

 **Caixa Geral de Depósitos, S.A.**

Sucursal Offshore de Macau

儲金行股份有限公司澳門離岸分支機構

Caixa Geral de Depósitos, S.A. - Sucursal Offshore de Macau

Disclosure of Financial Information

According with Circular no 026/B/2012/DSB-AMCM

December 31, 2014

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Caixa Geral de Depósitos, S.A. was authorized by the Government of the Special Administrative Region of Macau through Executive Order no. 7/ 2013 to establish an Offshore Branch in Macau, with effect from February 1, 2013, unit to which was transferred, to this date, all assets and liabilities of its subsidiary that operated in Macau since 2005, Caixa Geral de Depósitos, - Subsidiária Offshore de Macau, S.A., that ceased its activity and was close down.

The information provided in this document was prepared according to circular nº 26/B/2012-DSB/AMCM published by Autoridade Monetária de Macau.

The Balance Sheet and Profit and Loss Accounts (table 1.1. e 1.2.), Cash Flow Statement (table 2) and Accounting Policies (point No. 5) were subject to audit. The remaining information presented in this report were not audited.

1. Art 76º of Macau Financial System Act

1.1. Balance Sheet as of December 31, 2014

Unity: MOP (Macau pataca)	December 31, 2014		
	GROSS ASSETS	PROVISIONS, AMORTIZATIONS AND NET VALUE	NET ASSETS
ASSETS			
Cash	-	-	-
Deposits with AMCM	-	-	-
Accounts Receivable	-	-	-
Deposits with Other Credit Institution in Macau	668 995	-	668 995
Deposits with Other Credit Institutions Abroad	36 165 235	-	36 165 235
Gold and Silver	-	-	-
Other Current Assets	-	-	-
Credit Granted	6 856 366	-	6 856 366
Placements with Credit Institutions In Macau	-	-	-
Deposits at Call and Time Deposits with Credit Institutions Abroad	7 638 835 503	-	7 638 835 503
Shares, Bonds and Quotas	-	-	-
Investment of Assigned Funds	-	-	-
Debtors	-	-	-
Other Placements	-	-	-
Financial Investments	-	-	-
Property	-	-	-
Equipment	147 966	83 228	64 738
Deferred Cost	-	-	-
Start-Up Expenditure	-	-	-
Fixed Assets in Progress	-	-	-
Other Fixed Assets	372 339	209 460	162 879
Internal and Adjustment Accounts	8 467 637	-	8 467 637
TOTAL	7 691 514 041	292 688	7 691 221 353

1.1. Balance Sheet as of December 31, 2014 (continued)

	December 31, 2014	
	SUBTOTAL	TOTAL
Unity: MOP (Macau pataca)		
LIABILITIES		
Current Deposits	388 278 672	
Deposits at Call	-	
Time Deposits	7 240 706 051	7 628 984 723
Government Deposits	-	
Resources of Other Local Financial Institutions	-	
Resources of Other Local Entities	-	
Foreign Currency Loans	-	
Debentures	-	
Credit for Resources Consigned to the Bank	-	
Cheques and Payment Orders	-	
Creditors	-	
Other Liabilities	-	
Internal and Adjustment Accounts	49 646 021	49 646 021
Provisions for Risks	68 564	68 564
Capital	-	
Legal Reserves	-	
Reserve as per Company Articles	-	
Other Reserves	-	
Net Profit Brought Forward	231 835	
Net Profit for Year Ended	12 290 210	12 522 045
TOTAL		7 691 221 353

1.2. Profit and Loss Accounts

Unity: MOP (Macau pataca)

DEBIT	FROM 01/01/2014 to 31/12/2014	CREDIT	FROM 01/01/2014 to 31/12/2014
Interest Expense	158 048 950	Interest Income	178 640 378
Staff Cost	2 903 348	Bank Operations Income	4 985
Remuneration of Board of Directors and Supervisor Committee		Other Bank Operating Income	40 442
Salaries and Wages	2 589 813	Incomes from Securities and Financial Investments	
Benefits	313 535	Other Bank Income	87 607
Other		Non-Banking Income	
Third Party Supply Expenses	72 982	Operating Losses	
Third Party Service Expenses	1 970 653		
Other Bank Costs	3 231 469		
Taxes	1 270		
Non-Banking Expenses	140 001		
Depreciations	113 432		
Provisions	1 097		
Operating Income	12 290 210		
TOTAL	178 773 412		178 773 412

1.2. Profit and Loss Accounts (continued)

Unity: MOP (Macau pataca)

DEBIT	FROM 01/01/2014 to 31/12/2014	CREDIT	FROM 01/01/2014 to 31/12/2014
Operating Losses	-	Operating Income	12 290 210
Accumulated Losses From Previous Years	-	Accumulated Income from Previous Years	-
Extraordinary Losses	-	Extraordinary Income	-
Income Tax	-	Provisions Used	-
Profit for the Year	12 290 210	Loss for the Year	-
TOTAL	12 290 210		12 290 210

1.3. Summary of Management Report

Caixa Geral de Depósitos, S.A. was authorized by the Government of the Special Administrative Region of Macau through Executive Order no. 7/ 2013 to establish an Offshore Branch in Macau, with effect from February 1, 2013, unit to which was transferred, to this date, all assets and liabilities of its subsidiary that operated in Macau since 2005, Caixa Geral de Depósitos - Subsidiária Offshore de Macau, S.A., that ceased its activity and was close down.

In 2014 the international environment was characterized in most of the countries by a slow a recovery of the economic activity, which, in the Eurozone, was accompanied by a reduction in the inflation rate that approached zero, and high unemployment rates. In this context, the European Central Bank lowered key interest rates and announced in January 2015 that it would implement a securities purchase program in the secondary market, leading to a sharp decline in interest rates in the interbank market and in sovereign bonds yields both at short and long end of the yield curve as well as to a significant depreciation of the euro against the major currencies, in particular from the second half of the year.

In the US there was a gradual recovery in economic activity along with a reduction in the unemployment rate and the inflation rate, and the Federal Reserve Bank ended the quantitative easing program that has been implementing, opening prospects for an increase next year in short-term interest rates.

The business model of the Macau Offshore Branch of CGD is centered in the area of personal banking and its customer base consists of non-residents, in Macau and Portugal, mainly emigrants and Portuguese descendants residing abroad.

The products and services offered mainly time and saving deposits, are made available through several distribution channels and are targeted at different market segments, including the high and middle segments.

The Macau Offshore Branch of Caixa Geral de Depósitos recorded a net profit of MOP 12.3 million in 2014 which represents an increase of 6 per cent over the last year.

Operating income rose by 5.6 per cent relatively to the previous year, due mainly to an increase in net interest income which grew 7.8 per cent.

Operating costs recorded an increase of 6.3 per cent, general administrative expenses declined by 6.3 per cent and personnel costs grew by 16.9 per cent.

Customer deposits amount to MOP 7,595 million, as of December 31, 2014, showing a decrease of 14.2 per cent due mainly to translation effects to patacas of deposits denominated in foreign currencies since the pataca exchange rate appreciated significantly against major currencies, following closely the appreciation of the American dollar against other international currencies.

Under a centralized policy regarding the management of financial resources of CGD Group , net assets, that as of December 31, 2014 amounted to 7 691,2 million, a decrease of 14.5 per due mainly to translation effects to patacas of assets denominated in foreign currencies. The main component of the branch's total asset is interbank deposits placed with Bank's Head Office, while loans granted to customers represents a small weight.

The Macau Offshore Branch of Caixa Geral de Depósitos, S.A. would like to thank the authorities of Macau, and in particular the Monetary Authority of Macau, for the collaboration given since the beginning of its activities, as well as Banco Nacional Ultramarino for the support provided.

1.4. Summary of External Auditors' Report

We have audited the financial statements of the Caixa Geral de Depósitos, S.A.- Sucursal Offshore de Macau for the year 2014, in accordance with the “Normas de Auditoria” and “Normas Técnicas de Auditoria” of the Macao Special Administrative Region. In our report, dated May 6, 2015, we expressed an opinion with no constraints on the financial statements of which the present is a summary.

The financial statements referred to above comprise the balance sheet, as at 31 December 2014, the income statement, and statement of cash flows for the year ended, as well as a summary of the relevant accounting policies and other explanatory notes.

The summarized financial statements prepared by management results from the annual audited financial statements mentioned above. In our opinion, the summarized financial statements are consistent in all material respects with the audited financial statements.

To better understand the financial position of Caixa Geral de Depósitos, S.A.- Sucursal Offshore de Macau and the results of its operations in the period and scope covered by our audit, the summarized financial statements should be read in conjunction with the financial statements of which they result, as well as with the corresponding audit report.

Kwok Sze Man
Registered Auditor

Deloitte Touche Tohmatsu - Sociedade de Auditores

Macau, May 6, 2015

1.5. List of shareholders with qualifying holdings

Caixa Geral de Depósitos' equity capital is owned by the Portuguese state as its sole shareholder.

1.6. Members of the company boards of Caixa Geral de Depósitos, S.A.

Statutory Bodies: (Mandate 2013-2015)

Board of the General Meetings (*)

Chairman:

Prof. Dr. Manuel Carlos Lopes Porto

Secretary:

Dr. José Lourenço Soares

Board of Directors

Chairman:

Prof. Dr. Álvaro José Barrigas do Nascimento

Vice-Chairman:

Dr. José Agostinho Martins de Matos

Members:

Dr. Nuno Maria Pinto de Magalhães Fernandes Thomaz

Dr. João Nuno de Oliveira Jorge Palma

Dr. José Pedro Cabral dos Santos

Dra. Ana Cristina de Sousa Leal

Dra. Maria João Borges Carioca Rodrigues

Dr. Jorge Telmo Maria Freire Cardoso (**)

Prof. Dr. Pedro Miguel Valente Pires Bela Pimentel

Prof. Dr. José Luís Mexia Fraústo Crespo de Carvalho

Dr. José Hernst Henzler Vieira Branco

Prof. Dr. Eduardo Manuel Hintze da Paz Ferreira

Prof. Dr. Daniel Traça

Prof. Dr. Pedro Fontes Falcão

Executive Committee

Chairman:

Dr. José Agostinho Martins de Matos

Deputy-Chairman:

Dr. Nuno Maria Pinto de Magalhães Fernandes Thomaz

Members:

Dr. João Nuno de Oliveira Jorge Palma
Dr. José Pedro Cabral dos Santos
Dra. Ana Cristina de Sousa Leal
Dra. Maria João Borges Carioca Rodrigues

Audit Committee

Chairman:

Prof. Dr. Eduardo Manuel Hintze da Paz Ferreira

Deputy-Chairman:

Prof. Dr. Daniel Traça

Members:

Prof. Dr. Pedro Fontes Falcão

* Dr. Rui Machete ceased functions as Vice Chairman of the General Assembly of the CGD, having been appointed Minister of State and Foreign Affairs (Official Gazette, 1st Series, Supplement of 07.24.2013)

** Dr Jorge Telmo Maria Freire Cardoso requested on September 16, 2014 the suspension of his mandate for a period up to six months (according with a Unanimous Written Corporate Resolution of October 23, 2014, Minutes No. 3/2004), which was extended for an additional period of 6 months, eventually renewable, as by a Unanimous Written Company Resolution of April 13, 2015.

1.7. Members of the management committee of Caixa Geral de Depósitos, S.A. – Sucursal Offshore de Macau

Management Committee (vide annex)

General Manager:

Dr. Artur Jorge Teixeira Santos

Members:

Dra. Ana Isabel Pais Vinagre Tomázio

Since April 9, 2014

Dr. Humberto Manuel Lopes Casanova

Until April 9, 2014

Dr. Pedro Manuel Rodrigues de Araújo Martinez

2. Cash Flow Statement

Unity: MOP (Macau pataca)

December 31, 2014

OPERATIONAL ACTIVITIES

Net Income Before Taxation	12 290 210
Adjustments for:	
Provisions and Impairment losses, net of Decreases, Reversals and Exchange Differences	(86 510)
Depreciation	113 432
Interest Income	(178 640 378)
Interest Expense	158 048 950
	(20 564 506)
Decrease/(Increase) in Operating Assets:	
Placements and Deposits with Credit Institutions in the Territory and Abroad	4 812 098 335
Loans and Advances to Customers	8 651 072
	4 820 749 407
(Decrease)/Increase in Operating Liabilities:	
Deposits	(1 256 852 859)
Accruals, Deferrals and Others	(328 697)
	(1 257 181 556)
Net Cash From Operating Activities Before Taxation	3 555 293 555
Interest Income Received	267 921 575
Interest and Expense Paid	(206 648 344)
	61 273 231
Net Cash From Operating Activities	3 616 566 786

INVESTING ACTIVITIES

Acquisitions of Equipment, Other Fixed Assets and Intangible Assets	(77 263)
Net Cash used In Investing Activity	(77 263)

FINANCING ACTIVITIES

Income for the year 2013 transferred to CGD Head Office	(11 358 998)
Net Cash From/ (Used In) Financing Activity	(11 358 998)
Net Increase in Cash and Cash Equivalents	3 605 130 525
Cash and Cash Equivalents at Beginning of the Year	197 317 003
Cash and Cash Equivalents at end of the Year	3 802 447 528

3. Off-Balance-sheet Exposures Other than Derivatives transactions

3.1. Contractual Amount or Notional Amount

Unity: MOP (Macau pataca)	December 31, 2014
Credit Substitutes	-
Transaction-Related Contingencies	-
Acceptances and Other Trade-Related Contingencies	-
Note Issuance Facilities, Revolving Underwriting Facilities and Other Similar Facilities	-
Forward Asset Purchases	-
Unpaid Portion of Partly Paid Shares and Other Securities	-
Forward Forward Deposits	-
Asset Sales with Repurchase Option	-
Undrawn Credit Facilities and Other Commitments to Extend Credit	-
Other Off-Balances-Sheet Items	11 080 652

4. Derivatives Transactions

4.1. Contractual Amount or Notional Amount

Unity: MOP (Macau pataca)	December 31, 2014
Exchange Rate Contracts	-
Interest Rate Contracts	-
Equities Contracts	-
Commodities Contracts	-
Others	-

4.2. Credit Risk Weighted Amounts of Interest Rate Contracts and Exchange Rate Contracts as calculated in accordance with Notice 013/93-AMCM

Unity: MOP (Macau pataca)	December 31, 2014	
	NOMINAL VALUE	WEIGHTED EXPOSURE
Interest Rate Contracts	-	-
Exchange Rate Contracts	-	-
Total	-	-

5. Accounting Policies

The financial statements are prepared in accordance with Financial Reporting Standards of Macau SAR.

Accrual basis

Income and expenses are recognised on an accrual basis, independently of when the amounts are received or paid, in accordance with the period of the operations. The differences between the amounts received or paid and the corresponding revenue or expenditure are recorded in “Accruals, deferrals and others” of assets and liabilities, respectively.

Equipment, intangible assets and other fixed assets

The equipment, intangible assets and other fixed assets are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation of the fixed assets is recorded on a straight-line annual basis according with the estimated useful life of the fixed assets:

	YEARS OF USEFUL LIFE
Computer Hardware	4
Interior Fittings	5
Security Equipment	7
Vehicles	4
Intangible Assets	3
Furniture and Fixtures	8
Communication Equipment	10

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year which the item is derecognized.

Periodic test are made to identify evidence of impairment of equipment, intangible assets and other tangible assets.

Foreign currency assets and liabilities

In preparing the financial statements of the entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency assets and liabilities are translated daily to Patacas using the average fixing rate published by the Monetary Authority of Macau (“MAM”). The resulting foreign exchange differences are recorded as “Other banking expenses” or “Other banking income”, as the case may be.

The Exchange rates of Pataca at December 31, 2014 was as follows:

	December 31, 2014
1 USD = MOP	MOP 7.9899
1 EURO = MOP	MOP 9.7141
1 GBP = MOP	MOP 12.4363
1 CAD = MOP	MOP 6.8873

Loans and advances to customers

Loans and advances to customers are stated in the balance sheet after deducting any specific impairment, if applicable.

The management estimates that no specific provision is required to write down its loans and advances to customers in order to state it in the balance sheet at their estimated net realizable value as they are generally collateralized by term deposits in CGD-SOM and therefore no credit risk is considered to exist.

A general provision amounting to 1% of the caption “Loans and advances to customers” is recorded as at balance sheet date in accordance with regulatory requirement of MAM.

Interest accrued is recorded in “Accruals, deferrals and other”.

Customers’ deposits, subordinated loans and other resources

Deposits, subordinated and other resources are recorded at their nominal amount. Interest accrued is recorded in “Accruals, deferrals and others” in accordance with the effective interest rate method.

Provisions and contingent losses

A provision is recorded whenever a present obligation (legal or constructive) exists as a result a paste event involving the probable future outflow of resources and this can be reliably determined. The amount of the provision comprises the best estimate of the amount to be paid to settle the liability as at the balance sheet date. When the outflow of resources is not probable, a contingent liability exists. Contingent liabilities need only be disclosed, unless the probability of their payment is remote.

Operating leases

CGD-SOM signed a lease contract of its office with a related company. The lease has no maturity.

Revenue

Interest income and interest expense are recognized on an accrual basis and are recorded on the income statement in “Interest income” and “Interest expense”.

Cash and cash equivalents

For the purpose of preparing cash flow statements, CGD-SOM considers as “Cash and cash equivalents” the following captions:

	December 31, 2014
Sight deposits with credit institutions	36 834 230
Deposits with original maturity less than 3 months recorded in:	
Placements with credit institutions in the territory	-
Deposits without credit institutions abroad	618 244 899
	<u>655 079 129</u>

6. Related Parties Transactions - Transactions and Outstanding Balances

6.1. Policy for lending to related parties

Related Parties includes:

- a) A person, or a close member of that person's family, is related to the Branch if that person:
 - i) has control or joint control over the Branch;
 - ii) has significant influence over the Branch; or
 - iii) is a member of the key management personnel of the Branch or the Branch's parent.

- b) An entity is related to the Branch if any of the following conditions applies:
 - i) The entity and the Branch are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii) That entity holds a qualifying holding in the Branch;
 - iii) The entity is an associate or joint venture of the Branch (or an associate or joint venture of a member of a group of which the Branch is a member);
 - iv) The Branch is an associate or joint venture of the entity (or an associate or joint venture of a member of a group of which the entity is a member);
 - v) The Branch and the entity are joint ventures of the same third party;
 - vi) The entity is a joint venture of a third entity and the Branch is an associate of the third entity;
 - vii) The Branch is a joint venture of a third entity and the entity is an associate of the third entity;
 - viii) The entity is a post-employment benefit plan for the benefit of employees of either the Branch or an entity related to the Branch;
 - ix) The entity is controlled or jointly controlled by a person identified in (a);
 - x) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - xi) A person identified in (a) (iii) is a member of the key management personnel of that entity (or of a parent of that entity).

Transactions with Group Companies

Transactions with related parties are made in the ordinary course of business and are conducted on the same terms as third party transactions, based on market rates at the time of each transaction.

Transaction with Key Personnel

During this year, CGD-SOM didn't provided credit facilities to key management personnel of the Branch and companies controlled or significantly influenced by them.

6.2. Transactions and Outstanding Balances

Unity: MOP (Macau pataca)

December 31, 2014

DEBIT BALANCES

Interbank Assets (deposits)	7 675 000 738
Certificates of Deposit	-
Sundry Investments	-
Credit Granted	-
Other Assets	8 405 155
Operating Costs	438 772

CREDIT BALANCES

Deposits from Non-Bank Customers	-
Certificates of Deposit	-
Interbank Liabilities (deposits)	33 895 311
Other Liabilities	-
Operating Income	178 403 725

7. Capital

Consolidated Information of CGD Group

7.1. Capital Adequacy Ratio

	December 31, 2014
Total Capital Ratio	12.7%
Core Tier1 Ratio	10.9%

7.2. Capital and Reserves

Unity: € (million euros)	December 31, 2014
Equity	6 493
Share Capital	5 900
Fair Value Reserves	412
Other Reserves and Retained Earnings	(438)
Non-Controlling Interest	967
Net Profit	(348)

8. Credit Risk

8.1. Credit Risk Management

Credit risk is associated with the losses and level of uncertainty over a customer/counterparty's capacity to meet their obligations.

CGD-SOM has implemented an identification, assessment and control of its credit risk portfolio system both when is granted and over the lifecycle of the operations.

Loans and advances in relation to which either the payment of interest or commission or the repayment of principal is delayed are classified as past due in accordance with the requirement set out by AMCM:

- Group I – up to 3 months
- Group II – over 3 month and less than or equal to 12 months
- Group III – over 12 month and less than or equal to 18 months
- Group IV – over 18 months

At the end of each quarter, general and specific provision shall be set up as required by AMCM, in the following manner:

- Generic provision not less than 1% of the aggregated value of the credits which are not overdue for more than 3 months
- Specific Provision not less than 40%, 80% and 100% for Group II, Group III and Group IV respectively, based on their respective balances net of expected recoverable value of any existing and duly formalized tangible collateral.

CGD-SOM credit portfolio is not material, representing less than 0.5% of Branch Asset.

8.2. Geographic Distribution of Exposure

REGION	December 31, 2014				
	LOANS AND ADVANCES	LOANS AND ADVANCES PAST DUE	SPECIFIC PROVISION	DEBT SECURITIES	FINANCIAL DERIVATIVES
VENEZUELA	3 263 705	-	-	-	-
SOUTH AFRICA	1 896 276	-	-	-	-
UNITED KINGDOM	1 457 115	-	-	-	-
MOZAMBIQUE	239 270	-	-	-	-
SWITZERLAND	-	-	-	-	-
LUXEMBOURG	-	-	-	-	-
ANGOLA	-	-	-	-	-
	6 856 366	0	0	0	0

8.3. Industry Distribution of Exposure

SECTORS	December 31, 2014				
	LOANS AND ADVANCES	LOANS AND ADVANCES PAST DUE	SPECIFIC PROVISION	GENERAL PROVISION	CHARGE-OFFS
Manufacturing	-	-	-	-	-
Electricity, Gas and Water	-	-	-	-	-
Construction and Public Works	-	-	-	-	-
Trade (wholesale and retail)	-	-	-	-	-
Restaurants, Hotels and Related Activities	-	-	-	-	-
Transport, Warehouse and Communications	-	-	-	-	-
Individuals for House Purchases	-	-	-	-	-
Individuals for Other Purposes	6 856 366	-	-	68 564	-
Others	-	-	-	-	-
	6 856 366	0	0	68 564	0

8.4. Maturity Analysis

Unity: MOP (Macau pataca)

TYPE OF ACCOUNTS	December 31, 2014							
	TOTAL REPAYABLE	ON DEMAND	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 3 YEARS	MORE THAN 3 YEARS	WITHIN AN INDEFINITE PERIOD
ASSETS								
Loans and Advances to Customers	6 856 366	-	-	-	3 457 987	1 457 115	1 941 264	-
Cash and Balances with and Loans and Advances to Banks	7 675 669 733	36 834 230	618 244 899	7 020 590 604	-	-	-	-
Certificates of Deposit Held	-	-	-	-	-	-	-	-
Securities Issued By Macao SAR Government and /or AMCM	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Total Assets	7 682 526 099	36 834 230	618 244 899	7 020 590 604	3 457 987	1 457 115	1 941 264	0
LIABILITIES								
Deposits and Balances of Banks and Financial Institutions	33 895 310	33 895 310	-	-	-	-	-	-
Deposits from Public Sector Entities	-	-	-	-	-	-	-	-
Deposits from Holding and Associated Companies	-	-	-	-	-	-	-	-
Deposits from Non Bank Costumers	7 595 089 413	354 383 363	497 912 328	705 474 668	6 036 981 723	337 331	-	-
Certificates of Deposits Issued	-	-	-	-	-	-	-	-
Other Securities Issued	-	-	-	-	-	-	-	-
Total Liabilities	7 628 984 723	388 278 673	497 912 328	705 474 668	6 036 981 723	337 331	0	0

8.5. Analysis on Past Due Assets – non bank customers

Unity: MOP (Macau pataca)

PAST DUE FOR:	December 31, 2014		
	PAST DUE LOANS AND ADVANCES (Trade bills inclusive)	COLLATERAL	SPECIFIC PROVISIONS
More than 3 months but not more than 6 months	-	-	-
More than 6 months but not more than 1 year	-	-	-
More than 1 year	-	-	-
Total	-	-	-

Remark: As of 31st December 2014, there were no loans and advances to banks and other financial institutions that have been past due.

9. Market Risk

This translates into potentially negative impact on the branch profit and loss account that derive from unfavourable market prices changes of the assets in portfolio such as, share prices, interest rates or foreign exchange rates as well as from changes on their correlations.

Within the scope of services provided from CGD, there is a complete segregation between front end and back office operations.

It should be noted however that, given the structure of Balance Sheet, CGD-SOM does not held financial instruments in its portfolio that may be subject to market risk.

10. Interest Rate Risk

This is the risk incurred by a financial institution whenever, during the course of its operations, it enters into transactions whose financial flows are sensitive to interest rate changes. Therefore, it is the risk of the occurrence of a change in the interest rate associated namely with the mismatching of rates reset periods between assets and liabilities held, with a decrease in its profitability or financial cost.

The process of evaluation of interest risk is closely associated with the methodology utilised by CGD which consists in aggregating all assets and liabilities sensitive to change on residual interest rate reset timeframes established in order to obtain the corresponding interest rate gaps.

The assessment of the interest rate risk also involves a monthly calculation of the duration of sensitive assets and liabilities, in addition to the respective duration gap. It should be stressed that the methodology to measure duration is being reviewed and that it is planned to implement the new methodology in 2015.

To monitor the effect of the interest rate gaps on net interest income different scenarios that are consistent with CGD-SOM's Funding and Capital Plan and Budget are produced on a quarterly basis, incorporating monthly forecasts for sensitive assets and liabilities as well as anticipated changes in market rates reflected in yield curves.

11. Operational Risk

Operational risk means the risk of loss resulting from the inadequacy, failures or shortcomings of internal processes, individuals and information systems or from external events including legal risks

The methodology for CGD operational risk management has been integrated with the internal control assessment system and may be characterized by the following components distributed among the four stages of the risk management cycle: identification, assessment, monitoring and mitigation.

- Identification includes collection of information and documentation on activities, potential operational risks, control and mitigating activities;
- Assessment through recording of operational risk events and self-assessment questionnaires;
- Monitoring includes the disclosure of information on operational risk, originating from the various methodological components, to diverse management parties;
- Mitigation through implementation of action plans in order to minimize the operational risk.

CGD-SOM activities are supported by processes implemented by CGD and therefore are cover by the aforementioned methodology.

12. Foreign Exchange Risk

The assessment of the foreign exchange risk is based on the policy adopted by CGD and made on a daily basis with the production of an exchange risk report, showing market risk indicators such as VaR, its comparison with applicable limits, total and by currency, foreign exchange position, back testing indicators and charts showing historical values of total foreign exchange position, the respective VaR 99% for 10 days and concentration of foreign exchange position by currency.

12.1. Total Net Long and Short Positions in foreign currencies

Unity: MOP (Macau pataca)	December 31, 2014		
	NET OPEN POSITION EXCLUDING OPTION CONTRACTS LONG OR SHORT	NET POSITION IN OPTION CONTRACTS LONG OR SHORT	NET OPEN POSITION INCLUDING OPTION CONTRACTS LONG OR SHORT
Currency:			
AUD	19 053	-	19 053
CAD	(982 258)	-	(982 258)
CHF	68 901	-	68 901
DKK	29	-	29
EUR	(1 149 883)	-	(1 149 883)
GBP	(187 619)	-	(187 619)
JPY	16 257 874	-	16 257 874
NOK	(6 490)	-	(6 490)
USD	(470 244)	-	(470 244)

12.2. Where the net position (in absolute terms) in a particular foreign currency constitutes not less than 10% of the total net position in all foreign currencies, disclose in respect of the particular currency its net long (or net short) position

Unity: MOP (Macau pataca)	December 31, 2014
	€UR (IN MOP EQUIVALENT)
Currency:	
Spot Assets	16 257 874
Spot Liabilities	-
Forward Purchases	-
Forward Sales	-
Net Options Position	-
Net Long Position	16 257 874
Net Short Position	-

13. Liquidity Risk

This involves the possibility of the occurrence of a time-lag or mismatch between cash outflows and inflows of funds, creating a situation in which is unable to satisfy its commitments, i.e. when an institution's reserves and cash assets are insufficient to meet its obligations when they occur.

Liquidity risk management is based on the methodology adopted by CGD that has its origins in an analysis of the residual periods to maturity of different balance sheet assets and liabilities items. Cash inflows and cash outflows, are shown in timeframes taking into consideration its residual period and based on this data the respective liquidity gaps, both for the period and on accumulated terms, are calculated.

To assess liquidity risk CGD adopted a structural approach which incorporates the historical behaviour of depositors in respect to sight, term and saving accounts, distributing their balances by different timeframes according to the analysis and models developed internally.

The management of liquidity risk involves also the implementation and execution of quarterly stress tests made at CGD level which take into consideration the existing Liquidity Contingency Plan and comply with the principles and recommendations of the Basel Committee on Banking Supervision and the European Banking Authority (EBA).

14. Consolidated Assets, Liabilities and Profits of CGD Group

Unity: € (million euros)	December 31, 2014
Total Assets	100 152
Total Liabilities	93 659
Total Gross Loans and Advances to Customers	72 094
Deposits and Balances from Banks and Other Financial Institutions	6 002
Deposits from Customers	72 094
Profit Before Taxation and Non-Controlling Interest	(348)