were up 7.2% year-on-year to €58 857 million, across all segments.

Savings products as a whole were up 15.6% year-on-year in the corporate segment, in Portugal. This was particularly the case of deposits (up 17.3%) and unit trust investment funds (up 48.3%), which more than offset the fall of bonds (down 48.1%) and financial insurance (down 3.0%).

Resources taken by the Group as a whole (excluding the interbank market) totalled €106,587 million, i.e. up 2.7% year-on-year. Another contributory factor was the favourable 10.8% increase of off-balance sheet resources over the end of September 2013.

RESOURCES TAKEN BY CGD GROUP – BALANCES

(million euros)

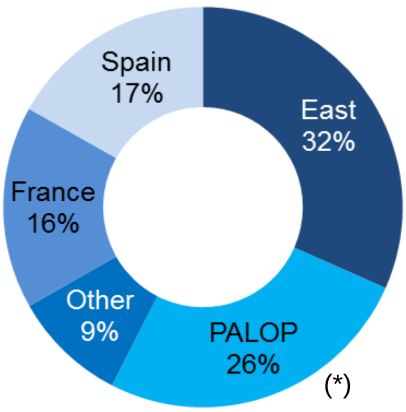
				Change Sep/14 - Sep/13		Change Sep/14 - Dec/13	
	Sep/13	Dec/13	Sep/14	Total	(%)	Total	(%)
Balance sheet	**79,801**	**79,140**	**79,980**	**178**	**0.2%**	**840**	**1.1%**
Retail	**69,887**	**69,507**	**71,768**	**1,881**	**2.7%**	**2,261**	**3.3%**
Customer deposits	67,190	67,623	69,726	2,536	3.8%	2,104	3.1%
Other customer resources	2,697	1,884	2,041	-656	-24.3%	157	8.3%
Institutional investors	**9,015**	**8,733**	**7,312**	**-1,703**	**-18.9%**	**-1,421**	**-16.3%**
EMTN	4,322	4,064	2,563	-1,759	-40.7%	-1,501	-36.9%
Covered bonds	3,832	3,810	4,596	763	19.9%	786	20.6%
Other	860	858	153	-707	-82.2%	-705	-82.2%
Portuguese state (CoCo bonds)	**900**	**900**	**900**	**0**	**-**	**0**	**-**
Off-balance sheet	**24,007**	**24,601**	**26,607**	**2,600**	**10.8%**	**2,006**	**8.2%**
Total	**103,809**	**103,740**	**106,587**	**2,778**	**2.7%**	**2,846**	**2.7%**
Total (excluding institutional investors and Portuguese state)	**93,894**	**94,108**	**98,375**	**4,481**	**4.8%**	**4,267**	**4.5%**

Not considering resources taken from institutional investors and CoCo bonds, the year-on-year change was up 4.8% by more than €4,481 million.

The international area continued to make a highly favourable contribution to total resource-taking with €14,430 million, particularly including CGD Group businesses in Asia, Africa and Spain together with France.

CUSTOMER DEPOSITS IN THE INTERNATIONAL AREA

(%)



(*) Lusophone speaking African Countries

Credit

Continued improvement of offer for companies with the highest potential contribution to the country's economic activity and CGD's own profitability

In the corporate segment, CGD has been strengthening its backing of companies with greater potential in terms of productivity and which are more likely to contribute towards the country's economic recovery and CGD's own profitability. This backing is characterised by continuous, specialised oversight, in parallel with an ever improving offer geared to meeting the specific needs of each company or project as regards Treasury management and foreign loan operations.

CGD's level of involvement in backing the investment projects of Portuguese companies continues to be highly comprehensive (micro, SMEs and large enterprises) translating into funding of €1,370 million for new medium and long term operations.

The economic crisis, both in Portugal as with its main economic euro zone partners, has had a constraining effect on domestic and foreign demand. As such, the volume of new loans and advances to customers, albeit rising (6%) in the first nine months of the year in comparison to the same period of the preceding year, has not enabled it to offset portfolio repayments, leading to an annual reduction of 7.0%.

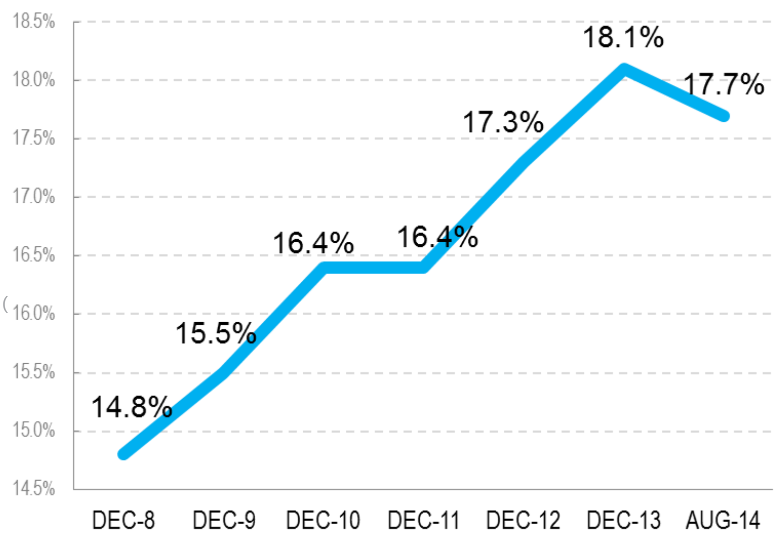
Consolidation of special corporate customer care models

CGD's corporate financing strategy has adopted a more proactive approach to identifying the best opportunities with customers with the highest potential and in improving its service by consolidating its special customer care models for diverse corporate segments, particularly in the case of the Caixa Empresas service.

CGD had a 17.7% market share of loans and advances to companies in August (17.4% year-on-year) and maintains a leading position in a broad range of specific lines of credit.

MARKET SHARE – CORPORATE LOANS

(%)



Market share of 17.4% in *PME Crescimento 2014* line of credit

New loans of around €152.2 million were made in the sphere of *PME Investe* ("SME Invest") lines of credit for SMEs, in 2014, to a portfolio total of €1 458 million at the end of September 2014.

Leadership of "Exports secondary line" with a market share of 23.6%

CGD comes in second place in the case of *PME Crescimento 2014* ("SME Growth 2014") lines with a market share of 17.4%, in addition to the general secondary line with a market share of 17.8% and leads the "Exports" secondary line with a market share of 26.6%.

CGD leads the *Investe QREN/PME Crescimento 2014* "(NSRF/SME Growth 2014") lines with a market share of 23.6%.

LOANS AND ADVANCES TO CUSTOMERS [(a)] (CONSOLIDATED)

(million euros)

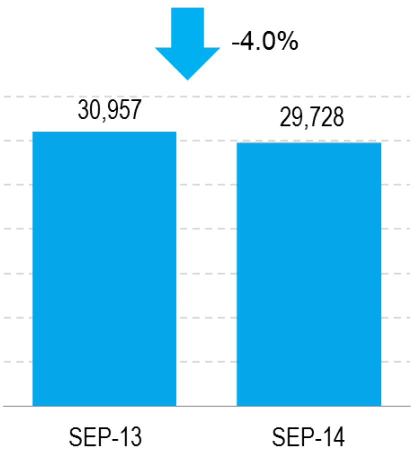
				Change Sep/14 - Sep/13		Change Sep/14 - Dec/13	
	Sep/13	Dec/13	Sep/14	Total	(%)	Total	(%)
Activity in Portugal	**59,213**	**58,333**	**55,080**	**-4,133**	**-7.0%**	**-3,253**	**-5.6%**
Corporate	22,315	21,980	20,397	-1,917	-8.6%	-1,582	-7.2%
General government	3,148	3,056	3,097	-50	-1.6%	41	1.4%
Institutionals and other	1,601	1,477	783	-817	-51.1%	-694	-47.0%
Individual customers	32,150	31,820	30,802	-1,348	-4.2%	-1,018	-3.2%
Mortgages	30,957	30,674	29,728	-1,229	-4.0%	-946	-3.1%
Other	1,193	1,146	1,074	-119	-10.0%	-72	-6.3%
Other CGD Group businesses	**16,408**	**16,197**	**16,866**	**458**	**2.8%**	**669**	**4.1%**
Total	**75,621**	**74,530**	**71,946**	**-3,675**	**-4.9%**	**-2,584**	**-3.5%**

(a) Before impairment.

The individual customers segment continues to witness a decline of the loans portfolio, both mortgages and other, to a balance of €30,802 million for total domestic activity.

MORTGAGE PORTFOLIO – BRANCH OFFICE NETWORK (PORTUGAL)

(million euros)



International activity

Promotion of cross-border business based on an extensive and interconnected international network

CGD Group's international activity continues to play a high priority role across the performance of the Group as a whole as one of the strategic pillars of CGD's operations with the aim of achieving the enhanced sustainability of its respective profitability and strength.

Operating as an integrated global network, CGD has been promoting its multilateral business, both in the sphere of transactional and investment activities.

This has been accompanied by the development of rationalisation and efficiency improvement policies permitting the rigorous consolidation of current business models, in addition to the development of a new effective, prudent *modus operandi*, in several of the geographies in which the Group operates.

Highly positive performance of businesses in Africa and Asia

The performance of CGD businesses in Africa and the Orient continues to be highly favourable, making a major contribution to the Group's consolidated net income.

Africa contributed €28.3 million in the period under analysis, especially Angola (€11.1 million), Mozambique (€10.3 million) and South Africa (€5.9 million), with €36.1 million in income from businesses in Asia. Reference should be made to the good performance of BNU Macau, with a 12.1% year-on-year increase in net income of €32.4 million.

In Europe BCG Spain and the London branch had a positive net income of €15.1 million and €7.7 million, respectively. and it has witnessed in the remaining branches a negative contribution, particularly on account of rigorous provisioning requirements owing to non-recurring factors.

Restructuring plan for operations in Spain progressing at a fast pace with positive, visible results in BCG Spain

Reference should be made to the restructuring plan agreed with DGComp, in the case of the Spain subsidiary. This comprised a major change to the bank's business model, and respective streamlining (reduction of the number of employees and branch office network), which is being completed on schedule and whose expression is already evident in the positive results of €15.1 million, in comparison to losses of €13.1 million in September 2013.

The above referred to extraordinary factors were reflected in losses of €22.5 million from international activity, bringing the positive movement noted in the first half of the year in this business segment to a halt. Reference should, however, be made to international activity's contribution to gross operating income which was up 34.6%, from €179.1 million in September 2013 to €241.2 million in September 2014.

Pursuant to its guidelines on boosting cross-border business, CGD has sponsored several business promotion and empowerment campaigns, both in Portugal and in several of Caixa's priority markets such as Mozambique and Macau. This was accompanied by branch office awareness initiatives referred to as "market panels", concentrating on several countries: Spain, France and Angola.

To complement its backing for the current international processes of Portuguese companies, CGD has also set up various concessionary lines of credit for Portuguese exports, comprising a global amount of €1,650 million, including 133 projects during their respective prioritisation periods under which an amount of €91.7 million was disbursed in the referred to period in 2014 to dozens of corporate beneficiaries (i.e. Portuguese exporters). Reference should be made to the concessionary line of credit for social housing in Cape Verde, involving 286 disbursements totalling €28.53 million both on account of the number of projects and companies involved.

In Mozambique, Banco Comercial e de Investimentos, S.A. (BCI), has been consolidating its market share as the financial system's second largest bank, in maintaining the innovative and dynamic approach characterising its backing of Mozambique's economy.

BCI Mozambique:

- "Bank of the Year 2014" attributed by "The European East Africa Awards"
- "The Best Commercial Bank for Individual Customers " and the "Best Commercial Bank for Companies" (PMR Africa 2014 prizes)
- "The Best Commercial bank - Mozambique 2014" for the 4th consecutive year (World Finance)

BCI opened 14 branches, in the first nine months of this year. It has also strengthened its commitment to new products and services and its lead in the development of electronic channels.

BCI recently won the "Bank of the Year 2014" award from "The European East Africa Awards", for its relevant contribution to the country's development. It should be remembered that BCI also won this year's PMR Africa 2014 prize as "The Best Commercial Bank for Individuals Customers" and the "Best Commercial Bank for Companies", having been awarded the "Best Commercial Bank – Mozambique 2014" prize for the second consecutive year by "Global Banking & Finance Review" and classified as the "Best Commercial Bank – Mozambique 2014", for the fourth consecutive year by the prestigious "World Finance" magazine. In 2014, as in 2013, BCI was the leader in the number of prizes received.

In Angola, Banco Caixa Geral Totta de Angola, S.A. (BCGTA) continues to maintain its strategic focus on corporate banking and premium customers, in addition to the Group's oversight of its customers' business.

BCGT Angola opens 3 new branches

The bank furthered its policy of laying the groundwork for expanding its commercial activities by opening an additional 3 branches, promoting its electronic channels and expanding its range of products and services in the first nine months of 2014.

BCA line of credit for SMEs in Cape Verde

In Cape Verde, Banco Comercial do Atlântico (BCA) set up a line of credit for around €1 million for small and medium sized enterprises with the objective of funding new projects associated both with imports or exports, corporate expansions and modernisations and the formation of new enterprises.

With this new line of credit BCA is endeavouring to back Cape Verde's private sector, laying the groundwork to provide micro, small and medium-sized enterprises with funding for the development of their businesses, to help broaden the country's economic base.

BCG Spain subscribes to the Collaborative Agreement to finance the agricultural and agrifood sector of Extremadura

In July, in Spain, exploiting BCG's good knowledge and specialisation in the primary sector, namely via the specialised agricultural banking area and its branch office network of 40 branches in the Extremadura region, BCG subscribed for the "Convénio de Colaboration" (Collaborative Agreement) with the Junta of Extremadura.

The objective of this agreement is to facilitate loans to the agricultural and agrifood sector in the region.

CGD's branch endeavoured to promote the Group's international business in the corporate area in France, by strengthening international trade with Portugal and exploiting cross-selling opportunities in markets in which the Group operates, mainly Brazil and Angola.

Caixa has been paying special attention to the individual customers resident abroad segment, not only on account of its business relevance but also on account of its commitment to backing traditional customers in addition to new emigrants searching for opportunities outside the country.

CGD continues to pay special attention to the non-residents segment based on its cross-selling policies between individual and corporate customers

During this period Caixa endeavoured to increase its banking involvement with customers, promoting and systemising such activities as its “Summer Campaign” with specific diverse products suitable to the segment, broadening its offer to three different currencies. Several actions were taken, including the hosting of parties to welcome customers resident abroad which, this year were held in the north of the country and in Madeira and which, as usual, involved significant numbers.

Caixa furthered its policy of increasing cross-selling operations between individual customers resident abroad and companies undergoing an internationalisation process, in its awareness of the relevance of a global commercial customer approach.

Investment banking

Caixa BI earns net income of €15 million with a cost-to-income indicator of 29.8%

CaixaBI earned net income of €15.0 million in the first nine months of 2014, having benefited from the positive performance of net commissions and income from financial assets of €37.8 million and €1.8 million, respectively.

CaixaBI’s net operating income of €59.8 million was down by around 4% year-on-year.

The bank’s earnings continue to be negatively influenced by the current macroeconomic context translated by higher provisions and impairment of €11.3 million in the first nine months of the year.

Cost-to-income at 29.8%, was clearly lower than that of its peers.

Project finance

Project finance particularly included the successful completion of the renegotiation of the Castellón Airport concession in Spain which culminated in 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, in Portugal, particularly included the completion of advisory services for the financial reorganisation of Efacec Group, for an overall amount of approximately €368 million.

In Spain the processes for the financial restructuring of FCC, Azincourt, Gallardo and Pretersa (involving global restructured amounts of €6.8 billion) were also successfully completed, as were the financial advisory services on the disposal of CGD Spain branch’s loans totalling €40 million.

Corporate Finance - Debt

Caixa BI comes first in the Bloomberg bookrunners ranking for domestic issuances

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

- Republic of Portugal: joint lead manager and bookrunner for the tap issuance on Treasury bonds 2019 (current 5 years benchmark), in an operation involving €3,250 million, signalling the Portuguese Republic’s first access to the markets in 2014; joint lead manager and bookrunner for a €3,500 million notes issuance maturing in 2030, sole bookrunner and lead manager for the issuance of €1,267 in notes maturing in 2022, in a private placement and co-lead manager for the tap issuance on Treasury bonds 2024, totalling €3,000 million.

- Parpública: joint lead manager and bookrunner for a €600 million notes issuance maturing in 2021 and organiser and lead manager of a €750 million bond loan maturing in 2019.
- CGD: joint lead manager and bookrunner for a €750 million covered bonds issuance, maturing in 2019.
- Brisa: joint lead manager and bookrunner for a €300 million notes issuance maturing in 2021 which comprised the first Euromarket issuance by a Portuguese corporate in 2014.
- EDP: joint lead manager and bookrunner for a €650 million notes issuance maturing in 2019.
- Altri/Celbi: sole lead manager and bookrunner for a €70 million bond issuance maturing in 2018, in a private placement.
- Visabeira: organisation and lead of a €70 million bond loan maturing in 2019.
- Sonae SGPS: organisation and lead of a €60 million bond loan maturing in 2018.
- Colep: joint lead manager and bookrunner for a €45 million bond loan maturing in 2017.
- Sonae Capital: sole lead manager and bookrunner for a €42.5 million bond issuance maturing in 2018.
- FCP: joint lead manager for the €20 million public subscription for Futebol Clube do Porto bonds maturing in 2017.
- BPCE SFH: co-lead manager for the €500 million tap issuance on covered bonds maturing in 2019.
- Santander Totta: co-lead manager for a €750 million covered bonds issuance maturing in 2019.
- Cin: organisation and lead of a €15 million bond loan maturing in 2019.

CaixaBI also organised and led 13 new commercial paper programmes and completed 63 extensions and/or revisions of the terms of past year programmes.

Equity capital market

CaixaBI successfully completed the following equity market operations over the period in question:

- CTT: advisor and bookrunner for Parpública's disposal of its remaining equity stake of 31.5% in CTT in the form of an accelerated bookbuilding process exclusively targeted at domestic and international institutional investors, at an offer price of €7.25, which, in spite of the fact of representing a 7.2% discount on the closing price on the day of the launch of the transaction, was higher than the IPO price of €5.52. This successful operation was fuelled by strong demand from institutional investors which exceeded the number of shares on offer, with CaixaBI having contributed to order book quality as joint bookrunner.
- REN: global coordinator and bookrunner for the reprivatisation of 11% of share capital in the form of a secondary public offering comprising Parpública's (9.9%) and CGD's (1.1%) disposals of their 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 equity capital. This highly successful offer achieved a total amount of approximately €303.3 million.

- Espírito Santo Saúde: co-lead in the initial public offering, totalling an amount of approximately €149.8 million and 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.
- Sonae: co-lead manager for the issuance of Sonae SGPS, S.A. convertible bonds for an overall amount of €210.5 million.
- Mota-Engil: bookrunner for the sale of a block of 16.8% of Mota-Engil's share capital.

Corporate Finance – Advisory

Financial advisory services for the sale of CGD's insurance business for an amount of €1.6 billion as the largest deal in the insurance sector in Europe in 2014

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.

The bank was also the advisor in the completion of the REN reprivatisation via the sale of the 11% still held by Parpública and CGD, having advised Parpública on the disposal of the 31.5% still held by it in CTT and advised Refrigor on the disposal of a 10.5% equity stake in Sumol+Compal.

Syndication and sales

CaixaBI participated as joint lead manager in diverse primary market issuances in the first nine months of 2014, particularly

– tap issuance on Treasury bonds 4.75% 2019;
– issuance of Portuguese government notes 3.875% 2030;
– issuance of Parpública bonds 3.75% 2021;
– issuance of CGD covered bonds 3.00% 2019;
– issuance of Brisa notes 3.875% 2022;
– issuance of EDP notes 2.625% 2019.

I

t was also the co-lead manager for the tap issuance on Treasury bonds 5.65% 2024 and bookrunner for the Colep 2017 bonds issuance.

As sole lead manager and bookrunner, CaixaBI was responsible for two private placements: the Altri/Celbi and Sonae Capital bond issuances.

There were 108 commercial paper issuances comprising a total amount of €1 225.1 million in the first three quarters of the year.

Brokerage

CMVM data for August place CGD Group in 3rd position in the brokers ranking with a market share of 11.8% and a 17.1% growth in trading volumes over the same period 2013. Special reference should be made to CaixaBI's contribution and participation in the following operations:

- ESS IPO: co-lead manager in the first primary market operation for the year in Portugal

- REN PUBLIC OFFERING: global coordinator and bookrunner for the privatisation of 11.1% of capital.
- Mota-Engil ABB bookrunner for the accelerated bookbuilding process on around 16.8% of capital.
- EDP ABB: bookrunner for the accelerated bookbuilding process on around 2.59% of capital.
- CTT ABB: global coordinator and bookrunner for the accelerated bookbuilding process on 31.5% of CTT's capital, comprising the last stage of this company's privatisation.

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 fuel 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

Venture Capital

Promotion of resource-taking activity and analysis of business eligible for Caixa Capital's venture capital funds

CaixaBI continued to secure and analyse investment opportunities eligible for inclusion in one of the four venture capital funds under Caixa Capital management. 31 of the total number of 96 projects under assessment in the first nine months of 2014 were approved with 19 remaining under analysis. Approvals represented a potential investment of around €172 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'.

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

In May 2014, Standard & Poor's (S&P) and DBRS took identical steps, changing their 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 them 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+	Oct/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

CGD furthered the implementation of its Corporate Sustainability Programme, based on a collection of economic, environmental and social areas. This programme, which materialises CGD's sustainability strategy, in alignment with CGD Group strategy, provides for several voluntary commitments in excess of CGD's legal and compliance obligations.

These commitments are organised in accordance with the thrusts of the Sustainability Policy: Responsible Banking, Promotion of the Future, Environmental Protection, Human Assets Management and Involvement with the Community, as shown in the following chart.

Sustainability policy thrusts:

- Responsible Banking
- Promotion of the Future
- Environmental Protection
- Human Assets Management
- Involvement with the Community

The development of balanced, transparent, responsible relationships with its customers, in addition to banking activity's contribution to sustainable development with the aim of promoting a better future, continue to be considered as fundamental operating pillars.

The identification and recognition of Caixa Geral de Depósitos's backing for culture, the arts, society and knowledge, innovation and new technologies, promotion of financial literacy and volunteerism, in addition to its strong commitment to the environment are evident in several references made to and awards won by Caixa, namely:

- The largest and most comprehensive financial literacy programme
- The knowledge bank with academia and SMEs
- The leading bank for culture sponsorship
- The only domestic financial portal with 100% W3C accessibility
- The only Iberian bank leading the fight against climate change and implementing good management practice, promoting a green, low carbon economy
- The only Portuguese bank with an A+ rating in the Carbon Disclosure Index in 2013
- The first bank in Portugal to have an Environmental Management System

Subscription for the 10 Global Compact Principles confirms CGD's commitment to furthering values and principles geared to the community's current and future needs

Caixa's subscription to the UNO's 10 "Global Compact" principles as the world's largest voluntary corporate responsibility initiative has strengthened CGD's commitment to its Corporate Sustainability Programme, enabling it to provide a practical direction and expanding the scope of its values and principles in the human rights, labour relations, environmental protection 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.

Recognition of the merit of Caixa's sustainable performance and its commitments to the future, on behalf of various generations, society, the domestic economy and environment is shown by the following prizes and distinctions.

- **Most Valuable Banking Brand:** €530 million (up 27% over 2013) – *Brand Finance*
- **Banking Brand with the Best Reputation in the Leadership, Innovation and Workplace Categories** – *Reputation Institute*
- **Banking Brand in Portugal coming in 1st place in terms of the relevance of its backing for strategic companies and sectors and its support for and association with universities** – *BrandScore*, September 2014
- **Banking brand in Portugal coming in 2nd place in terms of the brand's association with environmental and social sustainability** – *BrandScore,* September 2014
- **Banking brand in Portugal with the strongest association with social responsibility and culture** – *BrandSponsor*, 3rd quarter 2014
- **Prime company** – *Rater: OEKOM*
- **Carbon Disclosure Project –** Leading Iberian Financial Institution category in the Low Carbon Economy
- **Carbon Disclosure Project – One of the top 6 best large Iberian companies**
- **Rock in Rio Sustainable Attitude –** prize for the stands category
- **Best Ethical Practices Awards 2014 –** "Social Responsibility" category **–** organised by Jornal de Negócios and Capgemini
- **Gold Trophy for CGD's Financial Literacy Programme** – *Prémios de Comunicação Meios & Publicidade*
- **Best Investment Bank in Portugal** – **CaixaBI** – **2014**: Euromoney, Global Finance, World Finance, Global Banking & Finance Review and IFM Awards; **2013**: EMEA Finance
- **No. 1 IPO & Seasoned Equity Offer House** – **CaixaBI** – Euronext Lisbon Awards
- **Equities Winner Europe 2014: CTT IPO** – **CaixaBI** – The Banker, Deals of the Year

Caixa Geral de Depósitos

31 October 2014

10 - Consolidated Balance Sheet

(30 September 2014)

(million euros)

ASSETS	Sep/13 (*)	Dec/13	Sep/14	Change Sep/14 - Sep/13 Total	Change Sep/14 - Sep/13 (%)	Change Sep/14 - Dec/13 Total	Change Sep/14 - Dec/13 (%)
Cash and claims at central banks	1,176	1,545	1,279	103	8.8%	-267	-17.3%
Investments in credit institutions	2,572	2,811	4,848	2,277	88.5%	2,037	72.5%
Loans and advances to customers	71,171	70,018	66,903	-4,268	-6.0%	-3,114	-4.4%
Securities Investments	19,228	18,329	18,157	-1,071	-5.6%	-172	-0.9%
Assets with repurchase agreements	762	706	1,290	528	69.4%	584	82.8%
Non-current assets held for sale	13,332	13,444	791	-12,541	-94.1%	-12,653	-94.1%
Investments in subsidiaries and associates	44	42	312	268	607%	269	636%
Intangible and tangible assets	886	853	852	-34	-3.8%	-1	-0.1%
Current tax assets	88	129	116	27	31.0%	-13	-9.9%
Deferred tax assets	1,348	1,375	1,377	30	2.2%	2	0.2%
Other assets	4,287	4,224	4,330	43	1.0%	105	2.5%
Total assets	**114,894**	**113,477**	**100,255**	**-14,639**	**-12.7%**	**-13,222**	**-11.7%**
LIABILITIES							
Central banks' and credit institutions' resources	10,276	9,735	6,164	-4,112	-40.0%	-3,571	-36.7%
Customer resources	67,425	67,824	70,084	2,659	3.9%	2,259	3.3%
Financial liabilities	1,779	1,645	2,008	229	12.9%	363	22.1%
Debt securities	9,420	8,791	7,345	-2,075	-22.0%	-1,446	-16.4%
Non-current assets held for sale	11,515	11,591	1	-11,514	-100%	-11,589	-100%
Provisions	931	881	824	-106	-11.4%	-57	-6.4%
Subordinated liabilities	2,956	2,524	2,551	-406	-13.7%	27	1.1%
Other liabilities	3,830	3,803	4,009	178	4.7%	206	5.4%
Total liabilities	**108,134**	**106,794**	**92,986**	**-15,147**	**-14.0%**	**-13,808**	**-12.9%**
Shareholders' equity	**6,760**	**6,684**	**7,269**	**509**	**7.5%**	**585**	**8.8%**
Total liabilities and shareholders' equity	**114,894**	**113,477**	**100,255**	**-14,639**	**-12.7%**	**-13,222**	**-11.7%**

(*) The amounts relating to 2013 have been restated 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 full integration method, following the implementation of IFRS 10 and the amounts reflect the application of IFRS 10 which implies a change to the preceding year's net income owing to the inclusion of two SPEs in the consolidation perimeter.

11 – Consolidated Income Statement

(30 September 2014)

(thousand euros)

			Change	
	Sep/13 (*)	Sep/14	Total	(%)
Interest and similar income	2,657,244	2,560,401	-96,843	-3.6%
Interest and similar costs	2,098,171	1,817,401	-280,770	-13.4%
Net interest income	559,073	743,001	183,928	32.9%
Income from equity instruments	59,012	36,934	-22,078	-37.4%
Net interest income including income from equity instruments	**618,085**	**779,935**	**161,850**	**26.2%**
Income from services and commissions	507,059	490,626	-16,433	-3.2%
Costs of services and commissions	116,730	109,359	-7,372	-6.3%
Commissions (net)	390,329	381,268	-9,061	-2.3%
Income from financial operations	222,076	213,080	-8,996	-4.1%
Other net operating income	15,380	1,500	-13,881	-90.2%
Non-interest income	**627,785**	**595,847**	**-31,938**	**-5.1%**
Net operating income from banking	**1,245,870**	**1,375,782**	**129,912**	**10.4%**
Employee costs	573,998	534,237	-39,761	-6.9%
Other administrative expenses	329,446	346,001	16,555	5.0%
Depreciation and amortisation	94,122	82,246	-11,876	-12.6%
Operating costs and depreciation	997,566	962,483	-35,082	-3.5%
Gross operating income	**248,304**	**413,299**	**164,995**	**66.4%**
Provisions and impairment of other assets (net)	194,455	10,751	-183,704	-94.5%
Credit impairment net of reversals	473,951	570,013	96,062	20.3%
Provisions and impairment	**668,406**	**580,764**	**-87,642**	**-13.1%**
Income from held for sale subsidiaries	**106,410**	**286,740**	**180,331**	**169.5%**
Income from associates	**3,554**	**10,678**	**7,124**	**200.4%**
Income before tax and non-controlling interests	**-310,138**	**129,953**	**440,091**	**-**
Tax	**-69,711**	**24,382**	**94,094**	**-**
Current and deferred	-88,867	2,041	90,908	-
Extraordinary contribution on the banking sector	19,156	22,341	3,185	16.6%
Consolidated net income for period	**-240,427**	**105,571**	**345,997**	**-**
Of which				
Non-controlling interests	43,097	50,106	7,010	16.3%
Net income attributable to CGD shareholder	**-283,523**	**55,465**	**338,988**	**-**

(*) The amounts relating to 2013 have been restated 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 full integration method, following the implementation of IFRS 10 and the amounts reflect the application of IFRS 10 which implies a change to the preceding year's net income owing to the inclusion of two SPEs in the consolidation perimeter.

Caixa Geral
de Depositos