



Caixa Geral Finance Limited

(incorporated with limited liability under the laws of the Cayman Islands)

€350,000,000 Perpetual Non-cumulative Guaranteed Preference Shares

guaranteed on a subordinated basis to the extent set forth herein by

Caixa Geral de Depósitos, S.A

acting through its France branch

(incorporated with limited liability under the laws of Portugal)

Issue Price: Euro 50,000 per Preference Share

Unless expressly indicated otherwise, the terms and expressions used herein have the same meaning as given to them in the “Description of the Preference Shares” (the “Articles”).

The €350,000,000 Perpetual Non-cumulative Guaranteed Preference Shares each with a par value and a liquidation preference of €50,000 (the “Preference Shares”) are proposed to be issued by Caixa Geral Finance Limited (the “Issuer”) on 30 September 2005 (the “Closing Date”). The payment of dividends and payments on liquidation of the Issuer or on redemption with respect to the Preference Shares are guaranteed on a subordinated basis by Caixa Geral de Depósitos, S.A., (the “Bank” or “CGD”), acting through its France branch to the extent described in “The Subordinated Guarantee”.

The Preference Shares will entitle Holders to receive (subject to the limitations described in “Description of the Preference Shares”) non-cumulative preferential cash dividends, when and if declared by the Directors of the Issuer, quarterly in arrear on 30 March, 30 June, 30 September and 30 December in each year, commencing on 30 September 2005. In relation to a Dividend Period commencing on the Closing Date or any Dividend Date prior to and including 30 September 2015, (the “First Call Date”), the rate of Dividend shall be 0.77 per cent. per annum above Three Month EURIBOR. In relation to a Dividend Period commencing on the First Call Date or any Dividend Payment Date thereafter, the rate of Dividend shall be 1.77 per cent. per annum above Three Month EURIBOR.

The Preference Shares are perpetual securities and have no fixed redemption date. However, the Preference Shares may be redeemed at the option of the Issuer in whole or in part on the First Call Date and on any Dividend Payment Date thereafter and at any time upon the occurrence of a Tax Event or Capital Disqualification Event. Such redemption is subject to the consent of the Bank and the Bank of Portugal.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Issuer, Holders of Preference Shares will be entitled to receive for each Preference Share a liquidation preference of €50,000 plus accrued and unpaid Dividends for the then current applicable Dividend Period to the date of payment, subject to the limitations described in “Description of the Preference Shares – Liquidation Distributions”.

The Preference Shares are expected to be rated “A2” by Moody’s Investors Service Inc., “A-” by Standard & Poor’s Rating Service and “A+” by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

This Offering Circular has been approved by the Financial Services Authority (the “FSA”) which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) and relevant implementation measures in the United Kingdom, as a prospectus issued in compliance with the Prospectus Directive and relevant implementation measures in the United Kingdom for the purpose of giving information with regard to the issue of the Preference Shares. Applications have been made to admit the Preference Shares to trading on the Gilt-Edged and Fixed Interest Market of the London Stock Exchange plc (the “London Stock Exchange”).

See “Risk Factors” (pages 12 to 14) for a discussion of certain factors that should be fully considered by prospective investors.

The Preference Shares will be represented on issue by a single global certificate in registered form (the “Global Certificate”) ISIN Code: XS0230957424. The Global Certificate will be registered in the name of Citibank, N.A. as a nominee for, and will be deposited with, a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear system (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) on or around the Closing Date.

BNP PARIBAS

Merrill Lynch International

Caixa-Banco de Investimento

The date of this Offering Circular is 29 September 2005.

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Bank declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas, Merrill Lynch International and Caixa-Banco de Investimento, S.A. (the “Managers”) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Bank in connection with the Preference Shares or their distribution.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Bank or the Managers. Neither the delivery of this Offering Circular nor any subscription, sale or purchase made in connection herewith shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Bank since the date hereof.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposition of Preference Shares and any foreign exchange restrictions that might be relevant to them. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Bank or the Managers to subscribe for or purchase any of the Preference Shares.

Investors should satisfy themselves that they understand all the risks associated with making investments in the nature of the Preference Shares. If a prospective investor is in any doubt whatsoever as to the risks involved in investing in the Preference Shares, he should consult his or her professional advisers.

The distribution of this Offering Circular and the offering of the Preference Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Bank and the Managers to inform themselves about, and to observe, any such restrictions.

No action has been taken as a matter of the laws of any jurisdiction to permit the public offering of the Preference Shares in any jurisdiction. Accordingly, the Preference Shares may not be offered or sold, directly or indirectly and this Offering Circular may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in that jurisdiction. In particular, the Preference Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”). Subject to certain exceptions, the Preference Shares may not be offered, sold or delivered within the United States or to U.S. persons. A further description of certain restrictions on the offering and sale of the Preference Shares and on the distribution of this Offering Circular is given under “Subscription and Sale” below.

The Preference Shares are only suitable for financially sophisticated investors who are capable of evaluating the risks involved in investing in the Preference Shares.

Unless otherwise specified or the contact requires, references to “€”, “euro” and “EUR” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant

to 2 the EC Treaty, as amended from time to time. References to “U.S.\$”, “USD” and “U.S. dollars” are to the lawful currency of the United States of America.

References to “bn” and to a “billion” are to a thousand million. Reference to “mn” are to a million. References to “b.p.” are to basis points.

This Offering Circular may only be used for the purpose for which it has been published.

In connection with this issue, Merrill Lynch International (or persons acting on behalf of Merrill Lynch International) may over-allot the Preference Shares (provided that, in the case of any Preference Shares to be admitted to trading on the London Stock Exchange, the aggregate liquidation preference of Preference Shares allotted does not exceed 105 per cent. of the aggregate liquidation preference of the Preference Shares) or effect transactions with a view to supporting the market price of the Preference Shares at a level higher than that which might otherwise prevail. However, there is no assurance that Merrill Lynch International (or persons acting on behalf of Merrill Lynch International) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Preference Shares is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Preference Shares and 60 days after the date of the allotment of the relevant Preference Shares.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements included elsewhere in this Offering Circular. Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them under “Description of the Preference Shares” below. Prospective investors should also consider carefully, amongst other things, the factors set out under “Investment Considerations” below.

Issuer: Caixa Geral Finance Limited a wholly owned direct subsidiary of the Bank, incorporated as an Exempted Company under the Companies Law of the Cayman Islands on 10 March 2004.

Guarantor: Caixa Geral de Depósitos, S.A., acting through its France branch.

Issue Size: EUR 350,000,000

Preference Shares: EUR 350,000,000 Perpetual Non-cumulative Guaranteed Preference Shares, each with a par value and a liquidation preference of EUR 50,000 (the “Liquidation Preference”).

While the Preference Shares are represented by the Global Certificate, the Preference Shares will be tradeable in the European Clearing Systems in an amount equal to EUR 50,000 per Preferred Security and integral multiples of EUR 1,000 thereafter.

Use of Proceeds: The proceeds of the issue of the Preference Shares will be used by the Issuer to subscribe for a Subordinated Deposit (the “Subordinated Deposit”) issued by the Bank. The proceeds of the issue will augment the Bank’s Tier 1 Capital on a consolidated basis.

Dividends: Dividends on the Preference Shares will be paid by the Issuer out of funds legally available therefor if and when declared by the Directors of the Issuer, subject to certain limitations (see “*Restrictions on Payments*” below).

For each Dividend Period before and including 30 September 2015, (the “First Call Date”), Dividends will be payable at a variable rate per annum of 0.77% per annum above three-month EURIBOR.

For each Dividend Period after the First Call Date, Dividends will be payable at a variable rate per annum of 1.77% per annum above three-month EURIBOR.

Dividend Payment Dates: Dividend payments on the Preference Shares will be payable, if and when declared by the Directors of the Issuer, quarterly in arrear on 30 March, 30 June, 30 September and 30 December of each year commencing on 30 September 2005.

Subordinated Guarantee: The Bank will unconditionally guarantee payments on the Preference Shares in respect of declared Dividends, payments on liquidation of the Issuer, amounts on redemption and any additional amounts on the Preference Shares.

Subject to applicable law, the Subordinated Guarantee will rank:

- junior to all liabilities of the Bank other than any liability expressed to rank *pari passu* with or junior to the Subordinated Guarantee (the “Senior Creditors”);
- *pari passu* with any Liquidation Parity Obligations of the Bank (as defined below); and
- senior to Junior Obligations.

“Junior Obligations” means (i) ordinary shares of the Bank, (ii) each class of preferred or preference shares or similar securities of the Bank that ranks junior to the most senior ranking preferred or preference shares or similar securities of the Bank and (iii) any preference share or preferred security of a Subsidiary or the Issuer (other than the Preference Shares) entitled to the benefit of a guarantee or support agreement or similar undertaking of the Bank that ranks junior to the Subordinated Guarantee or any such guarantees or support agreements or similar undertakings of the Bank.

The Subordinated Guarantee is intended to provide for dividend, redemption and liquidation rights equivalent to those which would attach to the Preference Shares had they been issued directly by the Bank.

The Bank will undertake in the Subordinated Guarantee that it will not issue any preferred or preference shares ranking senior to its obligations under the Subordinated Guarantee or give any guarantee in respect of any preferred or preference shares issued by any Subsidiary if such guarantee would rank senior to the Subordinated Guarantee (including, without limitation, any guarantee that would provide a priority of payment with respect to Distributable Funds) unless, in each case the Subordinated Guarantee is changed to give the Holders such rights and entitlements as are contained in or attached to such other guarantee so that the Subordinated Guarantee ranks *pari passu* with, and contains substantially equivalent rights or priority as to payment of Distributable Funds, as any such preferred or preference shares or other guarantee.

The Bank’s obligations under the Subordinated Guarantee may be further limited by the availability of Distributable Funds (as defined below).

The Bank will, *inter alia*, undertake in the Subordinated Guarantee that in the event that any Dividend is not paid in full to the holders of the Preference Shares, the Bank will not:

- (a) declare or pay any distribution or dividend and, where applicable, will procure that no distribution or dividend is declared or paid on any Junior Obligations, until after the fourth consecutive following Dividend Payment Date on which a Dividend is paid in full;
- (b) (if permitted) repurchase or redeem Parity Obligations or Junior Obligations until after the fourth consecutive following Dividend Payment Date on which a Dividend is paid in full.

Restrictions on Payments:

Provided that the following Restrictions on Payments do not apply, Dividends on the Preference Shares will be payable by the Issuer.

Neither the Issuer nor the Bank under the Subordinated Guarantee will be obligated to make any payment in respect of Dividends:

- (a) to the extent that such payment, together with the amount of:
- any Dividends (including Additional Amounts in respect thereof) previously paid by the Issuer in respect of the Preference Shares in the then current Dividend Period;
 - any payments made by the Bank in respect of such Dividends (including Additional Amounts in respect thereof) in the then current fiscal year;
 - any dividends previously paid on any preferred or preference shares of the Bank ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current fiscal year;
 - any dividends proposed to be paid on any preferred or preference shares of the Bank ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current Dividend Period;
 - any dividends previously paid on or guaranteed payments in respect of all other preferred or preference shares of the Issuer or any other subsidiary of the Bank entitled to the benefit of any guarantee ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current fiscal year; and
 - any dividends proposed to be paid on or guaranteed payments proposed to be made in respect of all other preferred or preference shares of the Issuer or any other subsidiary of the Bank entitled to the benefit of any guarantee ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current Dividend Period;
- would exceed Distributable Funds (as defined below) in relation to the Bank; and
- (b) even if Distributable Funds are sufficient, if the Issuer has been notified that in the judgement of the Board of Directors of the Bank after consultation with the Bank of Portugal, such payment would breach or cause a breach by the Bank of the Capital Adequacy Regulations.

For the avoidance of doubt, the payment of Dividends by the Issuer is at the discretion of the Directors of the Issuer and subject to the requirements of Cayman Islands law.

In the event that the payments described above cannot be made in full by reason of any such limitation, such payments will be made *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation.

“Distributable Funds” means in respect of each fiscal year of the Bank, the aggregate amount, as calculated as of the end of the immediately preceding fiscal year, of accumulated retained earnings and any other reserves and surpluses available for distribution as cash dividends to holders of the ordinary share capital of the Bank under the companies laws of Portugal before deduction of the amount of any dividend or other distribution declared on the Bank’s ordinary capital in respect of such prior fiscal year; increased or decreased by the amount of any profit or loss from such prior fiscal year net of any amounts which are required to be transferred to legal or other restricted reserves and net of any distribution of bonuses pursuant to the Bank’s statutes to employees and directors or funds distributed to their pension fund approved at the annual general meeting of shareholders that approves the accounts in respect of such prior fiscal year.

Dividends non-cumulative:

If the Directors of the Issuer do not declare a Dividend payable on a Dividend Payment Date, the entitlement of the holders of the Preference Shares to such Dividend shall lapse. Accordingly no payment will need to be made at any time by the Issuer or the Bank in respect of any such missed payment.

Withholding Tax and Additional Amounts:

Subject to customary exceptions, the Issuer will pay any additional amounts as may be necessary for the net amounts received by the holders of the Preference Shares, after deduction of any Cayman Islands, Portuguese, French or UK withholding taxes, to equal the amount the Issuer is otherwise required to pay. Pursuant to the Subordinated Guarantee, the Bank will pay any additional amounts not paid by Issuer. The Bank will also pay any additional amounts necessary for the net amounts received by holders, after deduction of any Portuguese, French or UK withholding taxes, to equal the amount it is otherwise required to pay under the Subordinated Guarantee.

The obligations of the Issuer and of the Bank to pay any such additional amounts will be subject to limitations as described in “Restrictions on Payments”.

No Fixed Maturity:

The Preference Shares are perpetual securities and not subject to any mandatory redemption provisions and may only be redeemed in the circumstances described below.

Optional Redemption:

The Issuer may redeem any or all the Preference Shares on 30 September 2015 (the “First Call Date”) or on any Dividend Payment Date thereafter at a redemption price of EUR 50,000 plus an amount equal to any accrued and unpaid dividend in respect of the most recent Dividend Period, whether or not declared up to the date of redemption and any Additional Amounts (the “Redemption Price”). Furthermore, the Issuer may also redeem the Preference Shares, in whole, but not in part, at any time upon

the occurrence of a Tax Event (as defined below) or Capital Disqualification Event (as defined below).

Any such redemption will be subject to the prior consent of the Bank and the Bank of Portugal and subject to the requirements of Cayman Islands law.

Tax Event Redemption:

If at any time a Tax Event occurs and is continuing, the effect of which cannot be avoided by the Issuer or the Bank taking reasonable measures available to it, the Preference Shares are redeemable in whole, but not in part, at the option of Issuer (subject to Cayman Islands law) at the Redemption Price.

Any such redemption will be subject to the prior consent of the Bank and the Bank of Portugal.

As used herein, “Tax Event” means that, as a result of a change in any law or regulation of Portugal, the Cayman Islands, France or the UK, or in any treaty to which Portugal, the Cayman Islands, France or the UK is a party, or in the official interpretation or application of any law, regulation or treaty by any relevant body in Portugal, the Cayman Islands, France or the UK:

- (a) payments to Holders would be subject to deduction or to withholding tax or would give rise to any obligation of the Issuer or the Bank to account for any tax in the Cayman Islands, Portugal, France or the UK; or
- (b) the Bank would be unable for reasons outside its control to procure payment by the Issuer and in making payments under the Subordinated Guarantee, such payments by the Bank would be subject to deduction or to withholding tax in Portugal, France or the UK; or
- (c) the Issuer or the Bank would be subject to more than a *de minimis* amount of tax in respect of the Preference Shares or the Subordinated Guarantee in the Cayman Islands, France or Portugal; or
- (d) the Bank would not obtain relief for the purposes of Portuguese corporation tax for any payment of interest on any inter-company lending of the proceeds of the Preference Shares.

Capital Disqualification Event Redemption

If at any time a Capital Disqualification Event has occurred and is continuing, the Preference Shares are redeemable at any time in whole, but not in part, at the option of Issuer at the Redemption Price.

Any such redemption will be subject to the prior consent of the Bank and the Bank of Portugal and subject to Cayman Islands law.

As used herein, “Capital Disqualification Event” means a change in any applicable law or regulation, or in the official interpretation or application thereof, as a result of which, for the purposes of the Bank of Portugal’s capital adequacy requirements applicable to Portuguese banks at that time,

the Preference Shares will no longer qualify for inclusion in the Tier 1 Capital of the Bank on a consolidated basis.

Liquidation Distributions:

The Bank has undertaken in the Subordinated Guarantee that, so long as any of the Preference Shares are outstanding, it will not permit or cause the liquidation, dissolution or winding up of the Issuer unless the Bank of Portugal has so approved or the Bank itself is in liquidation.

If the Issuer is voluntarily or involuntarily liquidated, dissolved or wound up, the holders of Preference Shares then outstanding will be entitled to receive an amount equal to the total of the Liquidation Preference plus accrued and unpaid Dividends (whether or not declared) for the then current Dividend Period to but excluding the date of payment and any Additional Amounts. Any such payment will be made:

- out of the assets of Issuer which are available to be distributed to shareholders;
- before any assets are distributed to holders of Issuer's ordinary shares or any other class of its shares ranking junior to the Preference Shares as to participation in its assets; and
- together with the holders of any other Liquidation Parity Obligations.

The amount the holders of the Preference Shares would be entitled to receive as described above is referred to as the Liquidation Distribution. However, even if sufficient assets of Issuer are available to pay the Liquidation Distribution as described above, if proceedings are pending or commenced to voluntarily or involuntarily liquidate, dissolve or wind-up the Bank when such Liquidation Distribution is to be paid, then the provisions below will apply.

The Directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of placing the Issuer in liquidation. The Liquidation Distribution per share paid to Holders of the Preference Shares and the liquidation distribution per share paid to holders of the most senior preferred or preference shares and other similar instruments qualifying as tier 1 capital of the Bank and all preferred or preference shares or similar instruments of subsidiaries of the Bank qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or other contractual obligation of the Bank ranking equally with the guarantee of the Preference Shares as to participation in the Bank's assets ("Liquidation Parity Obligations"), will not exceed the amount per share that would have been paid as the liquidation distribution from the Bank's assets had the Preference Shares and all such other Liquidation Parity Obligations been issued by the Bank and ranked:

- junior to all Senior Creditors;
- *pari passu* with the Bank's Liquidation Parity Obligations; and
- senior to all Junior Obligations.

If the Liquidation Distribution on the Preference Shares and any other such liquidation distributions described above cannot be made in full by reason of the limitations described above, such payments will be made pro rata in the proportion that the amount available for that payment bears to the full amount that would have been paid but for such limitations.

After payment of the amount of the Liquidation Distribution on the Preference Shares, as adjusted if applicable, the Holders of the Preference Shares will have no right or claim to any of the remaining assets of Issuer or the Bank.

Voting Rights:

Except in very limited circumstances, Holders of the Preference Shares will not be entitled to vote at any shareholders meeting of the Issuer. Holders of such Preference Shares (voting together with all then outstanding additional series of preference shares) may elect two additional directors to the Issuer's board of directors if the Bank is in breach of its obligations under the Subordinated Guarantee and Dividends have not been paid for four consecutive Dividend Payment Dates.

Such directors must vacate their office if Dividend payments are resumed in full for four consecutive Dividend Payments Dates.

Governing Law:

The Preference Shares will be governed by, and construed in accordance with, Cayman Islands law.

The Subordinated Guarantee will be governed by, and construed in accordance with, English law, save that the provisions concerning the ranking of the Subordinated Guarantee, as described above, will be governed by, and construed in accordance with, Portuguese law.

Ratings:

The Preference Shares are expected to be assigned on issue a rating of A2 by Moody's Investors Service, A- by Standard & Poor's, and A+ by Fitch Ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Form of the Preference Shares:

The Preference Shares will be registered in the name of Citibank, N.A. as a nominee for, and will be deposited with a common depository for Euroclear and Clearstream, Luxembourg.

Listing:

Applications have been made to list the Preference Shares on the London Stock Exchange.

RISK FACTORS

Prospective investors should read the entire Offering Circular. Words and expressions defined elsewhere in this Offering Circular have the same meanings in this section. Investing in the Preference Shares involves certain risks. Prospective investors should consider, among other things, the following:

Risk Factors relating to the Preference Shares

Risks Associated with the Bank's Financial Condition

An investment in the Preference Shares will have substantially the same economic risks as an investment in non-cumulative perpetual preference shares issued directly by the Bank having the same liquidation preference and rate of distribution as the Preference Shares. The Preference Shares are guaranteed on a limited and subordinated basis by the Bank pursuant to the terms of the Subordinated Guarantee. Accordingly, if the Bank's financial condition were to deteriorate, the Issuer and the Holders may suffer direct and materially adverse consequences, including non-payment of Dividends on the Preference Shares or of payments under the Subordinated Guarantee.

Dividends not Cumulative

Dividends on the Preference Shares are not cumulative. As set out in "Description of the Preference Shares", Dividends on the Preference Shares when and if declared by the Board of Directors of the Issuer, will be paid on each Dividend Payment Date by the Issuer or by the Bank under the Subordinated Guarantee unless the Bank has insufficient Distributable Funds to enable it to pay Dividends on the Preference Shares (and in respect of any Dividend Parity Obligations) or such payment would result in the Bank breaching the Capital Adequacy Regulations provided that the payment of Dividends by the Issuer shall always be at the discretion of the Directors and subject to Cayman Islands law. If Dividends on the Preference Shares for any Dividend Period are not paid, the Holders will not be entitled to receive such Dividends (or any payment under the Subordinated Guarantee in respect of such Dividends) whether or not funds are, or subsequently become, available.

Perpetual Nature of the Preference Shares

The Preference Shares have no fixed final redemption date and Holders have no rights to call for the redemption of the Preference Shares. Although the Issuer may redeem the Preference Shares in certain circumstances (including at its option on the First Call Date or any Dividend Payment Date thereafter or following the occurrence of a Tax Event or a Capital Disqualification Event (as set out in "Description of the Preference Shares")), there is no obligation for it to do so and there are limitations on its ability to do so.

Subordination

The obligations of the Bank under the Subordinated Guarantee will rank junior as to payments to all liabilities to creditors of the Bank (including without limitation depositors, general creditors and subordinated debt holders) and claims of holders of senior ranking securities. In the event that the Bank is wound up, liquidated or dissolved, the assets of the Bank would be available to pay obligations under the Subordinated Guarantee only after all payments have been made on such senior liabilities and claims.

No Limitation on Senior Debt

Neither the Issuer nor the Bank is prohibited from issuing, guaranteeing or otherwise incurring further debt ranking *pari passu* with, or senior to, its obligations under the Preference Shares or the Subordinated Guarantee, as the case may be.

Absence of Prior Public Markets

The Preference Shares constitute a new issue of shares by the Issuer. Prior to this issue, there will have been no public market for the Preference Shares. Although application has been made for the Preference Shares to be listed on the London Stock Exchange there can be no assurance that an active public market for the Preference Shares will develop and, if such a market were to develop, the Managers are under no obligation to maintain such a market. The liquidity and the market prices for the Preference Shares can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Bank and other factors that generally influence the market prices of securities.

Trading in the clearing systems

Although the Preference Shares have a liquidation preference of EUR 50,000 per Preference Share, it is possible that the Preference Shares may be traded in the clearing systems in amounts in excess of EUR 50,000 that are not integral multiples of EUR 50,000. In such case, should definitive certificates evidencing interests in the Preference Shares be required to be issued, a holder who does not have an integral multiple of EUR 50,000 in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive certificates unless and until such time as his holding becomes an integral multiple of EUR 50,000.

Risk factors relating to the Issuer's and the Bank's business

As a result of their business activities, the Issuer and the Bank are exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks may result in a material adverse effect on the Issuer's and the Bank's financial condition and results of operations.

Economic activity in Portugal

The Bank's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence employment trends, the state of the economy and market interest rates at the time. As the Bank currently conducts the majority of its business in Portugal, its performance is influenced by the level and cyclical nature of business activity in Portugal, which is in turn affected by both domestic and international economic and political events. A weakening in the Portuguese economy may have a material effect on the Bank's financial condition and results of operations.

Credit risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties are inherent in a wide range of the Bank's businesses. Adverse changes in the credit quality of the Bank's borrowers and counterparties or a general deterioration in Portuguese or global economic conditions, or arising from system risks in financial systems, could affect the recoverability and value of the Bank's assets and require an increase in the Bank's provision for bad and doubtful debts and other provisions, and accordingly would have a material adverse effect on the Bank's financial condition and results of operations.

Market risk

The most significant market risks the Bank faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in exchange rates affect the value of assets and liabilities

denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Bank's investment and trading portfolios. The Bank has implemented risk management methods to mitigate and control these and other market risks to which the Bank is exposed and exposures are constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Bank's financial condition and results of operations.

Operational risk

The Bank's business is dependent on its ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of, external systems, for example, those of the Bank's suppliers or counterparties. Although the Bank has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

Liquidity risk

The inability of a bank to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on its ability to meet its obligations when they fall due.

Impact of regulatory changes

The Bank is subject to financial services laws, regulations, administrative actions and policies in each location that they operate. Changes in supervision and regulation, in particular in Portugal, could materially affect the Bank's business, the products and services offered or the value of their assets. Although the Bank works closely with their regulators and continually monitor the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Bank.

TERMS AND CONDITIONS OF THE PREFERENCE SHARES

Set forth below is a summary of the terms of the Preference Shares, a summary of certain provisions of the Issuer's Articles of Association (the "Articles"), as in effect on the date hereof and a summary of certain provisions of the Agency Agreement (as defined below) insofar as such provisions relate to the rights and privileges of the Holders of the Preference Shares.

The summaries set forth below contain all material information concerning the Preference Shares but do not purport to be complete and are subject to, and qualified in their entirety by reference to, the Articles and the resolution adopted by the Board of Directors of the Issuer establishing the rights, preferences, privileges, limitations and restrictions relating to the Preference Shares. Copies of the Articles, the Agency Agreement and such resolutions are available for inspection as described under "General Information" below.

1. Definitions and Interpretation

In this description of the Preference Shares, except to the extent that the context requires otherwise:

"Additional Amounts" means the additional amounts which may be payable in respect of the Preference Shares as described in Article 10;

"Agency Agreement" means the agency agreement dated 30 September 2005 relating to the Preference Shares between the Bank, the Issuer, the Principal Paying and Transfer Agent, the Paying and Transfer Agent, the Registrar and the other agents named therein;

"Bank" means Caixa Geral de Depósitos, S.A. and its successors and assigns;

"Business Day" means any day on which commercial and foreign exchange markets settle payments in London, Lisbon and the Cayman Islands and on which the TARGET System, or any successor thereto, is operating;

"Capital Adequacy Regulations" means at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the Bank of Portugal or otherwise applicable to banks in Portugal then in effect;

"Capital Disqualification Event" means a change in any applicable law or regulation, or in the official interpretation or application thereof, as a result of which, for the purposes of the Capital Adequacy Regulations at that time, the Preference Shares will no longer qualify for inclusion in the tier one capital of the Bank on a consolidated basis;

"Cayman Islands Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Cayman Islands or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme or its successor;

"Closing Date" means 30 September 2005;

"Common Depositary" means Citibank, N.A. as a nominee for Euroclear and Clearstream, Luxembourg;

"Distributable Funds" means in respect of each fiscal year of the Bank, the aggregate amount, as calculated as of the end of the immediately preceding fiscal year, of:

- (a) the Bank's accumulated retained earnings and any other reserves and surpluses available for distribution as cash dividends to holders of the ordinary share capital of the Bank under the

companies laws of Portugal, before deduction of the amount of any dividend or other distribution declared on the Bank's ordinary share capital in respect of such prior fiscal year;

- (b) increased by the amount of any profit or decreased by any loss from such prior fiscal year, net of any amounts required to be transferred to legal or other restricted reserves;
- (c) less any distribution of bonuses, pursuant to the Bank's bylaws to employees and directors or funds distributed to their pension funds approved at the annual general meeting of shareholders that approves the accounts in respect of such prior fiscal year.

"Dividends" means the non-cumulative dividends in respect of the Preference Shares as described under Article 2;

"Dividend Parity Obligations" means the most senior preferred or preference shares or similar securities qualifying as tier one capital of the Bank and ranking *pari passu* with the most senior preferred or preference shares (if any) of the Bank and all preferred or preference shares or similar securities of Subsidiaries or of the Issuer (other than the Preference Shares) qualifying as tier one capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or other contractual undertaking of the Bank ranking *pari passu* with the Subordinated Guarantee as regards entitlement to distributions thereunder, or all such guarantees, support agreements or contractual undertakings;

"Dividend Payment Date" means each date on which a Dividend is payable in accordance with the provisions of Article 2(a);

"Dividend Period" means the period from and including the Closing Date to but excluding the first Dividend Payment Date and each successive period from and including a Dividend Payment Date to but excluding the next succeeding Dividend Payment Date;

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System;

"First Call Date" means 30 September 2015;

"French Tax" means any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of France or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Group" means the Bank together with its Subsidiaries;

"Holder" means, in relation to any Preference Share, the member of the Issuer whose name is entered in the Preference Shares Register as the holder of such Preference Share and in relation to any Ordinary Share the member of the Issuer whose name is entered in the ordinary register as the holder of such Ordinary Share;

"Issuer" means Caixa Geral Finance Limited, a wholly owned direct subsidiary of the Bank, incorporated as an exempted company under the Companies Law of the Cayman Islands on 10 March, 2004 in respect of which the articles have been registered;

"Junior Obligations" means (i) ordinary shares of the Bank, (ii) each class of preferred or preference shares or similar securities of the Bank that ranks junior to the most senior ranking preferred or preference shares or similar securities of the Bank and (iii) any preference share or preferred security of a Subsidiary or the Issuer (other than the Preference Shares) entitled to the benefit of a guarantee or support agreement or similar undertaking of the Bank that ranks junior to the Subordinated Guarantee or any such guarantees or support agreements or similar undertakings of the Bank;

"Liquidation Distribution" means the aggregate of the Liquidation Preference plus (i) any accrued and unpaid Dividends (whether or not declared) calculated from and including the immediately preceding Dividend

Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (ii) any Additional Amounts, in each case in cash only;

“Liquidation Parity Obligations” means the most senior preferred or preference shares or similar securities qualifying as tier one capital of the Bank and ranking *pari passu* with the most senior preferred or preference shares (if any) of the Bank and all preferred or preference shares or similar securities of Subsidiaries or of the Issuer (other than the Preference Shares) qualifying as tier one capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or other contractual undertaking of the Bank ranking *pari passu* with the Subordinated Guarantee as regards participation in the assets of the Bank, or all such guarantees, support agreements or contractual undertakings;

“Liquidation Preference” means the liquidation preference of EUR 50,000 per Preference Share;

“Margin” means for each Dividend Period prior to the First Call Date 0.77 per cent. per annum and for each Dividend Period after the First Call Date 1.77 per cent. per annum;

“Ordinary Shares” means the ordinary shares in the capital of the Issuer with a nominal or par value of EUR 1.00 each;

“Portuguese Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Portugal or any political sub-division thereof or by any authority therein or thereof having power to tax;

“Preference Shares” means the Euro perpetual Non-cumulative Guaranteed Preference Shares of the Issuer outstanding, each with a Liquidation Preference of EUR 50,000, and including any further Preference Shares of the Issuer of the same series issued after the Closing Date and ranking *pari passu* with the Preference Shares then in issue;

“Preference Shares Register” means the register of holders of Preference Shares;

“Principal Paying and Transfer Agent” means Citibank, N.A. or such other entity appointed as principal paying and transfer agent by the Issuer and notified to the holders of the Preference Shares;

“Redemption Date” means the date on which the Preference Shares are redeemed by the Issuer;

“Redemption Price” means EUR 50,000 per Preference Share plus (i) accrued and unpaid Dividends in respect of the most recent Dividend Period, whether or not declared, up to the relevant Redemption Date and (ii) any Additional Amounts;

“Reference Banks” means any four major banks in the euro-zone interbank market selected by agreement between the Principal Paying and Transfer Agent and the Bank;

“Registrar” means Citigroup Global Markets Deutschland AG & Co. KGaA or such other entity appointed by the Issuer and notified to the holders of the Preference Shares;

“Relevant Screen Page” means Moneyline Telerate Screen Page 248 or such replacement page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to Three Month EURIBOR;

“Senior Creditors” means liabilities of the Bank (other than any liability expressed to rank *pari passu* with or junior to the Subordinated Guarantee);

“Subordinated Guarantee” means the subordinated guarantee in favour of the Holders of the Preference Shares to be executed by the Bank on 30 September 2005 as a deed poll;

“Subsidiary” means any corporation or other person or entity more than 50 per cent. of the voting shares or similar ownership interests of which are owned, directly or indirectly, by the Bank;

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system, or any successor thereto, is operating;

“Tax Event” means that, as a result of a change in any law or regulation of Portugal, the Cayman Islands or the UK, or in any treaty to which Portugal, the Cayman Islands or the UK is a party, or in the official interpretation or application of any law, regulation or treaty by any relevant body in Portugal, the Cayman Islands, France or the UK:

- (a) payments to Holders would be subject to deduction or to withholding tax or would give rise to any obligation of the Issuer or the Bank to account for any tax in the Cayman Islands, Portugal, France or the UK; or
- (b) the Bank would be unable for reasons outside its control to procure payment by the Issuer and in making payments under the Subordinated Guarantee, such payments by the Bank would be subject to deduction or to withholding tax in Portugal, France or the UK; or
- (c) the Issuer or the Bank would be subject to more than a *de minimis* amount of tax in respect of the Preference Shares or the Subordinated Guarantee in the Cayman Islands, France or Portugal; or
- (d) the Bank would not obtain relief for the purposes of Portuguese corporation tax for any payment of interest on any inter-company lending of the proceeds of the Preference Shares;

“UK” means the United Kingdom of Great Britain and Northern Ireland; and

“UK Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the UK or any political sub-division thereof or by any authority therein or thereof having power to tax.

2, Dividends on Preference Shares

(a) Dividend Payment Dates

Dividends on the Preference Shares are non-cumulative and will be deemed to accrue on a day by day basis. The Dividends will be payable when and if declared by the Directors of the Issuer quarterly in arrear on 30 March, 30 June, 30 September and 30 December in each year, commencing on 30 September 2005, provided that if any such date would otherwise fall on a day which is not a Business Day, payment shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.

(b) Dividend Rate

The rate of Dividend shall be the sum of Three Month EURIBOR and the Margin (the “Dividend Rate”).

For the purpose of calculating the Dividend Rate, “Three Month EURIBOR” means the rate for deposits in euro for a period of three months which appears on the Relevant Screen Page as of 11.00 a.m., Brussels time, (or such other time as may be customary for the daily reset of such rate) on the day that is two TARGET Settlement Days preceding the first day of the relevant Dividend Period.

If such rate does not appear on the Relevant Screen Page on the day that is two TARGET Settlement Days preceding the first day of the relevant Dividend Period, then Three Month EURIBOR for the relevant Dividend Period will be determined on the basis of the rates at which deposits in euro are offered by the Reference Banks at approximately 11.00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first

day of the relevant Dividend Period to prime banks in the euro-zone interbank market for a period of three months commencing on the first day of the relevant Dividend Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. The Principal Paying and Transfer Agent shall request the principal euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as requested, Three Month EURIBOR in respect of such Dividend Period shall be the arithmetic mean of the rates quoted by major banks in the eurozone selected by the Principal Paying and Transfer Agent, at approximately 11.00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first day of the relevant Dividend Period for loans in euro to leading banks in the euro-zone for a period of three months commencing on the first day of such Dividend Period and in an amount that is representative for a single transaction in the relevant market at the relevant time, except that, if the banks so selected by the Principal Paying and Transfer Agent are not quoting as mentioned above, the Dividend Rate for such Dividend Period shall be the Dividend Rate in effect for the last preceding Dividend Period to which one of the preceding paragraphs of this definition of Three Month EURIBOR shall have applied.

Whenever it is necessary to calculate the amount of any Dividend in respect of a Preference Share, the amount of such Dividend shall be calculated by multiplying the Dividend Rate by the Liquidation Preference and the actual number of days in the relevant Dividend Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

The Principal Paying and Transfer Agent shall, as soon as practicable after 11.00 a.m., Brussels time, on the day which is two TARGET Settlement Days prior to the first day of each Dividend Period, calculate the Dividend payable on the relevant Dividend Payment Date on each Preference Share for the relevant Dividend Period.

The Principal Paying and Transfer Agent will cause the Dividend Rate to be notified to the Issuer, to each Paying and Transfer Agent and each listing authority or stock exchange on which the Preference Shares are listed as soon as possible after determination thereof but in no event later than the first day of the relevant Dividend Period. Notice will also be provided to the Holders in accordance with Article 13.

3. Limitations on Payments of Dividends on Preference Shares

- (a) Dividends on the Preference Shares will be paid by the Issuer out of funds legally available therefor if and when declared by the Directors. The Directors of the Issuer will not declare, and the Issuer will not pay, any Dividend:
 - (i) to the extent that such Dividend, together with the amount of:
 - (A) any Dividends previously paid by the Issuer in respect of the Preference Shares in the then current Dividend Period;
 - (B) any payments made by the Bank in respect of such Dividends in the then current fiscal year;
 - (C) any dividends previously paid on any preferred or preference shares of the Bank ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current fiscal year;
 - (D) any dividends proposed to be paid on any preferred or preference shares of the Bank ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current Dividend Period;

- (E) any dividends previously paid on or guaranteed payments in respect of all other preferred or preference shares of the Issuer or any other subsidiary of the Bank entitled to the benefit of any guarantee ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current fiscal year; and
- (F) any dividends proposed to be paid on or guaranteed payments proposed to be made in respect of all other preferred or preference shares of the Issuer or any other subsidiary of the Bank entitled to the benefit of any guarantee ranking *pari passu* as regards participation in profits with the Bank's obligations under the Subordinated Guarantee in the then current Dividend Period;

would exceed Distributable Funds in relation to the Bank; and

- (ii) even if Distributable Funds are sufficient, if the Issuer has been notified that in the judgement of the Board of Directors of the Bank, after consultation with the Bank of Portugal, such payment would breach or cause a breach by the Bank of the Capital Adequacy Regulations.

For the avoidance of doubt, the payment of Dividends by the Issuer is at the discretion of the Directors of the Issuer.

- (b) References to Dividends in this Article include Additional Amounts (as defined in Article 10).

(c) *Partial payments*

If, in any Dividend Period by reason of any limitations on payments described in Article 3(a), Dividends are not paid in full on the Preference Shares, all Dividends declared upon the Preference Shares will be payable *pro rata* with the dividends declared on any other preference shares or preferred securities of the Issuer ranking *pari passu* as regards participation in profits with the Preference Shares in the proportion that the amounts available for payment on the Preference Shares and any such other preferred securities or preference shares shall bear to the full amount that would have been payable on the Preference Shares and any such other preferred securities or preference shares, but for such limitation.

Save as described in this Article and in Articles 4 and 5, after payment of the Dividend the Holders of the Preference Shares will have no right to participate in the profits of the Issuer.

(d) *Dividends non-cumulative*

If the Directors of the Issuer do not declare a Dividend payable on a Dividend Payment Date in respect of the Preference Shares then, subject to Articles 4 and 5 and subject to the rights of the Holders of the Preference Shares under the Subordinated Guarantee, the right of Holders of the Preference Shares to receive such Dividend will be lost. The Issuer will have no obligation to pay the Dividend accrued for such Dividend Period or to pay any interest thereon, whether or not Dividends on the Preference Shares are declared in respect of any future Dividend Period. In the event that the Directors of the Issuer do not declare a Dividend as aforesaid, notice will be provided to the Principal Paying and Transfer Agent and to each listing authority or stock exchange on which the Preference Shares are listed as soon as possible after such determination has been made. Notice will also be provided to the Holders in accordance with Article 13.

4. Redemption of Preference Shares

(a) *Optional redemption*

The Preference Shares are redeemable, at the option of the Issuer, in whole but not in part, on the First Call Date or on any Dividend Payment Date falling thereafter, upon not less than 30 nor more than 60 days' notice to the Holders of the Preference Shares (which notice shall be irrevocable).

Upon the Redemption Date, each Preference Share will be redeemed at the Redemption Price. Upon the expiry of such notice, the Issuer shall be bound to redeem the Preference Shares accordingly.

(b) *Redemption for tax reasons*

If, at any time, a Tax Event occurs, and is continuing, the effect of which can not be avoided by the Issuer or the Bank taking reasonable measures available to it, then the Preference Shares will be redeemable, at the option of the Issuer, in whole but not in part, upon not less than 30 or more than 60 days' notice to the Holders of the Preference Shares (which notice shall be irrevocable) at the Redemption Price. Upon the expiry of such notice, the Issuer shall be bound to redeem the Preference Shares accordingly.

(c) *Redemption for Capital Disqualification Event*

If, at any time, a Capital Disqualification Event occurs and is continuing, the Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 30 or more than 60 days' notice to the Holders of the Preference Shares (which notice shall be irrevocable) at the Redemption Price. Upon the expiry of such notice, the Issuer shall be bound to redeem the Preference Shares accordingly.

(d) *Precondition to redemption*

Any redemption under Article 4 (a), (b) or (c) will be subject to the prior consent of the Bank and the Bank of Portugal.

The notice to the Holders of the Preference Shares under Article 4 (a), (b) or (c) will specify the Redemption Date and the Redemption Price.

5. Payments

Dividends declared on the Preference Shares will be payable on the relevant Dividend Payment Date (or where any Dividend Payment Date is not a Business Day on the next Business Day without interest in respect of such delay) by the Issuer to the Holders of record as they appear on the Preference Shares Register on the relevant record date, which will be five days prior to the relevant Dividend Payment Date.

Whilst the Preference Shares are represented by the Global Certificate (see Article 11 below), payments in respect of the Preference Shares will be made to or as directed by the Common Depositary as the registered Holder of the Global Certificate representing the Preference Shares. Payments made to the Common Depositary shall be made by wire transfer, and Euroclear or Clearstream, Luxembourg, as applicable, will credit the relevant accounts of their participants on the applicable Dividend Payment Dates or Redemption Dates.

Payments of Dividends on Preference Shares will be made upon presentation and surrender of such certificate at the agency of the Issuer maintained for such purpose, which initially will be the office of Citibank, N.A. as Principal Paying and Transfer Agent in London, or, at the option of the Holder and subject to any fiscal or other laws and regulations applicable thereto, at the office of any other Paying and Transfer Agent (if any) appointed by the Issuer. Subject to any applicable fiscal or other laws and regulations, each payment in respect

of Dividends on definitive Preference Shares may be made by euro cheque drawn on a bank in a principal financial centre in the euro-zone and mailed to the Holder of record at such Holder's address as it appears on the Preference Shares Register on the relevant record date or by wire transfer if appropriate wire transfer instructions have been received by the Principal Paying and Transfer Agent.

If the Issuer does not pay a Dividend, a Holder's right to receive payment of such Dividend will be satisfied if and to the extent that the Bank pays such Dividend pursuant to the Subordinated Guarantee.

If the Issuer gives a notice of redemption in respect of the Preference Shares, then, by 10.00 a.m. London time, on the Redemption Date, the Issuer will irrevocably deposit with the Principal Paying and Transfer Agent funds sufficient to pay the Redemption Price and will give the Principal Paying and Transfer Agent irrevocable instructions and authority to pay the Redemption Price to the Holders of the Preference Shares. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of Holders of the Preference Shares will be extinguished, except the right of the Holders of Preference Shares to receive the Redemption Price in respect of each Preference Share, but without interest, and the Preference Shares will cease to be outstanding.

In the event that payment of the Redemption Price in respect of any Preference Share is improperly withheld or refused and not paid either by the Issuer or by the Bank pursuant to the Subordinated Guarantee, Dividends on such Preference Share, subject as described above, will continue to accrue, at the then applicable rate, from the Redemption Date to the date of actual payment of such Redemption Price.

6. Purchase of Preference Shares

Subject to the foregoing and to applicable law, (including, without limitation, Portuguese, Cayman Islands and United Kingdom securities and banking laws and regulations and to the requirements of the London Stock Exchange), the Issuer or the Bank or any of the Bank's other Subsidiaries may at any time and from time to time purchase outstanding Preference Shares by tender, in the open market or by private agreement. If purchases are made by tender, the tender must be available to all Holders of Preference Shares alike.

Any such purchase to be made by the Issuer shall be made in such manner and in such terms as the Issuer shall have approved in general meeting or by written resolution and shall be subject to the prior consent of the Bank of Portugal.

All Preference Shares redeemed or purchased by the Issuer shall be cancelled.

7. Liquidation Distributions

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Issuer, the Holders of the Preference Shares at the time outstanding will be entitled to receive the Liquidation Distribution in respect of each Preference Share held out of the assets of the Issuer available for distribution to shareholders.

Such entitlement will arise before any distribution of assets is made to holders of Ordinary Shares or any other class of shares of the Issuer ranking junior as regards participation in assets to the Preference Shares, but such entitlement will rank equally with the entitlement of the holders of any Liquidation Parity Obligations.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution to the Holders of the Preference Shares, if, at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the voluntary or involuntary liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preference Share paid to Holders of the Preference Shares and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Portuguese law of all creditors of the Bank, including holders of its subordinated debt but

excluding holders of any liability expressed to rank *pari passu* with or junior to the Subordinated Guarantee) had the Preference Shares and all such Liquidation Parity Obligations been issued by the Bank and ranked:

- (a) junior to all Senior Creditors;
- (b) *pari passu* with Liquidation Parity Obligations, if any, of the Bank; and
- (c) senior to all Junior Obligations.

If the Liquidation Distribution and any other such liquidation distributions cannot be made in full by reason of the limitation described above, such amounts will be payable pro rata in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitations. After payment of the Liquidation Distribution on the Preference Shares, as adjusted if applicable, the Holders of the Preference Shares will have no right or claim to any of the remaining assets of the Issuer or the Bank.

In the event of the liquidation, dissolution or winding-up of the Bank, the Directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of proposing a Special Resolution to put the Issuer into liquidation and the amount to which Holders of the Preference Shares shall be entitled as a Liquidation Distribution will be as set out above.

8. Voting Rights

Except as provided in this Article, Holders of Preference Shares will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Issuer.

If in respect of Dividend Periods amounting to a period of not less than one year:

- (a) Dividends (whether or not declared) or any Additional Amounts in respect of such Dividends have not been paid in full by the Issuer; or
- (b) the Bank breaches any of its payment obligations under the Subordinated Guarantee in respect of such Dividends or Additional Amounts,

then the Holders of outstanding Preference Shares together with the holders of any other preference shares or preferred securities of the Issuer having the right to vote for the election of Directors in such event, acting as a single class without regard to series, will be entitled, by written notice to the Issuer given by the holders of a majority in liquidation preference of such shares or securities or by ordinary resolution passed by the holders of a majority in liquidation preference of such shares or securities present in person or by proxy at a separate general meeting of such holders convened for the purpose, to appoint two additional persons to act as Directors of the Issuer, and to remove any such Director from office and to appoint another person in place of such Director.

Not later than 30 days after such entitlement arises, if the written notice of the Holders of outstanding Preference Shares and the holders of any other preference shares or preferred securities of the Issuer having the right to vote for the election of Directors in the circumstances described in the preceding sentence has not been given as provided for in the preceding sentence, the Directors of the Issuer will convene a separate general meeting for the above purpose. If the Directors fail to convene such meeting within such 30 day period, the holders of not less than 10 per cent. by liquidation preference of the outstanding Preference Shares and such other preference shares or preferred securities will be entitled to convene such meeting. The provisions of the Articles concerning the convening and conduct of general meetings of shareholders shall apply with respect to such meeting.

Subject to the terms of such other preference shares or preferred securities, if, in respect of Dividend Periods amounting to not less than one year, Dividends and any Additional Amounts in respect of such

Dividends have been paid in full on the Preference Shares by the Issuer and/or the Bank has made payment of all amounts guaranteed in respect of such Dividends (whether or not declared) and any Additional Amounts, any Director so appointed shall vacate the office.

Any variation or abrogation of the rights, preferences and privileges of the Preference Shares by way of amendment of the Issuer's Articles of Association or otherwise (including, without limitation, the authorisation or issuance of any shares of the Issuer ranking, as to participation in the profits or assets of the Issuer, senior to the Preference Shares) shall not be effective (unless otherwise required by applicable law) except with the consent in writing of the Holders of not less than two-thirds in nominal value of the outstanding Preference Shares or with the sanction of a resolution, passed by a majority of not less than two-thirds in nominal value of the Holders of the outstanding Preference Shares, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in nominal value of the outstanding Preference Shares.

No such sanction shall be required if, as determined by the Directors, the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity, provided that any such change does not reduce the amounts payable to or impose any obligation on the Holders of the Preference Shares or adversely affect their voting rights or cause any modification of the terms of the Preference Shares pursuant to Article 9.

Notwithstanding the foregoing, no vote of the Holders of the Preference Shares will be required for the Issuer to redeem the Preference Shares in accordance with the Issuer's Articles of Association.

In addition to the voting rights referred to above, no resolution may be proposed for adoption by the holders of the Ordinary Shares providing for the winding-up, liquidation or dissolution of the Issuer, unless the Holders of a simple majority by nominal value of the outstanding Preference Shares and holders of any other preference shares or preferred securities ranking *pari passu* as regards participation in profits or assets with the Preference Shares have approved such resolution. Such approval may only be given by the consent in writing of the holders of at least a simple majority in nominal value of the outstanding Preference Shares and such other preference shares or preferred securities or with the sanction of a resolution passed by not less than a simple majority in nominal value at a meeting of the holders of the Preference Shares and such other preference shares or preferred securities present and voting at such meeting. Such approval shall not be required if the winding-up, liquidation or dissolution of the Issuer is proposed or initiated because of the winding-up, liquidation or dissolution of the Bank.

Notwithstanding that Holders of Preference Shares are entitled to vote under any of the limited circumstances described above, any Preference Share outstanding at such time that is owned by the Bank, or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests, shall not carry a right to vote and shall, for voting purposes, be treated as if it were not outstanding.

The Issuer will cause a notice of any meeting at which Holders of the Preference Shares are entitled to vote to be mailed to each Holder of a Preference Share. Each such notice will include a statement setting forth (a) the date, time and place of such meeting, (b) a description of any resolution to be proposed for adoption at such meeting on which such Holders are entitled to vote and (c) instructions for the delivery of proxies.

9. Further Issues

Notwithstanding Article 8, provided that the most recent Dividend payable on the Preference Shares has been paid in full by the Issuer (or the Bank pursuant to the Subordinated Guarantee), the Holders of Ordinary Shares or, subject to Cayman Islands law, the Directors of the Issuer may, without the consent or sanction of the Holders of the Preference Shares, take such action as is required in order to amend the Issuer's Articles:

(a) to increase the authorised amount of Preference Shares or to create and issue one or more other series of Preference Shares or preference shares of the Issuer ranking *pari passu* with the Preference Shares as regards participation in the profits and assets of the Issuer; or

(b) to authorise, create and issue one or more other classes of shares of the Issuer ranking junior, as regards participation in the profits and assets of the Issuer, to the Preference Shares.

Thereafter, the Issuer may, without the consent of the Holders of the Preference Shares issue any such further securities either having the same terms and conditions as the Preference Shares in all 22 respects (or in all respects except for the first payment of Dividends on them) and so that such further issue shall be consolidated and form a single series with the Preference Shares then in issue or upon such other terms as aforesaid.

Notwithstanding the foregoing, the Issuer may only issue further Preference Shares if, at the same time, the Bank issues in respect of the further Preference Shares a guarantee having terms and conditions that are substantially identical to the Subordinated Guarantee (or extends the Subordinated Guarantee to cover the further Preference Shares).

10. Additional Amounts

All payments in respect of the Preference Shares by the Issuer will be made without withholding or deduction for, or on account of, any Cayman Islands Tax, Portuguese Tax, French Tax, or UK Tax, unless the withholding or deduction of such Cayman Islands Tax, Portuguese Tax, French Tax or UK Tax is required by law. In that event, the Issuer will pay as further dividends such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts received by the Holders of Preference Shares after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preference Shares in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder of Preference Shares (or to a third party on his behalf) with respect to any Preference Share:

- (a) to the extent that such Cayman Islands Tax, Portuguese Tax, French Tax or UK Tax is imposed or levied by virtue of such Holder (or the beneficial owner of such Preference Share) having some connection with the Cayman Islands, Portugal or the UK, other than being a Holder (or beneficial owner) of such Preference Share;
- (b) to the extent that such Cayman Islands Tax, Portuguese Tax, French Tax, or UK Tax is imposed or levied by virtue of such Holder (or the beneficial owner of such Preference Share) not having made a declaration of non-residence in, or other lack of connection with, the Cayman Islands, Portugal, France or the UK, or other similar claim for exemption, such Holder (or beneficial owner) having been advised of the obligation to make such withholding or deduction, and except that the Issuer’s obligations to make any such payments are subject to the limitations on payments provisions under Article 3;
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) where presentation of a certificate is required, presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant certificate to another Paying and Transfer Agent in a Member State of the European Union,

and except that the Issuer's obligation to make any such payments with respect to Dividends (including any accrued and unpaid Dividends relating to any redemption payment or payments upon liquidation, dissolution or winding up of the Issuer) is subject to the limitations described in Article 3 (*Limitations in Payments of Dividends or Preference Shares*) above.

11. Form, Registration and Transfer of Preference Shares

The Preference Shares will be in registered form.

On or about the Closing Date, a single global certificate (the "Global Certificate") representing the Preference Shares will be deposited with Citibank, N.A. as a nominee for Euroclear and Clearstream, Luxembourg. The Global Certificate will be registered in the name of a nominee for the Common Depositary. For so long as the Global Certificate is deposited and registered as described above, book-entry interests in the Preference Shares will be shown on, and transfers of such interests will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg.

If (a) either or both of Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days or more (other than for the purposes of a public holiday) or announces an intention permanently to cease business, or (b) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preference Shares in Euroclear and/or Clearstream, Luxembourg, a number of Preference Shares corresponding to its book-entry interest in the Preference Shares represented by the certificate held by the Common Depositary referred to above will be transferred to each holder of an interest in the Preference Shares whose name is notified by Euroclear and/or Clearstream, Luxembourg and/or an agent thereof to the Registrar. Each such holder will be registered as a Holder in the Preference Shares Register and receive a certificate made out in its name. Other than in the circumstances referred to in this paragraph, definitive certificates will not be available to Holders.

If definitive certificates are made available in respect of Preference Shares, they will be available from the Registrar, and from the Principal Paying and Transfer Agent in London and will be posted to the relevant Holders at the address shown in the Preference Shares Register or, as applicable, in the relevant instrument of transfer within three Business Days of issue, by uninsured post at the risk of such Holders. Transfers of Preference Shares if represented by definitive certificates may be effected by presentation of the relevant certificate (with the transfer certificate attached thereto duly completed on behalf of the transferor and transferee) at the specified office of the Registrar or any Paying and Transfer Agent. Where a Holder transfers some only of the Preference Shares represented by any such certificate he shall be entitled to a certificate for the balance without charge. For so long as any Preference Shares are outstanding, the Issuer will maintain a Registrar having its office outside the UK.

12. Principal Paying and Transfer Agent

The Principal Paying and Transfer Agent shall be permitted to resign as Principal Paying and Transfer Agent upon 30 days' written notice to the Issuer. In the event that Citibank, N.A. shall no longer be the Principal Paying and Transfer Agent, the Issuer shall appoint a successor (which shall be a bank or trust company acceptable to the Issuer) to act as Principal Paying and Transfer Agent. For so long as the Preference Shares are listed on the London Stock Exchange and the rules of such Exchange so require, the Issuer will maintain a Paying and Transfer Agent in London and will give notice in the manner described under "Notices" below (see Article 13) when any new paying and transfer agent in London is appointed. For so long as any Preference Shares are outstanding, the Issuer will maintain a Paying and Transfer Agent having a specified office in a European Union Member State (if available) that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained whether by the Reference Banks (or any of them), the Principal Paying and Transfer Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Paying and Transfer Agent, the Registrar and all Holders of the Preference Shares and (in the absence of any such wilful default, bad faith or manifest error) no liability to the Issuer, the Registrar or the Holders of the Preference Shares shall attach to the Reference Banks, the Paying and Transfer Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

13. Notices

Any Notice to Holders of the Preference Shares will be given to them at their addresses set forth in the Preference Shares Register. In addition, for so long as the Preference Shares are listed on the London Stock Exchange and the rules of such Exchange so require, all notices to Holders of Preference Shares will also be published in English in a leading newspaper having general circulation in the United Kingdom (which is expected to be the Financial Times) or, if such publication is not practicable, in one other leading newspaper being published on each day in morning editions whether or not it shall be published in Saturday, Sunday or holiday editions. Such notices shall be deemed to have been given on the date of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Other Provisions of the Issuer's Articles

In addition, the Articles of Association of the Issuer contain, *inter alia*, provisions (with the exception of sections in italics) to the following effect:

(a) *Ordinary Shares*

All the Issuer's Ordinary Shares are owned by the Bank. In any year, subject to Cayman Islands law, the Directors may, without the consent of the Holders of the Preference Shares, declare and pay dividends on the Ordinary Shares to the Bank as the holder of the Ordinary Shares. Such dividends will be paid out of the Issuer's funds, if any, lawfully available and after payment of the Dividends on the Preference Shares if and as due in accordance with the terms and conditions of the Preference Shares.

(b) *Prescription and Governing Law*

Any dividend unclaimed after a period of ten years from its date of declaration shall be forfeited and shall cease to be owing by the Issuer. The Preference Shares are governed by, and shall be construed in accordance with Cayman Islands law.

Summary of Provisions Relating to the Preference Shares in Global Form

Initial Issue of Preference Shares

The Preference Shares will be issued in registered form and will be initially represented by interests in a Global Certificate which will be registered in the name of Citibank, N.A., as a nominee for, and will be deposited with, a common depositary for, Euroclear and Clearstream, Luxembourg on or about the Closing Date. For so long as the Preference Shares are deposited and registered as described above, book-entry interests in the Preference Shares will be shown on, and transfers of such interests will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg.

Exchange

If (a) either or both of Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days (other than for the purposes of a public holiday) or announces an intention permanently to cease business or (b) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preference Shares in Euroclear and/or Clearstream, Luxembourg, a number of Preference Shares corresponding to its book-entry interest in the Preference Shares represented by the certificate held by the Common Depository referred to above will be transferred to each holder of an interest in the Preference Shares whose name is notified by Euroclear and/or Clearstream, Luxembourg and/or an agent thereof of such interest to the Registrar. Each such holder will be registered as a Holder of the Preference Shares in the Preference Shares Register maintained by or on behalf of the Issuer and will receive a certificate made out in its name.

Accountholders

So long as the Preference Shares are registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the nominee for Euroclear and Clearstream, Luxembourg will be the sole registered owner or holder of the Preference Shares represented by the Global Certificate. Except as set forth under “*Description of Preference Shares – Form, Registration and Transfer of Preference Shares*” and under “*Transfers of Interests*” below, the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an “Alternative Clearing System”) as the Holders of the Preference Share evidenced by the Global Certificate (each an “Accountholder”) will not be entitled to have Preference Shares registered in their names, will not receive or be entitled to receive physical delivery of definitive certificates evidencing interests in the Preference Shares and will not be considered registered owners or Holders thereof. Accordingly, each Accountholder must rely on the rules and procedures of Euroclear and Clearstream, Luxembourg, as the case may be, to exercise any rights and obligations of a Holder of Preference Shares.

Payment

Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made by the Issuer to the registered Holder of the Preference Shares and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be. Such persons shall have no claim directly against the Issuer in respect of payments due on the Preference Shares for so long as the Preference Shares are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the registered Holder of the Preference Shares in respect of each amount so paid.

Transfers of Interests

Accountholders will only be able to transfer their beneficial interests in the Preference Shares in accordance with the restrictions described under “*Description of Preference Shares – Form, Registration and Transfer of Preference Shares*” and with the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be.

Notices

Notwithstanding Article 13 (Notices), while all the Preference Shares are represented by the Global Certificate and the Global Certificate is deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Holders of Preference Shares may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Article 13 (Notices) on the date of delivery to Euroclear and Clearstream, Luxembourg.

SUBORDINATED GUARANTEE

Set forth below is the text of the Subordinated Guarantee substantially in the form to be executed by the Bank:

THIS DEED OF GUARANTEE (the “Subordinated Guarantee”), dated 30 September 2005, is executed and delivered by CAIXA GERAL DE DEPÓSITOS, S.A., (the “Bank”), acting through its France branch, a company incorporated under the laws of Portugal for the benefit of the Holders (as defined below).

WHEREAS the Bank desires to cause the Issuer to issue the Preference Shares (as defined below) and the Bank desires to issue this Subordinated Guarantee for the benefit of the Holders, as provided herein.

NOW THEREFORE the Bank executes and delivers this Subordinated Guarantee for the benefit of the Holders.

1. Definitions and interpretation

As used in this Subordinated Guarantee, capitalised terms not defined herein shall have the meanings ascribed to them in the Issuer’s Articles of Association and otherwise the following terms shall, unless the context otherwise requires, have the following meanings:

“Additional Amounts” means, except where otherwise defined in relation to the Issuer, the additional amounts which may be payable in respect of the Preference Shares as described in paragraph 5;

“Closing Date” means 30 September 2005;

“Distributable Funds” means, in respect of any fiscal year of the Bank, the aggregate amount, as calculated as of the end of the immediately preceding fiscal year, of:

- (i) the Bank’s accumulated retained earnings and any other reserves and surpluses available for distribution as cash dividends to holders of the ordinary share capital of the Bank under the companies laws of Portugal before deduction of the amount of any dividend or other distribution declared on the Bank’s ordinary share capital or on any other securities ranking junior to the Subordinated Guarantee, in respect of such prior fiscal year;
- (ii) increased by the amount of any profit or decreased by the amount of any loss from such prior fiscal year, net of any amounts which are required to be transferred to legal or other restricted reserves;
- (iii) less any distribution of amounts in accordance with the Bank’s bylaws to employees and directors or funds distributed to their pension funds approved at the annual general meeting of shareholders that approves the accounts in respect of such prior fiscal year,

“Dividends” means the non-cumulative dividends in respect of the Preference Shares as described in the Articles of Association of the Issuer;

“Dividend Parity Obligations” means the most senior preferred or preference shares or similar securities (other than the Preference Shares) qualifying as tier one capital of the Bank and ranking *pari passu* with the most senior preferred or preference shares (if any) of the Bank and all preferred or preference shares or similar securities of Subsidiaries or of the Issuer (other than the Preference Shares) qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or other contractual undertaking of the Bank ranking *pari passu* with this Subordinated Guarantee as regards entitlement to distributions thereunder, or all such guarantees, support agreements or contractual undertakings;

“Guarantee Payments” means (without duplication) payments under this Subordinated Guarantee in respect of (a) any accrued but unpaid Dividends if declared by the Issuer on the Preference Shares for the most

recent Dividend Period; (b) the Redemption Price, payable with respect to any Preference Shares due to be redeemed by the Issuer; (c) the Liquidation Distributions due on the Liquidation Date; and (d) any Additional Amounts payable by the Issuer, in each case subject to the limitations contained in paragraph 3 hereof;

“Holder” means, in relation to any Preference Share, the member of the Issuer whose name is entered in the Register as holder of such Preference Share;

“Issuer” means Caixa Geral Finance Limited, a wholly-owned direct Subsidiary of the Bank incorporated in the Cayman Islands;

“Junior Obligations” means (i) ordinary shares of the Bank, (ii) each class of preferred or preference shares or similar securities of the Bank that ranks junior to the most senior ranking preferred or preference shares or similar securities of the Bank and (iii) any preference share or preferred security of a Subsidiary or the Issuer (other than the Preference Shares) entitled to the benefit of a guarantee or support agreement or similar undertaking of the Bank that ranks junior to the Subordinated Guarantee or any such guarantees or support agreements or similar undertakings of the Bank;

“Liquidation Date” means the date of final distribution of the assets of the Issuer in the case of a liquidation, dissolution or winding up of the Issuer (whether voluntary or involuntary);

“Liquidation Distribution” means the aggregate of the Liquidation Preference plus (i) any accrued and unpaid Dividends (whether or not declared) calculated from and including the immediately preceding Dividend Payment Date (or, if none, the Closing Date) to but excluding the Liquidation Date and (ii) any Additional Amounts, in each case in cash only;

“Liquidation Parity Obligations of the Bank” means the most senior preferred or preference shares or similar securities qualifying as tier one capital of the Bank and ranking *pari passu* with the most senior preferred or preference shares (if any) of the Bank and all preferred or preference shares or similar securities of Subsidiaries or of the Issuer (other than the Preference Shares) qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or other contractual undertaking of the Bank ranking *pari passu* with the Subordinated Guarantee as regards participation in the assets of the Bank upon liquidation, or all such guarantees, support agreements or contractual undertakings;

“Liquidation Parity Obligations of the Issuer” means, in relation to the Issuer any preferred or preference shares, if any, of the Issuer ranking *pari passu* with the Preference Shares as regards participation in assets of the Issuer upon liquidation;

“Liquidation Preference” means the liquidation preference of EUR 50,000 per Preference Share;

“Parity Obligations” means Dividend Parity Obligations, and Liquidation Parity Obligations of the Bank or Liquidation Parity Obligations of the Issuer;

“Preference Shares” means the Euro Perpetual Non-cumulative Guaranteed Preference Shares of the Issuer outstanding, each with a Liquidation Preference of EUR 50,000, and including any further Preference Shares of the Issuer of the same series issued after the Closing Date and ranking *pari passu* with the Preference Shares;

“Register” means the register of Holders maintained outside the United Kingdom on behalf of the Issuer;

“Senior Creditors” means liabilities of the Bank (other than any liability expressed to rank *pari passu* with or junior to the Subordinated Guarantee);

“Subsidiary” means any corporation or other person or entity of which more than 50 per cent. of the voting shares or similar ownership interests are owned, directly or indirectly, by the Bank; and

“Tax” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Portugal, France, the Cayman Islands or the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax.

2. Guarantee

Subject to the limitations contained in the following paragraphs, the Bank irrevocably agrees to pay in full to the Holders the Guarantee Payments (except to the extent paid by the Issuer), as and when due, regardless of any defence, right of set-off or counterclaim which the Issuer may have or assert. This Subordinated Guarantee is continuing, irrevocable and absolute.

3. Limitations on guarantee payments

Notwithstanding paragraph 2 above, the Bank will not be obliged to make any Guarantee Payment in respect of Dividends (including accrued and unpaid Dividends relating to any payment due upon redemption or Liquidation Distribution and any Additional Amounts payable by the Issuer in respect of Dividends) on any Preference Shares:

- 3.1 to the extent that such Guarantee Payment, together with the amount of:
 - 3.1.1 any Dividends (and Additional Amounts relating thereto) previously paid by the Issuer or the Bank in respect of the Preference Shares and distributions previously paid in respect of Dividend Parity Obligations, in each case in the then current fiscal year; and
 - 3.1.2 any Dividends proposed to be paid by the Issuer in respect of the Preference Shares and distributions proposed to be paid in respect of Dividend Parity Obligations, in each case, in the then current calendar quarter;

would exceed Distributable Funds of the Bank; and
- 3.2 even if Distributable Funds of the Bank are sufficient, if in the judgment of the Board of Directors of the Bank after consultation with the Bank of Portugal, such payment would breach or cause a breach by the Bank of the Capital Adequacy Regulations.

The determination of any limitation of the Bank’s obligations under this Subordinated Guarantee as set forth will be made on the relevant Dividend Payment Date, Redemption Date or Liquidation Date, as the case may be.

4. Liquidation distributions

Notwithstanding paragraph 2 above, if, at the time that any Liquidation Distribution is to be paid by the Bank in respect of the Preference Shares, proceedings are pending or have been commenced for the voluntary or involuntary liquidation, dissolution or winding up of the Bank, payment under this Subordinated Guarantee of such Liquidation Distributions and payment by the Bank in respect of any liquidation distributions payable with respect to Liquidation Parity Obligations of the Issuer, shall not exceed the amount per share that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Portuguese law of all Senior Creditors) had the Preference Shares and all such Liquidation Parity Obligations of the Issuer been issued by the Bank and ranked:

- 4.1 junior to all Senior Creditors;
- 4.2 *pari passu* with any Liquidation Parity Obligations of the Bank; and
- 4.3 senior to all Junior Obligations.

5. Additional amounts

All Guarantee Payments made hereunder in respect of the Preference Shares by the Bank will be made without withholding or deduction for, or on account of, any Portuguese, French, Cayman Islands or UK Tax, unless the withholding or deduction of such Portuguese, French, Cayman Islands or UK Tax is required by law. In that event, the Bank will pay such additional amounts (for the purposes hereof “Additional Amounts”) as may be necessary in order that the net amounts received by the Holders after such withholding or deduction shall equal the amounts which would have been received in respect of the Preference Shares in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder of Preference Shares (or to a third party on his behalf) with respect to any Preference Share:

- 5.1 to the extent that such Tax is imposed or levied by virtue of such Holder (or beneficial owner) having some connection with Portugal, France, the Cayman Islands or United Kingdom other than being a Holder (or beneficial owner) of such Preference Share; or
- 5.2 to the extent that such Tax is imposed or levied by virtue of such Holder (or beneficial owner) not having made a declaration of non-residence in, or other lack of connection with, Portugal, France, the Cayman Islands or United Kingdom or other similar claim for exemption, such Holder (or beneficial owner) having been advised of the obligation to make such withholding or deduction; or
- 5.3 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- 5.4 where presentation of a certificate is required, presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant certificate to another paying and transfer agent in a Member State of the European Union,

and except that the Bank’s obligations to make any such Guarantee Payments are subject to the limitations contained in paragraph 3.

6. Partial payments

In the event that the amounts described in paragraphs 3 and 5 above cannot be made in full by reason of any limitation referred to in paragraphs 3 and 4 above, such amounts will be payable *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation.

7. Waiver

The Bank hereby waives notice of acceptance of this Subordinated Guarantee and of any liability to which it applies or may apply, presentment, demand for payment protest, notice of nonpayment, notice of dishonour, notice of redemption and all other notices and demands.

8. Continuing guarantee

The obligations, undertakings, agreements and duties of the Bank under this Subordinated Guarantee shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

- 8.1 the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preference Shares to be performed or observed by the Issuer; or

- 8.2 the extension of time for the payment by the Issuer of all or any portion of the Dividends, Redemption Price, Liquidation Distributions or any other sums payable under the terms of the Preference Shares or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preference Shares; or
- 8.3 any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preference Shares, or any action on the part of the Issuer granting indulgence or extension of any kind; or
- 8.4 the voluntary or involuntary liquidation, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer; or
- 8.5 any invalidity of, or defect or deficiency in, the Preference Shares; or 8.6 the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders to give notice to, or obtain consent of, the Bank with respect to the happening of any of the foregoing.

9. Deposit of subordinated guarantee

This Subordinated Guarantee shall be deposited with and held by Citibank, N.A. as Principal Paying and Transfer Agent until all the obligations of the Bank have been discharged in full. The Bank hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Subordinated Guarantee.

10. Enforcement; rights of remedy

A Holder may enforce this Subordinated Guarantee directly against the Bank, and the Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Bank. Subject to paragraph 11, all waivers contained in this Subordinated Guarantee shall be without prejudice to the right to proceed against the Issuer. The Bank agrees that this Subordinated Guarantee shall not be discharged except by payment of the Guarantee Payments in full and by complete performance of all obligations of the Bank under this Subordinated Guarantee.

11. Subrogation

The Bank shall be subrogated to any and all rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Bank under this Subordinated Guarantee and will have the right to waive payment of any amount of Dividends in respect of which payment has been made to the Holders by the Bank pursuant to this Subordinated Guarantee. The Bank shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Subordinated Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Subordinated Guarantee. If any amount with respect to the Preference Shares shall be paid to the Bank in violation of the preceding sentence, the Bank agrees to pay over such amount to the Holders.

12. Purchase

Subject to applicable law and regulations, the Bank, at its sole option, shall be entitled to purchase Preference Shares from any Holder in whole or in part.

13. Status

- 13.1 The Bank acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Preference Shares and that the Bank shall be liable as principal and sole debtor hereunder to make Guarantee Payments pursuant to the terms of this Subordinated Guarantee, notwithstanding the occurrence of any event referred to in paragraph 8.
- 13.2 Subject to applicable law, the Bank agrees that the Bank's obligations hereunder constitute unsecured obligations of the Bank and rank and will at all times rank:
- 13.2.1 junior to all Senior Creditors;
 - 13.2.2 *pari passu* with any other Liquidation Parity Obligations of the Bank, if any; and
 - 13.2.3 senior to all Junior Obligations,

and accordingly the Bank's obligations hereunder are conditional on the availability of funds to satisfy such obligations in a manner consistent with such ranking.

14. Undertakings of the bank

- 14.1 The Bank undertakes that it will not issue any preferred or preference shares ranking senior to its obligations under this Subordinated Guarantee or give any guarantee in respect of any preferred or preference shares issued by any Subsidiary if such guarantee would rank senior to this Subordinated Guarantee (including, without limitation, any guarantee that would provide a priority of payment with respect to Distributable Funds) unless, in each case, this Subordinated Guarantee is changed to give the Holders such rights and entitlements as are contained in or attached to such preferred or preference shares or such other guarantee so that this Subordinated Guarantee ranks *pari passu* with, and contains substantially equivalent rights of priority as any such preferred or preference shares or other guarantee.
- 14.2 The Bank undertakes that in the event that any Dividend is not paid in full to the holders of the Preference Shares, the Bank will not:
- 14.2.1 declare or pay any distribution or dividend and, where applicable, will procure that no distribution or dividend is declared or paid on any Junior Obligations, until after the fourth consecutive following Dividend Payment Date on which a Dividend is paid in full;
 - 14.2.2 (if permitted) repurchase or redeem Parity Obligations or Junior Obligations until after the fourth consecutive following Dividend Payment Date on which a Dividend is paid in full.
- 14.3 The Bank undertakes to maintain the Issuer, or procure that the Issuer is maintained, as a Subsidiary for so long as any Preference Share remains in issue.
- 14.4 The Bank undertakes that, so long as any of the Preference Shares are outstanding, unless the Bank of Portugal has given its prior consent or unless the Bank is itself in liquidation, the Bank will not agree to, or take any action to cause, the liquidation, dissolution or winding up of the Issuer.
- 14.5 The Bank undertakes to procure that the Issuer will maintain at all times whilst the Preference Shares are outstanding, (i) whilst the Preference Shares are admitted to the Official List of the United Kingdom Financial Services Authority, which is the competent authority for the purposes of Directive 2003/71/EC (the "FSA") and the rules of the FSA so require, a paying and transfer agent in London, (ii) a Registrar having its office outside the UK and (iii), if possible, a paying and

transfer agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

15. Termination

With respect to the Preference Shares, this Subordinated Guarantee shall terminate and be of no further force and effect upon payment of the Redemption Price or purchase and cancellation of all Preference Shares or full payment of the Liquidation Distributions and liquidation of the Issuer, provided however that this Subordinated Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid under the Preference Shares or this Subordinated Guarantee must be restored by a Holder.

16. Transfer

Subject to operation of law, all guarantees and agreements contained in this Subordinated Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Bank and shall inure to the benefit of each Holder and their (and any subsequent) successors, each of whom shall be entitled severally to enforce this Subordinated Guarantee against the Bank. The Bank shall not transfer its obligations hereunder without the prior approval of the Holders of not less than two thirds of the Preference Shares (excluding any Preference Shares held by the Bank or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests), which consent shall be obtained in accordance with procedures contained in the Issuer's Articles of Association and the applicable law of the Cayman Islands; *provided however*, that the foregoing shall not preclude the Bank from merging or consolidating with, or transferring or otherwise assigning all or substantially all of its assets to, a banking organisation organised under the laws of Portugal, without obtaining any approval of such Holders.

17. AMENDMENTS

Except for those changes (a) required by paragraph 14.1 above, (b) which do not adversely affect the rights of Holders, or (c) necessary or desirable to give effect to any one or more transactions 32 referred to in the proviso to paragraph 16 above (in any of which cases no agreement will be required), this Subordinated Guarantee shall be changed only by agreement in writing signed by the Bank with the prior approval of the Holders of not less than two-thirds of the aggregate Liquidation Preference of the Preference Shares (excluding any Preference Shares held by the Bank or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or other similar ownership interests), in accordance with the procedures contained in the Issuer's Articles of Association and the applicable law of the Cayman Islands.

18. Notices

Any notice, request or other communication required or permitted to be given hereunder to the Bank shall be given in writing by delivering the same against receipt therefor or by facsimile transmission (confirmed by mail) addressed to the Bank, as follows (and if so given, shall be deemed given upon mailing of confirmation, if given by facsimile transmission), to:

Caixa Geral de Depósitos, S.A., acting through its France branch

83, Avenue Marceau

75116 Paris

Facsimile: 0033140700309

Attention: Paulo Silva

The address of the Bank may be changed at any time and from time to time and shall be the most recent such address furnished in writing by the Bank to Citibank, N.A. as the Principal Paying and Transfer Agent.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Bank in the same manner as notices sent by the Issuer to Holders.

19. Miscellaneous

19.1 This Subordinated Guarantee is solely for the benefit of the Holders and is not separately transferable from the Preference Shares.

19.2 The Bank will furnish any Holder, upon request of such Holder, with a copy of its annual report, and any interim reports made generally available by the Bank to holders of the ordinary shares of the Bank.

20. Governing law and jurisdiction

20.1 This Subordinated Guarantee is governed by, and shall be construed in accordance with, English law save that paragraph 13.2 shall be governed by, and construed in accordance with, Portuguese law.

20.2 The Bank hereby irrevocably agrees for the benefit of the Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Subordinated Guarantee and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in such courts.

20.3 The Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Bank and may be enforced in the courts of any other jurisdiction.

20.4 Nothing contained in this paragraph shall limit any right of the Holders to take Proceedings against the Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other competent jurisdictions, whether concurrently or not, to the extent permitted by applicable law.

20.5 The Bank appoints its London branch at its offices presently located at Walbrock House, 23 Walbrock, London EC4N 8BT or, if different, its registered office for the time being as its agent

for service of process in England in respect of any Proceedings and undertakes that in the event such branch is not, or ceases to be, effectively appointed to accept service of process on the Bank's behalf, the Bank shall immediately appoint another person as its agent for that purpose. Nothing in this subparagraph shall affect the right of the Holders to serve process in any other manner permitted by law.

IN WITNESS WHEREOF this Subordinated Guarantee has been manually executed as a deed poll on behalf of the Bank.

Executed as a deed by

CAIXA GERAL DE DEPÓSITOS, S.A.,

acting through its France branch

acting by

_____ Director
and

_____ Director
in the presence of:

Witness's signature

Name: _____

Address: _____

Dated 30 September 2005

USE OF PROCEEDS

The net proceeds of the issue of the Preference Shares, amounting to approximately €347,655,000, will be applied by the Issuer to subscribe for a subordinated deposit issued by the Bank.

The net proceeds of the issue of the Preference Shares will augment the Bank's Tier one Capital on a consolidated basis.

BUSINESS DESCRIPTION OF THE GROUP

History and Introduction

Caixa Geral de Depósitos was created as a state bank by legislative charter (“Carta de Lei”) of 10th April, 1876 with the principal functions of collecting and administering legally required or judicially ordered deposits and issuing and managing government debt. It gradually expanded its operations to become a savings and investment bank. Caixa Geral de Depósitos was transformed into a corporation of public capital (“sociedade anónima de capitais exclusivamente públicos”) on 20th August, 1993, by Decree-Law no. 287, when its name was changed to Caixa Geral de Depósitos, S.A. (“CGD”). Presently it operates as a universal bank and is subject to the legislation applicable to Portuguese financial institutions.

CGD together with its subsidiaries (the “Group”) remained the banking sector leader in Portugal in 2004 in terms of segments and key products. This is clearly evidenced by its respective market shares of which special reference should be made to the individual customers’ segment, both in terms of deposits and mortgages. Reference should be made, in the case of banking operations, to the market shares of customer deposits, with 30.3% at end 2004, particularly the individual customers’ segment with 36.4%. The global market share of loans and advances to customers was 22% (28% in the individual customers’ segment). CGD, in turn, had a 34.2% share of the mortgages sub-segment.

CGD Group retained its market lead in Cape Verde with a market share of around 53% in terms of lending and 63.8% in deposits, through Banco Comercial do Atlântico and Garantia-Companhia de Seguros de Cabo Verde (Source: Banco of Cabo Verde).

CGD Group came second in the national insurance league, in terms of total sales and life insurance, with market shares of 19.6% and 18% and was also the market leader in sales of “non-life insurance” with 21.8% (Source: Instituto de Seguros de Portugal (Portuguese Insurance Institute), December 2004). Its position was further consolidated with the acquisition of the Império-Bonança and Seguro Directo insurance companies. Their inclusion increased the group’s share of the insurance market to 27.1% and, in the case of “non-life” insurance to 36.7%. Caixa Seguros, the CGD Group holding company for the insurance sector has achieved the ranking of fourth largest Iberian player in “non-life” insurance.

In asset management, Caixagest continued to hold down 2nd position in terms of funds managed in the unit trust funds investment league, with a market share of 19.1%, with high demand providing Fundimo with an 11.2% share of open-ended property investment funds, retaining 3rd place in terms of capital under management (Source: Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios, December 2004).

CGD was classified as the 109th largest banking institution worldwide, by assets, and 136th by shareholders’ equity, in 2003 (July 2005 issue of “The Banker”). In European terms CGD came 64th in terms of assets and 69th in terms of shareholders’ equity (September 2005 issue of “The Banker”).

CGD is a member of the European Savings Banks Group, the Credit Local d’Europe and the EU’s Committee of Clearing Banks – EBA. The Group forms the largest Portuguese financial group by reference to its consolidated assets.

The Group intends to maintain its strong presence in Portugal. Through its network, as at 31st December, 2004, of 1,095 branches, 315 of which are located outside Portugal, CGD continues to focus on developing its client base offering banking services to the largest number of customers in Portugal. The development of cross-selling of group company products through its branch network continues to be one of the main objectives of the Group.

The Group has expanded into foreign markets, principally neighbouring regions in Spain, and into markets with historical or linguistic ties to Portugal, such as Cape Verde and Macao. It is present, through

branches, subsidiaries and representative offices, in Spain (Banco Simeón, SA, with a total of 173 branches), France (French Branch with 45 outlets), Madeira, the United Kingdom, Switzerland, Luxembourg, Germany, India, China, Macao, Hong Kong, Mozambique (Banco Comercial e de Investimentos with 32 branches), Cape Verde (Banco Interatlântico and Banco Comercial do Atlântico with a total of 28 branches), South Africa, Sao Tome and Principe, Venezuela, Mexico, the Cayman Islands, the United States, Brazil and Timor. In recent years the Group has moved deeper into the new strategic cycle, dominated by initiatives involving the modernisation of electronic distribution channels, such as Caixa Directa On-Line (e-banking), Caixa Electronica (e-channel for corporates), CaixaNet (IT infrastructures), Caixa-Web (the “dotcom” of the Group) and Bolsa Caixa Imobiliário (channel dedicated to real estate and mortgages).

CGD’s share capital is divided into 590,000,000 ordinary shares in book-entry form of €5 nominal value, fully paid up and all owned by the Portuguese Government. CGD’s head office is located at Av. João XXI, no. 63 – 1000 – 300 Lisbon.

Current Activities

The Group’s activities include commercial and investment banking, insurance, leasing and factoring, asset management, venture capital, financial services and real estate management.

Set out below is a chart giving details of the principal activities and companies within the Group, showing the equity interest under the control of CGD or the Group where appropriate, as at 30th June, 2005:

GROUP Caixa Geral de Depósitos

30 June 2005

| | | | | | | |
|---|---|--|---|---|--|--|
| COMMERCIAL BANKS | CAIXA GERAL DE DEPÓSITOS | BANCO SIMEÓN (Spain) 99,6% | BANCO ATLANTICO (Cape Verde) 65,0% | MERCANTILE LISBON B. H. (África do Sul) 91,8% | CAIXA INTERNACIONAL SGPS 100,0% | B. COMERCIAL E DE INVESTIMENTOS (Mozambique) 42,0% |
| | | BANCO NACIONAL ULTRAMARINO (Macao) 100,0% | BANCO INTERATLANTICO (Cape Verde) 70,0% | COM. ATLANTICO (Cape Verde) 65,0% | CAIXA DESENVOLVIMENTO SGPS 100,0% | A PROMOTORA (Cabo Verde) 62,2% |
| INVESTMENT BANKING + VENTURE CAPITAL | GERBANCA SGPS 100,0% | CAIXA BANCO DE INVESTIMENTO 99,7% | CAIXA CAPITAL 100,0% | CAIXA DESENVOLVIMENTO SGPS 100,0% | | |
| | CAIXA - GESTÃO DE ACTIVOS, SGPS 100,0% | CAIXAGEST 100% | CGD PENSÕES 100,0% | FUNDIMO 100,0% | | |
| ASSET MANAGEMENT | CAIXA LEASING E FACTORING - IFIC 100,0% | CAIXA CRÉDITO SFAC 100,0% | BCI - LEASING (Mocambique) 99,9% | BCI - AID (Mocambique) 100,0% | | |
| SPECIALISED CREDIT | CAIXA SEGUROS, SGPS 100,0% | Companhia de Seguros FIDELIDADE - MUNDIAL 100,0% | IMPÉRIO RONANCA Companhia de Seguros 100,0% | VIA DIRECTA Companhia de Seguros 100,0% | SEGURO DIRECTO GERE - Comp. Seguros 100,0% | CARES-Companhia de Seguros e Assistência 100,0% |
| INSURANCE | HPP - Hospitais Privados de Portugal, SGPS 100,0% | GEP - Gestão de Peritagens Automóveis 100,0% | EAPS - Empresa de Análise, Prevenção e Segurança 100,0% | EPS - Gestão de Sistemas de Saúde 100,0% | FIDELIDADE-MUNDIAL, SGH 100,0% | GARANTIA (Cabo Verde) 80,9% |
| E-BUSINESS | CAIXAWEB, SGPS 100,0% | IMOPORTAL.COM 73,4% | PORTAL EXECUTIVO 75,0% | CAIXAWEB Serviços Téc. Cons. 100,0% | | |
| OTHER | CULTURGEST 90,0% | CAIXANET 80,0% | IMOCAIXA 100,0% | | | |
| | SOGRUPO - Serviços Administrativos ACE | SOGRUPO - Sistemas de Informação ACE | SOGRUPO III - Gestão de Activos ACE | SOGRUPO IV - Gestão de Imóveis ACE | | |
| HOLDING COMPANIES | CAIXA PARTICIPAÇÕES, SGPS 100,0% | CAIXA BRASIL 100,0% | | | | |

The following table shows the consolidated net assets of the principal companies in the Group, after the elimination of inter-company balances, as at 31st December for each of the years set out:

| | 2003 | | 2004 | |
|---|----------------|--------|--------|--------|
| | Value | % | Value | % |
| | (EUR millions) | | | |
| Caixa Geral de Depósitos | 66,641 | 82.5% | 61,920 | 80.0% |
| Banco Simeón (Spain) | 2,120 | 2.6% | 2,109 | 2.7% |
| Banco Nacional Ultramarino, SA (Macao) | 680 | 0.8% | 879 | 1.2% |
| Caixa – Banco de Investimento | 792 | 1.0% | 998 | 1.3% |
| Caixa Leasing and Factoring | 1,537 | 1.9% | 1,574 | 2.0% |
| Banco Comercial Atlântico (Cape Verde) | 365 | 0.5% | 389 | 0.5% |
| Banco Comercial e de Investimentos (Mozambique) | 253 | 0.3% | 305 | 0.4% |
| Other ^(a) | 1,784 | 2.2% | 2,095 | 2.7% |
| Consolidated Balance Sheet (Official) | 74,172 | 91.8% | 70,269 | 90.8% |
| Fidelidade-Mundial ^(b) | 6,625 | 8.2% | 7,093 | 9.2% |
| Total Consolidated Balance Sheet | 80,797 | 100.0% | 77,362 | 100.0% |

Notes:

- (a) Including the Group Insurance company Fidelidade-Mundial, consolidated by the equity accounting method which only includes the proportion of shareholders' equity held by CGD.
- (b) Fidelidade-Mundial balance sheet less shareholders' equity, consolidated by the equity accounting method as in (a). Inter-company relationships not eliminated.

Group Overview

The principal CGD Group event, in 2004, reinforcing its market lead in terms of its share in the market of insurance premiums (direct insurance in Portugal) was its acquisition of the Império-Bonança insurance company, which made it the undisputed leader of the insurance sector in terms of its share in the market of insurance premiums (direct insurance in Portugal) and gave a stronger position in the Iberian market (Source: ISP-Portuguese Insurance Institute).

In 2004, CGD Group also continued to reorganise in other areas, with the aim of improving its competitiveness in the specialised credit and assets management fields in the domestic sphere and the merger involving BCI, in Mozambique.

The agreement for the purchase of the Império-Bonança insurance company, the Seguro Directo Gere insurance company, which owns the Seguro Directo tradename, and the companies Impergesto - Assistência e Serviços and Servicomericial - Consultadoria e Informática was completed in mid-2004. Following the December decisions made by the Portuguese Competition Authority and the Portuguese Insurance Institute, the planned acquisition was made in January 2005 by Caixa Seguros, SGPS, CGD Group holding company for the insurance sector, with the obligation of selling Seguro Directo Gere – Companhia de Seguros, SA.

In the specialised credit area, reference should be made to Caixa Empresas de Crédito, SGPS, SA's assimilation of Imoleasing, Locapor and Lusofactor and its latter transformation into a financial credit institution – Caixa Leasing e Factoring – IFIC. CGD also increased its shareholding in this area to 100% of Caixa-Crédito, SFAC by acquiring the 11.1% minority shareholding in the company's share capital.

Reference should also be made to the increase in share capital of Locarent, from €1,250 thousand to €3,250 thousand, with CGD retaining its 45% stake in its end of 2003 investment. The aim of this operation is to permit the growth of the renting business in partnership with BES Group and an automobile branch operator.

The principal asset management activity was the transfer of the portfolio under Caixa Gestão de Patrimónios management to Caixagest, which added discretionary portfolio management to unit trust fund management. The discretionary portfolio management company was extinguished following the changes made to the legislation regulating the operations of unit trust management companies.

In CGD Group's international area, note should be taken of the increase in the share capital of Mercantile Lisbon Bank Holdings, with a further 555 million rands (around €69million), almost totally subscribed up by CGD which increased its holding to 91.75%.

In S. Tomé e Príncipe CGD sold off its 25% equity investment in the Banco Internacional de São Tomé e Príncipe to the Banco Africano de Investimentos pursuant to which it retained 27% of BISTP's share capital.

Reference should, lastly, be made to the completion in June 2004 of the sale of the investments in Lusopensiones and Lusogest to the Espírito Santo Group, preceded by the April 2004 sale of CGD's investment in the said companies to Banco Simeón. An agreement to commercialize funds under BES Group management by the Banco Simeón was also entered into, at the same time.

Summary Financial Information

Set out below in summary form are the audited, consolidated profit and loss accounts and the audited, consolidated balance sheets (showing net figures) of the Group for the years ended 31st December, 2003 and 2004:

Profit and Loss Account

| | Year ended 31st December, | |
|---|--------------------------------------|----------------|
| | 2003 | 2004 |
| | (EUR millions) | |
| Interest income..... | 2,702.5 | 2,613.9 |
| Income from securities | 63.2 | 58.1 |
| Commissions | 384.2 | 429.5 |
| Gains arising from financial operations | 5,949.0 | 4,614.6 |
| Reversal of provisions | 437.5 | 608.6 |
| Equity accounted profits of Group companies excluded from consolidation | 114.3 | 167.1 |
| Other operating income | 148.4 | 183.8 |
| Exceptional gains..... | 312.8 | 68.9 |
| Minority Shareholders' interests | - | - |
| Total revenue | 10,112.0 | 8,744.5 |
| Interest expenditure and commissions..... | 1,526.2 | 1,435.7 |
| Losses arising from financial operations..... | 5,918.0 | 4,657.1 |
| Personnel cost | 582.8 | 626.7 |
| Other administrative expenses..... | 376.1 | 412.0 |
| Depreciation..... | 96.1 | 91.3 |
| Other operating costs | 16.4 | 16.2 |
| Provisions..... | 622.6 | 916.7 |
| Exceptional losses | 135.5 | 94.7 |
| Taxes | 167.5 | 36.3 |
| Equity accounted losses of Group companies excluded from consolidation | 1.7 | 2.9 |
| Minority Shareholders' interests | 1.8 | 6.5 |
| Total expenses | 9,444.7 | 8,296.0 |
| Net income for the year | 667.3 | 448.5 |

Balance Sheet

| | As at 31st December, | |
|---|-------------------------|-----------------|
| | 2003 | 2004 |
| | (EUR millions) | |
| Assets | | |
| Cash and Central Bank deposits | 9,195.7 | 3,204.5 |
| Sight deposits with credit institutions | 916.0 | 572.2 |
| Loans and advances to credit institutions | 5,914.8 | 6,222.7 |
| Loans and advances to customers | 44,093.7 | 45,771.2 |
| Bonds and other fixed-income securities | 7,146.9 | 7,833.3 |
| Shares and other variable-yield securities | 429.7 | 402.5 |
| Investments | 3,202.3 | 3,258.3 |
| Intangible assets | 149.4 | 159.4 |
| Tangible fixed assets | 832.2 | 833.7 |
| Other assets | 729.1 | 661.0 |
| Prepayments and accrued income | 1,562.6 | 1,349.9 |
| Total assets | <u>74,172.4</u> | <u>70,268.8</u> |
| Liabilities and Shareholder's Equity | | |
| Amounts owed to credit institutions | | |
| Repayable on demand | 1,141.9 | 874.7 |
| Term or notice | 9,599.9 | 4,794.4 |
| Amounts owed to customers | | |
| Savings deposits | 8,377.0 | 8,653.4 |
| Repayable on demand | 14,784.3 | 15,454.9 |
| With agreed maturity date | 21,571.7 | 21,294.9 |
| Debt Securities | | |
| Bonds issued | 7,039.1 | 7,151.7 |
| Other | 3,804.1 | 4,144.6 |
| Other liabilities | 707.1 | 788.1 |
| Accruals and deferred income | 1,345.6 | 1,554.4 |
| Provisions | | |
| Provisions for pensions and related charges | 23.1 | 18.3 |
| Other | 426.9 | 636.7 |
| Fund for general banking risks | 112.1 | 7.5 |
| Subordinated liabilities | 1,602.2 | 1,602.1 |
| Equity | | |
| Share capital | 2,450.0 | 2,950.0 |
| Issue Premium | – | 300.0 |
| Reserves | 485.6 | 366.4 |
| Retained earnings | – | (1,067.3) |
| Net income for the year | 667.3 | 448.5 |
| Minority Shareholders' interests | 34.5 | 292.5 |
| Total liabilities and equity | <u>74,172.4</u> | <u>70,268.8</u> |

Main differences between the consolidated and non-consolidated financial statements of CGD

Subsidiary companies are those in which CGD has a participation of more than 50% or that are controlled by CGD and can therefore be considered as a decision making unit. Associated companies are those in which CGD has a long-term minimum participation of 20% or, where the participation is lower, companies in which CGD has a significant influence in the management.

Consolidated financial statements

In the consolidated financial statements the accounts of the subsidiary companies are consolidated by the full consolidation method, except for those operations which are of a non-banking nature. In accordance with this method, gains and losses on transactions and balances between the consolidated companies are eliminated. Third party participation in these companies are recorded in the caption "Minority interests".

Investments in associated companies and subsidiaries not included in the consolidation are recorded by the equity method. In accordance with this method, the cost of the investments is adjusted based on CGD's effective participation in the share capital, reserves and results of these companies.

The consolidation of the accounts of companies under joint control of Caixa and other entities, is made under the proportional method of consolidation. Assets, liabilities, costs and income of these companies are recorded in the consolidated accounts in proportion to the holding of CGD in their share capital.

Consolidated profit is the sum of the net results of CGD and of the Group companies in proportion to the respective participations in them after consolidation adjustments, namely the elimination of dividends received and gains and losses on transactions between Group companies.

The following table shows certain key ratios for the Group at 31st December for each of the years set out:

| | As at | |
|---|----------------|-------|
| | 31st December, | |
| | 2003 | 2004 |
| | (%) | |
| Structural Ratios | | |
| Customer loans/customer deposits | 100.6 | 102.7 |
| Interest earning assets/interest-bearing liabilities | 87.0 | 96.4 |
| Interest-earning assets/Total assets | 78.6 | 86.7 |
| Profitability Ratios | | |
| Net interest margin (average spread lending/funding) | 1.90 | 1.88 |
| Interest margin/net assets..... | 1.75 | 1.86 |
| Return on equity (net income/shareholders' equity) | 19.8 | 13.0 |
| Return on assets (net income/total assets)..... | 0.95 | 0.63 |
| Gross operating profits/net assets (income before taxes/total assets) | 1.10 | 0.67 |
| Average yield on interest-earning assets | 3.83 | 3.54 |
| Average cost of interest-bearing liabilities | 1.93 | 1.67 |
| Non-performing loans after provisions/total loans | 0.8 | 0.6 |
| Solvency Ratios | | |
| Solvency ratio for purposes of Bank of Portugal | 8.7 | 9.4 |
| Solvency ratio for purposes of BIS | 9.8 | 10.4 |

Economic Environment

Real GDP growth in the Portuguese economy in 2004 was 1.1%, as against the preceding year's decrease of 1.3%. Growth was sustained by the 1.9% increase in domestic demand, particularly resulting from the upturn in private consumption which reflected business sector expectations of improved economic performance, associated with improvements in the international economic environment. Growth in domestic demand, was also, to a certain extent, fuelled by the recovery of investment (GFCF), which had decreased considerably in the preceding two years and in which special reference should be made to the highly favourable growth in corporate investment. Domestic demand expansion generated an increase in the economy's funding requirements (from 3.6% to 5.4% of GDP) and an estimated reduction in the individual customers' savings rate from 11.7% to 11% of available income.

Euribor rates for shorter term maturity periods fell up to the end of the first quarter, in line with the expected reduction of ECB reference rates. As the said reduction failed to materialise, the rates returned to their former levels and, by year end, were highly stable within a narrow band slightly higher than the ECB reference rate which remained at 2% for the year as a whole. For the longer maturity periods, the evolution of the said rates in the early months of the year was "V" shaped, as in the case of shorter term maturity periods. Mid-year saw a drop in rates extending up to December, particularly reflecting less optimistic expectations over Eurozone growth.

Greater nominal stability of interbank interest rates, in 2004, impacted banks' lending and borrowing rates, which remained stable and similar to those of the preceding year.

Year-on-year banking system deposits grew 3.2%, particularly fuelled by the 2.9% increase in individual customers' deposits (including emigrants) as opposed to the preceding year's 0.2% reduction.

December, in turn, saw a slight increase in the annual rate of change of total domestic credit, from 6.6% to 7.4%, sustained by greater buoyancy in corporate lending, particularly in the last quarter, and consumer finance and lending for other purposes. Notwithstanding the reduction, from 11.8% to 10.5%, in the rate of change of mortgage lending based on the end of December balance, mortgage lending was relatively stable, during the year, at around 11.6%.

Overview of the financial performance of the Group

Assets and Liabilities

CGD's operations during the course of 2004 were performed in an environment of economic recovery, albeit slight, whose consequences, were reflected in the positive evolution of several balance sheet headings, particularly credit and customer deposits.

The 5.3% diminution in the value of assets derives from the reduction of around €6.3 billion in liquid assets, to which very short term deposits taken from credit institutions, pursuant to CGD Group's implementation of its liquidity management and balance sheet policy, were posted at end 2003.

There was a 5.2% increase in loans and advances to credit institutions to a year-end balance of €6.2 billion, with amounts owed to credit institutions 47.2% down to €5.7 billion. The latter reduction is associated with the 62.6% negative evolution in liquid assets, pursuant to the above referred to context, although CGD Group's net position vis-à-vis the banking system, comprising the €4,327million positive balance between liquid assets/loans and advances and amounts owed to credit institutions remains highly favourable.

CGD, in terms of credit institutions' resources, continued to enter into long term lines of credit with supranational bodies. Amounts taken out in 2004 totalled €736 million, of which €550 million was taken out with KfW-Kreditanstalt für Wiederaufbau, €100 million with the EIB-European Investment Bank and €86 million with CEB – Council of Europe Development Bank. Lines of credit of this type play a significant role in

CGD Group funding operations targeted at very specific areas and make a highly positive contribution to increasing funding maturity periods, as part of CGD's integrated assets and liabilities management. CGD's credit institutions balance in terms of supranational entities and financial organisations funding was €1,537 million.

The referred to evolution was responsible for significant changes to the balance sheet's structure, with expressive changes in diverse assets and liabilities account headings.

CGD Group's balance sheet, including Fidelidade Mundial assets, totalled around €77.4 billion of which 80% derived from basic banking operations, in which the referred to insurance company reinforced its contribution from 8.2% to 9.2%.

Shareholders' Equity (including Minority Interests, Fund for General Banking Risks and Subordinated Liabilities)

The 8.4% reduction of €452 million in shareholders' equity including minority interests, fund for general banking risks and subordinated liabilities to €4.9 billion resulted from several movements having a compensating effect. Positive contributions were made by the increase in share capital from €2,450 million to €2,950 million, with an issue premium of €300 million, the €213.3 million increase in reserves through the appropriation of income for 2003 and the issue of €250 million in TIER 1 securities. Negative contributions, on the other hand, were the almost total recognition of capital losses made on equity investments, both on the disposal of the BCP and EDP investments (€512 million) and in respect of the unsold part of the BCP investment (€214 million), in addition to costs of €796 million associated with the transfer of CGD Employee Pension Fund liabilities to the Caixa Geral de Aposentações. The negative impact of the referred to movements was translated into the following: €455 million were allocated to reserves and the remaining €1,067 million to retained earnings.

The transfer of the Pension Fund to the CGA and the provisioning of capital losses had the effect of suspending the more favourable transitory regimes on the deferral of respective costs. Deferrable Pension Fund costs were assumed by CGD prior to the transfer of liabilities to the CGA, and were consequently fully recognised as a charge to retained earnings on their transfer date.

The amount of the unprovisioned capital losses in listed companies on the non consolidated accounts, at end 2004, was €18.4 million, after the referred to provisioning of capital losses on CGD's equity investments on BCP and EDP. This is a substantial reduction over the unprovisioned capital losses of €830.9 million, recorded in 2003. The value fluctuations and the deferred costs associated with the CGD Employees Pension Fund, in turn, fell from €1,000.2 million to €204.4 million.

Own Funds and Solvency Ratio

The consolidated solvency ratio, calculated under Bank of Portugal rules, was 9.4%, as opposed to the preceding year's 8.7%. The determination of total own funds for solvency ratio purposes was 11.3% up to €4,183 million in comparison to €3,757 million in 2003. The year 2004 figure was negatively impacted, in addition to €176 million of intangible assets and €144 million of deferred costs in respect of the remaining Pension Fund liabilities, by several other entries such as charges to retained earnings posted at year end, an explanation for which has been provided above.

Reference should also be made to a series of specific deductions of €482 million from total own funds for equity investments exceeding certain limits.

The basis own funds ratio (TIER 1) was 6.2%. The ratio exclusively comprises share capital and reserves and was reinforced during the year by a share capital increase of €500 million, with an issue premium of €300

million, together with the launch of a TIER1 securities issue of €250 million. In accordance with BIS (Basle Committee) rules, the solvency ratio was 10.4% and TIER 1 6.5%.

Income and Profit Ratios

There was a 32.8% reduction of €218.8 million in Caixa Geral de Depósitos' consolidated net income for 2004 to €448.5 million in comparison to the preceding year. This is explained by the €203.1 million downturn in extraordinary profit over 2003, the €123.1 million increase in the provisions appropriation and €79.8 million in operating costs, part offset by the €125.9 million diminution in the tax appropriation and €61.2 million increase in net operating income.

There was a 3.3% increase in interest income (as against a decrease of 4.7% in 2003) which resumed its growth of previous years. Determining factors were the significant 10.7% increase of €34.9 million in commissions, 45.8% increase of €51.6 million in income generated by associated and subsidiary companies excluded from consolidation (net) and 36.3% increase of €40.9 million in other operating income and costs and, to a lesser extent, the 0.6% increase of €7.2 million in net interest income notwithstanding the negative change in the balance of the profits and losses generated by financial operations. This evolution led to an improvement in the net operating income to net assets ratio from 2.66% in 2003 to 2.70% at year end.

Interest income (net of interest expenses), although continuing to be negatively impacted by lower interest rates on lending, posted a 1% increase of €12.3 million, reversing the negative trend in force since 2002.

There was a 45.8% increase to €164.2 million in the contribution made by associated and subsidiary companies excluded from consolidation to consolidated income. Reference should be made to the performance of insurance operations, in which Fidelidade Mundial's contribution was €81 million.

Operating cash flow, in turn, was €902.6 million. The amount in question was 2% lower than last year, reflecting an 8.3% growth in operating costs, which was higher than the amount of net operating income. The recognition, however, of productivity bonuses as annual costs for 2003, in line with the criterion used in 2004, in anticipation of the new International Accounting Standards, would lead to a 0.9% increase of €7.9 million in operating cash flow generated in 2004 over the preceding year.

Operating costs plus depreciation led to a cost-to-income ratio of 58%, in comparison to the preceding year's 57.3%, calculated considering the incorporation of the above referred to productivity bonuses in employee costs for 2003.

The operating costs over average net assets ratio, however, increased from 1.51% to 1.56%. The employee cost to net operating income ratio, also defined as an "efficiency" ratio, at 31.9%, was similar to the preceding year's 32%.

In the case of net income and in addition to the above references, particular mention should also be made of the tax appropriation of €22.4 million, which was substantially lower than the previous year's €148.4 million, particularly as a consequence of the capital losses on the sale of a part of the equity investment in BCP and EDP, the latter of which made in the context of its privatisation, in addition to the transfers of liabilities from the CGD Employees Pension Fund to the CGA, which factors generated negative changes in equity, having a fiscal effect, in terms of the calculation of taxable income under IRC (corporate income tax).

ROA and ROE, before tax were 0.67% and 13% and 0.63% and 13% respectively after tax.

Banking Strategy

CGD continued to reinforce its strategic "customer-first approach", in 2004, focusing attention on defined priority segments, for whose needs and expectations it has been creating new products and services. To

further consolidate its customer-driven approach, Caixa has also been intensifying a multi-channel relationship with customers, promoting self-service solutions in its retail business, increasing the cross-selling of all CGD Group products and improving service quality, making a progressive changeover from a “transaction” to a “relationship” bank.

CGD has intensified its relationships with customers in several actions related with the referred to segments, under its “+Valor” Programme involving its marketing and commercial areas. The “+Valor” Programme also included transversal initiatives aimed at reinforcing business support, technical and human means and improving commercial efficiency via the use of electronic banking channels.

After identifying its target segments, the bank committed to products and services innovation, studying the most adequate proposals, particularly credit and mortgages in which it has been making significant investments, not only in terms of innovation but also in procedural rationalisation, to guarantee sustained competitiveness and sector leadership in Portugal. Caixa has also been introducing new, attractive structured products for its customers’ investments.

Reference should, therefore, be made, to the inception of several customer-driven initiatives in 2004. Of particular significance was the “CAIXAZUL” service for the bank’s prime customers, its “T30 Mortgage Product” and its renewal of and fresh additions to its offer for schools and universities.

The “Caixazul” service is based on the provision of a high quality service with personal advisory and reception facilities provided by a personal account manager.

The “T30 Product” is part of an innovative product line customised to the needs and characteristics of different sub-customer segments.

The multi-channel approach was furthered by commercial channel rationalisation programmes, investment in electronic distribution media and, consequently, encouraging the transfer of counter transactions to electronic media. These new channels are playing an increasingly important role, not only from a transactional viewpoint but also in terms of information. This is particularly so in the case of the CAIXADIRECTA telephone banking and online internet services, both of which have been designed for the individual customers’ segment and play a prime role in customer-Caixa relationships. Its technological platform is considered, by the market, to be one of the best in terms of accessibility and reliability.

Corporate customers have been provided with CAIXA e-banking online. This channel has consolidated its levels of service and increased available functionalities, having recorded greater acceptance by companies, both in terms of new subscribers and use.

The use of the internet and electronic channels to provide services and in terms of customer relationships is on the increase and the CGD site has recorded the highest number of “hits” out of all Portuguese banks. In addition to an automatic customer helpline, telephone and online banking, reference should be made to the year 2004 inception of the SMS service which provides a secure, user-friendly means of establishing contact with CGD.

Owing to the bank’s promotion of self-service retail solutions, the role of counters has been changing quickly. Less time is being spent on transactional functions in favour of customer consultancy and advisory services, releasing human resources for higher added value commercial operations. This has involved the transfer of administrative tasks to back-office centres and programmes to encourage the use of self-service facilities for day-to-day operations, in addition to the introduction of new types of equipment and functionalities. New customer inquiries facilities have already been installed in 85 branches following the remodelling in question.

Determining factors in branches’ cross-selling operations are the fundamental objectives of meeting customers’ requirements and retaining their loyalty, together with the profitability of the operations for both

parties. Caixa therefore continues to consolidate its relationship with all CGD Group companies via new services and key complementary products, reinforcing Caixa's relationship with customers, not only in contractual terms but also from a viewpoint of trust and security.

The quality of service provided in such a competitive market makes all the difference in customer relationship terms and the visible determining part of customers' satisfaction with the bank. This explains why Caixa not only sustains its customer relationships in terms of its income policy and expansion of its operations, but also in terms of permanent, sustained operating efficiency, investment rationalisation and productivity and competitiveness improvements, capable of further enhancing the referred to quality of service.

Funding

The following table shows the breakdown of the Group's total consolidated funding sources at 31st December for each of the years set out:

| | As at 31st December, | | | |
|--|---------------------------------------|---------------|---------------|--------------|
| | 2003 | | 2004 | |
| | Amount | % | Amount | % |
| | (EUR millions, except for percentage) | | | |
| Sight deposits | 14,784 | 22.0% | 15,454 | 24.2% |
| Compulsory deposits | 1,051 | 1.6% | 937 | 1.5% |
| Term deposits and deposit certificates | 20,261 | 30.2% | 20,047 | 31.3% |
| Savings deposits | 8,377 | 12.5% | 8,653 | 13.5% |
| Total customer deposits | 44,473 | 66.2% | 45,092 | 70.5% |
| Repayable on demand | 1,142 | 1.7% | 875 | 1.4% |
| Term or notice | 9,600 | 14.3% | 4,797 | 7.5% |
| Amounts owed to credit institutions..... | 10,742 | 16.0% | 5,672 | 8.9% |
| Investment unit trusts | 5,380 | 8.0% | 5,447 | 8.5% |
| Insurance..... | 4,753 | 7.1% | 5,180 | 8.1% |
| Other funds taken | 1,790 | 2.7% | 2,582 | 4.0% |
| Total funding..... | 67,138 | 100.0% | 63,973 | 100% |

There was a 4.7% increase in the total balance of deposits and other customer resources taken by CGD Group's branch network to €63 billion. Special reference should be made to customer deposits, with €45.1 billion (up 1.4%), amounts under management comprising investment units in unit trust funds (€5.4 billion), capitalisation insurance (€5.2 billion), pension funds (€1.8 billion) and wealth portfolios under Caixagest management (€2.9 billion).

The year saw a 1.4% increase of €619 million in the customer deposits balance, which is the principal savings taken heading, to €45.1 billion. Special reference should be made to the individual customers segment whose balance, in comparison to 2003, showed a slight 3.1% increase of €1,124 million. There was also a 4.4% increase in corporate deposits offset by a significant 16.8% reduction in general government deposits owing to the volatility of the respective resources which are subject to economic circumstances involving large amounts of money and particularly so at year end.

The customer loans to customer deposits conversion rate was 101.5%, in comparison to 99.1% in December, 2003.

The following table shows a breakdown of deposits taken by CGD only, by type of customer, at 31st December for each of the years set out:

| | As at 31st December, | | | |
|---------------------------|---------------------------------------|---------------|---------------|---------------|
| | 2003 | | 2004 | |
| | Amount | % | Amount | % |
| | (EUR millions, except for percentage) | | | |
| Individuals | 36,181 | 81.4% | 37,306 | 82.7% |
| Of which: Emigrants | 3,392 | 7.6% | 3,508 | 7.8% |
| Corporate | 3,902 | 8.8% | 4,072 | 9.0% |
| Central government | 3,339 | 7.5% | 2,777 | 6.2% |
| Compulsory deposits | 1,051 | 2.4% | 937 | 2.1% |
| Total | 44,473 | 100.0% | 45,092 | 100.0% |

The following table shows a breakdown of deposits and other funding sources of the Group by type and maturity as at 31st December for each of the years set out:

| | 3 months or less | More than 3 months to 1 year | More than 1 year to 5 years | More than 5 years | Total |
|--|-----------------------------|---|--|------------------------------|-------------------|
| | (EUR thousands) | | | | |
| 31st December, 2003 | | | | | |
| Savings deposits | 4,099,003 | 4,277,711 | 266 | – | 8,376,980 |
| Other amounts owed to Customers..... | 11,875,212 | 8,023,986 | 1,597,176 | 75,322 | 21,571,696 |
| Total customer deposits⁽¹⁾ | 15,974,215 | 12,301,697 | 1,597,442 | 75,322 | 29,948,676 |
| Bonds | 1,271,481 | 1,780,899 | 2,083,032 | 1,903,661 | 7,039,073 |
| Other | 2,675,886 | 1,128,196 | – | – | 3,804,082 |
| Total | 19,921,582 | 15,210,792 | 3,680,474 | 1,978,983 | 40,791,831 |
| 31st December, 2004 | | | | | |
| Savings deposits | 4,180,368 | 4,472,380 | 701 | – | 8,653,449 |
| Other amounts owed to Customers..... | 11,189,010 | 8,346,031 | 1,420,412 | 339,465 | 21,294,918 |
| Total customer deposits⁽¹⁾ | 15,369,378 | 12,818,411 | 1,421,113 | 339,465 | 29,948,367 |
| Bonds | 367,025 | 1,695,357 | 3,295,712 | 1,793,607 | 7,151,701 |
| Other | 3,052,168 | 1,092,421 | – | – | 4,144,589 |
| Total | 18,788,571 | 15,606,189 | 4,716,825 | 2,133,072 | 41,244,657 |

Note:

(1) This table does not include Sight Deposits.

Group issues and placements of securities, particularly to institutional investors in overseas markets continued to represent an important alternative source of funding. Special reference should be made to the “Euro Medium Term Notes” (EMTN), “Euro Commercial Paper” (ECP) and the March launch of the US commercial paper (USCP) programmes, whose outstanding balances of issued securities, posted to the other debt securities heading totalled €5.5 billion, €3.5 billion and €293 million respectively. Subordinated securities, totalling €960 million at year end, were also posted to subordinated liabilities under the EMTN programme.

The longer maturity periods of the EMTN issue also had the effect of increasing the maturity period of total deposits pursuant to a more efficient balance sheet management policy.

New EMTN Programme placements, in 2004 alone, totalled €1.6 billion with €10.9 billion of turnover having been made under the two Commercial Paper Programmes.

Loans

Lending

At 31st December, 2004, the outstanding balance of the Group's total interest-earning assets totalling, approximately, €62.1 billion, increased by 4.0% compared to 2003. The following table shows a breakdown of total interest-earning assets (gross amounts) for the Group at 31st December for each of the years set out:

| | As at 31st December, | |
|---|---------------------------------|---------------|
| | 2003 | 2004 |
| | (EUR millions) | |
| Loans and advances to credit institutions | 5,941 | 6,228 |
| Loans and advances to customers | 45,006 | 46,619 |
| Securities | 7,987 | 8,546 |
| Other | 776 | 706 |
| Total | 59,710 | 62,099 |

There was a 3.6% growth in the gross loans and advances to customers balance to €46.6 billion, which recovered from last year's downturn of 0.4%, owing to the contribution of mortgage lending. €42 billion of the overall credit growth (up 3.3%) was generated by individual CGD operations, with €1.8 billion (up 5.7%) generated by Banco Simeón (CGD's Spanish subsidiary) and €1.5 billion by leasing and factoring operations.

By segments, reference should be made to the dynamism evidenced by the 8.1% increase in lending to individual customers. Corporate lending was constrained by moderate economic growth. There was also a slight reduction in lending to general government, owing to the restrictions on the level of debt to be taken on by local government and the need to contain public expenditure.

The following table shows the total loans and advances to customers by type of credit, for the Group, as at 31st December, 2003 and 2004.

| | Group | |
|--|-------------------|-------------------|
| | 2003 | 2004 |
| | (EUR thousands) | |
| Domestic loans | | |
| Loans | 31,111,298 | 32,828,095 |
| Current account loans | 5,548,170 | 4,903,850 |
| Other loans..... | 2,616,325 | 2,826,261 |
| Application of consigned resources..... | 80,856 | 76,032 |
| Overdrafts | 175,065 | 254,188 |
| Local discount operations | 570,042 | 533,346 |
| Foreign discount operations..... | 2,412 | 1,103 |
| Financial leasing | 521,295 | 487,176 |
| Property leasing | 809,669 | 864,651 |
| Loans taken – factoring | 145,752 | 143,025 |
| Purchase operations with resale agreement..... | – | 24,000 |
| Foreign loans | | |
| Other loans..... | 1,763,315 | 1,751,123 |
| Loans | 326,542 | 655,325 |
| Current account loans | 55,907 | 95,619 |
| Overdrafts | 7,847 | 8,228 |
| Foreign discount operations..... | 18 | — |
| Local discount operations | 11,306 | 14,787 |
| Other | 3,893 | 4,334 |
| | <u>43,749,712</u> | <u>45,471,143</u> |
| Overdue loans and interest | 1,256,727 | 1,147,857 |
| Total | <u>45,006,439</u> | <u>46,619,000</u> |
| Provision for loans and advances to customers | | |
| Overdue loans and interest | (756,928) | (694,044) |
| Doubtful loans | (127,826) | (121,850) |
| Country-risk..... | (28,001) | (31,899) |
| | <u>(912,755)</u> | <u>(847,793)</u> |
| Total | <u>44,093,684</u> | <u>45,771,207</u> |

The following table shows a breakdown of loans granted by the Group, according to type of customer and purpose, at 31st December for each of the years set out:

| | 31st December, | |
|-------------------------------------|-----------------------|---------------|
| | 2003 | 2004 |
| | (EUR millions) | |
| Corporate | | |
| Agriculture and fisheries | 324 | 292 |
| Mining and manufacture | 3,419 | 3,191 |
| Construction and public works | 3,754 | 3,369 |
| Electricity, gas and water..... | 712 | 491 |
| Services | 9,533 | 10,092 |
| Total | 17,742 | 17,435 |
| General Government | 2,694 | 2,630 |
| Individuals | | |
| Housing | 23,378 | 25,240 |
| Other purposes | 1,192 | 1,314 |
| Total | 24,570 | 26,554 |
| Total | 45,006 | 46,619 |

The following table shows the maturity profile of the Group's loans to customers and credit institutions by residual period to maturity for the years ended 31st December, excluding overdue loans:

| | 31st December, | |
|-------------------------------------|-----------------------|-----------------|
| | 2003 | 2004 |
| | (EUR millions) | |
| Up to three months | 9,030.0 | 10,731.4 |
| From three months to one year | 7,211.7 | 5,837.4 |
| From one to five years | 10,726.5 | 10,702.2 |
| More than five years | 22,704.1 | 24,427.5 |
| Total | 49,672.3 | 51,698.5 |

Credit Policies and Procedures

Caixa's approach to credit risk is based on two fundamental aspects: the production of risk assessments and the credit risk control implicit in CGD's credit portfolio. The credit process begins with CGD Group's commercial areas or its foreign branches, which are responsible for submitting the proposal. Management is responsible for issuing technical risk assessment opinions whose analyses incorporate the project's expected economic-financial evolution and the effect and perception of any additional risk factors.

In the case of relevant economic groups and (commercial/industrial) companies, the opinions are complemented by an in-house risk-rating procedure. The methodology is used for Caixa Group as a whole and enables a comparison to be made between the results obtained and those upon which any information has been supplied by external rating agencies.

The analysis includes the evolution of the principal indicators based on various considerations: product, customer segment, decision-making structure, level of financial system exposure by operating sector and geographical area in addition to prudentially defined “major risk” limits.

Management also monitors the portfolio periodically, usually once a year. This concentrates on all operations (new or old) involving customers whose global exposure to CGD Group exceeds certain limits.

Reference should be made to the introduction of a new computer tool which, in terms of credit opinion management, provides, inter alia, decentralised but selective access.

Models supported by systematic analysis are used as the basis for the credit assessment risk, both lending and off-balance sheet operations:

- transparency and quality of the provision of economic-financial information;
- management quality, operating efficiency, influence of the economic environment attached to customer or risk, market/competitiveness, geographical area, operating sector, contingencies, relationship with CGD and the banking sector, enabling the identification of both endogenous and exogenous risks;
- the quality of the proposed operation, i.e. its purpose, period, guarantees, sharing of liabilities, collateral, foreign exchange risk, etc;
- The following specific criteria apply to the assessment of economic groups:
 - weighting of external credit risk ratings;
 - weighting of credit risks attached to various areas/Group companies;
 - exposure concentration;
 - limit on major risks, from a regulatory viewpoint, as regards proportions to shareholders' equity and solvency ratio-related considerations.

In risk assessment terms and as a decision-making aid, an in-house risk rating model is also used. This comprises ratings for companies and a scoring system for the issue of credit cards to individual customers.

Non-Performing Loans

There was an 8.7% reduction of €109 million in overdue credit and interest over the preceding year to €1,148 million. This represented an improvement (2.8% to 2.5%) in the overdue to total credit ratio. The reduction was from 2.5% to 2.2% in terms of the bank's individual operations.

The same ratio, considering only credit overdue for more than 90 days, net of provisions, was only 2.3% although evidencing a 2.6% improvement over 2003.

The consolidated end-of-year non-performing loan ratio, calculated in accordance with Bank of Portugal regulations was 2.8% in comparison to the preceding year's 3.2%. Net of provisions, the said ratio fell from 1.3% to 1.0%.

There was a slight increase (72.6% to 73.9%) in the allocation of specific provisions to overdue credit, doubtful debts and country-risk although overall provisioning levels increased from 101.4% to 107.4%.

There was an improvement from 0.8% to 0.6% in the above referred to overdue credit ratio net of such provisions, to “comfortable” amounts vis-à-vis, the characteristics of CGD's credit portfolio in which mortgages account for around 54% of the total.

All non-performing loans (“NPLs”) are categorised according to the requirements of the respective central banks in the jurisdictions in which banks within the Group operate.

After 30 days past due the contractual installment payment of principal and interest will be recorded as a “non-performing loan”. Depending on the type of guarantee, interest will be accrued during a certain period; for example, mortgages, 12 months; real or personal guarantees, six months; State guarantees, with non-interruption; without guarantee, interest write-off. After these periods, if the guarantees are insufficient and difficulties of recovery are foreseen, the whole loan (principal not due and principal and interest due) is declared a “non-performing loan”.

Provisioning Levels

In the non consolidated accounts of CGD, provision for overdue loans and interests, for doubtful loans and for general credit risks are made according to Bank of Portugal Notice 3/95 and Notice 8/03 of 30th January, 2003 dispositions.

Provisioning levels depend on the type of guarantee provided, if any, and the risk class of the overdue credit as in table below:

| Class of Risk | Past due Date | Without Guarantee | With Guarantee | | | | |
|---------------|-----------------|-------------------|--------------------------|--------------------------|----------------|---------------|-----|
| | | | Personal Guarantee | Real Guarantee | | | |
| | | | | Not Mortgage | Mortgage | | |
| | | | | | Other Purposes | Housing Loans | |
| | | | Credit > = 75% guarantee | Credit < = 75% guarantee | | | |
| I | < 3 months | 1 | 1 | 1 | 1 | 0.5 | 0.5 |
| II | 3 to 6 months | 25 | 10 | 10 | 10 | 10 | 10 |
| III | 6 to 9 months | 50 | 25 | 25 | 25 | 25 | 25 |
| IV | 9 to 12 months | 75 | | | | | |
| V | 12 to 15 months | 100 | 50 | 50 | 50 | | |
| VI | 15 to 18 months | | 75 | | | 50 | |
| VII | 18 to 24 months | | 100 | 75 | 75 | | 50 |
| VIII | 24 to 30 months | | | | | 75 | |
| IX | 30 to 36 months | | | 100 | 100 | | |
| X | 36 to 48 months | | | | | | 75 |
| XI | 48 to 60 months | | | | | 100 | |
| XII | > 60 months | | | | | | 100 |

In case of overdue consumer loans, the applicable provision in Class of Risk I is 1.5%

All instalment payments overdue, which relate to the same loan, are provisioned according to the class of risk which the first installment in arrears is provisioned.

Provisions are also made for not due credit, which is classified for provisioning purposes only as overdue credit depending on the following:

- if the installments overdue on each operation exceed 25% of total loan plus interest;
- if the installments overdue of a loan are in arrears more than 6 months for contracts up until 5 years; more than 12 months in contracts between 5 and 10 years and more than 24 months in contracts over 10 years;
- if the installments overdue of all loans from one client exceed 25% of its total responsibilities.

The provisioning rates for the situations referred to above are as follows:

- The situations (a) and (b) with the same provisioning rate of the overdue credit;
- The situation (c) with half of the provisioning rate of the overdue credit.

General Credit Risks Provisions

These provisions, also according to Bank of Portugal requirements, are made considering the outstanding amount for each loan. The applicable percentage depends on the loan type as follows:

Corporate loans: 1.0%;

Mortgage loans⁽¹⁾: 0.5%;

Consumer loans: 1.5%.

(1) If the property guaranteeing the loan is used for the clients own housing.

The following tables show the categories of NPLs and provisions for the Group for the two years ended 31st December, 2003 and 2004:

| | 31st December, 2003 | Percent. of Total Loans | 31st December, 2004 | Percent. of Total Loans |
|---|------------------------------------|--|------------------------------------|--|
| | (EUR thousands) | (%) | (EUR thousands) | (%) |
| Categories of NPLs: | | | | |
| Up to 90 days | 96,575 | 0.21% | 76,950 | 0.16% |
| 91 – 180 days | 66,006 | 0.15% | 37,561 | 0.08% |
| 181 days-1 year | 190,106 | 0.42% | 162,063 | 0.35% |
| 1 – 3 years | 419,654 | 0.93% | 395,748 | 0.85% |
| Over 3 years | 484,386 | 1.08% | 475,535 | 1.02% |
| Total | 1,256,727 | 2.79% | 1,147,857 | 2.46% |
| | | | 31st December, | |
| | | | 2003 | 2004 |
| | | | (EUR thousands) | |
| Provisions: | | | | |
| For overdue credit and loans of doubtful collection | | | 884,754 | 815,894 |
| For country risk requirements | | | 28,001 | 31,899 |
| Sub-total..... | | | 912,755 | 847,793 |
| For general credit risk | | | 361,554 | 384,098 |
| Total | | | 1,274,309 | 1,231,891 |

CGD's practice is that an NPL, even when fully provisioned, remains as an asset in the balance sheet until it is determined that it will not be recovered. The NPLs net of those which are fully provisioned represent 1.76% of total loans, as of 31st December, 2004. NPLs net of provisions amount to 0.64% of total loans as at 31st December, 2004.

The following table shows certain NPL ratios for the Group for each of the years ended 31st December, 2003 and 2004:

| | 31st December, | |
|--|-----------------------|-------------|
| | 2003 | 2004 |
| | (EUR thousands) | |
| NPLs/Loans and advances to customers | 2.79% | 2.46% |
| NPLs (>91 days)/Loans and advances to customers | 2.58% | 2.30% |
| NPLs excluding those 100% provisioned /Loans and advances to customers | 1.81% | 1.76% |
| NPLs net of provisions/Loans and advances to customers | 0.76% | 0.64% |
| Provisions for NPLs/NPLs | 72.6% | 73.9% |
| Total of Provisions/NPL | 101.4% | 107.3% |

The following tables show the total provisions, by type, made by the Group for the years ended 31st December, 2003 and 31st December, 2004, respectively:

| | 31st December, 2003 | | | | | | | Balances at 31/12/03 |
|---|---------------------------------|------------------|--------------------------------|------------------|-------------------|------------------|--|---------------------------------|
| | Balances at 31/12/02 | Additions | Charges to Reserves | Reversals | Write-offs | Transfers | Exchange rate differences | |
| | (EUR thousands) | | | | | | | |
| Loans and advances to credit | | | | | | | | |
| Institutions | 39,938 | 18,399 | - | (33,424) | (726) | 2,201 | (96) | 26,292 |
| Overdue loans and interest, doubtful loans and country-risk | 836,757 | 405,689 | - | (256,874) | (169,338) | 95,205 | 1,316 | 912,755 |
| Losses from securities | 462,619 | 110,285 | - | (100,994) | (49,472) | 3,673 | (15,868) | 410,243 |
| Depreciation of other assets | 35,127 | 4,176 | - | (2,057) | (4,879) | 8,522 | 190 | 41,079 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 29,002 | 1,187 | - | (626) | (7,287) | — | 873 | 23,149 |
| General credit risks | 464,632 | 7,287 | - | (9,401) | (274) | (100,102) | (588) | 361,554 |
| Other risks and charges | 26,969 | 52,920 | - | (5,486) | (5,120) | (4,264) | 360 | 65,379 |
| Exchange rate fluctuation risks | - | 3 | - | (3) | - | - | - | - |
| Fund for general banking risks | 120,136 | 4,605 | - | (13,216) | (145) | 312 | 369 | 112,061 |
| Other participating interests | 59,713 | 14,323 | 34,007 | (15,427) | (2,524) | (750) | 147 | 89,489 |
| Other financial investments | 1,366 | 3,719 | - | (39) | (15) | 1,114 | 1 | 6,146 |
| | <u>2,076,259</u> | <u>622,593</u> | <u>34,007</u> | <u>(437,547)</u> | <u>(239,780)</u> | <u>5,911</u> | <u>(13,296)</u> | <u>2,048,147</u> |

31st December, 2004

| | Balances at 31/12/03 | Additions | Charges to Reserves and retained earnings | Reversals | Write-offs | Transfers | Exchange rate differences | Balances at 31/12/04 |
|---|-------------------------|----------------|---|------------------|------------------|------------|---------------------------------|-------------------------|
| (EUR thousands) | | | | | | | | |
| Loans and advances to credit | | | | | | | | |
| Institutions | 26,292 | 16,295 | – | (36,640) | (7,490) | 7,027 | (15) | 5,469 |
| Overdue loans and interest, doubtful loans and country-risk | 912,755 | 573,411 | – | (332,271) | (278,815) | (29,181) | 1,894 | 847,793 |
| Losses from securities | 410,243 | 55,985 | – | (78,211) | (72,235) | (1,131) | (4,269) | 310,382 |
| Depreciation of other assets | 41,079 | 38,797 | – | (17,381) | (26,557) | (505) | 8 | 35,441 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 23,149 | 1,911 | – | (121) | (6,593) | – | (30) | 18,316 |
| General credit risks | 361,554 | 33,598 | – | (7,305) | (2,008) | (1,461) | (280) | 384,098 |
| Other risks and charges | 65,379 | 162,063 | – | (65,970) | (2,099) | 93,189 | 5 | 252,567 |
| Exchange rate fluctuation risks | – | 8,081 | – | (8,306) | – | 225 | – | – |
| Fund for general banking risks | 112,061 | 5,049 | – | (42,046) | (26) | (67,544) | (27) | 7,467 |
| Other participating interests | 89,489 | 18,015 | 711,159 | (20,332) | (512,353) | – | 2,846 | 288,824 |
| Other financial investments | 6,146 | 3,502 | | | (16) | (121) | – | 9,511 |
| | <u>2,048,147</u> | <u>916,707</u> | <u>711,159</u> | <u>(608,583)</u> | <u>(908,192)</u> | <u>498</u> | <u>132</u> | <u>2,159,868</u> |

Financial Risk Management

In 2001, CGD adopted a risk management model, centralising the assessment, management and control of different types of CGD Group risk such as credit, market, liquidity, foreign exchange, interest rate risk, etc... in its Risk Management Department, consolidating its commercial areas' risk-taking actions. The said department, being operationally independent from the risk originating areas, plays an essential technical role in making the final risk decision, sustained on a comprehensive basis.

Risk assessments on financial institutions are based on in-house regulations, particularly a definition of exposure risks per counterpart, supported not only by information from rating agencies but also other criteria defined by Caixa. Particularly in the case of financial institutions with "speculative" rating levels, the market and the economy in which they operate, the quality of their shareholders and other factors which could mitigate the credit risk are also taken into consideration. The limits apply, inter alia, to money market operations, derivatives, bonds and trade finance but may also refer solely to several products in accordance with the risk profile. Counterpart risk is also monitored and the limits on the operations periodically controlled.

The analysis of operations, both lending and off-balance sheet accounts, i.e. derivatives, is also based on criteria previously defined for the counterparts. Also taken into consideration are the diversity, maturity period and exposure to CGD Group and availability of guarantees and/or collateral. The value at risk for off-balance sheet operations is quantified by in-house models.

CGD Group defines management regulations for each portfolio or business unit. These regulations include limits on credit, market and liquidity risks, required returns, type of instruments authorised and maximum acceptable loss levels. Ensuring compliance with these regulations is the responsibility of the Risk Management Department. The establishing of such regulations comprises the final stage of the procedures for obtaining the relevant risk assessment information, followed by a trial period in which the results obtained are

analysed and procedural improvements implemented. Management regulations for the securitised credit portfolio and for one of CGD's branches were proposed and approved in 2004 and are reviewed annually. New revisions of the management rules governing trading and investment portfolios have been proposed. Execution functions for market operations and the control risk attached thereto are completely separate in CGD.

Market risk hedging operations are decided by portfolio managers, or units, based on risk limits and authorised instruments. The Risk Department assists, whenever necessary, in assessing the impact of the total risk hedging and may propose a reduction to authorised market risk levels if deemed advisable in light of market conditions.

The market risk measurement used for all types of market risk is Value at Risk (VaR) (interest rates, shares, exchange rates, volatility), using the historical simulation method, whose confidence levels used in the simulation are contingent upon the reasons for the portfolios' constitution. Other market risk measurements are also used. They include sensitivity to price changes of underlying assets, basis point value (bpv) for interest rates and other sensitivity indicators commonly applied to options portfolios.

As VaR measurement is applicable in regular market operating situations, stress-testing impact assessments have also been developed. These scenarios comprise non-correlated yield curve shocks, share prices and exchange rates.

The VaR measurement is subject to theoretical and real backtesting analyses. Daily theoretical backtesting values are calculated (comparison of VaR at t with the difference between the assessments of the positions at t , given by prices at t , and the assessment of the positions at $t+d$, in which d represents the period held) and real backtesting analyses are performed monthly (a comparison of the value of the VaR measurement, with a confidence interval of 99% and periods of one day, with each portfolio's results). The number of exceptions obtained i.e. the number of times theoretical or real losses exceed VaR, permit us to assess the accuracy of the method used and make any adjustments.

Foreign exchange risk control and assessment continue to be realised on a consolidated level by CGD headquarters, each Group branch and subsidiary. The risks are controlled on a fortnightly basis for the Group, while in individual terms, subject to daily control for those institutions with the highest levels of foreign exchange exposure. In addition to VaR limits and values, there are limits per total open position and open currency position.

The central objective of integrated assets and liabilities management procedures or "Asset-Liability Management - ALM", in CGD, is to contribute towards the consistent generation of positive financial income, subject to prudent liquidity management and capital use and an adequate control of financial risks.

ALM particularly applies to the following principal risks: balance sheet interest rate, market, liquidity and regulatory risks. In furthering its objectives, other types of risk, such as credit and operating risks, are also taken into account as environmental factors.

The Liquidity Risk Control System is based on exhaustive information on operations used to calculate liquidity, interest rates gaps and duration. A monthly management report containing simulations of scenarios designed to identify market trends and perform stress tests on liquidity and interest rate conditions is produced.

The end of year value of the liquidity ratio, quarterly information on which is provided to the Bank of Portugal, under the terms of "Instruction" no. 1/2000, was 91.7% for non-consolidated and 94% for consolidated operations, complying with Bank of Portugal requirements.

Interest rate risks are always taken whenever, during the course of its activity, CGD is a party to operations whose future financial flows are sensitive to interest rate changes.

The measurement methodology involves grouping assets and liabilities into fixed periods to maturity intervals, by interest repricing dates. For each of the said intervals, the difference between total cash flows on lending and borrowing is calculated and comprises the interest rate gap risk. As in the case of the liquidity gap, this model encompasses balance sheet and off-balance sheet operations.

To monitor the effect of the referred to gaps on net interest income, a regular forecast of sensitive assets and liabilities scenarios is produced. It includes relevant activity reactions and trends, in addition to the evolution of market rates and expectations reflected in the yield curve.

CGD bases operating risk management on a traditional approach: issue of in-house regulations and instructions on all of the bank's products, activities, procedures and systems and internal auditing of procedures, whose audited reports are sent to the structural bodies for comment, correction of insufficiencies or faults.

Although the "Basel II Programme" provides for the creation of an operating risks management area, priority has been given to the development of the already referred to rating and scoring models, within a credit risk context, followed by a more consistent approach to operating risks.

Investment Activities and Trading

Investment Activities

CGD holds interests, as investments, in a number of different public and private companies in Portugal and overseas. In relation to such investments, the Group's strategy prioritises sectors of the Portuguese market, from which strategic alliances may arise, and markets with strong ties to Portugal. In particular, as at 31st December, 2004, CGD holds a 2.61% interest in Banco Comercial Português, S.A. ("BCP"), a 9.77% interest in Electricidade de Portugal, S.A. ("EDP") and a 4.45% interest in Portugal Telecom S.A. ("Portugal Telecom") which it acquired from the Portuguese Government during 1998 and 2000 through capital increase operations made in CGD.

Trading

An amount of €36.5 billion of financial instruments was issued under the Public Debt Management Finance Programme, in 2004, to fund public sector borrowing requirements and replace old debt, either paid off or repurchased.

The guidelines behind the issue of €6,716 million in Treasury Bonds comprised the development of a yield curve with liquid securities in all reference periods. This involved the reinforcement of the 4.375% 2014 Treasury Bond (maturity period of 10 years) and the launch of a 3.25% 2008 Treasury Bond (maturity period of 3 years) in which issue CGD Group was involved as co-lead manager.

The treasury bill issues programme made good progress with an outstanding balance of €10 billion as against the end of 2003 figure of €4,165 billion.

CGD was listed among the 5 top Treasury Bond Specialists Group performers.

In terms of Belgian public debt in which CGD is a recognised dealer, reference should be made to its membership of the selling group in a €5 billion auction in which CGD underwrote €55 million.

CGD Group was involved in 11 private debt issues, 7 of which were led or co-led by CaixaBI.

CaixaBI acted as an arranger for a Schuldschein loan for the Instituto Nacional de Habitação (National Housing Institute), in 2004, for the amount of €50 million with a maturity period of 10 years.

The most relevant operation, in this market, in 2004, was the 5th stage of the EDP Reprivatisation's Rights Issue. CGD contacted each of EDP's 124 000 customers recording a final total of 32 800 orders for 220 million shares (rights) and 14 million unexercised rights options.

CGD continued to base its funding policy on preceding years' guidelines, with special reference to the consolidation of its operations as an international capital market issuer via funding source diversification. Active use was, accordingly, made of the Euro Commercial Paper (ECP) and Euro Medium Term Notes (EMTN) programmes in tandem with a decrease in interbank money market activity as a funding source.

Special reference should be made to CGD's New York Branch's launch of a US dollar commercial paper programme for the US market. This programme is part of the above referred to funding strategy, adding flexibility and diversification to CGD Group's funding sources, in addition to providing a broader institutional and geographical investor base.

EMTN programme management was characterised by flexibility in terms of maturity periods and structure types, enabling significant savings to be made in a market characterised by an across-the-board fall in funding costs. 135 issues totalling €1.6 billion were made, of which 40 were for Japanese investors in a market which has been an attractive source of funding in terms of savings.

As in the preceding years, there were several *Schuldschein* issues. This is a special debt instrument regulated under German law. They comprise loans, generally, with a medium to long term period of maturity and for large amounts, partly or fully transferable to third parties.

Mention should also be made of yen loans which comprised an alternative source of medium to long term funding, showing the positions CGD has carved out in this market segment.

An amount of €250 million was also issued in Tier I perpetual securities, to reinforce CGD Group's own funds. The securities, indexed to three months Euribor, were issued by Caixa Geral Finance. The issue was subscribed for by European and Asian investors of recognised quality.

CGD was also particularly active, in 2004, in the issue of own cash bonds to its retail customers. The 12 issues totalling €755.9 million were around 33% up over the preceding year.

Reference should be made to Structured Finance International's February 2004 award of its important "Consumer Finance Deal of the Year" prize for CGD's end 2003 consumer finance securitisation operation – Nostrum Consumer Finance, plc – for the amount of €400 million.

Decree Law no. 69/2004 of 25 March made several alterations to commercial paper legislation, such as the increased flexibility of issue requirements, contributing to market buoyancy.

CaixaBI continued to be one of the principal commercial paper market operators in 2004. The portfolio agencied by the bank comprised 55 programmes totalling €4,416 million at year end. 393 issues were made under these programmes, comprising accumulated placements of €14 billion. CaixaBI reinforced the programmes portfolio led and agencied by it during the course of the year with a further seven programmes totalling €2,435 million.

Since early October, CaixaBI's approach to this instrument has involved an active market role in correcting eventual market efficiency problems, deriving from offer surpluses, concentration on unsecured commercial paper and the daily offer of secondary positions and liquidity guarantees. This new approach resulted in a general lowering of spreads, increased participation by a number of customers and volumes subscribed and the beginning of commercial paper placements and issues based on investors' interests.

2004 was marked by CaixaBI's start-up as a Euronext Lisbon market making operator as the first Portuguese banking institution to enter into liquidity provider contracts with Euronext on Portuguese

stockmarket listed shares. This gives CaixaBI the role of protecting its customers' securities from market volatility, guaranteeing trading at any time and increasing the volume of trading, contributing to increasing capital market transparency and capitalisation.

The first agreement on COFINA shares was followed, in 2004, by another on NOVABASE shares. Further contracts are expected to be entered into, in 2005, pursuant to which CaixaBI's expertise in these operations has been afforded due recognition.

The sensitising of customers, particularly larger customers, to the advantages of obtaining a rating from internationally recognised agencies is another of the bank's priorities in the capital debt market. In this area, reference should be made to the year 2004 completion of the international rating advisory procedures for Parpública, in which the company was awarded the same rating as that of the Portuguese Republic (AA/Aa2 from S&P and Moody's, respectively) in addition to ANA (A2 from Moody's). CaixaBI also provided advisory services to another important domestic corporation in obtaining an international rating (currently in progress).

Competition

CGD faces intense competition in virtually all of its business areas. There is no particular key competitor for its deposit-taking business in Portugal, although CGD takes account of the rates and terms offered by other deposit-taking banks and it follows market trends in the Portuguese deposit-taking sector.

Group banks operating in other jurisdictions follow similar policies. In Portugal, CGD's principal competitors for housing loans are Millenium BCP, Banco Santander Totta, Banco Espírito Santo and Banco BPI.

Capital

CGD has a share capital of €2,950,000,000 fully subscribed by the Portuguese Government and fully paid. CGD's shares, including those to be issued in future capital increases, may only belong to the Portuguese Government and are held by the Directorate General of the Treasury.

The following table sets out the capital position of CGD and the Group, with their risk-weighted assets and Tier 1 capital ratio being calculated in accordance with the requirements of the Bank of Portugal:

| | CGD | | Group | |
|--|--|-----------|----------------------|-----------|
| | As at 31st December, | | As at 31st December, | |
| | 2003 | 2004 | 2003 | 2004 |
| | (EUR millions, except for percentages) | | | |
| 1. Total own funds ((a)+(b)+(c)) | 3,911.5 | 3,737.0 | 3,756.6 | 4,182.6 |
| (a) Base own funds | 3,425.4 | 3,030.1 | 2,882.5 | 2,790.8 |
| Share Capital | 2,450.0 | 2,950.0 | 2,450.0 | 2,950.0 |
| Issue Premium | — | 300.0 | — | 300.0 |
| Reserves and Retained Earnings | 1,104.5 | 873.9 | 431.7 | 190.7 |
| Fund for general banking risks | 106.8 | — | 112.1 | 7.5 |
| Net income | 213.3 | 285.4 | 320.4 | 448.5 |
| Minority interest | — | — | 34.5 | 292.5 |
| Deductions(1) | (449.3) | (1,379.2) | (466.2) | (1,398.3) |
| (b) Complementary own funds | 1,648.4 | 1,878.5 | 1,893.1 | 1,873.4 |
| Revaluation Reserves | 301.2 | 301.2 | 301.2 | 301.2 |
| Subordinated Liabilities | 1,347.2 | 1,577.3 | 1,592.2 | 1,572.2 |
| (c) Deductions..... | (1,162.3) | (1,171.6) | (1,019.3) | (481.6) |
| 2. Risk-Weighted credit assets | 40,859.4 | 40,797.4 | 43,242.6 | 44,682.9 |
| 3. Solvency ratio (1/2)(2) | 9.6% | 9.2% | 8.7% | 9.4% |
| Tier 1 ratio | 8.4% | 7.4% | 6.7% | 6.2% |
| 4. Solvency Ratio (BIS)(3) | 10.5% | 10.2% | 9.8% | 10.4% |

Notes:

(1) Deductions for this purpose are CGD's intangible assets, goodwill and others.

(2) Solvency ratio calculated in accordance with Bank of Portugal rules.

(3) Solvency ratio calculated in accordance with Basel Committee.

The consolidated solvency ratio, as at 31st December, 2004 computed in accordance with official Bank of Portugal rules was 9.4% (as against 8.7% in the preceding year) and was higher than the minimum 8% required by the supervisory authorities, evidencing CGD's maintenance of adequate financial structure indicators. In conformity with BIS rules, the solvency ratio was 10.4%.

Financial strength is also expressed by consolidated TIER 1 (based own funds over weighted assets), of 6.2%, as at 31st December, 2004. This was higher than the internationally acceptable minimum.

Banking Subsidiaries Activities

Banco Simeón (Spain)

In a context of narrowing intermediation margins and very aggressive competition from the principal banks and "Cajas", Banco Simeón continued to concentrate on a commercial approach geared to its traditional operating segments, i.e. corporate and individual customers' banking.

Based on its definition of strategic guidelines, Banco Simeón took several important steps to consolidate a new customer commercial management system, having succeeded in achieving greater harmonisation and rationalising planning and monitoring systems.

In corporate banking terms, Banco Simeón's customer base continued to attract relevant business groups in Spain. The fact that many such companies have commercial and investment ties with Portugal bears witness to CGD Group's penetration of this important bilateral business segment between Portugal and Spain.

In parallel and as in previous years, Banco Simeón has continued to collaborate with public entities, professional associations and business development organisations in Spain, pursuant to which several funding and differentiated financial services agreements have either been entered into or renewed for the purpose of promoting development and the technological renovation of the business environment in the bank's various operating regions.

2004 was marked by the continuation of a strategic relaunch and an in-house bank restructuring procedure for the implementation of a pre-retirement plan.

In activity terms, there was a 5.7% increase to €1,761 million, in loans and advances to customers over the same period last year, particularly comprising an increase of around 18% in mortgages. Overdue credit was significantly down at around 0.9% of total credit in comparison to the end of 2003 figure of 1.2%.

Customers' resources continued to be negatively affected by low interest rates and strong deposit taking competition from banks and "Cajas".

Interest-earning assets in credit institutions continued to fall, pursuant to CGD Group treasury reorganisation.

The negative change in securities portfolios derived from lower capital market activity and various asset disposals, following the sale of the Lusogest and Lusopeniones fund managers.

The decrease in treasury operations and narrowing of the overall average business intermediation margin led to a significant fall of around 14% in net interest income which contributed to a level of net losses of €11.7 million.

Banco Comercial e de Investimentos (Mozambique)

2004 was marked by general and presidential elections on 1 and 2 December. Mozambique's economy continued to grow at a good rate, with estimated GDP growth of 8.4% as against the year 2003 figure of 7.1%. Several major projects, such as natural gas processing in Pande and Temane, coming on stream in 2004, made a significant contribution to this large growth. Inflation in 2004 was estimated at 9.1%.

The metical appreciated in value, in 2004, against the principal foreign currencies by 20.8% over the US dollar and 14.3% over the euro.

Interest rates on central bank securities and treasury bonds fell throughout 2004. The 6 months' maturity periods decreased from 13.5% in January to 11% in December.

The bank had total assets of 8,662 billion meticais (€336 million) at end December 2004, recording local currency growth of 5.7%. Shareholders' equity increased by 9.7%.

There was 12.9% growth in the credit portfolio and an equally favourable, albeit slightly lower, 6.6% growth in the deposits portfolio.

BCI Fomento earned net income of MZM 133 billion meticais (around €5.2 million) in 2004. Although the amount was similar to last year's figure of 135.6 billion meticais, its translation into euros comprises an increase of 14.6%, owing to the metical's appreciation.

Banco Interatlântico (Cape Verde)

Cape Verde has enjoyed a good economic performance, notwithstanding the country's structural environment, which is highly exposed to external risks. GDP growth of 5.5%, recorded in 2004 was essentially fuelled by private consumption in a situation of low inflation (1%).

From a financial sector viewpoint, a contractionist monetary policy and budget control had a constraining effect on the evolution of activity through a more moderate growth of general lending, containment of public sector finance and high cash reserves.

Banco Interatlântico, with a network of four branches, strengthened its market intervention, both corporate and with individual customers, having succeeded in generating a substantial 28.5% increase in the volume of lending and 21.4% increase in customer resources.

Net income was €226,000 up over the same period last year to €794,000 with a return on equity of 11.7%.

Banco Comercial do Atlântico (Cape Verde)

BCA is the leading Cape Verde bank with a market share of around 53% in terms of lending and 63.8% in deposits (Source: Banco of Cabo Verde). It is also the reference bank in terms of Cape Verde emigration, processing more than 50% of emigrants' remittances.

There was a 6.4% increase in BCA's net assets. Reference should be made to the 18.6% increase in its securities portfolio and 4.4% in loans and advances to customers. Reference should also be made to the 7.2% increase in customer deposits to €336 million, 90% of which comprising liabilities repayable on demand.

Net income was 48% down over last year to €1.9 million, generating a 12% return on shareholders' equity.

Banco Nacional Ultramarino, SA (Macao)

Macao's economic performance, in 2004, was excellent. GDP growth was estimated at 25%, on the back of income from tourism (gambling, hotels and retail) and the good economic performance of mainland China based on a 35% increase in exports. Chinese exports are expected to maintain their growth rate in the next few years, owing to the WTO's elimination of export quotas from January 2005.

Notwithstanding expectations of a cooling-off period for the Chinese economy in 2005, deriving from administrative measures (credit plafonds, construction licences and plant erections) which have led international financiers to consider a possible revaluation of the Renmimbi and its exchange rates, GDP growth for 2005 is still expected to be between 7%-8% as against a year 2004 estimate of 9%.

The Economic Partnership Agreement between Macao and mainland China, exempting a wide range of Macanese exports to the Chinese market from customs duties, in addition to greater flexibility shown by the Chinese authorities in authorising individual visits and residence visas to citizens from mainland China, have helped to increase the number of visits by Chinese tourists to Macao. These, together with major tourism and gambling industry development (new casinos and hotels) projects, have been the main contributory factors behind the marked growth of the territory's economy in 2004.

Owing to the smallness of the local market and the highly competitive banking system, BNU continued to target its commercial strategy at the dominant tourism and gambling associated industries in 2004. This involved either involvement in funding current major projects or diversifying products and services in the individual customers' area, thus altering the credit portfolio's traditional structure. This portfolio has, over many years, been based on financial and commercial support to local textiles companies, which have made less use of

credit owing to excessive liquidity and the delocation of manufacturing plants to inland China owing to cheaper labour costs.

Notwithstanding this overbanking situation and the highly competitive environment in Macao, BNU has adopted a pro-active approach to its relationship with new customers in tourism and gambling industries, particularly through the sale of products and services generating a highly significant impact on the bank's other operating income.

BNU has achieved a 107.4% increase in mortgage lending in a property market, where demand for housing exceeds supply. This translates increased demand, low interest rates, the appearance of new jobs created by the dominant tourism and gambling industries and a comprehensive commercial strategy, exploiting a market niche comprising mainland Chinese interested in establishing residence in Macao.

2004 saw a significant 15% increase in deposits, which now represent 80% of the bank's assets. This not only translates increased activity in tourism, gambling and public works, but also the good commercial and institutional relationship BNU has succeeded in maintaining in the territory.

The 15.7% increase in net operating income to €22.4 million, over the same period 2003, contributed to a 40% increase in net income to €7.3 million over the preceding year (local currency).

Investment Banking

Caixa-Banco de Investimento, SA

Caixa-Banco de Investimento (CaixaBI) is CGD Group's investment banking platform, articulating its operations with all of Caixa's commercial, financial and international structures, particularly its Major Companies (DGE) and Financial Markets (DMF) Divisions.

CaixaBI recorded a highly significant 36.4% increase of €287 million in assets growth in 2004, comprising a 43% increase in loans and advances to customers and a 27% increase in credit institutions and bonds portfolios.

This translated into a highly significant 43% increase in net operating income, particularly originated by commissions, to €43.6 million, over 2003. There was also a 68.7% increase in cash flow to €28.2 million, enabling credit portfolio provisions increases. Net income increased by 7.4% over 2003, to €19 million.

CaixaBI continued to internationalise its operations in 2004, opening a branch in Madrid, starting-up international cover with the back-up of CGD Group's branch network, headquartered in Luxembourg and formalising a partnership with Macao's Seng Heng Bank.

In the project finance area, CaixaBI participated in the project finance for the Pampilhosa da Serra and Serra dos Candeeiros wind farms with ENERSIS and the construction of the central coastal (Mira-Marinha Grande) and Via Expresso (Madeira) motorways with BRISA, in addition to Spanish market road concession and wind farm projects.

CaixaBI was heavily involved in the corporate private debt market, achieving a €2.4 billion portfolio of commercial paper programmes led and agencied by the bank. Reference should be made, in the primary bond market, to its role as joint lead manager for PARPÚBLICA's first international issue for the amount of €500 million.

CaixaBI consolidated its corporate share market lead by participating in such major operations as EDP's capital increase and 5th privatisation stage and SEMAPA's take-over bid for PORTUCEL.

In financial advisory terms, CaixaBI topped the M&A ranking in Portugal (Source: Bloomberg League Tables). Special reference should be made to its advisory services for SEMAPA Group's acquisition of 30% of

the share capital of PORTUCEL, pursuant to the company's 2nd reprivatization stage, in addition to CGD Group's acquisition of Seguros e Pensões' non-bancassurance business from BCP.

In the brokerage area, CaixaBI commenced its operations as a "remote member" of the Paris, Amsterdam and Brussels stockmarkets, completing the migration process on the Euronext cash market. The Portuguese derivatives market also migrated to the pan-European Liffe connect platform where the bank became a market member. CaixaBI also became a Euronext Lisbon market maker and was the first Portuguese institution to enter into liquidity provider contracts with Euronext for Portuguese stockmarket listed securities.

CaixaBI's total stockmarket intermediation of €6.6 billion, in 2004, was 29% up over the preceding year. Its market share of Euronext Lisbon, measured by turnover was 6%, coming 7th out of the 40 market members.

CGD Group's venture capital operations, performed by Caixa Capital and Caixa Desenvolvimento, SGPS, analysed 75 investment projects/opportunities, investing €18 million in various sector companies, particularly renewable energies.

Insurance

CGD Group entered into an agreement for the acquisition of the Império Bonança and Seguro Directo Gere insurance companies, in July 2004. The business was formalised by holding company Caixa Seguros, SGPS's January 2005 acquisition of Império Bonança, SGPS, which is the holding company for the referred to insurance companies.

Subordinated to Caixa Seguros, SGPS, CGD Group's insurance area equity investments also include the Fidelidade-Mundial, Via Directa and Cares companies. Fidelidade-Mundial operates under its own tradename with its own branch offices, brokers, banking and postal channels. Via Directa commercialises motor insurance by telephone and internet under the "OK! Teleseguro" tradename. Cares provides assistance to customers of CGD Group and other groups' insurance companies. Reference should be made, in the healthcare area, to the HPP – Hospitais Privados de Portugal, SGPS holding company which manages a network of hospitals and clinics.

The performance of domestic insurance activities, in 2004, was positive and principally based on growth of life insurance sales. There was an 11% increase in direct insurance premium sales in Portugal to €10 billion, comprising a 16% increase of €6 billion in life and a 4% increase of €4 billion in non-life insurance.

Notwithstanding the importance of traditional mediation and brokerage channels, bancassurance's dynamism led to a further reinforcement of this channel's importance in companies' distribution structures which are the channels best geared to life insurance sales.

There was a 7.3% increase in the volume of direct insurance premiums written by CGD Group in Portugal and abroad in 2004, to €2.2 billion over the preceding year. Life insurance sales increased 14.7% to €1.2 billion with non-life insurance remaining at €1 billion.

CGD Group came second in total and life insurance sales in the domestic ranking at end 2004, with market shares of 19.6% and 18%, coming first in non-life insurance with a share of 21.8%.

Companhia de Seguros Fidelidade – Mundial, SA

The Fidelidade and Mundial-Confiança companies merger schedule, upon which work began in September 2002, culminated, in 2004, with the launch of a single "Fidelidade Mundial" tradename with a new image and logo for Companhia de Seguros Fidelidade-Mundial.

There was a 7.2% increase in Fidelidade-Mundial's annual sales in Portugal and abroad, over 2003, to €2.1 billion. Life insurance grew 14.7% to €1.2 billion and non-life insurance remaining at €1 billion.

The insurance company's sales in Portugal increased by 8.3% to around €2 billion, comprising a 14.2% increase in life insurance sales to €1.1 billion and non-life insurance with €896 million. Increases in life insurance sales derived from higher group life, retirement and capitalisation insurance sales, comprising 55.4% of life insurance. Non-life insurance sales increases derived from civil liability, fire and other damages and motor insurance, representing 50.1% of the total.

Steps to increase cross-selling translated into a 12.3% growth in life insurance sold on CGD's branch network and a 20.5% growth of non-life insurance. This channel represents 74.6% of the company's national life insurance sales.

Foreign operations totalled €118 million (€36 million life and €82 million non-life insurance) comprising 5.5% of the company's overall activity. Foreign sales were 9.4% down owing to more exacting risk analyses on motor insurance in CGD's Spanish branch.

Fidelidade-Mundial's foreign operations are performed by branches in Spain, France and Macao. Reporting to the branch in France, sales of non-brand tied insurance services were made in Luxembourg, Belgium and Italy. Non brand-tied services in Timor report to the Macao branch.

The direct insurance claims rate, net of reinsurance, on Fidelidade-Mundial's consolidated operations improved to 75.5%, translating the reduction in both life and non-life claims rates. Life insurance recorded the most marked decrease at 5.1 p.p. to 75.6%, owing to the lower proportion of the volume of maturity periods and redemptions on capitalisation products.

Owing to the company's increased activity, technical provisions, net of re-insurance were 7.6% up to €6.5 billion and balance sheet assets by 10.8% to €6.8 billion. Provisions cover increased by 3 p.p. to 104.3%.

There was a 17.4% increase of €118 million in the insurance company's consolidated shareholders' equity, at end 2004, to €796 million.

Fidelidade-Mundial's non-consolidated net income was €90m, with consolidated net income of €91 million, recording growths of 55.7% and 51.3%, respectively.

Asset Management

The asset management area in 2004 performed against a backdrop of world economic recovery, the continuation of interest rates at all-time lows and a significant reduction of bond yields during the course of the year. Performance on domestic and international capital markets was positive, starting in 2003, with a 12.6% increase in the value of the PSI, the principal European share indices appreciated in value by around 7% and European bond indices also generated relevant gains.

This evolution fuelled the growth of unit trust funds with a 7% increase over 2003 in total amounts under management to €24.4 billion in Portugal, at end 2004.

Indexed bond and treasury funds continued to dominate the funds market in Portugal, accounting for a joint proportion of around 70%, although with different levels of performance, as bond funds recorded an increase of around 10%, in comparison to a reduction of around 5% in the case of treasury funds. Reference should also be made to the huge increase in special investment funds owing to the creation of new funds in this category.

There was also a notable 20.5% increase in property funds under management in Portugal in 2004, to total €7.1 billion. This mostly derived from the low risk attached to this type of product in tandem with higher returns in comparison to bank deposits and bonds.

The amount of pension funds under management was heavily penalised, at year end, by the transfer of the ANA, NAV, INCM pension funds and a part of the CGD employees pension fund to Caixa Geral de Aposentações, representing an overall amount of around 9% of the total amount of pension funds management in Portugal.

There was an 11% increase, over 2003, in assets under management and advisory services at year end to €17.4 billion and the positive evolution of different assets classes translated market conditions. An exception was the decrease in pension fund assets management owing to the transfer of a part of the CGD employees pension fund to the CGA (Decree Laws no. 240-A/2004 and 241-A/2004) for compliance with budget deficit established under the SGP (Stability and Growth Pact).

Reference should also be made to the fact that, to improve CGD Group's response times to customers' needs and reinforce organisational synergies, the Caixa Gestão de Patrimónios portfolio was transferred to Caixagest, which was given responsibility for discretionary portfolio management together with its unit trust fund management activities. Caixa Gestão de Patrimónios was extinguished.

Work continued, overseas, on the rationalisation of Caixa Group's unit trust fund offers, with the liquidation, on 19 July 2004, of CGD's Luxembourg fund manager, an investment company with variable capital (SICAV), and its three component funds, whose unit trust fund subscribers were reimbursed. The management company was then extinguished on 30 December 2004.

Also in the case of foreign operations, Banco Simeón sold off unit trust investment fund and pension fund manager, Lusogest and Lusopensiones subsidiaries, respectively, in June as a result of the bank's referred to current strategic redefinition.

Assets Managed by the Group

| | 2003 | 2004 |
|---|-----------------------|----------------------|
| | (EUR millions) | |
| In Portugal: | | |
| Unit trust investment funds (Caixagest) | 4,541 | 4,654 |
| Property funds (Fundimo) | 650 | 793 |
| Pension funds (CGD Pensões)..... | 2,655 | 1,819 ⁽¹⁾ |
| Wealth management (Caixagest) – discretionary management ⁽²⁾ | 1,083 | 2,853 |
| Wealth management (CGP) – advisory ⁽²⁾ | 237 | 218 |
| Insurance portfolios | 6,367 | 7,099 |
| Abroad: | | |
| Unit trust investment funds (CGD Luxembourg) | 22 | — |
| Unit trust investment funds (Lusogest) | 167 | — |
| Pension funds (Lusopensiones) | 28 | — |
| Total | 15,750 | 17,436 |

(1) Including part of the assets to be transferred to CGA under Decree Law no. 241-A/2004, with an extension to the transfer period to end 2005.

(2) Under Caixa Gestão de Partimónios management and advisory services in 2003.

Specialised Credit

With the aim of improving its competitiveness and leveraging synergies between specialised credit companies and the bank's network, Imoleasing, Locapor and Lusofactor were merged with Caixa Empresas de Crédito, SGPS, at year end, which company, was made into a financial credit institution called Caixa Leasing e Factoring – IFIC.

CGD Group also reinforced its presence in the specialised credit area, in 2004, through Caixa Participações, SGPS's acquisition of 11% of the share capital of Caixa Crédito, SFAC, still held by a minority shareholder, following which CGD Group achieved full control of this company.

Financial leasing activities, in Portugal, progressed favourably, with positive increases of 36% in property and 23% in equipment leasing operations. There was also, in turn, a 21% increase in the factoring sector and a 9% increase in consumer finance over 2003.

CGD Group's specialised credit companies' global operations were highly favourable.

Property leasing sales were around 10% up over the preceding year, comprising a 7% increase in loans and advances to customers. Net operating income increased by 15%, generating net income of €6.1 million at year end.

The increase in equipment leasing sales was also particularly appreciable, both as regards amounts and number of contracts, with 23% and 17% respectively. Net income at €4.7 million was more than double the year 2003 figure.

Sales in the factoring area were also reasonably dynamic, with growth of 19% and a significant increase of 35% in net income.

Lastly, in the consumer finance area, Caixa Crédito, entered into contracts for the amount of €22 million, comprising €18 million in traditional and €4 million in revolving credit. The company's net income was 5% up over 2003 at €1.3 million.

Total Group sales are summarised below:

| | <u>2003</u> | <u>2004</u> |
|---------------------------------------|------------------------|-------------|
| | (EUR thousands) | |
| Locapor (equipment) | 216,578 | 252,583 |
| Imoleasing (property) | 188,486 | 205,987 |
| Lusofactor (factoring) | 1,631,380 | 1,945,798 |
| Caixa Crédito (consumer credit) | 26,596 | 22,021 |

Recent Developments

At the end of June 2005, CGD launched the structured product “Renda Mais 2005/2015”, subordinated cash bonds totalling €105 million in its retail customer base. This issue was not considered in the calculation of capital ratios as at 30th June 2005.

In July 2005, CGD announced its intention to sell its stake in Unibanco and Unibanco Holdings. This transaction took place in September 2005 and was made through a public offer. The value of the sale totalled €536.8 million.

Electronic Distribution Channels

In 2004, CGD continued to endeavour to improve its self-service banking facilities and their direct use by promoting the use of appropriate automation facilities for banking operations using electronic media, with the aim of converting from a “transactional” to a “relationship” bank, providing customers and the banking business with added value.

Caixautomática and Multibanco networks has played a relevant complementary role in branch terms. CGD’s private in-house cash machine system – CAIXAUTOMÁTICA – plays a vital role in automating routine transactions, increasing efficiency and leeway for branches’ commercial operations.

This network was technologically upgraded and reinforced, totalling at the end of 2004, 2,334 installations (20% up over last year).

There was a 5% increase in the total number of Caixa assisted automatic Multibanco ATM network machines, shared with SIBS, to 1 675 or a market share of 16.6%, particularly in the case of ATM installations in non-banking locations to exploit convenience sites such as companies, railway stations, hospitals, universities, petrol stations and major retail outlets, with a growth of around 15% and whose relative proportion increased from 45% to 49% of total installations.

There was an 11% increase in the size of the automatic payment terminal network in 2004 in comparison to 2003. In management terms, reference should be made to the reformulating of the business model, with the aim of reducing communications costs and modifying the pricing structure, in an endeavour to cover CGD’s costs as a terminal support bank.

The Caixadirecta telephone banking service provides customers with a broad range of operations, in terms of account information and usage, mortgage and personal credit simulations and information on CGD products. It also provides customers with an English and, starting in 2004, a French and Spanish IVR (Interactive Voice Response) facility.

CaixaDirecta recorded a significant increase in new subscriptions during the course of the year, with customer growth of around 25% and an approximate 16% increase in transactions.

Customers’ acceptance of this service is exemplified by the 25% increase in the total number of active contracts over the preceding year and the more than 60% increase in the number of operations performed.

There was a 50% increase in mobile internet Caixadirecta WAP service contracts, over the preceding year. The service enables CGD customers to access their accounts using WAP equipped mobile phones, with the same level of security as the online service. Operations include the stockmarket, consultations, payment for services and credit cards, transfers, requests for cheques, information on Caixagest fund listings and card-related operations.

The Caixadirecta SMS mobile banking service was launched at the beginning of the year. The service enables individual customers to use text messaging for banking operations on their accounts.

There was another significant increase of around 45% in the number of CaixaDirecta Invest online brokerage service contracts in 2004, together with an increase of around 54% in the number of successfully completed operations, over 2003.

In the corporate segment, Caixa e-banking continues to introduce new functionalities such as foreign exchange information, direct debits and a new form of navigation. Enhancements particularly include the possibility of paying the new municipal property and various other taxes.

Although this transactional growth derived from an increase in the number of subscribers, it was particularly due to the service's growing functional attractiveness deriving from continuous upgrades and the introduction of new functionalities since its May 2002 inception.

The service benefited from a major advertising campaign in 2004, with the objective of securing new customers and promoting current customer usage.

There was a significant 41% increase in the number of customers and 60% increase in transactions.

The <cgd.pt> site has accompanied the bank's banking activities, providing relevant information and a major impetus to current campaigns. According to data supplied by Marktest, Caixa's site was the most consulted during the whole of the year with 345 000 "unique" users (i.e. "hits") in the third quarter of this year.

A pilot Corporate TV trial was organised in 13 branches. This multimedia contents transmission system, using screens installed in branch windows and in waiting/reception areas enables qualitative improvements to be made to communication with Caixa customers.

Reference should be made, in this area, to the May inception of the CGD Automobile Channel on the <fastaccess.pt> site, which systemises financial solutions for motorists' requirements, including a consumer finance and leasing simulator.

Caixa provides its Bolsa CaixaImobiliário internet service on www.cgd.pt and in 116 multimedia kiosks located in branches, shopping and events centres, with information on mortgage-related products and services.

Employees

The total number of employees for the Group as a whole, as at 31st December, 2004, was 18,444 employees, of which 13,629 were engaged on banking operations and 2,397 from Fidelidade-Mundial.

Relationship with Portuguese Government

CGD is exclusively owned by the Portuguese Government and is regulated by general and specific regulations applicable to credit institutions and legislation applicable to public limited companies. The public nature of CGD is expected to be maintained and reinforced in the current context of the Portuguese financial system. CGD has complete autonomy in administrative and financial matters.

CGD's corporate objects are the performance of banking operations pursuant to the terms defined in its articles of association and subject to the scope of the limitations defined in applicable legislation. CGD provides the Portuguese Government with banking services in competition with other banks. CGD is additionally able to undertake any other functions which have been specifically given to it by law, the manner and terms of which are defined in contracts entered into with the Portuguese Government.

The rights of the Portuguese Government as shareholder are exercised by a representative appointed in a regulation issued by the Portuguese Minister of Finance.

Analysis of Consolidated Accounts for the 1st Half 2005

Income Statement

There was a 38.3 per cent year-on-year growth of €84.7m in net income at the end of the first half to €305.4m. The figures have already been adjusted for the IAS/IFRS standards, in force since 01 January and respective comparisons with the corresponding figures using the same criteria in 2004.

There was a 40 per cent increase of €114.5m over June last year in income before tax and minority shareholders' interests to €400.5m.

There was a 15 per cent increase of €160.8m in total operating income (including insurance), to €1 232.3m, over last year. This income derived both from a 10.1 per cent increase of €74.8m in net interest income and a 25.8 per cent increase of €86m in other operating income. Insurance income of €280m accounted for around 22.7 per cent of total operating income.

Net interest income particularly included a 5.7 per cent growth of €39.3m in net interest and 65.8 per cent growth of €35.5m in income generated by capital instruments. Growth in such income particularly derived from dividends paid by EDP (up €19.9m, following a 4.8 per cent to 9.8 per cent equity investment increase) and Portugal Telecom (up €6.7m).

Other operating income particularly included the €52m growth in income generated by financial operations and 13.3 per cent growth of €23m in net commissions, in addition to the 65 per cent growth of €51.6m in insurance premiums written, net of commissions, claims costs and technical provisions.

Almost all of the income generated by subsidiary and associated companies, consolidated by the equity accounting method, derived from equity investments in REN-Rede Eléctrica Nacional (€11.2 m) and AdP-Águas de Portugal (€1.2 m).

Operating costs, in turn, increased by 10.1 per cent, in annual terms, particularly deriving from insurance operations, following the integration of Império-Bonança, on 01 January 2005. The increase in such costs was around 4 per cent in terms of CGD group's banking perimeter.

There was also a 13.1 per cent increase in employee costs owing to the integration of Império Bonança. Growth of employee costs in the banking area, not including insurance, was 6.8 per cent.

Impairment values, calculated under IAS, were €1.6m up over the preceding period to €96.4 m.

Income tax was €24.5m up in comparison to the same period last year to €88.1m, as a direct result of income growth, translating into a direct tax rate of 22 per cent, in comparison to the preceding year's 22.3 per cent.

Profit and Loss Accounts

| | PCSB(1)(a) As at 30th June, 2004 | IAS/IFRS As at 30th June, | | Change | |
|---|--|------------------------------|---------|--------|-------|
| | | 2004 | 2005 | Amount | % |
| (EUR million) | | | | | |
| Interest and similar income..... | 1,321.7 | 1,533.7 | 1,679.1 | 145.5 | 9.5 |
| Interest and similar costs | 707.0 | 848.7 | 954.8 | 106.1 | 12.5 |
| Restricted net interest income | 614.6 | 685.0 | 724.3 | 39.3 | 5.7 |
| Income from capital instruments | 39.3 | 53.9 | 89.4 | 35.5 | 65.8 |
| Net interest income | 653.9 | 738.9 | 813.7 | 74.8 | 10.1 |
| Commissions (net) | 174.3 | 173.2 | 196.3 | 23.0 | 13.3 |
| Income from financial operations (net) | (33.5) | (12.5) | 39.7 | 52.2 | |
| Insurance premiums and claims costs (net of reinsurance)..... | – | 79.3 | 130.9 | 51.6 | 65.0 |
| Other | 89.3 | 92.5 | 51.7 | (40.8) | -44.1 |
| Other operating income | 230.0 | 332.6 | 418.5 | 86.0 | 25.8 |
| Total operating income | 883.9 | 1,071.5 | 1,232.3 | 160.8 | 15.0 |
| Operating costs | 547.3 | 680.0 | 748.5 | 68.5 | 10.1 |
| Employee costs | 323.4 | 367.4 | 415.6 | 48.2 | 13.1 |
| Other administrative costs..... | 183.6 | 261.9 | 278.9 | 17.0 | 6.5 |
| Depreciation and amortisation | 40.3 | 50.7 | 54.0 | 3.3 | 6.5 |
| Gross income | 336.7 | 391.5 | 483.8 | 92.3 | 23.6 |
| Impairment | 96.0 | 94.8 | 96.4 | 1.6 | 1.7 |
| Provisions (net)..... | (6.5) | 17.2 | (0.4) | (17.6) | |
| Results generated by associated companies | 58.6 | 6.5 | 12.8 | 6.3 | 96.5 |
| Income before taxation and minority shareholders interests | 305.8 | 286.0 | 400.5 | 114.5 | 40.0 |
| Current and deferred taxation | 50.3 | 63.6 | 88.1 | 24.5 | 38.5 |
| Current | 50.3 | 59.8 | 56.6 | (3.3) | -5.4 |
| Deferred | – | 3.8 | 31.6 | 27.7 | 727.7 |
| Net income allocated to minority shareholders' interests | 1.5 | 1.6 | 6.9 | 5.4 | 346.3 |
| Consolidated Net Income | 254.1 | 220.8 | 305.4 | 84.7 | 38.3 |

(1) Adjusted to include productivity bonuses – a) PCSB: Portuguese Banking System Accounting Plan.

On the basis of these results, annualised first half profit and efficiency ratios are indicative of an improved economic situation:

Profitability and Efficiency Indicators

| | As at 30th June, | |
|---|------------------|------|
| | 2004 | 2005 |
| | (%) | |
| Return on equity – ROE ⁽¹⁾ | 18.8 | 17.3 |
| Return on assets – ROA ⁽²⁾ | 0.56 | 0.74 |
| Other operating income/total operating income | 31.0 | 34.0 |
| Employee costs/ total operating income | 34.3 | 33.7 |
| Cost-to-Income | 63.5 | 60.7 |

(1) Considering shareholders' equity at end of period.

(2) Considering net assets at end of period.

Balance Sheet

There was a 4.3 per cent increase in CGD group's net assets to €83.1bn, on a comparable basis with last year's figures. This figure includes a significant contribution of around €11.5bn from insurance, which represented 13.8 per cent of total assets.

The principal assets account heading of loans and advances to customers (net) registered a 6.5 per cent year-on-year increase to €48.1bn, at end June. There was also a 15.6 per cent year-on-year increase in the value of the securities portfolio from €16.6bn to €19.1bn. This was offset by a 37.5 per cent reduction of €4.6bn in loans and advances to credit institutions, owing to a reallocation to other assets, without affecting liquidity. The volume of liquid assets and loans and advances to credit institutions balance remained around €4.6bn higher than resources generated by the same source.

Growth in the loans and advances to customers account heading derived from the housing segment which, including securitised credit, increased by 8.4 per cent or €2,052m in Portugal, in the twelve months period ending June.

Balance Sheet

| | PCSB (a) | IAS/IFRS | | Change | | |
|--|-----------------|--------------------------|------------------|----------------|-------------|---|
| | | As at 30th June, 2004 | As at 30th June, | | Amount | % |
| | | 2004 | 2005 | | | |
| | | (EUR million) | | | | |
| Assets | | | | | | |
| Cash and Central Bank deposits | 1,097.1 | 1,104.1 | 1,410.0 | 305.9 | 27.7 | |
| Loans and advances to credit institutions | 11,619.8 | 12,136.5 | 7,582.6 | (4,553.9) | -37.5 | |
| Loans and advances to customers | 43,892.6 | 45,208.2 | 48,131.2 | 2,923.0 | 6.5 | |
| Securities and derivatives investments | 11,075.6 | 16,554.4 | 19,144.0 | 2,589.6 | 15.6 | |
| Investments in associated companies | 1,145.6 | 275.9 | 285.4 | 9.6 | 3.5 | |
| Investment properties | 1.7 | 248.2 | 284.8 | 36.7 | 14.8 | |
| Intangible and tangible assets | 972.2 | 1,130.0 | 1,364.1 | 234.1 | 20.7 | |
| Current tax assets | 18.3 | 22.1 | 5.1 | (17.0) | -76.8 | |
| Deferred tax assets | – | 339.7 | 383.4 | 43.7 | 12.9 | |
| Technical provisions on outwards reinsurance | – | 147.9 | 266.8 | 118.9 | 80.3 | |
| Other assets | 2,553.1 | 2,463.0 | 4,226.4 | 1,763.4 | 71.6 | |
| Total Assets | 72,376.0 | 79,629.8 | 83,083.8 | 3,454.0 | 4.3 | |
| Liabilities | | | | | | |
| Central banks' and credit institutions' resources | 4,893.5 | 4,894.9 | 4,422.1 | (472.8) | -9.7 | |
| Customer resources | 45,499.1 | 45,439.9 | 45,743.8 | 303.9 | 0.7 | |
| Other financial liabilities and derivatives | 479.6 | 509.2 | 701.8 | 192.6 | 37.8 | |
| Debt securities | 13,077.0 | 14,427.4 | 11,613.4 | (2,814.0) | -19.5 | |
| Provisions | 194.4 | 563.5 | 599.2 | 35.8 | 6.3 | |
| Technical provisions on insurance operations | – | 6,388.3 | 9,564.7 | 3,176.4 | 49.7 | |
| Subordinated liabilities | 1,621.5 | 1,621.5 | 1,545.4 | (76.1) | -4.7 | |
| Other liabilities | 2,790.0 | 3,418.6 | 5,341.4 | 1,922.8 | 56.2 | |
| Sub-total | 68,555.1 | 77,263.3 | 79,531.9 | 2,268.6 | 2.9 | |
| Shareholders' Equity | | | | | | |
| (including minority interests) | 3,820.9 | 2,366.5 | 3,551.9 | 1,185.4 | 50.1 | |
| Total Liabilities and Equity | 72,376.0 | 79,629.8 | 83,083.8 | 3,454.0 | 4.3 | |

a) PCSB: Portuguese Banking System Accounting Plan.

Loans and Advances to Customers

| | As at 30th June, | |
|--|------------------|--------|
| | 2004 | 2005 |
| | (EUR million) | |
| Loans and advances to customers (gross) | | |
| CGD in Portugal: | | |
| Housing (a) | 24,344 | 26,396 |
| Corporate and institutional | 14,716 | 14,617 |
| Other loans and advances to individual customers (a) | 703 | 982 |
| | 39,763 | 41,995 |
| Other GROUP branches | 6,636 | 7,513 |
| TOTAL | 46,399 | 49,507 |

(a) Includes securitised credit.

In the housing sphere, reference should be made to the amount of lending in the half year, totalling €2,224m, in comparison to €1,692m for the same period in 2004 or a 31.4 per cent increase, recording significantly greater activity in comparison to preceding years.

There was a 13.2 per cent growth of around €7.5bn in lending by other group branches in the period in question to comprise around 14 per cent of group lending.

The consolidated non-performing loans rate on loans and advances to customers, calculated under Bank of Portugal rules, was around 2.8 per cent at the end of the half-year.

The overdue to total credit ratio was 2.5 per cent as against 2.6 per cent in June last year. The provisions (June 2004) and impairment (June 2005) coverage ratios on total overdue credit were 97.5 per cent and 113.1 per cent, respectively.

The balance on the securities investments account was 15.7 per cent up over June 2004 to €19bn. Around 46 per cent of the total was accounted for by insurance companies' investment operations:

| | As at 30th June, | |
|----------------------------|------------------|--------|
| | 2004 | 2005 |
| | (EUR million) | |
| Banking operations | 10,537 | 10,351 |
| Insurance operations | 5,921 | 8,695 |
| TOTAL | 16,458 | 19,046 |

The investments in associated companies balance, comprising financial investments consolidated by the equity accounting method, totalled €285.4m. The most relevant companies were REN, Águas de Portugal and SIBS.

Tax assets totalled €388.5m, of which amount €383.4m comprised deferred taxes.

On the liabilities side, reference should be made to the 2.9 per cent increase in institutional and customers' resources taken by the group to €79.3bn, with a slight growth of €304m in deposits and a strong 49.7

per cent increase of €3.2m in insurance technical provisions. There was also a positive improvement of 18.1 per cent in off-balance sheet resources to €10.8bn.

Resources Taken by Group

| | As at 30th June, | |
|-------------------------------------|------------------|--------|
| | 2004 | 2005 |
| | (EUR million) | |
| CGD GROUP balance sheet: | | |
| Customer resources | 45,440 | 45,744 |
| Debt securities | 14,427 | 11,613 |
| Subordinated liabilities | 1,622 | 1,545 |
| Sub-total | 61,489 | 58,902 |
| Insurance technical provisions..... | 6,388 | 9,565 |
| Sub-total | 67,877 | 68,467 |
| Off-balance sheet resources | | |
| Unit trust funds | 5,148 | 5,755 |
| Pension fund | 2,747 | 1,444 |
| Wealth management..... | 1,250 | 3,598 |
| Sub-total | 9,145 | 10,797 |
| TOTAL | 77,022 | 79,264 |

Shareholders' equity was €1.2bn up over June 2005 to €3.6bn, owing mainly to the increase in share capital and issue premium (€800m), increase in net income for the year (€100m).

Shareholders's Equity

| | As at 30th June, | |
|--|------------------|-------|
| | 2004 | 2005 |
| | (EUR million) | |
| Share capital..... | 2,450 | 2,950 |
| Reserves and retained earnings | (599) | 3 |
| Minority shareholders' interests | 295 | 294 |
| Net income for the year | 221 | 305 |
| TOTAL | 2,367 | 3,552 |

Regulatory Framework for Accounts Consolidated under the new IAS/IFRS Standards

Under European Parliament and the Council Regulation no. 1606/2002 of 19 July, companies whose securities (shares and/or bonds) have been admitted to trading in a regulated market of any member state, should prepare their consolidated accounts in conformity with the International Financial Reporting Standards (IAS/IFRS) for each year beginning on or after 01 January 2005.

The Bank of Portugal transposed the referred to standards into national law and established the national reporting model for entities subject to its supervision, under Notice no.1/2005.

As the said dispositions apply to CGD, its first and the second quarter 2005 consolidated financial information has been produced on the basis of the application of the IAS/IFRS.

The referred to regulations, except for IAS 32 (disclosure and presentation of financial instruments), 39 (recognition and measurement of financial instruments) and IFRS 4 (insurance contracts) also require the submission of comparable information for 2004.

Therefore, taking into account the referred to comparability of consolidated financial statements, CGD has converted its financial statements for 31 March and 30 June 2004 to IAS/IFRS except for the effect of the above referred to standards, whose values have remained and recognised under the rules of the PCSB (Portuguese Banking System Accounting Plan).

CGD's consolidated financial statements for 31 March and 30 June 2005 (prepared in conformity with IAS/IFRS) are therefore not directly comparable with the corresponding values disclosed in 2004, which were prepared on the basis of PCSB rules set out in Bank of Portugal "Instructions" nos. 4/96 and 71/96.

In terms of non-consolidated accounts, the Bank of Portugal, in its Circular Letter no. 102/04/DSBDR of 23 December 2004, determined that the non-consolidated financial statements for 2005 and following years of credit institutions with listed securities should be prepared in conformity with the "Adjusted Accounting Standards" ("NCA").

The "NCA-Adjusted Accounting Standards" reflect IAS/IFRS accounting recognition and measurement principles, except for the following areas which will continue to be regulated by the Bank of Portugal, i.e.:

- The valorisation and provisioning of loans and advances to customers, which will continue to comply with similar principles to those previously contained in the PCSB;
- Deferral of the impact of the transition adjustment, regarding employee benefits;
- Restrictions on the application of several options permitted under IAS/IFRS – e.g. the Bank of Portugal does not authorise the use of fair value measurement for fixed assets for own use.

Principal Impacts of the Transition to IAS/IFRS on Consolidated Accounts

Beginning of the regular use of the IAS/IFRS required transition adjustments to assets, liabilities and shareholders' equity. The following are, inter alia, several of the changes on shareholders' equity resulting from the introduction of the IAS/IFRS:

- **Fair value of securities and investments portfolio.** Investment securities and equity investments portfolios (excluding subsidiary and associated companies) have been reclassified to financial assets designated at fair-value through profit or loss and available-for-sale financial assets. The IAS/IFRS stipulate that the securities classified in these categories must be recorded at their fair value, permitting the recognition of potential capital gains and losses. Under PCSB standards while not permitting the recognition of potential capital gains, part of the potential capital losses on financial investments should be provided for. The Unibanco and Unibanco Holdings investments, previously recognised by the equity accounting method, were reclassified as investment securities under IAS/IFRS.
- **Credit impairment.** Whereas PCSB standards required specific overdue credit provisions to be set up (depending on the length of the default) and generic provisions for outstanding loans, the IAS/IFRS stipulate the recognition of credit impairment based on estimated recoverable value of impaired loans discounted at the loan's effective interest rate.

- **Intangible and tangible assets.** The IAS/IFRS determine the recognition of impairment on these assets when an estimate of the non-recoverable value of the investment exists. Assets, which did not meet the requirements for recognition as intangible assets under IAS/IFRS, had to be reclassified, and adjustments were made to the depreciation rates of tangible and intangible assets.
- **Full consolidation of insurance operations.** IAS/IFRS determine the full consolidation of the insurance companies. Insurance companies in the case of the PCSB were recognised by the equity accounting method.
- **Accruals of Commission.** Under PCSB standards commissions on credit operations and other financial instruments were recognised on collection. Under IAS/IFRS, commissions associated with financial instruments which are not considered payment for the provision of services are recognised as income over the lifetime of the referred to operations.
- **Hedging derivatives portfolio.** IAS/IFRS determine that all derivatives (including hedging derivatives) should be recognised at their fair value. If the requirements for the application of hedge accounting as defined by IAS 39 are met, the impact of changes in the fair value of the derivative is offset by the recognition of changes in the fair value of the hedged items.
- **Consolidation of SPE.** Under IAS/IFRS, the SPEs (“Special Purpose Entities”) over which the bank exercises control or the respective risks and benefits are substantially attributable to the bank, are to be consolidated (including entities constituted under the terms of securitisation operations).
- **Liability for retirement pensions and other employee benefits.** Under IAS/IFRS, retirement pensions liabilities are calculated on the bases of actuarial market assumptions; IAS/IFRS also determine the recognition of liabilities for other post employment benefits. CGD calculated its pensions liabilities as at 31/12/2003 and 31/12/2004 in accordance with the assumptions required by IAS/IFRS. CGD chose to “reset” deferred costs and the corridor as yet unrecognised on the income statement by charge to reserves.
- **Deferred tax assets.** Deferred tax assets, which were not recognised under the scope of the PCSB, are now recorded provided that it is probable that future taxable profit will be generated, which may absorb the temporary deductible differences (including tax losses).

The application of IAS/IFRS to CGD accounts as at 1 January 2005, resulted in a reduction of €125.1 million in shareholders’ equity.

Transition Adjustments

| | (€ thousand) |
|---|--------------|
| Consolidated shareholders' equity as at 31.12.2004 | 2,997,583 |
| Securities and equity investments portfolio | 15,962 |
| Reclassification of Unibanco and Unibanco Holding equity investments | 256,751 |
| Loans and advances to customers | (47,182) |
| Intangible assets | (19,046) |
| Tangible assets..... | (20,531) |
| Insurance technical provisions | (41,212) |
| Loan commissions..... | (87,036) |
| Derivatives | 13,121 |
| SPE consolidation – securitisation | 5,948 |
| Pensions and other employee benefits | (483,761) |
| Net deferred tax assets | 292,884 |
| Other adjustments | (10,750) |
| Consolidated shareholders' equity, as at 01.01.2005, after adjustments | 2,872,531 |

CGD's and other Group companies' external auditors have not, as yet, validated the quantification of the impacts. Taking this aspect into consideration and the fact that the transition adjustments to be included in the consolidated accounts as at 31 December 2005 should be in conformity with the standards in force as at the said date, the amounts presented above should be considered preliminary and subject to change.

Management

The following are the members of the Board of Directors (“Conselho de Administração”) of CGD, the business address of which is CGD’s head office:

| Name | Title | Position in other corporations, if any |
|--|---------------|--|
| Carlos Jorge Ramalho dos Santos Ferreira | Chairman | |
| António Manuel Maldonado Gonelha..... | Vice-Chairman | Chairman of the Board of Directors of Imocaixa – Gestão Imobiliária, SA, Vice-Chairman of the board of Directors of Caixa Seguros SGPS, SA and Chairman of the Board of Directors of SIBS – Sociedade Interbancária de Serviços, SA and Chairman of the Board of Directors of Unicre – Cartão Internacional de Crédito, SA |
| José Joaquim Berberan Santos Ramalho | Member | Chairman of the General Assembly of CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA, Chairman of the Board of Directors of Caixa – Gestão de Activos, SGPS, SA and member of the Board of Directors of Caixa – Banco de Investimento, SA. |
| Vítor Manuel Lopes Fernandes | Member | Chairman of the Board of Directors of Companhia de Seguros Fidelidade-Mundial, SA, Chairman of the Board of Directors of Império Bonança, SGPS, SA, and Chairman of the Board of Directors of Império Bonança – Companhia de Seguros, SA and Vice-Chairman of Caixa Seguros SGPS, SA. |
| Carlos da Silva Costa..... | Member | Chairman of the Board of Directors of Banco Nacional Ultramarino, SA, Chairman of the Board of Directors of Bandeirantes, SGPS, SA, Chairman of the Board of Directors of Caixa Internacional, SGPS, SA, Member of the Board of Directors of Caixa – Banco de Investimento, SA. and Adviser of Unibanco Holdings, SA. |
| Maria Celeste Ferreira Lopes Cardona | Member | |
| Norberto Emílio Sequeira da Rosa | Member | |
| Armando António Martins Vara..... | Member | Chairman of the Board of Directors of Sogrupu IV – Gestão de Imóveis, ACE. |
| Francisco Manuel Marques Bandeira | Member | Member of the Board of Directors of Caixa Crédito – SFAC, SA, and Member of the Board of Directors of Caixa Leasing e Factoring – IFIC, SA. |

By Decree-Law no. 287/93 of 20th August, 1993, CGD must at all times be controlled by the Portuguese Government. CGD may, on a contractual basis, undertake special functions considered to be of national interest.

There are three bodies responsible for CGD, the Board of Directors, the General Assembly and the Fiscal Unico. Members of each are selected by the Portuguese Government. The Board of Directors is composed of nine members, a President, one or two Vice-Presidents and five to seven executive directors. The Board is responsible for the management, administration and representation of CGD. The Portuguese Government is represented by the Ministry of Finance in the General Assembly. The Fiscal Unico assists in the preparation of CGD's own and the consolidated accounts.

DESCRIPTION OF THE ISSUER

General

Caixa Geral Finance Limited (“CGF”) was incorporated on 10th March, 2004 in the Cayman Islands and was registered with registration number 133630 as an Exempted Company with limited liability under the Companies Law (2003 Revision) of the Cayman Islands. The Issuer has been incorporated for an indefinite period. It has its registered office at P.O. Box 309GT, Uglan House, Southchurch Street, George Town, Grand Cayman, Cayman Islands (telephone number: +1 345 949 8066). The authorised share capital of the Issuer is €250,001,000. 1,000 ordinary shares of par value EUR 1 each have been issued and fully-paid. CGF is a wholly-owned direct subsidiary of CGD.

Business

CGF acts as an overseas finance vehicle of CGD. The objects for which CGF was established are unrestricted and pursuant to Clause 3 of its Memorandum of Association include, inter alia, to carry on the business of a finance and investment company.

Directors

The Directors of CGF are as follows:

| <u>Name</u> | <u>Position in other corporations</u> |
|---|--|
| Alberto Manuel Sarmiento Azevedo Soares | Group General Manager – Financial Markets Division of Caixa Geral de Depósitos, S.A. |
| Filomena Raquel da Rocha Rodrigues Pereira de Oliveira | General Manager – Financial Markets Division of Caixa Geral de Depósitos, S.A. |

The business address of the Directors is: DMF-Direcção de Mercados Financeiros, Av João XXI, nr. 63, 1st Floor, 1000-300 Lisbon, Portugal.

Capitalisation of Caixa Geral Finance Limited

The following table sets out the short-term liabilities, long-term liabilities and stockholders' equity of CGF as at 31st December 2004 and as at 30th June 2005.

| | As at 30th June 2005 | As at 31st December 2004 |
|----------------------------------|-------------------------|--------------------------------|
| | (in EUR) | (in EUR) |
| Short-term liabilities | 3,634 | – |
| Long-term liabilities | – | – |
| | <u>3,634</u> | <u>–</u> |
| Share capital: | | |
| Paid-up Capital | 250,001,000 | 250,001,000 |
| Not paid-up Capital..... | 49,000 | 49,000 |
| Reserves | – | – |
| Retained earnings | 101,461 | – |
| Net profit for the year | 3,818,146 | 3,811,461 |
| Total stockholders' equity | <u>253,969,607</u> | <u>253,861,461</u> |
| Total capitalisation | <u>253,973,241</u> | <u>253,861,461</u> |

Indebtedness

Since the date of its incorporation, CGF has not had outstanding any loan capital and has not incurred any other borrowings or indebtedness in the nature of borrowings and has no contingent liabilities or granted any guarantees.

General

- (i) Since 30 June, 2005, there has been no significant change in the trading or financial position of CGF.
- (ii) Since the date of incorporation, no financial statements of CGF have been published or audited.
- (iii) No transactions have occurred since incorporation of CGF other than (i) the allotment of 1,000 ordinary shares of par value EUR 1 each, the issue of €250,000,000 perpetual non-cumulative guaranteed preference shares on 28 June 2004 and the Preference Shares as described in this Offering Circular; and (ii) the execution of the Subscription Agreement and the Agency Agreement as described in this Offering Circular.
- (iv) No potential conflicts of interest exist between any duties to CGF of the persons on the board of directors, as listed above on page 86, and their private interests or other duties in respect of their management roles.

DESCRIPTION OF CAIXA GERAL DE DEPÓSITOS, FRANCE BRANCH

History

Caixa Geral de Depósitos was created as a state bank by legislative charter (“Carta de Lei”) of 10th April, 1876 with the principal functions of collecting and administering legally required or judicially ordered deposits and issuing and managing government debt. It gradually expanded its operations to become a savings and investment bank. Caixa Geral de Depósitos was transformed into a corporation of public capital in Portugal (“sociedade anónima de capitais exclusivamente públicos”) on 20th August, 1993, for an unlimited period of time by Decree-Law no. 287, when its name was changed to Caixa Geral de Depósitos, S.A. (“CGD”). Presently it operates as a universal bank and is subject to the legislation applicable to Portuguese financial institutions. It has its registered office at 83, Avenue Marceau, 75116 Paris, France (telephone number: +33 140 695 447).

France Branch

CGD’s operations in Paris commenced with the opening of a branch in 1974. In 2001 the Group completed its restructuring process for its French operations pursuant to which Banque Franco Portugaise was merged into Caixa Geral de Depósitos and its assets absorbed by the France branch of CGD (“CGDFB”). The two institutions were officially merged on 26th of October, 2003.

Business

CGDFB is mainly focused on the domestic Portuguese and French customer market, as well as on fostering the development of cross-border transactions between French and Portuguese companies.

Historically, it has played an important role in giving Portuguese corporates access to the euromarket and in raising foreign exchange funding for medium-sized companies engaged in trade related activities.

CGDFB’s total net assets were €11,963 million as at 30th June, 2005.

The table below provides a summary of financial information for CGDFB as at and for the years ended 31st December, for each of the years set out and the six months ended 30th June, 2005:

| | As at 31st December, | | As at |
|---|-----------------------------|-------------|------------------|
| | 2003 | 2004 | 30th June |
| | 2005 | | |
| | (EUR thousands) | | |
| Total assets (net)..... | 12,629,686 | 12,979,797 | 11,963,267 |
| Loans and advances to credit institutions (gross) | 10,020,544 | 10,221,765 | 9067,404 |
| Loans and advances to customers (gross) | 1,775,216 | 1,803,494 | 1,878,044 |
| Securities (gross) | 775,108 | 770,914 | 876,483 |
| Amounts owed to credit institutions | 5,763,064 | 5,527,673 | 4,629,800 |
| Deposits | 1,183,788 | 1,257,337 | 1,380,180 |
| Shareholders’ equity | 752,344 | 1,002,835 | 1,092,585 |
| Cash flow | 12,782 | 20,910 | 16,392 |
| Net income for the year | 3,075 | 3,567 | 6,502 |

General

No potential conflicts of interest exist between any duties to CGD of the persons on the board of directors, as listed above on page 84, and their private interests or other duties in respect of their management roles.

THE PORTUGUESE BANKING SYSTEM

The Portuguese financial system has undergone a steady process of deregulation and liberalisation since 1983 which has resulted in important structural and operational changes. The most significant measures include the opening of the banking system to private entities and the privatisation process (initiated in 1989), the opening of the banking system to foreign competition, the gradual lifting of restrictions on capital movement and the implementation of legislation which brings Portuguese banking regulations into line with EC legislative practice.

Regulations governing financial institutions have undergone a series of amendments since 1991 to reflect the changes to the financial system. In particular, the “New Banking Law” of December 1992 (Decree-Law 298/92 of 31 December 1992, as amended) introduced a comprehensive regulatory framework to bring Portugal into line with EC directives.

This included the abolition of the distinction between investment and commercial banks, the creation of the distinction between credit institutions (*instituições de crédito*) and financial companies (*sociedades financeiras*) the establishment of prudential and supervisory rules, a new regulation for foreign banks operating in Portugal and Portuguese banks operating abroad including the adoption of the EU passport and the creation of a deposit guarantee fund to protect depositors.

The most extensive amendment to the New Banking Law, dated 26 September 2002, introduced a number of new financial entities – *sociedades de garantia mútua; instituições de moeda electrónica; sociedades gestoras de fundos de titularização de créditos; instituições financeiras de crédito* – as well as a set of new rules on several matters including relevant participations.

These changes to the banking environment have increased competition in the Portuguese banking market and have led to an expansion of domestic branch networks, an increase in the number of banks and the development of other financial institutions (such as investment funds and leasing companies), along with a broader range of products on offer. In addition, the possibilities for bank expansion, both in terms of geography and business activity, have increased.

The privatisation process and the increasingly competitive environment have given rise to a number of acquisitions among Portuguese banks and the establishment of Portuguese financial groups, more cross-selling initiatives, an increased focus on the expanding market for personal loans, mortgages and credit cards in Portugal, more frequent advertising campaigns, competitive pricing strategies and cost control programmes.

Between 1994 and 1996, there was a series of take-overs which transformed the Portuguese banking sector, which previously fell under the control of five financial groups representing more than 80 per cent. of the total sector assets: the Group (100 per cent. owned by the Portuguese Government), Banco Comercial Português/Atlântico Group, Mundial Confiança Group (also known as the Champalimaud Group), Espírito Santo Group and Banco Português de Investimentos.

After a period during which these takeovers were being integrated, and once the difficulties connected with the introduction of the single currency were overcome, the consolidation wave has renewed. Already in 2000 the number of significantly sized Portuguese groups was reduced to four, with the extinction of the Mundial Confiança Group and the consequent reinforcement of the participation agreement between the BCP/BPA Group (which, after the merger with Banco Mello, purchased Banco Pinto & Sotto Mayor (“BPSM”)) and the Santander Group (which purchased Banco Totta & Açores and Crédito Predial Português).

The Group had a crucial intervention in the acquisition process and the subsequent sale of the several institutions belonging to the Mundial Confiança Group, as well as ensuring that Mundial Confiança Insurance Company was kept in the Group and Banco Totta & Sotto Mayor de Investimento (a small investment bank, which belonged to the MC Group), now named Caixa Banco de Investimento.

Within the conveyance agreement for the sale of BPSM, CGD and BCP have also established bases for co-operation between the two institutions which will promote the activity of the two groups in the foreign markets, regardless of actual competition between them in the domestic market.

This new wave of mergers and take-overs has changed the relationship between the financial groups operating in the country. In most business indicators, the market share of the four main Portuguese groups, together with Santander, is now over 80 per cent. and the market share of the two leading groups (BCP and CGD) is over 50 per cent. Therefore, Portugal has a very high level of banking concentration, well above the European average.

For example, in Spain and France the five main banks represent 40 per cent. of the market, while Germany's five main banks account for just 17 per cent. Until very recently, only Finland and Holland had higher concentration levels than Portugal.

Parallel to this wave of consolidation, a new universal banking model philosophy is being introduced by several groups in the banking business.

These groups have in fact been extending their business to areas with growth potential and/or those sectors which still benefit from significant margins, and they now operate in most financial areas such as insurance, asset management, leasing and factoring.

There have also been continued efforts made by the Portuguese banks to improve their competitiveness through permanent technological and organisational innovation, ensuring a quick use of new technologies and their widespread use in banking transactions. Accordingly, investment has been intensified in the areas of telephone banking, automated teller machines (ATM's), the treatment of information and home banking and there has been a move towards global partnerships with telecommunication companies, primarily in order to take advantage of the growth potential of electronic trade on the Internet.

Several Portuguese groups are already operating through electronic channels in the different areas of this business and they are already benefiting from on-cost reductions in their operations.

In fact, the relative importance of operational costs on banking income has registered a decreasing trend over the last years.

There is a gradual growth of the geographic coverage by the expansion of the branch network. The number of branches in Portugal was 5,312 at the end of December 2004. It should nevertheless be noted that this growth has not been followed by a corresponding increase in number of employees, which has in fact decreased, reflecting the growing investment in operational rationalisation.

There has been a remarkable expansion of the ATM and direct debit payment terminals network and Portugal is above the European average in the number of ATMs per million citizens and number of per capita transactions in ATMs and POSs.

Banking Regulation in Portugal

The Bank of Portugal has extensive supervisory and regulatory powers in relation to all credit and deposit-taking institutions in Portugal. Portuguese banks are subject to capital adequacy ratios conforming with EU Directives regarding the establishment of common standards for the measurement of capital, risk-weighted assets and commitments. However, there are some minor differences between EU requirements and the Bank of Portugal's approach, the latter imposing more onerous requirements in respect of the accounting treatment of overdue loan loss and pension fund provisions.

There are specific regulations regarding the need for regular audits by the Bank of Portugal, a specified accounting plan, limits on large exposures, minimum levels of provisions for loan losses and investments and

mandatory contribution to the deposit guarantee fund. Compliance is monitored through periodic inspections and regular reviews of financial statements and returns.

CGD is regulated solely by applicable banking laws and the Bank of Portugal. It must comply with the regulations issued by the Bank of Portugal and the general regime governing credit institutions and financial companies under Decree Law 298/92 of December 1992 as amended. The principal rules with which the Group and all Portuguese banks must comply include the following:

(a) *Solvency ratio*

CGD's own funds must correspond to at least 8 per cent. of its total risk-weighted assets and off balance sheet contingent liabilities and its Tier 1 capital must not be less than 4 per cent. of this amount. As at 31 December, 2004, the Group's own funds corresponded to 9.4 per cent. of its total risk-weighted assets and off balance sheet contingent liabilities and its Tier 1 capital represented 6.2 per cent. of such amount.

(b) *Limitations on credit risk concentration*

Exposure is classified as a large exposure where the liabilities of a counterparty (or such counterparty's group) represent 10 per cent. or more of CGD's own funds. As a general rule, the total exposure to a counterparty (or such counterparty's group) should not exceed 40 per cent. and 25 per cent. respectively of CGD and the Group's own funds and the global value of large exposures cannot be greater than twelve and eight times respectively, the amount of such own funds. As at 31 December 2004, the referred to limits were not exceeded.

(c) *Limitations on credit risk concentrations in relation to own funds*

The direct and indirect substantial shareholding stakes held by CGD in the share capital of entities other than credit institutions, financial companies, financial institutions, management companies of pension funds and insurance companies should not exceed 15 per cent. (individually) and 60 per cent. (in aggregate) of CGD's own funds. A shareholding stake will be considered substantial whenever it enables its holder to exercise a significant influence in the management of the relevant company to which such shareholding stake respects. Such significant influence is presumed to exist in cases where the shareholding stake represents at least five per cent. of the relevant company's share capital or voting rights. The shareholding stakes which are held for the account of any third parties or which are temporarily held in the context of an underwriting transaction will not be considered for the above purposes. As at 31 December 2004, the Group did not hold any significant direct or indirect substantial shareholding stake which exceeded such limit.

(d) *Limitations on substantial shareholdings in relation to the share capital of certain companies*

The direct and indirect substantial shareholding stakes to be held for three years or more by CGD in companies other than financial and insurance companies (as well as certain financial and insurance related companies) may not exceed 25 per cent. of the voting rights corresponding to such companies' share capital. As at 31 December 2004, the Group did not hold any significant direct or indirect substantial shareholding stake which exceeded such limit.

(e) *Fixed assets*

The global value of fixed assets (net of depreciation and provisions) excluding the elements deducted to calculate CGD's own funds cannot exceed the value of those funds. As at 31 December 2004, the global value of CGD's net fixed assets exceeded their own funds in €217.9 million. The Group did not exceed such limit.

(f) *Limitations on share portfolio and other equities not classified as fixed assets*

The total value of shares or other equities of any entity not classified as fixed assets cannot exceed 40 per cent. of the own funds of CGD. As at 31 December 2004, the total value of the Group's equity portfolio not classified as fixed assets represented 10.4 per cent. of its own funds.

TAXATION

The comments below are of a general nature based on current law and practice in each jurisdiction referred to. They relate only to the position of persons who are the owners of their Preference Shares and may not apply to certain classes of persons such as dealers. Any holders who are in doubt as to their personal tax position should consult their professional advisers.

Taxation in the Cayman Islands

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Shares under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

1 UNDER EXISTING CAYMAN ISLANDS LAWS:

1.1 Payments of dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of Shares nor will gains derived from the disposal of their Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

1.2 Registered Shares

No stamp duty is payable in respect of the issue of the Shares or on an instrument of transfer in respect of a Share.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions**

In accordance with the provision of Section 6 of The Tax Concession Law (1999 Revision), the Governor in Cabinet undertakes with Caixa Geral Finance Limited "the Company".

- 2 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 3 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - 3.1 On or in respect of the shares, debentures or other obligations of the Company; or
 - 3.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 23 March 2004

Taxation in Portugal

Under current Portuguese law, payments made by the Bank, acting through its France branch under the Subordinated Guarantee to a Holder of a Preference Share who is not a resident of Portugal for Portuguese tax purposes will not be subject to any Portuguese income, capital transfer, wealth, estate, gift, inheritance or other tax or duty.

Taxation in the United Kingdom

The following deals with the United Kingdom withholding taxation treatment at the date hereof in relation to payments of any dividends in respect of the Preference Shares. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Preference Shares.

UK Withholding Tax on Dividends

The Issuer will not be required to withhold tax at source when paying a dividend.

SUBSCRIPTION AND SALE

BNP Paribas, Merrill Lynch International and Caixa-Banco de Investimento, S.A. (the “Managers”) have, pursuant to a Subscription Agreement (the “Subscription Agreement”) dated 29 September 2005, agreed to subscribe or procure subscribers for the Preference Shares at the issue price of €1,000 per Preference Share. The Issuer has agreed to pay a combined management, underwriting and selling commission to BNP Paribas and Merrill Lynch International and will reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Preference Shares. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

The total expenses related to the admission of the Preference Shares to trading on the London Stock Exchange was approximately EUR 2,545,000.

Save as discussed in this section, so far as the Issuer is aware, no person involved in the offer of the Preference Shares has an interest material to the offer.

United States

The Preference Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Preference Shares (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Preference Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preference Shares within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Preference Shares within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has further represented, warranted and undertaken that:

- (a) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and
- (b) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, or, in the case of the Bank would not, if it was not an authorised person, apply to the Issuer or the Bank.

Portugal

Each Manager has represented and agreed that no document, circular, advertisement or any offering material in relation to any Preference Shares has been approved by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*). Any public offer of Preference Shares pursuant to

the Portuguese Securities Code (*Código dos Valores Mobiliários*) is subject to previous registration before the Portuguese Securities Market Commission. Pursuant to the Portuguese Securities Code the private placement in Portugal or near Portuguese residents of Preference Shares by public companies (*sociedades abertas*) or by companies that are issuers of securities listed on a market needs to be notified to the Portuguese Securities Market Commission for statistical purposes. Each Manager represents and agrees that it shall comply with all applicable laws and regulations in force in Portugal and with the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, regarding the placement of any Preference Shares in the Portuguese jurisdiction or to any entities which are resident in Portugal, including the publication of a Prospectus, when applicable, and that such placement shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Cayman Islands

Each Manager has represented and agreed that no invitation will be made to the public in the Cayman Islands to subscribe for or purchase any Preference Shares, whether directly or indirectly.

European Economic Area

In relation to the Member States of the European Economic Area which have implemented the Prospectus Directive (each, a “Relevant Member State”), the Managers represent and warrant to the Issuer and CGD that with effect from and including the date on which the Prospectus Directive is implemented in any such Relevant Member State (the “Relevant Implementation Date”) it has not made and, will not make an offer of any Preference Shares to the public in any such Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of any Preference Shares to the public in any such Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of any Preference Shares to the public” in relation to any Preference Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

With the exception of the approval by the FSA of this Offering Circular as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no action has been or will be taken in any jurisdiction by the Issuer, the Bank or any Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer, the Bank and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

The issue of the Preference Shares was duly authorised by a resolution of the Board of Directors of the Issuer dated 23 September 2005 and the giving of the Subordinated Guarantee was duly authorised by a resolution of the Board of Directors of the Bank dated 23 September 2005.

Listing

Application has been made to list the Preference Shares on the London Stock Exchange.

Clearing Systems

The Preference Shares have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS0230957424 and the Common Code is 023095742.

No significant change

There has been no significant change in the financial or trading position of the Issuer, except for the issue of €250,000,000 perpetual non-cumulative guaranteed preference shares on 28 June 2005, since 10 March 2004 and there has been no material adverse change in the financial position or prospects of the Issuer since 10 March 2004.

There has been no significant change in the financial or trading position of the Group since 30 June 2005 and there has been no material adverse change in the financial position or prospects of the Group since 30 December 2004.

Litigation

There are no nor have there been any governmental, legal or arbitration proceedings involving the Issuer or the Group nor is the Issuer or the Group aware of any such proceedings which are pending or threatened, which may have or have had during the twelve months prior to the date of this Offering Circular significant effects on the Issuer's or the Group's financial position or profitability.

Accounts

The auditors of the Bank are Deloitte & Associados, SROC S.A. ("Deloitte"). Deloitte have audited the unconsolidated financial statements of the Bank and the consolidated financial statements of the Group for the financial years ended 31 December 2003 and 2004.

Documents

Copies of the following documents will be available from specified office of the Paying and Transfer Agent for the time being in London so long as any of the Preference Shares remains outstanding:

- (a) the Articles of Association of the Issuer and the constitutional documents (including the Articles of Association) of the Bank (with an English translation thereof);
- (b) the unconsolidated and consolidated audited financial statements of the Bank in respect of the financial years ended 31 December 2003 and 31 December 2004 (with an English translation thereof);

- (c) the most recently published annual financial statements of the Bank (when available) and the most recently published unaudited interim financial statements of the Bank (with an English translation thereof); and
- (d) the Subscription Agreement, the Agency Agreement and the Subordinated Guarantee.

Appendix One

FINANCIAL STATEMENTS IN RESPECT OF THE BANK INDEX TO FINANCIAL STATEMENTS

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G. Financial Statements

Caixa Geral de Depósitos, SA

Balance Sheet as at 31 December 2003

(Non-consolidated) ^(*)

| ASSETS | Notes (a) | 2003 | | | 2002 |
|---|--------------|-----------------------|--------------------------------|-----------------------|-----------------------|
| | | Gross | Provisions and Depreciation | Net | Net |
| 1. Cash and Central Bank deposits | 3 | 9 017 490 606 | | 9 017 490 606 | 1 956 151 219 |
| 2. Sight deposits with credit institutions | 4 | 871 241 104 | | 871 241 104 | 704 723 013 |
| 3. Other loans and advances to credit institutions | 5 | 7 530 482 924 | 34 244 294 | 7 496 238 630 | 6 672 220 879 |
| 4. Loans and advances to customers | 6 | 40 667 304 110 | 771 787 610 | 39 895 516 500 | 40 338 282 508 |
| 5. Bonds and other fixed-income securities | | 6 779 758 682 | 373 532 681 | 6 406 226 001 | 5 822 016 710 |
| <i>a) Bonds and other fixed-income securities issued by government entities</i> | 7 | 2 867 804 308 | 2 582 342 | 2 865 221 966 | 2 533 308 573 |
| <i>b) Bonds and other fixed-income securities issued by other entities</i> | 7 | 3 911 954 374 | 370 950 339 | 3 541 004 035 | 3 288 708 137 |
| <i>Of which: Own bonds</i> | | | | | |
| 6. Shares and other variable-yield securities | 7 | 529 830 590 | 32 598 543 | 497 232 047 | 355 940 673 |
| 7. Participating interests | 8 | 2 484 541 109 | 86 553 111 | 2 397 987 998 | 2 717 156 515 |
| 8. Investments in subsidiary companies | 8 | 1 475 074 696 | 68 768 533 | 1 406 306 163 | 1 389 686 362 |
| 9. Intangible assets | 11 | 263 266 086 | 126 366 171 | 136 899 915 | 94 620 081 |
| 10. Tangible fixed assets | 12 | 1 467 759 404 | 731 754 652 | 736 004 752 | 751 730 265 |
| <i>Of which: Property</i> | | 896 143 023 | 278 828 411 | 617 314 612 | 640 847 675 |
| 13. Other assets | 13 | 1 523 618 154 | 41 236 961 | 1 482 381 193 | 1 497 316 259 |
| 15. Prepayments and accrued income | 14 | 1 446 150 106 | | 1 446 150 106 | 1 748 495 484 |
| TOTAL | | 74 056 517 571 | 2 266 842 556 | 71 789 675 015 | 64 048 339 968 |

* Including domestic activity and that of France, London, Luxembourg, Monaco, New York, Grand Cayman, East Timor, Zhuhai and Madeira Offshore branches.

(a) These notes are set out in the chapter "Notes to the non-consolidated and consolidated financial statements".

Certified Public Accountant - João de Sousa Martins

(EUR)

| LIABILITIES AND SHAREHOLDERS' EQUITY | Notes (a) | 2003 | 2002 |
|---|--------------|-----------------------|-----------------------|
| 1. Amounts owed to credit institutions | | 14 424 681 503 | 10 732 502 491 |
| <i>a) Repayable on demand</i> | 15 | 1 223 492 150 | 740 685 569 |
| <i>b) Term or notice</i> | 15 | 13 201 189 353 | 9 991 816 922 |
| 2. Amounts owed to customers | | 41 197 293 570 | 41 168 731 591 |
| <i>a) Savings deposits</i> | 16 | 7 995 895 616 | 7 563 765 204 |
| <i>b) Other debts</i> | | 33 201 397 954 | 33 604 966 387 |
| <i>ba) Repayable on demand</i> | 16 | 13 949 884 200 | 14 828 998 000 |
| <i>bb) Term</i> | 16 | 19 251 513 754 | 18 775 968 387 |
| 3. Debt securities | | 8 215 229 048 | 4 500 017 566 |
| <i>a) Bonds issued</i> | 17 | 4 504 836 012 | 2 125 581 582 |
| <i>b) Other</i> | 17 | 3 710 393 036 | 2 374 435 984 |
| 4. Other liabilities | 18 | 493 578 843 | 309 657 722 |
| 5. Accruals and deferred income | 19 | 1 182 374 362 | 1 180 681 936 |
| 6. Provisions | | 396 558 941 | 442 830 721 |
| <i>a) Provisions for pensions and similar charges</i> | 20 | 427 496 | 1 053 611 |
| <i>b) Other</i> | 20 | 396 131 445 | 441 777 110 |
| 6A. Fund for general banking risks | 20 | 106 799 640 | 115 564 206 |
| 8. Subordinated liabilities | 21 | 1 357 240 810 | 1 355 627 810 |
| 9. Share capital | 23 | 2 450 000 000 | 2 450 000 000 |
| 11. Reserves | 23 | 1 104 530 148 | 840 158 136 |
| 12. Revaluation reserves | 23 | 301 179 077 | 301 179 077 |
| <i>Income before taxation</i> | 33 | 697 380 517 | 758 550 205 |
| <i>Corporate income tax</i> | 33 | 137 171 444 | 107 161 493 |
| 14. Net income for the year | 23 | 560 209 073 | 651 388 712 |
| TOTAL | | 71 789 675 015 | 64 048 339 968 |

| OFF-BALANCE SHEET ITEMS | Notes (a) | 2003 | 2002 |
|--|--------------|----------------|----------------|
| 1. Contingent liabilities | 24 | 9 043 881 093 | 9 581 882 794 |
| <i>Of which:</i> | | | |
| 1.1. <i>Acceptances and commitments</i> | | 194 350 | |
| 1.2. <i>Guarantees and other collateral assets</i> | | 2 803 175 591 | 3 374 591 292 |
| 1.3. <i>Other</i> | | 6 240 511 152 | 6 207 291 502 |
| 2. Commitments | 24 | 16 394 677 257 | 14 377 023 927 |
| <i>Of which:</i> | | | |
| 2.1. <i>Sales operations with repurchase agreement</i> | | | |
| 2.2. <i>Other</i> | | 16 394 677 257 | 14 377 023 927 |

Board of Directors**Chairman:**

António José Fernandes de Sousa

Deputy-Chairmen:

Carlos Alberto de Oliveira Cruz

Luis Fernando de Mira Amaral

Members:

Alexandre Manuel de Pinho Sobral Torres

Miguel José Pereira Athayde Marques

Fernando Miguel Sequeira

José Joaquim Berberan Santos Ramalho

Vitor Manuel Lopes Fernandes

Caixa Geral de Depósitos, SA
Income Statement for the year ended 31 December 2003
(Non-consolidated) ^(*)

| COSTS | Notes (a) | 2003 | 2002 |
|---|--------------|----------------------|----------------------|
| 1. Interest expenditure | 26 | 1 384 954 505 | 1 575 138 480 |
| 2. Commissions | | 48 855 183 | 49 953 226 |
| 3. Losses arising from financial operations | 27 | 5 858 234 015 | 4 201 269 283 |
| 4. General administrative expenses | | 811 853 780 | 794 211 427 |
| <i>a) Personnel costs</i> | 28 | 470 592 619 | 464 779 793 |
| <i>Of which:</i> | | | |
| <i>salaries and wages</i> | | 371 092 186 | 365 589 040 |
| <i>personnel welfare charges</i> | | 98 217 473 | 97 323 552 |
| <i>Of which:</i> | | | |
| <i>pensions</i> | | 40 491 173 | 41 877 800 |
| <i>b) Other</i> | 30 | 341 261 161 | 329 431 634 |
| 5. Depreciation | 11 and 12 | 79 462 396 | 79 222 700 |
| 6. Other operating costs | 31 | 8 802 811 | 39 542 597 |
| 7. Provisions for overdue credits and other risks | 20 | 551 983 077 | 851 637 031 |
| 8. Provisions for investments | 20 | 23 650 651 | 1 464 996 |
| 10. Net operating income | | 526 569 014 | 648 330 749 |
| 11. Exceptional losses | 32 | 133 097 648 | 84 846 686 |
| 12. Taxes | | 16 346 257 | 15 979 829 |
| <i>Income before taxation</i> | 33 | 697 380 517 | 758 550 205 |
| 13. Corporate income tax | 33 | 137 171 444 | 107 161 493 |
| 15. Net income for the year | 23 | 560 209 073 | 651 388 712 |
| TOTAL | | 9 614 620 840 | 8 451 816 460 |

* Including domestic activity and that of France, London, Luxembourg, Monaco, New York, Grand Cayman, East Timor, Zhuhai and Madeira Offshore branches.

(a) These notes are set out in the chapter "Notes to the non-consolidated and consolidated financial statements".

Certified Public Accountant - João de Sousa Martins

(EUR)

| INCOME | Notes (a) | 2003 | 2002 |
|---|--------------|----------------------|----------------------|
| 1. Interest income | 25 and 26 | 2 471 796 505 | 2 837 541 868 |
| <i>Of which:</i> | | | |
| <i>from fixed-income securities</i> | | 240 951 919 | 287 603 513 |
| 2. Income from securities | 25 | 88 600 389 | 74 387 228 |
| <i>a) Shares, quotas, and other</i> | | | |
| <i>variable-yield securities</i> | | 3 342 055 | 3 891 612 |
| <i>b) Participating interests</i> | | 64 770 150 | 69 301 235 |
| <i>c) Investment in subsidiary companies</i> | | 20 488 184 | 1 194 381 |
| 3. Commissions | 25 | 298 525 343 | 278 177 489 |
| 4. Gains arising from financial operations | 25 and 27 | 5 884 807 339 | 4 260 974 891 |
| 5. Reversal of provisions for credit granted, contingencies and commitments | 20 | 396 409 510 | 659 683 968 |
| 6. Reversal of provisions for other financial assets participating interests and investments in subsidiary companies | 20 | 11 984 422 | |
| 7. Other operating income | 25 and 31 | 142 241 924 | 130 005 045 |
| 9. Exceptional gains | 32 | 320 255 408 | 211 045 971 |
| TOTAL | | 9 614 620 840 | 8 451 816 460 |

Board of Directors**Chairman:**

António José Fernandes de Sousa

Deputy-Chairmen:

Carlos Alberto de Oliveira Cruz

Luis Fernando de Mira Amaral

Members:

Alexandre Manuel de Pinho Sobral Torres

Miguel José Pereira Athayde Marques

Fernando Miguel Sequeira

José Joaquim Berberan Santos Ramalho

Vitor Manuel Lopes Fernandes

Caixa Geral de Depósitos, SA
Non-consolidated Income Statement by Functions
for the years ended 31 December 2003 and 2002

(EUR million)

| | 2003 | 2002 |
|--|--------------------|--------------------|
| INTEREST AND SIMILAR INCOME | | |
| From liquid assets | 23 034 | 32 759 |
| From loans and advances to credit institutions | 251 730 | 231 151 |
| From domestic and foreign loans | 1 693 882 | 2 055 730 |
| From trading and investment securities | 242 342 | 289 974 |
| From overdue credit and interest | 33 599 | 37 930 |
| Other interest income | 227 210 | 189 998 |
| | 2 471 797 | 2 837 542 |
| INTEREST AND SIMILAR COSTS | | |
| From amounts owed to credit institutions | (273 310) | (364 853) |
| From deposits | (661 033) | (817 437) |
| Other interest expenditure | (450 612) | (392 848) |
| | (1 384 955) | (1 575 138) |
| NET INTEREST INCOME | 1 086 842 | 1 262 404 |
| OTHER INCOME | | |
| Income from securities | 88 600 | 74 387 |
| Commissions receivable | 298 525 | 278 177 |
| Gains arising from financial operations | 5 884 807 | 4 260 975 |
| Other | 142 242 | 130 005 |
| | 6 414 174 | 4 743 544 |
| OTHER COSTS | | |
| Commissions payable | (48 855) | (49 953) |
| Losses arising from financial operations | (5 858 234) | (4 201 269) |
| | (5 907 089) | (4 251 222) |
| OTHER OPERATING INCOME | 507 085 | 492 322 |
| NET OPERATING INCOME | 1 593 927 | 1 754 726 |
| OPERATING COSTS | | |
| Personnel costs | (470 593) | (464 780) |
| Other administrative expenses | (341 261) | (329 431) |
| Other | (25 149) | (55 523) |
| | (837 003) | (849 734) |
| OPERATING CASH FLOW | 756 924 | 904 992 |
| EXCEPTIONAL ITEMS | | |
| Exceptional gains | 320 256 | 211 046 |
| Exceptional losses | (133 098) | (84 847) |
| | 187 158 | 126 199 |
| TOTAL CASH FLOW | 944 082 | 1 031 191 |
| DEPRECIATION | (79 462) | (79 223) |
| PROVISIONS | | |
| Provisions created | (575 634) | (853 102) |
| Reversal of provisions | 408 394 | 659 684 |
| | (167 240) | (193 418) |
| INCOME BEFORE TAXATION | 697 380 | 758 550 |
| APPROPRIATION FOR INCOME TAX | (137 171) | (107 161) |
| NET INCOME | 560 209 | 651 389 |

Caixa Geral de Depósitos, SA

Non-consolidated Cash Flow Statements for the years ended 31 December 2003 and 2002

(EUR thousand)

| | 2003 | 2002 |
|---|--------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Cash flows from operating activities before changes in assets and liabilities | | |
| Interest, commissions and other similar income received | 2 962 219 | 3 200 779 |
| Interest, commissions and other similar costs paid | (1 458 948) | (1 637 224) |
| Recovery of principal and interest | 28 616 | 15 982 |
| Results from foreign exchange operations | (157 566) | 17 367 |
| Results from financial operations | 13 572 | (52 570) |
| Cash payments to employees and suppliers | (793 688) | (775 391) |
| Payments and contributions to pensions funds | (152 019) | (93 816) |
| Other income | 102 411 | 52 931 |
| | 544 597 | 728 058 |
| (Increases) decreases in operating assets: | | |
| Other loans and advances to credit institutions and to customers | (454 214) | (2 848 351) |
| Trading securities | (2 825 888) | 32 230 |
| Other assets and prepayments and accrued income | 236 085 | 768 950 |
| | (3 044 017) | (2 047 171) |
| (Increases) decreases in operating liabilities: | | |
| Amounts owed to credit institutions | 3 692 179 | (2 927 807) |
| Amounts owed to customers | 28 562 | 1 702 575 |
| Other debt securities | 1 335 957 | 1 526 375 |
| Other liabilities and accruals and deferred income | 146 089 | 63 352 |
| | 5 202 787 | 364 495 |
| Net cash from operating activities before taxation | 2 703 367 | (954 618) |
| Corporate income tax | (88 059) | (121 091) |
| Net cash from operating activities | 2 615 308 | (1 075 709) |
| INVESTING ACTIVITIES | | |
| Capital gains from the disposal of financial fixed assets | 207 572 | 159 145 |
| Capital gains from investment securities | 116 202 | 91 451 |
| Income from securities | 3 342 | 3 892 |
| Income from financial fixed assets | 85 258 | 70 496 |
| Capital losses from the disposal of financial fixed assets | (4 651) | (27 375) |
| Capital losses from securities | (15 952) | (23 524) |
| Net income from investing activities | 391 771 | 274 085 |
| (Increases) decreases in investing assets: | | |
| Financial fixed assets | 255 144 | (411 113) |
| Investment securities and securities held to maturity | 2 067 908 | 1 322 454 |
| Tangible and intangible fixed assets | (106 017) | (98 877) |
| | 2 217 035 | 812 464 |
| Net cash from investing activities | 2 608 806 | 1 086 549 |
| FINANCING ACTIVITIES | | |
| Interest on subordinated liabilities | (55 608) | (53 378) |
| Interest on bonds | (2 528) | (19 233) |
| Bonds issued | 2 379 254 | 28 161 |
| Issue of subordinated liabilities | 1 613 | 220 090 |
| Dividends paid | (318 987) | (313 542) |
| Net cash from financing activities | 2 003 744 | (137 902) |
| Net increase (decrease) in cash and cash equivalents | 7 227 858 | (127 062) |
| Cash and cash equivalents at beginning of year | 2 660 874 | 2 787 936 |
| Cash and cash equivalents at end of year | 9 888 732 | 2 660 874 |

Caixa Geral de Depósitos, SA

Source and Application of Funds Statement as at 31 December 2003 and 2002(*) (Non-consolidated)

| SOURCE OF FUNDS | 2003 | 2002 |
|---|------------------|------------------|
| From operations | | |
| Net income for the year | 560 209 | 651 389 |
| Costs not representing funds entries | | |
| Increase in provisions, net of reversals | 167 240 | 193 418 |
| Depreciation | 79 462 | 79 223 |
| Provisions set up against reserves | 40 391 | 62 988 |
| | 847 302 | 987 018 |
| Decrease in assets | | |
| Prepayments and accrued income | 302 345 | 3 458 |
| Loans and advances to customers | 224 429 | - |
| Participating interests and investments in subsidiary companies | 214 759 | - |
| Other assets | 8 487 | 720 300 |
| Sight deposits with credit institutions | - | 352 918 |
| Securities portfolio | - | 1 616 619 |
| | 750 020 | 2 693 295 |
| Increase in liabilities | | |
| Debt securities | 3 715 211 | 1 554 535 |
| Amounts owed to credit institutions | 3 692 180 | - |
| Other liabilities | 183 921 | - |
| Amounts owed to customers | 28 563 | 1 702 574 |
| Accruals and deferred income | 1 692 | - |
| Subordinated liabilities | 1 613 | 220 090 |
| | 7 623 180 | 3 477 199 |
| TOTAL | 9 220 502 | 7 157 512 |

* Notes 1 and 2.

(EUR thousand)

| APPLICATION OF FUNDS | 2003 | 2002 |
|---|------------------|------------------|
| Distribution of net income from previous year | 346 148 | 340 246 |
| Increase in assets | | |
| Cash and Central Bank deposits | 7 061 340 | 225 856 |
| Other loans and advances to credit institutions | 801 069 | 893 676 |
| Securities portfolio | 738 933 | - |
| Sight deposits with credit institutions | 166 518 | - |
| Fixed assets | 106 016 | 98 877 |
| Loans and advances to customers | - | 1 963 559 |
| Participating interests and investments in subsidiary companies | - | 474 100 |
| | 8 873 876 | 3 656 068 |
| Decrease in liabilities | | |
| Amounts owed to credit institutions | - | 2 927 808 |
| Accruals and deferred income | - | 225 730 |
| Other liabilities | - | 6 547 |
| | - | 3 160 085 |
| Entries carried out as against reserves | 478 | 1 113 |
| TOTAL | 9 220 502 | 7 157 512 |

Caixa Geral de Depósitos, SA

Consolidated Balance Sheet as at 31 December 2003

| ASSETS | Notes (a) | 2003 | | | 2002 |
|---|--------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | Gross | Provisions and Depreciation | Net | Net |
| 1. Cash and Central Bank deposits | 3 | 9 195 659 941 | | 9 195 659 941 | 2 128 056 393 |
| 2. Sight deposits with credit institutions | 4 | 915 977 059 | | 915 977 059 | 755 682 298 |
| 3. Other loans and advan. to credit institutions | 5 | 5 941 115 892 | 26 291 792 | 5 914 824 100 | 5 388 778 611 |
| 4. Loans and advances to customers | 6 | 45 006 439 383 | 912 755 076 | 44 093 684 307 | 44 366 980 748 |
| 5. Bonds and other fixed-income securities | | 7 521 671 490 | 374 759 296 | 7 146 912 194 | 6 515 796 844 |
| <i>a) Bonds and other fixed-income securities issued by government entities</i> | 7 | 3 273 806 276 | 2 684 770 | 3 271 121 506 | 2 823 465 695 |
| <i>b) Bonds and other fixed-income securities issued by other entities</i> | 7 | 4 247 865 214 | 372 074 526 | 3 875 790 688 | 3 692 331 149 |
| <i>c) Own bonds</i> | | | | | |
| 6. Shares and other variable-yield securities | 7 | 465 146 915 | 35 483 653 | 429 663 262 | 367 923 169 |
| 7. Investments in associated companies | 9 | 406 069 596 | | 406 069 596 | 336 931 412 |
| 8. Investments in subsidiary companies excluded from consolidation | 9 | 665 771 996 | | 665 771 996 | 580 749 924 |
| 9. Other investments | 10 | 2 219 982 309 | 89 488 390 | 2 130 493 919 | 2 468 336 397 |
| 10. Intangible assets | 11 | 312 694 357 | 163 287 125 | 149 407 232 | 102 225 493 |
| 11. Tangible fixed assets <i>(for Bank's own use)</i> | 12 | 1 632 183 813 <i>(981 188 815)</i> | 799 936 250 <i>(295 097 757)</i> | 832 247 563 <i>(686 091 058)</i> | 847 276 421 <i>(705 412 568)</i> |
| 16. Other assets | 13 | 776 331 733 | 47 225 299 | 729 106 434 | 700 000 068 |
| 17. Prepayments and accrued income | 14 | 1 562 576 123 | | 1 562 576 123 | 2 022 670 272 |
| TOTAL | | 76 621 620 607 | 2 449 226 881 | 74 172 393 726 | 66 581 408 050 |

(a) These notes are set out in the chapter "Notes to Non-consolidated and consolidated financial statements".

Certified Public Accountant - João de Sousa Martins

(EUR)

| LIABILITIES AND SHAREHOLDERS' EQUITY | Notes (a) | 2003 | 2002 |
|---|--------------|-----------------------|-----------------------|
| 1. Amounts owed to credit institutions | | 10 741 843 377 | 6 904 431 862 |
| <i>a) Repayable on demand</i> | 15 | 1 141 935 289 | 661 251 383 |
| <i>b) Term or notice</i> | 15 | 9 599 908 088 | 6 243 180 479 |
| 2. Amounts owed to customers | | 44 733 023 478 | 45 083 857 350 |
| <i>a) Savings deposits</i> | 16 | 8 376 979 892 | 7 850 045 108 |
| <i>b) Repayable on demand</i> | 16 | 14 784 347 322 | 15 626 309 303 |
| <i>c) Term</i> | 16 | 21 571 696 264 | 21 607 502 939 |
| 3. Debt securities | | 10 843 155 266 | 7 013 175 319 |
| <i>a) Bonds issued</i> | 17 | 7 039 072 621 | 4 555 102 317 |
| <i>b) Other</i> | 17 | 3 804 082 645 | 2 458 073 002 |
| 4. Other liabilities | 18 | 707 069 449 | 486 375 402 |
| 5. Accruals and deferred income | 19 | 1 345 581 769 | 1 393 263 318 |
| 8. Provisions | | 450 082 194 | 520 602 762 |
| <i>a) Provisions for pensions and similar charges</i> | 20 | 23 148 947 | 29 002 283 |
| <i>b) Other</i> | 20 | 426 933 247 | 491 600 479 |
| 9. Fund for general banking risks | 20 | 112 061 026 | 120 135 696 |
| 10. Subordinated liabilities | 21 | 1 602 219 737 | 1 701 416 403 |
| 11. Share capital | 23 | 2 450 000 000 | 2 450 000 000 |
| <i>Reserves</i> | | 485 567 427 | 184 172 929 |
| 13. Consolidation reserves | 23 | 184 388 350 | (117 006 148) |
| 14. Revaluation reserves | 23 | 301 179 077 | 301 179 077 |
| 16. Minority shareholders' interests | 22 | 34 537 527 | 58 841 852 |
| 17. Consolidated net income for the year | 23 | 667 252 476 | 665 135 157 |
| TOTAL | | 74 172 393 726 | 66 581 408 050 |

| OFF-BALANCE SHEET ITEMS | Notes (a) | 2003 | 2002 |
|--|--------------|----------------|----------------|
| 1. Contingent liabilities | 24 | 10 156 548 123 | 10 050 573 242 |
| Of which: | | | |
| 1.1. <i>Acceptances and commitments</i> | | 194 350 | |
| 1.2. <i>Guarantees and collateral assets</i> | | 5 925 164 082 | 5 915 726 600 |
| 1.3. <i>Other</i> | | 4 231 189 691 | 4 134 846 642 |
| 2. Commitments | 24 | 16 785 092 699 | 14 845 779 731 |
| Of which: | | | |
| 2.1. <i>Sales operations with repurchase options</i> | | 8 717 088 | 8 145 445 |

Board of Directors**Chairman:**

António José Fernandes de Sousa

Deputy-Chairmen:

Carlos Alberto de Oliveira Cruz

Luís Fernando de Mira Amaral

Members:

Alexandre Manuel de Pinho Sobral Torres

Miguel José Pereira Athayde Marques

Fernando Miguel Sequeira

José Joaquim Berberan Santos Ramalho

Vitor Manuel Lopes Fernandes

Caixa Geral de Depósitos, SA

Consolidated Income Statement

for the year ended 31 December 2003

| COSTS | Notes (a) | 2003 | 2002 |
|--|--------------|-----------------------|----------------------|
| 1. Interest expenditure | 26 | 1 469 321 966 | 1 680 851 327 |
| 2. Commissions | | 56 879 530 | 57 142 055 |
| 3. Losses arising from financial operations | 27 | 5 918 006 563 | 4 268 143 862 |
| 4. General administrative expenses | | 958 830 791 | 938 806 355 |
| 4.1. Personnel costs | 28 | 582 767 791 | 563 618 111 |
| 4.2. Other | 30 | 376 063 000 | 375 188 244 |
| 5. Depreciation | 11 and 12 | 96 076 908 | 94 776 702 |
| 6. Other operating costs | 31 | 16 449 585 | 43 400 253 |
| 7. Provisions for overdue credit and other risks | 20 | 604 551 144 | 892 416 707 |
| 8. Provisions for investments | 20 | 18 042 232 | 7 568 369 |
| 9. Exceptional losses | 32 | 135 484 119 | 64 724 594 |
| 10. Corporate income tax | 33 | 148 372 748 | 116 024 031 |
| 11. Other taxes | | 19 131 168 | 18 222 878 |
| 12. Losses of Group companies excluded from consolidation | | 1 745 476 | 1 102 883 |
| 13. Minority shareholders' interests | | 1 844 058 | |
| 15. Consolidated net income for the year | 23 | 667 252 476 | 665 135 157 |
| TOTAL | | 10 111 988 764 | 8 848 315 173 |

(a) These notes are set out in the chapter "Notes to non-consolidated and consolidated financial statements".

Certified Public Accountant - João de Sousa Martins

(EUR)

| INCOME | Notes (a) | 2003 | 2002 |
|--|--------------|-----------------------|----------------------|
| 1. Interest income | 26 | 2 702 468 363 | 3 096 910 812 |
| 2. Income from securities | | 63 213 491 | 75 647 932 |
| 3. Commissions | | 384 159 154 | 358 594 463 |
| 4. Gains arising from financial operations | 27 | 5 949 035 428 | 4 340 055 159 |
| 5. Reversal of provisions | 20 | 437 547 047 | 649 801 046 |
| 6. Profits of Group companies excluded from consolidation | | 114 325 537 | 41 268 608 |
| 7. Other operating income | 31 | 148 434 489 | 127 809 160 |
| 8. Exceptional gains | 32 | 312 805 255 | 157 950 855 |
| 9. Minority shareholders' interests | | | 277 138 |
| TOTAL | | 10 111 988 764 | 8 848 315 173 |

Board of Directors

Chairman:

António José Fernandes de Sousa

Deputy-Chairmen:

Carlos Alberto de Oliveira Cruz

Luis Fernando de Mira Amaral

Members:

Alexandre Manuel de Pinho Sobral Torres

Miguel José Pereira Athayde Marques

Fernando Miguel Sequeira

José Joaquim Berberan Santos Ramalho

Vitor Manuel Lopes Fernandes

Caixa Geral de Depósitos, SA
Consolidated Income Statement by Functions
for the years ended 31 December 2003 and 2002

(EUR million)

| | 2003 | 2002 |
|---|--------------------|--------------------|
| INTEREST AND SIMILAR INCOME | | |
| From liquid assets | 24 719 | 34 683 |
| From loans and advances to credit institutions | 237 629 | 198 950 |
| From domestic and foreign loans | 1 899 032 | 2 292 873 |
| From trading and investment securities | 266 898 | 325 152 |
| From overdue credit and interest | 37 325 | 41 831 |
| Other interest income | 236 865 | 203 422 |
| | 2 702 468 | 3 096 911 |
| INTEREST AND SIMILAR COSTS | | |
| From amounts owed to credit institutions | (190 116) | (271 283) |
| From deposits | (730 711) | (910 270) |
| Other interest expenditure | (548 495) | (499 298) |
| | (1 469 322) | (1 680 851) |
| NET INTEREST INCOME | 1 233 146 | 1 416 060 |
| OTHER INCOME | | |
| Income from securities | 63 213 | 75 648 |
| Commissions receivable | 384 159 | 358 594 |
| Gains arising from financial operations | 5 949 036 | 4 340 055 |
| Other | 148 435 | 127 809 |
| | 6 544 843 | 4 902 106 |
| OTHER COSTS | | |
| Commissions payable | (56 880) | (57 142) |
| Losses arising from financial operations | (5 918 007) | (4 268 144) |
| | (5 974 887) | (4 325 286) |
| OTHER OPERATING INCOME | 569 956 | 576 820 |
| NET OPERATING INCOME | 1 803 102 | 1 992 880 |
| OPERATING COSTS | | |
| Personnel costs | (582 768) | (563 618) |
| Other administrative expenses | (376 063) | (375 188) |
| Other | (35 581) | (61 623) |
| | (994 412) | (1 000 429) |
| OPERATING CASH FLOW | 808 690 | 992 451 |
| EXCEPTIONAL ITEMS | | |
| Exceptional gains | 312 805 | 157 951 |
| Exceptional losses | (135 484) | (64 725) |
| | 177 321 | 93 226 |
| TOTAL CASH FLOW | 1 098 592 | 1 125 843 |
| DEPRECIATION | (96 077) | (94 777) |
| PROVISIONS | | |
| Provisions created | (622 593) | (899 985) |
| Reversal of provisions | 437 547 | 649 801 |
| | (185 046) | (250 184) |
| INCOME FROM COMPANIES | | |
| EXCLUDED FROM THE CONSOLIDATION | | |
| Gains from associated and subsidiary comp. excluded from consolidation | 114 326 | 41 269 |
| Losses from associated and subsidiary comp. excluded from consolidation | (1 745) | (1 103) |
| | 112 581 | 40 166 |
| MINORITY INTERESTS | (1 844) | 277 |
| INCOME BEFORE TAXATION | 815 625 | 781 159 |
| APPROPRIATION FOR INCOME TAX | (148 373) | (116 024) |
| NET INCOME | 667 252 | 665 135 |

Caixa Geral de Depósitos, SA

Consolidated Cash Flow Statements

for the years ended 31 December 2003 and 2002

(EUR thousand)

| | 2003 | 2002 |
|---|--------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Cash flows from operating activities before changes in assets and liabilities | | |
| Interest, commissions and other similar income received | 3 276 813 | 4 146 733 |
| Interest, commissions and other similar costs paid | (1 484 832) | (1 690 170) |
| Recovery of principal and interest | 31 714 | 18 528 |
| Results from foreign exchange operations | (157 192) | 33 526 |
| Results from financial operations | 42 777 | (108 714) |
| Cash payments to employees and suppliers | (931 704) | (916 543) |
| Payments and contributions to pensions funds | (156 439) | 137 062 |
| Other results | 95 156 | 45 047 |
| | 716 293 | 1 665 469 |
| (Increases) decreases in operating assets: | | |
| Other loans and advances to credit institutions and to customers | (368 306) | (2 923 798) |
| Trading securities | (2 796 766) | (385 106) |
| Other assets and prepayments and accrued income | 330 745 | (108 805) |
| | (2 834 327) | (3 417 709) |
| (Increases) decreases in operating liabilities: | | |
| Amounts owed to credit institutions | 3 837 412 | (4 483 109) |
| Amounts owed to customers | (350 834) | 1 658 807 |
| Other debt securities | 1 346 010 | 1 616 761 |
| Other liabilities and accruals and deferred income | 88 829 | (105 784) |
| | 4 921 417 | (1 313 325) |
| Net cash from operating activities before taxation | 2 803 383 | (3 065 565) |
| Corporate income tax | (101 788) | (136 518) |
| Net cash from operating activities | 2 701 595 | (3 202 083) |
| INVESTING ACTIVITIES | | |
| Capital gains from the disposal of financial fixed assets | 197 888 | 100 729 |
| Capital gains from investment securities | 116 557 | 99 228 |
| Income from securities | 3 770 | 4 534 |
| Income from financial fixed assets | 59 443 | 71 114 |
| Capital losses from the disposal of financial fixed assets | (4 886) | (4 891) |
| Capital losses from securities | (16 328) | (25 830) |
| Net income from investing activities | 356 444 | 244 884 |
| (Increases) decreases in investing assets: | | |
| Financial fixed assets | 284 619 | (140 138) |
| Investment securities and securities held to maturity | 2 075 194 | 1 856 863 |
| Tangible and intangible fixed assets | (128 230) | (129 007) |
| | 2 231 583 | 1 587 718 |
| Net cash from investing activities | 2 588 027 | 1 832 602 |
| FINANCING ACTIVITIES | | |
| Interest on subordinated liabilities | (67 498) | (63 078) |
| Interest on bonds | (60 011) | (66 403) |
| Bonds issued | 2 483 970 | 1 363 588 |
| Issue of subordinated liabilities | (99 197) | 329 414 |
| Dividends paid | (318 987) | (313 542) |
| Net cash from financing activities | 1 938 277 | 1 249 979 |
| Net increase (decrease) in cash and cash equivalents | 7 227 899 | (119 502) |
| Cash and cash equivalents at beginning of year | 2 883 738 | 3 003 240 |
| Cash and cash equivalents at end of year | 10 111 637 | 2 883 738 |

Caixa Geral de Depósitos, SA

Source and Application of Funds Statement as at 31 December 2003 and 2002(*) (Consolidated)

| SOURCE OF FUNDS | 2003 | 2002 |
|---|------------------|------------------|
| From operations | | |
| Net income for the year | 667 252 | 665 135 |
| Costs not representing funds entries | | |
| Increase in provisions, net of reversals | 185 046 | 250 184 |
| Depreciation | 96 077 | 94 777 |
| Provisions set up against reserves | 34 007 | 50 163 |
| | 982 382 | 1 060 259 |
| Decrease in assets | | |
| Prepayments and accrued income | 460 094 | 493 478 |
| Participating interests and investments in subsidiary companies | 137 179 | - |
| Loans and advances to customers | 23 600 | - |
| Sight deposits with credit institutions | - | 356 419 |
| Securities portfolio | - | 1 731 119 |
| | 620 873 | 2 581 016 |
| Increase in liabilities | | |
| Amounts owed to credit institutions | 3 837 411 | - |
| Debt securities | 3 829 980 | 2 980 265 |
| Other liabilities | 220 694 | - |
| Amounts owed to customers | - | 1 658 807 |
| Subordinated liabilities | - | 329 413 |
| Minority interests | - | 21 733 |
| | 7 888 085 | 4 990 218 |
| TOTAL | 9 491 340 | 8 631 493 |

* Notes 1 and 2.

(EUR thousand)

| APPLICATION OF FUNDS | 2003 | 2002 |
|---|------------------|------------------|
| Distribution of net income from previous year | 349 042 | 344 830 |
| Increase in assets | | |
| Cash and Central Bank deposits | 7 067 604 | 236 917 |
| Securities portfolio | 702 146 | - |
| Other loans and advances to credit institutions | 511 834 | 799 969 |
| Sight deposits with credit institutions | 160 295 | - |
| Fixed assets | 128 230 | 129 008 |
| Other assets | 50 175 | 90 628 |
| Participating interests and investments in subsidiary companies | - | 259 613 |
| Loans and advances to customers | - | 2 143 299 |
| | 8 620 284 | 3 659 434 |
| Decrease in liabilities | | |
| Amounts owed to customers | 350 833 | - |
| Subordinated liabilities | 99 196 | - |
| Accruals and deferred income | 47 681 | 131 203 |
| Minority interests | 24 304 | - |
| Other liabilities | - | 11 889 |
| Amounts owed to credit institutions | - | 4 483 109 |
| | 522 014 | 4 626 201 |
| Changes arising from consolidation adjustments | - | 1 028 |
| TOTAL | 9 491 340 | 8 631 493 |

I. Notes to the Financial Statements

Consolidated and Non-Consolidated as at 31 December 2003 and 2002

(Translation of notes originally issued in Portuguese - Note 38)

(Amounts expressed in thousands of euros – € thousand, unless otherwise specified)

1. Group Activity, Presentation Basis, Consolidation Principles and Comparability of Information

1.1. Group Activity Caixa Geral de Depósitos, SA (hereinafter referred to as Caixa or CGD), founded in 1876, is an exclusively State owned company, which operates as a universal bank in all areas of banking activity. It became a State owned company on 1 September 1993 pursuant to the terms of Decree Law no. 287/93, of 20 August, which also approved its articles of association. On 23 July 2001 Banco Nacional Ultramarino, SA (BNU) was merged into Caixa.

Financial resources taken by Caixa essentially comprise various types of deposits which are invested in all sectors of the economy, mainly in the form of medium and long term loans and particularly mortgage loans, as well as credit granted to private and public companies and municipalities.

Caixa is also active in the capital markets as an underwriter to corporate bond issues and public debt loans both for its own portfolio and for sale to customers.

On 31 December 2003, Caixa had a national network of 782 branch offices, a France branch with 45 branch offices, branches in London, Luxembourg, Monaco, New York, Cayman Islands, Zhuhai and East Timor, an offshore and an international financial branch in Madeira.

Caixa also has direct and indirect holdings in a significant number of domestic and overseas companies, namely in Spain, Cape Verde, Mozambique, South Africa, Brazil, Macao and Sao Tome and Principe, in which it is a major shareholder. These companies comprise the Caixa Geral de Depósitos Group (the "Group"). They operate in various financial sub sectors such as banking, insurance, factoring, venture capital, equipment and real-estate leasing and unit trust funds management. Caixa also has holdings in non-financial companies in the Portuguese economy.

"Subsidiary" companies are those in which CGD has more than 50% of the share capital or which are controlled by CGD and therefore comprise a joint decision taking body. "Associated" companies are those in which CGD has a long term minimum holding of 20% or, being lower, CGD has a significant influence in the companies' management.

The structure of the Group as regards the principal subsidiary and associated companies, classified by business activity, and their respective financial data taken from their non-consolidated financial statements, unless otherwise indicated, are summarised as follows:

| Activity/Entity | Head Office | 2003 | | | | 2002 | |
|--|--------------|--------------|-----------|-------------------------------------|------------|-------------------------------------|------------|
| | | Interest (%) | | Shareholders' equity ^(a) | Net income | Shareholders' equity ^(a) | Net income |
| | | Direct | Effective | | | | |
| Holding Companies | | | | | | | |
| Bandeirantes, SGPS, SA | Madeira | - | 100.00 | 33 | (3) | 35 | (4) |
| Caixa - Brasil, SGPS, SA ^(b) | Madeira | 90.00 | 100.00 | (275 763) | 44 569 | (329 348) | 26 051 |
| Caixa - Gestão de Activos, SGPS, SA | Lisbon | 100.00 | 100.00 | 21 757 | 2 477 | 19 309 | 2 704 |
| Caixa - Internacional, SGPS, SA | Madeira | 10.00 | 100.00 | 1 895 | 504 | 1 341 | (108) |
| Caixa - Participações, SGPS, SA | Lisbon | 100.00 | 100.00 | 30 004 | (12) | 50 017 | (85) |
| Caixa Desenvolvimento, SGPS, SA | Lisbon | - | 99.62 | 44 847 | 572 | 44 276 | 1 719 |
| Caixa Empresas de Crédito, SGPS, SA | Lisbon | 100.00 | 100.00 | 5 666 | 2 961 | 2 705 | 2 682 |
| Caixa Seguros, SGPS, SA | Lisbon | 100.00 | 100.00 | 462 134 | 61 067 | 362 043 | 13 276 |
| Caixaweb, SGPS, SA | Lisbon | 100.00 | 100.00 | 14 009 | (3 079) | 17 089 | (4 932) |
| Gerbanca, SGPS, SA | Lisbon | 90.00 | 100.00 | 29 | (6) | 35 | (10) |
| Gimob, SGPS, SA | Lisbon | - | 24.88 | 381 | 96 | 285 | (3) |
| Banking | | | | | | | |
| Banco Comercial do Atlântico, SARL | Praia | 47.53 | 59.17 | 16 383 | 3 705 | 15 045 | 3 572 |
| Banco Comercial e de Investimentos, SARL | Maputo | - | 42.00 | 27 662 | 3 888 | 15 574 | 3 541 |
| Banco Financiar Português | Sao Paulo | 100.00 | 100.00 | 8 184 | (492) | 8 564 | (1 580) |
| Banco Interatlântico, SARL | Praia | 70.00 | 70.00 | 6 236 | 568 | 5 935 | 420 |
| Banco Internacional de São Tomé e Príncipe | Sao Tomé | 52.00 | 52.00 | 3 616 | 228 | 3 081 | 205 |
| Banco Nacional Ultramarino, SA (Macao) | Macao | 97.13 | 100.00 | 55 003 | 5 655 | 58 876 | 6 022 |
| Banco Postal, SA | Lisbon | 100.00 | 100.00 | 23 779 | (1 919) | 25 698 | (3 663) |
| Banco Simeón, SA ^(c) | Vigo | 99.56 | 99.56 | 175 405 | (1 915) | 158 671 | 1 839 |
| Caixa - Banco de Investimento, SA ^(c) | Lisbon | - | 99.51 | 180 009 | 20 107 | 160 177 | 19 144 |
| Mercantile Lisbon Bank Holdings, Ltd. | Johannesburg | 64.14 | 64.14 | 16 639 | (6 295) | 22 603 | (6 064) |
| Unibanco - União de Bancos Brasileiros ^(c) | Sao Paulo | - | 11.97 | 1 952 709 | 287 165 | 1 766 773 | 272 159 |
| Unibanco Holdings ^(c) | Sao Paulo | - | 12.77 | 1 163 938 | 164 510 | 1 064 518 | 161 984 |
| Insurance | | | | | | | |
| Cares - Companhia de Seguros, SA | Lisbon | - | 98.33 | 8 729 | 748 | 7 735 | 227 |
| Companhia de Seguros Fidelidade-Mundial, SA ^(c) | Lisbon | - | 100.00 | 677 631 | 60 137 | 580 190 | 13 017 |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | Praia | 41.55 | 65.31 | 3 641 | 433 | 3 265 | 353 |
| Via Directa - Companhia de Seguros, SA | Lisbon | - | 100.00 | 7 065 | 4 113 | 2 952 | (4 757) |
| Specialised Credit | | | | | | | |
| Caixa Crédito - SFAC, SA | Lisbon | - | 88.89 | 7 433 | 1 261 | 6 173 | 50 |
| Imoleasing - Sociedade de Locação Financeira Imobiliária, SA | Lisbon | - | 100.00 | 86 011 | 6 008 | 83 493 | 5 907 |
| Locapor - Companhia Portuguesa de Locação Financeira Mobiliária, SA | Lisbon | - | 100.00 | 48 169 | 2 139 | 46 155 | 1 177 |
| Locarent - Companhia Portuguesa de Aluguer de Viaturas, Lda. | Lisbon | 45.00 | 45.00 | 1 390 | 40 | 1 281 | 183 |
| Lusofactor - Sociedade de Factoring, SA | Lisbon | - | 100.00 | 9 055 | 1 617 | 7 522 | 1 153 |
| Unit Trust Fund Management | | | | | | | |
| Caixa Gestão de Patrimónios, SA | Lisbon | - | 100.00 | 1 820 | 287 | 1 677 | 271 |
| Caixagest - Técnicas de Gestão de Fundos, SA | Lisbon | - | 100.00 | 21 053 | 1 094 | 20 551 | 563 |
| CGD Luxemburgo | Luxembourg | 90.00 | 100.00 | 265 | 178 | 447 | 362 |
| CGD Pensões - Sociedade Gestora de Fundos de Pensões, SA | Lisbon | - | 100.00 | 4 118 | 442 | 3 778 | 113 |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | Lisbon | - | 100.00 | 4 860 | 2 154 | 4 704 | 1 998 |
| F. Turismo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | Lisbon | 33.47 | 33.47 | 1 283 | 507 | 983 | 361 |
| Lusogest - Sociedade Gestora Inst. Inv. Colectiva, SA | Madrid | 71.28 | 99.89 | 1 181 | (1 935) | 1 251 | 39 |
| Lusopeniones - Sociedad Gestora Fondos Pensiones, SA | Madrid | 20.80 | 99.69 | 1 798 | (452) | 1 188 | 74 |
| Venture Capital | | | | | | | |
| A Promotora, Sociedade de Capital de Risco, SARL | Praia | 36.21 | 52.69 | 3 609 | (86) | 3 695 | (49) |
| Caixa-Capital - Sociedade de Capital de Risco, SA | Lisbon | - | 99.62 | 18 734 | 1 551 | 17 182 | 1 477 |
| Property | | | | | | | |
| Caixa Imobiliário, SGII, SA | Lisbon | - | 100.00 | 26 809 | 914 | 26 516 | 654 |
| Cnufa - Sociedade Imobiliária, SA | Lisbon | - | - | - | - | 2 284 | 137 |
| Imocaixa - Gestão Imobiliária, SA | Lisbon | 80.00 | 100.00 | 702 | 90 | 702 | 124 |
| Mundial-Confiança, SGII, SA | Lisbon | - | 100.00 | 18 924 | 462 | 18 462 | 11 |
| Other Financial Entities | | | | | | | |
| Caixa Investimentos - Sociedade de Investimento, SA | Lisbon | 100.00 | 100.00 | 17 817 | (204) | 18 020 | 18 |
| Caixa Geral de Depósitos Finance | Cayman | 100.00 | 100.00 | (331) | - | 42 | - |
| SIBS - Sociedade Interbancária de Serviços, SA | Lisbon | 21.19 | 21.60 | 51 923 | 1 295 | 50 700 | 4 696 |
| Other Companies | | | | | | | |
| AdP - Águas de Portugal, SGPS, SA | Lisbon | 20.37 | 20.37 | 438 852 | 1 252 | 335 209 | (37 388) |
| Caixa - Sistemas de Informação, SA | Lisbon | 100.00 | 100.00 | (1 441) | - | (1 441) | - |
| Caixanet - Telemática e Comunicações, SA | Lisbon | 80.00 | 80.00 | 1 631 | 122 | 1 509 | 60 |
| Caixaweb, Serviços Técnicos e de Consultoria, SA | Lisbon | - | 100.00 | 193 | (402) | 594 | (406) |
| Companhia de Papel do Prado, SA | Tomar | 37.40 | 38.14 | 3 243 | 54 | 15 254 | 1 503 |
| Culturgest - Gestão de Espaços Culturais, SA | Lisbon | 51.00 | 90.00 | 197 | (1) | 198 | 5 |
| EAPS - Empresa de Análise, Prevenção e Segurança, SA | Lisbon | - | 100.00 | 156 | 100 | 56 | 11 |
| EPS - Gestão de Sistemas de Saúde, SA | Lisbon | - | 100.00 | 814 | 153 | 662 | 116 |
| Esegur - Empresa de Segurança, SA | Lisbon | 50.00 | 50.00 | 7 780 | 2 786 | 5 685 | 1 326 |
| GEP - Gestão de Peritagens Automóveis, SA | Lisbon | - | 100.00 | 26 | (28) | 54 | 52 |
| Hospitais Privados de Portugal - HPP Centro, SA | Lisbon | - | 100.00 | 404 | 332 | 73 | 23 |

| Activity/Entity | Head Office | 2003 | | | | 2002 | |
|--|-------------|--------------|-----------|-------------------------------------|------------|-------------------------------------|------------|
| | | Interest (%) | | Shareholders' equity ^(a) | Net income | Shareholders' equity ^(a) | Net income |
| | | Direct | Effective | | | | |
| Hospitais Privados de Portugal - HPP Norte, SA | Oporto | - | 100.00 | 5 511 | 1 792 | 3 141 | 1 485 |
| Hospitais Privados de Portugal - HPP Sul, SA | Faro | - | 100.00 | 1 961 | (228) | 2 347 | (55) |
| HPP, SGPS, SA | Lisbon | - | 100.00 | 12 984 | 1 286 | 11 328 | 894 |
| Imoport.com - Multimédia, SA | Lisbon | - | 63.00 | (640) | (400) | (732) | (1 070) |
| Prado - Cartolinas da Lousã, SA | Lousã | 37.40 | 38.14 | 6 495 | 847 | - | - |
| Prado Karton - Companhia do Cartão, SA | Tomar | 37.40 | 38.14 | 6 895 | 376 | - | - |
| Portal Executivo - Sociedade de Serviços, Consultoria e Informação em Gestão, SA | Lisbon | - | 75.00 | (214) | (452) | (47) | (804) |
| REN - Rede Eléctrica Nacional, SA | Lisbon | 20.00 | 20.00 | 847 409 | 93 489 | 787 887 | 65 415 |
| Consortiums | | | | | | | |
| Sogrupos - Serviços Administrativos, ACE | Lisbon | - | - | - | - | - | - |
| Sogrupos - Sistemas de Informação, ACE | Lisbon | - | - | - | - | - | - |
| Sogrupos III - Gestão de Activos, ACE | Lisbon | - | - | - | - | - | - |
| Sogrupos IV - Gestão de Imóveis, ACE | Lisbon | - | - | - | - | - | - |

(a) Shareholders' equity includes net profit for the year.

(b) Shareholders' equity excludes supplementary capital contributions.

(c) Data taken from the consolidated financial statements.

Changes in the main Group equity investments during 2003 and 2002 comprise the following:

Banco Comercial e de Investimentos, SARL (BCI)

In 2003, following approval by the local authorities, Banco de Fomento, SARL was merged into Banco Comercial e de Investimentos, SARL through the issuance, by BCI, of 9 642 857 new shares of 10 000 Mozambican meticals each, corresponding to 30% of that bank's share capital. The new shares were issued to the shareholders of Banco de Fomento, SARL on the basis of shares held at the date of the merger. As a result of this operation, CGD's effective equity participation in BCI fell to 42%.

Banco Internacional de São Tomé e Príncipe, SARL (BISTP)

In May 2003, CGD acquired from Banco Totta & Açores, SA 3 763 800 shares corresponding to 30% of Banco Internacional de São Tomé e Príncipe, SARL's share capital for the amount of 950 000 US dollars (€ 806 thousand at the exchange rate in force on 31 December 2003).

Also in 2003, CGD entered into a contract with Banco Africano de Investimento under which it promises to sell 3 136 500 shares of BISTP, corresponding to 25% of its share capital, for the amount of 791 970 US dollars (€ 627 thousand at the exchange rate in force on 31 December 2003). Of the sales price, 50% will be received on the date of the deed of sale, which will be after obtaining approval from the Central Bank of Sao Tome and Principe.

As a result of these operations, an effective equity participation of 27% in BISTP has been considered for purposes of the consolidated accounts as at 31 December 2003, as the shares referred to in the previous paragraph were acquired with the purpose of being sold in the short term.

Banco Postal, SA (Banco Postal)

In 2003 CGD acquired from CTT – Correios de Portugal, SA (Portuguese Post Office) 2 940 000 shares of Banco Postal, corresponding to 49% of its share capital for the amount of € 11 646 thousand and, as a result, became holder of all the share capital of the bank.

During 2003, the project for the merger of Banco Postal, SA into CGD has been approved but the operation has not yet occurred.

Banco Simeón, SA, Banco de Extremadura, SA and Banco Luso Español, SA

In 2002 Banco Luso Español, SA (BLE) acquired all the shares of Banco de Extremadura, SA (Banco de Extremadura) and Banco Simeón, SA (Banco Simeón) held by CGD (corresponding to 100% and 99.25% of

these banks' share capital, respectively) for the amounts of € 66 166 thousand and € 126 826 thousand, respectively. These transactions generated a loss of € 26 260 thousand in CGD's non-consolidated accounts (Note 32).

Also in 2002, as part of the restructuring process of the CGD Group's subsidiaries in Spain, BLE's share capital was increased through the issuance of 16 632 445 new shares of € 6.01 each and a share premium of € 5.59, which were fully subscribed for and paid up by CGD through conversion of the receivable resulting from the above mentioned sale.

In July 2002 BLE's share capital was increased through the issuance of 109 365 new shares, which were paid up through the transfer of Banco Simeón shares held by minority shareholders.

On 6 August 2002, following approval of the merger project by the Boards of Directors of the three banks and approval of the competent Spanish authorities, Banco Simeón and Banco de Extremadura were merged into BLE. Following this merger BLE changed its corporate name to Banco Simeón, SA.

In 2003 Banco Simeón, SA's share capital was increased by € 16 718 thousand through the issuance of 2 781 729 shares of € 6.01 each and a share premium of € 1.80, which were fully subscribed for and paid up by CGD.

Cares – Companhia de Seguros, SA (Cares)

In 2002 Cares' share capital was increased by € 5 000 thousand through the issuance of 1 000 000 shares at € 5 each, which were fully subscribed for and paid up in cash by Caixa Seguros. Also in 2002, Caixa Seguros acquired from entities outside the Group 25 000 shares of this company for the amount of € 396 thousand.

In 2003, Caixa Seguros acquired from entities outside the Group 25 000 shares of this company for the amount of € 396 thousand.

As a result of these operations, the Group's effective equity participation in the share capital of Cares at 31 December 2003 was increased to 98.33%..

Caixa Crédito, SFAC, SA (Caixa Crédito)

In 2003, Caixa Participações, SGPS, SA acquired from entities outside the Group 400 000 shares of Caixa Crédito, corresponding to 22.22% of its share capital, for the amount of € 1 455 thousand. As a result of this operation, the Group's effective equity participation in Caixa Crédito was increased to 88.89%.

Lusogest, Sociedad Gestora de Instituciones de Inversion Colectiva, SA (Lusogest)

In 2003, Lusogest's share capital was increased by € 1 865 thousands through the issuance of 161 290 shares of € 6.01 each and a share premium of € 5.55, which were fully subscribed for and paid up by CGD.

Lusopensiones - Sociedad Gestora de Fondos de Pensiones, SA (Lusopensiones)

In 2003, Lusopensiones' share capital was increased by € 158 thousand through the issuance of 26 260 shares of € 6.01 each, which were fully subscribed for and paid up by CGD.

Cnufa – Sociedade Imobiliária, SA

In 2003, Cnufa – Sociedade Imobiliária, SA was liquidated, which resulted in a capital gain of € 1 859 thousand in CGD's non-consolidated accounts (Note 32).

AdP – Águas de Portugal, SGPS, SA (AdP)

In 2002 CGD acquired from Parpública 13 630 204 shares of AdP – Águas de Portugal, SGPS, SA, corresponding to 20.37% of its share capital, for the amount of € 122 244 thousand.

In 2003, AdP's share capital was increased to € 100 000 thousand through the issuance of 20 000 000 shares of € 5 each. CGD subscribed for 4 074 799 shares, for the amount of € 20 374 thousand, and maintained its effective equity participation in AdP.

Companhia de Papel do Prado, SA (CPP), Prado – Cartolinas da Lousã, SA and Prado Karton – Companhia do Cartão, SA

In 2002 Caixa Desenvolvimento, SGPS, SA (a company fully owned by Caixa – Banco de Investimento, SA) sold, to CGD and Caixa Capital, Sociedade de Capital de Risco, SA, 187 000 and 3 735 shares, respectively, of Companhia de Papel do Prado, SA (CPP) at cost.

In July 2003, following the spitting up of CPP, part of the Group's equity investment was transferred to the companies Prado – Cartolinas da Lousã, SA and Prado Karton – Companhia do Cartão, SA which were incorporated by spin off of part CPP's net assets.

Esegur – Empresa de Segurança, SA (Esegur)

In 2003 CGD acquired, from CTT – Correios de Portugal, SA, 55 000 shares of Esegur, corresponding to 10% of its share capital, for the amount of € 2 674 thousand. As a result of this operation, CGD's effective equity participation in Esegur was increased to 50% and the investment started being reflected in the consolidated accounts in accordance with the proportional consolidation method.

Caixa Empresas de Crédito, SGPS, SA (Caixa Empresas de Crédito)

In January 2002, Caixa Empresas de Crédito launched a Potestative Acquisition over 42 393 shares of Imoleasing - Sociedade de Locação Imobiliária, SA (Imoleasing), corresponding to 1.18% of its share capital at € 23 per share.

As a result of this operation, Caixa Empresas de Crédito acquired all the share capital of Imoleasing.

Caixa Seguros, SGPS, SA (Caixa Seguros) and Companhia de Seguros Fidelidade – Mundial, SA (Fidelidade – Mundial)

In 2002 Caixa Seguros' share capital was increased by € 250 000 thousand through the issuance of 50 000 000 shares of € 5 each, which were fully subscribed for and paid up by CGD as follows:

- transfer of 30 000 000 shares of Companhia de Seguros Fidelidade, SA (Fidelidade), corresponding to 100% of its share capital, at their nominal value of € 150 000 thousand, having generated a capital gain of € 361 thousand (Note 32);
- conversion of shareholders' loans of € 100 000 thousand.

In 2002 Caixa Seguros sold to Fidelidade 48 600 000 shares of Companhia de Seguros Mundial – Confiança, SA (Mundial – Confiança) for the amount of € 1 160 568 thousand.

Also in 2002, Fidelidade's share capital was increased by € 1 060 000 thousand through the issuance of 50 000 000 new shares of € 5 each and a share premium of € 16.2, which were fully subscribed for and paid up by Caixa Seguros through the conversion of part of the receivable resulting from the operation referred to in the preceding paragraph.

After these operations, Mundial–Confiança was merged into Fidelidade, which changed its corporate name to Companhia de Seguros Fidelidade–Mundial, SA.

Mercantile Lisbon Bank Holdings Limited (Mercantile)

In 2002 Mercantile's share capital was increased by 120 m South African Rands, (€ 13 319 thousand at the exchange rate in force on 31 December 2002), through the issuance of 428 571 428 shares of 0.28 South African Rands each, which were fully subscribed for and paid up by CGD. After this operation the Group's effective participation increased to 64.14%.

Via Directa – Companhia de Seguros, SA (Via Directa)

In 2002, following a resolution of the Shareholders' General Meeting held on 26 March, Via Directa's share capital was increased through the issuance of 100 000 new shares with nominal value of € 5 each, at the price of € 50 per share. This increase was fully subscribed for and paid up by Fidelidade-Mundial and resulted in a share premium of € 4 500 thousand.

SIBS – Sociedade Interbancária de Serviços, SA (SIBS)

In February 2002 CGD sold to Banco Postal, SA 20 000 shares of this company for the amount of € 549 thousand, having recorded a capital gain of € 311 thousand (Note 32). As a result of this operation, the Group's effective equity participation fell to 21.4%.

Caixaweb – Serviços Técnicos e de Consultoria, SA

Caixaweb - Serviços Técnicos e de Consultoria, SA was incorporated on 21 May 2002, and has the corporate object of providing technical and consulting services in the business, administration, financial and technology areas, as well as providing support to the incorporation and development of companies in the new economy area.

This company's share capital is made up of 200 000 shares of € 5 each. The CGD Group, through Caixaweb, SGPS, SA, subscribed for the total share capital of this company.

HPP, SGPS, SA

This company was incorporated in September 2002, its share capital being fully subscribed for and paid up by Fidelidade-Mundial through the transfer of shares, corresponding to the total share capital of HPP – Hospitais Privados de Portugal, SA, valued at € 4 105 thousand and payment of cash amounting € 6 395 thousand.

In December 2002 HPP, SGPS, SA acquired from HPP – Hospitais Privados de Portugal, all the share capital of Hospitais Privados de Portugal – HPP Sul, SA.

Hospitais Privados Portugal – HPP Centro, SA was incorporated in 2002 with share capital of € 50 thousand, which is fully held by HPP, SGPS, SA.

IPE – Investimentos e Participações Empresariais, SA (IPE)

In 2002 CGD sold to Parpública – Participações Públicas (SGPS), SA (Parpública), the shares it held in IPE for the amount of € 237 360 thousand, recording capital gains of € 136 260 thousand and € 69 818 thousand (Note 32) in the non-consolidated and consolidated accounts, respectively. Of the amount of the sale, € 115 116 thousand (Note 13) were reimbursed by Parpública during 2003.

CGD USA Holding Company, Inc.

In 2002 CGD acquired 969 166 shares of 0.01 US dollars each of CGD USA Holding Company, Inc., corresponding to 51% of its share capital, for the amount of 23 600 000 US dollars (€ 22 504 thousand at the exchange rate in force on 31 December 2002). After prior authorisation of the North American authorities, CGD USA Holding Company, Inc. acquired all the share capital of Crown Bank.

In 2003, CGD USA Holding Company, Inc. was excluded from consolidation due to the fact that Caixa does not have control's management over Crown Bank, as a result of litigation with the minority shareholders of the

above mentioned holding. At 31 December 2003, there were outstanding legal proceedings of Caixa against the minority shareholders and by the minority shareholders against Caixa.

Caixa Valores – Sociedade Financeira de Corretagem (Dealer), SA, (Caixa Valores)

In 2002, Caixa – Banco de Investimento, SA acquired from CGD and entities outside the Group 65 000 and 135 000 shares, respectively of Caixa Valores, corresponding to 17.39% of its share capital, for the amount of € 3 501 thousand. These operations resulted in a capital gain of € 696 thousand in CGD's non-consolidated accounts (Note 32).

As a result of these operations, Caixa – Banco de Investimento, SA became holder of all the share capital of Caixa Valores.

Also in 2002 Caixa Valores was merged into Caixa – Banco de Investimento, SA.

1.2. Presentation Basis

CGD's financial statements have been prepared from the information contained in its books and accounting records, which have been maintained pursuant to the principles set out in the Banking System Chart of Accounts and other Bank of Portugal dispositions. The consolidated financial statements have been prepared in accordance with the principles defined by Decree Law no. 36/92 of 26 March.

The financial statements of the branches are combined with those of the head office to make up its total non-consolidated operations. The balances in the respective balance sheets and income statements, including fixed assets and net income for the year have been translated to Euros at the average market reference exchange rate published by the Bank of Portugal as at the date of the financial statements. All balances and transactions between Caixa's head office and branches were eliminated during the course of combining the financial statements.

The consolidated financial statements include CGD's accounts and those of its subsidiary and associated companies. Consolidation adjustments, in order to correct the application of accounting principles, have also been made.

The financial statements of CGD and some of its subsidiary and associated companies as at 31 December 2003 are pending the approval of the corresponding statutory bodies. However, CGD's Board of Directors expects that the financial statements used for the preparation of the consolidated accounts will be approved with no significant changes.

1.3. Consolidation Principles

The accounts of the subsidiary companies were consolidated by the full consolidation method, except for the holdings referred to in Note 9 due to the non-banking nature of their operations.

Significant transactions and balances between consolidated companies have been eliminated. Third part holdings in subsidiary companies subject to the full consolidation method, are recorded in the "Minority shareholders' interests" caption.

Investments in jointly controlled companies, namely Esegur – Empresa de Segurança, SA, are recognised in the consolidated accounts in accordance with the proportional consolidation method, under which assets, liabilities, costs and income of that company are reflected in the consolidated accounts in proportion to CGD's participating interest in them.

In the consolidated accounts the associated companies and subsidiaries excluded from consolidation have been recorded by the equity method of accounting, pursuant to which the value of the holdings is adjusted in line with the percentage of the share capital, reserves and net income effectively held by CGD in such companies.

Consolidation differences resulting from the difference between the cost of the investments, net of any consolidation adjustments, and the corresponding shareholders' equity of the subsidiary and associated companies, have been fully written off against reserves in the year of purchase.

Consolidated net profit (Note 23) is the result of CGD and CGD Group companies' aggregate net income, in proportion to the respective effective holding, after consolidation adjustments, namely the elimination of dividends received and of capital gains and losses on transactions between Group companies.

At 31 December 2003 and 2002, CGD held 8 325 participating securities in Instituto Nacional de Habitação (INH), representing 55% of its capital. This investment is not consolidated owing to the fact that it is a Public Institute (not a company) and to the fact that the participating securities do not entitle CGD to any participation in INH's management.

In 2002 CGD started recording by the equity method its investments in Unibanco - União de Bancos Brasileiros and Unibanco Holdings, corresponding to participations of 4.91% and 12.77%, respectively, of their share capital, owing to the fact that it has significant influence over the management of these companies, in accordance with the terms of article 1, c) of Decree Law 36/92 of 28 March. Considering Unibanco Holdings' participation in Unibanco, the Group's effective participation in Unibanco is 12.52%.

Assets, liabilities and shareholders' equity, including net income for the year, of subsidiary and associated companies that prepare financial statements in foreign currencies, are translated to Euros at the reference exchange rates at the date of the balance sheet. Exchange differences in capital and reserves in relation to the previous year, except for dividends distributed, are reflected in reserves (Note 23).

Equity participations, which have not been consolidated or accounted for under the equity method, are recorded in the "Participating interests" and "Other Investments" headings, pursuant to the criterion defined in Note 2. f).

2. Summary of Main Accounting Policies

The most significant accounting principles used in preparing the accompanying financial statements were:

a) Accrual basis Income and expenses are recognised according to the time scale of the respective operations, in compliance with the principle of accrual-based accounting, according to which income and expenses are recorded independently of when received or paid, as the case may be.

Interest on loans secured by mortgages is recognised as income up to one year after the operation's due date, or the first instalment in arrears.

Interest on loans secured by other guarantees (except mortgages) is recognised as income up to a maximum limit of six months after the operation's due date, or the first instalment in arrears.

Interest on unsecured loans is reversed three months after the operation's due date, or the first instalment in arrears.

Interest not recorded on the abovementioned loans is only recognised when received.

b) Provisions for overdue loans and interest, for doubtful loans, for country-risk and for general credit risks

Under the terms of Notice 3/95 of 30 June issued by the Bank of Portugal as amended by Notice 8/2003 of 30 January and other legislation issued by the Bank of Portugal, Caixa records the following provisions for credit risks:

i) Provision for overdue loans and interest

This provision is earmarked to cover risks of collection of loans on which there are unpaid instalments of either capital or interest, or both. The percentages of overdue loans and interest provided for are computed taking into account the period elapsing after the respective due date, as well as whether they are secured by guarantees.

ii) Provision for doubtful loans

This provision is to cover the risks of collection of principal not yet due relating to credit granted to borrowers that have overdue instalments of principal or interest, or that have other loans with overdue instalments. In accordance with Notice 8/2003, doubtful loans are as follows:

- Principal not yet due on credit operations that have overdue instalments of principal and interest in at least one of the following conditions:
 - that exceed 25% of the principal due plus interest;
 - that are overdue more than:
 - six months on operations for periods of less than five years;
 - twelve months on operations for periods equal to or greater than five years but less than ten years;
 - twenty-four months on operations for periods equal to or greater than ten years.

Loans in such conditions are classified as overdue loans only for the purpose of recording provisions, these being recorded using the rates applicable to overdue credit on these operations.

- Principal not yet due on all loans granted to a same borrower whenever the overdue principal and interest relating to that client, in accordance with the classification referred to in the preceding paragraph, exceed 25% of the total outstanding principal plus interest. Loans in such conditions are provided for using 50% of the rates applicable to provisions for overdue loans.

Caixa also records an additional provision for doubtful loans based on a review of the estimated realisable value of a group of loans (Note 6). This provision is not accepted as a cost for taxation purposes.

iii) Provision for country-risk

This provision is recorded to cover the realisation risk of financial assets and off-balance sheet items referring to residents of risk related countries, whatever instruments are used or the counterpart's nature, except for:

- those assets domiciled in a branch established in that country, expressed and payable in that country's currency, as long as they are covered by resources denominated in the respective country's currency;
- equity participations;
- operations carried out with branches of credit institutions of a risk country, as long as they are established in a EU member state;
- those backed by entities listed in no. 1 of article 15 of Notice 3/95, as long as the respective guarantee covers the transfer risk;
- foreign trade short term funding operations that comply with the rules defined by the Bank of Portugal.

Provisioning needs are determined by using percentages fixed by the Bank of Portugal, which classifies both countries and territories according to risk groups.

Since it is a specific provision, this provision is recognised in the various captions in which the assets included in the country-risk definition are recorded. From 2003 on, provisions for country-risk relating to off-balance sheet items are recorded in the "Provision for other assets" heading (Note 13).

iv) Provision for general credit risks

This provision is recorded under the item "Provisions for risks and charges - Other provisions" on the liabilities side, and it has been set up to cover against the risk of default of loans, guarantees and sureties.

This provision is calculated by application of the following generic percentages to the total credit not yet due including guarantees and sureties:

- 1.5% of consumer credit and loans to individuals for undetermined purposes;
- 0.5% of credit guaranteed by mortgage of property or real estate financial lease operations, in both cases whenever the property is for the borrower's own housing (1% at 31 December 2002);
- 1% of the remaining credit granted.

Provisions released as a result of the 0.5% reduction in the rate applicable to the provision for credit guaranteed by mortgage of property or real estate financial lease operations, in both cases whenever the property is for the borrower's own housing, in the amount of € 98 166 thousand, were allocated in full to the provisions for specific credit risks between 31 August and 31 December 2003 (Note 20).

In 2001 and 2002, 50% of the increase in the provision for general credit risks was considered as tax deductible. Increases in this provision as from 1 January 2003 are no longer tax deductible.

In addition, in accordance with current legislation, in the case of the reversal of provisions for general credit risks as from 1 January 2001, the first to be considered as income for the year are those which were tax deductible in the year in which they were recorded.

c) Provision for other risks

i) Provision for other risks and charges

This provision is set up to face potential charges resulting from tax contingencies, deferred tax liability, liabilities resulting from guarantees granted to Group companies and other charges. This provision is not tax deductible.

ii) Fund for general banking risks

This fund is created in order to provide against possible assets' impairment and contingencies and is not tax deductible.

d) Foreign currency operations and derivatives

Foreign currency-denominated operations are recorded in conformity with the multi-currency principle. In this regard, the following procedures are adopted:

i) Spot foreign exchange transactions comprising:

- Foreign currency denominated assets and liabilities;
- Spot transactions pending settlement;
- Forward operations that mature in the two following business days,

are daily revalued on the basis of the average fixing rate published by the European Central Bank. The resulting foreign exchange differences are recorded as costs or income, as the case may be.

ii) Forward operations are revalued at market exchange rates for the respective residual period to maturity. In the absence of market rates, these are computed on the basis of the interest rate differential of the respective currencies for the remaining maturities. The revaluation differences are recorded as costs or income.

Currency swaps

The forward segment of currency swap operations, once deducted the premium or discount to be amortised, is included in the revaluation of spot foreign exchange positions. The premiums or discounts arising from the difference between spot and forward exchange rates are amortised during the term of the operations, with the respective loss or profit being recorded.

Interest rate swaps

Trading and hedging interest rate swaps are recorded by the operation's notional value in off-balance sheet items.

Interest receivable and payable on hedging operations relating to the current interest period are recognised in "Prepayments and accrued income" or "Accruals and deferred income" by corresponding entry to income.

Trading interest rate swaps are revalued on the basis of the net present value of future interest, either payable or receivable, discounted at market interest rates. Gains or losses on each operation are determined based on the difference between the market interest rate at revaluation date and the contract interest rate. The resulting negative or positive differences are recorded as gains or losses in the income statement. This revaluation cannot be considered for taxation purposes.

Premiums received in advance on interest rate swaps are recorded as deferred income (Note 19) and recognised as current income on a straight-line basis over the term of the operations. The effect of deferring the income is adjusted in determining the amount of the revaluation of trading contracts.

Forward rate agreements (FRA)

Trading forward rate agreements are revalued based on market interest rates applicable to the period ranging from settlement to maturity. Gains or losses on each operation are determined by applying to the operation's notional value, the difference between the market interest rate at revaluation date and the contract interest rate. The resulting positive or negative differences are recorded as gains or losses in the income statement, respectively.

Futures

Futures contracts are revalued daily, the resulting positive or negative differences being recorded in the income statement.

Futures contracts entered into with the purpose of hedging interest rate risk on fixed rate investment portfolio securities, are revalued daily. The results of these contracts are recorded in accordance with the same principle followed for opposite-sign results, relating to the hedged items. Accordingly, the results on futures contracts hedging investment securities with unrealised capital gains not recognised (Note 7), where significant correlation is demonstrated, are recorded as "Deferred costs" (Note 14).

Options

Trading options contracts are recorded in off-balance sheet accounts at notional value. They are revalued daily based on the market price and volatility of the underlying assets. The result of this revaluation is recognised in the accruals and deferrals accounts by corresponding entry to costs or profits.

Hedging options contracts, namely those used for hedging the risk of embedded derivatives on debt issued or customer deposits, are not revalued. Interest payable by Caixa in these operations is recorded on an accrual basis.

e) Securities portfolio The securities are classified considering their particular features and the intention of maintenance at the time of their acquisition:

i) Trading securities

Comprise securities bought for the purpose of resale within a period not exceeding six months.

Bonds are recorded at acquisition cost and revalued daily on the basis of market prices, including accrued interest. The amount resulting from the revaluation of the capital component is recorded as "Gains or losses arising from financial operations", while the corresponding interest accrued is booked to the "Interest income" account.

Shares and other variable-yield securities are also recorded at acquisition cost and valued at market prices or, when these are not available, the lower of acquisition cost or presumed market value. The revaluation differences regarding the shares comprising the PSI20 index or those that, being traded in other stock exchanges, present adequate liquidity, are directly recorded in the income statement. For the remainder shares and other variable-yield securities the revaluation differences are recorded in the assets or liabilities "Accruals and deferrals" accounts, depending upon whether such differences represent a potential loss or profit. Potential losses are fully provided for.

ii) Investment securities

These comprise securities purchased with a view to being held within a period of at least six months, aiming at a stable earning without the purpose of exercising influence on the management of the issuer.

Bonds and other fixed income securities issued on the basis of their nominal value are recorded at cost. The positive or negative difference between acquisition cost and their respective nominal value, which corresponds to the premium or discount at the time of the purchase, is recorded for accounting purposes as a cost or income between the date of purchase and the respective maturity date.

Securities issued at a discount are recorded at their nominal value. Differences between the nominal value and cost are recorded as income over the period from acquisition to maturity of the securities. Prepaid interest on these securities is recorded in the liability caption "Accruals and deferred income".

Unrealised losses arising from the valuation of bonds and other fixed income securities at market value are fully provided for.

Shares and other variable-yield securities are recorded at cost. Whenever the market value (or presumed market value in the case of unlisted securities) falls below the respective acquisition cost, provisions are recorded.

iii) Securities to be held to maturity

These are fixed-income securities with fixed interest rates and known at the issue date, their repayment date is fixed and they are issued by entities determined by the Bank of Portugal, acquired with the purpose of being held to their maturity date.

These fixed-income securities, issued on the basis of their nominal value, are recorded at acquisition cost. The positive or negative difference between acquisition cost and their nominal value, which corresponds to the premium or discount at the time of the purchase, is recorded as cost or income over the period to maturity.

Accrued interest is recorded as income receivable based on the respective nominal value and the applicable interest rate.

On 31 December 2003 and 2002, the portfolio of securities to be held to maturity in the consolidated financial statements refers to Banco Simeón, SA.

iv) Repo operations

These are loan or investment operations guaranteed by the delivery of securities. Repos are recorded as investments (purchases) or resources (sales) by the total amount of principal and interest. Interest is recorded daily as income or expenses over the term of the operations, with a corresponding entry to accruals and deferrals captions. These operations involve the effective transfer, although temporary, of the ownership of the securities given as collateral, these being recorded in off-balance sheet items.

f) Participating interests

Non-consolidated financial statements:

• Participating interests

This caption includes investments in companies, in which equity interest held is equal or lower than 50% or, being greater, are not strategic for the CGD Group.

• Investments in subsidiary companies

This caption includes investments in companies in which equity participation is over 50% and are not included in the participating interests caption.

These investments are recorded at acquisition cost.

Consolidated financial statements:

• Investments in associated companies

This caption includes investments in companies in which equity participation is between 20% and 50% or, being lower, CGD has significant influence over their management. These investments are recorded under the equity method of accounting, their book value corresponding to a percentage of capital, reserves and income, equal to CGD's effective interest in those companies.

• Investments in subsidiary companies excluded from consolidation

This heading includes equity participations in subsidiary companies recorded by the equity method of accounting given the different nature of their business activity.

• Other investments

This heading includes investments in companies in which the effective interest held is lower than 20% and those over 20% which are not recorded based on the equity method of accounting, namely because they are venture capital investments or were acquired with the purpose of being sold in the short term. These participating interests are recorded at cost.

Provisions

In compliance with Notice 3/95, of 30 June, of the Bank of Portugal, provisions are necessarily recorded in the following circumstances:

- the company in question presented negative results during three consecutive or interposed financial years over the last five years;

- the company is insolvent;
- the company has ceased its business activity;
- the company has been through a process of financial recovery;
- the company was declared bankrupt.

In addition, in 2002 the Bank of Portugal, through Notice 4/2002 of 25 June, introduced new requirements in terms of the methodology for calculating and recording provisions for investments, establishing that unrealised losses must be determined as follows:

- for investments in listed companies, the unrealised loss corresponds to the difference between the book value and market value, calculated based on the average daily market prices during the previous six months;
- for investments in unlisted companies, the presumed market value used as basis for determining unrealised losses is equivalent to 150% of the corresponding part of the company's shareholders' equity.

Under the terms of this Notice, whenever the unrealised loss on an investment exceeds 15% of the book value of the investment, a provision of at least 40% of that excess must be recorded.

Notice 4/2002 establishes a transitory regime for investments already in the portfolio at 31 December 2001. Under the terms of this regime, the provision for losses on these investments can be deferred over a period of ten years (for investments in companies subject to supervision by the Bank of Portugal or Instituto de Seguros de Portugal) or over a period of five years (for other investments). Under this regime provisions recorded in 2002 and 2003 can be charged to reserves.

In addition, Notice 4/2002 establishes that in the non-consolidated financial statements the same criteria will apply to the provision needs for indirect participations as for direct participations.

Caixa adopted the transitory regime and is recording provisions based on the minimum limits established in the above mentioned Notice.

In 2003 and 2002 Caixa recorded provisions of € 40 391 thousand and € 62 988 thousand, respectively, for equity investments, in its non-consolidated financial statements, by charge to reserves (Notes 8 and 23). In the consolidated financial statements the provisions recorded in 2003 and 2002, net of reversals, amounted to € 30 155 thousand and € 55 780, respectively, of which € 34 007 thousand and € 50 163, respectively, were charged to reserves (Notes 10, 20 and 23).

g) Fixed assets Tangible fixed assets are recorded at cost and revalued in compliance with the applicable legislation, with the exception of those deployed in the branches, which are stated at cost.

The net surplus arising from revaluations was credited to the "Revaluation reserves" account (Note 23). Forty percent of the increased depreciation charge resulting from the revaluations carried out is not accepted for taxation purposes. Caixa does not record deferred tax liabilities arising from this situation in line with the current practice in force for the Portuguese banking sector.

Depreciation is calculated on a straight-line basis using the maximum rates allowed by tax legislation, which do not differ from the corresponding assets' estimated useful lives, as follows:

| | Number of years |
|---------------------------|------------------------|
| Properties | 50 |
| Leasehold improvements | 10 |
| Equipment: | |
| Furniture and furnishings | 8 |
| Machines and tools | 5 - 14 |
| Computer hardware | 4 - 5 |
| Interior fittings | 8 - 10 |
| Vehicles | 4 - 6 |
| Security equipment | 10 |

Intangible assets include mainly the amounts spent on computer software and research and development expenses. These expenses are amortised over three years.

h) Assets received as settlement of defaulting loans Properties and other assets received as settlement of defaulting loans are shown under the caption "Other assets - assets received as settlement of defaulting loans" at their repossessed values, with the corresponding amount being credited to the caption "Accruals and deferred income" (liabilities). This entry is reversed by credit to overdue loans when the respective legal proceedings have been finalised. Whenever the repossessed amount exceeds the fair value of the assets, a provision for the shortfall is recorded.

When the sales contracts of assets received have been signed, the sales value is recorded in the caption "Other assets" by corresponding entries to "Accruals and deferred income" (liabilities). The amount recorded in the liability caption is reversed by a corresponding entry to the caption "Other assets – assets received as settlement of defaulting loans" at the date of signature of the deed or the effective transfer of assets.

i) Retirement and survivor pensions CGD and Fidelidade-Mundial are responsible for the payment of retirement, disability and survivor pensions to their employees under the conditions explained below. Other companies of the Group are also responsible for the payment of pensions, namely Banco Comercial do Atlântico, SA, Banco Simeón, SA and Banco Nacional Ultramarino, SA (Macao), among others, but these are not significant in relation to the consolidated financial statements.

Liability relating to employees of CGD

In accordance with article 39 of Decree Law 48 953 of 5 April 1969 and Decree Law 161/92 of 1 August, CGD is responsible for the payment of sickness, disability or old age retirement pensions, as well as survivor pensions to employees hired as from 1 January 1992.

The survivor pensions of employees hired prior to 1 January 1992 are paid by Caixa Geral de Aposentações. To this purpose these employees pay a contribution of 2.5% of their wages.

The pensions paid are based on the number of years of service of the employees and their wages at their date of retirement, and are updated in line with the wages paid to current employees.

Caixa pays the contributions required to cover its pension liabilities, for which it has a pension fund set up in December 1991. In accordance with the regime applicable to Caixa, the employees contribute the following percentages of their wages to the pension fund:

| | |
|---|-------|
| – Employees hired prior to 1 January 1992 | 7.5% |
| – Employees hired after 1 January 1992 | 10.0% |

The full amount contributed by the employees hired after 1 January 1992 is paid to the pension fund owing to the fact that the fund is responsible for the respective survivor pensions regime.

Medical assistance to current employees and pensioners of CGD is provided by the Social Services of Caixa Geral de Depósitos ("the Social Services"). CGD pays an annual contribution to the Social Services corresponding to 8.95% of salaries and pensions paid. This contribution is recorded on a cash basis.

Liabilities relating to employees of the former BNU

Pursuant to the terms of the Collective Labour Agreement (ACTV) in force for the banking sector, the former BNU had the commitment to grant pensions to employees for early retirement and retirement due to age, disability and survivor pensions. Such payments comprise a percentage, which increases in line with the number of years of employment, applied to the salary scales agreed annually with the bank employees' trade unions.

During 2001, following the merger of BNU into CGD, BNU's pension liability was transferred to CGD. Accordingly, the former employees of BNU, in service at the date of the merger, became covered by the pension and benefits plan in force in CGD. As regards retired personnel and pensioners of BNU at the date of the merger, BNU's pension plan in force on the date of their retirement remains applicable.

Recording and coverage of the pension liability

Following the publication of Notice 12/2001 of 9 November and Notice 7/2002 of 31 December, the Bank of Portugal changed the regime for recording pension liabilities. The more significant features of the new regime are the following:

- the annual cost of retirement pensions includes current service costs and interest costs less expected income;
- requirement to fully fund the pensions under payment and a minimum of 95% of the past service liability of current personnel. At 31 December 2003, 98.1% (95.0% in 2002) of CGD's past service liability relating to current personnel was funded, the shortfall in the coverage amounting to € 24 563 thousand and € 63 246 thousand, respectively (Note 29);
- establishment of a 10% corridor based on the lower of the present value of the past service liability or the amount of the pension fund, reported at the end of the current year, so that the actuarial gains and losses resulting from differences between the actuarial and financial assumptions used and the actual amounts are not reflected on the statement of profit and loss, provided that the net accumulated amount is within this limit. At 31 December 2003 and 2002 CGD used this deferral option in full, the referred to corridor having been fully used (Notes 14 and 29);
- the amounts which cannot be allocated to the corridor and those relating to changes in the actuarial assumptions must be recorded as deferred costs or income and amortised over a maximum period of 10 years. On 31 December 2003 and 2002 deferred costs recorded by CGD amounted to € 310 039 thousand and € 286 970 thousand, respectively (Note 14). In 2003, CGD amortised deferred costs in the amount of € 29 697 thousand (Notes 29 and 32).

CGD's liability for retirement pensions (including the liability relating to employees of the former BNU) are covered by a Pension Fund totalling € 2 497 086 thousand at 31 December 2003 (€ 2 231 667 thousand in 2002).

Companhia de Seguros Fidelidade-Mundial, SA

Pursuant to the terms of the collective labour agreement in force for the insurance sector, Fidelidade and Mundial - Confiança have undertaken to pay their employees hired prior to June 1995, supplementary pensions to those attributed by the Social Security. These supplementary pensions consist of a percentage, which

increases in proportion to the number of years of employment, applied to the salary scales in force at the date of retirement. They have also undertaken to pay pensions of 80% of their current salary to employees taking early retirement up to the time they reach normal retirement age.

To cover these liabilities Fidelidade - Mundial had a pension fund and provisions amounting to € 108 780 thousand and € 108 242 thousand at 31 December 2003 and 2002, respectively (Note 29).

In accordance with the accounting principles applicable to the insurance sector, liabilities for pensions must be fully covered by pension funds and/or provisions at the end of each year, all the amounts required to ensure that coverage being recorded as expense for the year.

j) Income tax All Group companies are individually taxed and those incorporated in Portugal are subject to the regime laid out by the Corporate Income Tax Code (Código do IRC). The branches' accounts are included in the head office accounts for tax purposes. In addition to being subject to Corporate Income Tax (IRC), pursuant to the above, the net income of branches is also subject to local taxes in the countries/territories where they operate. Local taxes are deductible from the head office's taxable income under the terms of article 73 of the Corporate Income Tax Code and Double Taxation Agreements entered into by Portugal.

The offshore branches of CGD and Caixa – Banco de Investimento, SA in the Autonomous Region of Madeira benefit, under article 41 of the Statute of Tax Benefits, from exemption from corporate income tax up to 31 December 2011. Under the terms of Ministerial Order 555/2002 of 4 June, at least 80% of the taxable income of the Bank's global activity is considered, for the purpose of this exemption, to result from activities outside the Madeira free zone (this regime has been in force since 1 January 2003).

Income tax relative to subsidiaries abroad is calculated and recorded in compliance with the regulations in force in those countries.

Deferred tax resulting from temporary differences between accounting results and those accepted for tax purposes (IRC), are not recorded by Caixa, except for deferred tax liabilities relative to the taxation of derivatives.

Deferred tax assets recorded by the principal subsidiary and associated companies are eliminated in the consolidation process, in accordance with the regulations of the Bank of Portugal.

k) Financial leasing Financial leasing operations are recorded as follows:

Lessee

Assets purchased under a financial leasing agreement are recorded for the same amount in fixed assets and liabilities and the respective depreciation thereon calculated.

The leasing instalments are divided up in line with the respective financial plan and liabilities are reduced by the part corresponding to the amortisation of principal. Interest paid is recorded as interest expense.

Lessor

Leasing assets are recorded on the balance sheet as loans granted, which are repaid according to the financial plan as set out by contract. The interest included in the instalments is recorded as interest income.

l) Securities and other items deposited Securities and other items deposited by customers are recorded at their nominal value.

m) Deposit Guarantee Fund The Deposit Guarantee Fund (Fund) was created in November 1994 with the purpose of guaranteeing customers' deposits according to the terms of the General Credit Institutions Regime. Regular annual contributions are paid to the Fund besides the initial payment, which was made as of its founding.

In 2003 and 2002, pursuant to the terms of the applicable regulations, CGD made annual contributions to the Deposit Guarantee Fund, for the amounts of € 37 791 thousand and € 32 553 thousand, respectively. Of these contributions € 28 343 and € 24 415 thousand, respectively, were made in the form of an irrevocable commitment to pay when so requested by the Fund. These amounts were not expensed. Total contingent liabilities assumed since 1996 are recorded in off-balance sheet accounts (Note 24).

3. Cash and Central Bank Deposits

This heading comprises the following:

| | CGD | | Consolidated | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Cash | | | | |
| In Euros | 392 609 | 301 351 | 418 045 | 364 094 |
| In foreign currency | 15 235 | 16 289 | 38 557 | 34 425 |
| | 407 844 | 317 640 | 456 602 | 398 519 |
| Sight deposits with central banks | 8 609 647 | 1 638 511 | 8 739 058 | 1 729 537 |
| | 9 017 491 | 1 956 151 | 9 195 660 | 2 128 056 |

The objective of the sight deposits held with the Bank of Portugal is to comply with the legal requirements for minimum cash reserves of the European Central Banks System (ECBS). These deposits earn interest and correspond to 2% of the deposits and debt securities with up to two years term except for deposits and debt securities of entities subject to the minimum cash reserve requirements of the ECBS.

The funds held as deposits with central banks by Caixa and Caixa Group banks as at 31 December 2003 and 2002, complied with the minimum limits defined by the dispositions in force in their countries of activity.

4. Sight Deposits with Credit Institutions

This heading comprises the following:

| | CGD | | Consolidated | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Cheques for collection | | | | |
| Domestic credit institutions | 782 822 | 524 866 | 796 403 | 533 781 |
| Foreign credit institutions | 13 007 | 23 362 | 16 831 | 30 603 |
| | 795 829 | 548 228 | 813 234 | 564 384 |
| Sight deposits | | | | |
| Domestic credit institutions | 5 351 | 5 476 | 19 314 | 25 049 |
| Foreign credit institutions | 70 053 | 150 950 | 83 410 | 165 797 |
| | 75 404 | 156 426 | 102 724 | 190 846 |
| Other | 8 | 69 | 19 | 452 |
| | 871 241 | 704 723 | 915 977 | 755 682 |

5. Other Loans and Advances to Credit Institutions

This heading comprises the following:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Securities of deposit with the Bank of Portugal | 230 589 | 474 826 | 231 014 | 475 710 |
| Short term applications with the Bank of Portugal | - | - | - | 1 183 |
| Interbank Money Market | 1 037 575 | 1 809 812 | 196 025 | 961 600 |
| Term deposits | | | | |
| Domestic | 127 066 | 229 741 | 61 634 | 176 782 |
| Abroad | 898 572 | 2 780 147 | 597 144 | 2 551 944 |
| Loans | | | | |
| Domestic | 816 815 | 618 337 | 115 597 | 136 649 |
| Abroad | 270 674 | 356 043 | 276 755 | 356 028 |
| Other applications | | | | |
| Domestic | 102 637 | 55 587 | 261 188 | 273 208 |
| Abroad | 4 028 071 | 388 640 | 4 037 371 | 292 467 |
| Purchase operations with resale agreement | | | | |
| Bank of Portugal | - | - | 31 511 | 41 330 |
| Other | - | - | 114 397 | 137 339 |
| | 7 511 999 | 6 713 133 | 5 922 636 | 5 404 240 |
| Overdue applications | 18 484 | 24 476 | 18 480 | 24 476 |
| | 7 530 483 | 6 737 609 | 5 941 116 | 5 428 716 |
| Provisions for loans and advances to credit institutions: | | | | |
| Overdue applications | (18 216) | (21 748) | (18 216) | (21 748) |
| Country-risk | (16 028) | (43 640) | (8 076) | (18 190) |
| | (34 244) | (65 388) | (26 292) | (39 938) |
| | 7 496 239 | 6 672 221 | 5 914 824 | 5 388 778 |

The country-risk provision as at 31 December 2003 and 2002 was assessed as follows:

| | CGD | | | | | | | | | |
|-----------------------|-----------------------------|--------------------------------|-----------------|----------------|---------------|-----------------------------|--------------------------------|----------------|----------------|---------------|
| | 2003 | | | | | 2002 | | | | |
| | Credit and other assets (*) | Short term foreign trade loans | Other (**) | Exposure | Provision | Credit and other assets (*) | Short term foreign trade loans | Other (**) | Exposure | Provision |
| Macao | 73 548 | - | - | 73 548 | 7 355 | 177 090 | - | - | 177 090 | 17 709 |
| Brazil | 106 609 | (94 858) | - | 11 751 | 2 938 | 170 030 | (165 787) | - | 4 243 | 1 061 |
| Russian Fed. | 5 542 | (2 375) | - | 3 167 | 1 583 | - | - | - | - | - |
| Hungary | 10 692 | - | - | 10 692 | 1 069 | 1 907 | - | - | 1 907 | 191 |
| Angola | 1 122 | - | - | 1 122 | 949 | 2 549 | - | - | 2 549 | 2 417 |
| Kazakhstan | 2 375 | - | - | 2 375 | 594 | - | - | - | - | - |
| Cape Verde | 2 092 | - | - | 2 092 | 523 | 476 | - | - | 476 | 120 |
| Croatia | 2 000 | - | - | 2 000 | 500 | 2 000 | - | - | 2 000 | 500 |
| Poland | 2 500 | - | - | 2 500 | 250 | 2 500 | - | - | 2 500 | 250 |
| South Africa | 919 | - | - | 919 | 230 | 29 744 | - | - | 29 744 | 7 436 |
| Mozambique | 69 | - | - | 69 | 34 | 585 | - | - | 585 | 292 |
| Chile | 396 | (396) | - | - | - | 2 146 | - | - | 2 146 | - |
| Panama | 19 795 | - | (19 795) | - | - | 9 536 | - | (9 536) | - | - |
| Mexico | - | - | - | - | - | 9 536 | - | - | 9 536 | 2 383 |
| Bulgaria | - | - | - | - | - | 45 036 | - | - | 45 036 | 11 259 |
| Sao Tome and Principe | - | - | - | - | - | 28 | - | - | 28 | 14 |
| Other | - | - | - | - | 3 | - | - | - | - | 8 |
| | 227 659 | (97 629) | (19 795) | 110 235 | 16 028 | 453 163 | (165 787) | (9 536) | 277 840 | 43 640 |

(*) Amounts net of provisions for overdue applications.

(**) Includes loans excluded from the basis of incidence in accordance with specific authorisations of the Bank of Portugal.

| | Consolidated | | | |
|-----------------------|---------------------|--------------|---------------------|---------------|
| | 2003 | | 2002 | |
| | Net Exposure (*) | Provision | Net Exposure (*) | Provision |
| Brazil | 11 751 | 2 938 | 4 243 | 1 061 |
| Russian Federation | 3 167 | 1 583 | - | - |
| Hungary | 10 692 | 1 069 | 1 907 | 191 |
| Angola | 1 123 | 949 | 2 549 | 2 417 |
| Kazakhstan | 2 375 | 594 | - | - |
| Croatia | 2 000 | 500 | 2 000 | 500 |
| Poland | 2 500 | 250 | 2 500 | 250 |
| South Africa | 640 | 159 | - | - |
| Mozambique | 69 | 34 | - | - |
| Bulgaria | - | - | 45 036 | 11 259 |
| Mexico | - | - | 9 536 | 2 383 |
| Cape Verde | - | - | 194 | 48 |
| Sao Tome and Principe | - | - | 28 | 14 |
| Other | - | - | - | 67 |
| | 34 317 | 8 076 | 67 993 | 18 190 |

(*) Basis of incidence, net, for the calculation of provisions, in accordance with the Bank of Portugal rules.

The structure of the residual term to maturity of "Other Loans and Advances to Credit Institutions" as at 31 December 2003 and 2002, excluding overdue applications, was as follows:

| | CGD | | Consolidated | |
|--------------------------|------------------|------------------|---------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Up to three months | 5 437 263 | 2 149 504 | 4 511 161 | 1 638 159 |
| Three months to one year | 1 544 316 | 3 582 376 | 1 226 493 | 3 271 604 |
| One to five years | 486 546 | 886 771 | 178 434 | 494 314 |
| Over five years | 43 874 | 94 482 | 6 548 | 163 |
| | 7 511 999 | 6 713 133 | 5 922 636 | 5 404 240 |

Information on provisions recorded for loans and advances to credit institutions in 2003 and 2002 is provided in Note 20.

6. Loans and Advances to Customers

This heading comprises the following:

| | CGD | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Domestic loans | | | | |
| Loans | 30 494 941 | 30 259 166 | 31 111 298 | 31 497 928 |
| Current account loans | 5 401 619 | 5 374 214 | 5 548 170 | 5 543 138 |
| Other loans | 1 205 648 | 1 881 075 | 2 616 325 | 2 365 860 |
| Application of consigned resources | 72 224 | 83 932 | 80 856 | 97 472 |
| Overdrafts | 187 299 | 345 063 | 175 065 | 340 326 |
| Local discount operations | 328 582 | 400 276 | 570 042 | 592 411 |
| Foreign discount operations | 146 | 6 | 2 412 | 3 850 |
| Financial leasing | - | - | 521 295 | 599 704 |
| Property leasing | - | - | 809 669 | 711 957 |
| Loans taken – factoring | - | - | 145 752 | 164 933 |
| Purchase operations with resale agreement | - | - | - | 20 740 |
| Subordinated loans | - | - | - | 838 |
| Foreign loans | | | | |
| Other loans | 1 624 288 | 1 294 723 | 1 763 315 | 1 372 361 |
| Loans | 262 839 | 329 986 | 326 542 | 525 350 |
| Current account loans | 55 366 | 103 916 | 55 907 | 110 073 |
| Overdrafts | 7 735 | 4 830 | 7 847 | 5 598 |
| Foreign discount operations | 18 | 32 | 18 | 32 |
| Local discount operations | 11 078 | 9 821 | 11 306 | 10 132 |
| Other | - | - | 3 893 | 3 961 |
| | 39 651 783 | 40 087 040 | 43 749 712 | 43 966 664 |
| Overdue loans and interest | 1 015 521 | 965 658 | 1 256 727 | 1 237 074 |
| | 40 667 304 | 41 052 698 | 45 006 439 | 45 203 738 |
| Provision for loans and advances to customers: | | | | |
| Overdue loans and interest | (636 889) | (636 325) | (756 928) | (752 612) |
| Doubtful loans | (118 598) | (51 166) | (127 826) | (57 217) |
| Country-risk | (16 301) | (26 924) | (28 001) | (26 928) |
| | (771 788) | (714 415) | (912 755) | (836 757) |
| | 39 895 516 | 40 338 283 | 44 093 684 | 44 366 981 |

The "Domestic Loans – Other Loans" heading as at 31 December 2003 and 2002 included € 73 422 thousand and € 71 906 thousand, respectively, of personal loans made by CGD to its employees.

Information on 2003 and 2002 provisions entries is provided in Note 20.

Provisions for general credit risks recorded in liabilities (Note 20) complement provisions for overdue loans and interest, doubtful loans and country-risk.

Provisions for doubtful loans as at 31 December 2003 and 2002 include € 4 400 thousand and € 11 308 thousand, respectively, of provisions created above the minimum requirements of the Bank of Portugal (Note 2. b) ii).

The assessment of the country-risk provision as at 31 December 2003 and 2002 is set out in the following table:

| | CGD | | | | | | | | | | | |
|------------------------|-----------------------------|--------------------------------|-----------------|-----------------|---------------|---------------|-----------------------------|--------------------------------|-----------------|-----------------|----------------|---------------|
| | 2003 | | | | | 2002 | | | | | | |
| | Credit and other assets (*) | Short term foreign trade loans | Guarantees | Other (**) | Exposure | Provision | Credit and other assets (*) | Short term foreign trade loans | Guarantees | Other (**) | Exposure | Provision |
| Cape Verde | 43 682 | - | (5 781) | - | 37 901 | 9 475 | 43 979 | - | (6 730) | - | 37 249 | 9 448 |
| South Africa | 10 152 | - | (1 210) | - | 8 942 | 2 236 | 12 990 | (627) | (1 102) | - | 11 261 | 2 815 |
| Brazil | 26 786 | - | (14 908) | (5 509) | 6 369 | 1 592 | 54 167 | (3 668) | (10 461) | (20 306) | 19 732 | 4 933 |
| Mozambique | 2 625 | - | (934) | - | 1 691 | 846 | 7 115 | (1 550) | - | - | 5 565 | 2 783 |
| Morocco | 39 131 | - | - | (31 057) | 8 074 | 808 | 46 175 | - | (5 799) | (31 039) | 9 337 | 934 |
| Hungary | 3 750 | - | - | - | 3 750 | 375 | 1 500 | - | - | - | 1 500 | 150 |
| Russian Fed. | 704 | - | - | - | 704 | 352 | 9 278 | - | - | - | 9 278 | 4 639 |
| Israel | 3 167 | - | - | - | 3 167 | 317 | 3 814 | - | - | - | 3 814 | 381 |
| Thailand | 1 240 | - | - | - | 1 240 | 124 | 1 514 | - | - | - | 1 514 | 151 |
| Angola | 622 | - | (464) | - | 158 | 88 | 681 | - | (531) | - | 150 | 180 |
| People's Rep. of China | 693 | - | - | - | 693 | 69 | 827 | - | - | - | 827 | 83 |
| Venezuela | 219 | - | (148) | - | 71 | 7 | 422 | - | (399) | - | 23 | 11 |
| Mexico | 49 781 | (17 815) | (31 966) | - | - | - | 43 355 | (4 768) | (38 587) | - | - | - |
| Colombia | 6 334 | - | (6 334) | - | - | - | 9 536 | - | (9 536) | - | - | - |
| Guatemala | 5 594 | - | (5 594) | - | - | - | 7 213 | - | (7 213) | - | - | - |
| Macao | 3 | - | (3) | - | - | - | 3 | - | - | - | 3 | - |
| Chile | - | - | - | - | - | - | 1 907 | - | - | - | 1 907 | 190 |
| India | - | - | - | - | - | - | 724 | - | - | - | 724 | 181 |
| Tunisia | - | - | - | - | - | - | 2 160 | - | (2 052) | - | 108 | 11 |
| Other | 1 | - | - | - | 1 | 12 | 104 | - | - | - | 104 | 34 |
| | 194 484 | (17 815) | (67 342) | (36 566) | 72 761 | 16 301 | 247 464 | (10 613) | (82 410) | (51 345) | 103 096 | 26 924 |

(*) Amounts net of provisions for overdue loans.

(**) Includes loans excluded from the basis of incidence in accordance with specific authorisations of the Bank of Portugal.

| | Consolidated | | | |
|----------------------------|------------------|---------------|------------------|---------------|
| | 2003 | | 2002 | |
| | Net Exposure (*) | Provision | Net Exposure (*) | Provision |
| Mexico | 39 913 | 9 483 | 63 862 | 3 |
| Cape Verde | 37 901 | 9 475 | 37 249 | 9 448 |
| Mozambique | 6 121 | 3 062 | 5 565 | 2 783 |
| South Africa | 8 942 | 2 236 | 11 261 | 2 815 |
| Brazil | 7 310 | 1 592 | 19 732 | 4 933 |
| Morocco | 8 074 | 808 | 9 337 | 934 |
| Hungary | 3 750 | 375 | 1 500 | 150 |
| Russian Federation | 7 036 | 352 | 9 278 | 4 639 |
| Israel | 3 167 | 317 | 3 814 | 381 |
| Thailand | 1 240 | 124 | 1 514 | 151 |
| Angola | 158 | 88 | 187 | 180 |
| People's Republic of China | 693 | 69 | 827 | 83 |
| Venezuela | 72 | 8 | - | - |
| India | 2 376 | - | 724 | 181 |
| Romania | 772 | - | - | - |
| Chile | - | - | 1 907 | 190 |
| Other | - | 12 | 205 | 57 |
| | 127 525 | 28 001 | 166 962 | 26 928 |

(*) Basis of incidence, net, for the calculation of the provisions, in accordance with the Bank of Portugal rules.

The credit portfolio of Banco Nacional Ultramarino, SA (Macao) amounted to € 255 946 and € 338 570 thousand as at 31 December 2003 and 2002, respectively, essentially comprising loans and advances to customers from risk countries according to the classification of Bank of Portugal. No provisions for country-risk have been created for these loans since, in compliance with the regulations in force in Macao, such provisions are not compulsory.

Information on the residual term to maturity of "Loans and advances to customers" excluding overdue loans and interest as at 31 December 2003 and 2002 is set out in the following table:

| | CGD | | Consolidated | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Up to three months | 3 976 904 | 4 000 840 | 4 518 879 | 4 669 884 |
| Three months to one year | 5 386 673 | 5 342 411 | 5 985 228 | 5 882 920 |
| One to five years | 9 224 151 | 9 525 863 | 10 548 097 | 10 751 710 |
| Over five years | 21 059 011 | 21 214 198 | 22 692 464 | 22 633 123 |
| Undetermined maturity | 5 044 | 3 728 | 5 044 | 29 027 |
| | 39 651 783 | 40 087 040 | 43 749 712 | 43 966 664 |

The aging of "Overdue loans" as at 31 December 2003 and 2002 was as follows:

| | CGD | | Consolidated | |
|------------------------|------------------|----------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Up to three months | 59 847 | 94 679 | 96 575 | 152 385 |
| Three to six months | 49 300 | 40 013 | 66 006 | 64 801 |
| Six months to one year | 83 992 | 74 484 | 190 106 | 160 186 |
| One to three years | 373 650 | 165 422 | 419 654 | 217 910 |
| Over three years | 448 732 | 591 060 | 484 386 | 641 792 |
| | 1 015 521 | 965 658 | 1 256 727 | 1 237 074 |

The structure of "Loans and advances to customers" heading as at 31 December 2003 and 2002 by business activity was as follows:

| | CGD | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Agriculture, cattle breeding, hunting and forestry | 309 865 | 325 032 | 366 980 | 378 465 |
| Fishing | 29 330 | 26 512 | 32 265 | 46 425 |
| Mining industries: | | | | |
| Energetic products | 19 320 | 14 171 | 19 392 | 37 998 |
| Mining industries except energetic products | 57 677 | 64 179 | 126 939 | 91 963 |
| Manufacturing industries: | | | | |
| Food, beverages and tobacco | 366 583 | 386 209 | 483 366 | 484 204 |
| Textiles | 263 883 | 275 725 | 320 549 | 342 866 |
| Leather and by-products | 45 878 | 55 789 | 49 364 | 59 483 |
| Wood and cork | 175 037 | 197 937 | 202 185 | 223 429 |
| Pulp, paper, printing and publishing | 246 442 | 237 294 | 325 102 | 327 022 |
| Coal, oil products and nuclear fuel | 4 584 | 69 165 | 48 781 | 75 191 |
| Chemical products and synthetic or artificial fibres | 51 002 | 53 374 | 62 432 | 69 309 |
| Rubber and plastic goods | 62 354 | 65 488 | 91 640 | 92 570 |
| Non metallic mineral products | 260 591 | 293 777 | 309 477 | 332 552 |
| Base metallurgy and metallic products | 158 587 | 152 591 | 240 530 | 225 042 |
| Machinery and equipment | 63 550 | 73 050 | 90 460 | 91 729 |
| Electrical and optical equipment | 77 550 | 77 933 | 86 012 | 85 803 |
| Transport equipment | 343 665 | 198 150 | 349 473 | 205 101 |
| Undefined manufacturing industries | 435 742 | 502 260 | 625 292 | 692 154 |
| Electricity, water and gas | 614 003 | 519 697 | 711 972 | 619 583 |
| Building | 4 759 075 | 4 946 710 | 5 120 451 | 5 503 622 |
| Wholesale/retail trade, car, motorcycles and personal and domestic goods repairing | 1 720 422 | 1 907 996 | 2 225 082 | 2 342 763 |
| Restaurants and hotels | 407 999 | 388 891 | 548 620 | 445 088 |
| Transports, warehousing and communications | 597 184 | 742 160 | 816 851 | 938 700 |
| Financial activities: | | | | |
| Financial intermediation excluding insurance and pension funds | 174 556 | 400 696 | 238 922 | 324 590 |
| Insurance, pension funds and social security complementary activities | 1 536 | 16 667 | 8 021 | 20 270 |
| Other financial intermediation activities | 81 273 | 127 689 | 88 872 | 130 277 |
| Real estate activities, rentals and services provided to companies | 3 859 355 | 3 574 321 | 4 515 966 | 4 212 573 |
| Public administration, defence and mandatory social security | 1 120 900 | 891 610 | 1 283 472 | 1 112 710 |
| Education | 92 588 | 94 697 | 101 774 | 108 559 |
| Healthcare and welfare | 140 289 | 148 882 | 197 423 | 203 317 |
| Other activities and social and personal services | 527 182 | 532 005 | 748 814 | 818 553 |
| Personal and domestic services | 18 | 25 | 137 | 46 |
| International entities and other foreign institutes | - | 7 | - | 7 |
| Housing | 22 861 060 | 22 531 893 | 23 378 270 | 23 048 894 |
| Other | 738 224 | 1 160 116 | 1 191 553 | 1 512 880 |
| | 40 667 304 | 41 052 698 | 45 006 439 | 45 203 738 |

7. Securities

This heading comprises the following:

| | CGD | | | | | |
|---|------------------|------------------|------------------|---------------|------------------|------------------|
| | 2003 | | | 2002 | | |
| | Trading | Investment | Total | Trading | Investment | Total |
| Bonds and other fixed-income securities: | | | | | | |
| Government issuers: | | | | | | |
| Government debt securities | 847 538 | 98 550 | 946 088 | 19 381 | 1 235 153 | 1 254 534 |
| Treasury Bills | 60 999 | - | 60 999 | - | - | - |
| Bonds of other government issuers: | | | | | | |
| Domestic | - | 55 585 | 55 585 | - | 89 494 | 89 494 |
| Foreign | 1 476 914 | 328 218 | 1 805 132 | 10 646 | 1 202 239 | 1 212 885 |
| | 2 385 451 | 482 353 | 2 867 804 | 30 027 | 2 526 886 | 2 556 913 |
| Provision for securities: | | | | | | |
| Unrealised losses | - | (2 582) | (2 582) | - | (18 299) | (18 299) |
| Country-risk | - | - | - | - | (5 306) | (5 306) |
| | - | (2 582) | (2 582) | - | (23 605) | (23 605) |
| | 2 385 451 | 479 771 | 2 865 222 | 30 027 | 2 503 281 | 2 533 308 |
| Issued by international financial organisations | 5 582 | 151 353 | 156 935 | - | 147 316 | 147 316 |
| Other issuers: | | | | | | |
| Bonds and other securities: | | | | | | |
| From residents | - | 1 164 290 | 1 164 290 | - | 1 117 439 | 1 117 439 |
| From non residents | 436 048 | 2 144 400 | 2 580 448 | - | 2 406 690 | 2 406 690 |
| Subordinated debt securities | - | 1 496 | 1 496 | - | 1 497 | 1 497 |
| Overdue securities and interest | - | 8 785 | 8 785 | - | 10 402 | 10 402 |
| | 441 630 | 3 470 324 | 3 911 954 | - | 3 683 344 | 3 683 344 |
| Provision for securities: | | | | | | |
| Unrealised losses | - | (344 886) | (344 886) | - | (357 603) | (357 603) |
| Overdue securities | - | (8 535) | (8 535) | - | (8 599) | (8 599) |
| Country-risk | - | (17 529) | (17 529) | - | (28 433) | (28 433) |
| | - | (370 950) | (370 950) | - | (394 635) | (394 635) |
| | 441 630 | 3 099 374 | 3 541 004 | - | 3 288 709 | 3 288 709 |

| | Consolidated | | | | | | | |
|---|------------------|------------------|-----------------------------|------------------|----------------|------------------|-----------------------------|------------------|
| | 2003 | | | | 2002 | | | |
| | Trading | Investment | Securities held to maturity | Total | Trading | Investment | Securities held to maturity | Total |
| Bonds and other fixed income securities: | | | | | | | | |
| Government issuers: | | | | | | | | |
| Government debt securities | 847 538 | 166 643 | - | 1 014 181 | 19 381 | 1 324 990 | - | 1 344 371 |
| Treasury Bills | 60 999 | 18 010 | - | 79 009 | - | - | - | - |
| Bonds of other government issuers: | | | | | | | | |
| Domestic | - | 56 447 | - | 56 447 | - | 89 494 | - | 89 494 |
| Foreign | 1 594 836 | 529 241 | - | 2 124 077 | 136 596 | 1 276 647 | - | 1 413 243 |
| Overdue securities and interest | - | 93 | - | 93 | - | 93 | - | 93 |
| | 2 503 373 | 770 434 | - | 3 273 807 | 155 977 | 2 691 224 | - | 2 847 201 |
| Provision for securities: | | | | | | | | |
| Unrealised losses | - | (2 685) | - | (2 685) | - | (18 429) | - | (18 429) |
| Country-risk | - | - | - | - | - | (5 306) | - | (5 306) |
| | - | (2 685) | - | (2 685) | - | (23 735) | - | (23 735) |
| | 2 503 373 | 767 749 | - | 3 271 122 | 155 977 | 2 667 489 | - | 2 823 466 |
| Issued by international financial organisations | 5 582 | 152 601 | - | 158 183 | - | 248 328 | - | 248 328 |
| Other issuers: | | | | | | | | |
| Bonds and other securities: | | | | | | | | |
| From residents | 24 | 1 268 859 | - | 1 268 883 | 20 | 1 256 610 | - | 1 256 630 |
| From non residents | 479 142 | 2 330 323 | 2 549 | 2 812 014 | 65 224 | 2 509 312 | 2 534 | 2 577 070 |
| Overdue securities and interest | - | 8 785 | - | 8 785 | - | 10 402 | - | 10 402 |
| | 484 748 | 3 760 568 | 2 549 | 4 247 865 | 65 244 | 4 024 652 | 2 534 | 4 092 430 |
| Provision for securities: | | | | | | | | |
| Unrealised losses | - | (346 010) | - | (346 010) | - | (363 067) | - | (363 067) |
| Overdue securities | - | (8 535) | - | (8 535) | - | (8 599) | - | (8 599) |
| Country-risk | - | (17 529) | - | (17 529) | - | (28 433) | - | (28 433) |
| | - | (372 074) | - | (372 074) | - | (400 099) | - | (400 099) |
| | 484 748 | 3 388 494 | 2 549 | 3 875 791 | 65 244 | 3 624 553 | 2 534 | 3 692 331 |

The caption "Bonds and other securities from non residents" as at 31 December 2003 and 2002, includes bonds issued by a company with head office in Luxembourg in the amount of € 422 084 thousand (€ 435 577 thousand as at 31 December 2002). On 31 December 2003, provisions for unrealised losses on these securities amounted to € 326 179 thousand (€ 334 044 thousand as at 31 December 2002).

The caption "Bonds and other securities from non residents" at 31 December 2003 includes bonds acquired by Caixa following credit securitisation operations amounting to € 6 625 thousand, which are fully provided for (Note 37).

Under the terms of the contract for the issuance of notes entered into between Banco Nacional Ultramarino, SA (Macao) and the Territory of Macao, the bank has undertaken to provide the Territory with foreign currency corresponding to the countervalue of the notes in circulation, and in return, receives a promissory note for an equivalent amount to cover the liabilities resulting from the currency issue (Note 18). The amounts to provide to the Territory by BNU are reconciled on a monthly basis during the first fifteen days of each month, on the basis of the average daily balances of the preceding month. Up to 12 June 2001, this function was performed by BNU, having subsequently been transferred to Banco Nacional Ultramarino, SA (Macao).

Bonds issued by other foreign government issuers recorded on the consolidated financial statements as at 31 December 2003 and 2002 include € 116 183 thousand and € 123 650 thousand, respectively, in respect of the promissory note issued by the Government of Macao.

No interest is received on the promissory note, the payment for the functions entrusted to Banco Nacional Ultramarino, SA (Macao) being obtained by means of a permanent non interest-bearing deposit.

| | CGD | | Consolidated | |
|--|----------------|----------------|---------------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Shares and other variable-yield securities: | | | | |
| Investment | | | | |
| Shares: | | | | |
| Domestic entities | 88 362 | 80 384 | 88 947 | 80 969 |
| Foreign entities | 17 637 | 36 983 | 24 305 | 45 082 |
| Trust fund units: | | | | |
| Domestic entities | 288 988 | 233 489 | 289 144 | 233 638 |
| Foreign entities | 1 584 | 6 907 | 2 573 | 12 712 |
| Participating bonds | 9 252 | 9 222 | 9 432 | 10 885 |
| Subordinated securities | 84 976 | 9 976 | 9 976 | 9 976 |
| Other | - | 2 227 | - | 2 374 |
| Overdue securities and interest | 464 | 632 | 464 | 632 |
| | 491 263 | 379 820 | 424 841 | 396 268 |
| Trading: | | | | |
| Trust fund units | 14 257 | - | 14 257 | - |
| Shares: | | | | |
| Domestic entities | 15 312 | 8 011 | 17 050 | 8 717 |
| Foreign entities | 8 999 | 1 724 | 8 999 | 1 724 |
| | 529 831 | 389 555 | 465 147 | 406 709 |
| Provision for losses in securities | (32 599) | (33 614) | (35 484) | (38 785) |
| | 497 232 | 355 941 | 429 663 | 367 924 |

The consolidated and non-consolidated securities portfolio at 31 December 2003 includes participating units in investment trust funds managed by the Group companies in the amounts of € 296 028 thousand and € 296 184 thousand, respectively.

Information on provisions for fixed-income and variable-yield securities during 2003 and 2002 is set out in Note 20.

On 31 December 2003 and 2002, the provision for country-risk was assessed as follows:

| | CGD | | | |
|----------------|---------------------|---------------|---------------------|---------------|
| | 2003 | | 2002 | |
| | Net Exposure (*) | Provision | Net Exposure (*) | Provision |
| Brazil | 70 118 | 17 529 | 119 576 | 29 895 |
| Venezuela | - | - | 5 113 | 2 556 |
| Czech Republic | - | - | 7 672 | 767 |
| Slovenia | - | - | 3 147 | 315 |
| Chile | - | - | 2 057 | 206 |
| | 70 118 | 17 529 | 137 565 | 33 739 |

(*) Basis of incidence, net, for the calculation of the provisions, in accordance with the Bank of Portugal rules.

| | Consolidated | | | |
|----------------|---------------------|---------------|---------------------|---------------|
| | 2003 | | 2002 | |
| | Net Exposure (*) | Provision | Net Exposure (*) | Provision |
| Brazil | 70 263 | 17 529 | 119 576 | 29 895 |
| Venezuela | - | - | 5 113 | 2 556 |
| Czech Republic | - | - | 7 672 | 767 |
| Slovenia | - | - | 3 147 | 315 |
| Chile | 7 998 | - | 10 139 | 206 |
| Bulgaria | 1 701 | - | - | - |
| Mexico | 47 | - | 511 | - |
| | 80 009 | 17 529 | 146 158 | 33 739 |

(*) Basis of incidence, net, for the calculation of the provisions, in accordance with the Bank of Portugal rules.

At 31 December 2003 and 2002 Banco Nacional Ultramarino, SA (Macao) had securities of countries considered of risk by the Bank of Portugal in the amount of € 162 579 thousand and € 185 016 thousand, respectively. No country-risk provisions have been recorded for these securities since, under the regulations in force in Macao, such provisions are not compulsory.

The differences between cost and the market value of the investment and held to maturity securities portfolios as at 31 December 2003 and 2002, were as follows:

| | CGD | | | | | |
|--------------------------|-----------------------------------|------------------------------|---|-----------------------------------|------------------------------|---|
| | 2003 | | | 2002 | | |
| | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities |
| Acquisition cost | 482 353 | 3 470 324 | 491 263 | 2 526 886 | 3 683 344 | 379 820 |
| Provision for securities | (2 582) | (353 421) | (32 599) | (18 299) | (366 202) | (33 614) |
| | 479 771 | 3 116 903 | 458 664 | 2 508 587 | 3 317 142 | 346 206 |
| Unrealised gains | 4 256 | 14 673 | 14 069 | 65 277 | 13 141 | 9 645 |
| Market value | 484 027 | 3 131 576 | 472 733 | 2 573 864 | 3 330 283 | 355 851 |

| | Consolidated | | | | | |
|--------------------------|-----------------------------------|------------------------------|---|-----------------------------------|------------------------------|---|
| | 2003 | | | 2002 | | |
| | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities |
| Acquisition cost | 770 434 | 3 763 117 | 424 841 | 2 691 224 | 4 027 186 | 396 268 |
| Provision for securities | (2 685) | (354 545) | (35 484) | (18 429) | (371 666) | (38 785) |
| | 767 749 | 3 408 572 | 389 357 | 2 672 795 | 3 655 520 | 357 483 |
| Unrealised gains | 4 721 | 12 505 | 15 118 | 65 637 | 13 909 | 9 718 |
| Unrealised losses | - | (40) | - | - | (43) | - |
| Market value | 772 470 | 3 421 037 | 404 475 | 2 738 432 | 3 669 386 | 367 201 |

Unrealised losses refer to the held to maturity securities portfolio.

Unrealised gains on investment portfolio securities are not recognised, in accordance with the Bank of Portugal rules. Accordingly, as explained in Note 2.d), CGD deferred losses on futures hedging these securities, which at 31 December 2002, amounted to € 41 618 thousand (Note 14). In 2003, unrealised gains were realised and the deferred costs have been reversed.

The differences between the book value of the bonds and other fixed-income securities and their redemption value as at 31 December 2003 and 2002, were as follows:

| | CGD | | Consolidated | |
|--|-------------|-------------|---------------------|-------------|
| | 2003 | 2002 | 2003 | 2002 |
| Premiums relative to securities purchased at above redemption value | 28 596 | 42 685 | 33 845 | 44 093 |
| Discounts relative to securities purchased at below redemption value | 115 695 | 97 954 | 120 794 | 104 517 |

The securities sold to third parties as at 31 December 2003 and 2002 were as follows:

| | CGD | | Consolidated | |
|----------------------------------|-------------|-------------|---------------------|-------------|
| | 2003 | 2002 | 2003 | 2002 |
| Sold with repurchase agreement: | | | | |
| to credit institutions (Note 15) | 50 521 | 99 573 | 50 521 | 99 573 |
| to customers (Note 16) | - | - | 126 640 | 144 691 |

Securities sold with a repurchase agreement are kept in the portfolio and offset by "Amounts owed to credit institutions" or "Amounts owed to customers" in liabilities, depending on the entity to which they are sold.

Amounts in portfolio as at 31 December 2003 and 2002 to be redeemed in the following year are as follows:

| | CGD | | Consolidated | |
|--------------------|-------------|-------------|---------------------|-------------|
| | 2003 | 2002 | 2003 | 2002 |
| Government issuers | 376 652 | 517 801 | 553 823 | 966 631 |
| Other issuers | 806 206 | 802 954 | 907 717 | 915 417 |

8. Participating Interests and Investments in Subsidiary Companies

Participating interests This non-consolidated balance sheet heading comprises the following:

| | 2003 | | | |
|--|-------------------------|------------------|----------------------|------------------|
| | Direct shareholding (%) | Acquisition cost | Provisions (Note 20) | Book value |
| In domestic credit institutions: | | | | |
| Banco Comercial Português, SA | 5.98 | 1 009 598 | (42 961) | 966 637 |
| Unicre - Cartão Internacional de Crédito, SA | 17.60 | 1 065 | - | 1 065 |
| In foreign credit institutions: | | | | |
| Banco Comercial do Atlântico, SA | 47.53 | 20 305 | - | 20 305 |
| Banco Internacional de S. Tomé e Príncipe | 52.00 | 829 | - | 829 |
| In other domestic companies: | | | | |
| Portugal Telecom, SA | 4.12 | 478 037 | (12 744) | 465 293 |
| EDP - Electricidade de Portugal, SA | 4.75 | 462 066 | (22 343) | 439 723 |
| REN - Rede Eléctrica Nacional, SA | 20.00 | 159 998 | - | 159 998 |
| AdP - Águas de Portugal, SA. (Note 1.1) | 20.37 | 142 618 | - | 142 618 |
| Instituto Nacional de Habitação (Note 1.3) | 55.00 | 86 953 | - | 86 953 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (5 464) | 42 316 |
| SIBS - Soc. Interbancária de Serviços, SA (Note 1.1) | 21.19 | 12 420 | - | 12 420 |
| Esegur - Empresa de Segurança, SA (Note 1.1) | 50.00 | 12 952 | (1 390) | 11 562 |
| Euronext NV | 0.35 | 8 577 | - | 8 577 |
| FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | - | 8 480 |
| Prado Karton - Companhia de Cartão, SA (Note 1.1) | 37.40 | 5 111 | (138) | 4 973 |
| Prado - Cartolinas da Lousã, SA (Note 1.1) | 37.40 | 5 111 | (139) | 4 972 |
| Companhia de Papel do Prado, SA (Note 1.1) | 37.40 | 2 533 | (66) | 2 467 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| Taguspark - Soc. de Prom. e Desenv. do Parque de Ciência e Tecn. da Área de Lisboa, SA | 10.00 | 2 170 | - | 2 170 |
| In other foreign companies: | | | | |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | 41.55 | 6 846 | (702) | 6 144 |
| Lusogest - Sociedade Gestora Inst. Inv. Colectiva, SA (Note 1.1) | 71.28 | 1 865 | - | 1 865 |
| A Promotora - Sociedade de Capital de Risco, SARL | 36.21 | 1 326 | - | 1 326 |
| Lusopensiones - Sociedad G. Fondos Pensiones (Note 1.1) | 20.80 | 158 | - | 158 |
| Other | | 3 384 | (468) | 2 916 |
| | | 2 484 541 | (86 553) | 2 397 988 |

| | 2002 | | | |
|--|-------------------------|------------------|----------------------|------------------|
| | Direct shareholding (%) | Acquisition cost | Provisions (Note 20) | Book value |
| In domestic credit institutions: | | | | |
| Banco Comercial Português, SA | 8.37 | 1 009 598 | (15 330) | 994 268 |
| Unicre - Cartão Internacional de Crédito, SA | 17.60 | 1 065 | - | 1 065 |
| In foreign credit institutions: | | | | |
| Banco Comercial do Atlântico, SA | 47.53 | 20 305 | - | 20 305 |
| Banco Itaú | 0.56 | 4 051 | - | 4 051 |
| Banco Internacional de S. Tomé e Príncipe | 22.00 | 23 | - | 23 |
| In other domestic companies: | | | | |
| Portugal Telecom, SA | 4.12 | 478 037 | (9 092) | 468 945 |
| EDP - Electricidade de Portugal, SA | 4.75 | 462 066 | (15 475) | 446 591 |
| GALP Energia, SGPS, SA | 13.50 | 276 871 | - | 276 871 |
| REN - Rede Eléctrica Nacional, SA | 20.00 | 159 998 | - | 159 998 |
| AdP - Águas de Portugal, SA (Note 1.1) | 20.37 | 122 244 | - | 122 244 |
| Instituto Nacional de Habitação (Note 1.3) | 55.00 | 86 953 | - | 86 953 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (10 059) | 37 721 |
| BRISA - Auto-Estradas de Portugal, SA | 5.02 | 29 180 | - | 29 180 |
| Companhia de Papel do Prado, SA (Note 1.1) | 37.40 | 12 756 | (226) | 12 530 |
| SIBS - Soc. Interbancária de Serviços, SA (Note 1.1) | 21.19 | 12 420 | - | 12 420 |
| Esegur - Empresa de Segurança, SA | 40.00 | 10 278 | (521) | 9 757 |
| Euronext NV | 0.36 | 8 946 | - | 8 946 |
| FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | - | 8 480 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| Taguspark - Soc. de Prom. e Desenv. do Parque de Ciência e Tecn. da Área de Lisboa, SA | 10.00 | 2 170 | - | 2 170 |
| In other foreign companies: | | | | |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | 41.55 | 6 846 | (147) | 6 699 |
| A Promotora - Sociedade de Capital de Risco, SARL | 36.21 | 1 326 | - | 1 326 |
| Other | | 2 465 | (73) | 2 392 |
| | | 2 768 217 | (51 061) | 2 717 156 |

Besides operations relative to companies included in the consolidation, as referred to in Note 1.1, the main changes in these participating interests during 2003 and 2002 were as follows:

GALP Energia, SGPS, SA (GALP Energia)

In 2003 Caixa sold 22 388 282 B shares of Galp Energia, representing 13.50% of its share capital, to REN – Rede Eléctrica Nacional, SA (REN) for the amount of € 310 481 thousand, having realised a net capital gain of € 33 610 thousand (Note 32). In the consolidated accounts the capital gain resulting from this operation amounted to € 26 888 thousand.

At 31 December 2003 the amount of € 155 240 thousand (Note 13) was still receivable, this having been received in January 2004.

Under the terms of the contract for the purchase and sale of the shares entered into between CGD and REN, Caixa is entitled to the full amount of the dividends to be distributed by Galp Energia relating to 2003.

Brisa – Auto-Estradas de Portugal, SA

In 2003 Caixa sold its participating interest in Brisa – Auto-Estradas de Portugal, SA to the Caixa Geral de Depósitos Pension Fund for € 157 928 thousand, having realised a capital gain of € 128 748 thousand (Note 32).

Banco Comercial Português, SA (BCP)

In 2003 Banco Comercial Português, SA had a capital increase, Caixa having received 194 635 125 subscription rights based on its shareholding. These rights were sold on the Stock Exchange for approximately € 22 260 thousand (Note 32) resulting in a capital gain of that same amount, since no cost was attributed to the subscription rights. CGD's equity participation in BCP fell to 5.98% as a result of not having participated in BCP's capital increase.

Banco Itaú

In 2003 Caixa sold 633 573 740 ordinary shares of Banco Itaú with a net capital gain of € 16 090 thousand, which was recorded in the caption "Gains arising from financial operations" (Note 27). In 2002 Caixa sold 800 000 000 ordinary shares of Banco Itaú, having realised a net capital gain of € 50 949 thousand recorded in the caption "Gains arising from financial operations" (Note 27).

These capital gains are net of withholding tax in Brazil, and are not subject to tax charges in Portugal, under the terms of article 32-C of the Tax Benefits Statute, pursuant to the wording of Law no. 3 - B/2000, of 4 April.

BPI, SGPS, SA

In 2002 CGD made an extraordinary contribution to the Caixa Geral de Depósitos Pension Fund through the transfer of all its investment in BPI, SGPS, SA. The 17 639 100 shares transferred were valued at the market price of € 38 806 thousand at the date of the transfer, having generated a capital gain of € 12 313 thousand (Note 32).

Euronext NV (Euronext)

During the first half of 2002 CGD's investment in Bolsa de Valores de Lisboa e Porto (BVL) (Lisbon and Oporto Stock Exchange) was exchanged for shares of Euronext, having generated a capital gain of € 11 523 thousand. Of this amount, € 6 453 thousand was recorded in "Gains arising from financial operations" (Note 27), and the remaining € 5 070 thousand in extraordinary income (Note 32). The Group's capital gain in this operation reflected in the consolidated financial statements amounted to € 19 572 thousand (Notes 27 and 32).

PT Multimédia – Serviços de Telecomunicações e Multimédia, SA (PT Multimédia)

In 2002 CGD acquired, from Fidelidade-Mundial, 1 823 649 shares of PT Multimédia, at a cost of € 47 780 thousand. This amount corresponded to, approximately, the cost of the shares to the Company.

**Investments in
Subsidiary
Companies**

This non-consolidated balance sheet heading comprises the following:

| | 2003 | | | |
|---|----------------------------|------------------|-------------------------|------------------|
| | Direct shareholding (%) | Book value | Provisions (Note 20) | Book value |
| In domestic credit institutions: | | | | |
| Banco Postal, SA (Note 1.1) | 100.00 | 26 946 | – | 26 946 |
| In foreign credit institutions: | | | | |
| Banco Simeón, SA (Note 1.1) | 99.56 | 246 544 | – | 246 544 |
| Banco Nacional Ultramarino, SA (Macao) | 97.13 | 40 773 | – | 40 773 |
| CGD USA Holding | 51.00 | 18 686 | – | 18 686 |
| Mercantile Lisbon Bank Holdings, Ltd. | 64.14 | 45 391 | (34 189) | 11 202 |
| Banco Financeiro Português | 100.00 | 7 368 | – | 7 368 |
| Banco Interatlântico, SARL | 70.00 | 3 813 | – | 3 813 |
| CGD Luxemburgo | 100.00 | 67 | – | 67 |
| CGD Finance | 100.00 | 40 | – | 40 |
| In other domestic companies: | | | | |
| Caixa Seguros, SGPS, SA | 100.00 | 994 000 | (17 535) | 976 465 |
| Caixa – Participações, SGPS, SA | 100.00 | 27 683 | – | 27 683 |
| Caixaweb, SGPS, SA | 100.00 | 25 000 | (5 451) | 19 549 |
| Caixa Investimentos-Sociedade de Investimento, SA | 100.00 | 16 167 | – | 16 167 |
| Caixa – Gestão de Activos, SA | 100.00 | 10 350 | – | 10 350 |
| Caixa – Sistemas de Informação, SA | 100.00 | 748 | (748) | – |
| Caixanet – Telemática e Comunicações, SA | 80.00 | 400 | – | 400 |
| Culturgest – Gestão de Espaços Culturais, SA | 90.00 | 127 | (26) | 101 |
| Caixa Empresas de Crédito, SGPS, SA | 100.00 | 50 | – | 50 |
| Caixa - Brasil, SGPS, SA | 100.00 | 45 | – | 45 |
| Imocaixa - Gestão Imobiliária, SA | 100.00 | 20 | – | 20 |
| Caixa Internacional, SGPS, SA | 100.00 | 5 | – | 5 |
| Other | | 45 | (13) | 32 |
| In other foreign companies: | | | | |
| SCI – Rue du Helder | 100.00 | 6 029 | (6 029) | – |
| Socimmobil | 100.00 | 4 771 | (4 771) | – |
| Other | | 7 | (6) | 1 |
| | | 1 475 075 | (68 768) | 1 406 307 |

| | 2002 | | | |
|---|----------------------------|------------------|-------------------------|------------------|
| | Direct shareholding (%) | Book value | Provisions (Note 20) | Book value |
| In domestic credit institutions: | | | | |
| Banco Postal, SA | 51.00 | 15 300 | - | 15 300 |
| In foreign credit institutions: | | | | |
| Banco Simeón, SA (Note 1.1) | 99.56 | 224 819 | - | 224 819 |
| Banco Nacional Ultramarino, SA (Macao) | 97.13 | 46 250 | - | 46 250 |
| CGD USA Holding | 51.00 | 22 504 | - | 22 504 |
| Mercantile Lisbon Bank Holdings, Ltd. | 64.14 | 41 956 | (34 647) | 7 309 |
| Banco Financial Português | 100.00 | 7 274 | - | 7 274 |
| Banco Interatlântico, SARL | 70.00 | 3 813 | - | 3 813 |
| CGD Luxemburgo | 90.00 | 67 | - | 67 |
| CGD Finance | 100.00 | 48 | - | 48 |
| In other domestic companies: | | | | |
| Caixa Seguros, SGPS, SA (Note 1.1) | 100.00 | 994 000 | (11 929) | 982 071 |
| Caixa - Participações, SGPS, SA | 100.00 | 27 683 | - | 27 683 |
| Caixaweb, SGPS, SA | 100.00 | 25 000 | - | 25 000 |
| Caixa Investimentos-Sociedade de Investimento, SA | 100.00 | 16 167 | - | 16 167 |
| Caixa - Gestão de Activos, SA (Note 1.1) | 100.00 | 10 350 | - | 10 350 |
| Caixa - Sistemas de Informação, SA | 100.00 | 748 | (748) | - |
| Caixanet - Telemática e Comunicações, SA | 80.00 | 400 | - | 400 |
| Cnufa - Sociedade Imobiliária, SA (Note 1.1) | 100.00 | 354 | - | 354 |
| Culturgest - Gestão de Espaços Culturais, SA | 90.00 | 127 | (14) | 113 |
| Caixa Empresas de Crédito, SGPS, SA | 100.00 | 50 | - | 50 |
| Caixa - Brasil, SGPS, SA | 90.00 | 45 | - | 45 |
| Imocaixa - Gestão Imobiliária, SA | 80.00 | 20 | - | 20 |
| Caixa Internacional, SGPS, SA | 10.00 | 5 | - | 5 |
| Other | | 54 | (10) | 44 |
| In other foreign companies: | | | | |
| SCI - Rue du Helder | 100.00 | 6 029 | (6 029) | - |
| Socimmobil | 100.00 | 4 771 | (4 771) | - |
| | | 1 447 834 | (58 148) | 1 389 686 |

At 31 December 2003 and 2002 the difference between the book value of the main investments in companies not included in the consolidation and their market value, calculated in accordance with Notice 4/2002 of the Bank of Portugal, is made up as follows:

| Investments | 2003 | | | | |
|-------------------------------------|------------------|-----------------|------------------|---------------------|-----------------------------------|
| | Book value | Provisions | Net value | Market value (*) | Unrealised Gains/(losses) (**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (42 961) | 966 637 | 321 148 | (645 489) |
| Portugal Telecom, SA | 478 037 | (12 744) | 465 293 | 352 640 | (112 653) |
| EDP - Electricidade de Portugal, SA | 462 066 | (22 343) | 439 723 | 286 459 | (153 264) |
| PT Multimédia, SGPS, SA | 47 780 | (5 464) | 42 316 | 26 954 | (15 362) |
| Euronext NV | 8 577 | - | 8 577 | 9 139 | 562 |
| | 2 006 058 | (83 512) | 1 922 546 | 996 340 | (926 206) |
| Unlisted companies | | | | | |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 428 | (1 793) |
| Other | 2 136 | (246) | 1 890 | 1 216 | (674) |
| | 6 495 | (384) | 6 111 | 3 644 | (2 467) |
| | 2 012 553 | (83 896) | 1 928 657 | 999 984 | (928 673) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

| Investments | 2002 | | | | |
|---------------------------------------|------------------|-----------------|------------------|------------------|--------------------------------|
| | Book value | Provisions | Net value | Market value (*) | Unrealised gains/(losses) (**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (15 330) | 994 268 | 474 910 | (519 358) |
| Portugal Telecom, SA | 478 037 | (9 092) | 468 945 | 315 411 | (153 534) |
| EDP – Electricidade de Portugal, SA | 462 066 | (15 475) | 446 591 | 238 003 | (208 588) |
| Brisa - Auto-Estradas de Portugal, SA | 29 180 | – | 29 180 | 144 968 | 115 788 |
| Banco Itáú (***) | 12 067 | – | 12 067 | 23 709 | 11 642 |
| PT Multimédia, SGPS, SA | 47 780 | (10 059) | 37 721 | 15 465 | (22 256) |
| Euronext NV | 8 946 | – | 8 946 | 9 105 | 159 |
| | 2 047 674 | (49 956) | 1 997 718 | 1 221 571 | (776 147) |
| Unlisted companies | | | | | |
| GALP Energia, SGPS, SA | 276 871 | – | 276 871 | 303 959 | 27 088 |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 328 | (1 893) |
| Telepost, SA | 896 | (38) | 858 | 378 | (480) |
| Other | – | (32) | (32) | – | – |
| | 282 126 | (208) | 281 918 | 306 665 | 24 715 |
| | 2 329 800 | (50 164) | 2 279 636 | 1 528 236 | (751 432) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

(***) Includes foreign exchange difference of € 8 016 thousand recorded in the "Prepayments and accrued income" heading (Note 14).

At 31 December 2003 and 2002, the market value of the investments in companies listed in the stock exchange, included in the above table, was € 730 810 and € 776 786 thousand lower than their net book value, respectively.

The provision for the investment in Mercantile Bank Holdings, Ltd. corresponds to the amount of the unrealised loss in relation to the market value of the investment, calculated based on the price listed on the Johannesburg Stock Exchange at the end of 2003 and 2002.

The provisions recorded by CGD on 31 December 2003 and 2002 correspond to the application of the percentages established in Notice 4/2002 for investments subject to the transitory regime, except for the investment in PT Multimédia, SGPS, SA, where the provision corresponds to the full amount to be provided for. Provisions recorded in 2003 under the terms of Notice 4/2002 amounted to € 40 878 thousand, of which € 40 391 thousand were recorded by corresponding charge to reserves (Note 23). In 2002 the provisions of € 62 988 thousand, were recorded by corresponding charge to reserves (Notes 20 and 23).

The unrealised losses not provided for under the transitory regime established in Notice 4/2002, amounted to € 270 834 thousand at 31 December 2003 (€ 323 226 thousand in 2002), of which € 31 103 thousand (€ 76 565 thousand in 2002) and € 239 731 thousand (€ 246 661 in 2002) will be recorded over periods of five and ten years, respectively.

9. Investments in Associated Companies and in Subsidiary Companies Excluded from Consolidation

Investments in Associated Companies

This consolidated balance sheet heading comprises the following:

| | 2003 | | 2002 | |
|--|----------------------------|----------------|----------------------------|----------------|
| | Effective shareholding (%) | Book value | Effective shareholding (%) | Book value |
| REN – Rede Eléctrica Nacional, SA | 20.00 | 169 473 | 20.00 | 157 417 |
| AdP – Águas de Portugal, SA | 20.37 | 88 690 | 20.37 | 73 143 |
| Unibanco Holdings | 12.77 | 77 956 | 12.55 | 52 055 |
| Unibanco – União de Bancos Brasileiros | 11.97 | 50 435 | 12.44 | 33 657 |
| SIBS - Sociedade Interbancária de Serviços, SA | 21.60 | 10 988 | 21.40 | 11 683 |
| Prado Karton – Companhia de Cartão, SA (Note 8) | 38.14 | 2 630 | – | – |
| Prado – Cartollinas da Lousã, SA (Note 8) | 38.14 | 2 478 | – | – |
| Companhia de Papel do Prado, SA (Note 8) | 38.14 | 1 237 | 38.14 | 5 705 |
| Banco Internacional de São Tomé e Príncipe, SA (Note 1.1) | 27.00 | 976 | 22.00 | 678 |
| F. Turismo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | 33.47 | 429 | 33.47 | 329 |
| Imobci, Lda | 50.00 | 78 | 50.00 | 59 |
| Esegur – Empresa de Segurança, SA | – | – | 40.00 | 2 112 |
| Other | | 700 | | 93 |
| | | 406 070 | | 336 931 |

At 31 December 2003 and 2002 the market value of the investments in Unibanco Holdings and Unibanco – União de Bancos Brasileiros was € 186 981 thousand and € 47 457 thousand greater, respectively, than their corresponding equity value. The market value of the investment in Unibanco Holdings, which includes ordinary and preference shares, was estimated based on the stock exchange price of the ordinary and preference shares of Unibanco and listed "Units", which include preference shares of Unibanco and Unibanco Holdings.

As explained in Note 1.1, in 2003 Caixa's effective equity participation in Esegur – Empresa de Segurança, SA was increased to 50%, and so this investment was reflected in the consolidated financial statements in accordance with the proportional consolidation method.

Investments in Subsidiary Companies Excluded from Consolidation

This consolidated balance sheet heading refers to the following subsidiaries, which are recorded by the equity method of accounting:

| | 2003 | | 2002 | |
|--|----------------------------|----------------|----------------------------|----------------|
| | Effective shareholding (%) | Book value | Effective shareholding (%) | Book value |
| Companhia de Seguros Fidelidade – Mundial, SA | 100.00 | 678 846 | 100.00 | 595 623 |
| Cares – Companhia de Seguros, SA | 98.33 | 8 731 | 96.67 | 7 477 |
| CGD Pensões - Sociedade Gestora de Fundos de Pensões, SA | 100.00 | 4 118 | 100.00 | 3 778 |
| Garantia – Companhia de Seguros de Cabo Verde, SARL | 65.31 | 1 664 | 65.31 | 1 340 |
| Lusopeniones – Soc. Gestora F. Pensiones, SA | 99.69 | 894 | 99.56 | 1 188 |
| Portal Executivo – Sociedade de Serviços, Consultoria e Informação em Gestão, SA | 75.00 | (161) | 75.00 | (12) |
| Other | | – | | 1 156 |
| Other investments with negative equity | | (28 320) | | (29 800) |
| | | 665 772 | | 580 750 |

10. Other Investments

This heading of the consolidated balance sheet comprises the following:

| | 2003 | | | |
|---|----------------------------|------------------|----------------------|------------------|
| | Effective shareholding (%) | Acquisition cost | Provisions (Note 20) | Book value |
| Banco Comercial Português, SA | 5.98 | 1 009 598 | (42 961) | 966 637 |
| Portugal Telecom, SA | 4.12 | 478 037 | (12 744) | 465 293 |
| EDP – Electricidade de Portugal, SA | 4.75 | 462 066 | (22 343) | 439 723 |
| Instituto Nacional de Habitação | 55.00 | 120 525 | – | 120 525 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (5 464) | 42 316 |
| CGD USA Holding Company Inc. | 51.00 | 18 686 | – | 18 686 |
| Euronext NV | 0.49 | 11 929 | – | 11 929 |
| FIEP – Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | – | 8 480 |
| Manuel Inácio & Filhos, SGPS, SA | 16.08 | 7 500 | – | 7 500 |
| Vista Alegre Atlantis, SGPS, SA | 10.62 | 7 892 | (627) | 7 265 |
| Solidal, Condutores Eléctricos, SA | 11.62 | 5 750 | (620) | 5 130 |
| SAG Gest, SGPS, SA | 1.36 | 5 000 | (619) | 4 381 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| SCI, Imobiliária | 60.00 | 3 773 | (211) | 3 562 |
| Visabeira Indústria, SGPS, SA | 17.21 | 3 000 | – | 3 000 |
| Cifi, SA | 7.24 | 3 167 | – | 3 167 |
| Cabelte, Projectos Internacionais, SGPS, SA | 9.53 | 2 745 | – | 2 745 |
| Grupo Pestana Pousadas, SA | 24.90 | 2 194 | – | 2 194 |
| Taguspark - Sociedade de Promoção e Desenvolvimento do Parque de Ciência e Tecnologia da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| Portuvinus, SGPS, SA | 18.28 | 2 000 | – | 2 000 |
| Unicre – Cartão Internacional de Crédito, SA | 17.60 | 1 065 | – | 1 065 |
| Plataforma, SGPS, SA | 4.83 | 1 000 | – | 1 000 |
| PT Prime Tradecom | 17.00 | 1 165 | (1 027) | 138 |
| Other investments with a unit value below € 1000 thousand | | 10 101 | (2 735) | 7 366 |
| | | 2 219 982 | (89 489) | 2 130 493 |

| | 2002 | | | |
|---|----------------------------|------------------|----------------------|------------------|
| | Effective shareholding (%) | Acquisition cost | Provisions (Note 20) | Book value |
| Banco Comercial Português, SA | 8.37 | 1 009 598 | (15 330) | 994 268 |
| Portugal Telecom, SA | 4.12 | 478 037 | (9 092) | 468 945 |
| EDP – Electricidade de Portugal, SA | 4.75 | 462 066 | (15 475) | 446 591 |
| GALP, SGPS, SA | 2.70 | 276 871 | – | 276 871 |
| Instituto Nacional de Habitação | 55.00 | 120 525 | – | 120 525 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (10 059) | 37 721 |
| BRISA - Auto-Estradas de Portugal, SA | 5.02 | 29 180 | – | 29 180 |
| Euronext NV | 0.61 | 15 028 | – | 15 028 |
| FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | – | 8 480 |
| Silvageste, SGPS, SA | 17.00 | 11 914 | (3 494) | 8 420 |
| Vista Alegre Atlantis, SGPS, SA | 9.84 | 7 892 | (336) | 7 556 |
| Solidal, Condutores Eléctricos, SA | 11.59 | 5 750 | (156) | 5 594 |
| Silger, SGPS, SA | 5.60 | 6 995 | (1 859) | 5 136 |
| SAG Gest, SGPS, SA | 1.35 | 5 000 | (252) | 4 748 |
| SCI, Imobiliária | 100.00 | 4 709 | – | 4 709 |
| Finangeste-Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| Banco Itaú | 0.56 | 4 051 | – | 4 051 |
| Cifi, SA | 7.27 | 3 814 | – | 3 814 |
| Cabelte, Projectos Internacionais, SGPS, SA | 9.57 | 2 745 | – | 2 745 |
| Sogeste - Sociedade de Gestão de Participações, SA | 15.00 | 2 534 | – | 2 534 |
| Taguspark - Sociedade de Promoção e Desenvolvimento do Parque de Ciência e Tecnologia da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| Portuvinus, SGPS, SA | 18.35 | 2 000 | – | 2 000 |
| SGPICE – PME Link | 33.33 | 1 604 | – | 1 604 |
| PT Prime Tradecom | 17.00 | 1 165 | (23) | 1 142 |
| Unicre – Cartão Internacional de Crédito, SA | 17.60 | 1 065 | – | 1 065 |
| Plataforma, SGPS, SA | 24.25 | 1 000 | – | 1 000 |
| Sulei, Sociedade Ultramarina de Empreendimentos Imobiliários, SA | 100.00 | 1 496 | (1 496) | – |
| Other investments with a unit value below € 1000 thousand | | 10 222 | (2 003) | 8 219 |
| | | 2 528 050 | (59 713) | 2 468 337 |

Besides the operations referred to in Note 8, the "Other investments" caption had in 2003 and 2002 the following entries:

Sogeste – Sociedade de Gestão de Participações, SA

In 2003 it was decided to liquidate Sogeste – Sociedade de Gestão de Participações, SA (Sogeste). As part of the liquidation process, CGD received 174 918 shares of CEM – Companhia de Electricidade de Macau, SARL (CEM), which were subsequently sold for € 127 748 thousand, as well as € 14 647 thousand in cash. As a result of these operations, CGD recorded a capital gain of € 14 642 thousand (Note 32). In the consolidated financial statements the capital gain amounted to € 12 118 thousand (Note 32).

Manuel Inácio & Filhos, SGPS, SA

In May 2003, Caixa Desenvolvimento and Caixa Capital participated in a capital increase of Manuel Inácio e Filhos, SGPS, SA through subscribing for 1 597 444 and 798 722 redeemable preference shares of € 1 each, respectively, at the price of € 3.13 per share.

Visabeira Indústria, SGPS, SA

In August 2003 Caixa Desenvolvimento and Caixa Capital participated in a capital increase of this company through subscribing for 15 385 shares of € 1 each at the price of € 6.5 per share. In addition, Caixa Desenvolvimento and Caixa Capital granted shareholders' loans of € 1 100 thousand and € 400 thousand, respectively.

Silvageste, SGPS, SA (Silvageste) and Silger, SGPS, SA (Silger)

On 18 March 2002 Caixa Desenvolvimento signed a purchase/sale and exchange contract of investments, under which it acquired 1 636 shares of Silvageste, corresponding to 16.36% of its share capital, for € 11 414 thousand, and 47 939 shares of Silger, corresponding to 4.79% of its share capital, for € 5 958 thousand. Under the terms of the contract Caixa Desenvolvimento will exchange the shares it holds in Silvageste for 91 838 shares of Silger, corresponding to 9.18% of its share capital.

In April 2002 Caixa Desenvolvimento acquired, from Silger, 8 343 shares of its treasury stock, corresponding to 0.83% of its share capital, for € 1 037 thousand.

Also in 2002, Caixa Capital acquired, from Silvageste, 72 shares for € 500 thousand.

In 2003 Caixa Desenvolvimento and Caixa Capital sold their investments in these companies to Fundo de Capital de Risco para Investidores Qualificados – Grupo CGD (a fund managed by Caixa Capital). In addition, this fund acquired the shareholders' loans of € 2 867 thousand granted to Silger by Caixa Desenvolvimento.

In 2003 this transaction resulted in a reversal of provisions of € 4 873 thousand recorded in 2002 for losses on these investments, and a capital gain of € 515 thousand which was recorded in net income for the year (Note 32).

Euronext NV

In 2003 Caixa – Banco de Investimento sold in the Stock Exchange 138 500 shares of Euronext NV for € 2 955 thousand with a capital gain of € 225 thousand (Note 32).

Barraqueiro, SGPS, SA

In 2002 Caixa Desenvolvimento sold the investment it had in Barraqueiro, SGPS, SA. Under the terms of the contract signed on 27 June 2002, the sales price plus repayment of the supplementary capital contributions made to the company amounted to € 50 856 thousand, of which € 22 931 thousand was received immediately and the remaining balance of € 27 925 thousand is receivable in three equal instalments on 31 December 2003, 2004 and 2005 (Note 13). The Group recorded a capital gain of € 6 960 thousand in this operation, which is reflected in the caption "Gains arising from financial operations" (Note 27).

Payment of the instalment due on 31 December 2003 was deferred. However, the respective interest was paid.

Solidal – Condutores Eléctricos, SA (Solidal)

In 2002 Caixa Desenvolvimento participated in the capital increase of Solidal through subscribing for 460 000 redeemable preference shares of € 4.99 at a cost of € 12.5 per share. After this operation, Caixa Desenvolvimento held 11.65% of Solidal's share capital.

The difference between the book value and the market value of the Group's principal equity investments as at 31 December 2003 and 2002, calculated in accordance with Notice 4/2002 of the Bank of Portugal, is made up as follows:

| Investments | 2003 | | | | |
|-------------------------------------|------------------|-----------------|------------------|------------------|---------------------------------|
| | Book value | Provisions | Net value | Market value (*) | Unrealised gains/ (losses) (**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (42 961) | 966 637 | 321 148 | (645 489) |
| Portugal Telecom, SA | 478 037 | (12 744) | 465 293 | 352 640 | (112 653) |
| EDP – Electricidade de Portugal, SA | 462 066 | (22 343) | 439 723 | 286 459 | (153 264) |
| PT Multimédia, SGPS, SA | 47 780 | (5 464) | 42 316 | 26 954 | (15 362) |
| Euronext NV | 11 929 | – | 11 929 | 12 738 | 809 |
| Vista Alegre Atlantis, SGPS, SA | 7 892 | (627) | 7 265 | 3 897 | (3 368) |
| SAG Gest, SGPS, SA | 5 000 | (619) | 4 381 | 2 578 | (1 803) |
| | 2 022 302 | (84 758) | 1 937 544 | 1 006 414 | (931 130) |
| Unlisted companies | | | | | |
| Solidal, Condutores Eléctricos, SA | 5 750 | (620) | 5 130 | 3 338 | (1 792) |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 428 | (1 793) |
| Other | 921 | (89) | 832 | 349 | (483) |
| | 11 030 | (847) | 10 183 | 6 115 | (4 068) |
| | 2 033 332 | (85 605) | 1 947 727 | 1 012 529 | (935 198) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

| Investments | 2002 | | | | |
|---------------------------------------|------------------|-----------------|------------------|------------------|---------------------------------|
| | Book value | Provisions | Net value | Market value (*) | Unrealised gains/ (losses) (**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (15 330) | 994 268 | 474 910 | (519 358) |
| Portugal Telecom, SA | 478 037 | (9 092) | 468 945 | 315 411 | (153 534) |
| EDP – Electricidade de Portugal, SA | 462 066 | (15 475) | 446 591 | 238 003 | (208 588) |
| BRISA - Auto-Estradas de Portugal, SA | 29 180 | – | 29 180 | 144 968 | 115 788 |
| Banco Itaú (***) | 12 067 | – | 12 067 | 23 709 | 11 642 |
| Euronext NV | 15 028 | – | 15 028 | 15 501 | 473 |
| PT Multimédia, SGPS, SA | 47 780 | (10 059) | 37 721 | 15 465 | (22 256) |
| Vista Alegre Atlantis, SGPS, SA | 7 892 | (336) | 7 556 | 4 000 | (3 556) |
| SAG Gest, SGPS, SA | 5 000 | (252) | 4 748 | 3 431 | (1 317) |
| | 2 066 648 | (50 544) | 2 016 104 | 1 235 398 | (780 706) |
| Unlisted companies | | | | | |
| GALP Energia, SGPS, SA | 276 871 | – | 276 871 | 303 959 | 27 088 |
| Solidal, Condutores Eléctricos, SA | 5 750 | (156) | 5 594 | 4 498 | (1 096) |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 328 | (1 893) |
| Silvageste, SGPS, SA | 11 914 | (3 494) | 8 420 | 2 166 | (6 254) |
| Silger, SGPS, SA | 6 995 | (1 859) | 5 136 | 1 299 | (3 837) |
| PT Prime Tradecom | 1 165 | (23) | 1 142 | 760 | (382) |
| Other | 10 222 | (2 003) | 8 219 | – | – |
| | 317 276 | (7 673) | 309 603 | 315 010 | 13 626 |
| | 2 383 924 | (58 217) | 2 325 707 | 1 550 408 | (767 080) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

(***) Includes foreign exchange difference of € 8 016 thousand recorded in the "Prepayments and accrued income" heading (Note 14).

At 31 December 2003 and 2002, the market value of investments in companies with shares listed on the stock exchange, included in the above table, was € 735 489 and € 789 247 thousand lower than their net book value, respectively.

Provisions recorded in 2003 and 2002 in accordance with Notice 4/2002, net of reversals, amounted to € 30 155 thousand and € 55 780 thousand, of which € 34 007 thousand and € 50 163 thousand, respectively, were recorded by corresponding charge to reserves under the terms of the transitory regime included in the above mentioned Notice (Notes 20 and 23). The provisions for investments subject to the transitory regime at 31 December 2003 and 2002 correspond to the application of the percentages established in Notice 4/2002, except for the investment in PT Multimédia, SGPS, SA, where the provision corresponds to the full amount to be provided for.

At 31 December 2003 the unrealised losses not provided for under the transitory regime established in Notice 4/2002 amounted to € 203 236 thousand (€ 213 116 thousand in 2002) of which € 31 020 thousand (€ 75 146 thousand in 2002) and € 172 216 thousand (€ 137 970 thousand) will be recorded in five and ten years, respectively.

11. Intangible Assets (Net)

During 2003 and 2002 this heading presented the following changes:

| | 2003 | | | | | | Net book value in 2003 |
|--|--------------------------|----------------------------------|---------------|---------------------------|---------------------------|---------------------------|------------------------|
| | Gross book value in 2002 | Accumulated amortisation in 2002 | Additions | Transfers and adjustments | Exchange rate differences | Amortisation for the year | |
| Key money | 183 | - | - | - | - | - | 183 |
| Start-up costs | 37 | (25) | - | - | (2) | (7) | 3 |
| Multi-annual costs | 124 | (83) | - | (13) | (5) | (17) | 6 |
| Research and development expenses | 14 578 | (14 578) | - | - | - | - | - |
| Computer software | 114 578 | (92 145) | 10 935 | 19 514 | (41) | (23 215) | 29 626 |
| Other | 1 011 | (236) | 108 | - | - | - | 883 |
| Capital expenses in progress | 65 947 | - | 52 251 | (18 571) | - | - | 99 627 |
| Advances on account of intangible assets | 5 229 | - | 1 250 | 93 | - | - | 6 572 |
| | 201 687 | (107 067) | 64 544 | 1 023 | (48) | (23 239) | 136 900 |

| | 2002 | | | | | | Net book value in 2002 |
|--|--------------------------|----------------------------------|---------------|---------------------------|---------------------------|---------------------------|------------------------|
| | Gross book value in 2001 | Accumulated amortisation in 2001 | Additions | Transfers and adjustments | Exchange rate differences | Amortisation for the year | |
| Key money | 183 | - | - | - | - | - | 183 |
| Start-up costs | 41 | (17) | 2 | - | (4) | (10) | 12 |
| Multi-annual costs | 152 | (48) | 3 | (14) | (11) | (41) | 41 |
| Research and development expenses | 11 526 | (11 522) | - | (4) | - | - | - |
| Computer software | 90 401 | (73 536) | 17 431 | 10 289 | (106) | (22 045) | 22 434 |
| Other | 927 | (205) | 84 | - | - | (32) | 774 |
| Capital expenses in progress | 28 151 | - | 42 361 | (4 565) | - | - | 65 947 |
| Advances on account of intangible assets | 3 602 | - | 1 254 | 373 | - | - | 5 229 |
| | 134 983 | (85 328) | 61 135 | 6 079 | (121) | (22 128) | 94 620 |

| 2003 | | | | | | | | |
|--|--------------------------|----------------------------------|---------------|---------------------------|---------------------------|---------------------------|---------------|------------------------|
| Consolidated | | | | | | | | |
| | Gross book value in 2002 | Accumulated amortisation in 2002 | Additions | Exchange rate differences | Transfers and adjustments | Amortisation for the year | Net disposals | Net book value in 2003 |
| Key money | 191 | (36) | - | - | - | - | - | 155 |
| Start-up costs | 7 472 | (6 105) | 535 | (23) | 83 | (624) | - | 1 338 |
| Multi-annual costs | 1 653 | (1 195) | 270 | (11) | 18 | (272) | - | 463 |
| Research and development expenses | 15 660 | (15 281) | - | - | - | (278) | - | 101 |
| Computer software | 131 376 | (104 104) | 12 143 | 74 | 19 510 | (25 643) | (28) | 33 328 |
| Other | 2 401 | (1 545) | 277 | (7) | 7 763 | (1 851) | - | 7 038 |
| Capital expenses in progress | 66 166 | - | 52 517 | (1) | (18 641) | - | - | 100 041 |
| Advances on account of intangible assets | 5 573 | - | 1 727 | - | (357) | - | - | 6 943 |
| | 230 492 | (128 266) | 67 469 | 32 | 8 376 | (28 668) | (28) | 149 407 |

| 2002 | | | | | | | | | |
|--|--------------------------|----------------------------------|-------------------------------|---------------|---------------------------|---------------------------|---------------------------|----------------|------------------------|
| Consolidated | | | | | | | | | |
| | Gross book value in 2001 | Accumulated amortisation in 2001 | Change to the opening balance | Additions | Exchange rate differences | Transfers and adjustments | Amortisation for the year | Net disposals | Net book value in 2002 |
| Key money | 191 | (8) | - | - | - | - | (28) | - | 155 |
| Start-up costs | 6 881 | (5 430) | - | 667 | - | 45 | (789) | (7) | 1 367 |
| Multi-annual costs | 1 843 | (1 435) | - | 432 | (15) | (92) | (276) | - | 457 |
| Research and development expenses | 12 608 | (11 948) | - | - | - | (4) | (278) | - | 378 |
| Computer software | 99 876 | (81 166) | 5 372 | 18 893 | 656 | 11 152 | (25 004) | (2 509) | 27 270 |
| Other | 2 546 | (1 212) | - | 421 | 11 | (497) | (409) | - | 860 |
| Capital expenses in progress | 29 114 | - | - | 43 094 | - | (6 042) | - | - | 66 166 |
| Advances on account of intangible assets | 3 815 | - | - | 1 575 | - | 183 | - | - | 5 573 |
| | 156 874 | (101 199) | 5 372 | 65 082 | 652 | 4 745 | (26 784) | (2 516) | 102 226 |

The changes to the opening balances of the consolidated intangible assets in 2002 result essentially from the fact that Mercantile Lisbon Bank Holdings started being consolidated by the full consolidation method (Note 1.1).

The intangible assets in progress in the non-consolidated financial statements at 31 December 2003 and 2002 refer essentially to costs incurred with the development of computer software, which had not yet started operating at that date.

12. Tangible Fixed Assets (Net)

The following table provides information on tangible assets (net) entries for 2003 and 2002:

| 2003 | | | | | | | | |
|-------------------------------------|--------------------------|----------------------------------|---------------|---------------------------|---------------------------|---------------------------|-----------------|------------------------|
| CGD | | | | | | | | |
| | Gross book value in 2002 | Accumulated amortisation in 2002 | Additions | Exchange rate differences | Transfers and adjustments | Depreciation for the year | Net disposals | Net book value in 2003 |
| Premises for own service | 838 733 | (230 884) | 604 | - | 260 | (13 211) | (12 213) | 583 289 |
| Leasehold improvements | 55 188 | (35 428) | 916 | (240) | 6 716 | (4 494) | (463) | 22 195 |
| Other property | 1 587 | (781) | - | - | - | (58) | - | 748 |
| Equipment | 522 802 | (437 128) | 13 066 | (121) | 11 864 | (32 457) | (489) | 77 537 |
| Art collection | 3 780 | - | 162 | (1) | - | - | (1) | 3 940 |
| Leased assets | 21 555 | (7 488) | 11 889 | - | (10) | (4 831) | (365) | 20 750 |
| Other tangible assets | 12 367 | (6 626) | 275 | - | 120 | (1 172) | (3) | 4 961 |
| Works in progress: | | | | | | | | |
| Property | 3 654 | - | 5 535 | - | (6 733) | - | - | 2 456 |
| Equipment | 5 298 | - | 14 466 | - | (10 926) | - | - | 8 838 |
| Art collection | 16 | - | - | - | - | - | - | 16 |
| Advances on account of fixed assets | 5 085 | - | 7 990 | - | (1 801) | - | - | 11 274 |
| | 1 470 065 | (718 335) | 54 903 | (362) | (510) | (56 223) | (13 534) | 736 004 |

| 2002 | | | | | | | | |
|-------------------------------------|--------------------------|----------------------------------|---------------|---------------------------|---------------------------|---------------------------|---------------|------------------------|
| CGD | | | | | | | | |
| | Gross book value in 2001 | Accumulated amortisation in 2001 | Additions | Exchange rate differences | Transfers and adjustments | Depreciation for the year | Net disposals | Net book value in 2002 |
| Premises for own service | 832 267 | (216 308) | - | - | 6 256 | (13 847) | (519) | 607 849 |
| Leasehold improvements | 51 196 | (21 552) | 276 | (222) | (5 404) | (4 533) | (1) | 19 760 |
| Other property | 706 | (10 088) | - | - | 10 246 | (58) | - | 806 |
| Equipment | 506 054 | (416 084) | 12 960 | (191) | 17 578 | (34 420) | (223) | 85 674 |
| Art collection | 3 539 | - | 243 | (1) | (1) | - | - | 3 780 |
| Leased assets | 28 812 | (7 744) | 2 297 | - | (6 051) | (3 071) | (176) | 14 067 |
| Other tangible assets | 8 703 | (4 938) | 2 974 | - | 169 | (1 166) | - | 5 742 |
| Works in progress: | | | | | | | | |
| Property | 6 839 | - | 5 119 | - | (8 304) | - | - | 3 654 |
| Equipment | 11 085 | - | 7 801 | - | (13 588) | - | - | 5 298 |
| Art collection | 16 | - | - | - | - | - | - | 16 |
| Advances on account of fixed assets | 4 538 | - | 1 718 | - | (1 172) | - | - | 5 084 |
| | 1 453 755 | (676 714) | 33 388 | (414) | (271) | (57 095) | (919) | 751 730 |

| 2003 | | | | | | | | | | |
|-------------------------------------|--------------------------|----------------------------------|--------------------------------|---------------|--------------|---------------------------|---------------------------|---------------------------|-----------------|------------------------|
| Consolidated | | | | | | | | | | |
| | Gross book value in 2002 | Accumulated depreciation in 2002 | Changes to the opening balance | Additions | Revaluations | Exchange rate differences | Transfers and adjustments | Depreciation for the year | Net disposals | Net book value in 2003 |
| Premises for own service | 908 984 | (245 588) | 2 023 | 9 062 | 886 | (2 492) | 1 540 | (14 882) | (16 480) | 643 053 |
| Leasehold improvements | 62 234 | (36 281) | - | 916 | - | (1 133) | 5 899 | (5 123) | (57) | 26 455 |
| Other property | 1 697 | (788) | (40) | 4 | - | - | 20 | (109) | - | 784 |
| Equipment | 610 451 | (497 957) | 4 617 | 21 180 | - | (788) | 4 111 | (39 880) | (1 143) | 100 591 |
| Art collection | 4 157 | - | - | 270 | - | (34) | 12 | - | (2) | 4 403 |
| Leased assets | 25 561 | (9 000) | - | 13 131 | - | 79 | (14) | (6 019) | (665) | 23 073 |
| Other tangible assets | 12 387 | (6 672) | 2 497 | 680 | - | (10) | (1 103) | (1 396) | (1) | 6 382 |
| Works in progress: | | | | | | | | | | |
| Property | 6 374 | - | - | 8 194 | - | (199) | (7 199) | - | - | 7 170 |
| Equipment | 6 517 | - | - | 14 523 | - | (1) | (12 021) | - | (9) | 9 009 |
| Other tangible assets | 25 | - | - | 27 | - | (5) | (10) | - | - | 37 |
| Art collection | 16 | - | - | - | - | - | - | - | - | 16 |
| Advances on account of fixed assets | 5 159 | - | - | 7 990 | - | - | (1 874) | - | - | 11 275 |
| | 1 643 562 | (796 286) | 9 097 | 75 977 | 886 | (4 583) | (10 639) | (67 409) | (18 357) | 832 248 |

| 2002 | | | | | | | | | | |
|-------------------------------------|--------------------------|----------------------------------|--------------------------------|---------------|---------------|---------------------------|---------------------------|---------------------------|----------------|------------------------|
| Consolidated | | | | | | | | | | |
| | Gross book value in 2001 | Accumulated depreciation in 2001 | Changes to the opening balance | Additions | Revaluations | Exchange rate differences | Transfers and adjustments | Depreciation for the year | Net disposals | Net book value in 2002 |
| Premises for own service | 887 701 | (229 073) | 6 960 | 1 316 | 9 847 | (2 429) | 5 195 | (15 523) | (598) | 663 396 |
| Leasehold improvements | 58 558 | (22 234) | - | 865 | - | (978) | (5 474) | (4 783) | (1) | 25 953 |
| Other property | 1 290 | (10 114) | - | - | - | - | 9 803 | (63) | (6) | 910 |
| Equipment | 584 388 | (467 270) | 5 476 | 19 204 | 984 | (146) | 16 972 | (42 499) | (4 615) | 112 494 |
| Art collection | 3 875 | - | - | 258 | - | (34) | 58 | - | - | 4 157 |
| Leased assets | 32 485 | (8 907) | - | 4 170 | - | (8) | (6 743) | (3 937) | (499) | 16 561 |
| Other tangible assets | 8 750 | (4 981) | - | 2 975 | - | - | 160 | (1 188) | - | 5 716 |
| Works in progress: | | | | | | | | | | |
| Property | 8 550 | - | - | 6 179 | - | 1 | (8 358) | - | - | 6 372 |
| Equipment | 11 905 | - | - | 8 271 | - | - | (13 659) | - | - | 6 517 |
| Other tangible assets | 112 | - | - | - | - | - | (87) | - | - | 25 |
| Art collection | 22 | - | - | - | - | - | (6) | - | - | 16 |
| Advances on account of fixed assets | 4 539 | - | - | 1 791 | - | - | (1 171) | - | - | 5 159 |
| | 1 602 175 | (742 579) | 12 436 | 45 029 | 10 831 | (3 594) | (3 310) | (67 993) | (5 719) | 847 276 |

The changes to the opening balances of the consolidated tangible fixed assets in 2003 result mainly from the fact that Esegur – Empresa de Segurança, SA started being consolidated by the proportional method (Note 1.1). In 2002, these changes are essentially due to the fact that Mercantile Lisbon Bank Holdings started being consolidated by the full consolidation method (Note 1.1).

Caixa has been selling some premises for own service including those that were vacated after the move to its new head office in 1993. The book value of the properties to be sold as at 31 December 2003 and 2002 totalled € 4 942 thousand and € 13 754 thousand, respectively.

Caixa set up provisions to compensate for the difference between the book value and the respective market value of these properties. The provisions were authorised by the Bank of Portugal and are recorded in the "Other assets" caption (Note 13). At 31 December 2002, these provisions totalled € 852 thousand and were reversed during 2003.

13. Other Assets

This heading comprises the following:

| | CGD | | Consolidated | |
|--|------------------|------------------|---------------------|-----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Gold | 682 | 658 | 682 | 658 |
| Other precious metals, and coin collection | 3 719 | 3 664 | 3 963 | 3 945 |
| Other liquid assets with residents | 4 490 | 657 | 4 546 | 725 |
| | 8 891 | 4 979 | 9 191 | 5 328 |
| Grants receivable from | | | | |
| The State | 76 100 | 98 306 | 80 940 | 101 682 |
| Other entities | 30 025 | 27 390 | 30 405 | 27 709 |
| IFADAP | 290 | 567 | 290 | 567 |
| Bank of Portugal | 150 | 446 | 150 | 446 |
| Ex-Fundo de Compensação (Compensation Fund) | 34 | 34 | 34 | 34 |
| | 106 599 | 126 743 | 111 819 | 130 438 |
| Shareholders' loans | 632 324 | 955 623 | 10 696 | 10 064 |
| Supplementary capital contributions | 329 399 | 19 655 | 1 947 | 1 947 |
| Assets received as settlement of defaulting loans | 150 517 | 172 427 | 181 804 | 205 976 |
| Proceeds receivable from sale of assets received as settlement of defaulting loans | 13 429 | 25 330 | 13 429 | 25 330 |
| Proceeds receivable from sale of property | 22 860 | 5 117 | 22 860 | 5 117 |
| Proceeds receivable from sale of Barraqueiro (Note 10) | - | - | 27 925 | 27 925 |
| Other debtors | 42 933 | 42 489 | 66 010 | 59 069 |
| Proceeds receivable from sale of Galp Energia (Note 8) | 155 240 | - | 155 240 | - |
| Proceeds receivable from sale of IPE (Note 1.1) | - | 115 116 | - | 115 116 |
| Proceeds receivable from sale of Mundial-Confiança to Fidelidade | - | - | 100 568 | 100 568 |
| Corporate Income Tax recoverable | 8 376 | - | 11 494 | 2 328 |
| Subordinated loans | 9 902 | 27 620 | 204 | 245 |
| Other | 43 148 | 25 324 | 63 145 | 47 042 |
| | 1 408 128 | 1 388 701 | 655 322 | 600 727 |
| | 1 523 618 | 1 520 423 | 776 332 | 736 493 |
| Provision for losses in other assets | | | | |
| Assets received as settlement of defaulting loans | (19 605) | (21 121) | (31 292) | (32 840) |
| Country-risk | (16 155) | - | (7 517) | - |
| Debtors for doubtful loans | (825) | (1 133) | (2 270) | (1 435) |
| Own premises (Note 12) | - | (852) | - | (852) |
| | (36 585) | (23 106) | (41 079) | (35 127) |
| Other financial investments | (4 652) | - | (6 146) | (1 366) |
| | (41 237) | (23 106) | (47 225) | (36 493) |
| | 1 482 381 | 1 497 317 | 729 107 | 700 000 |

In 2003, CGD started recording in the "Provisions for losses in other assets" caption the provisions for country-risk relative to off-balance sheet items as mentioned in Note 2. b) iii).

Information on these provisions as at 31 December 2003 is as follows:

| | CGD | | Consolidated | |
|--------------|------------------|---------------|---------------------|--------------|
| | Net Exposure (*) | Provision | Net Exposure (*) | Provision |
| Mozambique | 12 462 | 6 231 | 12 462 | 6 231 |
| Brazil | 1 903 | 476 | 1 903 | 476 |
| Angola | 693 | 347 | 693 | 347 |
| India | 1 202 | 301 | 1 202 | 301 |
| Mexico | 481 | 120 | 719 | 120 |
| South Africa | 30 493 | 7 621 | 18 | 5 |
| Macao | 9 906 | 991 | - | - |
| Cape Verde | 126 | 31 | - | - |
| Venezuela | - | - | 506 | - |
| Other | 152 | 37 | 180 | 37 |
| | 57 418 | 16 155 | 17 683 | 7 517 |

(*) Basis of incidence, net, for the calculation of provisions, in accordance with Bank of Portugal rules.

Information on provision for losses in other assets, during 2003 and 2002, is set out in Note 20.

The amounts recorded in assets received as settlement of defaulting loans refer to property and equipment received as payment of overdue loans (Note 2. h)). The provision for assets received as settlement of defaulting loans is set up to provide for the estimated losses on the sale of such assets.

The shareholders' loans set out in the non-consolidated financial statements as at 31 December 2003 and 2002 are as follows:

| | 2003 | 2002 |
|---|----------------|----------------|
| Shareholders' loans: | | |
| Caixa Seguros, SGPS, SA | 326 525 | 326 525 |
| Caixa Empresas de Crédito, SGPS, SA | 116 161 | 116 161 |
| Gerbanca, SGPS, SA | 102 212 | 102 212 |
| Caixa - Brasil, SGPS, SA | 64 243 | 385 755 |
| Caixa Gestão de Activos, SGPS, SA | 13 527 | 13 527 |
| Caixa - Internacional, SGPS, SA | 8 189 | 8 189 |
| Caixa - Sistemas de Informação, SA | 1 467 | 1 506 |
| Caixaweb, SGPS, SA | - | 1 746 |
| Other | - | 2 |
| | 632 324 | 955 623 |
| Supplementary capital contributions: | | |
| Caixa - Brasil, SGPS, SA | 329 399 | 19 655 |

No interest is charged on the shareholders' loans granted to Caixa – Brasil, SGPS, SA. These loans were granted to finance the acquisition of the equity interest in Banco Bandeirantes, SA and subsequent capital increases, as well as the additional amount spent in the acquisition of the equity participation in Unibanco Holdings, SA and Unibanco. In 2003 and 2002 Caixa – Brasil, SGPS, SA repaid shareholders' loans in the amounts of € 11 768 thousand and € 16 081 thousand, respectively. In addition, in 2003, CGD converted shareholders' loans of € 309 744 thousand into supplementary capital contributions to that company.

Shareholders' loans to Caixa Seguros, SGPS, SA do not earn interest and were granted to finance the acquisition of Mundial – Confiança. As dividends were received from Mundial – Confiança in 2002, Caixa Seguros repaid shareholders' loans of € 695 200 thousand.

No interest is charged on the shareholders' loans granted to Caixa Empresas de Crédito, SGPS, SA. These loans were mainly intended for the financing of the acquisition of shares of Imoleasing - Sociedade de Locação Financeira Mobiliária, SA, Locapor - Companhia Portuguesa de Locação Financeira, SA and Lusofactor – Sociedade de Factoring, SA.

The shareholders' loans to Gerbanca, SGPS, SA do not earn interest. These loans were granted to finance the acquisition of Caixa - Banco de Investimento, SA

No interest is charged on the shareholders' loans granted to Caixa – Gestão de Activos, SGPS, SA. These loans were granted to finance the acquisition of shares of Investil – Sociedade Gestora de Fundos de Investimento Mobiliário, SA, Caixagest – Técnicas de Gestão de Fundos, SA, CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA and Fundimo – Sociedade Gestora de Fundos de Investimento Imobiliário, SA.

No interest is charged on the shareholders' loans granted to Caixa – Internacional, SGPS, SA. These loans were granted to finance this company's participation in the capital increase of Banco Comercial e de Investimentos, SARL.

14. Prepayments and Accrued Income

This heading comprises the following:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Interest receivable from: | | | | |
| Loans and advances to credit institutions | 22 051 | 69 182 | 16 810 | 56 899 |
| Loans and advances to customers | 202 928 | 274 784 | 218 513 | 292 319 |
| Investment securities | 28 136 | 98 361 | 31 816 | 106 465 |
| Interest rate swaps | 41 550 | 42 225 | 41 955 | 42 753 |
| Foreign exchange swaps | 24 763 | 31 327 | 24 737 | 31 354 |
| Other accrued income | 7 780 | 4 656 | 10 043 | 7 508 |
| | 327 208 | 520 535 | 343 874 | 537 298 |
| Deferred expenses: | | | | |
| Pension Funds contributions (Note 29) | 310 039 | 286 970 | 314 538 | 289 342 |
| Advertising campaigns | – | – | 320 | 667 |
| Insurance | 2 867 | 2 386 | 3 059 | 2 653 |
| Sales operations with repurchase agreement | – | 156 | – | 156 |
| Hedging futures (Notes 2. d) and 7) | – | 41 618 | – | 41 618 |
| Other off-balance sheet operations | 25 086 | 9 504 | 25 064 | 9 504 |
| Debt securities | 18 455 | 7 559 | 18 455 | 7 559 |
| Other | 12 422 | 19 803 | 16 973 | 32 641 |
| | 368 869 | 367 996 | 378 409 | 384 140 |
| Value fluctuation | | | | |
| Pensions (Notes 2. i) and 29) | 252 165 | 229 491 | 252 165 | 229 525 |
| Investments | 34 339 | 31 457 | 9 049 | 9 994 |
| Amortisation of premium or discount in foreign exchange swaps | – | 16 469 | 1 638 | 18 165 |
| Revaluation of forward foreign exchange position | 693 | – | 560 | – |
| Revaluation of options | 1 827 | – | 1 849 | – |
| Stock exchange operations to be settled | – | 110 394 | – | 109 852 |
| Supplies | 3 162 | 2 286 | 3 352 | 2 473 |
| IRC – advances on account | 3 819 | – | 15 268 | – |
| Other prepayments and accrued income | 454 068 | 469 867 | 556 412 | 731 223 |
| | 1 446 150 | 1 748 495 | 1 562 576 | 2 022 670 |

15. Amounts Owed to Credit Institutions

This caption comprises the following:

| | CGD | | Consolidated | |
|---|-------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Repayable on demand: | | | | |
| Sight deposits | | | | |
| From domestic credit institutions | 1 134 853 | 705 361 | 1 085 098 | 630 366 |
| From foreign credit institutions | 88 639 | 35 324 | 56 837 | 30 885 |
| | 1 223 492 | 740 685 | 1 141 935 | 661 251 |
| Term or notice: | | | | |
| Term deposits and other resources | | | | |
| From domestic credit institutions | 56 613 | 294 832 | 63 963 | 270 318 |
| From foreign credit institutions | 5 141 568 | 4 464 919 | 4 223 761 | 3 297 973 |
| Interbank Money Market | 517 750 | 141 100 | 513 995 | 110 000 |
| Very short term resources | | | | |
| From domestic credit institutions | – | 584 | – | 10 096 |
| From foreign credit institutions | 1 306 460 | 347 091 | 1 267 045 | 257 836 |
| Loans | | | | |
| From domestic credit institutions | 4 093 | 55 | 174 283 | 207 853 |
| From foreign credit institutions | 5 283 674 | 4 036 901 | 2 465 172 | 1 381 941 |
| Consigned resources - non residents | 839 648 | 499 410 | 839 817 | 499 682 |
| Sale operations under repurchase agreement (Note 7) | 50 521 | 99 573 | 50 521 | 99 573 |
| Resources from international financial entities | 863 | 107 222 | 1 351 | 107 779 |
| Other resources | – | 130 | – | 130 |
| | 13 201 190 | 9 991 817 | 9 599 908 | 6 243 181 |

The residual term to maturity of term or notice operations is as follows:

| | CGD | | Consolidated | |
|--------------------------|-------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Up to three months | 7 256 779 | 8 011 733 | 6 628 562 | 4 565 139 |
| Three months to one year | 2 340 052 | 1 402 382 | 1 793 064 | 1 141 130 |
| One to five years | 2 612 561 | 170 049 | 328 120 | 292 861 |
| Over five years | 991 798 | 407 653 | 850 162 | 244 051 |
| | 13 201 190 | 9 991 817 | 9 599 908 | 6 243 181 |

16. Amounts Owed to Customers

This caption comprises the following:

| | CGD | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Savings deposits | 7 995 896 | 7 563 765 | 8 376 980 | 7 850 045 |
| Other debts | | | | |
| Repayable on demand | 13 949 884 | 14 828 998 | 14 784 348 | 15 626 309 |
| Term | | | | |
| Deposits | 18 108 374 | 17 638 890 | 20 260 743 | 20 284 143 |
| Compulsory deposits | 1 049 608 | 968 387 | 1 050 520 | 969 296 |
| Other resources: | | | | |
| Sale operations under repurchase agreement (Note 7) | – | – | 126 640 | 144 691 |
| Consigned resources | 163 | 206 | 7 250 | 6 910 |
| Cheques and orders payable | 61 844 | 132 273 | 65 281 | 135 662 |
| Loans | 30 572 | 35 441 | 30 592 | 35 462 |
| Other | 953 | 771 | 30 670 | 31 339 |
| | 19 251 514 | 18 775 968 | 21 571 696 | 21 607 503 |
| | 41 197 294 | 41 168 731 | 44 733 024 | 45 083 857 |

As at 31 December 2003 and 2002, the remaining period to maturity of term and savings deposits was as follows:

| | CGD | | | |
|--------------------------|------------------|---------------------|------------------|---------------------|
| | 2003 | | 2002 | |
| | Savings deposits | Other term deposits | Savings deposits | Other term deposits |
| Up to three months | 3 729 233 | 10 231 265 | 3 511 094 | 11 302 971 |
| Three months to one year | 4 266 658 | 7 549 458 | 4 049 662 | 7 294 137 |
| One to five years | 5 | 1 406 815 | 3 009 | 166 117 |
| Over five years | - | 63 976 | - | 12 743 |
| Undetermined maturity | - | - | - | - |
| | 7 995 896 | 19 251 514 | 7 563 765 | 18 775 968 |

| | Consolidated | | | |
|--------------------------|---------------------|---------------------|------------------|---------------------|
| | 2003 | | 2002 | |
| | Savings deposits | Other term deposits | Savings deposits | Other term deposits |
| Up to three months | 4 099 003 | 11 875 212 | 3 787 899 | 13 114 091 |
| Three months to one year | 4 277 711 | 8 023 986 | 4 051 772 | 7 978 275 |
| One to five years | 266 | 1 597 176 | 10 374 | 304 834 |
| Over five years | - | 75 322 | - | 142 444 |
| Undetermined maturity | - | - | - | 67 859 |
| | 8 376 980 | 21 571 696 | 7 850 045 | 21 607 503 |

17. Debt Securities

This caption comprises:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Bonds issued: | | | | |
| Cash Bonds - Zero Coupon | | | | |
| Vera Cruz - 2005 | 68 953 | 69 473 | 68 533 | 69 473 |
| Rendimento Garantido - Caixa 2000/2004 | 23 254 | 23 425 | 23 254 | 23 425 |
| BNU 99 - 1 st Issue | 21 200 | 21 200 | 21 200 | 21 200 |
| BNU 99 - 2 nd Issue | 15 000 | 15 000 | 15 000 | 15 000 |
| Top Saúde 2007 | 14 711 | - | 14 711 | - |
| Euro 2006 | 10 392 | 10 392 | 10 392 | 10 392 |
| Rendimento Garantido Bolsa 2004 | 8 857 | 8 899 | 8 857 | 8 899 |
| Top Saúde 2007 - 2 nd Issue | 8 717 | - | 8 717 | - |
| Bonds issued under the EMTN Programme | 3 630 206 | 1 817 657 | 6 128 610 | 4 150 388 |
| Securities issued by Caixa -Banco de Investimento | - | - | 36 253 | 46 978 |
| Taxa Crescente Setembro 2005 | 100 000 | - | 100 000 | - |
| CGD Novembro 2006 | 75 000 | - | 75 000 | - |
| Obrigações de Caixa Agosto 2006 | 74 995 | - | 74 995 | - |
| Taxa Crescente Dezembro 2005 | 70 000 | - | 70 000 | - |
| Obrigações de Caixa - Indexed to IPC | 62 675 | 62 675 | 62 675 | 62 675 |
| Obrigações de Caixa Taxa Crescente Junho 2005 | 52 762 | - | 52 762 | - |
| Securities issued by the France Branch | 45 000 | 45 000 | 45 000 | 45 000 |
| Obrigações de Caixa CGD Maio 2006 | 44 758 | - | 44 758 | - |
| Eurimals Outubro 2006 | 43 626 | - | 43 626 | - |
| Caixa Euripremio Setembro 2006 | 40 879 | - | 40 879 | - |
| Caixa Euripremio Dezembro 2006 | 22 098 | - | 22 098 | - |
| Obrigações de Caixa Top 20/2007 | 20 000 | 20 000 | 20 000 | 20 000 |
| Obrigações de Caixa - Grande Prémio 2006 | 21 025 | 21 030 | 21 025 | 21 030 |
| Obrigações de Caixa - Global Invest CGD/2006 | 10 823 | 10 831 | 10 823 | 10 831 |
| Obrigações de Caixa TOP 6/2008 | 10 321 | - | 10 321 | - |
| Obrigações de Caixa TOP 7/2006 | 9 584 | - | 9 584 | - |
| Securities issued by Imoleasing | - | - | - | 49 880 |
| Other | - | - | - | (69) |
| | 4 504 836 | 2 125 582 | 7 039 073 | 4 555 102 |
| Other: | | | | |
| Euro Commercial Paper | 3 566 475 | 1 829 649 | 3 566 475 | 1 829 649 |
| Certificates of deposit | 142 524 | 392 106 | 236 213 | 475 743 |
| Securities issued by the London Branch | - | 152 681 | - | 152 681 |
| Other | 1 394 | - | 1 394 | - |
| | 3 710 393 | 2 374 436 | 3 804 082 | 2 458 073 |

At 31 December 2003 and 2002 the bonds issued under the EMTN Programme on the consolidated financial statements were as follows, by type of remuneration and residual term to maturity:

| 2003 | | | | |
|---|----------------|----------------|------------------|------------------|
| Type of asset or underlying index used to calculate the bonds' remuneration | | | | |
| | Shares/Indexes | Exchange rate | Interest rate | Total |
| Up to one year | 73 776 | 1 481 | 2 840 226 | 2 915 483 |
| One to five years | 151 076 | - | 1 221 065 | 1 372 141 |
| Five to ten years | 439 799 | 7 775 | 639 561 | 1 087 135 |
| Over ten years | 60 341 | 354 313 | 339 197 | 753 851 |
| | 724 992 | 363 569 | 5 040 049 | 6 128 610 |

| 2002 | | | | |
|---|----------------|----------------|------------------|------------------|
| Type of asset or underlying index used to calculate the bonds' remuneration | | | | |
| | Shares/Indexes | Exchange rate | Interest rate | Total |
| Up to one year | 37 000 | - | 185 000 | 222 000 |
| One to five years | 103 853 | - | 2 346 326 | 2 450 179 |
| Five to ten years | 461 200 | - | 419 373 | 880 573 |
| Over ten years | 15 000 | 582 636 | - | 597 636 |
| | 617 053 | 582 636 | 2 950 699 | 4 150 388 |

Swap contracts have been signed for these issues, which transform their amounts into Euros and their remuneration into 3 or 6 month Euribor rates plus or minus a spread.

The characteristics of the main bonds issued (excluding those issued under the EMTN Programme) at 31 December 2003 are presented in the following table:

| Bonds issued | Amount | Issue | Maturity | Redemption |
|--|---------|------------|------------|--|
| Bonds issued by CGD | | | | |
| Cupão Zero Vera Cruz 2005 | 71 819 | 28.04.2000 | 28.04.2005 | - 105% of their nominal value - variable factor indexed to 60% of the performance of a 20 Portuguese and Brazilian shares basket, with a minimum of 0% of their nominal value. |
| Cupão Zero Rendimento Garantido Caixa 2000/2004 | 25 000 | 07.07.2000 | 07.07.2004 | - 106% of their nominal value - variable factor indexed to 35% of the performance of a 20 Portuguese shares basket, with a minimum of 0% of their nominal value. |
| Cupão Zero BNU 99 – 1 st issue | 21 200 | 12.07.1999 | 13.07.2007 | 142.24% of their nominal value. |
| Cupão Zero BNU 99 – 2 nd issue | 15 000 | 17.09.1999 | 18.09.2007 | 151.2% of their nominal value. |
| TOP Saúde 2007 | 14 711 | 15.09.2003 | 17.09.2007 | Indexed to 85% of the quarterly average performance of a basket of 10 shares, with a minimum of 0% and a maximum of 24%. |
| TOP Saúde 2007 – 2 nd issue | 8 717 | 02.12.2003 | 03.12.2007 | Indexed to the quarterly average performance of a basket of 10 shares, with a minimum of 0% and a maximum of 24% (maximum proportional rate of 6%/year). |
| Cupão Zero Euro 2006 | 10 392 | 28.02.2002 | 28.02.2006 | Indexed to the performance of the European price index plus a variable remuneration indexed to the Eurostoxx 50 index. |
| Cupão Zero Rendimento Garantido Bolsa 2004 | 10 000 | 30.04.1999 | 03.05.2004 | Indexed to 60% of the performance of the PSI-20 index, with a minimum of 102.5% and a maximum of 137.5% of their nominal value. |
| Bonds issued by Caixa - Banco de Investimento | | | | |
| BCF Utilities Europa 1999/2004 | 49 880 | 01.07.1999 | 01.07.2004 | Indexed to the performance of the BCF Utilities Europa index, with a minimum of 102.5% and a maximum of 140% of their nominal value. If in any of the observations the valorisation of the index is at least 150%, there should be an additional remuneration of 5%. |
| Other bonds issued by CGD | | | | |
| Taxa Crescente Setembro 2005 | 100 000 | 29.09.2003 | 29.09.2005 | Half-yearly interest payments on 29 March and September. Interest rate is 2% in the first half-year and 2.125%, 2.25% and 3%, respectively in the following periods. |
| CGD Novembro 2006 | 75 000 | 03.11.2003 | 03.11.2006 | Half-yearly interest payments on 3 November and May. Interest rate is 2% in the first half-year and 2.125%, 2.25%, 2.5%, 2.75% and 3%, respectively in the following periods. |
| Obrigações de Caixa Agosto 2006 | 74 995 | 04.08.2003 | 04.08.2006 | Half-yearly interest payments on 4 February and August, up to 4 August 2006. Interest rate is 1.7% in the first half-year and 1.8%, 2%, 2.3%, 2.5% and 2.6%, respectively in the following periods. |
| Taxa Crescente Dezembro 2005 | 70 000 | 29.12.2003 | 29.12.2005 | Half-yearly interest payments on 29 June and December. Interest rate is 2.15% in the first half-year and 2.3%, 2.5% and 3.1%, respectively in the following periods. |
| Indexed to IPC | 99 760 | 27.11.1998 | 27.11.2008 | Half-yearly interest payments on 27 May and November, with a 1.75% rate indexed to the Consumer Price Index (IPC) published by INE (National Statistics Institute). Redemption amount indexed to the Consumer Price Index with a minimum of 100% of their nominal value. |
| Obrigações de Caixa Taxa Crescente Junho 2005 | 52 762 | 30.06.2003 | 30.06.2005 | Half-yearly interest payments on 30 June and December. Interest rate is 1.5% in the first half-year and 1.7%, 2% and 2.25%, respectively in the following periods. |
| Securities issued by the France branch | 45 000 | 30.04.1999 | 31.01.2005 | Indexed to the performance of a basket of 8 listed shares on the Paris, Milan, Tokyo, Frankfurt, Nasdaq and New York stock exchanges with a minimum of 100% of their nominal value. The valorisation of each security included in that basket has a cap of 170%. |

| Bonds issued | Amount | Issue | Maturity | Redemption |
|-----------------------------------|--------|------------|------------|--|
| Obrigações de Caixa CGD Maio 2006 | 44 758 | 19.05.2003 | 19.05.2006 | Yearly interest payments on 19 May with a 2.15% rate in the first year and 2.40% in the second. In the third year the interest rate is indexed to the 12 month Euribor rate with a maximum of 3.25%. |
| Eurimais Outubro 2006 | 43 626 | 20.10.2003 | 20.10.2006 | Yearly interest payments on 20 October with a 2.25% rate in the first year and 2.35% and 3% in the following years respectively. |
| Caixa Euriprémio Setembro 2006 | 40 879 | 01.09.2003 | 01.09.2006 | Quarterly interest payments on 1 March, June, September and December. Interest payment is indexed to the 3 month Euribor rate minus 0.5% plus an annual premium of 0.25% for each full year. |
| Caixa Euriprémio Dezembro 2006 | 22 098 | 15.12.2003 | 15.12.2006 | Quarterly interest payments on 15 March, June, September and December. Interest payment is indexed to the 3 month Euribor rate reduced from 0.6% plus an annual premium of 0.3% for each full year. |
| Top 20/2007 | 20 000 | 20.12.2002 | 20.12.2007 | Indexed to the performance of a basket of 20 shares weighted by the foreign exchange variation of EUR/USD between the date of issue and 05/10/07, with a maximum of 30% and a minimum of 5%. |
| Grande Prémio 2006 | 21 030 | 18.06.2001 | 18.06.2006 | Indexed to 70% of the performance of a basket of 20 shares, with a minimum of 5% of their nominal value. |
| Global Invest CGD/2006 | 10 831 | 20.12.2001 | 22.12.2006 | Indexed to 72% of the performance of the Dow Jones Eurostoxx 50, FTSE 100, Nikkei225 and S&P500 indexes, with a minimum of 10.3% and a maximum of 36% of their nominal value. |
| Obrigações de Caixa Top 6 / 2008 | 10 321 | 24.03.2003 | 24.03.2008 | Indexed to the performance of a basket of shares – Cabaz Top 6 with a maximum of 30% and a minimum of 0%. |
| Obrigações de Caixa Top 7 / 2006 | 9 584 | 23.04.2003 | 23.04.2006 | Indexed to 75% of the performance of a basket of shares – Cabaz Top 7 with a maximum of 15% and a minimum of 0%. |

The residual term to maturity of the "Bonds issued" and "Other debt securities" headings are as follows:

| | CGD | | Consolidated | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Bonds issued: | | | | |
| Up to three months | 21 481 | – | 1 271 481 | 7 482 |
| Three months to one year | 1 445 066 | 122 000 | 1 780 899 | 225 242 |
| One to five years | 1 156 267 | 522 137 | 2 083 032 | 2 781 563 |
| Over five years | 1 882 022 | 1 481 445 | 1 903 661 | 1 540 815 |
| | 4 504 836 | 2 125 582 | 7 039 073 | 4 555 102 |
| Other debt securities: | | | | |
| Up to three months | 2 601 301 | 1 944 457 | 2 675 886 | 1 966 965 |
| Three months to one year | 1 109 092 | 429 979 | 1 128 196 | 491 108 |
| | 3 710 393 | 2 374 436 | 3 804 082 | 2 458 073 |

18. Other Liabilities

This heading comprises:

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Creditors: | | | | |
| Fixed assets suppliers (leasing) | 16 904 | 10 795 | 13 777 | 2 206 |
| Suppliers for financial leasing | - | - | 7 825 | 4 231 |
| Other suppliers | 62 383 | 58 427 | 70 596 | 68 956 |
| Refundable grants | 464 | 1 774 | 464 | 1 774 |
| Caixa Geral de Aposentações | 226 960 | 231 | 226 960 | 231 |
| Other creditors: | | | | |
| For values payable | 24 759 | 83 858 | 31 676 | 85 520 |
| Unpaid subscribed share capital | | | | |
| Caixaweb (Note 1.1) | - | 9 000 | - | - |
| For amounts payable relative to securities | 1 534 | 1 534 | 1 534 | 1 548 |
| Creditors for factoring sales | - | - | 14 843 | 15 004 |
| Creditors for operations on securities | - | - | 2 346 | 1 786 |
| Other | 20 212 | 20 276 | 41 043 | 28 420 |
| Other liabilities: | | | | |
| Notes in circulation - Macao (Note 7) | - | - | 122 982 | 127 162 |
| Corporate income tax payable (Note 33) | 65 806 | 8 319 | 71 079 | 9 651 |
| Contributions to the Pension Fund | 25 241 | 64 017 | 25 241 | 64 017 |
| Withholding taxes | 34 477 | 38 608 | 37 604 | 42 660 |
| Other taxes payable | 6 569 | 6 625 | 13 448 | 13 294 |
| Collections on behalf of third parties | 6 190 | 3 327 | 6 175 | 3 290 |
| Social Security contributions | 265 | 1 512 | 17 278 | 13 324 |
| Interest and dividends payable | 26 | 26 | 178 | 187 |
| Other | 1 789 | 1 329 | 2 021 | 3 115 |
| | 493 579 | 309 658 | 707 070 | 486 376 |

Contributions to the Pension Fund correspond approximately to the shortfall in the financing of CGD's Pensions Fund as at 31 December 2003 and 2002.

19. Accruals and Deferred Income

This heading comprises the following:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Accrued costs: | | | | |
| On resources from credit institutions | 37 860 | 58 839 | 22 260 | 36 558 |
| On deposits | 141 973 | 201 425 | 158 462 | 222 927 |
| On interest rate swaps | 20 577 | 26 106 | 18 702 | 24 923 |
| On other resources | 1 120 | 969 | 1 393 | 1 068 |
| On debt securities | 54 960 | 44 125 | 63 098 | 53 811 |
| On foreign exchange swaps | 24 953 | 22 023 | 27 006 | 24 813 |
| Other amounts payable | 845 | 5 558 | 5 183 | 8 982 |
| Accrued holiday pay and related subsidy | 54 755 | 53 047 | 62 754 | 61 445 |
| Other | 15 141 | 15 344 | 22 692 | 24 760 |
| | 352 184 | 427 436 | 381 550 | 459 287 |
| Deferred income | | | | |
| On interest rate swaps (Note 2. d.)) | 115 423 | 789 | 115 423 | 789 |
| Other | 9 304 | 9 109 | 14 806 | 16 883 |
| Property and other assets received | 40 294 | 40 348 | 40 294 | 40 348 |
| Property and other assets received with promissory sale contracts | 39 730 | 37 259 | 39 730 | 37 259 |
| Revaluation of forward foreign exchange position | - | 139 116 | - | 138 664 |
| Revaluation of interest rate swaps | (41 782) | 12 011 | (37 924) | 16 192 |
| Revaluation of FRA | (33) | - | (21) | - |
| Stock exchange operations | 1 125 | - | 1 115 | - |
| Other | 666 129 | 514 614 | 790 609 | 683 841 |
| | 1 182 374 | 1 180 682 | 1 345 582 | 1 393 263 |

The caption "Property and other assets received" refers to the corresponding entry to the assets received in payment of overdue credit recorded in the caption "Assets received as settlement of defaulting loans" (Note 13), and reflects the amounts that have not yet been written off in the caption "Loans and advances to customers".

20. Provisions Entries

Information on provisions entries on the non-consolidated financial statements in 2003 and 2002 is set out below:

| | 2003 | | | | | | | Balances at 31/12/03 |
|--|----------------------|----------------|-------------------------------|------------------|------------------|-----------|-----------------|----------------------|
| | Balances at 31/12/02 | Additions | Charges to reserves (Note 23) | Reversals | Write-offs | Transfers | Other | |
| Loans and advances to credit institutions (Note 5) | 65 388 | 20 860 | - | (43 809) | (726) | (7 373) | (96) | 34 244 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6) | 714 415 | 352 103 | - | (237 317) | (144 504) | 87 518 | (427) | 771 788 |
| Securities portfolio (Note 7) | 451 854 | 108 348 | - | (94 915) | (47 569) | 3 673 | (15 260) | 406 131 |
| Depreciation of other assets (Note 13) | 23 106 | 2 509 | - | (712) | (4 433) | 16 115 | - | 36 585 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 1 054 | - | - | (627) | - | - | - | 427 |
| General credit risks | 410 986 | 1 014 | - | (2 868) | - | (100 375) | (394) | 308 363 |
| Other risks and charges | 30 791 | 49 781 | - | (4 160) | (3 219) | - | (1) | 73 192 |
| Exchange rate fluctuation risks | - | 14 579 | - | (3) | - | - | - | 14 576 |
| Fund for general banking risks | 115 564 | 2 789 | - | (11 998) | (1) | 442 | 4 | 106 800 |
| Participating interests | | | | | | | | |
| Investments in subsidiary companies (Note 8) | 109 209 | 18 959 | 40 391 | (11 945) | - | - | (1 293) | 155 321 |
| Other financial fixed assets (Note 13) | - | 4 692 | - | (40) | - | - | - | 4 652 |
| | 1 922 367 | 575 634 | 40 391 | (408 394) | (200 452) | - | (17 467) | 1 912 079 |

| | 2002 | | | | | | | Balances at 31/12/02 |
|--|----------------------|----------------|-------------------------------|------------------|-----------------|-----------|----------------|----------------------|
| | Balances at 31/12/01 | Additions | Charges to reserves (Note 23) | Reversals | Write-offs | Transfers | Other | |
| Loans and advances to credit institutions (Note 5) | 63 103 | 59 446 | - | (57 178) | - | 100 | (83) | 65 388 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6) | 692 377 | 346 070 | - | (239 328) | (82 837) | (1 368) | (499) | 714 415 |
| Securities portfolio (Note 7) | 278 546 | 275 404 | - | (100 738) | (4 559) | 3 672 | (471) | 451 854 |
| Depreciation of other assets (Note 13) | 40 066 | 2 272 | - | (13 581) | (1 978) | (3 672) | (1) | 23 106 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 2 210 | - | - | (1 156) | - | - | - | 1 054 |
| General credit risks | 390 783 | 26 357 | - | (7 165) | (68) | 1 267 | (188) | 410 986 |
| Other risks and charges | 27 856 | 17 588 | - | (14 521) | (131) | - | (1) | 30 791 |
| Fund for general banking risks | 203 217 | 124 500 | - | (212 130) | - | - | (23) | 115 564 |
| Participating interests and investments in subsidiary companies (Note 8) | 58 642 | 1 465 | 62 988 | (13 887) | - | 1 | - | 109 209 |
| | 1 756 800 | 853 102 | 62 988 | (659 684) | (89 573) | - | (1 266) | 1 922 367 |

As explained in Note 2.b) iv), in 2003 CGD transferred € 98 166 thousand from provisions for general credit risks to provisions for specific credit risks, following the coming into force of Notice 8/2003 of the Bank of Portugal.

Provisions entries on the consolidated financial statements in 2003 and 2002 were as follows:

| | 2003 | | | | | | | Balances at 31/12/03 |
|--|----------------------|----------------|-------------------------------|------------------|------------------|--------------|---------------------------|----------------------|
| | Balances at 31/12/02 | Additions | Charges to reserves (Note 23) | Reversals | Write-offs | Transfers | Exchange rate differences | |
| Loans and advances to credit institutions (Note 5) | 39 938 | 18 399 | - | (33 424) | (726) | 2 201 | (96) | 26 292 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6) | 836 757 | 405 689 | - | (256 874) | (169 338) | 95 205 | 1 316 | 912 755 |
| Securities portfolio (Note 7) | 462 619 | 110 285 | - | (100 994) | (49 472) | 3 673 | (15 868) | 410 243 |
| Depreciation of other assets (Note 13) | 35 127 | 4 176 | - | (2 057) | (4 879) | 8 522 | 190 | 41 079 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 29 002 | 1 187 | - | (626) | (7 287) | - | 873 | 23 149 |
| General credit risks and other | 464 632 | 7 287 | - | (9 401) | (274) | (100 102) | (588) | 361 554 |
| Other risks and charges | 26 969 | 52 920 | - | (5 486) | (5 120) | (4 264) | 360 | 65 379 |
| Exchange rate fluctuation risks | - | 3 | - | (3) | - | - | - | - |
| Fund for general banking risks | 120 136 | 4 605 | - | (13 216) | (145) | 312 | 369 | 112 061 |
| Participating interests: | | | | | | | | |
| Other participating interests (Note 10) | 59 713 | 14 323 | 34 007 | (15 427) | (2 524) | (750) | 147 | 89 489 |
| Other financial investments (Note 13) | 1 366 | 3 719 | - | (39) | (15) | 1 114 | 1 | 6 146 |
| | 2 076 259 | 622 593 | 34 007 | (437 547) | (239 780) | 5 911 | (13 296) | 2 048 147 |

| | 2002 | | | | | | | | |
|--|----------------------|-------------------------------|----------------|-------------------------------|------------------|------------------|------------|---------------------------|----------------------|
| | Balances at 31/12/01 | Change to the opening balance | Additions | Charges to reserves (Note 23) | Reversals | Write-offs | Transfers | Exchange rate differences | Balances at 31/12/02 |
| Loans and advances to credit institutions (Note 5) | 32 137 | - | 50 929 | - | (22 654) | - | (20 392) | (82) | 39 938 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6) | 750 410 | 36 625 | 369 443 | - | (254 110) | (92 396) | 25 189 | 1 596 | 836 757 |
| Securities portfolio (Note 7) | 288 624 | 712 | 281 538 | - | (106 059) | (4 676) | 3 573 | (1 093) | 462 619 |
| Depreciation of other assets (Note 13) | 49 446 | 249 | 4 610 | - | (14 143) | (2 737) | (1 882) | (416) | 35 127 |
| Provisions for risks and charges: | | | | | | | | | |
| Pensions and similar charges | 36 505 | (6) | 2 141 | - | (1 156) | (8 316) | 281 | (447) | 29 002 |
| General credit risks and other | 431 988 | 3 811 | 37 326 | - | (10 288) | (602) | 3 268 | (871) | 464 632 |
| Other risks and charges | 36 503 | 2 282 | 20 716 | - | (14 592) | (391) | (17 529) | (20) | 26 969 |
| Fund for general banking risks | 212 549 | (2 074) | 125 714 | - | (212 485) | (91) | (2 612) | (865) | 120 136 |
| Participating interests: | | | | | | | | | |
| Other participating interests (Note 10) | 4 040 | 1 | 7 466 | 50 163 | (13 911) | (93) | 12 047 | - | 59 713 |
| Other financial investments (Note 13) | 2 295 | 859 | 102 | - | (403) | - | (1 487) | - | 1 366 |
| | 1 844 497 | 42 459 | 899 985 | 50 163 | (649 801) | (109 302) | 456 | (2 198) | 2 076 259 |

The changes to the opening balance of the consolidated provisions entries in 2002, are mainly due to the fact that Mercantile Lisbon Bank Holdings started being consolidated by the full consolidation method (Note 1.1).

The increases in provisions by corresponding charge to reserves in 2003 and 2002, in the non-consolidated and consolidated financial statements, correspond to provisions for investments recorded in accordance with the transitory regime established by Notice 4/2002 of 4 February, of the Bank of Portugal (Notes 8, 10 and 23).

21. Subordinated Liabilities

In the non-consolidated balance sheet this heading comprises the following:

| | 2003 | 2002 |
|---|------------------|------------------|
| Loan granted by CGD Finance | 605 000 | 605 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2001/2010 (subordinated cash bonds) - 2 nd issue | 173 368 | 173 368 |
| Obrigações de Caixa Subordinadas - Renda Mais 2002/2012 (subordinated cash bonds) | 150 000 | 150 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2000/2010 (subordinated cash bonds) | 119 131 | 119 131 |
| CGD (France branch) - € 110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2001/2010 (subordinated cash bonds) - 1 st issue | 100 000 | 100 000 |
| Obrigações de Caixa BNU Subordinadas/97 (subordinated cash bonds/97) | 49 862 | 49 866 |
| Obrigações de Caixa BNU Subordinadas/98 (subordinated cash bonds/98) | 49 880 | 48 263 |
| | 1 357 241 | 1 355 628 |

This consolidated balance sheet heading comprises the following:

| | 2003 | 2002 |
|---|------------------|------------------|
| CGD Finance - € 400 000 000 6.25 percent Notes due 2009 | 400 000 | 400 000 |
| CGD Finance - € 205 000 000 Floating Rate Subordinated Notes due 2010 | 205 000 | 205 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2001/2011 (subordinated cash bonds) - 2 nd issue | 173 368 | 173 368 |
| Obrigações de Caixa Subordinadas - Renda Mais 2002/2012 (subordinated cash bonds) | 150 000 | 150 000 |
| CGD Finance - € 200 000 000 Floating Rate Subordinated Notes due 2011 | 125 000 | 200 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2000/2010 (subordinated cash bonds) | 119 131 | 119 131 |
| CGD Finance - € 110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| CGD (France branch) - € 110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| Obrigações de Caixa Subordinadas - Renda Mais 2001/2011 (subordinated cash bonds) - 1 st issue | 100 000 | 100 000 |
| Obrigações de Caixa BNU Subordinadas/97 (BNU subordinated cash bonds/97) | 49 866 | 49 866 |
| Obrigações de Caixa BNU Subordinadas/98 (BNU subordinated cash bonds/98) | 49 780 | 48 263 |
| CGD Finance - € 10 000 000 Floating Rate Subordinated Notes due 2010 | 10 000 | 10 000 |
| Caixa Crédito, SFAC | 75 | 948 |
| Obrigações de Caixa Imoleasing (Imoleasing cash bonds) | - | 24 840 |
| | 1 602 220 | 1 701 416 |

The conditions of the loan granted to Caixa by CGD Finance recorded in the non-consolidated financial statements are similar to those of the bonds "CGD Finance - € 400 000 000 6.25 percent Notes due 2009" and "CGD Finance - € 205 000 000 Floating Rate Subordinated Notes due 2010" issued by that entity.

The conditions of the principal issues are shown as follows:

| Bonds | Issue | Redemption | Interest payment | Interest rate | Amount |
|--|------------|------------|---|---------------|---------|
| CGD Finance - € 400 000 000 6.25 percent Notes due 2009 | 12.10.1999 | 12.10.2009 | On the 12 October each year | 6,25% | 400 000 |
| CGD Finance - € 205 000 000 Floating Rate Subordinated Notes due 2010 | 26.05.2000 | 26.05.2010 | Quarterly, on 26 May, August, November and February | (1) | 205 000 |
| Renda Mais 2001/2011 subordinated cash bonds – 2 nd issue | 03.12.2001 | 03.12.2011 | Half yearly, on 23 June and December | (2) | 173 368 |
| CGD Finance - € 200 000 000 Floating Rate Subordinated Notes due 2011 | 03.12.2001 | 03.12.2011 | Quarterly, on 3 March, June, September and December | (3) | 205 000 |
| Renda Mais 2002/2012 subordinated cash bonds | 31.10.2002 | 31.10.2012 | Half yearly, on 2 May and 31 October | (4) | 150 000 |
| Renda Mais 2000/2010 subordinated cash bonds | 23.06.2000 | 23.06.2010 | Half yearly, on 23 June and December | (5) | 119.131 |
| CGD Finance - € 110 000 000 Floating Rate Undated Subordinated Notes | 18.12.2002 | Perpetual | Quarterly on 18 March, June, September and December | (6) | 110 000 |
| CGD (France branch) - € 110 000 000 Floating Rate Undated Subordinated Notes | 18.12.2002 | Perpetual | Quarterly on 18 March, June, September and December | (7) | 110 000 |
| Renda Mais 2001/2011 subordinated cash bonds – 1 st issue | 04.06.2001 | 04.06.2011 | Half yearly, on 4 June and December | (8) | 100 000 |
| BNU subordinated cash bonds/97 | 15.10.1997 | 15.10.2007 | Half yearly, on 15 April and October | (9) | 49 866 |
| BNU subordinated cash bonds/98 | 01.10.1998 | 01.10.2008 | Half yearly on 1 April and October | (10) | 49 878 |
| CGD Finance - € 10 000 000 Floating Rate Notes due 2010 | 27.07.2000 | 27.07.2010 | Quarterly on 27 January, April, July and October | (11) | 10 000 |

(1) "CGD Finance - € 205 000 000 Floating Rate Subordinated Notes due 2010" bear interest at the 3 month Euribor rate plus 0.60%. From the 21st coupon onwards (26 August 2005), and up until the loan's maturity, the applicable interest rate will be the Euribor rate plus 1.10%. CGD may pay off the loan in full or in part as at 26 May 2005. The interest rate in force as at 31 December 2003 was 2.746%.

(2) "Renda Mais 2001/2011 subordinated cash bonds – 2nd issue", during the first five years, bear interest at the 6 month Euribor rate recorded on the eve of the penultimate day prior to the beginning of each interest period, plus 0.50%. From the 11th coupon onwards (3 December 2006) and up to the loan's maturity, the applicable interest rate will be the Euribor 6 month rate, plus 1%. The loan will be redeemed on 3 December 2011. CGD may, however, pay off the loan in full or in part from the 10th coupon onwards (3 June 2006), after prior authorisation of the Bank of Portugal. The interest rate in force as at 31 December 2003 was 2.743%.

(3) "CGD Finance - € 200 000 000 Floating Rate Subordinated Notes due 2011" bear interest at the 3 month Euribor rate recorded on the eve of the penultimate day prior to the beginning of each interest period, plus 0.65%. From the 21st coupon onwards (3 December 2006), and up until the loan's maturity, the applicable interest rate will be the Euribor rate plus 1.15%. CGD may pay off the loan in full or in part from the 21st coupon onwards (3 December 2006) inclusive. The interest rate in force as at 31 December 2003 was 2.810%.

(4) "Renda Mais 2002/2012 subordinated cash bonds", bear interest at the 6 month Euribor rate recorded on the eve of the penultimate day prior to the beginning of each interest period, plus 0.50%. CGD may, however, pay off the loan in full or in part from the 10th coupon onwards (2 May 2007) inclusive. In the case of no early redemption, from the 11th coupon onwards and up until the loan's maturity, the applicable interest rate will be equal to the 6 month Euribor rate plus 1%. The interest rate in force as at 31 December 2003 was 2.713%.

(5) "Renda Mais 2000/2010 subordinated cash bonds" bear interest at the 6 month Euribor rate plus 0.50%. From the 11th coupon onwards (23 December 2005) and up until the loan's maturity, the applicable interest rate will be the 6 month Euribor rate plus 1.05%. CGD may pay off the loan in full or in part from the 10th coupon onwards (23 June 2005) inclusive. The interest rate in force as at 31 December 2003 was 2.683%.

(6) "CGD Finance - € 110 000 000 Floating Rate Undated Subordinated Notes" bear interest at the 3 month Euribor rate plus 1.30% up until the possible early redemption. CGD Finance may pay off the loan in full or in part from the 10th coupon onwards (18 December 2012) inclusive. In the case of no early redemption, from the 10th coupon onwards, the applicable interest rate will be equal to the 3 month Euribor rate plus 2.80%. The interest rate in force as at 31 December 2003 was 3.445%.

(7) "CGD (France branch) - € 110 000 000 Floating Rate Undated Subordinated Notes" bear interest at the 3 month Euribor rate plus 1.30% up until the possible early redemption. The France branch may pay off the loan in full or in part from the 10th coupon onwards (18 December 2012) inclusive. In the case of no early redemption, from the 10th coupon onwards, the applicable interest rate will be equal to the 3 month Euribor rate plus 2.80%. The interest rate in force as at 31 December 2003 was 3.450%.

(8) "Renda Mais 2001/2011 subordinated cash bonds –1st issue", bear interest at the 6 month Euribor rate recorded on the eve of the penultimate day prior to the beginning of each interest period, plus 0.50%. From the 11th coupon onwards (4 December 2006) and up to the loan's maturity, the applicable interest rate will be the Euribor 6 month rate, plus 1%. The loan will be redeemed on 4 June 2011. CGD may, however, pay off the loan in full or in part from the 10th coupon onwards (4 June 2006), after prior authorisation of the Bank of Portugal. The interest rate in force as at 31 December 2003 was 2.739%.

(9) "BNU subordinated cash bonds/97" bear interest at the 6 month Euribor rate, recorded on the eve of the penultimate day prior to the beginning of each interest period plus 0.15% and rounded up to the 1/16 immediately higher percentage point. The loan will be redeemed at par, in a lump sum, on 15 October 2007. CGD, however, during the last five years of the loan's maturity period, may, after obtaining the Bank of Portugal's permission, pay off the loan in full or in part. The interest rate in force as at 31 December 2003 was 2.311%.

(10) "BNU subordinated cash bonds/98" bear interest at the 6 month Euribor rate, recorded on the eve of the penultimate day prior to the beginning of each interest period plus 0.15% and rounded up to the 1/16 immediately higher percentage point. The loan will be redeemed at par, in a lump sum, on 1 October 2008. CGD, however, during the last five years of the loan's maturity period, may, after obtaining the Bank of Portugal's permission, pay off the loan in full or in part. The interest rate in force as at 31 December 2003 was 2.243%.

(11) "CGD Finance - € 10 000 000 Floating Rate Notes due 2010" bear interest at the 3 month Euribor rate plus 0.60%. The interest rate in force as at 31 December 2003 was 2.750%.

The costs charged to and paid on subordinated liabilities in 2003 and 2002 are as follows:

| | 2003 | | 2002 | |
|---------------------|---------------|-------------------------|---------------|-------------------------|
| | Costs paid | Costs charged (Note 26) | Costs paid | Costs charged (Note 26) |
| CGD | 55 608 | 54 941 | 53 378 | 53 857 |
| Consolidated | | | | |
| CGD Finance | 42 628 | 41 264 | 41 919 | 42 138 |
| CGD | 24 090 | 23 613 | 20 067 | 20 677 |
| Imoleasing | 780 | 610 | 924 | 913 |
| | 67 498 | 65 487 | 62 910 | 63 728 |

22. Minority Shareholders' Interest

The third party investments in subsidiary companies are distributed as follows:

| | 2003 | 2002 |
|---|---------------|---------------|
| Banco Comercial e de Investimentos, SARL | 16 028 | 8 309 |
| Banco Comercial do Atlântico, SARL | 5 979 | 6 368 |
| Mercantile Lisbon Bank Holdings, Ltd. | 5 964 | 8 107 |
| Banco Interatlântico, SARL | 1 980 | 1 318 |
| A Promotora - Sociedade de Capital de Risco, SARL | 1 417 | 1 479 |
| Caixa Crédito, SFAC, SA | 826 | 2 057 |
| BCI Leasing, SARL | 804 | - |
| Caixa - Banco de Investimento, SA | 662 | 754 |
| Banco Simeón, SA | 510 | 699 |
| Caixanet, Telemática e Comunicações, SA | 347 | 302 |
| CGD USA Holding Company, Inc. | - | 16 868 |
| Banco Postal, SA | - | 12 561 |
| Other | 21 | 20 |
| | 34 538 | 58 842 |

23. Share Capital and Reserves

As at 31 December 2003 and 2002, CGD's share capital consists of 490 000 000 shares with a nominal value of € 5 each and has been fully subscribed and paid up by the Portuguese State.

The following entries were made in the CGD's share capital, reserves and net income for the year on the non-consolidated financial statements in 2002 and 2003:

| | Share capital | Reserves | | | Revaluation reserves | Net income for the year |
|---|------------------|----------------|----------------|------------------|----------------------|-------------------------|
| | | Legal | Free | Total | | |
| Balances as at 31 December 2001 | 2 450 000 | 531 218 | 186 253 | 717 471 | 301 179 | 527 034 |
| Distribution of 2001's net income: | | | | | | |
| - Incorporation in reserves | - | 105 407 | 81 381 | 186 788 | - | (186 788) |
| - Distribution to the State | - | - | - | - | - | (313 542) |
| - Distribution to the employees | - | - | - | - | - | (26 704) |
| Provisions for participating interests (Notes 8 and 20) | - | - | (62 988) | (62 988) | - | - |
| Other | - | - | (1 113) | (1 113) | - | - |
| Net income for the year | - | - | - | - | - | 651 389 |
| Balances as at 31 December 2002 | 2 450 000 | 636 625 | 203 533 | 840 158 | 301 179 | 651 389 |
| Distribution of 2002's net income: | | | | | | |
| - Incorporation in reserves | - | 130 278 | 174 963 | 305 241 | - | (305 241) |
| - Distribution to the State | - | - | - | - | - | (318 987) |
| - Distribution to the employees | - | - | - | - | - | (27 161) |
| Provisions for participating interests (Notes 8 and 20) | - | - | (40 391) | (40 391) | - | - |
| Other | - | - | (478) | (478) | - | - |
| Net income for the year | - | - | - | - | - | 560 209 |
| Balances as at 31 December 2003 | 2 450 000 | 766 903 | 337 627 | 1 104 530 | 301 179 | 560 209 |

In accordance with CGD's articles of association, a minimum amount of 20% of its annual net income must be appropriated to a legal reserve. A percentage of net income must also be distributed to the employees and the Board of Directors.

The revaluation reserves may only be used to cover accumulated losses or for capital increases. These reserves were set up pursuant to the terms of the following legislation:

| | |
|---------------------------------------|----------------|
| Tangible fixed assets: | |
| Decree Law 219/82, of 2 June | 32 423 |
| Decree Law 399 - G/84, of 28 December | 25 394 |
| Decree Law 118 - B/86, of 27 May | 32 200 |
| Decree Law 111/88, of 2 April | 21 423 |
| Decree Law 49/91, of 25 January | 57 781 |
| Decree Law 264/92, of 24 November | 55 203 |
| Decree Law 31/98, of 11 February | 76 032 |
| Financial fixed assets | 723 |
| | 301 179 |

The changes in the consolidated reserves during 2003 and 2002, which include CGD's legal reserves as well as its subsidiaries and associated companies legal and revaluation reserves, is set out below:

| | 2003 | 2002 |
|--|-------------------|------------------|
| Opening balance | (117 006) | 62 019 |
| Transfer of net income from the previous year | 665 135 | 653 788 |
| Distribution of net income: | | |
| - To the State | (318 987) | (313 542) |
| - To the employees | (30 210) | (31 288) |
| | (349 197) | (344 830) |
| Changes in reserves relating to Group companies: | | |
| - Change in the legal revaluation reserve of the insurance companies | 41 153 | (4 455) |
| - Provisions for participating interests (Notes 10 and 20) | (34 007) | (50 163) |
| - Foreign exchange changes (Note 1.3) | (7 381) | (85 541) |
| - Impact of CGD USA Holding Company, Inc. | 6 592 | (6 586) |
| - Goodwill in the increase in the equity interest in Esegur | (2 106) | - |
| - Badwill in the increase in the equity interest in Banco Postal | 945 | - |
| - Provisions for early retirements - Banco Simeón | (4 532) | - |
| - Goodwill relative to the first consolidation: | | |
| Unibanco and Unibanco Holdings | - | (255 986) |
| REN - Rede Eléctrica Nacional, SA | - | (11 148) |
| Esegur - Empresa de Segurança, SA | - | (8 534) |
| - Goodwill in the acquisition of Águas de Portugal, SA | - | (49 001) |
| - Goodwill in the increase in the equity interest in Mercantile Bank | - | (8 476) |
| - Goodwill in the increase in the equity interest in Caixa Valores | - | (638) |
| - Goodwill in the acquisition of Cares | - | (390) |
| - Other | (15 208) | (7 065) |
| Closing balance | 184 388 | (117 006) |

The financial statements of the insurance companies are prepared in compliance with the rules defined for the insurance sector by the Portuguese Insurance Institute. These rules require that unrealised gains and losses on investments, including those relating to the securities portfolios of life assurance products with a fixed rate of capitalisation, without participation in profits, be recorded in the "Revaluation reserves" caption. No corrections have been made to the accounting policies adopted by the Group's insurance companies in preparing the consolidated financial statements of CGD.

CGD's consolidated net income has been calculated as follows:

| | 2003 | 2002 |
|---|----------------|----------------|
| Caixa Geral de Depósitos, SA | | |
| Caixa Geral de Depósitos and International Financial Branch | 516 781 | 638 002 |
| London Branch | 23 018 | 1 428 |
| Madeira Offshore Financial Branch | 7 847 | (405) |
| Cayman Islands Branch | 5 451 | 5 682 |
| France Branch | 3 074 | 1 119 |
| New York Branch | 2 472 | 4 919 |
| Luxembourg Branch | 1 380 | 1 057 |
| East Timor Branch | 143 | (237) |
| Monaco Branch | 38 | (235) |
| Zhuhai Branch | 5 | 59 |
| CGD's non-consolidated net income | 560 209 | 651 389 |
| Dividends received by CGD | (30 728) | (12 386) |
| Elimination of capital gains/losses in the sale of investments | (11 110) | (41 549) |
| | (A) | 518 371 |
| Contribution to the net income of group subsidiary and associated companies: | | |
| Companhia de Seguros Fidelidade – Mundial, SA | 47 128 | 7 398 |
| Unibanco Holdings | 27 158 | 10 950 |
| Unibanco – União de Bancos Brasileiros | 17 890 | 7 219 |
| Caixa – Banco de Investimento, SA | 20 009 | 19 051 |
| REN – Rede Eléctrica Nacional, SA | 18 698 | 12 930 |
| Imoleasing - Sociedade de Locação Financeira Imobiliária, SA | 6 008 | 5 907 |
| Banco Nacional Ultramarino, SA (Macao) | 5 655 | 6 005 |
| Mercantile Bank Holdings, Ltd | (4 037) | 4 586 |
| Caixaweb, SGPS, SA | (2 527) | (2 289) |
| Banco Comercial do Atlântico, SA | 2 200 | 2 776 |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | 2 154 | 1 998 |
| Locapor - Companhia Portuguesa de Locação Financeira Mobiliária, SA | 2 139 | 1 177 |
| Lusogest, Sociedad Gestora de Instituciones de Inversion Colectiva, SA | (1 994) | – |
| Banco Postal, SA | (1 919) | (1 868) |
| Banco Comercial e de Investimentos, SARL | 1 633 | 2 131 |
| Lusofactor – Sociedade de Factoring, SA | 1 617 | 1 153 |
| Esegur – Empresa de Segurança SA | 1 393 | 369 |
| Caixa Crédito – Sociedade Financeira para Aquisições a Crédito, SA | 1 150 | 33 |
| Caixagest - Técnicas de Gestão de Fundos, SA | 1 094 | 563 |
| SIBS – Sociedade Interbancária de Serviços, SA | 1 080 | 859 |
| Lusopensiones, Sociedad Gestora de Fondos de Pensiones, SA | (450) | – |
| CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA | 442 | 113 |
| Banco Simeón, SA | 403 | 1 947 |
| Caixaweb – Serviços Técnicos e de Consultoria, SA | (395) | (374) |
| Caixa – Gestão de Patrimónios, SA | 287 | 271 |
| Caixa – Brasil, SGPS, SA | (266) | 7 888 |
| Importal.com – Multimédia, SA | (252) | (677) |
| Caixa Investimentos - Sociedade de Investimento, SA | (204) | 108 |
| Other | 769 | (567) |
| | (B) | 146 863 |
| Adjustments to the Group's net income: | | |
| Elimination of additions and reversals of provisions for losses on investments in the non-consolidated accounts | 2 491 | (22 793) |
| Other | (473) | 817 |
| | (C) | 2 018 |
| Consolidated net income | (A+B+C) | 667 252 |
| | | 665 135 |

24. Off-balance Sheet Items

These headings comprise the following:

| | CGD | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Contingent liabilities | | | | |
| Guarantees and sureties | 5 628 107 | 5 579 580 | 5 925 164 | 5 915 727 |
| Open documentary credits | 59 699 | 61 086 | 75 984 | 92 819 |
| "Stand by" letters of credit | 551 203 | 566 583 | 562 376 | 572 566 |
| Assets given as collateral | 2 803 176 | 3 374 592 | 3 543 228 | 3 427 875 |
| Transactions with recourse | 1 502 | 42 | 1 502 | 42 |
| Acceptances and endorsements | 194 | - | 194 | - |
| Bonds and indemnities | - | - | 13 734 | 14 519 |
| Other contingent liabilities | - | - | 34 366 | 27 026 |
| | 9 043 881 | 9 581 883 | 10 156 548 | 10 050 574 |
| Commitments | | | | |
| Irrevocable credit lines | - | - | 485 707 | 348 824 |
| Revocable commitments | 9 518 630 | 11 343 870 | 9 674 990 | 11 467 571 |
| Forward deposit contracts | 6 327 821 | 2 457 015 | 5 940 375 | 2 351 871 |
| Securities subscription | 374 393 | 460 650 | 466 436 | 515 114 |
| Other irrevocable commitments | - | - | 31 837 | 34 186 |
| Term liabilities related to the annual contributions to the Deposit Guarantee Fund (Note 2. m)) | 132 765 | 104 422 | 132 906 | 104 546 |
| Forward operations | 30 000 | - | 30 983 | 2 294 |
| Other | 11 068 | 11 067 | 21 859 | 21 374 |
| | 16 394 677 | 14 377 024 | 16 785 093 | 14 845 780 |
| Deposit and custody of securities | 73 279 478 | 90 285 865 | 74 697 737 | 92 913 691 |
| Values managed by the institution | | | | |
| Assets transferred in securitisation operations (Note 37) | 1 349 542 | - | 1 349 542 | - |
| Other | 35 102 | 37 976 | 127 157 | 135 244 |
| | 1 384 644 | 37 976 | 1 476 699 | 135 244 |
| Foreign exchange operations and derivatives | | | | |
| Forward foreign exchange transactions | | | | |
| Purchases | 33 874 | 58 088 | 45 293 | 66 780 |
| Sales | (33 046) | (59 065) | (53 556) | (69 426) |
| Currency swaps | | | | |
| Purchases | 4 740 680 | 3 667 810 | 5 839 311 | 4 648 428 |
| Sales | (5 126 930) | (3 890 731) | (6 226 596) | (4 870 525) |
| Interest rate swaps | | | | |
| Purchases | 18 568 613 | 19 808 904 | 18 310 239 | 19 714 895 |
| Sales | (18 571 468) | (19 808 905) | (18 313 152) | (19 713 921) |
| Futures | | | | |
| Interest rate | (1 327 184) | (1 306 749) | (1 360 484) | (1 258 977) |
| Shares and indexes | 34 015 | 62 034 | 34 505 | 62 034 |
| Forward rate agreements (FRA) | | | | |
| Trading | (85 000) | (805 000) | (75 000) | 282 500 |
| Caps and floors | | | | |
| Caps | (425 558) | (291 082) | (413 584) | (301 767) |
| Floors | 26 436 | (80 194) | 26 436 | (145 094) |
| Options purchased | 170 208 | 148 163 | (82 616) | 244 992 |
| Options sold | (157 559) | (138 527) | (224 423) | (195 459) |

CGD carries out derivative operations in the normal course of its business to meet the specific needs of its clients and in order to hedge its exposure to foreign exchange and interest rate fluctuations.

The values above correspond to the reference value of these operations, which reflects CGD's involvement with each product, but do not reflect the underlying credit and market risks. CGD controls the risks of its business activity with derivatives through the approval procedures of the operations, definition of exposure limits by product and counterparty, and by monitoring the daily evolution of its results.

These operations are valued as at 31 December 2003 and 2002 in accordance with the criteria referred to in Note 2. d). In the financial statements as at 31 December 2003, these operations are detailed as follows:

| Type of contract | Notional value | | |
|--|----------------|--------------|--------------|
| | Hedging | Trading | Total |
| Foreign currency contracts | | | |
| Over the Counter Market | | | |
| Forward foreign exchange transactions | | | |
| Purchases | 12 359 | 32 934 | 45 293 |
| Sales | (21 064) | (32 492) | (53 556) |
| Currency swaps | | | |
| Hedging of debt issued under | | | |
| EMTN Programme | | | |
| Purchases | 2 047 199 | - | 2 047 199 |
| Sales | (2 187 364) | - | (2 187 364) |
| Other operations | | | |
| Purchases | 3 792 112 | - | 3 792 112 |
| Sales | (4 039 232) | - | (4 039 232) |
| Options purchased | 2 959 | - | 2 959 |
| Options sold | 1 566 | - | 1 566 |
| Interest rate contracts | | | |
| Over the Counter Market | | | |
| Forward Rate Agreements (FRA) | | | |
| Purchases | - | (5 000) | (5 000) |
| Sales | - | (70 000) | (70 000) |
| Interest rate swaps and cross currency | | | |
| interest rate swaps | | | |
| Hedging of debt issued under | | | |
| EMTN Programme | | | |
| Purchases | 1 186 327 | - | 1 186 327 |
| Sales | (1 186 327) | - | (1 186 327) |
| Other operations | | | |
| Purchases | 1 516 951 | 15 606 961 | 17 123 912 |
| Sales | (1 516 951) | (15 609 874) | (17 126 825) |
| Caps | (355 000) | (58 584) | (413 584) |
| Floors | - | 26 436 | 26 436 |
| Organised Markets | | | |
| Futures | | | |
| Long positions | (68 234) | (1 292 250) | (1 360 484) |
| Shares and indexes | | | |
| Over the Counter Market | | | |
| Options purchased | (173 387) | 87 812 | (85 575) |
| Options sold | (151 012) | (74 977) | (225 989) |
| Organised Markets | | | |
| Futures | | | |
| Long positions | - | 33 776 | 33 776 |
| Short positions | 729 | - | 729 |

CGD Group activity in derivatives operations as at 31 December 2003 is as follows:

| Type of contract | Book value | | | Market value | | |
|--|------------|---------|-----------|--------------|---------|---------|
| | Hedging | Trading | Total | Hedging | Trading | Total |
| Foreign currency contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward foreign exchange transactions | 277 | 283 | 560 | 665 | 283 | 948 |
| Currency swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under EMTN Programme | (157 858) | - | (157 858) | - | - | - |
| Other operations | (238 158) | - | (238 158) | - | - | - |
| Purchases | 201 | - | 201 | 199 | - | 199 |
| Sales | (33) | - | (33) | (33) | - | (33) |
| Interest rate contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward Rate Agreements (FRA) | - | 21 | 21 | - | 21 | 21 |
| Interest rate swaps and cross currency interest rate swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under EMTN Programme | 13 406 | - | 13 406 | - | - | - |
| Other operations | 9 847 | 37 924 | 47 771 | 17 762 | 37 924 | 55 686 |
| Caps | - | - | - | 1 131 | 417 | 1 548 |
| Floors | - | - | - | 4 | - | 4 |
| Contracts on shares | | | | | | |
| Over the Counter Market | | | | | | |
| Purchases | 4 354 | 896 | 5 250 | 4 354 | 896 | 5 250 |
| Sales | (2 673) | (896) | (3 569) | (2 673) | (896) | (3 569) |

The distribution of transactions with derivatives at 31 December 2003, by residual term to maturity, is as follows:

| Type of contract | Up to 3 months | Between 3 and 6 months | Between 6 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
|--|----------------|------------------------|-----------------------------|-----------------------|--------------|--------------|
| Foreign currency contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward foreign exchange transactions | | | | | | |
| Purchases | 27 838 | 14 062 | 3 393 | - | - | 45 293 |
| Sales | (27 185) | (18 863) | (7 508) | - | - | (53 556) |
| Currency swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under EMTN Programme | | | | | | |
| Purchases | 70 942 | 327 284 | 254 419 | 900 052 | 494 502 | 2 047 199 |
| Sales | (72 700) | (366 870) | (277 507) | (911 659) | (558 628) | (2 187 364) |
| Other operations | | | | | | |
| Purchases | 2 248 655 | 766 007 | 629 040 | 94 525 | 53 885 | 3 792 112 |
| Sales | (2 397 982) | (816 762) | (660 175) | (96 311) | (68 002) | (4 039 232) |
| Options purchased | 2 543 | - | 228 | 188 | - | 2 959 |
| Options sold | 1 566 | - | - | - | - | 1 566 |
| Interest rate contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward Rate Agreements (FRA) | - | - | (70 000) | (5 000) | - | (75 000) |
| Interest rate swaps and cross currency interest rate swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under EMTN Programme | | | | | | |
| Purchases | 10 000 | 16 388 | 257 800 | 242 874 | 659 265 | 1 186 327 |
| Sales | (10 000) | (16 388) | (257 800) | (242 874) | (659 265) | (1 186 327) |
| Other operations | | | | | | |
| Purchases | 1 282 538 | 1 376 111 | 3 047 849 | 8 648 145 | 2 769 269 | 17 123 912 |
| Sales | (1 285 451) | (1 376 111) | (3 047 849) | (8 648 145) | (2 769 269) | (17 126 825) |
| Caps and floors | - | (30 000) | (95 000) | (245 000) | (17 148) | (387 148) |
| Organised markets | | | | | | |
| Futures | (1 350 484) | - | - | (10 000) | - | (1 360 484) |
| Contracts on shares | | | | | | |
| Over the Counter Market | | | | | | |
| Options purchased | (62 727) | 87 812 | (3 090) | (107 570) | - | (85 575) |
| Options sold | (60 816) | (66 864) | - | (98 309) | - | (225 989) |
| Organised markets | | | | | | |
| Futures | 34 505 | - | - | - | - | 34 505 |

25. Distribution of Results by Business Lines and Geographic Markets

The distribution of results by business lines and geographic markets in 2003 states as follows:

Business lines

| | CGD | | | | |
|--|-------------------|-------------------|--------------------|----------------|--------------------|
| | Corporate Finance | Trading and Sales | Brokerage (Retail) | Retail Banking | Commercial Banking |
| Interest income | - | 1 387 981 | - | 1 055 127 | 680 182 |
| Interest expenditure | - | (1 335 816) | - | (594 447) | (80 389) |
| Commissions (income) | - | 9 876 | 1 957 | 118 628 | 106 578 |
| Commissions (costs) | - | (4 681) | - | (25 702) | (15 876) |
| Income from securities | 85 258 | 3 341 | - | 1 | - |
| Gains arising from financial operations | - | 5 679 053 | - | 254 523 | 16 |
| Losses arising from financial operations | - | (5 723 250) | - | (194 701) | (6) |
| Reversal of provisions | 11 981 | 142 691 | - | 72 790 | 163 756 |
| Provisions for credit and other risks | (4 692) | (209 422) | - | (143 564) | (203 185) |
| Other operating income | - | 36 | - | 87 921 | 29 066 |
| Net operating income | 85 258 | 16 540 | 1 957 | 718 519 | 702 402 |
| Net income for the year | 29 136 | 21 495 | 669 | 244 566 | 239 981 |
| Loans and advances to customers (net) | - | 89 618 | - | 23 279 384 | 16 526 514 |
| Amounts owed to customers | - | 178 272 | - | 33 684 461 | 7 297 213 |
| Total assets | 5 081 872 | 44 628 485 | - | 24 480 375 | 16 954 050 |

| | Consolidated | | | | |
|--|-------------------|-------------------|--------------------|----------------|--------------------|
| | Corporate Finance | Trading and Sales | Brokerage (Retail) | Retail Banking | Commercial Banking |
| Interest income | 266 | 1 565 518 | 141 | 1 132 233 | 838 242 |
| Interest expenditure | (1) | (1 483 620) | - | (655 052) | (139 054) |
| Commissions (income) | 16 105 | 10 042 | 6 858 | 145 264 | 121 381 |
| Commissions (costs) | (1 131) | (6 919) | (467) | (28 233) | (17 172) |
| Income from securities | 99 730 | 4 449 | - | 3 559 | 196 |
| Gains arising from financial operations | 993 | 5 771 409 | - | 281 831 | 242 |
| Losses arising from financial operations | (1 805) | (5 810 934) | (55) | (217 942) | (229) |
| Reversal of provisions | 12 000 | 148 713 | - | 87 174 | 179 765 |
| Provisions for credit and other risks | (5 043) | (201 146) | - | (164 228) | (249 540) |
| Other operating income | 8 | 2 002 | - | 94 335 | 33 734 |
| Net operating income | 114 165 | 51 947 | 6 477 | 785 417 | 807 918 |
| Net income for the year | 44 622 | 32 216 | 2 170 | 244 492 | 267 886 |
| Loans and advances to customers (net) | - | 89 618 | 5 249 | 24 202 733 | 19 829 029 |
| Amounts owed to customers | 73 644 | 178 272 | 3 254 | 36 677 636 | 7 862 836 |
| Total assets | 7 360 385 | 49 965 143 | 5 531 | 25 914 420 | 20 416 543 |

(continue)

Business lines (continuation)

| | CGD | | | | | Total |
|--|--------------------------|-----------------|------------------|-----------|----------------|-------------|
| | Payments and Settlements | Agency Services | Asset Management | Other | Reconciliation | |
| Interest income | - | - | - | 3 389 | (654 882) | 2 471 797 |
| Interest expenditure | - | - | - | (12 248) | 637 945 | (1 384 955) |
| Commissions (income) | 20 460 | 4 917 | 34 354 | 1 755 | - | 298 525 |
| Commissions (costs) | (428) | (2 299) | - | (198) | 329 | (48 855) |
| Income from securities | - | - | - | - | - | 88 600 |
| Gains arising from financial operations | - | - | - | - | (48 785) | 5 884 807 |
| Losses arising from financial operations | - | - | - | - | 59 723 | (5 858 234) |
| Reversal of provisions | - | - | - | 17 176 | - | 408 394 |
| Provisions for credit and other risks | - | - | - | (14 771) | - | (575 634) |
| Other operating income | - | - | - | 21 586 | 3 633 | 142 242 |
| Net operating income | 20 032 | 2 618 | 34 354 | 14 284 | (2 037) | 1 593 927 |
| Net income for the year | 6 846 | 895 | 11 740 | 4 881 | - | 560 209 |
| Loans and advances to customers (net) | - | - | - | - | - | 39 895 516 |
| Amounts owed to customers | - | - | - | 37 381 | (33) | 41 197 294 |
| Total assets | - | - | - | 2 083 916 | (21 439 023) | 71 789 675 |

| | Consolidated | | | | | Total |
|--|--------------------------|-----------------|------------------|-----------|----------------|-------------|
| | Payments and Settlements | Agency Services | Asset Management | Other | Reconciliation | |
| Interest income | - | - | 609 | 7 939 | (842 480) | 2 702 468 |
| Interest expenditure | - | - | (8) | (14 186) | 822 599 | (1 469 322) |
| Commissions (income) | 20 460 | 7 406 | 56 211 | 3 334 | (2 902) | 384 159 |
| Commissions (costs) | (428) | (2 304) | (8 790) | (318) | 8 882 | (56 880) |
| Income from securities | - | - | - | - | (44 721) | 63 213 |
| Gains arising from financial operations | - | - | 4 | - | (105 443) | 5 949 036 |
| Losses arising from financial operations | - | - | (2) | (2 014) | 114 974 | (5 918 007) |
| Reversal of provisions | - | - | 98 | 22 290 | (12 493) | 437 547 |
| Provisions for credit and other risks | - | - | (107) | (17 105) | 14 576 | (622 593) |
| Other operating income | - | - | - | 106 863 | (88 507) | 148 435 |
| Net operating income | 20 032 | 5 102 | 48 024 | 101 618 | (137 598) | 1 803 102 |
| Net income for the year | 6 711 | 1 709 | 15 484 | 5 591 | 46 371 | 667 252 |
| Loans and advances to customers (net) | - | - | - | 30 756 | (63 701) | 44 093 684 |
| Amounts owed to customers | - | - | - | 40 045 | (102 663) | 44 733 024 |
| Total assets | - | - | 98 976 | 2 188 237 | (31 776 841) | 74 172 394 |

Geographic Markets

| | CGD | | | |
|--|-------------|-----------------------------|---------------------|------------------|
| | Portugal | Remainder European Union | Remainder Europe | North America |
| Interest income | 2 397 455 | 608 454 | 843 | 29 653 |
| Interest expenditure | (1 379 074) | (543 481) | (247) | (18 233) |
| Commissions (income) | 276 826 | 19 095 | 209 | 1 150 |
| Commissions (costs) | (44 676) | (4 207) | (98) | (202) |
| Income from securities | 88 409 | 190 | - | - |
| Gains arising from financial operations | 5 887 578 | 32 199 | 1 | 1 610 |
| Losses arising from financial operations | (5 883 583) | (17 267) | - | (5 586) |
| Reversal of provisions | 389 846 | 18 447 | 67 | - |
| Provisions for credit and other risks | (546 866) | (23 322) | (33) | (3 384) |
| Other operating income | 138 293 | 293 | - | - |
| Net operating income | 1 481 228 | 95 276 | 708 | 8 392 |
| Net income for the year | 524 627 | 27 473 | 38 | 2 471 |
| Loans and advances to customers (net) | 37 939 585 | 1 728 821 | 8 196 | 138 542 |
| Amounts owed to customers | 39 589 488 | 1 519 677 | 16 974 | 41 467 |
| Total assets | 72 859 994 | 16 148 344 | 22 961 | 999 017 |

| | Consolidated | | | | |
|--|--------------|-----------------------------|---------------------|------------------|------------------|
| | Portugal | Remainder European Union | Remainder Europe | North America | Latin America |
| Interest income | 2 622 267 | 704 004 | 843 | 29 653 | - |
| Interest expenditure | (1 552 546) | (582 591) | (247) | (18 233) | - |
| Commissions (income) | 328 089 | 36 971 | 209 | 1 150 | - |
| Commissions (costs) | (56 387) | (7 212) | (98) | (202) | - |
| Income from securities | 97 375 | 191 | - | - | 5 804 |
| Gains arising from financial operations | 5 976 525 | 33 918 | 1 | 1 610 | 993 |
| Losses arising from financial operations | (5 973 247) | (17 497) | - | (5 586) | (1 251) |
| Reversal of provisions | 414 350 | 21 950 | 67 | - | - |
| Provisions for credit and other risks | (567 607) | (48 300) | (33) | (3 344) | (104) |
| Other operating income | 222 228 | 8 717 | - | - | 32 |
| Net operating income | 1 664 304 | 176 501 | 708 | 8 392 | 5 578 |
| Net income for the year | 571 876 | 26 979 | 38 | 2 512 | 5 046 |
| Loans and advances to customers (net) | 39 783 056 | 3 427 266 | 8 196 | 138 542 | - |
| Amounts owed to customers | 39 663 975 | 3 313 633 | 16 974 | 41 529 | 64 243 |
| Total assets | 80 411 852 | 18 631 865 | 22 961 | 999 058 | 431 187 |

(continue)

Geographic Markets (continuation)

| | CGD | | | | |
|--|----------|--------|-------------------|----------------|-------------|
| | Asia | Africa | Rest of the World | Reconciliation | Total |
| Interest income | 1 409 | – | 88 865 | (654 882) | 2 471 797 |
| Interest expenditure | (100) | – | (81 765) | 637 945 | (1 384 955) |
| Commissions (income) | 593 | – | 652 | – | 298 525 |
| Commissions (costs) | – | – | (1) | 329 | (48 855) |
| Income from securities | 1 | – | – | – | 88 600 |
| Gains arising from financial operations | 12 200 | – | 3 | (48 784) | 5 884 807 |
| Losses arising from financial operations | (11 518) | – | (1) | 59 721 | (5 858 234) |
| Reversal of provisions | 34 | – | – | – | 408 394 |
| Provisions for credit and other risks | (1 237) | – | (792) | – | (575 634) |
| Other operating income | 23 | – | – | 3 633 | 142 242 |
| Net operating income | 2 608 | – | 7 753 | (2 038) | 1 593 927 |
| Net income for the year | 149 | – | 5 451 | – | 560 209 |
| Loans and advances to customers (net) | 17 204 | – | 63 168 | – | 39 895 516 |
| Amounts owed to customers | 29 070 | – | 649 | (31) | 41 197 294 |
| Total assets | 45 695 | – | 3 152 685 | (21 439 022) | 71 789 674 |

| | Consolidated | | | | |
|--|--------------|----------|-------------------|----------------|-------------|
| | Asia | Africa | Rest of the World | Reconciliation | Total |
| Interest income | 33 032 | 66 285 | 88 865 | (842 481) | 2 702 468 |
| Interest expenditure | (15 577) | (40 964) | (81 765) | 822 601 | (1 469 322) |
| Commissions (income) | 4 152 | 15 838 | 652 | (2 902) | 384 159 |
| Commissions (costs) | (1 119) | (743) | (1) | 8 882 | (56 880) |
| Income from securities | 188 | 4 376 | – | (44 721) | 63 213 |
| Gains arising from financial operations | 13 894 | 27 534 | 3 | (105 442) | 5 949 036 |
| Losses arising from financial operations | (11 601) | (23 799) | (1) | 114 975 | (5 918 007) |
| Reversal of provisions | 1 229 | 12 446 | – | (12 495) | 437 547 |
| Provisions for credit and other risks | (2 929) | (14 061) | (792) | 14 577 | (622 593) |
| Other operating income | 771 | 5 195 | – | (88 508) | 148 435 |
| Net operating income | 23 740 | 53 722 | 7 753 | (137 596) | 1 803 102 |
| Net income for the year | 6 617 | 2 363 | 5 451 | 46 370 | 667 252 |
| Loans and advances to customers (net) | 284 491 | 452 667 | 63 168 | (63 702) | 44 093 684 |
| Amounts owed to customers | 1 023 524 | 711 158 | 649 | (102 661) | 44 733 024 |
| Total assets | 1 334 945 | 964 683 | 3 152 685 | (31 776 842) | 74 172 394 |

26. Interest Income and Interest Expense

These headings comprise:

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Interest expense: | | | | |
| Interest on deposits | | | | |
| General Government | 47 685 | 55 391 | 49 392 | 58 165 |
| Other residents | | | | |
| Sight | 25 340 | 49 875 | 30 138 | 58 320 |
| Notice | - | - | 38 | 311 |
| Term | 288 923 | 367 400 | 323 972 | 408 084 |
| Savings | 175 103 | 194 886 | 176 561 | 196 113 |
| Emigrants | 82 697 | 79 842 | 92 098 | 88 652 |
| Other non-residents | 34 513 | 62 793 | 51 740 | 93 215 |
| Other deposits | 6 772 | 7 250 | 6 772 | 7 410 |
| | 661 033 | 817 437 | 730 711 | 910 270 |
| Interest on amounts owed to foreign credit institutions | 243 625 | 327 720 | 152 936 | 222 023 |
| Interest on amounts owed to domestic credit institutions | 29 685 | 37 133 | 37 180 | 49 260 |
| Interest on interest rate swaps | 116 478 | 159 676 | 111 396 | 157 207 |
| Interest on debt securities | 146 570 | 114 933 | 212 502 | 177 902 |
| Interest on foreign exchange swaps | 102 267 | 38 563 | 123 168 | 68 429 |
| Interest on other resources | 15 452 | 9 551 | 18 794 | 13 840 |
| Interest on creditors | 3 710 | 5 402 | 2 997 | 4 529 |
| Interest on subordinated loans (Note 21) | 54 941 | 53 857 | 65 487 | 63 728 |
| Other interest expense | 11 194 | 10 866 | 14 151 | 13 663 |
| | 1 384 955 | 1 575 138 | 1 469 322 | 1 680 851 |

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Interest income: | | | | |
| Interest on loans and advances to domestic credit institutions | 86 450 | 115 935 | 63 528 | 83 861 |
| Interest on loans and advances to foreign credit institutions | 165 280 | 115 216 | 174 101 | 115 089 |
| Interest on domestic credit | 1 620 316 | 1 978 111 | 1 818 456 | 2 203 737 |
| Interest on foreign credit | 73 565 | 77 619 | 80 576 | 89 136 |
| Interest on overdue credit | 33 599 | 37 930 | 37 325 | 41 831 |
| Interest on investment securities | 187 740 | 286 784 | 208 326 | 303 689 |
| Interest on interest rate swaps | 114 102 | 149 180 | 110 774 | 144 518 |
| Interest on foreign exchange swaps | 102 012 | 32 526 | 113 081 | 49 230 |
| Interest on trading securities | 54 603 | 3 190 | 57 506 | 11 841 |
| Interest on securities to be held to maturity | - | - | 1 066 | 9 622 |
| Interest on financial fixed assets | 2 510 | 3 564 | 2 789 | 3 648 |
| Interest on debtors and other investments | 6 618 | 2 522 | 8 295 | 3 477 |
| Interest on liquid assets | 23 034 | 32 759 | 24 719 | 34 683 |
| Other interest income | 1 968 | 2 206 | 1 926 | 2 549 |
| | 2 471 797 | 2 837 542 | 2 702 468 | 3 096 911 |

27. Losses and Gains Arising from Financial Operations

These headings comprise:

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Losses arising from financial operations: | | | | |
| Revaluation of foreign exchange position | | | | |
| Spot | 4 920 700 | 3 156 575 | 4 943 980 | 3 172 117 |
| Forward | 5 279 | 186 840 | 5 443 | 187 159 |
| Revaluation of trading securities | 36 870 | 20 219 | 49 390 | 28 965 |
| Realised losses on the sale of investment securities | 15 952 | 23 524 | 16 328 | 25 830 |
| Revaluation and losses on futures contracts | 157 223 | 93 980 | 160 812 | 98 220 |
| Realised losses on off-balance sheet operations | 721 244 | 719 888 | 739 193 | 751 073 |
| Other | 966 | 243 | 2 861 | 4 780 |
| | 5 858 234 | 4 201 269 | 5 918 007 | 4 268 144 |
| Gains arising from financial operations: | | | | |
| Revaluation of foreign exchange position | | | | |
| Spot | 4 895 136 | 3 249 507 | 4 925 231 | 3 272 159 |
| Forward | 6 309 | 89 639 | 6 595 | 89 894 |
| Revaluation of trading securities | 44 305 | 16 131 | 56 671 | 26 782 |
| Realised gains on the sale of investment securities | 116 202 | 91 451 | 116 557 | 99 228 |
| Revaluation and gains on futures contracts | 88 353 | 42 261 | 91 294 | 43 297 |
| Realised gains on off-balance sheet operations | 733 981 | 771 315 | 750 695 | 799 318 |
| Other | 521 | 671 | 1 993 | 9 377 |
| | 5 884 807 | 4 260 975 | 5 949 036 | 4 340 055 |

In 2003 and 2002, the caption "Realised gains on the sale of investment securities" includes € 16 090 thousand and € 50 949 thousand, respectively, relating to capital gains, net of tax withheld in Brazil, on the sale of Banco Itaú shares (Note 8).

The caption "Realised gain on the sale of investment securities" in 2002 includes € 6 453 thousand relating to the capital gain on the exchange of shares of BVLP for shares of Euronext (Note 8).

The caption "Realised gains on the sale of investment securities" in 2002 includes € 6 960 relating to a capital gain on the sale of Caixa Desenvolvimento's investment in Barraqueiro, SGPS, SA (Note 10).

28. Personnel Costs and Average Number of Employees

This heading comprises:

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Remuneration paid to the management and supervisory bodies | 2 283 | 2 187 | 6 714 | 5 543 |
| Remuneration paid to employees: | | | | |
| Monthly remuneration | 273 669 | 274 577 | 344 355 | 336 858 |
| Exceptional remuneration | 3 998 | 8 119 | 5 907 | 12 285 |
| Holiday pay | 22 698 | 23 114 | 26 064 | 27 366 |
| Christmas subsidy | 21 340 | 21 224 | 23 945 | 23 285 |
| Luncheon allowance | 25 048 | 22 967 | 26 414 | 24 169 |
| Other subsidies | 3 746 | 3 964 | 4 693 | 5 596 |
| Seniority subsidies | 12 803 | 3 322 | 13 098 | 3 393 |
| Other exceptional remuneration | 5 507 | 6 115 | 8 407 | 9 390 |
| | 371 092 | 365 589 | 459 597 | 447 885 |
| Pension charges: | | | | |
| CGD – normal cost (Note 29) | 37 381 | 39 507 | 37 381 | 39 507 |
| International branches and subsidiaries | 1 746 | 1 919 | 2 948 | 2 237 |
| Other | 1 364 | 452 | 2 842 | 1 804 |
| | 40 491 | 41 878 | 43 171 | 43 548 |
| Compulsory social charges | 46 928 | 45 199 | 63 470 | 55 167 |
| Other social charges | 10 798 | 10 247 | 12 777 | 12 554 |
| | 98 217 | 97 324 | 119 418 | 111 269 |
| Other personnel costs | 1 284 | 1 867 | 3 753 | 4 464 |
| | 470 593 | 464 780 | 582 768 | 563 618 |

The average number of employees in 2003 and 2002, by function, was as follows:

| | CGD | | Consolidated | |
|----------------------|---------------|---------------|---------------|---------------|
| | 2003 | 2002 | 2003 | 2002 |
| Senior management | 130 | 146 | 410 | 522 |
| Management | 1 903 | 1 792 | 3 023 | 3 139 |
| Technical staff | 2 198 | 1 495 | 4 332 | 3 137 |
| Administrative staff | 6 767 | 7 900 | 9 426 | 10 765 |
| Auxiliary | 250 | 293 | 1 295 | 649 |
| | 11 248 | 11 626 | 18 486 | 18 212 |

These numbers, as at 31 December 2003 and 2002, do not include staff employed by the Support Department to Caixa Geral de Aposentações (323 in 2003 and 326 in 2002) nor those employed by CGD's Social Services (74 in 2003 and 73 in 2002) and those on secondment (106 in 2003 and 117 in 2002).

Loans granted to members of the Board of Directors and retirement pensions liabilities for former members of the Board of Directors as at 31 December 2003 and 2002, totalled:

| | CGD | |
|--------------------------------|-------|-------|
| | 2003 | 2002 |
| Loans granted | 1 002 | 1 133 |
| Retirement-benefit commitments | 699 | 656 |

29. Retirement Pensions

Actuarial studies were obtained from specialised entities to determine the amount of the liability for retirement pensions currently being paid and the past service liability of currently employed personnel as of 31 December 2003 and 2002 for the following Group companies:

- Caixa Geral de Depósitos, SA (CGD)
- Companhia de Seguros Fidelidade-Mundial, SA (Fidelidade-Mundial).

CGD's pension liability at 31 December 2003 and 2002 includes the liability relating to former BNU's employees working at the date of the merger, as they became covered by benefits granted to CGD's employees. BNU's retired employees and pensioners at the date of the merger (Note 2. j)) continued to be covered by the pension plan in force in BNU at the date of their retirement.

The assumptions and technical bases used were as follows:

| | 2003 | | 2002 | | |
|--------------------------|-----------------------|--------------------|-----------------------|------------|---------|
| | CGD | Fidelidade-Mundial | CGD | Fidelidade | Mundial |
| Actuarial method | Projected Unit Credit | | Projected Unit Credit | | |
| Mortality table | TV 73/77 | | TV 73/77 | | |
| Disability table | EKV 80 | EVK 80 | EKV 80 | | |
| Income and discount rate | 6% | 6% | 6% | 6% | 6% |
| Technical rate | – | 4% | – | 4% | 6% |
| Salary increase rate | 3% | 3% | 3% | 3% | 3% |
| Pension increase rate | 2% | 1% | 2% | 1% | 2% |
| Turnover rate: | | | | | |
| Below 30 years | 5% | – | 5% | – | – |
| Between 30 and 40 years | 1% | – | 1% | – | – |
| Above 40 years | 0% | – | 0% | – | – |
| Future external service | 1/6 | – | 1/6 | – | – |

In the studies relating to CGD for 2003 and 2002, the normal retirement age was estimated at 60 years of age.

Fidelidade – Mundial maintained the criteria used in the previous year for each company, in determining its pension liability at 31 December 2002. The actuarial assumptions were standardized in 2003.

Following is a comparison between the actuarial and financial assumptions used in determining CGD's pension liability as 31 December 2003 and 2002 and the actual amounts for the year:

| | 2003 | | 2002 | |
|-----------------------|-------------|--------|-------------|---------|
| | Assumptions | Actual | Assumptions | Actual |
| Income rate | 6% | 8.05% | 6% | (6.63%) |
| Salary increase rate | 3% | 4.35% | 3% | 3.2% |
| Pension increase rate | 2% | 7.05% | 2% | 3.2% |

At 31 December 2003 and 2002, the past service liability in accordance with the actuarial studies and the funds and provisions to cover the liability were as follows:

| | 2003 | | 2002 | |
|---|------------------|-------------------------|------------------|-------------------------|
| | CGD | Fidelidade- -Mundial | CGD | Fidelidade- -Mundial |
| Past service liability: | | | | |
| Current employees | 1 320 378 | 16 567 | 1 274 913 | 16 315 |
| Retired and early retired employees | 1 201 271 | 92 213 | 1 020 000 | 91 927 |
| | 2 521 649 | 108 780 | 2 294 913 | 108 242 |
| Autonomous pension funds | 2 497 086 | 81 265 | 2 231 667 | 75 091 |
| Mathematical provisions | - | 22 821 | - | 22 474 |
| Provisions for pensions and similar costs | - | 4 694 | - | 10 677 |
| | 2 497 086 | 108 780 | 2 231 667 | 108 242 |
| Coverage rate | 99.03% | 100.00% | 97.24% | 100.00% |

The future service liability of currently employed personnel of CGD at 31 December 2003 and 2002 totalled € 743 841 thousand and € 742 515 thousand, respectively.

It is possible that some claims will be made regarding liabilities for some former employees of CGD. However, the effect of these is believed to be low, considering that there have only been twenty retirements over the last three years in which such claims have been made.

The number of beneficiaries of CGD and Fidelidade - Mundial in 2003 and 2002 was as follows:

| | 2003 | | 2002 | |
|-------------------------------------|---------------|-------------------------|---------------|-------------------------|
| | CGD | Fidelidade- -Mundial | CGD | Fidelidade- -Mundial |
| Current employees | 12 133 | 1 934 | 12 706 | 2 085 |
| Retired and early retired employees | 6 216 | 1 418 | 5 671 | 1 386 |
| | 18 349 | 3 352 | 18 377 | 3 471 |

The movement in the pension funds and mathematical provisions during 2002 and 2003 was as follows:

| | CGD | Fidelidade- -Mundial (*) |
|---|------------------|-----------------------------|
| Closing balance as at 31 December 2001 | 2 071 416 | 107 691 |
| Normal contributions: | | |
| – By employees | 24 264 | – |
| – By CGD and Fidelidade-Mundial | 28 795 | 2 954 |
| Extraordinary contributions | 322 806 | – |
| Pensions paid | (78 344) | (9 860) |
| Income and realised capital gains and losses (net) | (16 315) | 1 376 |
| Unrealised capital losses (net) | (95 690) | (1 205) |
| Foreign exchange losses, commissions and other income and costs (net) | (25 265) | (455) |
| Change of provisions for pensions and similar charges | – | 7 741 |
| Closing balance as at 31 December 2002 | 2 231 667 | 108 242 |
| Normal contributions: | | |
| – By employees | 24 331 | – |
| – By CGD and Fidelidade-Mundial | 32 370 | – |
| Extraordinary contributions | 119 134 | – |
| Pensions paid | (88 952) | (11 219) |
| Income and realised capital gains and losses (net) | 99 822 | 3 895 |
| Unrealised capital gains (net) | 106 862 | 804 |
| Foreign exchange losses, commissions and other income and costs (net) | (28 148) | (619) |
| Change in mathematical provisions | – | 2 983 |
| Change of provisions for pensions and similar charges | – | 4 694 |
| Closing balance as at 31 December 2003 | 2 497 086 | 108 780 |

(*) Balances at 31 December 2001 correspond to the sum of Fidelidade and Mundial-Confiança.

CGD's Pension Fund at 31 December 2003 and 2002 is managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA.

At 31 December 2003, CGD's Pension Fund had premises leased to Group companies in the amount of € 75 060 thousand (€ 81 165 thousand in 2002), as well as bonds issued by Group companies totalling € 222 758 thousand (€ 331 267 thousand in 2002).

The normal contributions to the pension funds in 2003 and 2002 were made in cash. Extraordinary contributions of CGD in 2002, included € 258 806 thousand through the delivery of securities. In 2003, the extraordinary contributions were fully made in cash.

The change in the shortfall in the funding of CGD's pension liabilities and the corresponding impact on the financial statements as of 31 December 2003 and 2002, is as follows:

| | | 2003 | 2002 |
|---|-----------------------|------------------|------------------|
| Initial situation | (I) | (63 246) | (47 487) |
| Current service cost | | (33 586) | (36 658) |
| Estimated income of pension fund assets | | 131 396 | 122 131 |
| Interest cost | | (135 191) | (124 980) |
| Normal cost | | (37 381) | (39 507) |
| Actuarial gains and losses: | | | |
| Liability | | (122 579) | (68 452) |
| Income | | 47 139 | (259 401) |
| | | (75 440) | (327 853) |
| Change in liability and actuarial gains and losses | (II) | (112 821) | (367 360) |
| Contribution to the Pension Fund: | | | |
| By CGD | (III) | 151 504 | 351 601 |
| Shortfall in the funding at 31 December 2003 | (I)+(II)+(III) | (24 563) | (63 246) |

The coverage of the liability had the following impact on CGD's financial statements for the years ended 31 December 2003 and 2002:

| | 2003 | 2002 |
|--|----------------|----------------|
| Pension costs recorded in the income statement (Note 28) | 37 381 | 39 507 |
| Amount recorded in deferred costs | 52 766 | 286 970 |
| Amount deferred in value fluctuation | 22 674 | 40 883 |
| | 112 821 | 367 360 |

Changes in the amounts recorded in deferred costs and value fluctuation in 2002 and 2003 were as follows:

| | Deferred costs (Nota 14) | Value fluctuation (Nota 14) |
|--|-----------------------------|--------------------------------|
| Balances as at 31 December 2001 | - | 188 608 |
| Actuarial gains and losses for the year | 286 970 | 40 883 |
| Balances as at 31 December 2002 | 286 970 | 229 491 |
| Actuarial gains and losses for the year | 52 766 | 22 674 |
| Deferred costs amortised during the year (Note 32) | (29 697) | - |
| Balances as at 31 December 2003 | 310 039 | 252 165 |

30. Other Administrative Costs

This heading comprises:

| | CGD | | Consolidated | |
|---|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Specialised services | 148 359 | 128 609 | 170 241 | 138 086 |
| Rent | 39 386 | 33 278 | 49 503 | 44 834 |
| Communications and postage expenses | 40 652 | 38 285 | 36 240 | 33 879 |
| Maintenance and repairs | 30 549 | 30 234 | 32 015 | 32 277 |
| Advertising and editing of publications | 19 370 | 20 400 | 22 794 | 24 374 |
| Water, energy and fuel | 10 921 | 10 785 | 13 399 | 12 811 |
| Travel, lodging and representation expenses | 7 270 | 7 451 | 12 089 | 11 439 |
| Printed forms and sundry material | 6 396 | 8 466 | 9 026 | 11 048 |
| Transport of values and other | 24 362 | 23 727 | 6 039 | 24 673 |
| Other | 13 996 | 28 196 | 24 717 | 41 767 |
| | 341 261 | 329 431 | 376 063 | 375 188 |

31. Other Operating Income and Costs

These headings comprise:

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Other operating costs | | | | |
| Donations and subscriptions | 6 125 | 5 162 | 4 293 | 3 527 |
| Losses on financial leasing operations | - | - | 603 | 853 |
| Other | 2 678 | 34 381 | 11 554 | 39 020 |
| | 8 803 | 39 543 | 16 450 | 43 400 |
| Other operating income | | | | |
| Miscellaneous services rendered | 68 345 | 63 255 | 49 503 | 40 501 |
| Reimbursement of expenses | 9 627 | 12 307 | 11 470 | 14 122 |
| Sale of cheques | 11 099 | 11 998 | 11 099 | 11 998 |
| Property income | 4 115 | 5 212 | 9 093 | 3 731 |
| Gains on financial leasing operations | - | - | 2 134 | 2 498 |
| Recovery of written-off loans | | | | |
| Credit granted | 18 667 | 6 547 | 19 881 | 7 156 |
| Interest and expenses | 9 949 | 9 435 | 11 833 | 11 372 |
| Other | 20 440 | 21 251 | 33 422 | 36 431 |
| | 142 242 | 130 005 | 148 435 | 127 809 |

32. Exceptional Losses and Gains

This heading states as follows:

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 |
| Exceptional losses | | | | |
| Losses from previous years | 81 181 | 42 128 | 81 885 | 42 128 |
| Additional payment of IRC (corporate income tax) (Note 33) | - | 5 320 | - | 5 320 |
| Additional payment of other taxes | 277 | 1 939 | 277 | 1 939 |
| Shortfall in the estimate of IRC | - | 644 | - | 644 |
| Amortization of deferred costs with pension liabilities (Note 29) | 29 697 | - | 29 697 | - |
| Capital losses on the sale of own premises and property received in settlement of defaulting loans | 2 257 | 1 745 | 2 257 | 1 745 |
| Capital losses on the sale of participating interests: | | | | |
| Galp Energia (Note 8) | 2 710 | - | 2 710 | 3 257 |
| Banco Simeon and Banco de Extremadura (Note 1.1) | - | 26 260 | - | - |
| Sulei (Note 1.1) | - | 1 024 | - | 1 024 |
| Other | 162 | - | 162 | - |
| Other | 16 814 | 5 787 | 18 496 | 8 668 |
| | 133 098 | 84 847 | 135 484 | 64 725 |
| Exceptional gains | | | | |
| Recovery of interest | 58 299 | 29 728 | 58 299 | 29 728 |
| Capital gains on the sale of participating interests: | | | | |
| Brisa (Note 8) | 128 748 | - | 128 748 | - |
| Galp Energia (Note 8) | 36 320 | - | 29 598 | - |
| Sale of subscription rights (Note 8) | 22 260 | 3 780 | 22 260 | 3 780 |
| Sogeste (Note 10) | 14 642 | - | 12 118 | - |
| Cnufa (Note 1.1) | 1 859 | - | - | - |
| Silvageste, SGPS, SA and Silger, SGPS, SA (Note 10) | - | - | 515 | - |
| Euronext (Notes 8 and 10) | - | 5 070 | 225 | 13 119 |
| IPE (Note 1.1) | - | 136 260 | - | 69 818 |
| BPI, SGPS, SA (Note 8) | - | 12 313 | - | 12 313 |
| Caixa Valores (Note 1.1) | - | 696 | - | - |
| Fidelidade (Note 1.1) | - | 361 | - | - |
| SIBS (Note 1.1) | - | 311 | - | - |
| Other | 960 | - | 1 851 | 1 284 |
| Capital gains on the sale of own premises and property received in settlement of defaulting loans | 12 348 | 7 793 | 12 348 | 7 793 |
| Overestimation of IRC | 16 121 | - | 16 121 | 975 |
| Other | 28 699 | 14 734 | 30 722 | 19 141 |
| | 320 256 | 211 046 | 312 805 | 157 951 |

In 2003 and 2002 the heading "Losses from previous years" includes € 70 730 thousand and € 28 890 thousand, respectively, relating to the settlement of sundry interest.

33. Taxation

The tax burden, measured by the ratio between the tax expense and net income for the year before tax for the last three years was as follows:

| | CGD | | | Consolidated | | |
|---------------------------|---------|---------|---------|--------------|---------|---------|
| | 2003 | 2002 | 2001 | 2003 | 2002 | 2001 |
| Corporate income tax | 137 171 | 107 161 | 116 916 | 148 373 | 116 024 | 133 356 |
| Income before tax expense | 697 380 | 758 550 | 643 950 | 817 469 | 780 882 | 788 893 |
| Tax charge (%) | 19.7% | 14.1% | 18.2% | 18.2% | 14.9% | 16.9% |

Profits attributable to minority shareholders' interest were added to consolidated income before tax expense.

The tax burden in 2003 is lower than that resulting from the application of the IRC (Corporate Income Tax) and Local Tax normal rate (33%), mainly owing to the tax exemption in respect of the capital gain on the sale of the equity participation in Banco Itaú (Note 8), the correction, for tax purposes, to capital gains on the sale of

equity participations, to the negative equity change relative to the estimated distribution of profits to the employees, and also to provisions for equity investments charged to reserves. In addition, there is the effect of tax benefits, namely those referring to dividends received. At a consolidated level, there are also subsidiaries which have tax losses carried forward and the effect of results in companies recorded by the equity method.

The tax authorities may review the tax situation over a period of four years and adjustments may be made to the taxable profit arising from differences in the interpretation of tax legislation for the period between 2000 and 2003. Owing to the nature of the adjustments, which may be made, it is not possible to quantify them at the present time. Caixa's Board of Directors, however, considers that any adjustment in respect of the above referred to years will not have a significant effect on the financial statements.

In 2003 CGD received an additional corporate income tax assessment plus compensatory interest in the amount of € 20 432 thousand, relating to the year 2000 of Banco Nacional Ultramarino, SA (BNU) which was merged into Caixa in 2001. The additional assessment results mainly from corrections made by the tax authorities to the tax losses of BNU for the years 1994 and 1995, relating essentially from early retirement costs. The additional assessment has not been paid, Caixa having contested it legally and provided a guarantee, as it had done for the additional assessments for the years 1994 and 1995.

In 2002, CGD received additional corporate income tax assessments and paid € 5 320 thousand, of which € 4 037 thousand corresponds to the tax return for 1999 (Note 32). These additional assessments are due essentially to provisions and other costs not accepted by the tax authorities.

The comparison between charged and paid income tax expense in 2003 and 2002 can be presented as follows:

| | 2003 | 2002 |
|---|---------------|--------------|
| Income tax charge for the year | 137 171 | 107 161 |
| Payments on account | (70 570) | (97 773) |
| Withholdings by third parties | (977) | (1 318) |
| Other | 182 | 249 |
| Corporate income tax payable (Note 18) | 65 806 | 8 319 |

34. Foreign Currency-denominated Assets/Liabilities

As at 31 December 2003 and 2002, the total amounts of foreign currency-denominated assets and liabilities converted into thousand of Euros were:

| | CGD | | Consolidated | |
|-------------|-----------|-----------|--------------|-----------|
| | 2003 | 2002 | 2003 | 2002 |
| Assets | 2 631 877 | 3 966 607 | 4 105 984 | 5 528 862 |
| Liabilities | 5 829 110 | 5 473 731 | 8 135 844 | 7 906 619 |

35. Balances with Subsidiary Companies Included in the Non-consolidated Financial Statements

On 31 December 2003, the main balances with subsidiary companies were as follows:

| | Monetary assets, applications and loans granted | Securities portfolio | Deposits | Debt securities |
|---|--|-------------------------|------------------|--------------------|
| CGD Finance | - | 75 000 | 2 818 920 | - |
| Banco Simeón, SA | 425 411 | - | 349 659 | - |
| Banco Nacional Ultramarino, SA (Macao) | 102 928 | - | 632 221 | - |
| Caixa - Banco de Investimento, SA | 504 330 | - | 8 366 | 421 |
| Imoleasing - Sociedade de Locação Financeira Imobiliária, SA | 629 686 | - | 10 | - |
| Locapor - Companhia Portuguesa de Locação Mobiliária, SA | 368 618 | - | 14 | - |
| Lusofactor - Sociedade de Factoring, SA | 129 019 | 1 496 | 7 | - |
| Caixa Crédito, SFAC, SA | 32 834 | - | 433 | - |
| Caixa - Participações, SGPS, SA | - | - | 17 708 | - |
| Banco Postal, SA | 12 | - | 13 291 | - |
| Mercantile Bank | - | - | 12 903 | - |
| Caixa Gestão de Activos, SGPS, SA | - | - | 11 360 | - |
| Caixaweb, SGPS, SA | - | - | 8 483 | - |
| BCI Moçambique | 336 | - | 8 132 | - |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | - | - | 5 065 | - |
| Caixanet - Telemática e Comunicações, SA | - | - | 4 328 | - |
| Banco Interatlântico, SARL | 58 | - | 3 780 | - |
| Caixa Empresas de Crédito, SGPS, SA | - | - | 3 072 | - |
| Banco Comercial do Atlântico, SA | - | - | 2 311 | - |
| Caixa Seguros, SGPS, SA | - | - | 1 892 | - |
| Caixagest - Técnicas de Gestão de Fundos, SA | - | - | 1 473 | - |
| Imocaixa - Gestão Imobiliária, SA | - | - | 1 162 | - |
| Caixa - Gestão de Patrimónios, SA | - | - | 1 098 | - |
| Caixa Investimentos - Sociedade de Investimento, SA | - | - | 793 | - |
| Culturgest - Gestão de Espaços Culturais, SA | 2 | - | 239 | - |
| Sogrupos - Serviços Administrativos, ACE | 239 | - | 132 | - |
| Imoportall | - | - | 131 | - |
| Sogrupos III - Gestão de Activos, ACE | - | - | 126 | - |
| Gerbanca, SGPS, SA | - | - | 82 | - |
| Esegur - Empresa de Segurança, SA | - | - | 82 | - |
| Caixa Internacional, SGPS, SA | - | - | 69 | - |
| Bandeirantes, SGPS, SA | - | - | 34 | - |
| Caixa - Brasil, SGPS, SA | - | - | 21 | - |
| Sogrupos SI, ACE | 1 | - | - | - |
| Banco Financal Português | - | - | 1 | - |
| | 2 193 474 | 76 496 | 3 907 398 | 421 |

During 2003 and 2002, costs and income resulting from transactions with subsidiary companies, were as follows:

| | 2003 | 2002 |
|----------------------------|---------|---------|
| Costs: | | |
| Interest expense | 139 120 | 154 740 |
| Commissions | 143 | 347 |
| Other administrative costs | 63 416 | 27 420 |
| Other operating costs | 2 643 | 2 976 |
| Income: | | |
| Interest income | 55 930 | 87 379 |
| Income from securities | 30 487 | 5 628 |
| Commissions | 98 | 396 |
| Other operating income | 36 181 | 28 730 |

36. Contingencies

Sale of Banco Bandeirantes In 2000 Caixa acquired a participation in Unibanco Holdings, SA and Unibanco, in exchange for shares it held in Banco Bandeirantes, SA (Bandeirantes).

Under the terms of the Contract of Association, Caixa has assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, namely those relating to the liquidation of Banco Banorte, SA (Banorte) and tax and other litigation in progress. In addition, the contract establishes that Unibanco may claim, up to December 2006, general contingencies that had not been specifically identified at the transaction date.

Up to 31 December 2003 CGD paid 23 712 m Brazilian Reals (€ 7 814 thousand) relating to these matters, of which 15 023 m Brazilian Reals (€ 3 956 thousand) was paid in 2003.

As regards the contingency relating to the liquidation of Banorte, in October 2003 Unibanco informed Caixa informally of the amounts already paid by Bandeirantes/Unibanco and an estimate of the contingencies. The amounts paid include, among others, deposits made by Bandeirantes/Unibanco relating to civil, tax and labour lawsuits resulting from the liquidation of Banorte. CGD and Unibanco agreed to ask for an audit, which is still in progress.

Caixa's Board of Directors believes that the contingencies to be paid relating to the liquidation of Banorte will be considerably less than the preliminary amount indicated by Unibanco, considering the results of the audit, the correction of several criteria used to determine that amount and the measures already taken or to be taken to reduce the amounts to be paid in certain civil and labour lawsuits in progress. On the other hand, the Board believes that part of the amounts paid or to be paid by Bandeirantes/Unibanco could be recovered through the bankrupt's assets of Banorte, which is under intervention by the Central Bank of Brazil.

Considering the evolution of the tax processes, in relation to which there have been rulings in favour of Bandeirantes, and other contingencies, the Board of Directors classifies, as remote, the probability of Caixa having to make significant payments as a result of these contingencies.

The cost of the payments that come to be made under the Contract of Association entered into with Unibanco, net of the tax effect, will be fully compensated by utilisation of the Fund for general banking risks, and so will not affect net income for the years in which the payments are eventually made.

Sale of Sogeste In 2000 legal action was taken by IP Holding – SGPS, SA against BNU, in respect of the sale, in 1999, of a participation in Sogeste – Sociedade de Gestão de Participações, SA.

In the event of a ruling which is unfavourable to Caixa, the amount of the indemnity will only be established in the judgement.

No provision has been recorded for this contingency since the Board of Directors believes that the probability of losing this action is remote.

37. Securitisation Operations

In November 2003 CGD sold part of its mortgage and consumer credit portfolios in the amounts of € 1 000 000 thousand and € 400 000 thousand, respectively, through securitisation operations. The main conditions of these operations are as follows:

Mortgage loan securitisation The loans were sold to Fundo de Titularização de Créditos Nostrum Mortgages 2003-1, FTC ("Nostrum Mortgages FTC" or "the Fund"), at their nominal value (book value). The Fund is managed by Finantia – Sociedade Gestora de Fundos de Titularização de Créditos, SA, in which CGD has no direct or indirect participating interest. CGD continues to manage the mortgage contracts and delivers to Nostrum Mortgages FTC all the amounts received relating to these loans.

To finance the operation the Fund issued securitisation units equal in amount to the credit portfolio acquired plus accrued interest, which were fully subscribed for by Nostrum Mortgages 2003-1 PLC (Nostrum Mortgages PLC) with headquarters in Ireland.

On the date of distribution of the income of the securitisation units, Nostrum Mortgages FTC pays to Nostrum Mortgages PLC, all the amounts received from Caixa, less expenses and commission borne, segregating the instalments between principal and interest.

To finance the operation Nostrum Mortgages PLC issued bonds with different subordination and rating levels and, consequently, different remuneration. These bonds have the following characteristics:

| Debt issued | Amount | Rating | | | Redemption date | Early redemption date | Remuneration | |
|------------------------------------|------------------|---------|-------|-----|-----------------|-----------------------|--|-----------------------------|
| | | Moody's | Fitch | S&P | | | Up to early redemption date | After early redemption date |
| Class A Mortgage Backed | | | | | | | | |
| Floating Rate Notes due 2046 | 980 000 | Aaa | AAA | AAA | June 2046 | March 2011 | 3 m Euribor + 0.21% | 3 m Euribor + 0.42% |
| Class B Mortgage Backed | | | | | | | | |
| Floating Rate Notes due 2046 | 5 000 | A2 | A+ | A | June 2046 | March 2011 | 3 m Euribor + 0.50% | 3 m Euribor + 1.00% |
| Class C Mortgage Backed | | | | | | | | |
| Floating Rate Notes due 2046 | 15 000 | Baa2 | BBB+ | BBB | June 2046 | March 2011 | 3 m Euribor + 1.1% | 3 m Euribor + 2.20% |
| | 1 000 000 | | | | | | | |
| Class D Mortgage Backed Securities | | | | | | | | |
| Entitlement Notes due 2046 | 4 000 | | | | | | Residual remuneration generated by the securitised portfolio | |
| | 1 004 000 | | | | | | | |

These bonds bear quarterly interest payable on 15 March, June, September and December each year.

In order to hedge interest rate risk, Nostrum Mortgages PLC entered into an interest rate swap with Caixa. Under the terms of the swap, Nostrum Mortgages PLC transfers, on each bond interest payment date, an amount corresponding to application of the average interest rate of the credit portfolio less 0.65%, to the amount of the performing credits at the beginning of each period and receives an amount equal to the interest payable on the bonds.

Caixa has an early redemption option on the bonds in March 2011 and an option to repurchase the credit portfolio, when the outstanding loan portfolio is equal to or less than 10% of the initial amount of the operation.

On each quarterly interest payment date, Nostrum Mortgages PLC has the option to repay part of the Class A, B, and C bonds, in order to adjust the amount of the liability to that of the assets (credit portfolio).

The bonds with the highest degree of subordination (Class D) were acquired by Caixa, and are recorded in the investment securities portfolio (Note 7).

Remuneration of the Class D bonds corresponds to the difference between income from the securitised credit portfolio and the sum of all the costs of the operation, namely:

- Taxes;
- Expenses and commissions of the Fund and the issuer (custody commission and servicer commission calculated based on the value of the portfolio, both charged by Caixa, and management commission calculated based on the value of the portfolio, charged by Nostrum Mortgage FTC);
- Interest on the Class A, B and C bonds;
- Net payments on the swap.

The Class D bonds are the last to be redeemed by Nostrum Mortgages PLC, based on the nominal value of this class less losses in the entire portfolio.

Consumer loan securitisation The loans were sold to Fundo de Titularização de Créditos Nostrum Consumer Finance ("Nostrum Consumer Finance" or "the Fund"), at their nominal value (book value). The fund is managed by Finantia – Sociedade Gestora de Fundos de Titularização de Créditos, SA, in which CGD has no direct or indirect participation.

To finance the operation the Fund issued securitisation units equal in amount to the credit portfolio acquired, which were fully subscribed for by Nostrum Consumer Finance PLC (Nostrum Consumer Finance PLC), with headquarters in Ireland.

To finance the operation, Nostrum Consumer Finance PLC issued bonds with different subordination and rating levels and consequently, different remuneration. The bonds have the following characteristics:

| Debt issued | Amount | Rating | | | Redemption date | Remuneration |
|--|----------------|---------|-------|-----|-----------------|--|
| | | Moody's | Fitch | S&P | | |
| Class A Secured Floating Rate Notes due 2015 | 359 600 | Aaa | AAA | AAA | November 2015 | 3 m Euribor + 0.26% |
| Class B Secured Floating Rate Notes due 2015 | 15 600 | Aa1 | AA | AA | November 2015 | 3 m Euribor + 0.45% |
| Class C Secured Floating Rate Notes due 2015 | 12 400 | Aa3 | A | A | November 2015 | 3 m Euribor + 0.75% |
| Class D Secured Floating Rate Notes due 2015 | 10 000 | Baa2 | BBB | BBB | November 2015 | 3 m Euribor + 1.40% |
| Class E Secured Floating Rate Notes due 2015 | 2 400 | Ba2 | BB | BB+ | November 2015 | 3 m Euribor + 4.00% |
| | 400 000 | | | | | |
| Class F Notes | 2 625 | | | | November 2015 | Residual remuneration generated by the securitised portfolio |
| | 402 625 | | | | | |

These bonds bear quarterly interest payable on 26 February, May, August and November each year.

In order to hedge interest rate risk, Nostrum Consumer Finance PLC entered into an interest rate swap with Caixa. Under the terms of the swap, Nostrum Consumer Finance PLC transfers, on each bond interest payment date, an amount indexed to the average interest rate of the credit portfolio and receives an amount indexed to the 3 month Euribor rate plus 4.2%.

Caixa continues to manage the credits and, consequently, to maintain a business relationship with the clients, collecting the instalments and recovering the possible overdue instalments that may arise. The amounts collected are deposited daily in an account of the Fund with Caixa.

The amounts collected delivered by Caixa are used quarterly by the Fund to:

- Acquire new loans that Caixa may offer during the first three years of the operation;
- Redeem the securitisation units through decrease of their nominal value, as from the third year.

Caixa has an early redemption option on the bonds issued and an option to repurchase the credit portfolio at its nominal value, when the loan portfolio is equal to or less than 10% of the initial amount of the operation.

On each quarterly interest payment date, Nostrum Consumer Finance PLC has the option to make partial repayments of the Class A, B, C, D and E bonds, considering the subordination level of each class, in order to adjust the amount of the liability to that of the assets (credit portfolio).

The bonds with the highest degree of subordination (Class F) were acquired by Caixa and are recorded in the investment securities portfolio (Note 7).

Remuneration of the Class F bonds corresponds to the residual remuneration of Nostrum Consumer Finance PLC, which in substance corresponds to the difference between income of the securitised credit portfolio and the sum of all the costs of the operation, namely:

- Taxes;
- Expenses and commission of the Fund and the issuer (custody commission and servicer commission calculated based on the value of the portfolio, both charged by Caixa, and management commission calculated based on the value of the portfolio, charged by FTC);
- Interest on the Class A, B, C, D and E bonds;
- Net payments on the swap.

The Class F bonds are the last to be redeemed by Nostrum Consumer Finance PLC, and so are the first securities to absorb possible losses that may occur in the securitised portfolio.

Accounting procedures As the Bank of Portugal has approved the classification of these operations as complete and definitive transfers, Caixa has recorded the sale of the assets transferred through these operations, and maintains a record, in off-balance sheet accounts, by securitised contract, of the amounts due (principal not due and overdue) and accrued interest relating to each contract (Note 23).

Also, in compliance with Bank of Portugal Circular Letter 96/03, income on the bonds with the highest level of subordination is only recorded when effectively received.

In addition, in compliance with Bank of Portugal Instruction 27/2000, Caixa records provisions for credit risks equal to those it would record if the credits were still considered as CGD's assets, up to the nominal value of bonds held by Caixa. At 31 December 2003 bonds recorded in the portfolio amounted to € 6 625 thousand and were fully provided for (Note 7), since the full amount of the provisions to be recorded for credits would be € 9 951 thousand.

38. Note Added for Translation

The accompanying financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the disclosures required by the Chart of Accounts and other legislation for the banking sector issued by the Bank of Portugal, some of which may not conform with or be required by generally accepted accounting principles in other countries. In the event of discrepancies the Portuguese language version prevails.

J. Schedule of Securities and Investments

Schedule of Securities and Investments as at 31.12.03 (Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|----------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| A. TRADING SECURITIES | | | | | 3 028 426 738 |
| <i>Fixed income issued by resident entities</i> | | | | | 908 560 481 |
| Portuguese government debt | | | | | 908 536 778 |
| Short term maturity | | | | | 60 998 491 |
| Treasury Bills | | | | | 60 998 491 |
| BT 19/03/2004 0% | 8 322 000 | 1.00 | 1.00 | 1.00 | 8 286 132 |
| BT 19/11/2004 ZC | 50 000 000 | 1.00 | 0.98 | 0.98 | 49 057 500 |
| BT 23/07/2004 0% | 3 697 379 | 1.00 | 0.99 | 0.99 | 3 654 859 |
| Medium and long term maturity | | | | | 847 538 287 |
| Treasury Bonds | | | | | 847 538 287 |
| OT 10Y 06/11 | 4 000 000 000 | 0.01 | 0.01 | 0.01 | 43 765 683 |
| OT 10Y FEB06 | 498 797 897 | 0.01 | 0.01 | 0.01 | 6 070 897 |
| OT 14/10/2005-5.25% | 55 150 000 | 0.01 | 0.01 | 0.01 | 583 229 |
| OT 15Y 09/13 | 1 000 000 000 | 0.01 | 0.01 | 0.01 | 21 975 414 |
| OT 16/06/2014 -4.375% | 3 319 100 000 | 0.01 | 0.01 | 0.01 | 33 262 104 |
| OT 17/06/2006-3% | 25 827 800 000 | 0.01 | 0.01 | 0.01 | 262 402 827 |
| OT 17/08/2007-4.875% | 10 264 782 555 | 0.01 | 0.01 | 0.01 | 109 992 067 |
| OT 19/08/2004-3.625% | 28 736 382 792 | 0.01 | 0.01 | 0.01 | 293 933 224 |
| OT 20/05/2010-5.85% | 40 200 000 | 0.01 | 0.01 | 0.01 | 459 334 |
| OT 23/06/2008-5.375% | 942 100 000 | 0.01 | 0.01 | 0.01 | 10 418 163 |
| OT Médio Prazo 15/06/2012 | 6 000 000 000 | 0.01 | 0.01 | 0.01 | 64 675 344 |
| OT Set98-13ª Emissão | 100 | 0.01 | 0.01 | 0.01 | 1 |
| Other resident entities | | | | | 23 703 |
| Medium and long term maturity | | | | | 23 703 |
| Other bonds | | | | | 23 703 |
| Jerónimo Martins 97/04 | 1 646 032 | 0.02 | 0.01 | 0.01 | 23 703 |
| <i>Fixed income issued by non-resident entities</i> | | | | | 2 079 559 822 |
| Foreign public entity issuers | | | | | 1 594 834 963 |
| Short term maturity | | | | | 1 737 099 |
| Treasury Bills | | | | | 1 737 099 |
| Bilhetes do Tesouro-Cabo Verde - 2004 | 19 089 | 91.00 | 91.00 | | 1 737 099 |
| Medium and long term maturity | | | | | 1 593 097 864 |
| Bonds | | | | | 1 476 914 717 |
| Austria 15/01/2008-5.5% | 1 000 000 000 | 0.01 | 0.01 | 0.01 | 11 087 522 |
| Austria 15/01/2010-5.5% | 40 000 | 1 000.00 | 1 089.63 | 1 089.63 | 45 700 816 |
| Austria 15/07/2006-5.875% | 800 000 000 | 0.01 | 0.01 | 0.01 | 8 796 626 |
| Austria 15/07/2012-5% | 50 000 | 1 000.00 | 1 055.00 | 1 055.00 | 53 911 202 |
| Austria 20/10/2007-5.5% | 50 000 | 1 000.00 | 1 076.82 | 1 076.82 | 54 389 497 |
| Austria 20/10/2013-3.8% | 25 000 | 1 000.00 | 954.36 | 954.36 | 24 048 481 |
| Belgium Bonds 01/10/2007-8.5% | 5 950 000 000 | 0.01 | 0.01 | 0.01 | 71 534 834 |
| Belgium Bonds 28/09/2012-5% | 50 000 | 1 000.00 | 1 055.03 | 1 055.03 | 53 400 407 |
| Bund Brd 04/07/2010-5.25% | 7 500 000 000 | 0.01 | 0.01 | 0.01 | 82 778 484 |
| Bund Brd 04/07/2011-5% | 10 000 000 000 | 0.01 | 0.01 | 0.01 | 108 612 678 |
| Bund Brd 5.25% 04-01-2008 | 1 500 000 000 | 0.01 | 0.01 | 0.01 | 16 826 527 |
| Bund Obl 17/08/2007-4.5% | 7 500 000 000 | 0.01 | 0.01 | 0.01 | 79 435 820 |
| Bund Sant.04/07/2012-5% | 1 500 000 000 | 0.01 | 0.01 | 0.01 | 16 248 102 |
| Buoni Pollen 03/03/2007-4.5% | 25 000 | 1 000.00 | 1 041.50 | 1 041.50 | 26 414 560 |
| Buoni Polien 15/07/2005-4% | 5 800 | 1 000.00 | 1 023.30 | 1 023.30 | 6 042 314 |
| Cades 25/10/2012M-5.25% | 2 268 901 | 1.00 | 1.07 | 1.07 | 2 460 406 |
| Finnish Gov. 23/02/2011-5.75% | 40 000 | 1 000.00 | 1 107.02 | 1 107.02 | 46 245 910 |
| France Oat 25/04/2012-5% | 75 000 000 | 1.00 | 1.06 | 1.06 | 82 013 250 |
| France Oat 4% 25/10/2009 | 29 000 000 | 1.00 | 1.01 | 1.01 | 29 601 315 |
| France Oat 4.75% 12/07/2007 | 75 000 000 | 1.00 | 1.05 | 1.05 | 80 463 914 |
| France Oat 4.75% 25/10/2012 | 100 000 000 | 1.00 | 1.04 | 1.04 | 104 788 500 |
| Greece 18/05/2012-5.255% | 50 000 | 1 000.00 | 1 064.40 | 1 064.40 | 54 855 246 |
| Greece 22/10/2022-5.9% | 100 000 | 1 000.00 | 1 109.10 | 1 109.10 | 112 054 536 |
| Netherlands Gov 15/07/2006-3% | 50 000 000 | 1.00 | 1.00 | 1.00 | 51 494 769 |
| Quebec 04/01/2009-5.125% | 1 022 583 763 | 0.01 | 0.01 | 0.01 | 11 320 857 |
| Slovenia 27/05/2005-5.375% | 3 000 | 1 000.00 | 1 037.85 | 1 037.85 | 3 210 038 |
| Spanish Gvt Bond 30/07/2011-5.4% | 100 000 | 1 000.00 | 1 085.01 | 1 085.01 | 110 787 885 |
| Spanish Gvt Bond 31/01/2010-4% | 11 500 | 1 000.00 | 1 009.55 | 1 009.55 | 12 032 017 |
| Spanish Gvt Bond 31/01/2029-6% | 601 012 100 | 0.01 | 0.01 | 0.01 | 7 273 920 |
| Spanish Gvt Bond 31/10/2011-5.35 | 100 000 | 1 000.00 | 1 081.78 | 1 081.78 | 109 084 284 |

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(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-----------|--------------------|--------------------|-------------------|-------------------------------|
| Other securities | | | | | 116 183 147 |
| Certificados da Divida do Governo de Macau | 1 | 116 183 147.09 | 110 564 024.97 | | 116 183 147 |
| Foreign financial entities | | | | | 5 582 038 |
| Medium and long term maturity | | | | | 5 582 038 |
| Bonds | | | | | 5 582 038 |
| BEI 15/02/2007-5.75% | 1 240 000 | 4.00 | 4.30 | 4.30 | 5 582 038 |
| Other non-resident entities | | | | | 479 142 821 |
| Medium and long term maturity | | | | | 479 142 821 |
| Other bonds | | | | | 479 142 821 |
| Altadis 02/10/2013-5.125% | 15 | 100 000.00 | 99 976.01 | 99 976.01 | 1 518 645 |
| Bancaja 21/08/2017 Frn Class B | 100 | 100 000.00 | 100 000.00 | 100 000.00 | 10 021 068 |
| Bayer Lb Giroz 09/03/2009-4.3% | 2 000 | 1 000.00 | 1 003.28 | 1 003.28 | 2 076 574 |
| BPI Sa Cayman 15/01/2007 Frn | 10 000 | 1 000.00 | 998.52 | 998.52 | 9 995 914 |
| British Telecom, Plc | 10 000 | 1 000.00 | 1 118.59 | 1 062.70 | 11 185 904 |
| Byzantium Fin 11/10/2032 Cl 1B | 4 | 500 000.00 | 500 000.00 | 500 000.00 | 2 005 409 |
| Cellular Tel.25/01/2007-6.375% | 10 000 | 1 000.00 | 1 081.29 | 1 081.29 | 11 408 516 |
| Deutsche Tel Fin 7.12%-11/07/2011 | 15 000 | 1 000.00 | 1 137.50 | 1 137.50 | 17 570 594 |
| Deutsche Tel. 02/07 | 5 000 | 1 000.00 | 1 163.87 | 1 119.40 | 5 819 336 |
| Deutsche Tel.Int Fin 7.5%-29/05/2007 | 5 000 | 1 000.00 | 1 120.17 | 1 120.17 | 5 823 176 |
| ERAP 25/04/2008 -3.375% | 50 000 | 1 000.00 | 995.11 | 995.11 | 51 009 653 |
| Ford Credit Aus 05/01/2007 Frn | 2 000 | 1 000.00 | 1 002.75 | 1 002.75 | 2 011 133 |
| Fortum Oyj 19/11/2013-5% | 5 000 | 1 000.00 | 999.99 | 999.99 | 5 029 322 |
| France Telecom 16/07/2003 Frn | 12 000 | 1 000.00 | 1 126.40 | 1 126.40 | 14 309 341 |
| Freddie Mac 15/01/2013-4.75% | 30 000 | 1 000.00 | 1 019.30 | 1 019.30 | 31 949 342 |
| General Motors 02/07 | 10 000 | 1 000.00 | 1 104.87 | 1 056.00 | 11 048 661 |
| General Motors Corp 15/11/2005-7% | 10 000 | 1 000.00 | 1 059.40 | 1 059.40 | 10 683 891 |
| Imp Tobacco Fin 06/06/2005-5.75% | 3 000 | 1 000.00 | 1 038.69 | 1 038.69 | 3 214 578 |
| Imp Tobacco Fin 06/06/2007-6.25% | 5 000 | 1 000.00 | 1 072.12 | 1 072.12 | 5 539 032 |
| KFW 04/07/2011-5% | 50 000 | 1 000.00 | 1 056.60 | 1 056.60 | 54 066 339 |
| KFW 04/07/2012-5.25% | 70 000 | 1 000.00 | 1 070.30 | 1 070.30 | 76 738 418 |
| KFW 15/11/2006 3.125% | 30 000 | 1 000.00 | 1 003.00 | 1 003.00 | 30 254 054 |
| L Vuitl Moet Hennessy 29/04/2010-5% | 3 000 | 1 000.00 | 1 023.50 | 1 023.50 | 3 171 730 |
| L Vuit Moet Hennessy 03/10F | 2 000 | 1 000.00 | 1 059.94 | 1 026.20 | 2 119 886 |
| Monte Dei Paschi 18/12/2008 Frn | 5 000 | 1 000.00 | 997.97 | 997.97 | 4 994 300 |
| Olivetti Finance 08 | 2 000 | 1 000.00 | 1 123.25 | 1 068.20 | 2 246 496 |
| Olivetti Finance 24/01/2008-5.875% | 10 000 | 1 000.00 | 1 068.40 | 1 068.40 | 11 234 479 |
| OTE Plc 05/08/2013-5% | 3 500 | 1 000.00 | 985.60 | 985.60 | 3 520 843 |
| PTI 07/04/2009-4.625% | 2 500 | 1 000.00 | 1 027.37 | 1 027.37 | 2 653 405 |
| Repsol Int Fin 22/07/2013 -5% | 350 | 10 000.00 | 9 849.00 | 9 849.00 | 3 525 087 |
| RFF 14/04/2010-5.25% | 6 806 703 | 1.00 | 1.07 | 1.07 | 7 550 553 |
| Sogerim 20/04/2006-6.125% | 2 000 | 1 000.00 | 1 060.00 | 1 060.00 | 2 205 683 |
| Stich Memphis 21/07/2045 Class B | 8 | 500 000.00 | 500 000.00 | 500 000.00 | 4 005 421 |
| Storm 2003 Bv 22/12/2010 Frn C | 10 | 500 000.00 | 500 000.00 | 500 000.00 | 5 003 849 |
| TDC SA 19/04/2012-6.5% | 5 000 | 1 000.00 | 1 114.52 | 1 114.52 | 5 800 826 |
| Telecom Italia 01/02/2007-5.625% | 8 000 | 1 000.00 | 1 057.02 | 1 057.02 | 8 866 576 |
| Telecom Italia 02/07 | 5 000 | 1 000.00 | 1 108.37 | 1 056.90 | 5 541 863 |
| Telekom Finanzman 22/07/2013-5% | 1 600 | 1 000.00 | 1 005.45 | 1 005.45 | 1 644 348 |
| Union Feno Fin 26/06/2007-5.875% | 50 | 100 000.00 | 106 340.19 | 106 340.19 | 5 468 700 |
| Veolia Env.28/05/2013-4.875% | 10 000 | 1 000.00 | 991.60 | 991.60 | 10 206 369 |
| Vivendi Environ 27/06/2008-5.875% | 10 000 | 1 000.00 | 1 067.00 | 1 067.00 | 10 971 776 |
| Volkswagen 09F | 5 000 | 1 000.00 | 1 026.35 | 1 001.10 | 5 131 730 |
| Variable-yield securities issued by resident entities | | | | | 31 307 204 |
| Equities | | | | | 17 050 425 |
| Banco Comercial Português | 1 600 000 | 1.00 | 1.77 | 1.77 | 2 832 000 |
| Banco Comercial Português | 29 812 | 1.00 | 1.72 | 1.77 | 52 767 |
| Banco Espírito Santo Nom | 7 500 | 5.00 | 13.00 | 13.00 | 97 500 |
| Banco Espírito Santo, SA | 3 485 | 5.00 | 12.35 | 13.00 | 45 305 |
| BPI, SGPS, SA | 11 034 | 1.00 | 2.66 | 2.92 | 32 219 |
| BPI, SGPS, SA | 25 000 | 1.00 | 2.92 | 2.92 | 73 000 |
| Brisa Privatização | 25 000 | 1.00 | 5.30 | 5.30 | 132 500 |
| Brisa-Auto Estradas de Portugal | 14 286 | 1.00 | 5.35 | 5.30 | 75 716 |
| Brisa-Auto Estradas de Portugal | 433 510 | 1.00 | 5.20 | 5.30 | 2 297 603 |
| Cimentos de Portugal, SGPS, SA | 9 236 | 5.00 | 3.82 | 4.10 | 37 868 |

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(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-----------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Cimentos de Portugal, SGPS SA | 278 811 | 5.00 | 3.53 | 4.10 | 1 143 125 |
| Cimentos de Portugal, SGPS SA | 20 000 | 1.00 | 4.10 | 4.10 | 82 000 |
| Cofina, SGPS | 5 000 | 0.50 | 2.50 | 2.50 | 12 500 |
| Cofina, SGPS | 725 | 0.50 | 2.44 | 2.50 | 1 813 |
| Corticeira Amorim | 15 000 | 1.00 | 1.15 | 1.15 | 17 250 |
| EDP-Electricidade de Portugal, SA | 350 000 | 1.00 | 2.09 | 2.09 | 731 500 |
| EDP-Electricidade de Portugal, SA | 30 118 | 1.00 | 1.98 | 2.09 | 62 947 |
| Gescartão | 127 493 | 5.00 | 7.72 | 7.72 | 984 246 |
| Ibersol | 175 | 1.00 | 3.58 | 3.98 | 697 |
| Impresa, SGPS | 627 | 1.00 | 3.14 | 3.50 | 2 195 |
| Impresa, SGPS | 5 104 | 1.00 | 3.50 | 3.50 | 17 864 |
| Jerónimo Martins, SGPS, SA | 7 500 | 5.00 | 10.46 | 10.46 | 78 450 |
| Jerónimo Martins, SGPS, SA | 557 | 5.00 | 7.00 | 10.46 | 5 826 |
| Novabase, SGPS, SA | 5 000 | 0.50 | 5.90 | 5.90 | 29 500 |
| Novabase, SGPS, SA | 1 786 | 0.50 | 5.89 | 5.90 | 10 537 |
| Novabase, SGPS, SA | 53 540 | 0.50 | 5.81 | 5.90 | 315 886 |
| Pararede, SGPS, SA | 1 816 | 1.00 | 0.23 | 0.27 | 490 |
| Portucel | 24 389 | 4.99 | 1.32 | 1.40 | 34 145 |
| Portucel | 70 000 | 1.00 | 1.40 | 1.40 | 98 000 |
| Portugal Telecom, SA | 375 000 | 1.00 | 7.98 | 7.98 | 2 992 500 |
| Portugal Telecom, SA | 4 608 | 1.00 | 7.27 | 7.98 | 36 772 |
| Portugal Telecom, SA | 148 411 | 1.00 | 6.93 | 7.98 | 1 184 320 |
| Pt Multimédia | 45 000 | 0.50 | 15.40 | 15.40 | 693 000 |
| Pt Multimédia | 911 | 0.50 | 14.25 | 15.40 | 14 029 |
| SAG GEST, SGPS | 5 000 | 1.00 | 1.43 | 1.43 | 7 150 |
| SAG GEST, SGPS | 545 | 1.00 | 1.28 | 1.43 | 779 |
| Semapa, SGPS | 3 000 | 1.00 | 3.46 | 3.46 | 10 380 |
| Semapa, SGPS | 687 | 1.00 | 3.02 | 3.62 | 2 487 |
| Sonae, SGPS, SA | 1 750 000 | 1.00 | 0.66 | 0.66 | 1 155 000 |
| Sonae, SGPS, SA | 78 946 | 1.00 | 0.60 | 0.66 | 52 104 |
| Sonae, SGPS, SA | 2 375 758 | 1.00 | 0.59 | 0.66 | 1 568 000 |
| Sonae.Com, SGPS, SA | 10 000 | 1.00 | 2.37 | 2.37 | 23 700 |
| Sonae.Com, SGPS, SA | 821 | 1.00 | 2.05 | 2.37 | 1 946 |
| Teixeira Duarte | 3 602 | 0.50 | 0.74 | 0.78 | 2 810 |
| Trust fund units | | | | | 14 256 779 |
| Caixagest Moeda | 353 884 | 4.99 | 6.62 | 6.64 | 2 350 816 |
| Caixagest Multivalor | 24 458 | 4.99 | 5.46 | 5.45 | 133 235 |
| Caixagest Multivalor | 433 267 | 4.99 | 5.44 | 5.45 | 2 360 222 |
| Caixagest Acções Portugal | 206 947 | 4.99 | 11.48 | 12.70 | 2 627 275 |
| Caixagest Acções Eua | 757 390 | 4.99 | 3.08 | 2.97 | 2 253 160 |
| Caixagest Acções Europa | 319 924 | 4.99 | 7.27 | 7.55 | 2 414 147 |
| Caixagest Obrigações Euro | 250 146 | 4.99 | 8.42 | 8.47 | 2 117 925 |
| Variable-yield securities issued by non-resident entities | | | | | 8 999 231 |
| Equities | | | | | 8 999 231 |
| ABN Amro Holding NV | 13 276 | 0.56 | 16.97 | 18.56 | 246 403 |
| Alcatel | 3 000 | 1.00 | 10.21 | 10.21 | 30 630 |
| Altana Ag (Altg.De) | 11 505 | | 51.68 | 47.65 | 548 213 |
| Antena 3 Television | 13 | | 34.94 | 34.94 | 454 |
| Aventis, SA | 2 000 | 1.00 | 52.40 | 52.40 | 104 800 |
| Aventis, SA | 12 711 | 3.82 | 46.50 | 51.90 | 659 701 |
| AXA | 5 000 | 1.00 | 16.97 | 16.97 | 84 850 |
| Banco Bilbao Vizcaya Argentaria | 22 864 | 0.49 | 9.21 | 10.95 | 250 361 |
| Banco Santander Central Hispano | 30 356 | 0.50 | 7.73 | 7.64 | 231 920 |
| BNP Paribas | 5 108 | 2.00 | 43.74 | 49.50 | 252 846 |
| Carrefour | 2 000 | 1.00 | 43.52 | 43.52 | 87 040 |
| Danone | 1 000 | 1.00 | 129.40 | 129.40 | 129 400 |
| Deutsche Telekom N | 5 000 | 1.00 | 14.51 | 14.51 | 72 550 |
| Dexia | 20 617 | | 13.05 | 13.53 | 278 948 |
| E.On Ag | 1 000 | 1.00 | 51.74 | 51.74 | 51 740 |
| Essilor International | 6 285 | 1.00 | 41.74 | 41.09 | 258 251 |
| Essilor International | 10 059 | 1.00 | 39.77 | 41.09 | 413 324 |
| Fresenius Medical Care (Fme Gr) | 11 792 | | 51.14 | 56.40 | 665 069 |
| Merck Kgaa (Mrk Gr) | 8 258 | | 33.07 | 33.03 | 272 762 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|---------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Merck Kgaa (Mrk Gr) | 13 218 | | 30.19 | 33.03 | 436 591 |
| Nokia | 5 000 | 1.00 | 13.66 | 13.66 | 68 300 |
| Omega Pharma, SA (Ome Bb) | 22 652 | | 24.65 | 25.15 | 569 698 |
| Philips Nv | 2 000 | 1.00 | 23.15 | 23.15 | 46 300 |
| Qiagen Nv (Qia Gr) | 59 898 | | 9.32 | 9.73 | 582 808 |
| Sanofi - Synthelabo, SA | 11 248 | 2.00 | 53.60 | 59.20 | 665 882 |
| Sanofi - Synthelab, SA | 3 000 | 1.00 | 59.70 | 59.70 | 179 100 |
| Schering Ag (Sch Gr) | 15 968 | | 41.86 | 40.15 | 641 115 |
| Societe Generale | 3 791 | 1.25 | 60.12 | 69.60 | 263 854 |
| Telefonica (Tefmcc) | 3 967 | 1.00 | 10.38 | 11.64 | 46 176 |
| Unicredito Italiano Spa | 54 889 | 0.50 | 4.13 | 4.28 | 234 925 |
| Volkswagen Ag | 1 000 | 1.00 | 44.15 | 44.15 | 44 150 |
| Zeltia, SA | 103 763 | 0.05 | 5.84 | 5.60 | 581 073 |
| B. Investment securities | | | | | 4 946 500 128 |
| <i>Fixed income securities issued by public issuers</i> | | | | | 770 341 135 |
| Portuguese government debt | | | | | 184 653 030 |
| Short term maturity | | | | | 18 010 422 |
| Treasury Bills | | | | | 18 010 422 |
| BT 19 Março de 2004 | 18 198 901 | 0.99 | 0.99 | 0.99 | 18 010 422 |
| Medium and long term maturity | | | | | 166 642 608 |
| Treasury Bonds | | | | | 163 388 640 |
| OTJUL0306E | 100 000 000 | 0.01 | 0.01 | 0.01 | 1 011 537 |
| OT 01/10/2007 | 101 | 150 939.60 | 151 301.86 | 153 324.45 | 15 258 615 |
| OT 07/06/2005-7.7% | 2 000 | 762.25 | 757.52 | 816.21 | 1 523 137 |
| OT 15/07/2009-3.95% | 35 | 0.01 | 0.01 | 0.01 | |
| OT 17/08/2007-4.875% | 2 200 000 085 | 0.01 | 0.01 | 0.01 | 21 946 193 |
| OT 23/01/2004-8.875% | 7 | 0.01 | 0.01 | 0.01 | |
| OT 23/02/2005-11.875% | 65 | 0.01 | 0.01 | 0.01 | 1 |
| OT 23/06/2008-5.375% | 40 | 0.01 | 0.01 | 0.01 | |
| OT 23/09/2013-5.45% | 1 | 0.01 | 0.01 | 0.01 | |
| OT 5.25% 10/2005 | 25 000 000 | 0.01 | 0.01 | 0.01 | 260 689 |
| OTRV 30/07/2004 | 5 660 342 454 | 0.01 | 0.01 | 0.01 | 56 568 224 |
| OTRV 9704E | 6 554 193 100 | 0.01 | 0.01 | 0.01 | 65 522 054 |
| Adjustment to consolidation | | | | | 1 298 189 |
| Other bonds | | | | | 3 253 968 |
| Consolidado Perpetua-2.75% | 46 390 200 | 0.01 | 0.01 | 0.00 | 444 305 |
| Consolidado Perpetua-3% | 234 187 608 | 0.01 | 0.01 | 0.00 | 2 256 536 |
| Consolidado Perpetua-4% | 51 873 984 | 0.01 | 0.01 | 0.00 | 390 063 |
| Consolidado Perpetua-3.5% | 17 611 057 | 0.01 | 0.01 | 0.00 | 163 064 |
| Other domestic government issuers | | | | | 56 446 802 |
| Medium and long term maturity | | | | | 56 446 802 |
| Other bonds | | | | | 56 446 802 |
| Câmara Municipal de Sintra-2007 | 3 450 000 | 4.99 | 4.99 | 4.99 | 17 208 942 |
| Região Autónoma dos Açores 10/01/2011 | 4 854 251 254 | 0.01 | 0.01 | 0.01 | 38 375 900 |
| Região Autónoma dos Açores 1ª Emissão | 84 795 641 | 0.01 | 0.01 | 0.01 | 861 961 |
| Other foreign public entity issuers | | | | | 529 241 303 |
| Short term maturity | | | | | 89 719 534 |
| Treasury Bills | | | | | 89 719 534 |
| Bilhetes do Tesouro - Cabo Verde - 2004 | | 9.10 | 9.10 | | 22 738 991 |
| Bilhetes do Tesouro - Cabo Verde - 2004 | 79 719 | 91.00 | 91.00 | | 7 254 429 |
| Bilhetes do Tesouro - Moçambique - 2004 | 570 640 | 33.24 | 33.24 | 33.24 | 18 970 550 |
| Debentures-África do Sul-28/01/2004 | 15 000 000 | 0.12 | 0.12 | | 1 825 980 |
| Letras tesoro-Español-Refª L004022033E | | 1 000.00 | 979.06 | 99.74 | 999 163 |
| Letras tesoro-Español-Refª L004082003E | | 1 000.00 | 978.70 | 98.70 | 6 978 473 |
| Treasury Bills-África do Sul-2004 | 261 170 000 | 0.12 | 0.12 | | 30 951 948 |
| Medium and long term maturity | | | | | 439 521 769 |
| Bonds | | | | | 114 538 775 |
| Bonos Spanish Spgb 4.5% /2004 | 415 965 | 60.10 | 62.87 | 61.80 | 26 150 900 |
| Instituto Crédito Oficial Espanhol /2005 | 3 900 000 | 4.99 | 4.99 | 4.99 | 19 456 631 |
| Instituto Crédito Oficial Espanhol /2007 | 40 | 150 253.03 | 151 348.20 | 150 253.03 | 6 053 928 |
| O T - Cabo Verde - 13-10-07 | 1 900 | 91.00 | 91.00 | | 172 900 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|-----------|-----------------------|-----------------------|----------------------|-------------------------------------|
| O T - Cabo Verde - 15-10-06 | 2 200 | 91.00 | 91.00 | | 200 200 |
| O T Nova Série 5%- Cabo Verde - 13-05-04 | 6 500 | 91.00 | 91.00 | | 591 500 |
| O T Nova Série 8.25%-Cabo Verde | | 91.00 | 91.00 | | 910 000 |
| O T Nova Série 8.375%-Cabo Verde | | 91.00 | 91.00 | | 910 000 |
| O T Nova Série 8.5%-Cabo Verde | | 91.00 | 91.00 | | 1 440 800 |
| O T Nova Série 9.5%-Cabo Verde | | 91.00 | 91.00 | | 3 922 100 |
| O T Nova Série -Cabo Verde | | 91.00 | 91.00 | | 33 404 644 |
| O T-Cabo Verde - 2004 | 16 250 | 91.00 | 91.00 | | 1 478 750 |
| O T-Cabo Verde-061113A2 | 10 000 | 91.00 | 91.00 | | 910 000 |
| Obrigações de Tesouro - Moçambique - 2000 | 63 965 | 3.32 | 3.46 | 3.36 | 221 153 |
| Obrigações de Tesouro - Moçambique - 2000 | 17 955 | 3.32 | 3.32 | 3.36 | 59 690 |
| Obrigações de Tesouro - Moçambique - 2000 | 134 000 | 3.32 | 3.39 | 3.36 | 454 384 |
| Obrigações de Tesouro - Moçambique - 2001 | 5 000 | 3.32 | 3.32 | 3.29 | 16 622 |
| Obrigações de Tesouro - Moçambique - 2002 | 35 380 | 3.32 | 2.69 | 3.32 | 95 139 |
| República da Grécia /2004 -6.6% | 2 | 0.01 | 0.01 | 0.01 | |
| República da Grécia /2005 | 2 025 | 4 987.98 | 4 987.98 | 5 007.93 | 10 100 657 |
| The Greek State the Ministry of Finance | 10 000 | 498.80 | 498.80 | 500.79 | 4 987 979 |
| Tresor Public France | 3 000 000 | 1.00 | 1.00 | 1.01 | 3 000 795 |
| Other securities | | | | | 324 982 993 |
| Bonos Deuda Estado Mejicano | 216 | 1 000.00 | 960.24 | | 171 021 |
| Deuda República de Hungria | 5 000 | 1 000.00 | 1 010.36 | | 4 998 059 |
| Obligaciones del Estado Español refº 12452E | 2 800 | 1 000.00 | 1 081.77 | | 2 805 132 |
| Small Business Admin - 000103100001 - EUA | 1 | 823 472.00 | 400 477.49 | 410 940.54 | 400 477 |
| Small Business Admin - 000103100002 - EUA | 1 | 1 128 315.00 | 256 792.81 | 256 536.45 | 256 793 |
| Small Business Admin - 000103100003 - EUA | 1 | 791 800.00 | 326 722.64 | 342 957.49 | 326 723 |
| Small Business Admin - 000103100004 - EUA | 1 | 1 088 725.00 | 286 654.04 | 291 963.38 | 286 654 |
| Small Business Admin - 000106100001 - EUA | 1 | 1 227 290.00 | 491 613.75 | 512 202.54 | 491 614 |
| Small Business Admin - 000106100002 - EUA | 1 | 791 800.00 | 311 058.69 | 317 723.76 | 311 059 |
| Small Business Admin - 000107100001 - EUA | 1 | 1 583 600.00 | 422 263.09 | 441 644.97 | 422 263 |
| Small Business Admin - 000120100001 - EUA | 1 | 791 800.00 | 237 663.71 | 237 824.16 | 237 664 |
| Small Business Admin - 000120100002 - EUA | 1 | 791 800.00 | 103 292.09 | 101 988.31 | 103 292 |
| Small Business Admin - 000120100003 - EUA | 1 | 684 907.00 | 147 501.14 | 150 702.00 | 147 501 |
| Small Business Admin - 000120100004 - EUA | 1 | 692 825.00 | 281 123.63 | 294 308.32 | 281 124 |
| Small Business Admin - 000120100005 - EUA | 1 | 692 825.00 | 170 864.91 | 173 266.73 | 170 865 |
| Small Business Admin - 000120100006 - EUA | 1 | 574 055.00 | 140 159.70 | 141 185.73 | 140 160 |
| Small Business Admin - 000120100007 - EUA | 1 | 1 306 470.00 | 436 697.20 | 461 370.59 | 436 697 |
| Small Business Admin - 000120100008 - EUA | 1 | 692 825.00 | 240 528.22 | 245 118.19 | 240 528 |
| Small Business Admin - 000120100009 - EUA | 1 | 938 283.00 | 224 595.86 | 229 418.05 | 224 596 |
| Small Business Admin - 000120100010 - EUA | 1 | 1 322 306.00 | 329 063.01 | 332 877.09 | 329 063 |
| Small Business Admin - 000120100011 - EUA | 1 | 1 144 151.00 | 415 759.86 | 435 342.15 | 415 760 |
| Small Business Admin - 000120100012 - EUA | 1 | 2 082 434.00 | 706 567.79 | 716 662.59 | 706 568 |
| Small Business Admin - 000120100013 - EUA | 1 | 807 636.00 | 198 407.49 | 200 185.35 | 198 407 |
| Small Business Admin - 000120100014 - EUA | 1 | 1 266 880.00 | 362 656.28 | 370 690.70 | 362 656 |
| Small Business Admin - 000120100015 - EUA | 1 | 1 136 233.00 | 483 810.23 | 489 781.23 | 483 810 |
| Small Business Admin - 000120100016 - EUA | 1 | 791 800.00 | 190 821.87 | 190 563.40 | 190 822 |
| Small Business Admin - 000120100017 - EUA | 1 | 942 242.00 | 181 177.59 | 181 421.21 | 181 178 |
| Small Business Admin - 000121100001 - EUA | 1 | 942 242.00 | 278 489.12 | 283 221.72 | 278 489 |
| Small Business Admin - 000121100002 - EUA | 1 | 621 563.00 | 257 697.69 | 266 923.27 | 257 698 |
| Small Business Admin - 000121100003 - EUA | 1 | 637 399.00 | 274 201.80 | 286 787.66 | 274 202 |
| Small Business Admin - 000121100004 - EUA | 1 | 1 084 766.00 | 296 464.43 | 301 585.63 | 296 464 |
| Small Business Admin - 000121100005 - EUA | 1 | 1 211 454.00 | 475 957.43 | 508 846.08 | 475 957 |
| Small Business Admin - 000121100006 - EUA | 1 | 760 128.00 | 259 651.76 | 264 429.35 | 259 652 |
| Small Business Admin - 000124100001 - EUA | 1 | 687 883.38 | 292 227.96 | 311 693.76 | 292 228 |
| Small Business Admin - 000124100002 - EUA | 1 | 528 501.95 | 80 003.31 | 82 083.48 | 80 003 |
| Small Business Admin - 000201100001 - EUA | 1 | 1 583 600.00 | 853 993.13 | 887 247.20 | 853 993 |
| Small Business Admin - 000216100001 - EUA | 1 | 451 326.00 | 138 465.72 | 139 495.82 | 138 466 |
| Small Business Admin - 000216100002 - EUA | 1 | 791 800.00 | 252 023.96 | 257 728.45 | 252 024 |
| Small Business Admin - 000301100001 - EUA | 1 | 1 900 320.00 | 793 625.60 | 826 007.41 | 793 626 |
| Small Business Admin - 000302100001 - EUA | 1 | 629 481.00 | 82 013.80 | 80 233.27 | 82 014 |
| Small Business Admin - 000320100001 - EUA | 1 | 684 907.00 | 160 336.94 | 164 345.37 | 160 337 |
| Small Business Admin - 000403100001 - EUA | 1 | 657 194.00 | 264 384.20 | 277 106.36 | 264 384 |
| Small Business Admin - 000403100002 - EUA | 1 | 435 490.00 | 55 835.49 | 56 742.81 | 55 835 |
| Small Business Admin - 000403100003 - EUA | 1 | 625 522.00 | 197 366.40 | 200 721.62 | 197 366 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 000403100004 - EUA | 1 | 942 242.00 | 331 444.01 | 333 919.84 | 331 444 |
| Small Business Admin - 000403100005 - EUA | 1 | 965 996.00 | 478 461.66 | 488 266.33 | 478 462 |
| Small Business Admin - 000407100001 - EUA | 1 | 490 916.00 | 106 507.65 | 107 746.05 | 106 508 |
| Small Business Admin - 000419100001 - EUA | 1 | 896 532.18 | 186 990.68 | 191 564.56 | 186 991 |
| Small Business Admin - 000420100001 - EUA | 1 | 989 750.00 | 218 671.93 | 224 749.84 | 218 672 |
| Small Business Admin - 000420100002 - EUA | 1 | 1 894 017.27 | 738 861.19 | 759 246.31 | 738 861 |
| Small Business Admin - 000426100001 - EUA | 1 | 340 474.00 | 104 663.37 | 105 233.66 | 104 663 |
| Small Business Admin - 000426100002 - EUA | 1 | 791 800.00 | 382 386.14 | 410 227.67 | 382 386 |
| Small Business Admin - 000426100003 - EUA | 1 | 760 128.00 | 325 157.33 | 334 912.06 | 325 157 |
| Small Business Admin - 000426100004 - EUA | 1 | 356 310.00 | 115 515.31 | 118 836.38 | 115 515 |
| Small Business Admin - 000427100001 - EUA | 1 | 1 061 012.00 | 514 500.71 | 540 483.00 | 514 501 |
| Small Business Admin - 000428100001 - EUA | 1 | 1 266 880.00 | 546 618.57 | 574 660.10 | 546 619 |
| Small Business Admin - 000501100001 - EUA | 1 | 815 554.00 | 289 899.20 | 294 732.53 | 289 899 |
| Small Business Admin - 000501100002 - EUA | 1 | 950 160.00 | 204 805.25 | 209 191.50 | 204 805 |
| Small Business Admin - 000501100003 - EUA | 1 | 1 163 946.00 | 340 128.02 | 342 071.73 | 340 128 |
| Small Business Admin - 000508100001 - EUA | 1 | 776 608.53 | 174 426.07 | 179 269.97 | 174 426 |
| Small Business Admin - 000518100001 - EUA | 1 | 526 646.77 | 132 491.15 | 134 824.09 | 132 491 |
| Small Business Admin - 000601100001 - EUA | 1 | 902 652.00 | 282 695.77 | 292 756.77 | 282 696 |
| Small Business Admin - 000601100002 - EUA | 1 | 649 276.00 | 285 505.45 | 297 180.87 | 285 505 |
| Small Business Admin - 000601100003 - EUA | 1 | 947 050.60 | 408 758.60 | 420 910.11 | 408 759 |
| Small Business Admin - 000630100001 - EUA | 1 | 617 604.00 | 240 644.09 | 248 200.59 | 240 644 |
| Small Business Admin - 000703100001 - EUA | 1 | 1 334 183.00 | 570 090.40 | 590 304.45 | 570 090 |
| Small Business Admin - 000703100002 - EUA | 1 | 673 030.00 | 302 151.32 | 314 074.09 | 302 151 |
| Small Business Admin - 000703100003 - EUA | 1 | 1 029 340.00 | 491 455.10 | 515 293.71 | 491 455 |
| Small Business Admin - 000705100001 - EUA | 1 | 554 260.00 | 202 185.20 | 206 454.72 | 202 185 |
| Small Business Admin - 000725100001 - EUA | 1 | 1 053 321.25 | 386 027.12 | 389 536.53 | 386 027 |
| Small Business Admin - 000727100001 - EUA | 1 | 1 005 586.00 | 337 579.61 | 355 018.10 | 337 580 |
| Small Business Admin - 000801100001 - EUA | 1 | 1 068 930.00 | 474 095.93 | 481 414.02 | 474 096 |
| Small Business Admin - 000801100002 - EUA | 1 | 708 599.24 | 295 914.62 | 305 944.68 | 295 915 |
| Small Business Admin - 000801100003 - EUA | 1 | 692 825.00 | 276 207.62 | 281 250.26 | 276 208 |
| Small Business Admin - 000807100001 - EUA | 1 | 1 277 389.56 | 621 091.73 | 642 791.64 | 621 092 |
| Small Business Admin - 000807100002 - EUA | 1 | 1 271 942.77 | 525 524.80 | 533 751.46 | 525 525 |
| Small Business Admin - 000830100001 - EUA | 1 | 514 670.00 | 211 186.43 | 214 655.55 | 211 186 |
| Small Business Admin - 000901100001 - EUA | 1 | 1 266 880.00 | 509 429.56 | 527 865.89 | 509 430 |
| Small Business Admin - 000925100001 - EUA | 1 | 867 021.00 | 283 331.20 | 281 317.51 | 283 331 |
| Small Business Admin - 000925100002 - EUA | 1 | 625 522.00 | 210 253.06 | 213 116.50 | 210 253 |
| Small Business Admin - 000925100003 - EUA | 1 | 752 210.00 | 149 886.89 | 150 304.38 | 149 887 |
| Small Business Admin - 001101100001 - EUA | 1 | 736 374.00 | 373 727.21 | 388 353.43 | 373 727 |
| Small Business Admin - 001101100002 - EUA | 1 | 665 112.00 | 275 192.37 | 279 716.85 | 275 192 |
| Small Business Admin - 001103100001 - EUA | 1 | 593 850.00 | 248 615.67 | 249 563.78 | 248 616 |
| Small Business Admin - 001107100001 - EUA | 1 | 316 720.00 | 48 763.19 | 48 774.55 | 48 763 |
| Small Business Admin - 001107100002 - EUA | 1 | 395 900.00 | 145 334.55 | 150 574.01 | 145 335 |
| Small Business Admin - 001128100001 - EUA | 1 | 791 800.00 | 431 074.64 | 433 363.64 | 431 075 |
| Small Business Admin - 010102100001 - EUA | 1 | 1 251 044.00 | 493 675.15 | 489 371.08 | 493 675 |
| Small Business Admin - 010102100002 - EUA | 1 | 613 645.00 | 181 702.26 | 182 514.17 | 181 702 |
| Small Business Admin - 010102100003 - EUA | 1 | 717 075.46 | 385 568.64 | 388 829.27 | 385 569 |
| Small Business Admin - 010102100004 - EUA | 1 | 1 144 151.00 | 487 551.81 | 488 366.65 | 487 552 |
| Small Business Admin - 010103100001 - EUA | 1 | 1 029 340.00 | 528 337.08 | 547 111.69 | 528 337 |
| Small Business Admin - 010125100001 - EUA | 1 | 1 570 357.94 | 729 730.00 | 738 100.61 | 729 730 |
| Small Business Admin - 010125100002 - EUA | 1 | 578 014.00 | 361 152.83 | 372 378.93 | 361 153 |
| Small Business Admin - 010130100001 - EUA | 1 | 950 160.00 | 413 682.77 | 414 933.87 | 413 683 |
| Small Business Admin - 010201100001 - EUA | 1 | 972 233.80 | 592 341.42 | 609 714.64 | 592 341 |
| Small Business Admin - 010201100002 - EUA | 1 | 1 057 053.00 | 440 906.76 | 444 566.78 | 440 907 |
| Small Business Admin - 010201100003 - EUA | 1 | 781 392.58 | 313 567.94 | 315 127.23 | 313 568 |
| Small Business Admin - 010202100001 - EUA | 1 | 633 440.00 | 366 742.39 | 371 063.24 | 366 742 |
| Small Business Admin - 010202100002 - EUA | 1 | 800 777.43 | 473 322.34 | 488 500.07 | 473 322 |
| Small Business Admin - 010202100003 - EUA | 1 | 3 167 200.00 | 1 555 933.11 | 1 564 629.22 | 1 555 933 |
| Small Business Admin - 010202100004 - EUA | 1 | 783 882.00 | 212 950.92 | 213 494.37 | 212 951 |
| Small Business Admin - 010222100001 - EUA | 1 | 950 160.00 | 397 728.77 | 397 433.65 | 397 729 |
| Small Business Admin - 010227100001 - EUA | 1 | 692 306.37 | 328 499.12 | 329 411.93 | 328 499 |
| Small Business Admin - 010227100002 - EUA | 1 | 1 013 971.95 | 598 140.72 | 615 205.66 | 598 141 |
| Small Business Admin - 010301100001 - EUA | 1 | 1 330 224.00 | 812 904.95 | 829 411.12 | 812 905 |
| Small Business Admin - 010302100001 - EUA | 1 | 680 948.00 | 397 321.14 | 404 714.77 | 397 321 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 010302100002 - EUA | 1 | 839 308.00 | 348 501.86 | 350 807.66 | 348 502 |
| Small Business Admin - 010302100003 - EUA | 1 | 886 816.00 | 269 732.45 | 270 012.38 | 269 732 |
| Small Business Admin - 010330100001 - EUA | 1 | 3 531 428.00 | 808 234.84 | 807 560.74 | 808 235 |
| Small Business Admin - 010402100001 - EUA | 1 | 1 540 051.00 | 922 489.39 | 934 032.03 | 922 489 |
| Small Business Admin - 010402100002 - EUA | 1 | 1 757 796.00 | 1 028 483.36 | 1 043 490.01 | 1 028 483 |
| Small Business Admin - 010403100001 - EUA | 1 | 863 062.00 | 532 402.33 | 547 147.37 | 532 402 |
| Small Business Admin - 010425100001 - EUA | 1 | 2 050 762.00 | 984 910.68 | 1 013 635.29 | 984 911 |
| Small Business Admin - 010427100001 - EUA | 1 | 633 440.00 | 357 570.74 | 372 373.59 | 357 571 |
| Small Business Admin - 010501100001 - EUA | 1 | 2 201 204.00 | 1 297 076.50 | 1 309 090.07 | 1 297 077 |
| Small Business Admin - 010502100001 - EUA | 1 | 823 472.00 | 480 275.49 | 496 121.29 | 480 275 |
| Small Business Admin - 010502100002 - EUA | 1 | 1 583 600.00 | 883 283.46 | 903 045.51 | 883 283 |
| Small Business Admin - 010502100003 - EUA | 1 | 534 465.00 | 456 026.15 | 470 510.14 | 456 026 |
| Small Business Admin - 010502100004 - EUA | 1 | 2 058 680.00 | 1 290 543.51 | 1 313 781.99 | 1 290 544 |
| Small Business Admin - 010525100001 - EUA | 1 | 106 893.00 | 60 523.64 | 62 838.05 | 60 524 |
| Small Business Admin - 010531100001 - EUA | 1 | 1 286 675.00 | 1 095 761.58 | 1 132 709.66 | 1 095 762 |
| Small Business Admin - 010601100001 - EUA | 1 | 1 282 716.00 | 768 816.97 | 780 871.43 | 768 817 |
| Small Business Admin - 010601100002 - EUA | 1 | 946 201.00 | 484 557.91 | 484 801.05 | 484 558 |
| Small Business Admin - 010601100003 - EUA | 1 | 692 825.00 | 330 595.73 | 334 114.52 | 330 596 |
| Small Business Admin - 010604100001 - EUA | 1 | 562 178.00 | 340 171.91 | 346 387.96 | 340 172 |
| Small Business Admin - 010702100001 - EUA | 1 | 1 274 798.00 | 868 278.24 | 887 010.58 | 868 278 |
| Small Business Admin - 010702100002 - EUA | 1 | 1 128 315.00 | 481 528.94 | 474 831.41 | 481 529 |
| Small Business Admin - 010702100003 - EUA | 1 | 997 668.00 | 732 093.45 | 747 892.55 | 732 093 |
| Small Business Admin - 010702100004 - EUA | 1 | 950 160.00 | 660 717.74 | 674 738.03 | 660 718 |
| Small Business Admin - 010802100001 - EUA | 1 | 554 260.00 | 418 098.94 | 435 434.68 | 418 099 |
| Small Business Admin - 010802100002 - EUA | 1 | 633 440.00 | 232 670.37 | 226 947.89 | 232 670 |
| Small Business Admin - 010802100003 - EUA | 1 | 1 108 520.00 | 745 891.62 | 771 763.32 | 745 892 |
| Small Business Admin - 010803100001 - EUA | 1 | 316 720.00 | 148 081.83 | 148 656.33 | 148 082 |
| Small Business Admin - 010830100001 - EUA | 1 | 444 834.82 | 203 752.67 | 202 617.04 | 203 753 |
| Small Business Admin - 010904100001 - EUA | 1 | 791 800.00 | 488 607.35 | 495 239.47 | 488 607 |
| Small Business Admin - 011025100001 - EUA | 1 | 1 021 422.00 | 716 386.35 | 727 877.31 | 716 386 |
| Small Business Admin - 011101100001 - EUA | 1 | 637 399.00 | 305 348.72 | 302 281.70 | 305 349 |
| Small Business Admin - 011101100002 - EUA | 1 | 1 255 003.00 | 935 211.77 | 948 396.08 | 935 212 |
| Small Business Admin - 011101100003 - EUA | 1 | 1 591 518.00 | 1 225 923.54 | 1 250 824.04 | 1 225 924 |
| Small Business Admin - 011101100004 - EUA | 1 | 633 440.00 | 379 575.03 | 381 987.74 | 379 575 |
| Small Business Admin - 011102100001 - EUA | 1 | 791 800.00 | 497 166.76 | 497 117.42 | 497 167 |
| Small Business Admin - 011102100002 - EUA | 1 | 1 013 504.00 | 814 184.54 | 824 783.76 | 814 185 |
| Small Business Admin - 011102100003 - EUA | 1 | 950 160.00 | 656 974.99 | 660 320.34 | 656 975 |
| Small Business Admin - 011102100004 - EUA | 1 | 787 841.00 | 392 779.31 | 389 751.78 | 392 779 |
| Small Business Admin - 011102100005 - EUA | 1 | 1 583 600.00 | 988 790.22 | 1 004 306.28 | 988 790 |
| Small Business Admin - 011102100006 - EUA | 1 | 950 160.00 | 570 101.77 | 568 797.00 | 570 102 |
| Small Business Admin - 011102100007 - EUA | 1 | 791 800.00 | 684 425.92 | 702 531.79 | 684 426 |
| Small Business Admin - 011102100008 - EUA | 1 | 514 670.00 | 296 129.23 | 295 255.84 | 296 129 |
| Small Business Admin - 011102100009 - EUA | 1 | 395 900.00 | 300 503.06 | 302 157.42 | 300 503 |
| Small Business Admin - 011203100001 - EUA | 1 | 633 440.00 | 301 031.42 | 302 535.81 | 301 031 |
| Small Business Admin - 011203100002 - EUA | 1 | 993 709.00 | 737 708.86 | 746 009.41 | 737 709 |
| Small Business Admin - 011203100003 - EUA | 1 | 3 183 036.00 | 2 125 921.17 | 2 117 943.97 | 2 125 921 |
| Small Business Admin - 011203100004 - EUA | 1 | 1 029 340.00 | 786 957.33 | 793 293.40 | 786 957 |
| Small Business Admin - 011203100005 - EUA | 1 | 886 816.00 | 692 937.86 | 701 084.82 | 692 938 |
| Small Business Admin - 011203100006 - EUA | 1 | 641 358.00 | 283 587.46 | 282 293.06 | 283 587 |
| Small Business Admin - 011203100007 - EUA | 1 | 574 797.71 | 399 951.17 | 396 787.60 | 399 951 |
| Small Business Admin - 011203100008 - EUA | 1 | 752 210.00 | 590 500.67 | 593 548.37 | 590 501 |
| Small Business Admin - 011203100009 - EUA | 1 | 799 718.00 | 477 323.53 | 478 643.60 | 477 324 |
| Small Business Admin - 011203100010 - EUA | 1 | 950 160.00 | 654 763.92 | 657 716.18 | 654 764 |
| Small Business Admin - 011203100011 - EUA | 1 | 475 080.00 | 285 652.66 | 290 091.43 | 285 653 |
| Small Business Admin - 011204100001 - EUA | 1 | 316 720.00 | 97 539.09 | 102 367.27 | 97 539 |
| Small Business Admin - 011219100001 - EUA | 1 | 968 905.07 | 360 183.17 | 350 896.02 | 360 183 |
| Small Business Admin - 020102100001 - EUA | 1 | 673 030.00 | 470 432.19 | 471 579.10 | 470 432 |
| Small Business Admin - 020102100002 - EUA | 1 | 1 057 053.00 | 865 986.58 | 875 913.59 | 865 987 |
| Small Business Admin - 020102100003 - EUA | 1 | 1 057 053.00 | 782 531.55 | 791 159.08 | 782 532 |
| Small Business Admin - 020102100004 - EUA | 1 | 2 177 450.00 | 1 792 870.36 | 1 816 885.09 | 1 792 870 |
| Small Business Admin - 020128100001 - EUA | 1 | 641 358.00 | 568 785.74 | 592 047.76 | 568 786 |
| Small Business Admin - 020129100001 - EUA | 1 | 506 752.00 | 334 999.90 | 343 232.83 | 335 000 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 020201100001 - EUA | 1 | 1 041 217.00 | 448 472.06 | 434 949.91 | 448 472 |
| Small Business Admin - 020201100002 - EUA | 1 | 1 342 101.00 | 846 991.23 | 845 439.36 | 846 991 |
| Small Business Admin - 020201100003 - EUA | 1 | 851 185.00 | 693 075.16 | 711 624.50 | 693 075 |
| Small Business Admin - 020204100001 - EUA | 1 | 791 800.00 | 634 990.93 | 636 512.47 | 634 991 |
| Small Business Admin - 020204100002 - EUA | 1 | 1 187 700.00 | 936 123.36 | 959 630.36 | 936 123 |
| Small Business Admin - 020219100001 - EUA | 1 | 568 880.59 | 470 820.18 | 483 498.10 | 470 820 |
| Small Business Admin - 020301100001 - EUA | 1 | 1 072 889.00 | 873 208.00 | 880 362.47 | 873 208 |
| Small Business Admin - 020304100001 - EUA | 1 | 857 474.27 | 551 415.29 | 561 660.12 | 551 415 |
| Small Business Admin - 020304100002 - EUA | 1 | 910 570.00 | 670 919.10 | 679 632.64 | 670 919 |
| Small Business Admin - 020304100003 - EUA | 1 | 1 654 862.00 | 1 172 166.06 | 1 165 261.32 | 1 172 166 |
| Small Business Admin - 020304100004 - EUA | 1 | 554 260.00 | 426 901.50 | 429 626.06 | 426 901 |
| Small Business Admin - 020328100001 - EUA | 1 | 890 775.00 | 694 025.84 | 711 241.55 | 694 026 |
| Small Business Admin - 020328100002 - EUA | 1 | 1 049 135.00 | 1 015 295.08 | 1 050 047.34 | 1 015 295 |
| Small Business Admin - 020401100001 - EUA | 1 | 962 037.00 | 806 975.50 | 819 506.48 | 806 975 |
| Small Business Admin - 020402100001 - EUA | 1 | 934 324.00 | 795 025.56 | 807 109.76 | 795 026 |
| Small Business Admin - 020403100001 - EUA | 1 | 908 148.68 | 714 808.89 | 731 418.66 | 714 809 |
| Small Business Admin - 020501100001 - EUA | 1 | 1 029 340.00 | 863 085.17 | 872 773.09 | 863 085 |
| Small Business Admin - 020603100001 - EUA | 1 | 930 365.00 | 829 581.78 | 852 879.37 | 829 582 |
| Small Business Admin - 020603100002 - EUA | 1 | 855 144.00 | 675 899.81 | 678 872.95 | 675 900 |
| Small Business Admin - 020603100003 - EUA | 1 | 906 611.00 | 750 767.16 | 758 172.59 | 750 767 |
| Small Business Admin - 020614100001 - EUA | 1 | 1 361 896.00 | 1 142 634.98 | 1 167 952.49 | 1 142 635 |
| Small Business Admin - 020701100001 - EUA | 1 | 815 554.00 | 519 504.16 | 514 986.22 | 519 504 |
| Small Business Admin - 020701100002 - EUA | 1 | 823 472.00 | 701 244.59 | 707 297.81 | 701 245 |
| Small Business Admin - 020702100001 - EUA | 1 | 824 179.87 | 744 053.81 | 746 455.44 | 744 054 |
| Small Business Admin - 020702100002 - EUA | 1 | 589 891.00 | 403 161.46 | 404 845.27 | 403 161 |
| Small Business Admin - 020702100003 - EUA | 1 | 1 310 429.00 | 1 053 792.03 | 1 057 825.97 | 1 053 792 |
| Small Business Admin - 020702100004 - EUA | 1 | 395 900.00 | 310 189.56 | 311 057.08 | 310 190 |
| Small Business Admin - 020702100005 - EUA | 1 | 1 001 627.00 | 932 051.99 | 949 844.48 | 932 052 |
| Small Business Admin - 020702100006 - EUA | 1 | 665 112.00 | 434 905.23 | 435 691.85 | 434 905 |
| Small Business Admin - 020702100007 - EUA | 1 | 874 939.00 | 501 297.73 | 487 459.53 | 501 298 |
| Small Business Admin - 020702100008 - EUA | 1 | 1 302 511.00 | 1 161 600.19 | 1 171 316.38 | 1 161 600 |
| Small Business Admin - 020802100001 - EUA | 1 | 1 053 094.00 | 1 003 363.49 | 1 013 664.09 | 1 003 363 |
| Small Business Admin - 020802100002 - EUA | 1 | 1 472 748.00 | 1 349 688.23 | 1 374 210.59 | 1 349 688 |
| Small Business Admin - 020802100003 - EUA | 1 | 1 179 782.00 | 1 085 685.05 | 1 104 253.18 | 1 085 685 |
| Small Business Admin - 020802100004 - EUA | 1 | 791 800.00 | 659 506.01 | 660 873.11 | 659 506 |
| Small Business Admin - 020802100005 - EUA | 1 | 1 995 336.00 | 1 586 578.55 | 1 586 616.60 | 1 586 579 |
| Small Business Admin - 020802100006 - EUA | 1 | 684 907.00 | 643 365.70 | 658 400.86 | 643 366 |
| Small Business Admin - 020802100007 - EUA | 1 | 593 850.00 | 426 388.16 | 427 333.38 | 426 388 |
| Small Business Admin - 020828100001 - EUA | 1 | 1 773 632.00 | 1 053 418.16 | 1 048 718.22 | 1 053 418 |
| Small Business Admin - 020903100001 - EUA | 1 | 2 549 596.00 | 2 391 281.58 | 2 400 901.07 | 2 391 282 |
| Small Business Admin - 020903100002 - EUA | 1 | 1 199 577.00 | 998 865.32 | 1 002 248.40 | 998 865 |
| Small Business Admin - 020903100003 - EUA | 1 | 1 924 074.00 | 1 752 051.52 | 1 756 162.51 | 1 752 052 |
| Small Business Admin - 020904100001 - EUA | 1 | 1 005 586.00 | 923 661.07 | 940 268.42 | 923 661 |
| Small Business Admin - 020904100002 - EUA | 1 | 1 092 684.00 | 834 474.24 | 834 601.21 | 834 474 |
| Small Business Admin - 020904100003 - EUA | 1 | 475 080.00 | 371 475.73 | 370 352.69 | 371 476 |
| Small Business Admin - 020904100004 - EUA | 1 | 403 818.00 | 333 410.05 | 329 841.29 | 333 410 |
| Small Business Admin - 020917100001 - EUA | 1 | 1 270 839.00 | 526 341.97 | 528 910.32 | 526 342 |
| Small Business Admin - 020917100002 - EUA | 1 | 1 551 928.00 | 934 324.48 | 951 543.92 | 934 324 |
| Small Business Admin - 021002100001 - EUA | 1 | 1 156 028.00 | 1 060 614.06 | 1 082 861.63 | 1 060 614 |
| Small Business Admin - 021002100002 - EUA | 1 | 621 563.00 | 532 401.17 | 531 627.69 | 532 401 |
| Small Business Admin - 021002100003 - EUA | 1 | 768 046.00 | 696 260.15 | 706 635.81 | 696 260 |
| Small Business Admin - 021002100004 - EUA | 1 | 1 801 345.00 | 1 756 106.10 | 1 791 390.24 | 1 756 106 |
| Small Business Admin - 021002100005 - EUA | 1 | 795 759.00 | 710 219.21 | 711 798.20 | 710 219 |
| Small Business Admin - 021002100006 - EUA | 1 | 775 964.00 | 669 850.61 | 668 936.66 | 669 851 |
| Small Business Admin - 021002100007 - EUA | 1 | 1 021 422.00 | 847 062.82 | 847 695.16 | 847 063 |
| Small Business Admin - 021002100008 - EUA | 1 | 1 128 315.00 | 1 125 157.40 | 1 132 305.32 | 1 125 157 |
| Small Business Admin - 021002100009 - EUA | 1 | 973 914.00 | 810 119.77 | 809 041.68 | 810 120 |
| Small Business Admin - 021002100010 - EUA | 1 | 962 037.00 | 849 873.83 | 852 537.96 | 849 874 |
| Small Business Admin - 021002100011 - EUA | 1 | 1 207 495.00 | 1 127 248.43 | 1 135 143.78 | 1 127 248 |
| Small Business Admin - 021002100012 - EUA | 1 | 2 007 213.00 | 1 804 376.14 | 1 803 410.51 | 1 804 376 |
| Small Business Admin - 021029100001 - EUA | 1 | 1 148 110.00 | 1 059 383.20 | 1 073 856.41 | 1 059 383 |
| Small Business Admin - 021101100001 - EUA | 1 | 633 440.00 | 510 036.51 | 517 591.77 | 510 037 |

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(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 020201100001 - EUA | 1 | 1 041 217.00 | 448 472.06 | 434 949.91 | 448 472 |
| Small Business Admin - 020201100002 - EUA | 1 | 1 342 101.00 | 846 991.23 | 845 439.36 | 846 991 |
| Small Business Admin - 020201100003 - EUA | 1 | 851 185.00 | 693 075.16 | 711 624.50 | 693 075 |
| Small Business Admin - 020204100001 - EUA | 1 | 791 800.00 | 634 990.93 | 636 512.47 | 634 991 |
| Small Business Admin - 020204100002 - EUA | 1 | 1 187 700.00 | 936 123.36 | 959 630.36 | 936 123 |
| Small Business Admin - 020219100001 - EUA | 1 | 568 880.59 | 470 820.18 | 483 498.10 | 470 820 |
| Small Business Admin - 020301100001 - EUA | 1 | 1 072 889.00 | 873 208.00 | 880 362.47 | 873 208 |
| Small Business Admin - 020304100001 - EUA | 1 | 857 474.27 | 551 415.29 | 561 660.12 | 551 415 |
| Small Business Admin - 020304100002 - EUA | 1 | 910 570.00 | 670 919.10 | 679 632.64 | 670 919 |
| Small Business Admin - 020304100003 - EUA | 1 | 1 654 862.00 | 1 172 166.06 | 1 165 261.32 | 1 172 166 |
| Small Business Admin - 020304100004 - EUA | 1 | 554 324.00 | 426 901.50 | 429 626.06 | 426 901 |
| Small Business Admin - 020328100001 - EUA | 1 | 890 775.00 | 694 025.84 | 711 241.55 | 694 026 |
| Small Business Admin - 020328100002 - EUA | 1 | 1 049 135.00 | 1 015 295.08 | 1 050 047.34 | 1 015 295 |
| Small Business Admin - 020401100001 - EUA | 1 | 962 037.00 | 806 975.50 | 819 506.48 | 806 975 |
| Small Business Admin - 020402100001 - EUA | 1 | 934 324.00 | 795 025.56 | 807 109.76 | 795 026 |
| Small Business Admin - 020403100001 - EUA | 1 | 908 148.68 | 714 808.89 | 731 418.66 | 714 809 |
| Small Business Admin - 020501100001 - EUA | 1 | 1 029 340.00 | 863 085.17 | 872 773.09 | 863 085 |
| Small Business Admin - 020603100001 - EUA | 1 | 930 365.00 | 829 581.78 | 852 879.37 | 829 582 |
| Small Business Admin - 020603100002 - EUA | 1 | 855 144.00 | 675 899.81 | 678 872.95 | 675 900 |
| Small Business Admin - 020603100003 - EUA | 1 | 906 611.00 | 750 767.16 | 758 172.59 | 750 767 |
| Small Business Admin - 020614100001 - EUA | 1 | 1 361 896.00 | 1 142 634.98 | 1 167 952.49 | 1 142 635 |
| Small Business Admin - 020701100001 - EUA | 1 | 815 554.00 | 519 504.16 | 514 986.22 | 519 504 |
| Small Business Admin - 020701100002 - EUA | 1 | 823 472.00 | 701 244.59 | 707 297.81 | 701 245 |
| Small Business Admin - 020702100001 - EUA | 1 | 824 179.87 | 744 053.81 | 746 455.44 | 744 054 |
| Small Business Admin - 020702100002 - EUA | 1 | 589 891.00 | 403 161.46 | 404 845.27 | 403 161 |
| Small Business Admin - 020702100003 - EUA | 1 | 1 310 429.00 | 1 053 792.03 | 1 057 825.97 | 1 053 792 |
| Small Business Admin - 020702100004 - EUA | 1 | 395 900.00 | 310 189.56 | 311 057.08 | 310 190 |
| Small Business Admin - 020702100005 - EUA | 1 | 1 001 627.00 | 932 051.99 | 949 844.48 | 932 052 |
| Small Business Admin - 020702100006 - EUA | 1 | 665 112.00 | 434 905.23 | 435 691.85 | 434 905 |
| Small Business Admin - 020702100007 - EUA | 1 | 874 939.00 | 501 297.73 | 487 459.53 | 501 298 |
| Small Business Admin - 020702100008 - EUA | 1 | 1 302 511.00 | 1 161 600.19 | 1 171 316.38 | 1 161 600 |
| Small Business Admin - 020802100001 - EUA | 1 | 1 053 094.00 | 1 003 363.49 | 1 013 664.09 | 1 003 363 |
| Small Business Admin - 020802100002 - EUA | 1 | 1 472 748.00 | 1 349 688.23 | 1 374 210.59 | 1 349 688 |
| Small Business Admin - 020802100003 - EUA | 1 | 1 179 782.00 | 1 085 685.05 | 1 104 253.18 | 1 085 685 |
| Small Business Admin - 020802100004 - EUA | 1 | 791 800.00 | 659 506.01 | 660 873.11 | 659 506 |
| Small Business Admin - 020802100005 - EUA | 1 | 1 995 336.00 | 1 586 578.55 | 1 586 616.60 | 1 586 579 |
| Small Business Admin - 020802100006 - EUA | 1 | 684 907.00 | 643 365.70 | 658 400.86 | 643 366 |
| Small Business Admin - 020802100007 - EUA | 1 | 593 850.00 | 426 388.16 | 427 333.38 | 426 388 |
| Small Business Admin - 020828100001 - EUA | 1 | 1 773 632.00 | 1 053 418.16 | 1 048 718.22 | 1 053 418 |
| Small Business Admin - 020903100001 - EUA | 1 | 2 549 596.00 | 2 391 281.58 | 2 400 901.07 | 2 391 282 |
| Small Business Admin - 020903100002 - EUA | 1 | 1 199 577.00 | 998 865.32 | 1 002 248.40 | 998 865 |
| Small Business Admin - 020903100003 - EUA | 1 | 1 924 074.00 | 1 752 051.52 | 1 756 162.51 | 1 752 052 |
| Small Business Admin - 020904100001 - EUA | 1 | 1 005 586.00 | 923 661.07 | 940 268.42 | 923 661 |
| Small Business Admin - 020904100002 - EUA | 1 | 1 092 684.00 | 834 474.24 | 834 601.21 | 834 474 |
| Small Business Admin - 020904100003 - EUA | 1 | 475 080.00 | 371 475.73 | 370 352.69 | 371 476 |
| Small Business Admin - 020904100004 - EUA | 1 | 403 818.00 | 333 410.05 | 329 841.29 | 333 410 |
| Small Business Admin - 020917100001 - EUA | 1 | 1 270 839.00 | 526 341.97 | 528 910.32 | 526 342 |
| Small Business Admin - 020917100002 - EUA | 1 | 1 551 928.00 | 934 324.48 | 951 543.92 | 934 324 |
| Small Business Admin - 021002100001 - EUA | 1 | 1 156 028.00 | 1 060 614.06 | 1 082 861.63 | 1 060 614 |
| Small Business Admin - 021002100002 - EUA | 1 | 621 563.00 | 532 401.17 | 531 627.69 | 532 401 |
| Small Business Admin - 021002100003 - EUA | 1 | 768 046.00 | 696 260.15 | 706 635.81 | 696 260 |
| Small Business Admin - 021002100004 - EUA | 1 | 1 801 345.00 | 1 756 106.10 | 1 791 390.24 | 1 756 106 |
| Small Business Admin - 021002100005 - EUA | 1 | 795 759.00 | 710 219.21 | 711 798.20 | 710 219 |
| Small Business Admin - 021002100006 - EUA | 1 | 775 964.00 | 669 850.61 | 668 936.66 | 669 851 |
| Small Business Admin - 021002100007 - EUA | 1 | 1 021 422.00 | 847 062.82 | 847 695.16 | 847 063 |
| Small Business Admin - 021002100008 - EUA | 1 | 1 128 315.00 | 1 125 157.40 | 1 132 305.32 | 1 125 157 |
| Small Business Admin - 021002100009 - EUA | 1 | 973 914.00 | 810 119.77 | 809 041.68 | 810 120 |
| Small Business Admin - 021002100010 - EUA | 1 | 962 037.00 | 849 873.83 | 852 537.96 | 849 874 |
| Small Business Admin - 021002100011 - EUA | 1 | 1 207 495.00 | 1 127 248.43 | 1 135 143.78 | 1 127 248 |
| Small Business Admin - 021002100012 - EUA | 1 | 2 007 213.00 | 1 804 376.14 | 1 803 410.51 | 1 804 376 |
| Small Business Admin - 021029100001 - EUA | 1 | 1 148 110.00 | 1 059 383.20 | 1 073 856.41 | 1 059 383 |
| Small Business Admin - 021101100001 - EUA | 1 | 633 440.00 | 510 036.51 | 517 591.77 | 510 037 |

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(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 021104I00001 - EUA | 1 | 831 390.00 | 734 386.95 | 735 428.27 | 734 387 |
| Small Business Admin - 021104I00002 - EUA | 1 | 1 290 634.00 | 1 265 071.71 | 1 272 309.96 | 1 265 072 |
| Small Business Admin - 021104I00003 - EUA | 1 | 867 021.00 | 754 831.81 | 754 265.49 | 754 832 |
| Small Business Admin - 021104I00004 - EUA | 1 | 1 183 741.00 | 1 136 132.30 | 1 139 240.05 | 1 136 132 |
| Small Business Admin - 021104I00005 - EUA | 1 | 546 342.00 | 404 111.76 | 408 072.87 | 404 112 |
| Small Business Admin - 021104I00006 - EUA | 1 | 1 583 600.00 | 1 097 404.26 | 1 095 916.95 | 1 097 404 |
| Small Business Admin - 021120I00001 - EUA | 1 | 680 948.00 | 556 920.13 | 562 620.38 | 556 920 |
| Small Business Admin - 021202I00001 - EUA | 1 | 506 752.00 | 444 229.30 | 446 960.16 | 444 229 |
| Small Business Admin - 021202I00002 - EUA | 1 | 728 456.00 | 650 676.58 | 661 701.04 | 650 677 |
| Small Business Admin - 021202I00003 - EUA | 1 | 760 128.00 | 725 005.72 | 732 833.48 | 725 006 |
| Small Business Admin - 021202I00004 - EUA | 1 | 1 219 372.00 | 1 168 978.54 | 1 170 508.25 | 1 168 979 |
| Small Business Admin - 021202I00005 - EUA | 1 | 601 768.00 | 414 498.23 | 411 770.52 | 414 498 |
| Small Business Admin - 021203I00001 - EUA | 1 | 1 171 864.00 | 998 655.07 | 993 750.12 | 998 655 |
| Small Business Admin - 021220I00001 - EUA | 1 | 593 850.00 | 538 749.12 | 547 520.58 | 538 749 |
| Small Business Admin - 021230I00001 - EUA | 1 | 1 555 887.00 | 1 339 801.79 | 1 344 980.63 | 1 339 802 |
| Small Business Admin - 030102I00001 - EUA | 1 | 796 166.78 | 663 340.27 | 660 916.57 | 663 340 |
| Small Business Admin - 030102I00002 - EUA | 1 | 752 210.00 | 687 006.29 | 699 375.66 | 687 006 |
| Small Business Admin - 030102I00003 - EUA | 1 | 1 567 764.00 | 1 450 366.09 | 1 471 453.94 | 1 450 366 |
| Small Business Admin - 030103I00001 - EUA | 1 | 1 207 495.00 | 1 109 329.51 | 1 107 691.68 | 1 109 330 |
| Small Business Admin - 030103I00002 - EUA | 1 | 1 805 304.00 | 1 664 880.49 | 1 664 636.91 | 1 664 880 |
| Small Business Admin - 030103I00003 - EUA | 1 | 811 595.00 | 796 309.39 | 800 167.53 | 796 309 |
| Small Business Admin - 030103I00004 - EUA | 1 | 1 646 944.00 | 1 548 012.39 | 1 547 212.94 | 1 548 012 |
| Small Business Admin - 030109I00001 - EUA | 1 | 886 816.00 | 834 424.98 | 842 573.82 | 834 425 |
| Small Business Admin - 030203I00001 - EUA | 1 | 1 460 871.00 | 1 392 215.84 | 1 392 121.28 | 1 392 216 |
| Small Business Admin - 030203I00002 - EUA | 1 | 3 127 610.00 | 3 018 615.74 | 3 053 156.73 | 3 018 616 |
| Small Business Admin - 030203I00003 - EUA | 1 | 514 670.00 | 466 865.75 | 470 300.51 | 466 866 |
| Small Business Admin - 030204I00001 - EUA | 1 | 902 652.00 | 865 226.19 | 869 166.47 | 865 226 |
| Small Business Admin - 030226I00001 - EUA | 1 | 851 185.00 | 889 376.33 | 903 223.60 | 889 376 |
| Small Business Admin - 030226I00002 - EUA | 1 | 1 736 469.66 | 1 632 500.77 | 1 642 561.37 | 1 632 501 |
| Small Business Admin - 030303I00001 - EUA | 1 | 1 401 486.00 | 1 363 877.04 | 1 365 389.20 | 1 363 877 |
| Small Business Admin - 030303I00002 - EUA | 1 | 1 662 780.00 | 1 625 716.82 | 1 647 997.51 | 1 625 717 |
| Small Business Admin - 030304I00001 - EUA | 1 | 1 452 953.00 | 1 329 618.81 | 1 323 060.08 | 1 329 619 |
| Small Business Admin - 030304I00002 - EUA | 1 | 787 841.00 | 781 514.55 | 794 361.07 | 781 515 |
| Small Business Admin - 030304I00003 - EUA | 1 | 1 674 657.00 | 1 458 464.38 | 1 455 335.13 | 1 458 464 |
| Small Business Admin - 030319I00001 - EUA | 1 | 1 216 996.60 | 1 176 915.74 | 1 192 658.96 | 1 176 916 |
| Small Business Admin - 030401I00001 - EUA | 1 | 566 137.00 | 545 150.76 | 548 025.37 | 545 151 |
| Small Business Admin - 030401I00002 - EUA | 1 | 1 346 060.00 | 1 368 481.48 | 1 383 247.12 | 1 368 481 |
| Small Business Admin - 030401I00003 - EUA | 1 | 1 290 634.00 | 1 306 093.44 | 1 318 937.65 | 1 306 093 |
| Small Business Admin - 030402I00001 - EUA | 1 | 993 709.00 | 988 038.35 | 988 780.73 | 988 038 |
| Small Business Admin - 030402I00002 - EUA | 1 | 910 570.00 | 891 931.86 | 892 098.64 | 891 932 |
| Small Business Admin - 030402I00003 - EUA | 1 | 732 415.00 | 740 411.75 | 749 547.09 | 740 412 |
| Small Business Admin - 030402I00004 - EUA | 1 | 1 290 634.00 | 1 305 188.12 | 1 305 836.46 | 1 305 188 |
| Small Business Admin - 030501I00001 - EUA | 1 | 1 939 910.00 | 1 896 954.60 | 1 908 077.84 | 1 896 955 |
| Small Business Admin - 030502I00001 - EUA | 1 | 981 832.00 | 898 862.77 | 890 961.75 | 898 863 |
| Small Business Admin - 030502I00002 - EUA | 1 | 910 570.00 | 886 244.80 | 891 443.81 | 886 245 |
| Small Business Admin - 030502I00003 - EUA | 1 | 1 880 525.00 | 1 946 150.75 | 1 953 894.20 | 1 946 151 |
| Small Business Admin - 030502I00005 - EUA | 1 | 407 777.00 | 385 421.81 | 383 681.02 | 385 422 |
| Small Business Admin - 030502I00006 - EUA | 1 | 2 082 434.00 | 2 168 296.86 | 2 173 001.65 | 2 168 297 |
| Small Business Admin - 030502I00007 - EUA | 1 | 1 041 217.00 | 1 007 166.76 | 1 005 348.15 | 1 007 167 |
| Small Business Admin - 030502I00008 - EUA | 1 | 2 292 261.00 | 2 310 312.14 | 2 306 061.45 | 2 310 312 |
| Small Business Admin - 030502I00009 - EUA | 1 | 2 122 024.00 | 2 176 974.95 | 2 180 422.84 | 2 176 975 |
| Small Business Admin - 030502I00010 - EUA | 1 | 811 595.00 | 735 630.17 | 734 047.97 | 735 630 |
| Small Business Admin - 030602I00001 - EUA | 1 | 760 128.00 | 749 111.20 | 748 436.49 | 749 111 |
| Small Business Admin - 030602I00002 - EUA | 1 | 1 298 552.00 | 1 380 911.96 | 1 383 212.90 | 1 380 912 |
| Small Business Admin - 030603I00001 - EUA | 1 | 1 195 618.00 | 1 244 807.20 | 1 246 397.68 | 1 244 807 |
| Small Business Admin - 030603I00002 - EUA | 1 | 1 219 372.00 | 1 229 143.18 | 1 228 733.02 | 1 229 143 |
| Small Business Admin - 030603I00003 - EUA | 1 | 1 045 176.00 | 1 061 210.13 | 1 069 390.06 | 1 061 210 |
| Small Business Admin - 030603I00004 - EUA | 1 | 1 639 026.00 | 1 627 008.69 | 1 622 634.98 | 1 627 009 |
| Small Business Admin - 030603I00005 - EUA | 1 | 1 821 140.00 | 1 813 724.99 | 1 824 299.25 | 1 813 725 |
| Small Business Admin - 030626I00002 - EUA | 1 | 930 365.00 | 999 128.89 | 1 000 887.19 | 999 129 |
| Small Business Admin - 030702I00001 - EUA | 1 | 471 121.00 | 450 519.92 | 449 967.80 | 450 520 |
| Small Business Admin - 030702I00002 - EUA | 1 | 1 805 304.00 | 1 876 469.87 | 1 860 247.81 | 1 876 470 |
| Small Business Admin - 030702I00003 - EUA | 1 | 1 061 012.00 | 1 138 663.49 | 1 131 939.04 | 1 138 663 |

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(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|--------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Small Business Admin - 030702100004 - EUA | 1 | 1 001 627.00 | 1 052 942.31 | 1 054 647.46 | 1 052 942 |
| Small Business Admin - 030702100005 - EUA | 1 | 886 816.00 | 928 515.14 | 921 988.49 | 928 515 |
| Small Business Admin - 030703100001 - EUA | 1 | 839 308.00 | 891 153.79 | 892 513.72 | 891 154 |
| Small Business Admin - 030703100002 - EUA | 1 | 831 390.00 | 883 431.29 | 885 159.09 | 883 431 |
| Small Business Admin - 030804100002 - EUA | 1 | 427 572.00 | 435 331.83 | 434 774.95 | 435 332 |
| Small Business Admin - 030804100003 - EUA | 1 | 1 084 766.00 | 1 142 265.42 | 1 143 894.86 | 1 142 265 |
| Small Business Admin - 030804100004 - EUA | 1 | 1 437 117.00 | 1 413 439.41 | 1 400 355.11 | 1 413 439 |
| Small Business Admin - 030804100005 - EUA | 1 | 1 219 372.00 | 1 293 458.60 | 1 284 511.85 | 1 293 459 |
| Small Business Admin - 030804100006 - EUA | 1 | 886 816.00 | 951 315.39 | 946 792.88 | 951 315 |
| Small Business Admin - 030805100002 - EUA | 1 | 1 278 757.00 | 1 365 822.18 | 1 377 627.52 | 1 365 822 |
| Small Business Admin - 030827100001 - EUA | 1 | 503 439.90 | 525 873.98 | 527 111.47 | 525 874 |
| Small Business Admin - 030902100001 - EUA | 1 | 1 163 946.00 | 1 211 477.92 | 1 212 315.30 | 1 211 478 |
| Small Business Admin - 030902100002 - EUA | 1 | 2 078 475.00 | 2 247 567.73 | 2 250 409.33 | 2 247 568 |
| Small Business Admin - 030902100003 - EUA | 1 | 1 666 739.00 | 1 791 404.04 | 1 794 171.34 | 1 791 404 |
| Small Business Admin - 030902100004 - EUA | 1 | 874 939.00 | 935 866.27 | 937 500.62 | 935 866 |
| Small Business Admin - 030903100001 - EUA | 1 | 728 456.00 | 771 044.64 | 774 755.70 | 771 045 |
| Small Business Admin - 030903100002 - EUA | 1 | 950 160.00 | 1 019 339.18 | 1 025 362.69 | 1 019 339 |
| Small Business Admin - 030924100001 - EUA | 1 | 612 061.40 | 603 548.14 | 607 151.48 | 603 548 |
| Small Business Admin - 031001100001 - EUA | 1 | 592 136.54 | 629 019.59 | 631 185.69 | 629 020 |
| Small Business Admin - 031001100002 - EUA | 1 | 874 939.00 | 946 433.12 | 945 405.06 | 946 433 |
| Small Business Admin - 031001100003 - EUA | 1 | 1 496 502.00 | 1 605 978.50 | 1 606 925.33 | 1 605 979 |
| Small Business Admin - 031001100004 - EUA | 1 | 1 274 798.00 | 1 384 993.43 | 1 386 567.05 | 1 384 993 |
| Small Business Admin - 031001100005 - EUA | 1 | 847 226.00 | 906 707.82 | 907 571.55 | 906 708 |
| Small Business Admin - 031001100006 - EUA | 1 | 791 800.00 | 858 496.68 | 864 888.33 | 858 497 |
| Small Business Admin - 031001100007 - EUA | 1 | 1 156 028.00 | 1 242 661.95 | 1 249 068.17 | 1 242 662 |
| Small Business Admin - 031001100008 - EUA | 1 | 1 579 641.00 | 1 663 071.10 | 1 670 092.87 | 1 663 071 |
| Small Business Admin - 031001100009 - EUA | 1 | 1 171 864.00 | 1 268 730.63 | 1 275 946.25 | 1 268 731 |
| Small Business Admin - 031001100010 - EUA | 1 | 807 636.00 | 866 116.88 | 869 966.79 | 866 117 |
| Small Business Admin - 031001100011 - EUA | 1 | 1 282 716.00 | 1 342 074.77 | 1 346 942.52 | 1 342 075 |
| Small Business Admin - 031027100001 - EUA | 1 | 2 993 004.00 | 3 272 610.58 | 3 259 381.36 | 3 272 611 |
| Small Business Admin - 031027100002 - EUA | 1 | 787 841.00 | 850 774.20 | 853 822.68 | 850 774 |
| Small Business Admin - 031027100003 - EUA | 1 | 934 324.00 | 1 018 719.93 | 1 022 206.52 | 1 018 720 |
| Small Business Admin - 031027100004 - EUA | 1 | 1 480 666.00 | 1 615 520.36 | 1 622 247.28 | 1 615 520 |
| Small Business Admin - 031028100001 - EUA | 1 | 1 084 766.00 | 1 183 396.15 | 1 187 146.22 | 1 183 396 |
| Small Business Admin - 031029100001 - EUA | 1 | 886 816.00 | 955 004.45 | 954 435.72 | 955 004 |
| Small Business Admin - 031029100002 - EUA | 1 | 981 832.00 | 1 072 922.37 | 1 073 878.75 | 1 072 922 |
| Small Business Admin - 031029100003 - EUA | 1 | 1 278 757.00 | 1 397 860.99 | 1 398 640.47 | 1 397 861 |
| Small Business Admin - 031030100001 - EUA | 1 | 791 800.00 | 853 613.34 | 853 481.22 | 853 613 |
| Small Business Admin - 031031100004 - EUA | 1 | 1 001 627.00 | 1 077 965.92 | 1 081 757.16 | 1 077 966 |
| Small Business Admin - 031126100001 - EUA | 1 | 2 264 548.00 | 2 483 099.05 | 2 487 470.11 | 2 483 099 |
| Small Business Admin - 031126100002 - EUA | 1 | 1 057 053.00 | 1 157 373.78 | 1 158 794.35 | 1 157 374 |
| Small Business Admin - 031126100003 - EUA | 1 | 740 333.00 | 810 640.03 | 812 056.46 | 810 640 |
| Small Business Admin - 031126100004 - EUA | 1 | 1 029 340.00 | 1 125 088.69 | 1 120 436.59 | 1 125 089 |
| Small Business Admin - 031126100005 - EUA | 1 | 1 401 486.00 | 1 535 992.46 | 1 538 999.81 | 1 535 992 |
| Small Business Admin - 031126100006 - EUA | 1 | 791 800.00 | 859 174.24 | 859 657.26 | 859 174 |
| Small Business Admin - 991101100001 - EUA | 1 | 506 752.00 | 204 103.16 | 206 961.26 | 204 103 |
| Small Business Admin - 991101100002 - EUA | 1 | 574 055.00 | 301 116.33 | 309 036.49 | 301 116 |
| Small Business Admin - 991105100001 - EUA | 1 | 685 155.63 | 101 228.04 | 104 264.87 | 101 228 |
| Small Business Admin - 991105100002 - EUA | 1 | 981 832.00 | 240 729.89 | 249 682.63 | 240 730 |
| Small Business Admin - 991105100003 - EUA | 1 | 736 374.00 | 225 062.12 | 235 102.84 | 225 062 |
| Small Business Admin - 991112100001 - EUA | 1 | 556 177.74 | 247 376.82 | 259 203.91 | 247 377 |
| Small Business Admin - 991119100001 - EUA | 1 | 673 030.00 | 228 026.41 | 231 848.80 | 228 026 |
| Small Business Admin - 991119100002 - EUA | 1 | 1 232 894.36 | 404 342.63 | 418 243.93 | 404 343 |
| Small Business Admin - 991130100001 - EUA | 1 | 1 037 258.00 | 183 897.36 | 189 932.15 | 183 897 |
| Small Business Admin - 991130100002 - EUA | 1 | 692 825.00 | 171 379.55 | 179 523.90 | 171 380 |
| Small Business Admin - 991130100003 - EUA | 1 | 839 308.00 | 375 714.02 | 385 233.59 | 375 714 |
| Small Business Admin - 991130100004 - EUA | 1 | 728 456.00 | 373 893.00 | 393 858.89 | 373 893 |
| Small Business Admin - 991130100005 - EUA | 1 | 637 399.00 | 122 997.10 | 123 035.31 | 122 997 |
| Small Business Admin - 991206100001 - EUA | 1 | 1 583 600.00 | 548 663.69 | 565 536.19 | 548 664 |
| Small Business Admin - 991206100002 - EUA | 1 | 981 832.00 | 328 067.09 | 331 555.67 | 328 067 |
| Small Business Admin - 991206100003 - EUA | 1 | 847 226.00 | 341 017.21 | 356 469.05 | 341 017 |
| TCMFS | | | | | 58 541 847 |

Schedule of Securities and Investments as at 31.12.03 (Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|----------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| <i>Fixed income securities issued by other issuers</i> | | | | | 3 751 782 894 |
| Resident entities | | | | | 1 268 858 791 |
| Short term maturity | | | | | 21 000 013 |
| Cash bonds | | | | | 21 000 013 |
| Banco Alves Ribeiro 15/03/2006 | 2 250 | 5 000.00 | 5 000.00 | | 11 250 000 |
| Banco Alves Ribeiro 22/06/2004 | 195 000 | 50.00 | 50.00 | | 9 750 013 |
| Medium and long term maturity | | | | | 1 247 858 778 |
| Other bonds | | | | | 1 247 858 778 |
| A. Silva & Silva - 4/10/2007 | 7 980 000 | 5.00 | 5.00 | | 39 900 000 |
| ABN- Amro Bank Nv Lisboa | 5 000 | 1 000.00 | 999.13 | 1 002.43 | 4 996 535 |
| Aubos Ptg 12/02/2005 | 23 277 236 | 0.05 | 0.05 | 0.05 | 1 163 741 |
| Auchan Pc 15 - Em 02/01/2004 | 2 500 000 000 | 100.00 | 0.01 | | 25 000 000 |
| Auto Industrial 30/4/2005 | 1 000 000 | 3.75 | 3.75 | | 3 750 000 |
| Auto Industrial (Eur) | 300 000 | 5.00 | 5.00 | 5.00 | 1 500 000 |
| Auto Sueco 27/12/2004 | 1 496 000 | 5.00 | 5.00 | | 7 479 854 |
| Auto Sueco 27/12/2005 | 1 000 000 | 5.00 | 5.00 | | 5 000 000 |
| Banco Itau Europa Sa, 24/07/2006 Frn | 10 000 | 1 000.00 | 998.24 | 998.50 | 9 982 400 |
| BCP-Banco Comercial Português | 1 477 | 0.01 | | | 406 |
| Brisa 98/08 | 400 000 | 4.99 | 4.99 | 5.89 | 1 996 000 |
| CIN 02/06/2004 | 475 000 | 5.00 | 5.00 | | 2 375 000 |
| Cipan/89 | 10 000 | | | | |
| Climaespaco Pc Em 27 07/01/2004 | 124 699 474 | 100.00 | 0.01 | | 1 246 995 |
| Colep Pc 65ª Emissão 12/01/2004 | 375 000 000 | 100.00 | 0.01 | | 3 750 000 |
| Colep Pc 66ª Emissão 19/01/2004 | 300 000 000 | 100.00 | 0.01 | | 3 000 000 |
| Colep Pc 67ª Emissão 16/02/2004 | 187 500 000 | 100.00 | 0.01 | | 1 875 000 |
| Compal Pc Eur 20/01/2004 | 298 636 364 | 100.00 | 0.01 | | 2 986 364 |
| ECOP/98 | 1 500 000 | 2.00 | 2.45 | | 3 677 490 |
| EDIA-Emp. Desenv. e Infra. Alqueva 21/11/2018 | 50 000 | 1 000.00 | 1 000.00 | 998.50 | 50 000 000 |
| EDP 02/06/2006 | 76 | 0.01 | 0.01 | 0.01 | |
| EDP 98/08 - 25ª Emissão | 399 371 016 | 0.01 | 0.01 | 0.01 | 3 993 710 |
| Efacec 25/11/2004 | 161 174 | 10.00 | 10.00 | 10.00 | 1 611 740 |
| Fisipe 00/07 (Eur) | 724 000 | 5.00 | 5.00 | 5.00 | 3 620 000 |
| Fisipe/2000 - 4/12/2007 | 1 000 000 | 3.62 | 3.62 | | 3 620 000 |
| Francisco Manuel Santos PC 11. 18/02/2004 | 1 | 100.00 | 0.01 | | |
| Grupo Efacec Pc USD 28/04/2004 | 115 500 000 | 100.00 | 0.01 | | 914 489 |
| Imolisboa Pc 35ª Emissão 30/01/2004 | 1 390 000 000 | 100.00 | 0.01 | | 13 900 000 |
| Inparsa | 2 921 | 5.00 | 5.00 | 4.53 | 14 605 |
| Inparsa 11/07/2004 | 1 029 046 997 | 0.01 | 0.01 | 0.01 | 10 162 716 |
| Jerónimo Martins 97/04 | 2 560 740 098 | 0.02 | 0.01 | 0.01 | 37 241 339 |
| Jerónimo Martins - 2008 | 4 500 000 | 5.00 | 5.00 | 5.00 | 22 500 000 |
| Jerónimo Martins 30/12/2004 - 0% | 4 987 979 | 0.01 | 0.01 | 0.01 | 51 749 |
| Jerónimo Martins Pc Em 29 08/03/2004 | 85 000 000 | 100.00 | 0.01 | | 850 000 |
| Laboratório Atral/89 | 10 000 | 0.54 | 0.19 | | 1 938 |
| Lisgráfica Pc Em 28 29/03/2004 | 26 250 000 | 100.00 | 0.01 | | 262 500 |
| Lisnave 15/11/2006 | 56 273 549 | 0.01 | 0.01 | 0.01 | 348 451 |
| Man. Pocas Pc Em 10 20/02/2004 | 46 875 000 | 100.00 | 0.01 | | 468 750 |
| Metro 95/07 | 1 685 000 | 4.99 | 4.99 | 4.99 | 8 408 150 |
| Modelo Continente | 1 723 | 5.00 | 5.00 | 5.00 | 8 615 |
| Mota Engil 28/06/2007 Frn | 1 600 000 | 5.00 | 5.00 | | 8 000 000 |
| Mota & Ca 07/12/2004 | 997 500 | 10.00 | 10.00 | | 9 975 000 |
| Mota-Engil 02 1ª Emissão | 400 000 | 5.00 | 5.00 | 5.00 | 2 000 000 |
| Mundicenter 26/03/2004 | 100 000 | 4.99 | 4.99 | 4.96 | 498 832 |
| Mundicenter 5ª Emissão Eur 22/04/2004 | 233 | 50 000.00 | 49 928.48 | | 11 633 335 |
| Papel Comercial-Efacec Oriente PRG 03 4ª Emissão | 9 | 55 000.00 | 43 547.11 | | 391 924 |
| Papel Comercial-Mundileasing PRG 02 7ª Emissão | 120 | 50 000.00 | 50 000.00 | | 6 000 000 |
| Papel Comercial-Somincor PRG 99 51ª Emissão | 59 667 | 1.00 | 1.00 | | 59 667 |
| Papel Comercial-Compal PRG 03 4ª Emissão | 99 545 454 | 0.01 | 0.01 | | 995 456 |
| Papel Comercial-Euroges PRG 99 13ª Emissão | 45 000 000 | 0.01 | 0.01 | | 450 000 |
| Parpública Pc 1 Eur 23/01/2004 | 12 500 000 000 | 100.00 | 0.01 | | 125 000 000 |
| Parque Expo 13/08/2008 Lpte61Wd20-20 (Ex 2002) | 8 091 862 323 | 0.01 | 0.01 | 0.01 | 80 918 518 |
| Parque Expo 19/11/2002 Lisb6M-17 (Mais 6 Anos) | 19 568 109 522 | 0.01 | 0.01 | 0.01 | 195 680 964 |
| Partest 14/07/2005 | 164 687 104 | 0.01 | 0.01 | 0.01 | 1 646 871 |
| Partest 28/12/2008-4.398% | 12 644 526 691 | 0.01 | 0.01 | 0.01 | 126 427 733 |

Schedule of Securities and Investments as at 31.12.03
(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|----------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Petrogal 02/11/2004 | 1 119 303 578 | 0.01 | 0.01 | 0.01 | 11 192 453 |
| Polimaia/89 C | 8 240 | 2.24 | 2.25 | | 18 525 |
| Portugal Telecom 17/11/2004 | 2 208 270 454 | 0.01 | 0.01 | 0.01 | 22 082 693 |
| Portucel 13/05/2004 | 4 717 500 | 10.00 | 10.00 | 9.98 | 47 175 075 |
| Portucel Pc 48ª Emissão Usd 09/03/2004 | 3 558 285 714 | 100.00 | 0.01 | | 28 173 284 |
| Portucel Pc 49ª Emissão 09/03/2004 | 4 934 616 753 | 100.00 | 0.01 | | 49 346 168 |
| Quimigal Pc 10 Eur 30/06/2004 | 179 567 244 | 100.00 | 0.01 | | 1 795 672 |
| Recheio 14/08/2005 | 362 762 243 | 0.01 | 0.01 | 0.01 | 3 627 622 |
| Salvador Caetano 02/07 | 250 000 | 10.00 | 10.00 | 10.00 | 2 500 000 |
| Salvador Caetano 11/06/2007 Frn | 750 000 | 10.00 | 10.00 | 10.00 | 7 500 000 |
| SGAL 31/08/2008 | 400 000 | 4.99 | 4.99 | 5.73 | 1 995 432 |
| Soares Costa 29/06/2007 | 1 650 000 | 4.38 | 4.37 | | 7 214 153 |
| Soc Transp. Colectivos do Porto 24/11/2006 | 4 500 000 | 5.00 | 5.00 | | 22 500 000 |
| Soc. V. T. Val. 10ª Emissão 20/02/2004 | 31 250 000 | 100.00 | 0.01 | | 312 500 |
| Sodim 07V | 178 960 | 4.99 | 4.77 | 4.99 | 853 757 |
| Somague SGPS 16/05/2005 Frn | 1 279 | 4.99 | 4.97 | 4.92 | 6 355 |
| Somague SGPS 29/04/2004 | 150 000 | 2.50 | 2.49 | 2.50 | 374 207 |
| Sonae | 300 010 | 49.88 | 49.85 | 49.85 | 14 955 356 |
| Sonae Invest 24/10/2007 | 11 886 353 887 | 0.01 | 0.01 | 0.01 | 118 863 539 |
| Tecnovia 31/01/2004 - 8% | 40 000 | 0.88 | 0.88 | | 35 150 |
| Unicer Pc 3ª Emissão - 12/03/2004 | 6 000 000 000 | 100.00 | 0.01 | | 60 000 000 |
| Non-resident entities | | | | | 2 482 924 103 |
| Issued by international financial organisations | | | | | 152 601 290 |
| Bonds | | | | | 152 601 290 |
| BEI 12/02/2004 - 12.25% | 3 900 | 498.80 | 498.80 | 502.55 | 1 945 304 |
| BEI 15/03/2005 | 4 616 600 | 4.99 | 4.99 | 4.98 | 23 059 024 |
| BEI 15/12/2006 | 58 500 | 498.80 | 499.18 | 497.40 | 29 202 263 |
| Eurofima 17/08/2004 | 2 500 | 498.80 | 498.74 | 497.85 | 1 246 841 |
| Eurofima 2004 | 15 000 | 498.80 | 498.80 | 497.85 | 7 481 968 |
| Eurofima 2005 | 10 000 | 498.80 | 498.80 | 497.80 | 4 987 979 |
| Eurofima 2007 | 4 100 000 | 4.99 | 4.99 | 4.99 | 20 450 868 |
| Eurofima 23/08/2006 Frn | 500 | 2 582.28 | 2 565.35 | 2 560.27 | 1 282 678 |
| Eurofima 97/07 | 124 699 474 | 0.01 | 0.01 | 0.01 | 1 247 880 |
| Int Americ 09/10/2018 Frn | 5 000 | 516.46 | 527.27 | 446.38 | 2 636 316 |
| Int Americ 26/09/2007 | 48 250 | 498.80 | 498.66 | 499.22 | 24 060 170 |
| Invest. Grade Eur. 46 19/10/2005 | 100 | 100 000.00 | 100 000.00 | 101 153.30 | 10 000 000 |
| Invest. Grade Eur. 51 19/10/2005(Subst.Xs0169178778) | 100 | 100 000.00 | 100 000.00 | 100 971.50 | 10 000 000 |
| Invest. Grade Eur. 55 19/10/2005 | 100 | 100 000.00 | 100 000.00 | 101 153.30 | 10 000 000 |
| Invest. Grade Eur. 42 19/10/2005 | | 100 000.00 | 100 000.00 | 100 971.50 | 5 000 000 |
| Other non-residents | | | | | 2 330 322 812 |
| Short term maturity | | | | | 19 779 856 |
| Certificates of Deposit | | | | | 19 779 856 |
| Canadian Imperial Bank of Commerce | 1 | 19 795 000.00 | 19 779 856.24 | 19 780 006.48 | 19 779 856 |
| Medium and long term maturity | | | | | 2 310 542 956 |
| Other bonds | | | | | 2 164 058 614 |
| Abbey National Treasury | 6 362 | 1 000.00 | 1 000.00 | 1 042.57 | 6 362 000 |
| ABN - Amro Bank | 1 | 10 197 000.00 | 10 197 000.00 | 10 197 000.00 | 10 197 000 |
| Achm Hyp 18/05/2006 | 5 000 | 1 000.00 | 999.02 | 999.01 | 4 995 091 |
| Achm Hyp 27/09/2005 Frn | 5 000 | 1 000.00 | 999.33 | 1 000.02 | 4 996 669 |
| Achmea Hypothbk Nv. The Hague | 1 000 | 10 000.00 | 9 988.50 | 10 000.19 | 9 993 337 |
| Alliance & Leic Plc | 1 000 | 10 000.00 | 9 990.40 | 10 001.53 | 9 991 146 |
| Alliance & Leic Plc 12/08/2008 Frn | 10 000 | 1 000.00 | 999.11 | 1 000.15 | 9 991 146 |
| Alliance & Leic Plc 27/01/2006 Frn | 5 000 | 1 000.00 | 998.45 | 999.02 | 4 992 265 |
| Allmeric G Fund 25/04/2005 - 5.52% | 5 000 | 1 000.00 | 998.76 | 981.01 | 4 993 799 |
| Alpha Credit Grp | 3 000 | 1 000.00 | 1 000.48 | 1 001.68 | 3 001 447 |
| Ameriquest Mortgage Corp. - 600413 | 1 | 2 160 828.30 | 2 160 828.30 | 2 163 529.34 | 2 160 828 |
| Anglo Irish Bank Corporation Plc, Dublin | 20 000 | 1 000.00 | 999.71 | 1 000.28 | 19 994 217 |
| Arg Funding Corp. - 03101000001 | 1 | 3 959 000.00 | 3 959 000.00 | 3 959 000.00 | 3 959 000 |
| Argent. Global Finance 11/07/2007 | 1 000 | 498.80 | 498.68 | 499.05 | 498 678 |
| Argent. Global Finance 20/11/2007 Frn (Ex-Zc) | 270 | 3 701.03 | 3 701.03 | 3 813.05 | 999 278 |
| Argent. Global Finance 27/02/2007 | 12 500 | 498.80 | 498.78 | 536.07 | 6 234 764 |
| Argent. Global Finance Euro Med Nts 27/02/07 | 1 500 | 498.80 | 498.69 | 536.07 | 748 038 |

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(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Argent. Global Finance Ltd | 12 500 | 498.80 | 498.80 | 495.46 | 6 234 974 |
| Asset Backed Eur. 5 18/10/2006 | 100 | 100 000.00 | 100 000.00 | 100 151.40 | 10 000 000 |
| AXA Uap | 15 244 901 | 1.00 | 1.00 | 1.00 | 15 244 901 |
| B Safra 29/05/2006 | 5 000 | 498.80 | 498.67 | 455.16 | 2 493 351 |
| Banca di Roma | 5 000 | 1 000.00 | 999.29 | 1 000.31 | 4 996 425 |
| Banca Intesa Spa Milan | 18 000 | 1 000.00 | 1 000.57 | 1 001.60 | 18 010 346 |
| Banca Lombarda 28/01/2005 Frn | 5 000 | 1 000.00 | 999.78 | 1 001.49 | 4 998 906 |
| Banca Pop Verona 14/10/2008 Frn | 5 000 | 1 000.00 | 997.71 | 997.49 | 4 988 547 |
| Banca Popolare Di Lodi 2004 | 5 900 | 1 000.00 | 999.57 | 1 000.63 | 5 897 450 |
| Banca Popolare Di Verona | 5 000 | 1 000.00 | 997.61 | 997.49 | 4 988 547 |
| Banca Popolare Di Bergamo | 1 000 | 10 000.00 | 9 982.00 | 10 013.62 | 9 994 342 |
| Banca Sella Spa Biella | 5 000 | 1 000.00 | 998.40 | 1 000.63 | 4 998 591 |
| Bancaja International Finance | 1 500 | 7 917.66 | 7 892.72 | 7 922.22 | 11 861 037 |
| Bancaja International Finance 22/01/2007 Frn | 50 | 100 000.00 | 100 000.00 | 100 076.45 | 5 000 000 |
| Bancaja International Finance 22/01/2008 Frn | 100 | 100 000.00 | 99 886.38 | 100 049.29 | 9 988 638 |
| Banco Bandeirantes - Euro Notes | 8 855 | 7 918.00 | 7 995.60 | | 70 113 890 |
| Banco Banif Cayman | 10 000 | 1 000.00 | 998.59 | 997.50 | 9 985 933 |
| Banco BPI 06/06/2005 Frn | 5 000 | 1 000.00 | 998.94 | 999.56 | 4 994 680 |
| Banco BPI, SA - Georgetown | 10 000 | 500.00 | 499.11 | 499.88 | 4 995 842 |
| Banco BPI, SA (Cayman) 03/05/2006 | 10 000 | 1 000.00 | 1 000.16 | 999.76 | 10 001 599 |
| Banco BPI, SA - Georgetown (Ex-BFB) | 5 000 | 1 000.00 | 998.65 | 998.52 | 4 993 352 |
| Banco Santander Central Hispano Int | 5 000 | 791.77 | 790.93 | 792.21 | 3 957 638 |
| Banco Santander, SA | 1 500 000 | 4.99 | 4.99 | 4.98 | 7 481 968 |
| Banco Totta & Açores, London | 5 000 | 1 000.00 | 999.31 | 997.40 | 4 996 710 |
| Banco Totta & Açores, London 28/11/2005 Frn | 5 000 | 1 000.00 | 999.34 | 997.40 | 4 996 710 |
| Banif Cayman | 4 000 | 1 000.00 | 998.60 | 998.20 | 3 994 389 |
| Bankgesellschaft Berlin Ag | 5 | 740 466.49 | 740 466.49 | 735 888.93 | 3 702 332 |
| Banque Federative Du Credit Mutuel - Strasbourg | 800 | 7 917.66 | 7 893.11 | 7 921.68 | 6 325 952 |
| Banque Psa Finance, Paris | 3 000 | 1 000.00 | 998.07 | 998.91 | 2 994 888 |
| Banque Psa Finance, Paris 16/07/2007 Frn | 3 000 | 1 000.00 | 998.30 | 998.91 | 2 994 888 |
| Banque Psa Finance, Paris 16/07/2006 | 3 000 | 1 000.00 | 998.27 | 998.91 | 2 994 806 |
| Banque Sofinco | 10 000 | 1 000.00 | 999.31 | 1 000.72 | 9 998 386 |
| Bayerische 07/07/2004 | 13 000 | 1 000.00 | 1 000.00 | 999.50 | 13 000 000 |
| Bayerische Hypo-Und Vereinsbank Ag Muenche | 10 000 | 1 000.00 | 999.12 | 1 000.04 | 9 991 762 |
| Bayerische Landesbank - 600316 | 1 | 7 918 000.00 | 7 918 000.00 | 7 918 791.80 | 7 918 000 |
| Bco Santander Centr. Hisp. Intl. - 600361 | 1 | 3 959 000.00 | 3 958 013.17 | 3 959 000.00 | 3 958 013 |
| BCP Finance Bank | 5 000 | 1 000.00 | 998.54 | 1 000.57 | 4 994 099 |
| BCP Finance Bank 05/06/2006 Frn | 3 000 | 1 000.00 | 998.82 | 1 000.57 | 2 996 460 |
| BES Finance | 2 000 | 1 000.00 | 998.93 | 999.78 | 1 997 855 |
| BGB F 27/02/2004 | 1 000 | 498.80 | 498.80 | 502.61 | 498 798 |
| BGB Finance Ireland/2004 | 24 000 | 498.80 | 498.80 | 498.80 | 11 971 150 |
| BHF - Finance Nv Amsterdam | 2 710 | 1 343.18 | 1 343.18 | 1 416.63 | 3 640 027 |
| Boats Caravela Lux Frn 3.542% - 19/08/2004 | 117 977 001 | 0.33 | 0.33 | 0.33 | 38 860 200 |
| Boats Caravela Eur 15/05/2011 | 352 939 467 | 1.00 | 1.00 | | 351 882 846 |
| Boats Caravela Usd 15/05/2011-03 | 10 000 | 791.77 | 745.69 | | 7 456 904 |
| Boats Caravela Usd 15/05/2011-08 | 705 | 791.77 | 745.69 | | 525 713 |
| Boats Caravela Usd 15/05/2011-09 | 19 114 | 791.77 | 745.69 | | 14 253 127 |
| Boats Caravela Usd 15/05/2011-10 | 22 832 | 791.77 | 745.69 | | 17 025 603 |
| Boats Caravela Usd 15/05/2011-11 | 2 200 | 791.77 | 745.72 | | 1 640 587 |
| Boats Caravela Usd 15/05/2011-Tp | 39 289 815 | 0.79 | 0.75 | | 29 298 745 |
| Bonos Ico | 2 300 | 1 000.00 | 1 143.40 | 1 107.80 | 2 520 200 |
| Bonos Ico | 2 850 | 1 000.00 | 1 195.24 | 1 205.60 | 3 226 922 |
| Bradford & Bingley Bldg Scty | 1 000 | 10 000.00 | 9 984.00 | 9 973.11 | 9 985 323 |
| Bradford & Bingley 16/01/2008 | 500 | 10 000.00 | 9 982.24 | 9 973.11 | 4 991 122 |
| British American Tobacco Intl. Fin. 0306V | 2 000 | 1 000.00 | 997.81 | 1 005.50 | 1 995 629 |
| British American Tobacco Intl. Fin. 03/04/2006 Frn | 3 000 | 1 000.00 | 997.81 | 1 005.93 | 2 993 428 |
| Bulgarian Foreign Trade Bank 28/07/2011 | 2 | 197 867.81 | 185 006.27 | 181 306.28 | 370 013 |
| Bulgarian Foreign Trade Bank 28/07/2012 | 8 | 197 840.87 | 169 648.52 | 166 866.31 | 1 357 188 |
| Cabral N° 1 Ld | 19 200 | 4.99 | 1 068.79 | | 20 520 787 |
| Caisse Cent Cred Im 29/01/2007 | 1 000 | 10 000.00 | 9 992.46 | 10 005.67 | 9 992 457 |
| Caisse Centrale Du Credit Immobilier | 5 000 | 1 000.00 | 998.67 | 1 000.57 | 4 994 884 |
| Caixa Catalunya 03/08V | 5 000 | 1 000.00 | 998.52 | 997.70 | 4 992 622 |
| Caixa Catalunya Fin | 5 000 | 1 000.00 | 999.83 | 1 000.22 | 4 999 146 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Caixa Catalunya Intl. Fin 12/08/2008 | 5 000 | 1 000.00 | 998.09 | 999.15 | 4 991 192 |
| Caixa Catalunya Intl. Fin 14/02/2008 | 5 000 | 1 000.00 | 996.96 | 998.81 | 4 987 472 |
| Caixa Finance B.V. Amsterdam | 20 | 100 000.00 | 99 880.00 | 99 839.80 | 1 997 830 |
| Caixa Finance B.V. Amsterdam | 80 | 100 000.00 | 99 738.00 | 99 839.80 | 7 981 048 |
| Caixa Finance Bv 10/07/2008 Frn | 200 | 100 000.00 | 99 782.36 | 99 839.81 | 19 956 471 |
| Caixa Sabadell 2004 | 5 000 | 1 000.00 | 999.82 | 1 000.00 | 4 999 100 |
| Caja de Ahorros del Mediterraneo Global Finance | 10 000 | 791.77 | 789.71 | 792.29 | 7 912 393 |
| Caja Lab Fin 24/07/2006 Frn | 3 000 | 1 000.00 | 999.00 | 998.75 | 2 997 005 |
| Caja Laboral Finance Ltd Grand Cayman | 3 000 | 1 000.00 | 998.83 | 998.75 | 2 997 006 |
| Cam Global Finan.15/03/2007 Frn | 5 000 | 1 000.00 | 998.66 | 999.97 | 4 993 298 |
| Cam Global Financ 30/01/2008 Frn | 500 | 10 000.00 | 9 980.91 | 9 997.25 | 4 990 454 |
| Capitalia Spa (Ex. Banca DI Roma Spa) | 5 000 | 1 000.00 | 998.81 | 997.20 | 4 994 333 |
| Capitalia Spa 26/06/2006 Frn | 5 000 | 1 000.00 | 999.51 | 998.76 | 4 997 558 |
| Car Loan Invest-1 | 38 | 101 052.63 | 101 052.63 | 101 052.63 | 3 840 000 |
| Cassa Di Risparmio In Bologna Spa | 1 000 | 10 000.00 | 9 976.00 | 10 008.37 | 9 993 507 |
| Christiana Bank | 50 | 51 129.19 | 51 001.37 | 51 155.16 | 2 555 687 |
| Christiana Bank Og Kreditkasse | 500 | 7 917.66 | 7 904.99 | 7 929.18 | 3 956 643 |
| Cie Fin Foncier - Paris | 13 720 411 | 1.00 | 1.02 | 1.03 | 14 014 676 |
| Cie Fin Nouvel Gal. 07/07/2008 B | 2 000 | 1 000.00 | 1 002.71 | 1 003.45 | 2 005 425 |
| Cit Group Inc. - 600366 | 1 | 3 959 000.00 | 3 959 000.00 | 3 968 105.70 | 3 959 000 |
| Citicorp 28/09/2007 | 250 | 4 987.98 | 4 985.91 | 5 033.80 | 1 246 478 |
| Cofinoga | 5 000 | 1 000.00 | 1 002.90 | 1 003.38 | 5 013 350 |
| Cofinoga 99/06 | 12 500 | 1 000.00 | 999.41 | 1 000.28 | 12 492 579 |
| Comerica Bank - 600389 | 1 | 7 918 000.00 | 7 895 776.53 | 7 898 205.00 | 7 895 777 |
| Commerzbank - 600352 | 1 | 3 959 000.00 | 3 955 398.82 | 3 943 955.80 | 3 955 399 |
| Commerzbank Nv Amsterdam | 3 678 | 1 000.00 | 1 000.00 | 1 055.85 | 3 678 000 |
| Comp. Fin. Nou. Gale 27/02/2007 | 2 900 | 1 000.00 | 999.46 | 1 000.72 | 2 898 442 |
| Compagnie Bancaire | 5 000 | 791.77 | 789.55 | 792.25 | 3 957 610 |
| Compucredit Credit Card Master Trust - 600259 | 1 | 6 334 400.00 | 6 334 400.00 | 6 344 297.50 | 6 334 400 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2006 | 1 | 8 708.62 | 8 708.62 | 8 567.54 | 8 709 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2009 | 1 | 20 766.71 | 20 766.71 | 19 132.37 | 20 767 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2024 | 1 | 78 773.46 | 78 773.46 | 66 303.62 | 78 773 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2024 | 1 | 60 564.52 | 60 564.52 | 50 498.70 | 60 565 |
| Countrywide Home - 600337 | 1 | 3 959 000.00 | 3 959 000.00 | 3 981 091.22 | 3 959 000 |
| Coventry Building Society, Coventry | 6 000 | 1 000.00 | 999.10 | 999.36 | 5 994 603 |
| Credit Local France 23/09/2016 - 6% | 5 000 | 516.46 | 516.46 | 527.11 | 2 582 285 |
| Credit Local France/2007 | 1 000 000 | 4.99 | 4.99 | 7.63 | 4 987 979 |
| Credito Emiliano Spa | 600 | 5 000.00 | 4 995.50 | 5 003.49 | 2 999 548 |
| Cx Catalunya Int 03/04/2007 Frn | 5 000 | 1 000.00 | 998.62 | 1 000.22 | 4 993 110 |
| Cx Catalunya Int 12/08/2008 Frn | 10 000 | 1 000.00 | 998.24 | 999.15 | 9 982 384 |
| Daimlerchrysler | 10 000 | 1 000.00 | 999.88 | 1 008.61 | 9 998 790 |
| Daimlerchrysler 02/05 | 50 | 100 000.00 | 100 690.19 | 100 870.00 | 5 034 510 |
| Daimlerchrysler 04V | 50 | 100 000.00 | 100 000.00 | 100 000.00 | 5 000 000 |
| Daimlerchrysler 05/12/2005 Frn | 50 | 100 000.00 | 99 908.14 | 100 860.97 | 4 995 407 |
| De Nationale Investeringsbank Nv 25/07/08 | 10 000 | 1 000.00 | 998.33 | 999.25 | 9 984 763 |
| De Nationale Investeringsbank Nv 27/09/04 | 3 838 | 1 000.00 | 1 000.00 | 1 039.00 | 3 838 000 |
| Den Dansk Bank | 50 | 100 000.00 | 99 761.00 | 99 865.20 | 4 989 886 |
| Den Norske Bank | 50 | 100 000.00 | 99 742.00 | 99 865.20 | 4 989 530 |
| Den Norske Bank 22/01/2008 Frn | 100 | 100 000.00 | 99 790.61 | 99 865.22 | 9 979 061 |
| Deutsche Apotheker Arz 2005 | 5 000 | 1 000.00 | 998.98 | 999.17 | 4 994 900 |
| Deutsche Bank Financial - 600317 | 1 | 7 918 000.00 | 7 918 000.00 | 7 918 791.80 | 7 918 000 |
| Dresdner/96 Cupão Zero | 1 478 | 4 987.98 | 4 987.98 | 4 961.06 | 7 372 233 |
| EFG Hellas Plc | 5 000 | 1 000.00 | 1 000.70 | 1 000.70 | 5 003 500 |
| EFG Hellas Plc 24/04/2006 Frn | 3 000 | 1 000.00 | 999.35 | 999.90 | 2 998 044 |
| EFG Hellas Plc London | 5 000 | 1 000.00 | 998.57 | 998.00 | 4 993 175 |
| Endesa 23/07/2004 | 480 | 10 000.00 | 9 987.67 | 9 999.70 | 4 794 081 |
| Erste Bank Der Oesterreichischen Sparkassen | 15 000 | 1 000.00 | 997.64 | 999.19 | 14 970 006 |
| Erste Bank Oest | 500 | 10 000.00 | 9 989.62 | 10 001.59 | 4 994 810 |
| Erste Oest Spark 28/03/2008 Frn | 15 000 | 1 000.00 | 998.00 | 999.19 | 14 970 007 |
| Esfsg Overseas Ltd | 5 000 | 511.29 | 511.33 | 506.18 | 2 556 632 |
| F Van La Bankeiers | 500 | 10 000.00 | 10 002.42 | 10 019.80 | 5 001 208 |
| F Van Lanschot Bankiers Nv | 300 | 10 000.00 | 9 985.50 | 10 019.83 | 2 996 591 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Fannie Mae | 2 | 7 918 000.00 | 7 918 000.00 | 7 695 266.66 | 15 836 000 |
| FCE Bank Plc | 5 000 | 1 000.00 | 993.05 | 998.98 | 4 965 266 |
| FCE Bank Plc | 1 000 | 1 000.00 | 997.15 | 999.00 | 997 152 |
| Federal Home Loan Bank - 600390 | 1 | 7 918 000.00 | 7 918 000.00 | 7 727 968.00 | 7 918 000 |
| FIH - Finance For Danish Industry - Euro Notes | 5 000 | 791.80 | 791.01 | 793.38 | 3 957 026 |
| Finance For Danish Industry | 3 000 | 1 000.00 | 998.15 | 999.01 | 2 995 112 |
| Finance For Danish Industry | 2 000 | 1 000.00 | 998.10 | 999.01 | 1 996 653 |
| Finance For Danish Industry | 5 000 | 1 000.00 | 998.00 | 999.01 | 4 991 193 |
| Finance For Danish Industry | 8 000 | 1 000.00 | 998.80 | 999.01 | 7 991 128 |
| Finance For Danish Industry 28/05/2008 Frn | 10 000 | 1 000.00 | 998.33 | 999.01 | 9 983 309 |
| Fokus Bank As Oslo | 500 | 7 917.66 | 7 900.24 | 7 925.45 | 3 956 754 |
| Ford Credit Austral | 1 000 | 1 000.00 | 998.57 | 1 002.00 | 998 568 |
| Ford Credit Europe Plc 16/02/2005 | 1 000 | 10 000.00 | 9 980.00 | 9 800.00 | 9 995 490 |
| Ford Credit Europe Plc 21/03/2006 | 5 000 | 1 000.00 | 995.90 | 979.00 | 4 990 906 |
| Ford Motor Credit 03/06 | 1 000 | 1 000.00 | 1 010.70 | 1 010.70 | 1 010 700 |
| Ford Motor Credit 17/05/2007 - 4.8% | 5 000 | 1 000.00 | 999.60 | 1 003.30 | 4 998 024 |
| Ford Motor Credit Co. - 600226 | 1 | 3 959 000.00 | 3 959 000.00 | 3 961 692.12 | 3 959 000 |
| Fortis Fin Nv 19/06/2006 Frna | 5 000 | 1 000.00 | 999.71 | 1 000.05 | 4 998 572 |
| France Telecom | 169 | 1 000.00 | 1 001.11 | 1 009.39 | 169 187 |
| France Telecom 28/01/2013 - 7.25% | 5 000 | 1 000.00 | 1 171.73 | 1 167.41 | 5 858 669 |
| France Telecom 14/03/2004 - 5.75% | 3 000 | 1 000.00 | 1 035.90 | 1 009.40 | 3 107 689 |
| Friesland | 5 000 | 1 000.00 | 1 001.38 | 1 002.30 | 5 006 888 |
| Galp 1A10V | 400 000 000 | 0.01 | 0.01 | 0.01 | 4 000 000 |
| Galp 1B10V | 200 000 000 | 0.01 | 0.01 | 0.01 | 2 000 000 |
| General Motors Canada 09/12/2008 Frn | 5 000 | 1 000.00 | 995.71 | 1 018.75 | 4 978 561 |
| General Motors Canada 05v | 3 000 | 1 000.00 | 1 017.00 | 1 017.00 | 3 051 000 |
| General Motors Canada 08v | 3 000 | 1 000.00 | 995.72 | 1 018.60 | 2 987 151 |
| General Motors Float 05 | 5 000 | 1 000.00 | 1 016.30 | 1 016.30 | 5 081 500 |
| Granities Mtg Plc 23/01/2043 Frn | 5 000 | 986.36 | 986.36 | 986.36 | 4 931 818 |
| Hfc Bank Plc | 63 | 100 000.00 | 99 886.73 | 100 716.50 | 6 292 864 |
| Huntington National Bank - 600332 | 1 | 3 959 000.00 | 3 956 322.93 | 3 959 000.00 | 3 956 323 |
| Ibercaja 29/05/2006 Frn | 10 000 | 1 000.00 | 998.60 | 998.86 | 9 985 965 |
| Ibercaja Finance Ltd Georgetown | 10 000 | 1 000.00 | 998.25 | 998.86 | 9 985 965 |
| Iberdrola International Bv | 10 000 | 1 000.00 | 992.00 | 1 024.44 | 9 956 835 |
| Ikb Deutsche Ind 05/09/2006 Frn | 500 | 10 000.00 | 9 998.34 | 10 014.35 | 4 999 170 |
| Ikb Deutsche Industriebank Ag, Dusseldorf | 5 000 | 1 000.00 | 998.80 | 996.80 | 4 994 164 |
| Ikbdeut 06V | 500 | 10 000.00 | 9 994.03 | 10 025.00 | 4 997 013 |
| Ing Bank/Int Nederlanden Bk | 200 000 | 45.38 | 45.38 | 48.60 | 9 075 604 |
| International Endesa Bv/2004 | 10 000 | 1 000.00 | 997.26 | 1 005.15 | 9 972 600 |
| Intesa Securities Spa Milano | 5 000 | 1 000.00 | 999.50 | 1 000.60 | 4 997 971 |
| Intesa Securities Spa Milano | 495 | 1 001.01 | 1 001.01 | 1 001.01 | 495 500 |
| Investkredit Ag | 4 000 | 1 000.00 | 999.56 | 999.83 | 3 998 238 |
| Irish Life & Perm 22/09/2006 Frn | 5 000 | 1 000.00 | 999.60 | 999.44 | 4 998 003 |
| Irish Permanent Plc, Dublin | 500 | 10 000.00 | 9 977.00 | 9 979.15 | 4 989 389 |
| Islandsbanki Hf - Reykjavik | 10 000 | 1 000.00 | 999.41 | 1 000.15 | 9 995 787 |
| Islandsbanki Hf Frn 06/06/2005 | 11 000 | 1 000.00 | 999.58 | 1 000.15 | 10 995 366 |
| J. Sainsbury/2005 | 232 | 49 879.79 | 49 874.64 | 49 879.79 | 11 570 917 |
| J. Sainsbury'S | 9 997 | 498.80 | 498.66 | 498.80 | 4 986 545 |
| Jyske Bank A/S 10/03/2008 Frn | 5 500 | 1 000.00 | 999.37 | 1 001.13 | 5 496 533 |
| Kaupthing Bank Hf 27/11/2006 Frn | 5 000 | 1 000.00 | 998.87 | 998.08 | 4 994 337 |
| Kaupthing Bank, Reykjavik (Bunadarbanki Isl) | 5 000 | 1 000.00 | 998.83 | 998.08 | 4 994 337 |
| Kbc Ifima Nv 13/03/2007 Frn | 5 000 | 1 000.00 | 998.81 | 1 000.79 | 4 994 050 |
| Kbc Internationale Fin | 5 000 | 1 000.00 | 998.40 | 1 000.79 | 4 994 023 |
| Key Bank N.A. - 600283 | 1 | 2 375 400.00 | 2 374 383.21 | 2 377 632.88 | 2 374 383 |
| Key Bank N.A. - 600284 | 1 | 1 583 600.00 | 1 582 920.53 | 1 585 088.58 | 1 582 921 |
| Key Bank N.A. - 600457 | 1 | 39 590 000.00 | 39 564 732.18 | 39 578 123.00 | 39 564 732 |
| Kfw Internacional Finance 13/02/2007 | 450 000 | 4.99 | 4.99 | 4.97 | 2 245 388 |
| Kfw Internacional Finance/2007 | 1 000 000 | 4.99 | 4.99 | 4.99 | 4 987 979 |
| Lafarge SA 04/12/2013 - 5.448% | 10 639 044 | 1.00 | 1.00 | 1.02 | 10 639 044 |
| Landsbanki Inslan 29/10/2007 | 10 000 | 1 000.00 | 998.15 | 999.14 | 9 981 546 |
| Landshypotek Ab Stockholm | 100 | 100 000.00 | 99 910.00 | 100 020.80 | 9 997 225 |
| Leonia Bank Plc | 10 000 | 1 000.00 | 997.60 | 1 000.30 | 9 997 544 |
| Macquarie Bank Ltd | 10 000 | 791.77 | 790.50 | 792.32 | 7 914 465 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|-------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Meridian Funding Co. - 031024I00001 | 1 | 3 959 000.00 | 3 959 000.00 | 3 944 153.75 | 3 959 000 |
| Merrill Lynch | 100 | 51 129.19 | 51 129.19 | 51 174.13 | 5 112 919 |
| Merrill Lynch & Co. - 600388 | 1 | 791 800.00 | 781 524.42 | 791 008.20 | 781 524 |
| Merrill Lynch Ny | 100 | 79 176.56 | 79 271.58 | 79 180.21 | 7 917 744 |
| Metfnl 06V | 920 000 000 | 0.01 | 0.01 | 0.01 | 9 283 986 |
| Mont. G. Caixa Economica - G. Cayman 26/11/2008 | 500 | 10 000.00 | 9 995.20 | 9 993.93 | 4 997 647 |
| Mont. G. Caixa Economica - G. Cayman 27/03/2006 | 50 | 100 000.00 | 99 760.00 | 100 089.90 | 4 994 637 |
| Mont. G. Caixa Econo. - Cayman Mog 26/11/2008 Frn | 500 | 10 000.00 | 9 995.29 | 9 993.93 | 4 997 647 |
| Monte dei Paschi di Siena | 10 000 | 1 000.00 | 999.60 | 999.85 | 9 996 808 |
| Morgan 06/02/2007 | 24 750 | 498.80 | 498.75 | 494.31 | 12 344 060 |
| Morgan Guaranty Trust 2007 | 10 000 | 498.80 | 498.80 | 494.31 | 4 987 979 |
| Morgan Stanley Group Inc Ny 20/01/2004 | 10 000 | 791.77 | 791.77 | 799.92 | 7 917 656 |
| Morgan Stanley Group Inc Ny30/04/2004 | 5 | 3 958 828.18 | 3 958 828.18 | 3 959 208.23 | 19 794 141 |
| Natexis Banques Populaires | 10 671 431 | 1.00 | 1.00 | 1.00 | 10 671 431 |
| National Grid 05V | 50 | 100 000.00 | 99 918.69 | 99 900.00 | 4 995 935 |
| Nationwide Anglia Bld Scty | 10 000 | 1 000.00 | 998.54 | 998.48 | 9 986 122 |
| Nationwide Bldg 03/11/2008 Frn | 5 000 | 1 000.00 | 998.61 | 998.48 | 4 993 061 |
| Nib Capital Bank 12/02/2008 Frn | 5 000 | 1 000.00 | 998.65 | 999.22 | 4 993 250 |
| Nib Capital Bank 16/02/2009 Frn | 75 | 100 000.00 | 100 000.00 | 99 700.00 | 7 500 000 |
| Nib-National Investor Capital Bank | 5 000 | 1 000.00 | 999.28 | 1 000.28 | 4 996 400 |
| Northern Rock Plc | 15 000 | 1 000.00 | 998.49 | 999.34 | 14 977 328 |
| Nostrum Consumer Finance, Plc 26/11/2015 Cl F | 262 500 000 | 0.01 | 0.01 | | 2 625 000 |
| Nostrum Mortgage 2003 - 1Plc 15/11/2046 Cl D | 400 000 000 | 0.01 | 0.01 | | 4 000 000 |
| Obligaciones Renfe Serie D 01/01/57 | 2 | 150.25 | 140.06 | 150.25 | 280 |
| Obrigações da Cimento 13/09/2004 | 104 980 | 3.32 | | 3.38 | 66 488 |
| Obrigações TDM 2001 | 20 000 | 3.32 | | 3.38 | 348 999 |
| Oester Kommunalk. Frn 14/09/2007 | 300 | 10 000.00 | 9 962.86 | 9 992.50 | 2 988 859 |
| Oesterreichische Kommunalkredit | 500 | 10 000.00 | 9 926.00 | 9 992.50 | 4 982 880 |
| Old National Bank - 600456 | 1 | 3 959 000.00 | 3 959 000.00 | 3 963 750.80 | 3 959 000 |
| Osterreichische Volksbanken Ag | 10 000 | 1 000.00 | 998.20 | 1 000.00 | 9 995 051 |
| OT Strip 98/04 (Luxemburgo) | 101 318 322 | 0.01 | 0.01 | 0.01 | 990 958 |
| Palazo Fin Tre 29/01/2018 Frn | 2 000 | 1 000.00 | 1 000.00 | 1 000.00 | 2 000 000 |
| Permanent Fin Plc 10/06/2042 4C | 10 | 500 000.00 | 500 748.04 | 500 000.00 | 5 007 480 |
| PNC Bank - 600140 | 1 | 791 800.00 | 791 429.68 | 792 702.65 | 791 430 |
| Portman Building Society | 300 | 10 000.00 | 9 993.00 | 9 997.68 | 2 998 064 |
| Portman Building Society 29/07/2008 Frn | 300 | 10 000.00 | 9 993.55 | 9 991.20 | 2 998 065 |
| Powergen Plc | 5 000 | 1 418.84 | 1 418.84 | 1 531.92 | 7 094 212 |
| Providian Gateway Master Tr. - 600285 | 1 | 791 800.00 | 788 273.24 | 790 067.94 | 788 273 |
| PT Int Finance 06/12/06 - 2% | 2 150 | 5 000.00 | 5 000.00 | 4 950.49 | 10 750 000 |
| Public Power Corporation | 1 620 | 5 000.00 | 4 996.50 | 4 982.74 | 8 097 436 |
| Quadrifoglio, Lecce | 17 | 98 752.94 | 98 752.94 | 98 698.92 | 1 678 800 |
| Renault Cre. Int. 19/06/2006 Frn | 3 000 | 1 000.00 | 998.31 | 1 000.40 | 2 994 931 |
| S George Bank 30/06/2008 Frn | 10 000 | 1 000.00 | 997.85 | 999.40 | 9 978 520 |
| Sabadel International Finance 12/11/2008 Frn | 10 000 | 1 000.00 | 998.14 | 998.24 | 9 981 423 |
| Sabadell International Finance, Amsterdam | 10 000 | 1 000.00 | 998.09 | 998.24 | 9 981 423 |
| Saecure 3 Bv 25/11/2070 Frn - C | 4 | 500 000.00 | 500 000.00 | 498 400.00 | 2 000 000 |
| Sainsbury | 100 | 49 879.79 | 49 879.79 | 49 879.79 | 4 987 979 |
| Sallie Mae - 600088 | 1 | 25 564.52 | 25 564.52 | 25 580.50 | 25 565 |
| Sallie Mae - 600092 | 1 | 2 979 216.68 | 2 963 489.48 | 3 008 077.84 | 2 963 489 |
| Scottish Power Plc, Glasgow | 10 000 | 511.29 | 511.29 | 540.69 | 5 112 919 |
| Sharp Brasil/2005 | 1 000 | 791.77 | 790.62 | 3.96 | 790 616 |
| Sns Bank Nederland Nv | 5 000 | 1 000.00 | 1 000.00 | 1 000.66 | 5 000 000 |
| Sns Bank Nederland. 18/09/2006 Frn | 10 000 | 1 000.00 | 999.56 | 1 000.66 | 9 995 552 |
| Snsbk 06V | 500 | 10 000.00 | 9 999.83 | 10 002.00 | 4 999 915 |
| Soc Gen Accpet 25/02/2014 - 6.631% | 7 500 | 1 000.00 | 1 004.20 | 833.80 | 7 531 499 |
| St George Bank 27/06/2007 Frn | 500 | 10 000.00 | 9 996.20 | 10 012.36 | 4 998 099 |
| St George Bank Ltd, Kogarah | 5 000 | 1 000.00 | 997.61 | 999.40 | 4 989 260 |
| St George Bank Ltd, Kogarah | 500 | 10 000.00 | 9 978.00 | 9 994.02 | 4 989 795 |
| Structured Asset Repack Trust - 600445 | 1 | 3 959 000.00 | 3 959 000.00 | 3 959 000.00 | 3 959 000 |
| Telecom Italia 05V | 300 000 000 | 0.01 | 0.01 | 0.01 | 3 011 329 |
| Telefonica NI | 452 | 4 987.98 | 5 039.33 | 5 047.83 | 2 277 778 |
| Telia Ab | 100 | 99 727.21 | 99 602.90 | 100 559.39 | 9 967 505 |

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(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-----------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Textron Financila Corp. - 600431 | 1 | 3 959 000.00 | 3 959 000.00 | 3 991 859.70 | 3 959 000 |
| Tpsa Eurof Bv 01/03/2006 -6.625% | 5 000 | 1 000.00 | 1 062.78 | 1 062.50 | 5 313 901 |
| UBN 03/08 | 5 000 | 1 000.00 | 998.07 | 998.10 | 4 990 339 |
| Unicaja International | 5 000 | 1 000.00 | 999.46 | 1 000.10 | 4 997 300 |
| Union Bank of Norway | 2 000 | 1 000.00 | 998.68 | 1 001.10 | 1 997 350 |
| Union Bank of Norway | 5 000 | 1 000.00 | 997.90 | 998.18 | 4 990 525 |
| Union Bank of Norway 04/07/2008 Frn | 10 000 | 1 000.00 | 998.10 | 998.18 | 9 981 049 |
| Union Creditos Imobiliarios 3 Frn | 34 | 23 329.02 | 28 563.47 | 23 329.02 | 971 158 |
| Union Feno Fin 09/12/2010 -5% | 40 | 100 000.00 | 99 485.67 | 101 322.13 | 3 979 427 |
| US Bank Na - 600185 | 1 | 3 959 000.00 | 3 958 515.28 | 3 958 604.10 | 3 958 515 |
| Van Lanschot Bankier 06V | 500 | 10 000.00 | 10 011.17 | 10 013.00 | 5 005 584 |
| Volkswagen Bank | 2 000 | 1 000.00 | 998.81 | 997.15 | 1 997 624 |
| Volkswagen Bank 27/06/2007 Frn | 2 000 | 1 000.00 | 998.95 | 997.15 | 1 997 908 |
| Volkswagen Bank Gmbh | 5 000 | 1 000.00 | 999.34 | 999.31 | 4 996 700 |
| Wachovia Bank Na. - 600391 | 1 | 7 918 000.00 | 7 918 000.00 | 7 925 918.00 | 7 918 000 |
| Washington Mutual Bank - 600241 | 1 | 3 167 200.00 | 3 167 200.00 | 3 171 000.64 | 3 167 200 |
| Westland/Utrecht Hypotheekbank | 10 000 | 1 000.00 | 998.70 | 1 000.41 | 9 998 122 |
| Westlb Finance Curacao Nv | 3 300 | 1 343.18 | 1 343.18 | 1 439.46 | 4 432 506 |
| Woolwich Plc | 1 000 | 10 000.00 | 10 000.00 | 10 012.51 | 10 000 000 |
| Yorkshire Building Society - London | 500 | 10 000.00 | 9 978.50 | 9 992.71 | 4 991 948 |
| Yorkshire Building Society 26/09/2007 Frn | 5 000 | 1 000.00 | 998.39 | 999.27 | 4 991 946 |
| Other securities | | | | | 146 484 342 |
| Banco Internacional de Funchal | | 99.86 | 99.85 | | 9 985 933 |
| Bonos Telecom Chile | 20 | 200 000.00 | 199 850.16 | 1 017.70 | 7 997 764 |
| Caisse Depots Et Consignations - Tdi | 4 658 | 15 244.90 | 15 244.90 | 15 244.90 | 71 010 744 |
| Cajasur Intl. Finance | | 10 000 000.00 | 9 995 940.00 | 1 001.25 | 9 997 443 |
| Commercial Plaza Securitisation, Ltd | | 25 602.22 | 25 602.22 | 25 602.22 | 4 787 616 |
| Deutsche Telekom | 5 000 | 1 000.00 | 999.46 | 1 003.60 | 4 997 291 |
| Metro Ag | 1 000 | 1 000.00 | 1 002.18 | 1 010.91 | 1 002 180 |
| Obgls. Firts Union Corp. | | 1 002.51 | 953.56 | 1 003.82 | 7 917 656 |
| Pagares Empresa (Union Fenosa) | | 29 000.00 | 28 678.00 | | 28 738 |
| Telecom Italia | 5 000 | 1 000.00 | 1 001.64 | 1 002.59 | 5 008 185 |
| Venetian Macau Finance Co | 30 000 | 791.69 | 791.69 | 791.69 | 23 750 793 |
| Variable-yield securities issued by resident entities | | | | | 387 342 809 |
| Equities | | | | | 88 946 760 |
| Banco Comercial Português | 45 479 | 1.00 | 4.98 | 1.77 | 226 394 |
| Banco Espírito Santo Nom | 3 000 | 5.00 | 15.07 | 13.00 | 45 222 |
| BPI, SGPS | 4 789 | 1.00 | 3.34 | 2.92 | 16 000 |
| Brisa Privatização | 451 780 | 1.00 | 4.75 | 5.30 | 2 145 955 |
| Cia Fiac Tec Torres Novas | 2 131 | 5.00 | 10.65 | | 22 695 |
| Cia Ind Prod Antibióticos | 19 212 | 5.00 | 7.79 | | 149 661 |
| Comundo Cons Mund Import Export | 86 | | 0.93 | | 80 |
| Corticeira Amorim | 1 333 | 1.00 | 1.79 | 1.15 | 2 385 |
| D. Pedro Hotéis | 100 | 5.00 | 4.63 | | 463 |
| EDM A | 510 000 | 5.00 | 5.00 | | 2 550 000 |
| EDM B | 490 000 | 5.00 | 5.00 | | 2 450 000 |
| EDP-Electricidade de Portugal | 2 420 000 | 1.00 | 3.02 | 2.09 | 7 306 134 |
| Emp Madeirense Tabacos | 21 | 5.00 | 4.98 | 4.98 | 105 |
| Fab Vasco Gama | 18 | 4.00 | 4.99 | | 90 |
| Fiac Algodão Coimbra | 100 | 4.00 | 3.94 | 0.90 | 394 |
| Gest Agro Pecuária | 22 | 4.00 | 4.98 | | 110 |
| Gestinsua | 1 187 | 5.00 | 4.99 | | 5 921 |
| Gestnave | 400 | 4.00 | 43.31 | | 17 325 |
| Grupo Dimensão | 5 | 4.00 | 4.99 | | 25 |
| Imob Aviz, SA | 20 | 4.00 | 4.99 | | 100 |
| Imovalor, SGII | 19 761 | 4.00 | 14.12 | | 279 025 |
| Ind. Fibras Madeira | 83 533 | 4.00 | 4.99 | | 416 830 |
| Jerónimo Martins | 10 000 | 5.00 | 31.69 | 10.46 | 316 864 |
| Marconi - Nom. | 10 | 5.00 | 31.42 | | 314 |
| Marconi - Port. | 223 | 5.00 | 31.31 | | 6 983 |
| Margueira | 10 837 | 4.00 | 4.99 | | 54 062 |
| Matur Empr Tur Madeira | 2 052 | 4.00 | 6.21 | | 12 743 |
| Modelo Continente | 384 269 | 1.00 | 2.41 | 1.42 | 927 625 |

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| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|-------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Nec (Ex Sistel Comun Autom Sistemas) | 30 800 | 4.00 | 4.99 | | 153 692 |
| Negócios Inov Tecnologias | 1 000 | 4.00 | 4.99 | | 4 990 |
| Nelson Quintas e Filhos | 1 100 000 | 4.00 | 55.75 | | 61 319 564 |
| Pararede, SGPS | 1 940 | 1.00 | 1.53 | 0.26 | 2 976 |
| Pema-Pesq. Empr. Min. Agro-Ind. Com. | 560 | 2.00 | 0.01 | | 3 |
| PGS- Soc. Prom. Gest. Áreas Ind. Serv. | 4 500 | 5.00 | 4.99 | | 22 446 |
| Pirites Alentejanas | 236 401 | 5.00 | 3.73 | | 881 491 |
| Portucel | 729 758 | 4.99 | 1.24 | 1.40 | 904 243 |
| Portucel | 4 900 | 1.00 | 1.45 | 1.40 | 7 095 |
| Portugal Telecom | 189 963 | 1.00 | 7.19 | 7.98 | 1 365 224 |
| Procapital Inv. Imob. | 206 942 | 1.00 | 9.05 | | 1 872 825 |
| Pt Multimedia | 199 879 | 0.50 | 17.15 | 15.40 | 3 427 029 |
| Salvane Imob. | 13 | 4.00 | | | |
| Salvor - Soc. Inv. Hoteleiros | 212 | 4.00 | 15.25 | | 3 233 |
| Sanjimo Imob. | 3 227 | 4.00 | | | |
| Secla | 49 740 | 4.00 | 4.99 | | 248 286 |
| Semapa, SGPS | 30 000 | 1.00 | 4.01 | 3.46 | 120 330 |
| Soc. Com. Turismo | 5 | 14.00 | 0.11 | | 1 |
| Soc. Ind. Farmacêutica | 8 | 4.00 | 60.47 | 4.99 | 484 |
| Soc. Port. Empreendimentos | 253 | 4.00 | 1.00 | | 253 |
| Sociedade Turística Penina | 3 | 1.00 | | | |
| Sonae, SGPS | 415 372 | 1.00 | 0.83 | 0.66 | 344 759 |
| Sorefame - Soc. Reun. Fab. Metálicas | 171 | 4.00 | 9.99 | 4.99 | 1 708 |
| Telecomun. Gestão e Participaç. | 7 864 | 1.00 | | | |
| Telev. Independente | 168 | 5.00 | 63.44 | | 10 658 |
| Telev. Independente Pref. | 1 | 5.00 | 63.82 | | 64 |
| Text. Lopes Costa | 79 650 | 1.00 | 10.00 | | 796 172 |
| Valbopan Fib. Mad. | 49 152 | 4.00 | 4.99 | | 245 268 |
| Vista Alegre | 67 020 | 1.00 | 3.89 | 0.76 | 260 460 |
| Participating bonds | | | | | 9 251 943 |
| CPP Perpétua | 366 198 462 | 0.01 | 0.01 | 0.01 | 3 457 153 |
| CPP/88 | 658 116 938 | 0.01 | 0.01 | 0.01 | 5 794 790 |
| Trust fund units | | | | | 289 144 106 |
| Caixa Tesouraria | 9 910 | 5.00 | 5.00 | | 49 579 |
| Caixagest Acções Europa | 1 490 847 | 4.99 | 13.05 | 7.55 | 19 449 900 |
| Caixagest Acções Europa (Ex. BNU Internacional) | 10 000 | 4.99 | 15.15 | 10.94 | 151 501 |
| Caixagest Acções Japão | 5 000 | 4.99 | 4.00 | 2.65 | 19 987 |
| Caixagest Acções Oriente | 303 455 | 4.99 | 2.99 | 2.78 | 906 724 |
| Caixagest Eur Acções | 1 500 000 | 4.99 | 4.99 | 3.03 | 7 481 968 |
| Caixagest Eur Obrigações | 2 482 454 | 4.99 | 5.41 | 5.86 | 13 421 242 |
| Caixagest Maximizer 2008 | 917 060 | 5.00 | 5.00 | 5.42 | 4 585 300 |
| Caixagest Maximizer 2008 II GC | 1 130 558 | 5.00 | 5.00 | 5.06 | 5 652 790 |
| Caixagest Moeda | 9 363 505 | 4.99 | 6.62 | 6.64 | 61 957 816 |
| Caixagest Selecção 2006 | 211 288 | 5.00 | 5.00 | 5.06 | 1 056 440 |
| Frie Comercio CGD Capital | 120 | 24 939.00 | 24 939.89 | 25 920.72 | 2 992 787 |
| Frie Grupo CGD - Promindústria | 2 | 49 879.79 | 49 879.79 | | 99 760 |
| Frie Grupo CGD Promindústria | 1 198 | 49 879.00 | 49 879.79 | 46 062.02 | 59 755 988 |
| Fundo Capital Risco PME CGD Cap Frdp | 70 | 24 939.00 | 24 939.89 | 16 672.55 | 1 745 792 |
| Fundo Capital Risco PEDIP CGD Cap Frdp | 240 | 24 939.00 | 24 939.89 | 17 530.24 | 5 985 574 |
| Fundo de Pensões Caixa Reforma Activa | 653 | 10.62 | 10.66 | | 6 967 |
| Fundo Margueira Capital A | 9 510 441 | 1.00 | 4.99 | 4.99 | 47 437 880 |
| Fundo Turístico II | 129 307 | 50.00 | 52.20 | 56.28 | 6 749 989 |
| Fundo Turístico SGFII | 1 149 900 | 4.00 | 4.99 | 6.16 | 5 735 865 |
| Fundos Lux-Cx Europa Acções | 1 760 035 | 5.00 | 5.00 | 2.98 | 8 800 175 |
| UP Fundimo | 5 291 911 | 4.99 | 6.63 | 7.65 | 35 100 082 |
| Non-resident entities | | | | | 27 057 333 |
| Equities | | | | | 24 304 833 |
| Acções Telebrás | 3 894 | 0.27 | 0.28 | | 1 087 |
| Acuity Group Ltd | 9 092 200 | | | 0.01 | 70 793 |
| Altadis | 67 515 | 1.00 | 19.26 | 22.50 | 1 300 504 |
| BBVA | 266 667 | 1.00 | 9.73 | 10.95 | 2 593 968 |
| Boston Western Cape | | | 0.12 | 0.12 | |
| Chesterton Industries (Pty) Ltd | 6 250 | | | 1.59 | 9 936 |

Schedule of Securities and Investments as at 31.12.03
(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---------------------------------------|------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Corpcapital Ltd. | 2 915 | | 0.23 | 0.23 | 669 |
| Cycad Financial Holdings | 1 633 331 | | | | 3 443 |
| Dandy Shelf #3 | 20 | 0.12 | 1 998.00 | 1 998.00 | 39 960 |
| Deutsche Telekom N | 1 326 | 1.00 | 14.57 | 14.51 | 19 323 |
| Diamang | 3 400 | 1.00 | 1.13 | | 3 847 |
| Ence Grupo Empresarial, SA | 195 000 | 1.00 | 15.00 | 17.15 | 2 925 000 |
| Endesa | 25 000 | 1.00 | 20.06 | 15.25 | 501 506 |
| Euficash Sicav A | 272 | 1 000.00 | 1 027.73 | 2 063.58 | 279 542 |
| Euficash Sicav B | 284 | 1 000.00 | 1 008.33 | 939.74 | 286 366 |
| Eufinvest Sicav A | 6 432 | 100.00 | 117.45 | 231.27 | 755 422 |
| Eufinvest Sicav B | 6 706 | 100.00 | 112.05 | 194.12 | 751 408 |
| Eufirent Sicav A | 5 329 | 100.00 | 102.18 | 250.19 | 544 528 |
| Eufirent Sicav B | 5 313 | 100.00 | 100.40 | 126.69 | 533 430 |
| Europa & Cia | 12 069 | 1.00 | 2.49 | 3.24 | 30 052 |
| Finangola SA Ex-Petrofina | 3 | 4.00 | 11.29 | | 34 |
| Finangola SA Ex-Petrofina Nom | 3 414 | 4.00 | 2.75 | 5.49 | 9 375 |
| Fundos Lux- Cx Obrigações | 500 000 | 1.00 | 4.99 | 5.89 | 2 493 989 |
| Fundos Lux- Europa Acções | 250 000 | 1.00 | 4.99 | 2.98 | 1 246 995 |
| Fundos Lux- Cx Tesouraria | 251 762 | 1.00 | 5.00 | 5.81 | 1 259 575 |
| GDI Share - Guangdong Investment, Ltd | 2 349 994 | 2.02 | 2.02 | 0.12 | 4 756 700 |
| Grupo Auxiliar Metalúrgico | 1 000 | 1.00 | 20.63 | 26.09 | 20 627 |
| Hkprop - Hk Property | 209 141 | 2.02 | 2.02 | | 423 329 |
| JD Group | | | 5.07 | 5.07 | 5 068 |
| Lonmin Plc | | | 15.61 | 15.61 | 219 |
| Microsoft Corporation | 2 000 | 0.79 | 28.74 | 21.66 | 57 482 |
| N1 Mac Trust | | | | | 61 030 |
| Newco - Guangdong Alliance Ltd | 209 141 | 2.02 | 2.02 | | 423 329 |
| NFC Distributors (Pty) Ltd | 500 | | | 40.61 | 20 307 |
| Onelogix Group | 145 470 | | 0.01 | 0.01 | 1 398 |
| Rand Leases | 400 | | 0.13 | 0.13 | 52 |
| Repsol Intl Pr | 80 000 | 0.79 | 19.79 | 19.84 | 1 583 531 |
| Repsol Ypf | 16 500 | 1.00 | 8.68 | 15.46 | 143 296 |
| Sentra Beleggings | 5 224 | 0.12 | 0.34 | 0.34 | 1 797 |
| Simeón Inversiones C.A. | | 500.00 | 0.38 | | 343 |
| Simeón, SA de C.V. | 6 000 | 1.00 | 7.84 | | 47 068 |
| Statman Investments | 675 000 | | 0.58 | 0.58 | 388 604 |
| Suez Cie Lyonnaise Des Eaux | 12 765 | 1.00 | 23.27 | 15.93 | 297 101 |
| SWIFT (Pty) Ltd | | | | | 65 257 |
| Tax Information Services | 143 | 0.12 | 379.62 | 379.62 | 54 285 |
| Ventel | 354 277 | | 0.01 | 0.01 | 4 818 |
| WATERCO - Water Co. | 79 473 | 2.02 | 2.02 | | 160 864 |
| WB Building Trust | | | | | 127 576 |
| Participating bonds | | | | | 179 970 |
| Corporate Preference Shares | 11 100 000 | | 0.02 | 0.12 | 179 970 |
| Trust fund units | | | | | 2 572 530 |
| Afianzamientos De Galicia S.G.R. | 500 | 120.20 | 120.20 | | 60 101 |
| Barnices Y Pinturas, SA | 100 | 60.10 | 60.22 | | 6 022 |
| Bolsa Y Mercados Españoles | 1 | 10 000.00 | 10 000.00 | 100.00 | 10 000 |
| Club de Tenis Cabezarubia | | 1.00 | 4 507.59 | 4 507.59 | 4 508 |
| Club de Tenis Villanueva de la Serena | | 1.00 | 901.52 | 901.52 | 902 |
| Club Financiero de Vigo | 1 | 17 729.86 | 17 729.86 | | 17 730 |
| Eurocard España S.C. | 60 | 60.10 | 60.10 | | 3 606 |
| Feisa | | 6.01 | 6.01 | | 601 |
| Fondo Luso Garantizado 2004 Fim | | 6.77 | 6.77 | 6.60 | 757 035 |
| Fundo Inv. Cap Risco Emp. Mocambiq. | | 0.79 | 7 917.66 | 7 917.66 | 1 583 531 |
| Inmobiliária Gallega, SA | | 6.01 | 4.24 | | 637 |
| Norba Club de Golf | | 1.00 | 2 404.05 | 2 404.05 | 2 404 |
| Norba Club de Golf | | 1.00 | 4 808.10 | 4 808.10 | 4 808 |
| Real Club Celta de Vigo | 100 | 60.10 | 60.10 | | 6 010 |
| San Pelayo S.L. | 1 | 3 005.06 | 3 005.06 | | 3 005 |
| Servicios de Pagos Interbancários | 1 | 9 275.00 | 9 275.00 | 100.00 | 9 275 |
| Servired S.C. | 47 | 60.10 | 60.10 | | 2 825 |
| Sociedad E. de Médios de Pago S.C. | 57 | 60.10 | 60.10 | | 5 409 |

Schedule of Securities and Investments as at 31.12.03
(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|---|-------------|-----------------------|-----------------------|----------------------|-------------------------------------|
| Sogarpo S.G.R. | 750 | 120.20 | 116.84 | | 87 630 |
| Visa España S.C. | 79 | 60.10 | 60.10 | | 6 491 |
| Subordinated securities | | | | | 9 975 958 |
| Variable-yield securities | | | | | 9 975 958 |
| Banco Santander 2004 | 2 000 000 | 4.99 | 4.99 | 4.99 | 9 975 958 |
| C. Securities to be held to maturity | | | | | 2 548 941 |
| Other issuers | | | | | 2 548 941 |
| Issued by non-residents | | | | | 2 548 941 |
| Other non-residents | | | | | 2 548 941 |
| Medium and long term maturity | | | | | 2 548 941 |
| Other bonds | | | | | 2 493 989 |
| Bonos Banco Santander | 500 | 4 987.98 | 4 987.98 | 4 913.16 | 2 493 989 |
| Other securities | | | | | 54 952 |
| Banco Credito Local E/4-54 | 260 | 6.01 | 5.16 | 5.91 | 325 |
| Banco Credito Local E/4-56 | 525 | 6.01 | 5.16 | 5.55 | 2 614 |
| Banco Credito Local E/4-58 | 703 | 6.01 | 5.15 | 5.76 | 3 858 |
| Banco Credito Local E/5-54 | 250 | 6.01 | 5.02 | 5.70 | 1 216 |
| Banco Credito Local E/5-56 | 665 | 6.01 | 5.02 | 6.01 | 3 997 |
| Banco Credito Local E/5-58 | 978 | 6.01 | 5.02 | 6.01 | 5 181 |
| Clas. Bco. Credito Local E/59 | 516 | 6.01 | 6.01 | 5.53 | 3 095 |
| Clas. Bco. Credito Local E/60 | 1 495 | 6.01 | 6.01 | 5.50 | 8 985 |
| Clas. Bco. Credito Local E/60 | 753 | 6.01 | 6.01 | 5.41 | 4 526 |
| Clas. Bco. Credito Local E/61 | 3 439 | 6.01 | 6.01 | 4.96 | 17 965 |
| Clas. Bco. Credito Local E/61 | 21 | 6.01 | 6.01 | 4.51 | 126 |
| Clas. Bco. Credito Local E/62 | 512 | 6.01 | 6.01 | 4.96 | 3 065 |
| D. Matured securities and interest receivable to be adjusted | | | | | 9 342 587 |
| Total (A+B+C+D) | | | | | 7 986 818 394 |
| E. Investments | | | | | 3 340 754 445 |
| Investments in Group and associated companies | | | | | 406 069 596 |
| AdP-Águas de Portugal | | | | | 88 689 843 |
| BIST Príncipe | | | | | 976 217 |
| Companhia Papel do Prado | | | | | 1 237 236 |
| F.Turismo | | | | | 429 220 |
| GCI | | | | | 73 733 |
| Imobci | | | | | 77 550 |
| Locarent | | | | | 625 300 |
| Prado Karton-C.º de Cartão | | | | | 2 630 382 |
| Prado-Cartolinas da Lousã | | | | | 2 477 615 |
| REN | | | | | 169 473 282 |
| SIBS | | | | | 10 988 069 |
| Unibanco Holdings | | | | | 77 956 049 |
| Unibanco - União de Bancos Brasileiros | | | | | 50 435 100 |
| Investments in subsidiaries excluded from consolidation | | | | | 665 771 996 |
| Alesia | | | | | -3 552 874 |
| Cares | | | | | 8 731 349 |
| CGD Pensões | | | | | 4 117 584 |
| Fidelidade-Mundial | | | | | 678 846 146 |
| Garantia | | | | | 1 664 051 |
| Joffrin | | | | | -6 448 621 |
| Lusopensiones | | | | | 894 412 |
| Portal Executivo | | | | | -160 838 |
| Socimmobil | | | | | -9 255 204 |
| Wallace 1 | | | | | -5 649 287 |
| Wallace 2 | | | | | -3 414 722 |
| Other participating interests | | | | | 2 219 982 301 |
| In credit institutions in Portugal | | | | | 1 009 597 887 |
| Equities | | | | | 1 009 597 887 |
| BCP-Banco Comercial Português, SA | 194 635 125 | 1.00 | 5.19 | 1.77 | 1 009 597 887 |

Schedule of Securities and Investments as at 31.12.03
(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|---------------|--------------------|--------------------|-------------------|-------------------------------|
| In credit institutions overseas | | | | | 21 852 732 |
| Equities | | | | | 21 852 732 |
| CGD USA Holding Company Inc. | 969 166 | 0.01 | 20.90 | | 18 685 669 |
| CIFI, SA | 4 000 000 | 1.00 | | | 3 167 063 |
| In other companies in Portugal | | | | | 1 169 785 401 |
| Equities | | | | | 1 049 060 248 |
| Agência de Viagens Tagus | 304 946 | 1.00 | 1.47 | | 618 691 |
| Cabelte, Projectos Internacionais, SGPS, SA | 550 000 | 4.99 | 4.99 | | 2 744 500 |
| Companhia de Papel do Prado, SA | 3 735 | 5.00 | 14.36 | | 53 646 |
| Convento de Belmonte, Investimentos Turísticos, SA | 94 000 | 4.99 | 4.99 | | 469 060 |
| Cooperativa Sinfonia-Coop.Int.Públ., Lda | 1 000 | 2.49 | 2.49 | | 2 494 |
| DEFLOC-Locação de Equipamento de Defesa, SA | 2 375 | 10.00 | 10.00 | | 23 750 |
| EDP-Electricidade de Portugal, SA | 142 516 830 | 1.00 | 3.24 | | 462 066 118 |
| Fastaccess | 250 000 | 1.00 | | | 1 |
| Felino, Fundação e Construções Mecânicas, SA | 16 667 | 5.00 | 14.96 | | 249 404 |
| FIEP-Fundo P. Intern. Emp. Port. | 1 700 000 | 4.99 | 4.99 | | 8 479 600 |
| Finangeste-Emp.Financ.de Gestão e Desenvolvimento, SA | 247 375 | 5.00 | 17.62 | | 4 358 748 |
| FINPRO -Infraestruturas, SGPS, SA | 60 000 | 5.00 | 2.96 | | 177 867 |
| Fundição Fsm Internacional, SA | 50 000 | 4.99 | 4.99 | | 249 399 |
| GIMOB, SGPS, SA | 15 000 | 4.99 | 6.35 | | 95 291 |
| GESVRAL-Fábrica de Produtos de Grés, SA | 87 950 | 5.00 | 7.48 | | 658 039 |
| Grupo Pestana Pousadas - Investimento Turístico, SA | 500 000 | 5.00 | 4.39 | | 2 193 839 |
| HARIL-Soc.Desenv.Timor Lorosae, SGPS, SA | 10 000 | 49.88 | 49.88 | | 498 798 |
| Manuel Inácio & Filhos, SGPS, SA | 2 396 166 | 1.00 | 3.13 | | 7 500 000 |
| MTS Portugal-Soc.Gestora de Merc. Espec. Div. Púb, SGPS | 33 654 | 1.00 | 0.99 | | 33 197 |
| Plataforma, SGPS, SA | 200 000 | 5.00 | 5.00 | | 1 000 000 |
| PMH-Prod. Médico Hospitalares, SA | 79 900 | 5.00 | 5.00 | | 399 500 |
| Portugal Telecom, SGPS, SA | 51 706 738 | 1.00 | 9.25 | 7.98 | 478 037 268 |
| Portuvinus, SGPS, SA | 400 000 | 5.00 | 5.00 | | 2 000 000 |
| Prado - Cartolinas da Lousã, SA | 3 735 | 5.00 | 24.86 | | 92 863 |
| Prado Karton - Companhia de Cartão, SA | 3 735 | 5.00 | 28.99 | | 108 260 |
| Previsão-Soc.Gestora de Fundos Pensões, SA | 52 500 | 5.00 | 5.00 | | 262 350 |
| Pt Multimédia, SGPS | 1 823 649 | 0.50 | 26.20 | 15.40 | 47 779 604 |
| Pt Prime Tradecom | 1 700 000 | 0.50 | 0.69 | | 1 164 500 |
| SAG GEST, SGPS | 2 030 195 | 1.00 | 2.46 | 1.43 | 4 999 760 |
| SGPICE | 266 666 700 | 0.01 | 0.02 | | 559 740 |
| Sinalem, Sinalética Empresarial, SA | 87 151 | 1.00 | 1.00 | | 87 151 |
| Sodap - Soc.Desenv.Agric.Pescas, SGPS, SA | 30 000 | 4.99 | 4.99 | | 149 640 |
| Solidal | 460 000 | 4.69 | 12.50 | | 5 750 000 |
| Soset-Soc. Desenv.Reg.Penins. Setúbal, SA | 10 000 | 4.99 | 4.99 | | 49 900 |
| Subloc-Locação de Submarinos, SA | 2 500 | 10.00 | 10.00 | | 25 000 |
| Tagusparque-Soc. P. D. Parq. Ciência T. Área Met. Lisboa, SA | 435 000 | 5.00 | 4.99 | | 2 169 780 |
| Tegopi - Indústria Metalomecânica, SA | 47 097 | 5.00 | 20.00 | | 941 940 |
| Telepost-Serv. Correo Electr. Postal, SA | 360 000 | 1.00 | 2.49 | | 896 400 |
| Unicre-Cartão Internacional de Crédito, SA | 299 220 | 5.00 | 3.56 | | 1 065 256 |
| Unifer, Indústrias Metalúrgicas, SA | 47 250 | 4.99 | 3.33 | | 157 121 |
| Visabeira Indústria, SGPS, SA | 461 538 | 5.00 | 6.50 | | 2 999 997 |
| Vista Alegre Atlantis, SGPS, SA | 355 790 | 1.00 | 2.16 | 0.76 | 770 008 |
| Vista Alegre Atlantis, SGPS, SA (Fusão) | 4 977 330 | 1.00 | 1.43 | 0.76 | 7 121 770 |
| Quotas | | | | | 197 291 |
| Biomediche, Produtos Hospitalares, Terapêuticos e Cirúrgicos, Lda. | 3 | 226 953.04 | 44 930.25 | | 134 791 |
| Tecnijoma, Plásticos Técnicos, Lda. | 1 | 62 500.00 | 62 500.00 | | 62 500 |
| Other | | | | | 120 527 863 |
| Associação Tecnopolo de Coimbra | 2 493 | 1.00 | 1.00 | | 2 494 |
| INH-Instituto Nacional de Habitação | 4 152 492 493 | 0.01 | 0.03 | | 120 525 369 |
| In other companies overseas | | | | | 18 746 281 |
| Equities | | | | | 18 020 383 |
| Central Britagem Cabo Verde, SARL | 4 185 | 91.00 | | | 380 799 |
| BCI ALD, Lda | | | | | 1 330 |
| CSLINE | 2 400 | 91.00 | | | 218 400 |
| EUFISERV-European Savings Bank Fin.Services | 666 | 247.89 | 227.24 | | 151 339 |
| Euronext NV | 431 889 | 5.00 | 19.86 | | 8 577 316 |
| Euronext NV | 170 064 | 1.00 | 19.71 | 20.07 | 3 352 087 |

Schedule of Securities and Investments as at 31.12.03
(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost price | Quoted price/unit | Balance Sheet Carrying Amount |
|--|-----------|--------------------|--------------------|-------------------|-------------------------------|
| Frescomar, SARL | 40 000 | 9.10 | | | 364 000 |
| Interbancos | | | | | 216 406 |
| Macau Cable Tv, Lda. | 3 000 | 99.00 | 198.00 | | 594 000 |
| Mibh Controlling Consortium (Nominees) Pty Limited | 498 100 | 0.00 | | | 598 |
| PIM-Parque Industrial da Matola, SARL | 1 920 000 | 0.03 | 0.03 | | 66 796 |
| SCI-Imobiliária | | | | | 3 772 675 |
| SISP, SARL | | | | | 91 000 |
| SISP, SARL | 10 000 | 9.10 | 9.10 | | 91 000 |
| SITA, SARL | | | | | 15 925 |
| Sofaris | 4 | 49.55 | 49.55 | 49.44 | 198 |
| SWIFT-Soc. F. Worldwide Interbk Fin Tel., Ltd. | 94 | 123.95 | 577.28 | | 54 264 |
| Tudodirecto, SA | 250 | 91.00 | | | 22 750 |
| World Trade Centre | 750 | 99.00 | 66.00 | | 49 500 |
| Quotas | | | | | 170 161 |
| Andima | 1 | 524.94 | | | 525 |
| Bolsa de Mercadoria e Géneros Alimentícios | 1 | 545.80 | | | 546 |
| Centro Desportivo Kagim | | | | | 30 467 |
| Centro Produtiv e Trans Tecno Macau | 1 | 14 850.00 | 14 850.00 | | 14 850 |
| Cetip | 1 | 3 138.46 | | | 3 138 |
| Clube Comercial | 1 | 25.33 | | | 25 |
| Hortave | | | | | 45 709 |
| IPOR-Instituto Português do Oriente | 1 | 1 856.25 | 1 856.25 | | 1 856 |
| Kayarte, Lda. | | | | | 5 187 |
| Rádio Táxi, Lda | | | | | 43 107 |
| SEAP-Serviços Administração e Participações, Lda. | 250 | 99.00 | 99.00 | | 24 750 |
| Other | | | | | 555 737 |
| JETCO-Joint Electronic Teller Services, Ltd. | 8 | 69 467.06 | 69 467.06 | | 555 737 |
| Sociedade Agrícola e Património | 1 | 0.79 | | | 1 |
| Other investments | | | | | 48 930 552 |
| Subordinated loans | | | | | 203 940 |
| JETCO-Joint Electronic Teller Services, Ltd. | 1 | 203 940.00 | 203 940.00 | | 203 940 |
| Collateral/guarantee | | | | | 16 053 977 |
| Supplementary capital contributions | | | | | 1 947 355 |
| Biomediche, Produtos Hospitalares, Terapêuticos e Cirúrgicos, Lda. | | | | | 1 097 355 |
| PT Prime Tradecom | | | | | 850 000 |
| Shareholders' loans | | | | | 10 696 152 |
| Grupo Pestana Pousadas - Investimento Turístico, SA | | | | | 2 500 000 |
| PMH- Prod. Médico Hospitalares, SA | | | | | 119 519 |
| Portuvinus, SGPS, SA | | | | | 637 250 |
| SEAP-Serviços Administração e Participações, Lda. | | | | | 1 980 000 |
| Sinalempe Sinaléctica Empresarial, SA | | | | | 47 274 |
| Solidal, SA | | | | | 3 750 000 |
| Tecnijoma, Plásticos Técnicos, Lda. | | | | | 162 109 |
| Visabeira Indústria, SGPS, SA | | | | | 1 500 000 |
| Other | | | | | 20 029 127 |
| ACE Trem I | | | | | 5 699 430 |
| ACE Trem II | | | | | 14 098 590 |
| Felino-Fundição e Construções Mecânicas, SA | | | | | 91 665 |
| Sinalempe-Sinaléctica Empresarial, SA | | | | | 139 442 |
| TOTAL (A+B+C+D+E) | | | | | 11 327 572 839 |

K. External Auditor's Report

To the Shareholder and Board of Directors of Caixa Geral de Depósitos, SA
(Translation of a report originally issued in Portuguese – Note 38)
(Amounts expressed in thousands of Euro – € thousand)

Non-consolidated Accounts

1. We have audited the accompanying non-consolidated financial statements of Caixa Geral de Depósitos, SA ("Caixa" or "CGD"), which comprise the non-consolidated balance sheet as of December 31, 2003, the non-consolidated statements of income by nature and by functions and the non-consolidated statement of cash flows for the year then ended, and the respective notes. These financial statements are the responsibility of Caixa's Board of Directors. Our responsibility is to express a professional and independent opinion, based on our audit of those financial statements.

2. Our audit was performed in accordance with generally accepted auditing standards in Portugal, which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our audit included verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the estimates, based on criteria defined by Caixa's Board of Directors, used in their preparation. Our audit also included verifying the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and evaluating the adequacy of the overall presentation of the non-consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion, the financial statements referred to in paragraph 1 above, present fairly, in all material respects, for the purposes described in paragraph 4 below, the non-consolidated financial position of Caixa Geral de Depósitos, SA as of December 31, 2003 and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal for the preparation of non-consolidated financial statements of financial institutions.

4. The accompanying non-consolidated financial statements of Caixa have been prepared for approval by the Shareholder's General Meeting and to comply with the requirements of the Bank of Portugal. CGD's investments in subsidiary and associated companies are recorded at cost, in accordance with the accounting principles applicable to its non-consolidated financial statements. Caixa also presents consolidated financial statements, which reflect more fairly its financial position, results of operations and cash flows. The effect of the consolidation as of December 31, 2003 consists of an increase of € 2 382 719 thousand in assets, a decrease of € 920 142 thousand in reserves and an increase of € 107 043 thousand in net income for the year.

5. As further explained in Note 36, under the terms of the Contract of Association entered into with Unibanco – União de Bancos Brasileiros, SA in December 2000, CGD assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, SA. The amounts which CGD agrees to pay with respect to the contingencies that are currently being analysed, as well as other contingencies that may be claimed, net of the tax effect, will be recorded by corresponding utilisation of the Fund for general banking risks, and so will not affect net income for the years in which the payments will materialise.

6. As further explained in Note 2. f), in 2002 Bank of Portugal Notice 4/2002 of June 25, introduced a new methodology for determining unrealised losses on equity investments recorded as "Participating interests" and for the respective provisions to be recorded over a five or ten-year period, depending on the activity sector of the participated companies. The provisions recorded in 2003 under the new regime, net of reversals, amounted to € 40 878 thousand, € 40 391 having been charged to reserves in accordance with the transitory regime allowed by the above mentioned Notice (Notes 8 and 23). The provisions recorded in 2002 amounted to € 62 988 thousand, and were recorded by corresponding charge to reserves (Notes 8 and 23).

7. The non-consolidated financial statements for the year ended December 31, 2002 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. These financial statements were audited by us and our report thereon, dated March 20, 2003, included an emphasis paragraph relating to the matter referred to in paragraph 6 above.

Lisbon, March 19, 2004

The logo for Deloitte, written in a stylized, cursive script.

Consolidated Accounts 1. We have audited the accompanying consolidated financial statements of Caixa Geral de Depósitos, SA ("Caixa" or "CGD"), which comprise the consolidated balance sheet as of December 31, 2003, the consolidated statements of income by nature and by functions and the consolidated statement of cash flows for the year then ended and the respective notes. These consolidated financial statements are the responsibility of Caixa's Board of Directors. Our responsibility is to express a professional and independent opinion, based on our audit of those consolidated financial statements.

2. Our audit was performed in accordance with generally accepted auditing standards in Portugal, which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our audit included verifying, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the estimates, based on criteria defined by Caixa's Board of Directors, used in their preparation. Our audit also included verifying the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and evaluating the adequacy of the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

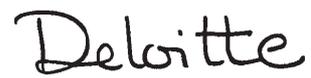
3. In our opinion, the consolidated financial statements referred to in paragraph 1 above present fairly, in all material respects, the consolidated financial position of Caixa Geral de Depósitos, SA as of December 31, 2003 and the consolidated results of its operations and its consolidated cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal for the banking sector.

4. As further explained in Note 36, under the terms of the Contract of Association entered into with Unibanco – União de Bancos Brasileiros, SA in December 2000, CGD assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, SA. The amounts which CGD agrees to pay with respect to the contingencies that are currently being analysed, as well as other contingencies that may be claimed, net of the tax effect, will be recorded by corresponding utilisation of the Fund for general banking risks, and so will not affect net income for the years in which the payments will materialise.

5. As further explained in Note 2. f), in 2002 Bank of Portugal Notice 4/2002 of June 25, introduced a new methodology for determining unrealised losses on equity investments recorded as "Other investments" and for the respective provisions to be recorded over a five or ten-year period, depending on the activity sector of the participated companies. The provisions recorded in 2003 under the new regime, net of reversals, amounted to € 30 155 thousand, € 34 007 thousand having been charged to reserves in accordance with the transitory regime allowed by the above mentioned Notice (Notes 10 and 23). The provisions recorded in 2002 amounted to € 55 780 thousand, of which € 50 163 thousand was recorded by corresponding charge to reserves (Notes 10 and 23).

6. The consolidated financial statements for the year ended December 31, 2002 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. These financial statements were audited by us and our report thereon, dated March 20, 2003, included two emphasis paragraphs, one relating to the matter referred to in paragraph 5 above, and the other relating to the impact, on the consolidated financial statements, of recording for the first time the investment in Unibanco – União de Bancos Brasileiros and Unibanco Holdings in accordance with the equity method.

Lisbon, March 19, 2004

The word "Deloitte" is written in a cursive, handwritten style.

L. Report and Opinion of Sole Auditor

Statement to Shareholders

1. Pursuant to the dispositions of articles 420 and 508 - D of the Commercial Companies Code our company is responsible for producing a report and issuing an opinion on the non-consolidated, and consolidated accounts of Caixa Geral de Depósitos, SA, for the year ended 31 December 2003.

2. We have continuously monitored the evolution of the company's operations and issued the monthly opinion referred to in sub-paragraph c) of no. 10 of Official Bank of Portugal Notice no. 12/92 of 22 December and the quarterly report referred to in no. 2 of article 6 of Decree Law 287/93 of 20 August, which latter report was sent to the offices of the Minister of Finance and Secretary of State for the Treasury and Finance and copied to the chairman of the board of directors of Caixa Geral de Depósitos, SA.

In performing our works, we have always been provided with the assistance of the board of directors and various company departments for the provision of information considered necessary.

3. We wish to make special reference to the following resolutions passed and /or implemented in the year ended:

(i) the two loan securitisation operations comprising the part sale of mortgage loans (€ 1 bn) and consumer finance (€ 400 m) portfolios, at their nominal value (no capital gains being generated by this operation), to the Nostrum Mortgages and Nostrum Consumer Finance securitisation funds, both managed by the same independent fund managers. The assigned contracts have been recognised in off-balance sheet accounts;

(ii) acquisition from CTT – Correios de Portugal, SA of 2 940 000 Banco Postal, SA shares comprising 49% of its share capital, for the amount of € 11 646 thousand, pursuant to which the bank is now a wholly owned CGD subsidiary. This year saw the approval of CGD's assimilation of Banco Postal, SA scheduled for 2004;

(iii) acquisition from Banco Totta & Açores, SA of 3 763 800 shares, comprising 30% of the share capital of Banco Internacional de São Tomé e Príncipe, SARL, for 950 000 dollars (€ 806 thousand);

(iv) acquisition from CTT – Correios de Portugal, SA, of 55 000 Esegur – Empresa de Segurança, SA shares comprising 10% of the company's share capital, for the amount of € 2 674 thousand, in which CGD now has an effective equity investment of 50%. The company processes the consolidated accounts using the proportional integration method;

(v) Caixa Participações, SGPS, SA, acquired 400 000 Caixa Crédito, SFAC, SA shares comprising 22.22% of its share capital for the amount of € 1 455 thousand, pursuant to which it now has an effective equity investment in the company of 88.89%;

(vi) Caixa Seguros, SGPS, SA, acquired 25 000 Cares – Companhia de Seguros, SA shares for € 396 thousand, increasing its effective equity investment to 98.33%;

(vii) liquidation of Cnufa – Sociedade Imobiliária, SA, generating capital gains of € 1 859 thousand;

(viii) demerger of Companhia de Papel do Prado, SA, into three companies, with the formation of Prado – Cartolinas da Lousã, SA and Prado Karton – Companhia do Cartão, SA, in which CGD and Caixa-BI have the same equity holding as in Companhia de Papel do Prado, SA, of 37.4% and 0.747% respectively;

(ix) increase of share capital of Lusogest, Sociedad Gestora de Instituciones de Inversión Colectiva, SA, for the amount of € 1 865 thousand, through the issue of 161 290 shares. The share capital increase was fully subscribed for and paid up by Caixa which now owns 71.28% of the company and in which the remaining 28.72% is held by Banco Siméon, SA; increase of share capital of Lusopensiones Sociedad Gestora de Fondos de Pensiones, SA, for the amount of € 158 thousand, through the issue of 26 260 shares with a nominal value of € 6.01 each. The share capital increase was fully subscribed for and paid up by Caixa which now owns 20.80% of the company, with the remaining 79.20% being held by Banco Siméon, SA. In early 2004, with the aim of repositioning itself in the Spanish funds industry the bank decided to concentrate operations on its commercialisation of funds on the Banco Siméon network. The equity investments in the said companies are expected to be disposed of;

(x) Disposal of 22 388 282 Galp Energia, SGPS, SA, shares comprising 13.50% of its share capital to REN – Rede Eléctrica Nacional, SA, for the amount of € 310 481 thousand, generating net capital gains of € 33 610 thousand (€ 26 888 thousand in the consolidated accounts);

(xi) resolution to liquidate Sogeste – Sociedade de Gestão de Participações, SA, pursuant to which Caixa was paid € 14 647 thousand in cash and 174 918 CEM – Companhia de Electricidade de Macao, SARL shares, which were afterwards disposed of for € 127 748 thousand. As a result of the said operations, Caixa made capital gains of € 14 647 thousand;

(xii) disposal of 633 573 740 ordinary shares in respect of the last tranche of the Banco Itaú, generating net capital gains of € 16 090 thousand, recognised in ‘gains arising from financial operations’;

(xiii) disposal of 194 635 125 subscription rights for Banco Comercial Português, SA’s share capital increase. These rights were sold for € 22 260 thousand and fully recognised as capital gains;

(xiv) disposal of equity investment in Brisa – Auto-Estradas de Portugal, SA to the Fundo de Pensões do Pessoal da Caixa for the amount of € 157 928 thousand, generating capital gains of € 128 748 thousand;

(xv) Banco Siméon, SA, through the issue of 2 781 729 shares with a nominal value of € 6.01 euros and a share issue premium of € 1.80 euros, increased its share capital by € 16 718 thousand, fully subscribed and paid up by Caixa.

(xvi) conversion of Locarent into a public limited liability company under the name Locarent – Companhia Portuguesa de Aluguer de Viaturas, SA, by splitting up and acquiring the Fidelidade-Mundial and Locapor stakes, together with a share capital increase of € 750 thousand. Locarent’s share capital is now evenly split between CGD and BES (45%), with the rest being held by a minority shareholder.

(xvii) increase of share capital of AdP – Águas de Portugal, SGPS, SA, for the amount of € 100 m, through the issue of 20 m new shares with a nominal value of € 5 of which Caixa subscribed for 4 074 799 shares for € 20.4 m, retaining its effective equity percentage investment in the company’s share capital.

4. In terms of the company’s non-consolidated accounts, reference should be made to the following indicators, characterising its annual activity:

(i) shareholders’ equity was increased by € 166.0 m, essentially deriving from € 560.2 m of net income for the year offset by the use of € 40.4 m of free reserves for equity investment provisions, under official Bank of Portugal Notice 4/02 by the appropriation of € 346.1 m of year 2002 net income for the payment of dividends and the employee bonus and the € 8.8 m diminution of the fund for general banking risks. Reference should also be made to the increase of the level of reserves owing to the transfer of € 305.2 m of net income for 2002 offset by the referred to use of € 40.4 m;

(ii) the solvency ratio, calculated under Bank of Portugal rules, fell 0.2%, to 9.6% at year end (1.6% higher than the minimum required by the supervisory body), owing to the greater proportion of the increase of weighted assets over increased own funds;

(iii) net operating income fell by € 160.8 m to € 1 593.9 m (€ 1 754 m in 2002) owing to lower net interest income of € 175.6 m deriving from generally lower interest rates which had a greater effect on lending rates;

(iv) the downturn of € 148.1 m of operating cash flow and € 91.2 downturn of net income essentially derive from lower net interest income, as the € 14.8 m increase of other operating income and € 12.7 m reduction of operating costs, € 61 m increase of extraordinary income and € 26.2 m fall of provisions net of reversals insufficient to cover the referred to change in net interest income;

(v) reference should lastly be made to the cost/income ratio of 55.6%, as against 51.9% in 2002.

5. The following indicators characterised the bank's activities during the year in terms of its consolidated accounts:

(i) there was an increase of around 3.3% (€ 172 m) of consolidated shareholders' equity, including minority shareholders' interests deriving from the € 667 m of net income for the year and the effect of the € 301 m increase of consolidation reserves. The change was, however, offset by the distribution of part of year 2002 net income distributed by group companies to shareholders and employees (€ 349 m), the liquidation of € 99 m of subordinated loans and the € 24 m diminution of minority shareholders' interests. The increase of consolidation reserves fundamentally derives from the amount of € 316 m of unappropriated net income for 2002 and the improvement of € 41.2 m in the insurance companies revaluation reserve, offset by the negative impact of the € 34 m of provisions for equity investments, pursuant to Official Notice 4/2002;

(ii) the solvency ratio of 8.7% was 0.2% over the 2002 figure, deriving from the effect of higher levels of shareholders' equity in comparison to the increase of weighted assets;

(iii) the overdue to total credit ratio was 0.1% up over the preceding year at 2.8%, owing to the € 20 m increase of overdue credit together with the € 217 m diminution of outstanding credit. Reference should be made to the diminution of the provision for general credit risks, owing to provisions releases deriving from the alteration to provisioning percentages on mortgages from 1% to 0.5%, in conformity with Official Bank of Portugal Notice 8/2003, which provisions were essentially allocated (transferred) to provisions for doubtful loans. There was also a € 27.1 m diminution of the value of provisions for overdue credit, bad or doubtful debts, general credit risks and country-risk in respect of overseas credit;

(iv) net operating income, as in the case of the non-consolidated accounts was significantly down (9.5%), to € 1 803.1 m, essentially deriving from the 12.9% fall of net interest income although, in the case of the consolidated accounts, also reinforced by a 1.2% fall of other operating income. Other operating income essentially deriving from the € 41 m downturn of profits and losses generated by financial operations offset by the € 26 m growth of net commissions;

(v) operating costs were down by € 6 m. Notwithstanding the improvement, owing to the fall of net operating income, there was a € 184 m reduction of operating cash-flow, in addition to an increase of the cost-to-income ratio from 54.1% to 58.9%;

(vi) there was a € 34.5 m increase of income before taxation to € 815.6 m, over the preceding year, owing to the fact that the reduction of cash-flow was compensated by the € 84.1 m increase of extraordinary

income and the € 72.4 m of results generated by companies excluded from the consolidation and the € 65.1 m fall of net annual provisions. The increase of net income was, in turn, much lower, owing to an increase of the group's tax burden whose effective rate increased from 14.9% in 2002 to 18.1% in 2003;

(vii) in respect of extraordinary income for the amount of € 177.3 m. The amount of € 312.8 m refers to income generated by the capital gains made on the disposal of equity investments in Brisa – Auto-Estradas de Portugal, SA (€ 128.7 m), Galp Energia – SGPS, SA (€ 26.9 m) and Banco Comercial Português, SA (€ 22.3 m) subscription rights, in addition to the € 16.1 m in respect of an overpayment of IRC. Extraordinary costs totalled € 135.5 m, of which special reference should be made to previous year losses of € 81.9 m and the depreciation of deferred pension liabilities costs of € 29.7 m.

6. Caixa Geral de Depósitos, in 2003, providing continuity to its in-house risk control operations, consolidated various risk management components, notably credit, market and liquidity risks, foreign currency settlement and operating risks, as required by Bank of Portugal rules. Reference should also be made, in this area, to the closer working relationship between commercial operations and the tasks performed by CGD's Risk Management department, translated into greater use of the information produced by this department and greater effectiveness of the credit risk assessment involved in Caixa's credit portfolio in economic terms. Geared to the adaptation of the guidelines contained in Basle II documents, new in-house rating models are being developed.

7. Caixa Geral de Depósitos has been preparing the implementation of the New International Accounting Standards (IAS) and has set up an organisational structure comprising various taskforces, which have prepared implementation plans of which reference should be made to the preparation of an accounting plan adapted to the said standards, an analysis of the impact of the accounting criteria and evaluations to be altered, computer system adjustments and the preparation of a training programme.

8. In the period following the end-of-year accounts close we audited the bank's consolidated and non-consolidated accounts and analysed the board of directors' report, on which we have issued an opinion in the Statutory Audit Certificate supported by the inspection report referred to in article 451 of the Commercial Companies Code.

9. OPINION:

In due consideration of the above, we consider that the shareholders' meeting should:

- a) approve the consolidated and non-consolidated management report and accounts for 2003 as produced by the board of directors;
- b) consider the proposal for the appropriation of net income which is a full part of the management report;
- c) undertake a general assessment of the company's management and inspection and draw the conclusions referred to in article 455 of the Commercial Companies Code.

Lisbon, 17 March 2004

Oliveira Rego & Associados
Statutory Auditors
Represented by Manuel de Oliveira Rego (partner)

M. Statutory Audit Certificate

Introduction 1. We have examined the attached financial statements of Caixa Geral de Depósitos, SA, comprising:

i) the balance sheet as at 31 December 2003, showing a total balance sheet value of € 71 789 675 thousand and total shareholders' equity of € 4 415 918 thousand, including net income of € 560 209 thousand, the income statement by type and function and cash flows and source and application of funds for the year then ended and notes to the financial statements;

ii) the consolidated balance sheet as at 31 December 2003, showing a total balance sheet value of € 74 172 394 thousand and total shareholders' equity of € 3 602 820 thousand, including net income of € 667 252 thousand, the consolidated income statements by type and function, cash flows and source and application of funds for the year then ended and notes to the financial statements;

Responsibilities 2. The board of directors is responsible for the preparation of the financial statements with the aim of providing a true and appropriate description of the company's and group's financial position and the results generated by their operations, in addition to using adequate accounting policies and criteria and maintaining appropriate in-house control systems.

3. It is our responsibility to express a professional, independent opinion thereon based on our examination of the said financial statements.

Scope 4. Our examination was based on the Technical Standards and Guidelines issued by the *Ordem dos Revisores Oficiais de Contas* (Chamber of Statutory Auditors) which require that the examination be planned and realised with the aim of obtaining an acceptable degree of assurance as to whether the financial statements are free from materially relevant distortions. Our examination therefore included:

- samples of the amounts and disclosures set out in the financial statements, an assessment of estimates, based on judgements and criteria defined by the board of directors and used for the preparation thereof;
- consideration of whether the accounting policies used are adequate, and the disclosure thereof, based on the circumstances;
- verification of the applicability of the going-concern principle;
- assessment of whether the global presentation of the non-consolidated and consolidated financial statements, is adequate.

5. We consider that our examination has provided us with an acceptable basis upon which to base our opinion.

Opinion 6. We consider that the referred to financial statements provide a true and appropriate description, in all materially relevant terms, of the non-consolidated and consolidated financial position of Caixa Geral de Depósitos, SA as at 31 December 2003 and the non-consolidated and consolidated results generated by their operations and the source and application of funds for the year then ended, in conformity with generally accepted accounting principles in Portugal for the banking sector.

Emphases of Matters 7. Without affecting the opinion expressed in the preceding paragraph, we wish to make special reference to the following situations:

7.1 In respect of Caixa Geral de Depósitos' consolidation perimeter, our company provides statutory audit functions to the Locapor, SA, Locarent, SA, Caixagest, SA, Culturgest, SA and Caixanet, SA, companies, having used the information supplied by the inspectors/auditors of the other companies included in the said consolidation perimeter, to form our opinion expressed in the issue of the statutory audit certificate for the consolidated accounts.

7.2 As referred to in no. 36 of the notes attached to the non-consolidated and consolidated financial statements, the amounts accepted by Caixa Geral de Depósitos, SA pursuant to the scope of the agreement of association entered into in 2000 with UNIBANCO – União de Bancos Brasileiros, SA and in respect of eventual contingencies related with Banco Bandeirantes, SA, will be covered by the fund for general banking risks, and will not, as such, have an effect on future years' income.

7.3 As set out in 2.f) to the notes to the non-consolidated and consolidated financial statements, Caixa Geral de Depósitos, SA continued to use the criteria pertaining to the transitory dispositions referred to in the alterations of Official Notice 3/95 of 30 June, introduced by Official Notice 4/2002 of 25 June on provisions for equity investments, both issued by the Bank of Portugal.

Lisbon, 17 March 2004

Oliveira Rego & Associados
Statutory Auditors
Represented by: Manuel de Oliveira Rego (partner)

N. Audit Report

(Translation of a report originally issued in Portuguese – see Note 38)

(Amounts expressed in thousands of Euro – € thousand)

Non-consolidated Accounts

Introduction 1. Pursuant to the Article 245 of the Securities Market Code (Código dos Valores Mobiliários), we present our Audit Report on the financial information included in the Directors' Report and the accompanying non-consolidated financial statements of Caixa Geral de Depósitos, SA ("Caixa" or "CGD") for the year ended December 31, 2003, which comprise the balance sheet as of December 31, 2003, that reflects a total of € 71 789 675 thousand and shareholders' equity of € 4 415 918 thousand, including net profit for the year of € 560 209 thousand, the statements of income by nature and by functions and the statement of cash flows for the year then ended and the corresponding notes.

Responsibilities 2. The Board of Directors of Caixa is responsible for: (i) the preparation of financial statements that present a true and fair view of the financial position of Caixa, the results of its operations and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) adopting adequate accounting policies and criteria and maintaining appropriate systems of internal control; and (iv) informing of any significant facts that have influenced the operations, their financial position or results of operations.

3. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verification that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope 4. Our examination was performed in accordance with the auditing standards ("Normas Técnicas e Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our examination included verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by Caixa's Board of Directors, used in their preparation. Our examination also included assessing the adequacy of the accounting principles used, their uniform application and their disclosure considering the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the non consolidated financial statements, and verifying that, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit. Our examination also included verifying that the financial information included in the Directors' Report is consistent with the other documents of account. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion 5. In our opinion, the financial statements referred to in paragraph 1 above present fairly, in all material respects for the purposes described in paragraph 6 below, the non-consolidated financial position of Caixa Geral de Depósitos, SA as of December 31, 2003, the non consolidated results of its operations and its non-consolidated cash flows for the year then ended in conformity with generally accepted accounting principles in Portugal for the preparation of non consolidated financial statements of financial institutions and the information included therein is complete, true, up-to-date, clear, objective and licit in accordance with the definitions included in the standards referred to in paragraph 4 above.

Emphases **6.** The accompanying non-consolidated financial statements of Caixa have been prepared for approval by the Shareholder's General Meeting and to comply with the requirements of the Bank of Portugal. CGD's investments in subsidiary and associated companies are recorded at cost, in accordance with the accounting principles applicable to its non consolidated financial statements. Caixa also presents consolidated financial statements, which reflect more fairly its financial position, results of operations and cash flows. The effect of the consolidation as of December 31, 2003 consists of an increase of € 2 382 719 thousand in assets, a decrease of € 920 142 thousand in reserves and an increase of € 107 043 thousand in net income for the year.

7. As further explained in Note 36, under the terms of the Contract of Association entered into with Unibanco – União de Bancos Brasileiros, SA in December 2000, CGD assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, SA. The amounts which CGD agrees to pay with respect to the contingencies that are currently being analysed, as well as other contingencies that may still be claimed, net of the tax effect, will be recorded by corresponding utilisation of the Fund for general banking risks, and so will not affect net income for the years in which the payments will materialise.

8. As further explained in Note 2. f), in 2002 Bank of Portugal Notice 4/2002 of June 25, introduced a new methodology for determining unrealised losses on equity investments recorded as "Participating interests" and for the respective provisions to be recorded over a five or ten-year period, depending on the activity sector of the participated companies. The provisions recorded in 2003 under the new regime, net of reversals, amounted to € 40 878 thousand, € 40 391 having been charged to reserves in accordance with the transitory regime allowed by the above mentioned Notice (Notes 8 and 23). The provisions recorded in 2002 amounted to € 62 988 thousand, and were recorded by corresponding charge to reserves (Notes 8 and 23).

9. The non-consolidated financial statements for the year ended December 31, 2002 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. These financial statements were audited by us and our report thereon, dated March 20, 2003, included an emphasis paragraph relating to the matter referred to in paragraph 8 above.

Lisbon, March 19, 2004

Magalhães, Neves & Associados, SROC S.A.
Represented by Maria Augusta Cardador Francisco

Consolidated Accounts

Introduction 1. Pursuant to the Article 245 of the Securities Market Code (Código dos Valores Mobiliários), we present our Audit Report on the consolidated financial information included in the Directors' Report and the accompanying consolidated financial statements of Caixa Geral de Depósitos, SA ("Caixa" or "CGD") for the year ended December 31, 2003, which comprise the consolidated balance sheet as of December 31, 2003, that reflects a total of € 74 172 394 thousand and shareholders' equity of € 3 602 819 thousand, including net profit for the year of € 667 252 thousand, the consolidated statements of income by nature and by functions and the consolidated statement of cash flows for the year then ended and the corresponding notes.

Responsibilities 2. The Board of Directors of Caixa is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results of their operations and their consolidated cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) adopting adequate accounting policies and criteria and maintaining appropriate systems of internal control; and (iv) informing of any significant facts that have influenced the operations of the companies included in the consolidation, their financial position or results of operations.

3. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verification that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope 4. Our examination was performed in accordance with the auditing standards ("Normas Técnicas e Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our examination included verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by Caixa's Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method and verifying that the financial statements of the companies included in the consolidation were adequately examined, assessing the adequacy of the accounting principles used, their uniform application and their disclosure considering the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the consolidated financial statements, and verifying that, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit. Our examination also included verifying that the consolidated financial information included in the Directors' Report is consistent with the other consolidated documents of account. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion 5. In our opinion, the consolidated financial statements referred to in paragraph 1 above present fairly, in all material respects, the consolidated financial position of Caixa Geral de Depósitos, SA as of December 31, 2003, the consolidated results of its operations and its consolidated cash flows for the year then ended in conformity with generally accepted accounting principles in Portugal for the banking sector and the information included therein is complete, true, up-to-date, clear, objective and licit in accordance with the definitions included in the standards referred to in paragraph 4 above.

Emphases **6.** As further explained in Note 36, under the terms of the Contract of Association entered into with Unibanco – União de Bancos Brasileiros, SA in December 2000, CGD assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, SA. The amounts which CGD agrees to pay with respect to the contingencies that are currently being analysed, as well as other contingencies that may still be claimed, net of the tax effect, will be recorded by corresponding utilisation of the Fund for general banking risks, and so will not affect net income for the years in which the payments will materialise.

7. As further explained in Note 2. f), in 2002 Bank of Portugal Notice 4/2002 of June 25, introduced a new methodology for determining unrealised losses on equity investments recorded as "Other investments" and for the respective provisions to be recorded over a five or ten-year period, depending on the activity sector of the participated companies. The provisions recorded in 2003 under the new regime, net of reversals, amounted to € 30 155 thousand, € 34 007 thousand having been charged to reserves in accordance with the transitory regime allowed by the above mentioned Notice (Notes 10 and 23). The provisions recorded in 2002 amounted to € 55 780 thousand, of which € 50 163 thousand was recorded by corresponding charge to reserves (Notes 10 and 23).

8. The consolidated financial statements for the year ended December 31, 2002 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. These financial statements were audited by us and our report thereon, dated March 20, 2003, included two emphasis paragraphs, one relating to the matter referred to in paragraph 7 above, and the other relating to the impact, on the consolidated financial statements, of recording for the first time the investment in Unibanco – União de Bancos Brasileiros and Unibanco Holdings in accordance with the equity method.

Lisbon, March 19, 2004

Magalhães, Neves & Associados, SROC S.A.
Represented by Maria Augusta Cardador Francisco

Non-consolidated and Consolidated Financial Statements

Caixa Geral de Depósitos, SA Balance Sheet as at 31 December 2004

(Non-consolidated) (*)

| Assets | Notes (a) | 2004 | | | 2003 |
|---|--------------|-----------------------|--------------------------------|-----------------------|-----------------------|
| | | Gross | Provisions and Depreciation | Net | Net |
| 1. Cash and Central Bank deposits | 3 | 2 999 509 497 | | 2 999 509 497 | 9 017 490 606 |
| 2. Sight deposits with credit institutions | 4 | 516 906 056 | | 516 906 056 | 871 241 104 |
| 3. Other loans and advances to credit institutions | 5 | 8 170 809 759 | 9 814 165 | 8 160 995 594 | 7 496 238 630 |
| 4. Loans and advances to customers | 6 | 42 066 890 790 | 751 624 873 | 41 315 265 917 | 39 895 516 500 |
| 5. Bonds and other fixed-income securities | | 7 188 732 565 | 277 538 964 | 6 911 193 601 | 6 406 226 001 |
| <i>a) Bonds and other fixed-income securities issued by government entities</i> | 7 | 2 549 127 013 | 1 050 300 | 2 548 076 713 | 2 865 221 966 |
| <i>b) Bonds and other fixed-income securities issued by other entities</i> | 7 | 4 639 605 552 | 276 488 664 | 4 363 116 888 | 3 541 004 035 |
| <i>Of which: Own bonds</i> | | | | | |
| 6. Shares and other variable-yield securities | 7 | 502 349 520 | 29 395 444 | 472 954 076 | 497 232 047 |
| 7. Participating interests | 8 | 2 231 242 693 | 285 734 896 | 1 945 507 797 | 2 397 987 998 |
| 8. Investments in subsidiary companies | 8 | 1 546 153 837 | 70 875 552 | 1 475 278 285 | 1 406 306 163 |
| 9. Intangible assets | 11 | 285 787 290 | 138 802 813 | 146 984 477 | 136 899 915 |
| 10. Tangible fixed assets | 12 | 1 425 183 976 | 691 936 541 | 733 247 435 | 736 004 752 |
| <i>Of which: Property</i> | | 895 457 365 | 292 059 620 | 603 397 745 | 617 314 612 |
| 13. Other assets | 13 | 1 347 058 342 | 28 808 586 | 1 318 249 756 | 1 482 381 193 |
| 15. Prepayments and accrued income | 14 | 1 231 660 929 | | 1 231 660 929 | 1 446 150 106 |
| Total | | 69 512 285 254 | 2 284 531 834 | 67 227 753 420 | 71 789 675 015 |

(*) Including domestic activity and that of France, London, Luxembourg, Monaco, New York, Cayman Islands, East Timor, Zhuhai and Madeira Offshore branches.

(a) These notes are set out in the chapter "Notes to the Financial Statements".

| Off-balance Sheet Items | Notes | 2004 | 2003 |
|--|-------|----------------|----------------|
| 1. Contingent liabilities | 24 | 11 085 696 859 | 9 043 881 093 |
| <i>Of which:</i> | | | |
| 1.1. Acceptances and commitments | | 338 306 | 194 350 |
| 1.2. Guarantees and collateral assets | | 4 973 343 891 | 2 803 175 591 |
| 1.3. Other | | 6 112 014 662 | 6 240 511 152 |
| 2. Commitments | 24 | 10 219 113 391 | 16 394 677 257 |
| <i>Of which:</i> | | | |
| 2.1. Sales operations with repurchase agreement | | | |
| 2.2. Other | | 10 219 113 391 | 16 394 677 257 |

| Liabilities and Shareholders' Equity | Notes (a) | 2004 | 2003 |
|--|--------------|-----------------------|-----------------------|
| 1. Amounts owed to credit institutions | | 9 336 102 327 | 14 424 681 503 |
| a) Repayable on demand | 15 | 942 851 172 | 1 223 492 150 |
| b) Term or notice | 15 | 8 393 251 155 | 13 201 189 353 |
| 2. Amounts owed to customers | | 41 774 792 336 | 41 197 293 570 |
| a) Savings deposits | 16 | 8 212 999 197 | 7 995 895 616 |
| b) Other debts | | 33 561 793 139 | 33 201 397 954 |
| ba) Repayable on demand | 16 | 14 481 613 767 | 13 949 884 200 |
| bb) Term | 16 | 19 080 179 372 | 19 251 513 754 |
| 3. Debt securities | | 8 712 571 312 | 8 215 229 048 |
| a) Bonds issued | 17 | 4 967 253 624 | 4 504 836 012 |
| b) Other | 17 | 3 745 317 688 | 3 710 393 036 |
| 4. Other liabilities | 18 | 198 290 842 | 493 578 843 |
| 5. Accruals and deferred income | 19 | 1 383 208 815 | 1 182 374 362 |
| 6. Provisions | | 572 352 215 | 396 558 941 |
| a) Provisions for pensions and similar charges | 20 | 306 008 | 427 496 |
| b) Other | 20 | 572 046 207 | 396 131 445 |
| 6A. Fund for general banking risks | 20 | | 106 799 640 |
| 8. Subordinated liabilities | 21 | 1 607 240 810 | 1 357 240 810 |
| 9. Share capital | 23 | 2 950 000 000 | 2 450 000 000 |
| 10. Issue premium | 23 | 300 000 000 | |
| 11. Reserves | 23 | 873 863 302 | 1 104 530 148 |
| 12. Revaluation reserves | 23 | 301 179 077 | 301 179 077 |
| 13. Retained earnings | 23 | -1 067 275 354 | |
| Income before taxation | 33 | 292 003 679 | 697 380 517 |
| Corporate income tax | 33 | 6 575 941 | 137 171 444 |
| 14. Net income for the year | 23 | 285 427 738 | 560 209 073 |
| Total | | 67 227 753 420 | 71 789 675 015 |

Board of Directors**Chairman**

Vitor Ângelo Mendes da Costa Martins

Deputy-Chairmen

António Manuel Maldonado Gonelha

João Eduardo Moura da Silva Freixa

Members

José Joaquim Berberan e Santos Ramalho

Vitor Manuel Lopes Fernandes

António Manuel da Silva Vila Cova

Carlos da Silva Costa

Luís Filipe Alves Monteiro

Gracinda Augusta Figueiras Raposo

Maria Celeste Ferreira Lopes Cardona

Norberto Emilio Sequeira da Rosa

Caixa Geral de Depósitos, SA
Income Statement as at 31 December 2004

(Non-consolidated) (*)

| Costs | Notes (a) | 2004 | 2003 |
|---|--------------|----------------------|----------------------|
| 1. Interest expenditure | 26 | 1 308 824 790 | 1 384 954 505 |
| 2. Commissions | | 57 570 203 | 48 855 183 |
| 3. Losses arising from financial operations | 27 | 4 179 756 754 | 5 858 234 015 |
| 4. General administrative expenses | | 887 385 680 | 811 853 780 |
| a) Personnel costs | 28 | 502 776 432 | 470 592 619 |
| Of which: | | | |
| salary and wages | | 403 654 601 | 371 092 186 |
| personnel welfare charges | | 95 450 725 | 98 217 473 |
| Of which: | | | |
| pensions | | 35 363 230 | 40 491 173 |
| b) Other | 30 | 384 609 248 | 341 261 161 |
| 5. Depreciation | 11 and 12 | 74 182 293 | 79 462 396 |
| 6. Other operating costs | 31 | 11 378 177 | 8 802 811 |
| 7. Provisions for overdue credits and other risks | 20 | 819 363 075 | 551 983 077 |
| 8. Provisions for investments | 20 | 19 369 968 | 23 650 651 |
| 10. Net operating income | | 330 392 018 | 526 569 014 |
| 11. Exceptional losses | 32 | 91 318 490 | 133 097 648 |
| 12. Taxes | | 11 008 496 | 16 346 257 |
| Income before taxation | 33 | 292 003 679 | 697 380 517 |
| 13. Corporate income tax | 33 | 6 575 941 | 137 171 444 |
| 15. Net income for the year | 23 | 285 427 738 | 560 209 073 |
| Total | | 7 752 161 605 | 9 614 620 840 |

(*) Including domestic activity and that of France, London, Luxembourg, Monaco, New York, Cayman Islands, East Timor, Zhuhai and Madeira Offshore branches.
(a) These notes are set out in the chapter "Notes to the Financial Statements".

(EUR)

| Income | Notes (a) | 2004 | 2003 |
|---|--------------|----------------------|----------------------|
| 1. Interest income | 26 | 2 400 465 132 | 2 471 796 505 |
| Of which: | | | |
| from fixed-income securities | | 254 526 561 | 240 951 919 |
| 2. Income from securities | | 73 083 472 | 88 600 389 |
| a) Shares, quotas, and other variable-yield securities | | 2 947 671 | 3 342 055 |
| b) Participating interests | | 69 745 502 | 64 770 150 |
| c) Investments in subsidiary companies | | 390 299 | 20 488 184 |
| 3. Commissions | | 329 999 304 | 298 525 343 |
| 4. Gains arising from financial operations | 27 | 4 134 310 611 | 5 884 807 339 |
| 5. Reversal of provisions for credit granted, contingencies and commitments | 20 | 562 725 294 | 396 409 510 |
| 6. Reversal of provisions for other financial assets, participating interests and investments in subsidiary companies | 20 | 19 360 857 | 11 984 422 |
| 7. Other operating income | 31 | 168 278 288 | 142 241 924 |
| 9. Exceptional gains | 32 | 63 938 647 | 320 255 408 |
| Total | | 7 752 161 605 | 9 614 620 840 |

Board of Directors**Chairman**

Vitor Ângelo Mendes da Costa Martins

Deputy-Chairmen

António Manuel Maldonado Gonelha

João Eduardo Moura da Silva Freixa

Members

José Joaquim Berberan e Santos Ramalho

Vitor Manuel Lopes Fernandes

António Manuel da Silva Vila Cova

Carlos da Silva Costa

Luís Filipe Alves Monteiro

Gracinda Augusta Figueiras Raposo

Maria Celeste Ferreira Lopes Cardona

Norberto Emílio Sequeira da Rosa

Certified Public Accountant – João de Sousa Martins

Caixa Geral de Depósitos, SA
Non-consolidated Income Statement by Functions
for the Years Ended 31 December 2004 and 2003

(EUR thousand)

| | 2004 | 2003 |
|--|--------------------|--------------------|
| Interest and Similar Income | | |
| From liquid assets | 20 747 | 23 034 |
| From loans and advances to credit institutions | 244 148 | 251 730 |
| From domestic and foreign loans | 1 505 475 | 1 693 881 |
| From trading and investment securities | 255 750 | 242 343 |
| From overdue credit and interest | 35 129 | 33 599 |
| Other interest income | 339 216 | 227 210 |
| | 2 400 465 | 2 471 797 |
| Interest and Similar Costs | | |
| From amounts owed to credit institutions | (186 271) | (273 310) |
| From deposits | (547 611) | (661 033) |
| Other interest expenditure | (574 943) | (450 612) |
| | (1 308 825) | (1 384 955) |
| Income from Securities | 73 084 | 88 600 |
| Net Interest Income | 1 164 724 | 1 175 442 |
| Other Income | | |
| Commissions receivable | 329 999 | 298 525 |
| Losses arising from financial operations | 4 134 311 | 5 884 807 |
| Other | 168 278 | 142 242 |
| | 4 632 588 | 6 325 574 |
| Other Costs | | |
| Commissions payable | (57 570) | (48 855) |
| Gains arising from financial operations | (4 179 757) | (5 858 234) |
| Other | (22 387) | (25 149) |
| | (4 259 714) | (5 932 238) |
| Other Operating Income | 372 874 | 393 336 |
| Net Operating Income | 1 537 598 | 1 568 778 |
| Operating Costs | | |
| Personnel costs | (502 777) | (470 593) |
| Other administrative expenses | (384 609) | (341 261) |
| | (887 386) | (811 854) |
| Operating Cash Flow | 650 212 | 756 924 |
| Depreciation | (74 182) | (79 462) |
| Provisions | | |
| Provisions created | (838 733) | (575 634) |
| Reversal of provisions | 582 086 | 408 394 |
| | (256 647) | (167 240) |
| Operating Income | 319 383 | 510 222 |
| Exceptional Items | | |
| Exceptional gains | 63 939 | 320 256 |
| Exceptional losses | (91 318) | (133 098) |
| | (27 379) | 187 158 |
| Income Before Taxation | 292 004 | 697 380 |
| Appropriation for Income Tax | (6 576) | (137 171) |
| Net Income for the Year | 285 428 | 560 209 |

The annex is an integrant part of the financial statements.

Caixa Geral de Depósitos, SA
Non-consolidated Cash Flow Statements
for the Years Ended 31 December 2004 and 2003

(EUR thousand)

| | 2004 | 2003 |
|---|--------------------|--------------------|
| Operating Activities | | |
| Cash flows from operating activities before changes in assets and liabilities | | |
| Interest, commissions and other similar income received | 2 700 974 | 2 962 219 |
| Interest, commissions and similar costs paid | (1 173 210) | (1 458 948) |
| Recovery of principal and interest | 35 455 | 28 616 |
| Results from foreign exchange operations | 13 845 | (157 566) |
| Results from financial operations | 5 690 | 13 572 |
| Cash payments to employees and suppliers | (844 570) | (793 688) |
| Payments and contributions to pensions funds | (527 678) | (152 019) |
| Other income | 113 791 | 102 411 |
| | 324 297 | 544 597 |
| (Increases) decreases in operating assets: | | |
| Other loans and advances to credit institutions and to customers | (2 273 479) | (454 214) |
| Trading securities | (764 906) | (2 825 888) |
| Other assets and accrued income | (11 293) | 236 085 |
| | (3 049 678) | (3 044 017) |
| (Decreases) increases in operating liabilities: | | |
| Amounts owed to credit institutions | (5 088 579) | 3 692 179 |
| Amounts owed to customers | 577 499 | 28 562 |
| Other debt securities | 34 925 | 1 335 957 |
| Other liabilities and accruals and deferred income | (23 170) | 146 089 |
| | (4 499 325) | 5 202 787 |
| Net cash from operating activities before taxation | (7 224 706) | 2 703 367 |
| Corporate income tax | (132 579) | (88 059) |
| Net cash from operating activities | (7 357 285) | 2 615 308 |
| Investing Activities | | |
| Capital gains from the disposal of financial fixed assets | 3 744 | 207 572 |
| Capital gains from investment securities | 18 371 | 116 202 |
| Income from securities | 2 948 | 3 342 |
| Income from financial fixed assets | 70 136 | 85 258 |
| Capital losses from the disposal of financial fixed assets | (3 474) | (4 651) |
| Capital losses from investment securities | (8 327) | (15 952) |
| Net income from investing activities | 83 398 | 391 771 |
| (Increases) decreases in investing assets: | | |
| Financial fixed assets | 68 988 | 255 144 |
| Investment securities and securities held to maturity | 289 755 | 2 067 908 |
| Tangible and intangible fixed assets | (81 510) | (106 017) |
| | 277 233 | 2 217 035 |
| Net cash from investing activities | 360 631 | 2 608 806 |
| Financing Activities | | |
| Interest on subordinated liabilities | (54 941) | (55 608) |
| Interest on bonds | (112 760) | (2 528) |
| Bonds issued | 462 418 | 2 379 254 |
| Issue of subordinated liabilities | 250 000 | 1 613 |
| Share capital increase | 400 000 | - |
| Dividends paid | (320 380) | (318 987) |
| Net cash from financing activities | 624 337 | 2 003 744 |
| Net increase (decrease) in cash and cash equivalents | (6 372 317) | 7 227 858 |
| Cash and cash equivalents at beginning of year | 9 888 732 | 2 660 874 |
| Cash and cash equivalents at end of year | 3 516 415 | 9 888 732 |

The annex is an integrant part of the financial statements.

Caixa Geral de Depósitos, SA
Source and Application of Funds Statement (Non-consolidated)
for the Years Ended 31 December 2004 and 2003 (Notes 1 and 2)

| Source of Funds | 2004 | 2003 |
|---|------------------|------------------|
| From operations | | |
| Net income for the year | 285 428 | 560 209 |
| Costs not representing funds entries | | |
| Increase in provisions, net of reversals | 256 647 | 167 240 |
| Depreciation | 74 182 | 79 462 |
| Provisions set up against reserves | 711 584 | 40 391 |
| | 1 327 841 | 847 302 |
| Increase of own capital | | |
| Decrease in assets | 400 000 | – |
| Decrease in assets | | |
| Cash and Central Bank deposits | 6 017 982 | – |
| Sight deposits with credit institutions | 354 335 | – |
| Loans and advances to customers | – | 224 429 |
| Participating interests and investments in subsidiary companies | – | 214 759 |
| Other assets | 166 698 | 8 487 |
| Prepayments and accrued income | – | 302 345 |
| | 6 539 015 | 750 020 |
| Increase in liabilities | | |
| Amounts owed to credit institutions | – | 3 692 180 |
| Amounts owed to customers | 577 498 | 28 563 |
| Debt securities | 497 342 | 3 715 211 |
| Other liabilities | – | 183 921 |
| Subordinated liabilities | 250 000 | 1 613 |
| Accruals and deferred income | 200 835 | 1 692 |
| | 1 525 675 | 7 623 180 |
| Total | 9 792 531 | 9 220 502 |

The annex is an integrant part of the financial statements.

Caixa Geral de Depósitos, SA
Consolidated Balance Sheet as at 31 December 2004

| Assets | Notes (a) | 2004 | | | 2003 |
|---|--------------|-----------------------|-------------------------------|-----------------------|-----------------------|
| | | Gross | Provision and Depreciation | Net | Net |
| 1. Cash and Central Bank deposits | 3 | 3 204 498 166 | | 3 204 498 166 | 9 195 659 941 |
| 2. Sight deposits with credit institutions | 4 | 572 217 512 | | 572 217 512 | 915 977 059 |
| 3. Other loans and advances to credit institutions | 5 | 6 228 196 858 | 5 469 222 | 6 222 727 636 | 5 914 824 100 |
| 4. Loans and advances to customers | 6 | 46 618 999 864 | 847 792 972 | 45 771 206 892 | 44 093 684 307 |
| 5. Bonds and other fixed-income securities | | 8 112 304 363 | 278 961 198 | 7 833 343 165 | 7 146 912 194 |
| <i>a) Bonds and other fixed-income securities issued by government entities</i> | 7 | 3 052 626 064 | 1 275 636 | 3 051 350 428 | 3 271 121 506 |
| <i>b) Bonds and other fixed-income securities issued by other entities</i> | 7 | 5 059 678 299 | 277 685 562 | 4 781 992 737 | 3 875 790 688 |
| <i>c) Own bonds</i> | | | | | |
| 6. Shares and other variable-yield securities | 7 | 433 967 864 | 31 420 382 | 402 547 482 | 429 663 262 |
| 7. Investments in associated companies | 9 | 453 044 510 | | 453 044 510 | 406 069 596 |
| 8. Investments in subsidiary companies excluded from consolidation | 9 | 774 873 907 | | 774 873 907 | 665 771 996 |
| 9. Other investments | 10 | 2 319 170 339 | 288 823 871 | 2 030 346 468 | 2 130 493 919 |
| 10. Intangible assets | 11 | 336 149 986 | 176 757 353 | 159 392 633 | 149 407 232 |
| 11. Tangible fixed assets <i>(for Bank's own use)</i> | 12 | 1 606 669 490 | 772 952 174 | 833 717 316 | 832 247 563 |
| | | 986 508 556 | 311 010 999 | 675 497 557 | 686 091 058 |
| 16. Other assets | 13 | 705 954 038 | 44 951 952 | 661 002 086 | 729 106 434 |
| 17. Prepayments and accrued income | 14 | 1 349 899 079 | | 1 349 899 079 | 1 562 576 123 |
| Total | | 72 715 945 976 | 2 447 129 124 | 70 268 816 852 | 74 172 393 726 |

(a) These notes are set out in the chapter "Notes to the Financial Statements".

| Off-balance Sheet Items | Notes | 2004 | 2003 |
|---|-------|----------------|----------------|
| 1. Contingent liabilities | 24 | 11 655 147 508 | 10 156 548 123 |
| <i>Of which:</i> | | | |
| 1.1. Acceptances and commitments | | 338 306 | 194 350 |
| 1.2. Guarantees and collateral assets | | 6 074 967 160 | 5 925 164 082 |
| 1.3. Other | | 5 579 842 042 | 4 231 189 691 |
| 2. Commitments | 24 | 10 479 721 130 | 16 785 092 699 |
| <i>Of which:</i> | | | |
| 2.1. Sales operations with repurchase agreement | | 310 088 | 8 717 088 |

| Liabilities and Shareholders' Equity | Notes (a) | 2004 | 2003 |
|--|--------------|-----------------------|-----------------------|
| 1. Amounts owed to credit institutions | | 5 672 084 708 | 10 741 843 377 |
| a) Repayable on demand | 15 | 874 666 509 | 1 141 935 289 |
| b) Term or notice | 15 | 4 797 418 199 | 9 599 908 088 |
| 2. Amounts owed to customers | | 45 403 220 502 | 44 733 023 478 |
| a) Savings deposits | 16 | 8 653 449 473 | 8 376 979 892 |
| b) Repayable on demand | 16 | 15 454 853 423 | 14 784 347 322 |
| c) Term | 16 | 21 294 917 606 | 21 571 696 264 |
| 3. Debt securities | | 11 296 289 647 | 10 843 155 266 |
| a) Bonds issued | 17 | 7 151 700 603 | 7 039 072 621 |
| b) Other | 17 | 4 144 589 044 | 3 804 082 645 |
| 4. Other liabilities | 18 | 788 138 609 | 707 069 449 |
| 5. Accruals and deferred income | 19 | 1 554 425 662 | 1 345 581 769 |
| 8. Provisions | | 654 980 546 | 450 082 194 |
| a) Provisions for pensions and similar charges | 20 | 18 315 794 | 23 148 947 |
| b) Other | 20 | 636 664 752 | 426 933 247 |
| 9. Fund for general banking risks | 20 | 7 468 288 | 112 061 026 |
| 10. Subordinated liabilities | 21 | 1 602 143 560 | 1 602 219 737 |
| 11. Share capital | 23 | 2 950 000 000 | 2 450 000 000 |
| 12. Issue premium | 23 | 300 000 000 | |
| Reserves | | 366 376 748 | 485 567 427 |
| 13. Consolidation reserves | 23 | 65 197 671 | 184 388 350 |
| 14. Revaluation reserves | 23 | 301 179 077 | 301 179 077 |
| 15. Retained earnings | 23 | (1 067 275 355) | |
| 16. Minority shareholders' interests | 22 | 292 482 555 | 34 537 527 |
| 17. Consolidated net income for the year | 23 | 448 481 382 | 667 252 476 |
| Total | | 70 268 816 852 | 74 172 393 726 |

Board of Directors**Chairman**

Vitor Ângelo Mendes da Costa Martins

Deputy-Chairmen

António Manuel Maldonado Gonelha

João Eduardo Moura da Silva Freixa

Members

José Joaquim Berberan e Santos Ramalho

Vitor Manuel Lopes Fernandes

António Manuel da Silva Vila Cova

Carlos da Silva Costa

Luís Filipe Alves Monteiro

Gracinda Augusta Figueiras Raposo

Maria Celeste Ferreira Lopes Cardona

Norberto Emílio Sequeira da Rosa

Certified Public Accountant - João de Sousa Martins

Caixa Geral de Depósitos, SA
Consolidated Income Statement for the Year Ended 31 December 2004

| Costs | Notes (a) | 2004 | 2003 |
|--|----------------------|----------------------|-----------------------|
| 1. Interest expenditure | 26 | 1 368 435 330 | 1 469 321 966 |
| 2. Commissions | | 67 264 781 | 56 879 530 |
| 3. Losses arising from financial operations | 27 | 4 657 092 192 | 5 918 006 563 |
| 4. General administrative expenses | | 1 038 637 006 | 958 830 791 |
| 4.1. Personnel costs | 28 | 626 684 901 | 582 767 791 |
| 4.2. Other | 30 | 411 952 105 | 376 063 000 |
| 5. Depreciation | 11 and 12 | 91 336 662 | 96 076 908 |
| 6. Other operating costs | 31 | 16 169 746 | 16 449 585 |
| 7. Provisions for overdue credit and other risks | 20 | 895 189 780 | 604 551 144 |
| 8. Provisions for investments | 20 | 21 517 362 | 18 042 232 |
| 9. Exceptional losses | 32 | 94 677 524 | 135 484 119 |
| 10. Corporate income tax | 33 | 22 436 064 | 148 372 748 |
| 11. Other taxes | | 13 854 501 | 19 131 168 |
| 12. Losses of Group companies excluded from consolidation | | 2 934 015 | 1 745 476 |
| 13. Minority shareholders' interests | | 6 492 495 | 1 844 058 |
| 15. Consolidated net income for the year | 23 | 448 481 382 | 667 252 476 |
| Total | | 8 744 518 840 | 10 111 988 764 |

(a) These notes are set out in the chapter "Notes to the Financial Statements".

(EUR thousand)

| Application of Funds | 2004 | 2003 |
|---|------------------|------------------|
| Distribution of net income from previous year | 346 872 | 346 148 |
| Increase in assets | | |
| Cash and Central Bank deposits | – | 7 061 340 |
| Sight deposits with credit institutions | – | 166 518 |
| Other loans and advances to credit institutions | 640 820 | 801 069 |
| Loans and advances to customers | 1 656 730 | – |
| Securities portfolio | 458 625 | 738 933 |
| Participating interests and investments in subsidiary companies | 638 901 | – |
| Fixed assets | 81 509 | 106 016 |
| Prepayments and accrued income | 581 323 | – |
| | 4 057 908 | 8 873 876 |
| Decrease in liabilities | | |
| Amounts owed to credit institutions | 5 088 580 | – |
| Other liabilities | 295 288 | – |
| | 5 383 868 | – |
| Entries carried out as against reserves | 3 883 | 478 |
| Total | 9 792 531 | 9 220 502 |

(EUR)

| Income | Notes (a) | 2004 | 2003 |
|--|----------------------|----------------------|-----------------------|
| 1. Interest income | 26 | 2 613 901 716 | 2 702 468 363 |
| 2. Income from securities | | 58 102 970 | 63 213 491 |
| 3. Commissions | | 429 462 066 | 384 159 154 |
| 4. Gains arising from financial operations | 27 | 4 614 626 808 | 5 949 035 428 |
| 5. Reversal of provisions | 20 | 608 583 033 | 437 547 047 |
| 6. Profits of Group companies excluded from consolidation | | 167 130 312 | 114 325 537 |
| 7. Other operating income | 31 | 183 810 619 | 148 434 489 |
| 8. Exceptional gains | 32 | 68 901 316 | 312 805 255 |
| Total | | 8 744 518 840 | 10 111 988 764 |

Board of Directors

Chairman

Vitor Ângelo Mendes da Costa Martins

Deputy-Chairmen

António Manuel Maldonado Gonelha

João Eduardo Moura da Silva Freixa

Members

José Joaquim Berberan e Santos Ramalho

Vitor Manuel Lopes Fernandes

António Manuel da Silva Vila Cova

Carlos da Silva Costa

Luís Filipe Alves Monteiro

Gracinda Augusta Figueiras Raposo

Maria Celeste Ferreira Lopes Cardona

Norberto Emílio Sequeira da Rosa

Certified Public Accountant - João de Sousa Martins

Caixa Geral de Depósitos, SA
Consolidated Income Statement by Functions
for the Years Ended 31 December 2004 and 2003

(EUR thousand)

| | 2004 | 2003 |
|--|--------------------|--------------------|
| Interest and Similar Income | | |
| From liquid assets | 21 551 | 24 719 |
| From loans and advances to credit institutions | 213 581 | 237 629 |
| From domestic and foreign loans | 1 708 661 | 1 899 032 |
| From trading and investment securities | 280 400 | 266 898 |
| From overdue credit and interest | 38 598 | 37 325 |
| Other interest income | 351 111 | 236 865 |
| | 2 613 902 | 2 702 468 |
| Interest and Similar Costs | | |
| From amounts owed to credit institutions | (108 073) | (190 116) |
| From deposits | (601 408) | (730 711) |
| Other interest expenditure | (658 954) | (548 495) |
| | (1 368 435) | (1 469 322) |
| Income from Securities | 58 103 | 63 213 |
| Net Interest Income | 1 303 570 | 1 296 359 |
| Other Income | | |
| Commissions receivable | 429 462 | 384 159 |
| Gains arising from financial operations | 4 614 627 | 5 949 036 |
| Gains from associated and subsidiary comp.excluded from consolidation | 167 130 | 114 326 |
| Other | 183 811 | 148 435 |
| | 5 395 030 | 6 595 956 |
| Other Costs | | |
| Commissions payable | (67 264) | (56 880) |
| Losses arising from financial operations | (4 657 092) | (5 918 007) |
| Losses from associated and subsidiary comp.excluded from consolidation | (2 934) | (1 745) |
| Other | (30 025) | (35 581) |
| | (4 757 315) | (6 012 213) |
| Other Operating Income | 637 715 | 583 743 |
| Net Operating Income | 1 941 285 | 1 880 102 |
| Operating Costs | | |
| Personnel costs | (626 685) | (582 768) |
| Other administrative costs | (411 952) | (376 063) |
| | (1 038 637) | (958 831) |
| Operating Cash Flow | 902 648 | 921 271 |
| Depreciation | (91 337) | (96 077) |
| Provisions | | |
| Provisions created | (916 707) | (622 593) |
| Reversal of provisions | 608 583 | 437 547 |
| | (308 124) | (185 046) |
| Operating Income | 503 187 | 640 148 |
| Exceptional Items | | |
| Exceptional gains | 68 901 | 312 805 |
| Exceptional losses | (94 678) | (135 484) |
| | (25 777) | 177 321 |
| Income before Taxation | 477 410 | 817 469 |
| Appropriation for Income Tax | (22 436) | (148 373) |
| Net Income | 454 974 | 669 096 |
| Minority Interests | (6 493) | (1 844) |
| Net Income for the Year | 448 481 | 667 252 |

The annex is an integrant part of the financial statements.

Caixa Geral de Depósitos, SA
Consolidated Cash Flow Statements
for the Years Ended 31 December 2004 and 2003

(EUR thousand)

| | 2004 | 2003 |
|---|--------------------|--------------------|
| Operating Activities | | |
| Cash flows from operating activities before changes in assets and liabilities | | |
| Interest, commissions and other similar income received | 3 008 588 | 3 276 813 |
| Interest, commissions and other similar costs paid | (1 191 485) | (1 484 832) |
| Recovery of principal and interest | 38 535 | 31 714 |
| Results from foreign exchange operations | 3 725 | (157 192) |
| Results from financial operations | 11 221 | 42 777 |
| Cash payments to employees and suppliers | (1 007 464) | (931 704) |
| Payments and contributions to pensions funds | (530 322) | (156 439) |
| Other results | 119 644 | 95 156 |
| | 452 442 | 716 293 |
| (Increases) decreases in operating assets: | | |
| Other loans and advances to credit institutions and customers | (2 182 943) | (368 306) |
| Trading securities | (727 303) | (2 796 766) |
| Other assets and prepayments and accrued income | (141 196) | 330 745 |
| | (3 051 442) | (2 834 327) |
| (Decreases) increases in operating assets: | | |
| Amounts owed to credit institutions | (5 069 759) | 3 837 412 |
| Amounts owed to customers | 670 197 | (350 834) |
| Other debt securities | 340 506 | 1 346 010 |
| Other liabilities and accruals and deferred income | 388 273 | 88 829 |
| | (3 670 783) | 4 921 417 |
| Net cash from operating activities before taxation | (6 269 783) | 2 803 383 |
| Corporate income tax | (131 285) | (101 788) |
| Net cash from operating activities | (6 401 068) | 2 701 595 |
| Investing Activities | | |
| Capital gains from the disposal of financial fixed assets | 5 162 | 197 888 |
| Capital gains from investment securities | 20 056 | 116 557 |
| Income from securities | 3 060 | 3 770 |
| Income from financial fixed assets | 55 043 | 59 443 |
| Capital losses from the disposal of financial fixed assets | (4 328) | (4 886) |
| Capital losses from investment securities | (9 100) | (16 328) |
| Net income from investing activities | 69 893 | 356 444 |
| (Increases) decreases in investing assets: | | |
| Financial fixed assets | (201 348) | 284 619 |
| Investment securities and securities held to maturity | 73 994 | 2 075 194 |
| Tangible and intangible fixed assets | (102 792) | (128 230) |
| | (230 146) | 2 231 583 |
| Net cash from investing liabilities | (160 253) | 2 588 027 |
| Financing Activities | | |
| Interest on subordinated liabilities | (59 504) | (67 498) |
| Interest on bonds | (156 268) | (60 011) |
| Bonds issued | 112 628 | 2 483 970 |
| Issue of subordinated liabilities | (76) | (99 197) |
| Issue of preference shares | 250 000 | - |
| Share capital increase | 400 000 | - |
| Dividends paid | (320 380) | (318 987) |
| Net cash from financing activities | 226 400 | 1 938 277 |
| Net increase (decrease) in cash and cash equivalents | (6 334 921) | 7 227 899 |
| Cash and cash equivalents at beginning of year | 10 111 637 | 2 883 738 |
| Cash and cash equivalents at end of year | 3 776 716 | 10 111 637 |

The annex is an integrant part of the financial statements.

Caixa Geral de Depósitos, SA
Consolidated Source and Application of Funds Statement
for the Years Ended 31 December 2004 and 2003
(Notes 1 and 2)

| Source of Funds | 2004 | 2003 |
|--|-------------------|------------------|
| From operations | | |
| Net income for the year | 448 481 | 667 252 |
| Costs not representing funds entries | | |
| Increase in provisions, net of reversals | 308 124 | 185 046 |
| Depreciation | 91 337 | 96 077 |
| Provisions set up against reserves | 711 159 | 34 007 |
| | 1 559 101 | 982 382 |
| Increase of own capital | | |
| Share capital increase | 400 000 | – |
| Decrease in assets | | |
| Cash and Central Bank deposits | 5 991 162 | 460 094 |
| Sight deposits with credit institutions | 343 759 | – |
| Loans and advances to customers | – | 23 600 |
| Participating interests and investments in subsidiary companies excluded from consolidation | – | 137 179 |
| Other assets | 60 424 | – |
| | 6 395 345 | 620 873 |
| Increase in liabilities | | |
| Amounts owed to credit institutions | – | 3 837 411 |
| Amounts owed to customers | 670 196 | – |
| Debt securities | 453 135 | 3 829 980 |
| Other liabilities | 81 069 | 220 694 |
| Accruals and deferred income | 209 846 | – |
| Minority interests | 257 945 | – |
| | 1 672 191 | 7 888 085 |
| Total | 10 026 637 | 9 491 340 |

The annex is an integrant part of the financial statements.

(EUR thousand)

| Application of Funds | 2004 | 2003 |
|--|-------------------|------------------|
| Distribution of net income from previous year | 352 433 | 349 042 |
| Increase in assets | | |
| Cash and Central Bank deposits | – | 128 230 |
| Other loans and advances to credit institutions | 287 559 | 50 175 |
| Loans and advances to customers | 1 922 412 | 7 067 604 |
| Securities portfolio | 637 088 | 511 834 |
| Participating interests and investments in subsidiary companies excluded from consolidation | 1 070 380 | 702 146 |
| Fixed assets | 103 796 | 160 295 |
| Prepayments and accrued income | 583 135 | – |
| | 4 604 370 | 8 620 284 |
| Decrease in assets | | |
| Amounts owed to credit institutions | 5 069 758 | – |
| Amounts owed to customers | – | 350 833 |
| Subordinated liabilities | 76 | 99 196 |
| Accruals and deferred income | – | 47 681 |
| Minority interests | – | 24 304 |
| | 5 069 834 | 522 014 |
| Total | 10 026 637 | 9 491 340 |

Notes to the Consolidated and Non-consolidated Financial Statements

as at 31 December 2004 and 2003

(Translation of notes originally issued in Portuguese - Note 38.)
(Amounts expressed in thousands of euros – € thousand, unless otherwise specified)

1. Group Activity, Basis of Presentation, Consolidation Principles and Comparability of Information

1.1. Group activity

Caixa Geral de Depósitos, SA (hereinafter referred to as Caixa or CGD), founded in 1876, is an exclusively State owned company, which operates as a universal bank in all areas of banking activity. Caixa became a State owned company on 1 September 1993 pursuant to the terms of Decree-Law no. 287/93, of 20 August, which also approved its articles of association. On 23 July 2001 Banco Nacional Ultramarino, SA (BNU) was merged into Caixa.

Financial resources taken by Caixa essentially comprise various types of deposits which are invested in all sectors of the economy, mainly in the form of medium and long term loans, especially mortgage loans, as well as credit granted to private and public companies and municipalities.

Caixa is also active in the capital markets as an underwriter to corporate bond issues and public debt loans both for its own portfolio and for sale to customers.

At 31 December 2004 Caixa had a national network of 778 branch offices, a branch in France with 45 branch offices, branches in London, Luxembourg, Monaco, New York, the Cayman Islands, Zhuhai and East Timor, an Offshore and an International Financial Branch in Madeira.

Caixa also has direct and indirect participations in a significant number of domestic and foreign companies, namely in Spain, Cape Verde, Mozambique, South Africa, Brazil, Macao and Sao Tome and Principe, in which it is the major shareholder. These companies comprise the Caixa Geral de Depósitos Group (the "Group"). They operate in various financial sub sectors such as banking, insurance, factoring, venture capital, equipment and real-estate leasing and unit trust fund management. Caixa also has participations in non-financial companies in the Portuguese economy.

"Subsidiary" companies are those in which CGD has a participation exceeding 50% of their share capital or which are controlled by CGD and therefore comprise a joint decision taking body. "Associated" companies are those in which CGD has a long term participation of at least 20% or, being lower, CGD has significant influence on their management.

The structure of the Group as regards the principal subsidiary and associated companies, classified by business activity, and their respective financial data, taken from their non-consolidated financial statements unless otherwise indicated, are summarised below:

| Activity/Entity | Head Office | 2004 | | | 2003 | | |
|--|--------------|-------------------|-----------|--------------------------|------------|--------------------------|------------|
| | | Participation (%) | | Shareholders' equity (a) | Net income | Shareholders' equity (a) | Net income |
| | | Direct | Effective | | | | |
| Holding Companies | | | | | | | |
| Bandeirantes, SGPS, SA | Madeira | - | 100.00 | 30 | (3) | 33 | (3) |
| Caixa Brasil, SGPS, SA (c) | Madeira | 90.00 | 100.00 | (230 080) | 63 207 | (275 763) | 44 569 |
| Caixa - Gestão de Activos, SGPS, SA | Lisbon | 100.00 | 100.00 | 26 637 | 4 880 | 21 757 | 2 477 |
| Caixa Internacional, SGPS, SA | Madeira | 10.00 | 100.00 | 2 469 | 565 | 1 895 | 504 |
| Caixa - Participações, SGPS, SA | Lisbon | 100.00 | 100.00 | 29 899 | (105) | 30 004 | (13) |
| Caixa Desenvolvimento, SGPS, SA | Lisbon | - | 99.63 | 45 620 | 773 | 44 847 | 572 |
| Caixa Empresas de Crédito, SGPS, SA (e) | Lisbon | - | - | - | - | 5 666 | 2 961 |
| Caixa Seguros, SGPS, SA | Lisbon | 100.00 | 100.00 | 403 406 | (10) | 462 134 | 61 067 |
| Caixaweb, SGPS, SA | Lisbon | 100.00 | 100.00 | 10 680 | (3 019) | 14 009 | (3 079) |
| Gerbanca, SGPS, SA | Lisbon | 90.00 | 100.00 | 21 | (8) | 29 | (6) |
| Gimob, SGPS, SA | Lisbon | - | - | - | - | 381 | 96 |
| Banking | | | | | | | |
| Banco Comercial do Atlântico, SARL | Praia | 47.53 | 59.17 | 15 896 | 1 921 | 16 383 | 3 705 |
| Banco Comercial e de Investimentos, SARL | Maputo | - | 42.00 | 35 589 | 5 172 | 27 662 | 3 888 |
| Banco Financeiro Português | Sao Paulo | 100.00 | 100.00 | 8 089 | (206) | 8 184 | (492) |
| Banco Interatlântico, SARL | Praia | 70.00 | 70.00 | 6 760 | 794 | 6 236 | 568 |
| Banco Internacional de São Tomé e Príncipe | Sao Tome | 27.00 | 27.00 | 4 459 | 250 | 3 616 | 228 |
| Banco Nacional Ultramarino, SA | Macao | 97.13 | 100.00 | 58 286 | 7 341 | 55 003 | 5 655 |
| Banco Postal, SA | Lisbon | - | - | - | - | 23 779 | (1 919) |
| Banco Simeón, SA (b) | Vigo | 99.61 | 99.61 | 165 081 | (11 675) | 175 405 | (1 915) |
| Caixa-Banco de Investimento, SA (b) | Lisbon | - | 99.63 | 201 287 | 21 551 | 180 009 | 20 107 |
| CGD - North America | Delaware | 100.00 | 100.00 | 1 | - | - | - |
| CGD - Representação de Bancos, Ltda. | Sao Paulo | 52.00 | 99.81 | 96 | (223) | 63 | (14) |
| Mercantile Lisbon Bank Holdings, Ltd. | Johannesburg | 91.75 | 91.75 | 61 810 | (26 769) | 16 639 | (6 295) |
| Unibanco - União de Bancos Brasileiros (b) | Sao Paulo | - | 4.91 | 2 242 616 | 354 997 | 1 952 709 | 287 165 |
| Unibanco Holdings (b) | Sao Paulo | - | 12.87 | 1 333 173 | 195 754 | 1 163 938 | 164 510 |
| Insurance | | | | | | | |
| Cares - Companhia de Seguros, SA | Lisbon | - | 100.00 | 10 765 | 1 647 | 8 729 | 748 |
| Companhia de Seguros Fidelidade Mundial, SA | Lisbon | - | 100.00 | 801 458 | 81 304 | 677 631 | 60 137 |
| Garantia - Comp.ª de Seguros de Cabo Verde, SARL | Praia | 41.55 | 65.31 | 3 997 | 476 | 3 641 | 433 |
| Via Directa - Companhia de Seguros, SA | Lisbon | - | 100.00 | 7 787 | 467 | 7 065 | 4 113 |
| Specialised Credit | | | | | | | |
| BCI ALD | Maputo | - | 43.83 | 84 | 55 | - | - |
| BCI Leasing, SARL | Maputo | - | 41.99 | 3 048 | 11 | 3 426 | 66 |
| Caixa Crédito - SFAC, SA | Lisbon | - | 100.00 | 8 744 | 1 311 | 7 433 | 1 261 |
| Caixa Leasing e Factoring - Inst. Financeira de Crédito, SA (e) | Lisbon | 100.00 | 100.00 | 85 674 | 4 275 | - | - |
| Locarent - Comp.ª Portuguesa de Aluguer de Viaturas, SA | Lisbon | 45.00 | 45.00 | 1 385 | (2 005) | 1 390 | 40 |
| Imoleasing - Soc. de Locação Financeira Imobiliária, SA | Lisbon | - | - | - | - | 86 011 | 6 008 |
| Locapor - Comp.ª Portuguesa de Locação Financeira Mobiliária, SA | Lisbon | - | - | - | - | 48 169 | 2 139 |
| Lusofactor - Sociedade de Factoring, SA | Lisbon | - | - | - | - | 9 055 | 1 617 |
| Unit Trust Fund Management | | | | | | | |
| Caixa Gestão de Patrimónios, SA | Lisbon | - | - | - | - | 1 820 | 287 |
| Caixagest - Técnicas de Gestão de Fundos, SA | Lisbon | - | 100.00 | 22 466 | 2 397 | 21 053 | 1 094 |
| CGD Luxemburgo | Luxembourg | - | - | - | - | 265 | 178 |
| CGD Pensões - Sociedade Gestora de Fundos de Pensões, SA | Lisbon | - | 100.00 | 4 265 | 545 | 4 118 | 442 |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | Lisbon | - | 100.00 | 3 873 | 2 166 | 4 860 | 2 154 |
| F. Turismo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | Lisbon | 33.47 | 33.47 | 1 307 | 362 | 1 283 | 507 |
| Lusogest - Sociedad Gestora Inst. Inv. Colectiva, SA | Madrid | - | - | - | - | 1 181 | (1 935) |
| Lusopensiones - Socied. Gestora Fondos Pensiones, SA | Madrid | - | - | - | - | 1 798 | (452) |

| Activity/Entity | Head Office | 2004 | | | 2003 | | |
|--|-------------|-------------------|-----------|--------------------------|------------|--------------------------|------------|
| | | Participation (%) | | Shareholders' equity (a) | Net income | Shareholders' equity (a) | Net income |
| | | Direct | Effective | | | | |
| Venture Capital | | | | | | | |
| A Promotora, Sociedade de Capital de Risco, SARL | Praia | 36.21 | 52.69 | 3 247 | (362) | 3 609 | (86) |
| Caixa Capital - Sociedade de Capital de Risco, SA | Lisbon | - | 99.63 | 20 288 | 1 554 | 18 734 | 1 551 |
| Property | | | | | | | |
| Imocaixa - Gestão Imobiliária, SA | Lisbon | 80.00 | 100.00 | 1 909 | 1 530 | 702 | 90 |
| Fidelidade Mundial, SGI, SA | Lisbon | - | 100.00 | 20 630 | 946 | 18 924 | 462 |
| ImoBCL Lda | Maputo | 40.00 | 44.20 | 505 | 2 | - | - |
| Other Financial Entities | | | | | | | |
| Caixa Investimentos - Sociedade de Investimento, SA | Lisboa | - | - | - | - | 17 817 | (204) |
| CGD Finance | Cayman | 100.00 | 100.00 | (805) | (471) | (331) | - |
| Caixa Geral Finance (d) | Cayman | 0.02 | 0.02 | 253 812 | 3 811 | - | - |
| SIBS - Sociedade Interbancária de Serviços, SA | Lisbon | 21.60 | 21.60 | 64 968 | 11 089 | 51 923 | 1 295 |
| Other Companies | | | | | | | |
| AdP - Águas de Portugal, SGPS, SA | Lisbon | 20.37 | 20.37 | 446 800 | 12 000 | 435 881 | 2 837 |
| Caixa - Sistemas de Informação, SA | Lisbon | 100.00 | 100.00 | (1 441) | - | (1 441) | - |
| Caixanet - Telemática e Comunicações, SA | Lisbon | 80.00 | 80.00 | 1 648 | 41 | 1 631 | 122 |
| Caixaweb, Serviços Técnicos e de Consultoria, SA | Lisbon | - | 100.00 | 616 | 423 | 193 | (402) |
| Companhia de Papel do Prado, SA | Tomar | 37.40 | 38.14 | 3 337 | 94 | 3 243 | 54 |
| Culturgest - Gestão de Espaços Culturais, SA | Lisbon | 51.00 | 90.00 | 169 | (29) | 197 | (1) |
| EAPS - Empresa de Análise, Prevenção e Segurança, SA | Lisbon | - | 100.00 | 173 | 69 | 156 | 100 |
| EPS - Gestão de Sistemas de Saúde, SA | Lisbon | - | 100.00 | 979 | 165 | 814 | 153 |
| Esegur - Empresa de Segurança, SA | Lisbon | 50.00 | 50.00 | 7 376 | 3 466 | 7 780 | 2 786 |
| GEP - Gestão de Peritagens Automóveis, SA | Lisbon | - | 100.00 | 103 | 77 | 26 | (28) |
| Hospitais Privados de Portugal - HPP Centro, SA | Lisbon | - | 100.00 | 345 | (45) | 404 | 332 |
| Hospitais Privados de Portugal - HPP Norte, SA | Porto | - | 100.00 | 5 172 | (138) | 5 511 | 1 792 |
| Hospitais Privados de Portugal - HPP Sul, SA | Faro | - | 100.00 | 1 178 | (664) | 1 961 | (228) |
| HPP, SGPS, SA | Lisbon | - | 100.00 | 11 105 | (1 534) | 12 984 | 1 286 |
| Imoport.com - Multimédia, SA | Lisbon | - | 63.00 | (1 001) | (361) | (640) | (400) |
| Prado - Cartolinas da Lousã, SA | Lousã | 37.40 | 38.14 | 7 147 | 1 490 | 6 495 | 847 |
| Prado Karton - Companhia de Cartão, SA | Tomar | 37.40 | 38.14 | 6 892 | 381 | 6 895 | 376 |
| Portal Executivo - Sociedade de Serviços, Consultoria e Informação em Gestão, SA | Lisbon | - | 75.00 | (696) | (356) | (214) | (452) |
| REN - Rede Eléctrica Nacional, SA | Lisbon | 20.00 | 20.00 | 862 328 | 69 299 | 847 409 | 93 489 |
| Consortiums | | | | | | | |
| Groupement d'Intérêt Economique | Paris | - | - | - | - | - | - |
| Sogruppo - Serviços Administrativos, ACE | Lisbon | - | - | - | - | - | - |
| Sogruppo - Sistemas de Informação, ACE | Lisbon | - | - | - | - | - | - |
| Sogruppo III - Gestão de Activos, ACE | Lisbon | - | - | - | - | - | - |
| Sogruppo IV - Gestão de Imóveis, ACE | Lisbon | - | - | - | - | - | - |

(a) Shareholders' equity includes net income for the year.

(b) Data taken from the consolidated financial statements.

(c) Shareholders' equity excludes supplementary capital contributions.

(d) Share capital is made up of 1 000 common shares of €1 each and 250 000 preference shares with no voting rights of €1 000 each.

(e) On 30 December 2004, after incorporating Imoleasing, Locapor and Lusofactor, Caixa Empresas de Crédito, SGPS, SA changed its corporate purpose, and its name to Caixa Leasing e Factoring - Instituição Financeira de Crédito, SA.

The changes in the Group's main participations in 2004 and 2003 were as follows:

**Mercantile Lisbon Bank Holdings, Ltd.
(Mercantile)**

In 2004 Mercantile's share capital was increased by 555 000 000 million South African Rands, through the issuance of 3 083 333 334 shares of 0.01 South African Rands each plus a premium of 0.17 South African Rands. CGD subscribed for 3 059 312 473 shares at a cost of 550 676 thousand South African Rands (€71 612 thousand at the exchange rate in force on 31 December 2004).

CGD also recorded 5 698 408 shares of Mercantile as the result of a foreclosure. The shares were recorded at their market value of €127 thousand at the end of September 2004.

**Caixa Leasing e Factoring – Instituição
Financeira de Crédito, SA (Caixa Leasing e
Factoring),
Imoleasing – Sociedade de Locação Financeira
Imobiliária, SA (Imoleasing),
Locapor – Companhia Portuguesa de Locação
Financeira Mobiliária, SA (Locapor) and
Lusofactor – Sociedade de Factoring, SA
(Lusofactor)**

On 28 December 2004 a merger deed was signed, under which the net assets of Imoleasing, Locapor and Lusofactor were transferred to Caixa Empresas de Crédito, SGPS, SA. The deed was registered on 30 December 2004, with accounting effect as from 31 December 2004.

In December 2004 the share capital of Caixa Empresas de Crédito, SGPS, SA was increased by €9 950 thousand, through the issuance of 1 990 000 shares of €5 each with a premium of €16.60 each, which was fully paid up in cash. As a result of this operation, Caixa Leasing e Factoring's share capital was increased to 2 000 000 shares of €5 each, fully subscribed for and paid up by Caixa.

After the merger, Imoleasing, Locapor and Lusofactor were dissolved and their rights and obligations were transferred to Caixa Empresas de Crédito, SGPS, SA. The net assets of the merged companies were recorded at their net book value at 30 December 2004.

Under the merger, Caixa Empresas de Crédito, SGPS, SA changed its corporate name to Caixa Leasing e Factoring and its corporate objects to activities legally permitted for Financial Credit Institutions under Decree Law 186/2002 of 21 August, namely all operations permitted for banks, except taking deposits.

**Caixa Geral Finance Limited
(Caixa Geral Finance)**

Caixa Geral Finance, with head office in the Cayman Islands, was founded in 2004 with a share capital of €1 000, fully subscribed for and paid up by Caixa. On 28 June 2004, the company issued non voting preference shares totalling €250 000 thousand, which were fully subscribed for and paid up by third parties (Note 22.).

**Caixa Investimentos, SA
(Caixa Investimentos)**

The dissolution process of Caixa Investimentos was completed in 2004. As a result, Caixa, the company's sole shareholder, received its total net assets in the amount of €17 817 thousand. As a result of this operation a capital gain of €1 653 thousand and €3 thousand was reflected in the non-consolidated and consolidated financial statements, respectively (Note 32.).

CGD Luxemburgo

In 2004 Caixa Participações acquired 90% of the shares of CGD Luxemburgo from CGD for €131 thousand and, as a result, became the sole shareholder of that company. CGD Luxemburgo was dissolved on 30 December 2004, a receivable of €142 thousand having been recorded.

**Locarent – Companhia Portuguesa
de Aluguer de Viaturas, Lda. (Locarent)**

In 2004 the share capital of Locarent - Companhia Portuguesa de Aluguer de Viaturas, Lda. was increased by €2 000 thousand through the issuance of 400 000 new shares of €5 each. Caixa subscribed for 180 000 new shares for €900 thousand and the Group's effective percentage participation in Locarent was maintained.

**Caixa Gestão de Patrimónios, SA
(Caixa Gestão de Patrimónios)**

In 2004 Caixa Gestão de Patrimónios was liquidated, its assets as of the date of its dissolution being transferred to Caixa Gestão de Activos, its sole shareholder.

Banco Comercial e de Investimentos, SARL (BCI)

In 2003, following approval by the local authorities, Banco de Fomento, SARL was merged into Banco Comercial e de Investimentos, SARL through the issuance, by BCI, of 9 642 857 new shares of 10 000 Mozambican Meticals each, corresponding to 30% of that bank's share capital. The new shares were issued to the shareholders of Banco de Fomento, SARL on the basis of the shares held at the date of the merger. As a result of this operation, CGD's effective equity participation in BCI fell to 42%.

**Banco Internacional de São Tomé e Príncipe,
SARL (BISTP)**

In May 2003, CGD acquired from Banco Totta & Açores, SA 3 763 800 shares corresponding to 30% of Banco Internacional de São Tomé e Príncipe, SARL's share capital for 950 000 US dollars (€752 thousand at the exchange rate in force on 31 December 2003).

Also in 2003, CGD entered into a contract with Banco Africano de Investimento under which it promised to sell 3 136 500 shares of BISTP, corresponding to 25% of its share capital, for 791 970 US dollars (€627 thousand at the exchange rate in force on 31 December 2003). Of the sales price, 50% was receivable on the date of the deed

of sale, which occurred in April 2004 after obtaining approval from the Central Bank of São Tomé e Príncipe. CGD recorded a capital gain of €313 thousand on this operation (Note 32.).

As a result of these operations, an effective equity participation of 27% in BISTP was considered for purposes of the consolidated accounts at 31 December 2003, as the shares referred to in the preceding paragraph were acquired with the purpose of being sold in the short term.

Banco Postal, SA (Banco Postal)

In 2003 CGD acquired, from CTT – Correios de Portugal, SA (the Portuguese Post Office), 2 940 000 shares of Banco Postal, corresponding to 49% of its share capital for €11 646 thousand and, as a result, became the sole shareholder of that bank.

In 2003, the project for the merger of Banco Postal, SA into CGD was approved and the merger operation was carried out on 19 May 2004. As a result of this operation, CGD recorded, in its non-consolidated accounts, a negative merger reserve of €3 693 thousand corresponding to the difference between the cost of the investment and the net book value of the assets and liabilities of Banco Postal (Note 23.).

Caixa Crédito – SFAC, SA (Caixa Crédito)

In 2003, Caixa Participações, SGPS, SA acquired, from entities outside the Group, 400 000 shares of Caixa Crédito, corresponding to 22.22% of its share capital, for € 1 455 thousand. As a result of this operation, the Group's effective equity participation in Caixa Crédito was increased to 88.89%.

In August 2004 the Company acquired 200 000 shares of Caixa Crédito corresponding to 11.11% of that entity's share capital, for €2 050 thousand. As a result of this operation, the Group became the sole shareholder of Caixa Crédito.

Lusogest - Sociedad Gestora de Instituciones de Inversion Colectiva, SA (Lusogest)

In 2003 Lusogest's share capital was increased through the issuance of 161 290 shares of €6.01 each plus a share premium of €5.55, totalling €1 865. The capital increase was fully subscribed for and paid up by CGD.

In 2004 CGD sold, to Banco Simeón, 161 290 shares of the share capital of Lusogest, and recorded a loss of €60 thousand in its non-consolidated accounts (Note 32). Subsequently, Banco Simeón sold, to Banco Espírito Santo, SA, its equity participation and the Group recorded a net capital gain of €1 076 thousand in its consolidated accounts (Note 32.).

Lusopensiones – Sociedad Gestora de Fondos de Pensiones, SA (Lusopensiones)

In 2003 Lusopensiones' share capital was increased by €158 thousand through the issuance of 26 260 shares of €6.01 each, which were fully subscribed for and paid up by CGD.

In 2004 CGD sold, to Banco Simeón, 26 260 shares corresponding to the share capital of Lusopensiones and recorded a capital gain of €260 thousand in its non-consolidated accounts (Note 32). Subsequently Banco Simeón sold, to Banco Espírito Santo, SA, its equity participation and the Group recorded a loss of €302 thousand in its consolidated accounts (Note 32.).

SIBS – Sociedade Interbancária de Serviços, SA (SIBS)

As a result of the merger of Banco Postal into CGD, Caixa received 20 000 shares of SIBS for their book value of €549 thousand.

CGD North America Finance LLC (CGD North America)

CGD North America Finance LLC with head office in Delaware, was founded in 2003 for the purpose of issuing public debt securities under the terms of the "United States

Commercial Paper" Program (USCP Program). Under the terms of this program Notes of up to 2 billion US dollars can be issued which, under the "Securities Act of 1933", are not listed on the stock exchange.

Banco Simeón, SA

In 2003 Banco Simeón, SA's share capital was increased by €16 718 thousand through the issuance of 2 781 729 shares of €6.01 each plus a share premium of €1.80, which were fully subscribed for and paid up by CGD.

Cares – Companhia de Seguros, SA (Cares)

In 2004 and 2003 Caixa Seguros acquired, from entities outside the Group, 25 000 shares of this company for €645 thousand and €396 thousand, respectively.

As a result of these operations, the Group became sole shareholder of Cares.

Cnufa – Sociedade Imobiliária, SA

In 2003 Cnufa – Sociedade Imobiliária, SA was liquidated, which resulted in a capital gain of €1 859 thousand in CGD's non-consolidated accounts (Note 32.).

AdP - Águas de Portugal, SGPS, SA (AdP)

In 2003 AdP's share capital was increased by €100 000 thousand through the issuance of 20 000 000 shares of €5 each. CGD subscribed for 4 074 800 shares, in the amount of €20 374 thousand, and maintained its effective percentage participation in AdP.

**Companhia de Papel do Prado, SA (CPP),
Prado – Cartolinas da Lousã, SA and
Prado Karton – Companhia de Cartão, SA**

In July 2003, following the splitting up of CPP, part of the Group's equity investment was transferred to the two companies Prado – Cartolinas da Lousã, SA and Prado Karton – Companhia do Cartão, SA, to which the net assets of CPP were transferred.

Esegur – Empresa de Segurança, SA (Esegur)

In 2003 CGD acquired, from CTT – Correios de Portugal, SA, 55 000 shares of Esegur, corresponding to 10% of its share capital, for €2 674 thousand. As a result of this operation, CGD's effective equity participation in Esegur was increased to 50% and the investment started being reflected in the consolidated accounts in accordance with the proportional consolidation method.

CGD USA Holding Company, Inc.

In 2002 CGD acquired 969 166 shares of 0.01 US dollars each of CGD USA Holding Company, Inc., corresponding to 51% of its share capital, for 23 600 000 US dollars (€ 22 504 thousand at the exchange rate in force on 31 December 2002). After being authorized by the North American authorities, CGD USA Holding Company, Inc. acquired all the share capital of Crown Bank.

In 2003 CGD USA Holding Company, Inc. was excluded from consolidation due to the fact that Caixa does not have management control over Crown Bank, as a result of litigation with the minority shareholders of the above mentioned holding company. At 31 December 2004 and 2003 there were outstanding legal proceedings brought by Caixa against the minority shareholders and by the minority shareholders against Caixa.

1.2. Basis of Presentation

CGD's financial statements have been prepared from the information contained in its books and accounting records, which have been maintained in accordance with the principles set out in the Chart of Accounts for the Banking System and other rules issued by the Bank of Portugal. The consolidated financial statements have been prepared in accordance with the principles defined by Decree-Law no. 36/92 of 26 March.

The financial statements of the branches are combined with those of the head office to make up its non consolidated operations. The balances, including fixed assets and results for the year, included in the respective balance sheets and statements of income have been translated to Euros at the

average reference exchange rates published by the Bank of Portugal as at the date of the financial statements. All balances and transactions between Caixa's head office and branches were eliminated during the course of combining the financial statements.

The consolidated financial statements include the accounts of CGD and those of its subsidiary and associated companies. In addition, where applicable, consolidation adjustments have been made in order to correct the application of accounting principles.

The financial statements of CGD and some of its subsidiary and associated companies as at 31 December 2004 are still subject to approval by the corresponding statutory bodies. However, CGD's Board of Directors expects that the financial statements used for the preparation of the consolidated accounts will be approved without significant changes.

1.3. Consolidation principles

The accounts of the subsidiary companies were consolidated using the full consolidation method, except for the participations in the companies indicated in Note 9 due to the non-banking nature of their operations.

Significant transactions and balances between consolidated companies have been eliminated. Third part interests in subsidiary companies subject to the full consolidation method are reflected in the "Minority shareholders' interests" caption.

Investments in jointly controlled companies, namely Esegur–Empresa de Segurança, SA, are reflected in the consolidated accounts in accordance with the proportional consolidation method, under which assets, liabilities, costs and income of that company are reflected in the consolidated accounts in proportion to CGD's participating interest in them.

In the consolidated accounts the associated companies and subsidiaries excluded from consolidation have been reflected in accordance with the equity method of

accounting, pursuant to which the value of the investments is adjusted based on the percentage of share capital, reserves and net income corresponding to CGD's effective participation in such companies.

Consolidation differences resulting from the difference between the cost of the investments, net of any consolidation adjustments, and the corresponding proportion of shareholders' equity of the subsidiary and associated companies, have been fully written off against reserves in the year of purchase.

Consolidated net profit (Note 23.) results from combination of the net results of CGD and those of the Group companies in proportion to the respective effective participations, after consolidation adjustments, namely the elimination of dividends received and capital gains and losses on transactions between Group companies.

At 31 December 2004 and 2003 CGD held 8 325 participating securities in Instituto Nacional de Habitação (INH), representing 52% and 55% of its capital, respectively. This investment has not been consolidated as the entity is a Public Institute (and not a company) and the fact that the participating securities do not entitle CGD to any participation in INH's management.

As explained in Note 10., in July 2004 Caixa Seguros, SGPS, SA entered into a contract to acquire all the share capital of Império Bonança, SGPS, SA. However, since ownership of the shares and control over that company and the insurance companies indirectly acquired was only transferred in January 2005, these companies were not included in consolidation at 31 December 2004.

In 2002 CGD started recording by the equity method its investments in Unibanco - União de Bancos Brasileiros and Unibanco Holdings, corresponding to participations of 4.84% and 12.62%, respectively, of their share capital, due to the fact that it has significant influence over the management of these companies, in accordance with the

terms of article 1, c) of Decree-Law 36/92 of 28 March. Considering Unibanco Holdings' participation in Unibanco, the Group's effective participation in Unibanco is 12.34%.

Assets, liabilities and shareholders' equity, including net income for the year, of subsidiary and associated companies that prepare financial statements in foreign currencies, are translated to Euros at the reference exchange rates at the date of the balance sheet. Exchange differences in capital and reserves in relation to the preceding year, except for dividends distributed, are reflected in reserves (Note 23.).

Equity participations which have not been consolidated in accordance with the full consolidation or proportional method or recorded in accordance with the equity method, are recorded in the captions "Participating interests" and "Other Investments", in accordance with the criteria defined in Note 2. f).

2. Summary of Main Accounting Policies

The most significant accounting principles used in preparing the accompanying financial statements were:

a) Accrual basis

Income and expenses are recognised on an accruals basis, independently of when the amounts are received or paid, in accordance with the period of the operations.

Accrued interest on loans secured by mortgages is maintained in the balance sheet up to one year after the due date of the operation, or of the first instalment in arrears and is reversed after that period.

Interest on loans secured by other real guarantees (except mortgages) is maintained in the balance sheet up to six months after the due date of the operation, or of the first instalment in arrears.

Interest on loans without real guarantees is reversed three months after the due date of the operation, or of the first instalment in arrears.

Interest not recorded on the above mentioned loans is only recognised when received.

b) Provisions for overdue loans and interest, for doubtful loans, for country-risk and for general credit risks

In accordance with the terms of Bank of Portugal Notice 3/95 of 30 June as amended by Notice 8/2003 of 30 January and other legislation issued by the Bank of Portugal, Caixa records the following provisions for credit risks:

i) Provision for overdue loans and interest

This provision is to cover risks of collection of loans on which there are unpaid instalments of capital or interest. The percentages of overdue loans and interest provided depend on the period elapsed after the due date, as well as whether they are secured by guarantees.

ii) Provision for doubtful loans

This provision is to cover the risks of collection of principal not yet due relating to credit granted to borrowers that have overdue instalments of principal or interest, or that have other loans with overdue instalments. In accordance with Notice 8/2003, doubtful loans are as follows:

- Principal not yet due on credit operations that have overdue instalments of principal and interest in at least one of the following conditions:
 - That exceed 25% of the principal due plus interest;
 - That are overdue more than:
 - six months on operations for periods of less than five years;
 - twelve months on operations for periods equal to or greater than five years but less than ten years;
 - twenty-four months on operations for periods equal to or greater than ten years.

Loans in such conditions are classified as overdue loans only for the purpose of recording provisions, these being recorded using the rates applicable to overdue credit on these operations.

- Principal not yet due on all loans granted to a same borrower whenever the overdue principal and interest relating to that client, in accordance with the classification referred to in the preceding paragraph, exceeds 25% of the total outstanding principal plus interest. Loans in such conditions are provided for using 50% of the rates applicable to provisions for overdue loans.

Caixa also records an additional provision for doubtful loans based on a review of the estimated realisable value of a group of loans (Note 6). This provision is not accepted as a cost for taxation purposes.

iii) Provision for country-risk

This provision is recorded to cover realisation risks of financial assets and off-balance sheet items relating to residents of risk related countries, whatever instruments are used or the counterparty's nature, except for:

- those assets domiciled in a branch established in that country, expressed and payable in that country's currency, as long as they are covered by resources denominated in the respective country's currency;
- equity participations;
- operations carried out with branches of credit institutions of a risk country, as long as they are established in a EU member state;
- those guaranteed by entities listed in item 1 of article 15 of Notice 3/95, as long as the respective guarantee covers the transfer risk;
- foreign trade short term funding operations that comply with the rules defined by the Bank of Portugal.

Provisioning needs are determined by application of percentages fixed by the Bank of Portugal, which classifies countries and territories according to risk groups.

Since this is a specific provision, it is recognised in the various captions in which the assets included in the country-risk definition are recorded. In 2003, provisions for country-risk relating to off-balance sheet items were recorded in the caption "Provision for other assets" (Note 13.). In 2004 these provisions started being recorded in provisions for credit granted or for loans and advances to credit institutions depending on the counterparty's nature.

iv) Provision for general credit risks

This provision is recorded under the liability caption "Provisions for risks and charges - Other provisions", to cover the risks of collection of loans, guarantees and sureties.

This provision is calculated by application of the following generic percentages to the total credit not yet due, including guarantees and sureties:

- 1.5% of consumer credit and loans to individuals for undetermined purposes;
- 0.5% of credit guaranteed by mortgage of property or real estate financial lease operations, in both cases whenever the property is for the borrower's own housing;
- 1% of the remaining credit granted.

Provisions released as a result of the 0.5% decrease in the rate applicable to the provision for credit guaranteed by mortgage of property or real estate finance lease operations, in both cases whenever the property is for the borrower's own housing, in the amount of €98 166 thousand, were allocated in full to the provision for specific credit risks between 31 August and 31 December 2003 (Note 20.).

In 2001 and 2002 only 50% of the increase in the provision for general credit risks was considered as tax deductible. Increases in this provision as from 1 January 2003 are no longer tax deductible.

In addition, in accordance with current legislation, in the case of the reversal of provisions for general credit risks as from 1 January 2001, the first to be considered as income for the year are those which were considered as tax deductible in the year in which they were recorded.

c) Provision for other risks

i) Provision for other risks and charges

This provision is to cover tax, legal and other contingencies and other risks. Except for the provisions for litigation in process, this provision is not tax deductible.

ii) Fund for general banking risks

At 31 December 2003 this provision was recorded to cover possible impairment losses on assets and contingencies and was not tax deductible.

In 2004 part of this provision was reversed and the remaining balance was transferred to other provisions to cover several risks. The balance of this provision in the consolidated balance sheet at 31 December 2004 refers mainly to provisions recorded by foreign subsidiaries.

d) Foreign currency operations and derivatives

Foreign currency operations are recorded in conformity with the multi-currency principle. In this regard, the following procedures are adopted:

i) Spot foreign exchange transactions comprising:

- Foreign currency assets and liabilities;
- Spot transactions pending settlement;
- Forward operations that mature in the two following business days,

are revalued daily on the basis of the average fixing rate published by the European Central Bank. The resulting foreign exchange differences are recorded as costs or income, as the case may be.

ii) Forward operations are revalued at market exchange rates for the respective residual period to maturity. In the absence of market rates, these are computed based on the interest rate differential of the respective currencies for the remaining periods to maturity. The revaluation differences are recorded as costs or income.

Currency swaps

The forward segment of currency swap operations, less the premium or discount to be amortised, is included in the revaluation of the spot foreign exchange position. The premiums or discounts arising from the difference between the spot and contracted forward exchange rates are amortised over the term of the operations, the respective cost or income being recorded.

Interest rate swaps

Trading and hedging interest rate swaps are recorded by the operation's notional value in off-balance sheet items.

Interest receivable and payable on hedging operations relating to the current interest period are recognised in "Prepayments and accrued income" or "Accruals and deferred income" by corresponding entry to the statement of income.

Trading interest rate swaps are revalued on the basis of the net present value of the future interest payable or receivable, discounted at market interest rates. Gains or losses on each operation are determined based on the difference between the market interest rate at the revaluation date and the contracted interest rate. The resulting negative or positive differences are recorded as gains or losses in the income statement. This revaluation is not accepted for tax purposes.

Premiums received in advance on interest rate swaps are recorded as deferred income (Note 19) and recognised as current income on a straight-line basis over the term of the operations. The effect of deferring the income is adjusted in determining the amount of the revaluation of trading contracts.

Forward rate agreements (FRAs)

Trading forward rate agreements are revalued based on market interest rates applicable to the period from settlement to maturity.

Gains or losses on each operation are determined by applying to the operation's notional value, the difference between the market interest rate at the revaluation date and the contracted interest rate. The resulting positive or negative differences are recorded as gains or losses in the income statement, respectively.

Futures

Futures trading contracts are revalued daily, the resulting positive or negative differences being recorded in the income statement.

Futures contracts entered into for the purpose of hedging interest rate risk on fixed rate investment portfolio securities, are revalued daily. The results of these contracts are recorded in accordance with the same principle followed for recording opposite-sign results relating to the hedged items.

Options

Trading options contracts are recorded in off-balance sheet accounts at notional value. They are revalued daily based on the market price and volatility of the underlying assets. The result of this revaluation is recognised in the accruals and deferrals accounts by corresponding entry to costs or income.

Hedging options contracts, namely those used for hedging the risk of embedded derivatives in debt issued or customer deposits are not revalued. Only the interest payable by Caixa in these operations is recorded on an accrual basis.

e) Securities portfolio

Securities are classified considering their features and the intention of maintaining them at the time of their acquisition:

i) Trading securities

Comprise securities bought for the purpose of resale within a period not exceeding six months.

Bonds are recorded at cost and revalued daily based on market prices, including accrued interest. The amount resulting from revaluation of the principal component is recorded as "Gains or losses arising from financial operations", while the corresponding accrued interest is recorded as "Interest income".

Shares and other variable-yield securities are also recorded at cost and revalued to market price or, when these are not available, to the lower of cost or presumed market value. Revaluation differences on shares comprising the PSI 20 index, or those that, being traded in other stock exchanges, present adequate liquidity, are recorded directly in the income statement. For the remainder shares and other variable-yield securities the revaluation differences are recorded in the assets or liabilities "Accruals and deferrals" accounts, depending upon whether such differences represent unrealised losses or gains. Unrealised losses are fully provided for.

ii) Investment securities

These comprise securities purchased with a view to being held for a period of at least six months, with the intention of earning a stable income and without the purpose of exercising influence on the management of the issuer.

Bonds and other fixed income securities issued on the basis of their nominal value are recorded at cost. The positive or negative difference between cost and their respective nominal value, which corresponds to the premium or discount at the time of the purchase, is recognised as cost or income over the period from the date of purchase to maturity.

Securities issued at a discount are recorded at their nominal value. Differences between the nominal value and cost are recorded as income over the period from acquisition to maturity of the securities. Prepaid interest on these securities is recorded in the liability caption "Accruals and deferred income".

Unrealised losses arising from the valuation of bonds and other fixed income securities at market value are fully provided for.

Shares and other variable-yield securities are recorded at cost. Whenever the market value (or presumed market value in the case of unlisted securities) falls below cost, provisions are recorded.

iii) Securities to be held to maturity

These are fixed-income securities with non-variable interest rates which are known at the issue date, their repayment date is fixed and they are issued by entities listed by the Bank of Portugal, the securities being acquired with the purpose of being held up to their maturity date.

These fixed-income securities, issued on the basis of their nominal value, are recorded at cost. The positive or negative difference between cost and their nominal value, which corresponds to the premium or discount at the time of the purchase, is recorded as cost or income over the period from acquisition to maturity.

Accrued interest is recorded as income receivable based on the respective nominal value and the applicable interest rate.

On 31 December 2004 and 2003 the portfolio of securities to be held to maturity in the consolidated financial statements refers to Banco Simeón, SA.

iv) Repo operations

These are loan or investment operations guaranteed by the delivery of securities. Repos are recorded as

investments (purchases) or resources (sales) by the total amount of their principal and interest. Interest is recorded daily as income or expense over the term of the operations, with a corresponding entry to accruals and deferrals captions. These operations involve the effective transfer, although temporary, of the ownership of the securities given as collateral, these being recorded in off-balance sheet items.

f) Participating interests

Non-consolidated financial statements:

Participating interests

This caption includes investments of a stable nature in companies, in which the equity interest does not exceed 50% or, where greater, are not strategic to the CGD Group's operations.

Investments in subsidiary companies

This caption includes investments in companies in which the participating interest exceeds 50% and are not included in the participating interests caption.

These investments are recorded at cost.

Consolidated financial statements:

Investments in associated companies

This caption includes investments in companies in which the participating interest is between 20% and 50% or, being lower, CGD has significant influence over their management. These investments are recorded in accordance with the equity method of accounting, their book value corresponding to the percentage of capital, reserves and results, equal to CGD's effective participation in these companies.

Investments in subsidiary companies excluded from consolidation

This caption includes equity participations in subsidiary companies recorded in accordance with the equity method of accounting given the different nature of their business activity.

Other investments

This caption includes investments in companies in which the participating interest is lower than 20% and those in which the participating interest exceeds 20% but are not recorded in accordance with the equity method of accounting because the Group has no influence over their management, they are venture capital investments or they were acquired for the purpose of being sold in the short term. These participating interests are recorded at cost.

Provisions

In accordance with Bank of Portugal Notice 3/95 of 30 June, provisions must be recorded where the company in which the participating interest is held has been subject to the following:

- the company has incurred losses during three consecutive or non-consecutive years over the last five years;
- the company is insolvent;
- the company has ceased operating;
- the company has been subject to a company recovery process;
- the company was declared bankrupt.

In addition, in 2002 the Bank of Portugal, through Notice 4/2002 of 25 June, introduced new requirements in terms of the methodology for calculating and recording provisions for investments, establishing that unrealised losses must be determined as follows:

- for investments in listed companies, the unrealised loss corresponds to the difference between the book value and market value, calculated based on the average daily market prices during the previous six months;
- for investments in unlisted companies, presumed market value for purposes of determining unrealised losses is equivalent to 150% of the corresponding part of the participated company's shareholders' equity.

Under the terms of this Notice, whenever the unrealised loss on an investment exceeds 15% of the book value of the investment, a provision of at least 40% of that excess must be recorded.

Notices 4/2002 and 4/2004 of 28 June, establish a transitory regime for investments already in the portfolio at 31 December 2001. Under the terms of this regime, the provision for losses on these investments can be deferred over a period of ten years (for investments in companies subject to supervision by the Bank of Portugal or Instituto de Seguros de Portugal) or over a period of five years (for other investments). Under this regime provisions recorded in 2002, 2003 and 2004 can be charged to reserves.

In addition, Notice 4/2002 establishes, for purposes of non-consolidated financial statements, that the criteria applicable to direct participations also apply to indirect participations.

Caixa adopted the transitory regime and is recording provisions based on the minimum limits established in the above-mentioned Notice, except for provisions for investments in Banco Comercial Português, SA and EDP – Electricidade de Portugal, SA. In these cases, after obtaining specific authorisation from the Bank of Portugal, CGD provided for the full amount of the unrealised losses in relation to their listed prices as at 31 December 2003, by charge to reserves and retained earnings (Notes 8. and 23.).

In 2004 and 2003 Caixa recorded provisions of €711 584 thousand and €40 391 thousand, respectively, for equity investments, in its non-consolidated financial statements, by charge to reserves and retained earnings (Notes 8., 20. and 23.). In the consolidated financial statements the provisions recorded in 2004 and 2003, net of reversals, amounted to €711 354 thousand and €30 155 thousand, respectively, of which €711 159 thousand and €34 007 thousand, respectively, were charged to reserves and retained earnings (Notes 10., 20. and 23.).

g) Fixed assets

Tangible fixed assets are recorded at cost and revalued in compliance with the applicable legislation, with the exception of those assigned to the branches, which are stated at cost.

The net surplus arising from revaluations was credited to the "Revaluation reserves" account (Note 23.). Forty percent of the increased depreciation charge resulting from the revaluations carried out is not tax deductible. Caixa does not record deferred tax liabilities arising from this situation in line with the current practice in force for the Portuguese banking sector.

Depreciation is calculated on a straight-line basis using the maximum rates allowed by tax legislation, which do not differ from the estimated useful lives of the corresponding assets. The rates correspond to the following periods of useful life:

| | Number of years |
|---------------------------|-----------------|
| Properties | 50 |
| Leasehold improvements | 10 |
| Equipment: | |
| Furniture and furnishings | 8 |
| Machines and tools | 5 - 14 |
| Computer hardware | 4 - 5 |
| Interior fittings | 8 - 10 |
| Vehicles | 4 - 6 |
| Security equipment | 10 |

Intangible assets include mainly amounts spent on computer software and research and development expenses. These expenses are amortised over three years.

h) Assets received as settlement of defaulting loans

Property and other assets received as settlement of defaulting loans are recorded under the caption "Other assets - assets received as settlement of defaulting loans" at their repossessed values, by corresponding entry to the liability caption "Accruals and deferred income". This entry is reversed by credit to overdue loans when the respective legal proceedings have been finalised. Whenever the repossessed amount exceeds the fair value of the assets, a provision for the shortfall is recorded.

When promissory contracts for the sale of repossessed assets are signed, the sales value is recorded in the caption "Other assets" by corresponding entry to the liability caption "Accruals and deferred income". The amount recorded in the liability caption is reversed by corresponding entry to the caption "Other assets – assets received as settlement of defaulting loans" when the deed of sale is signed or the assets are effectively transferred.

i) Retirement and survivor pensions

CGD and Fidelidade Mundial are responsible for the payment of retirement, disability and survivor pensions to their employees under the conditions explained below. Other companies of the Group are also responsible for the payment of pensions, namely Banco Comercial do Atlântico, SA, Banco Simeón, SA and Banco Nacional Ultramarino, SA (Macao), among others, but these are not significant in relation to the consolidated financial statements.

Liability relating to employees of CGD

In accordance with article 39 of Decree-Law 48 953 of 5 April 1969 and Decree-Law 161/92 of 1 August, CGD was responsible for the payment of sickness, disability or old age retirement pensions, as well as survivor pensions to employees hired as from 1 January 1992. The survivor pensions relating to employees hired prior to 1 January 1992 are paid by Caixa Geral de Aposentações (CGA). For this purpose these employees pay a contribution of 2.5% of their wages.

In addition, in accordance with the terms of the Collective Labour Agreement (ACTV) in force for the banking sector, the former BNU had the commitment to grant pensions to employees for early retirement and retirement due to age, disability and survivor pensions. Such payments comprised a percentage, which increased in line with the number of years of employment, applied to the salary scales agreed annually with the bank employees' trade unions. In 2001, following the merger of BNU into CGD, BNU's pension liability was transferred to CGD. Accordingly, the former

employees of BNU, in service at the date of the merger, became covered by the pension and benefits plan in force in CGD. As regards retired personnel and pensioners of BNU at the date of the merger, BNU's pension plan in force on the date of their retirement remains applicable.

As from 30 November 2004, in compliance with Decree-Laws 240-A/2004 of 29 December and 241-A/2004 of 30 December, all pension liabilities of Caixa's employees relating to time of service up to 31 December 2000 were transferred to CGA. This transfer also included death subsidy after normal retirement age relating to the above mentioned time of service.

Accordingly, Caixa's pension liabilities as at 31 December 2004 are as follows:

- Liabilities relating to current employees for time of service after 31 December 2000;
- In the case of employees retired between 1 January 2001 and 31 December 2004, the part of the liabilities corresponding to the time of service in that period;
- Liabilities for retirement pensions and respective survivor pensions of former BNU staff already under payment at the time of the merger;
- Liabilities with death subsidy relating to time of service after 31 December 2000.

The pensions paid are based on the number of years of service of the employees and their wages at their date of retirement, and are updated in line with the wages paid to current employees.

Caixa pays the contributions required to cover its pension liabilities, for which it has a pension fund set up in December 1991. In accordance with the regime applicable to Caixa, the employees contribute the following percentages of their wages to the pension fund:

| | |
|---|-------|
| - Employees hired prior to 1 January 1992 | 7.5% |
| - Employees hired after 1 January 1992 | 10.0% |

The full amount contributed by the employees hired after 1 January 1992 is paid to the pension fund owing to the fact that the fund is responsible for the respective survivor pensions regime.

The transfer of liabilities to CGA implies the transfer of an equal amount of assets from the pension fund (Note 29.).

Medical assistance to current employees and pensioners of CGD is provided by the Social Services of Caixa Geral de Depósitos (the "Social Services"). CGD pays an annual contribution to the Social Services corresponding to 8.95% of salaries and pensions paid. This contribution is recorded on a cash basis.

Recording and coverage of the pension liability

Following the publication of Notice 12/2001 of 9 November and Notice 7/2002 of 31 December, the Bank of Portugal established the following regime for recording and funding pension liabilities:

- the annual cost of retirement pensions includes current service costs and interest cost less expected income;
- requirement to fully fund pensions under payment and a minimum of 95% of the past service liability of current personnel. At 31 December 2004 CGD's past service liability relating to current employees was fully funded. At 31 December 2003, 99.03% of CGD's past service liability relating to current personnel was funded, the shortfall in the coverage amounting to €24 563 thousand (Note 29.).
- establishment of a 10% corridor based on the lower of the present value of the past service liability or the amount of the pension fund at the end of the current

year. The actuarial gains and losses resulting from differences between the actuarial and financial assumptions used and the actual amounts as regards the pension liability and the income of the pension fund need not affect the result for the year, being recorded in a value fluctuation caption up to that limit. At 31 December 2004 and 2003 CGD used the option to defer the actuarial and financial losses, having used the full amount allowed for the corridor (Notes 14. and 29.).

After obtaining specific authorization from the Bank of Portugal the part of the corridor relating to liabilities transferred to CGA in 2004, in the amount of €189 088 thousand, was charged directly to retained earnings (Note 29.).

- the variations that exceed the corridor and those resulting from changes in actuarial assumptions can be recorded as deferred costs or income and amortised over a maximum period of 10 years. At 31 December 2004 and 2003 deferred costs recorded by CGD amounted to €139 926 thousand and €310 039 thousand, respectively (Note 14.). In 2004 and 2003, CGD amortised deferred costs in the amount of €31 004 thousand and €29 697 thousand, respectively (Notes 29. and 32.).

After obtaining specific authorization from the Bank of Portugal the part of deferred costs relating to the liabilities transferred to CGA in 2004, in the amount of €606 724 thousand, was charged directly to retained earnings (Note 29.).

CGD's liabilities for retirement pensions (including the liabilities relating to employees of the former BNU) are covered by a Pension Fund totalling €645 217 thousand at 31 December 2004 (€2 497 086 thousand in 2003).

Companhia de Seguros Fidelidade Mundial, SA

Pursuant to the terms of the collective labour agreement in force for the insurance sector, Fidelidade Mundial has assumed the commitment to pay its employees hired prior to June 1995, supplementary pensions to those attributed

by the Social Security. These supplementary pensions consist of a percentage, which increases in proportion to the number of years of employment, applied to the salary scales in force at the date of retirement. In addition, the Company has assumed the commitment to pay pensions to employees taking early retirement, corresponding to 80% of their current salary, up to the time they reach normal retirement age.

To cover these liabilities Fidelidade Mundial has pension funds, mathematical provisions and other provisions amounting to €112 137 thousand and €108 780 thousand, at 31 December 2004 and 2003, respectively (Note 29).

In accordance with the accounting principles applicable to the insurance sector, liabilities for pensions must be fully covered by pension funds and/or provisions at the end of each year, all the amounts required to ensure that coverage being recorded as expense for the year.

j) Income tax

All the Group companies are taxed individually and those with head offices in Portugal are subject to the regime laid out by the Corporate Income Tax Code (“Código do IRC”). The branches’ accounts are included in the head office accounts for tax purposes. In addition to being subject to Corporate Income Tax (“IRC”), pursuant to the above, the net income of branches is also subject to local taxes in the countries/territories where they operate. Local taxes are deductible from the head office’s taxable income under the terms of article 85 of the Corporate Income Tax Code and Double Taxation Agreements entered into by Portugal.

The offshore branches of CGD and Caixa – Banco de Investimento, SA in the Autonomous Region of Madeira benefit, under article 33 of the Statute of Tax Benefits, from exemption from corporate income tax up to 31 December 2011. Under the terms of Ministerial Order 555/2002 of 4 June, at least 80% of the taxable income of the entity’s non consolidated accounts is considered, for the purpose of this exemption, to result from activities outside the Madeira free zone (this regime has been in force since 1 January 2003).

Income tax relative to subsidiaries abroad is calculated and recorded in compliance with the regulations in force in those countries.

Caixa does not record deferred taxes resulting from tax losses carried forward or from timing differences between the accounting results and those accepted for tax purposes (IRC), except for deferred tax liabilities relating to the taxation of derivative products.

Deferred tax assets recorded by the principal subsidiary and associated companies are eliminated in the consolidation process, in accordance with the regulations of the Bank of Portugal.

k) Finance Leasing

Finance leasing operations are recorded as follows:

Lessee

Assets purchased under finance leasing agreements are recorded for the same amount in fixed assets and liabilities and the respective depreciation thereon calculated.

Lease instalments are divided in accordance with the respective financial plan, the principal repayment component being deducted from the liability. The interest component is recorded as interest expense.

Lessor

Leasing assets are recorded on the balance sheet as loans granted, and are repaid in accordance with the financial plan as set out in the contract. The interest included in the lease instalments is recorded as interest income.

l) Securities and other items received for deposit

Securities and other items deposited by customers are recorded at their nominal value.

m) Deposit Guarantee Fund

The Deposit Guarantee Fund (Fund) was created in November 1994 for the purpose of guaranteeing

customers' deposits in accordance with the terms of the General Regime for Credit Institutions. Regular annual contributions are paid to the Fund besides the initial payment, which was made when it was founded.

In accordance with the terms of the applicable regulations, CGD's annual contributions to the Deposit Guarantee Fund for 2004 and 2003 amounted to of €19 304 thousand and €37 791 thousand, respectively. Of these contributions €9 652 thousand and €28 343 thousand, respectively, were made in the form of an irrevocable commitment to pay the contributions when so requested by the Fund. These amounts were not expensed. Total contingent liabilities assumed since 1996 are recorded in off-balance sheet accounts (Note 24.).

3. Cash and Central Bank Deposits

This heading comprises the following:

The funds deposited at central banks by Caixa and the Group banks as at 31 December 2004 and 2003, complied with the minimum limits defined by the dispositions in force in their countries of activity.

| | CGD | | Consolidated | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Cash | | | | |
| In Euros | 360 889 | 392 609 | 388 097 | 418 045 |
| In foreign currencies | 11 657 | 15 235 | 51 023 | 38 557 |
| | 372 546 | 407 844 | 439 120 | 456 602 |
| Sight deposits with central banks | 2 626 963 | 8 609 647 | 2 765 378 | 8 739 058 |
| | 2 999 509 | 9 017 491 | 3 204 498 | 9 195 660 |

The sight deposits at the Bank of Portugal are made to comply with the legal requirements for minimum cash reserves of the European Central Banks System (ECBS). These deposits earn interest, and correspond to 2% of the deposits and debt securities with terms of up to two years, except for deposits and debt securities of entities subject to the minimum cash reserve requirements of the ECBS.

4. Sight Deposits with Credit Institutions

This heading comprises the following:

| | CGD | | Consolidated | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Cheques for collection | | | | |
| Domestic credit institutions | 429 622 | 782 822 | 444 867 | 796 403 |
| Foreign credit institutions | 14 629 | 13 007 | 18 398 | 16 831 |
| | 444 251 | 795 829 | 463 265 | 813 234 |
| Sight deposits | | | | |
| Domestic credit institutions | 4 776 | 5 351 | 21 965 | 19 314 |
| Foreign credit institutions | 67 873 | 70 053 | 86 947 | 83 410 |
| | 72 649 | 75 404 | 108 912 | 102 724 |
| Other | 6 | 8 | 41 | 19 |
| | 516 906 | 871 241 | 572 218 | 915 977 |

5. Others Loans and Advances to Credit Institutions

This heading comprises the following:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Deposit securities with the Bank of Portugal | – | 230 589 | – | 231 014 |
| Interbank Money Market | 1 327 941 | 1 037 575 | 380 270 | 196 025 |
| Term deposits | | | | |
| Domestic | 196 792 | 127 066 | 43 467 | 61 634 |
| Foreign | 3 035 802 | 898 572 | 2 862 762 | 597 144 |
| Loans | | | | |
| Domestic | 991 668 | 816 815 | 205 531 | 115 597 |
| Foreign | 241 818 | 270 674 | 252 977 | 276 755 |
| Other applications | | | | |
| Domestic | 191 163 | 102 637 | 260 040 | 261 188 |
| Foreign | 2 184 807 | 4 028 071 | 2 104 334 | 4 037 371 |
| Purchase operations with resale agreement | | | | |
| Bank of Portugal | – | – | 33 731 | 31 511 |
| Other | – | – | 84 266 | 114 397 |
| | 8 169 991 | 7 511 999 | 6 227 378 | 5 922 636 |
| Overdue applications | 819 | 18 484 | 819 | 18 480 |
| | 8 170 810 | 7 530 483 | 6 228 197 | 5 941 116 |
| Provisions for loans and advances to credit institutions: | | | | |
| Overdue applications | (8) | (18 216) | (8) | (18 216) |
| Country-risk | (9 806) | (16 028) | (5 461) | (8 076) |
| | (9 814) | (34 244) | (5 469) | (26 292) |
| | 8 160 996 | 7 496 239 | 6 222 728 | 5 914 824 |

Under the bilateral protocol signed between the Portuguese State and the Popular Republic of Angola for the settlement of public debt, CGD negotiated the settlement of overdue applications covered by the protocol. Under the terms of the agreement, in 2004 CGD received 35% of the amount of the debt and related interest, and forgave the remaining 65%. As a result of this operation, CGD received €10 670 thousand, reversed provisions of the same amount, and used provisions for overdue applications of €8 792 thousand.

The provision for country-risk at 31 December 2004 and 2003 was determined as follows:

| | CGD | | | | | | | | | |
|-----------------------|--|--------------------------------|-----------------------|---------------|--------------|--|--------------------------------|-----------------------|----------------|---------------|
| | 2004 | | | | | 2003 | | | | |
| | Credit and other assets ^(*) | Short term foreign trade loans | Other ^(**) | Exposure | Provision | Credit and other assets ^(*) | Short term foreign trade loans | Other ^(**) | Exposure | Provision |
| Macao | 32 929 | - | - | 32 929 | 3 293 | 73 548 | - | - | 73 548 | 7 355 |
| Brazil | 49 212 | (39 632) | - | 9 580 | 2 395 | 106 609 | (94 858) | - | 11 751 | 2 938 |
| Russian Federation | 13 092 | (5 139) | (611) | 7 342 | 1 835 | 5 542 | (2 375) | - | 3 167 | 1 583 |
| Croatia | 7 000 | - | - | 7 000 | 700 | 2 000 | - | - | 2 000 | 500 |
| Cape Verde | 2 334 | - | - | 2 334 | 583 | 2 092 | - | - | 2 092 | 523 |
| South Africa | 1 680 | - | - | 1 680 | 420 | 919 | - | - | 919 | 230 |
| Mozambique | 610 | - | - | 610 | 305 | 69 | - | - | 69 | 34 |
| Kazakhstan | 2 203 | (1 468) | - | 735 | 184 | 2 375 | - | - | 2 375 | 594 |
| Mexico | 446 | - | - | 446 | 45 | - | - | - | - | - |
| Sao Tome and Principe | 44 | - | - | 44 | 22 | - | - | - | - | - |
| Iran | 68 | - | - | 68 | 17 | - | - | - | - | - |
| Hungary | - | - | - | - | - | 10 692 | - | - | 10 692 | 1 069 |
| Angola | 80 | - | - | 80 | - | 1 122 | - | - | 1 122 | 949 |
| Chile | - | - | - | - | - | 396 | (396) | - | - | - |
| Panama | 13 950 | - | (13 950) | - | - | 19 795 | - | (19 795) | - | - |
| Ukraine | 661 | (661) | - | - | - | - | - | - | - | - |
| Poland | - | - | - | - | - | 2 500 | - | - | 2 500 | 250 |
| Other | 105 | - | - | 105 | 7 | - | - | - | - | 3 |
| | 124 414 | (46 900) | (14 561) | 62 953 | 9 806 | 227 659 | (97 629) | (19 795) | 110 235 | 16 028 |

(*) Amounts net of provisions for overdue applications.

(**) Includes loans excluded from the basis of incidence in accordance with specific authorisations from the Bank of Portugal.

| | Consolidated | | | |
|-----------------------|------------------|--------------|------------------|--------------|
| | 2004 | | 2003 | |
| | Net exposure (*) | Provision | Net exposure (*) | Provision |
| Brazil | 9 580 | 2 395 | 11 751 | 2 938 |
| Russian Federation | 7 342 | 1 835 | 3 167 | 1 583 |
| Croatia | 7 000 | 700 | 2 000 | 500 |
| South Africa | 1 026 | 256 | 640 | 159 |
| Kazakhstan | 735 | 184 | 2 375 | 594 |
| Mexico | 446 | 45 | - | - |
| Sao Tome and Principe | 44 | 22 | - | - |
| Hungary | - | - | 10 692 | 1 069 |
| Angola | - | - | 1 123 | 949 |
| Poland | - | - | 2 500 | 250 |
| Mozambique | - | - | 69 | 34 |
| Other | 271 | 24 | - | - |
| | 26 444 | 5 461 | 34 317 | 8 076 |

(*) Net basis for calculating the provisions, in accordance with the Bank of Portugal rules.

The residual terms to maturity of "Other Loans and Advances to Credit Institutions" at 31 December 2004 and 2003, excluding overdue applications, were as follows:

| | CGD | | Consolidated | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Up to three months | 6 526 538 | 5 437 263 | 5 760 667 | 4 511 161 |
| Three months to one year | 954 531 | 1 544 316 | 286 729 | 1 226 493 |
| One to five years | 579 527 | 486 546 | 128 226 | 178 434 |
| Over five years | 109 395 | 43 874 | 51 756 | 6 548 |
| | 8 169 991 | 7 511 999 | 6 227 378 | 5 922 636 |

Information on the changes in provisions for loans and advances to credit institutions in 2004 and 2003 is provided in Note 20..

6. Loans and Advances to Customers

This heading comprises the following:

| | CGD | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Domestic loans | | | | |
| Loans | 32 208 087 | 30 494 941 | 32 828 095 | 31 111 298 |
| Current account loans | 4 740 938 | 5 401 619 | 4 903 850 | 5 548 170 |
| Other loans | 1 321 237 | 1 205 648 | 2 826 261 | 2 616 325 |
| Domestic discount operations | 241 832 | 328 582 | 533 346 | 570 042 |
| Overdrafts | 236 064 | 187 299 | 254 188 | 175 065 |
| Application of consigned resources | 67 108 | 72 224 | 76 032 | 80 856 |
| Purchase operations with resale agreement | 24 000 | – | 24 000 | – |
| Foreign discount operations | 135 | 146 | 1 103 | 2 412 |
| Finance leasing | – | – | 487 176 | 521 295 |
| Property leasing | – | – | 864 651 | 809 669 |
| Loans taken – factoring | – | – | 143 025 | 145 752 |
| Foreign loans | | | | |
| Other loans | 1 638 946 | 1 624 288 | 1 751 123 | 1 763 315 |
| Loans | 527 171 | 262 839 | 655 325 | 326 542 |
| Current account loans | 95 534 | 55 366 | 95 619 | 55 907 |
| Discount operations | 14 280 | 11 078 | 14 787 | 11 306 |
| Overdrafts | 8 211 | 7 735 | 8 228 | 7 847 |
| Foreign discount operations | – | 18 | – | 18 |
| Other | – | – | 4 334 | 3 893 |
| | 41 123 543 | 39 651 783 | 45 471 143 | 43 749 712 |
| Overdue loans and interest | 943 348 | 1 015 521 | 1 147 857 | 1 256 727 |
| | 42 066 891 | 40 667 304 | 46 619 000 | 45 006 439 |
| Provision for loans and advances to customers: | | | | |
| Overdue loans and interest | (614 818) | (636 889) | (694 044) | (756 928) |
| Doubtful loans | (112 253) | (118 598) | (121 850) | (127 826) |
| Country-risk | (24 554) | (16 301) | (31 899) | (28 001) |
| | (751 625) | (771 788) | (847 793) | (912 755) |
| | 41 315 266 | 39 895 516 | 45 771 207 | 44 093 684 |

The caption "Domestic Loans – Other Loans" at 31 December 2004 and 2003 included €70 284 thousand and €73 422 thousand, respectively, relating to housing and personal loans made by CGD to its employees.

Information on the changes in provisions in 2004 and 2003 is provided in Note 20..

In addition to the provisions for overdue loans and interest, doubtful loans and country-risk there are provisions for general credit risks recorded in liabilities (Note 20.).

Provisions for doubtful loans at 31 December 2004 and 2003 include €10 681 thousand and €4 400 thousand, respectively, of provisions in excess of the minimum requirements of the Bank of Portugal (Note 2. b) ii)).

The provision for country-risk at 31 December 2004 and 2003 is set out in the following table:

| | CGD | | | | | | | | | | |
|------------------------|-----------------------------|-----------------|----------------|---------------|---------------|-----------------------------|--------------------------------|-----------------|-----------------|---------------|---------------|
| | 2004 | | | | | 2003 | | | | | |
| | Credit and other assets (*) | Guarantees | Other (**) | Exposure | Provision | Credit and other assets (*) | Short term foreign trade loans | Guarantees | Other (**) | Exposure | Provision |
| Mozambique | 26 283 | (690) | – | 25 593 | 12 797 | 2 625 | – | (934) | – | 1 691 | 846 |
| Cape Verde | 41 274 | (5 101) | – | 36 173 | 9 043 | 43 682 | – | (5 781) | – | 37 901 | 9 475 |
| South Africa | 6 800 | (638) | – | 6 162 | 1 541 | 10 152 | – | (1 210) | – | 8 942 | 2 236 |
| Morocco | 38 959 | (30 853) | – | 8 106 | 811 | 39 131 | – | – | (31 057) | 8 074 | 808 |
| Thailand | 955 | – | – | 955 | 95 | 1 240 | – | – | – | 1 240 | 124 |
| Angola | 159 | – | – | 159 | 80 | 622 | – | (464) | – | 158 | 88 |
| People's Rep. of China | 642 | – | – | 642 | 64 | 693 | – | – | – | 693 | 69 |
| Venezuela | 313 | (200) | – | 113 | 29 | 219 | – | (148) | – | 71 | 7 |
| Brazil | 29 466 | (27 082) | (2 366) | 18 | – | 26 786 | – | (14 908) | (5 509) | 6 369 | 1 592 |
| Mexico | 206 | (206) | – | – | – | 49 781 | (17 815) | (31 966) | – | – | – |
| Colombia | – | – | – | – | – | 6 334 | – | (6 334) | – | – | – |
| Russian Federation | – | – | – | – | – | 704 | – | – | – | 704 | 352 |
| Guatemala | – | – | – | – | – | 5 594 | – | (5 594) | – | – | – |
| Hungary | – | – | – | – | – | 3 750 | – | – | – | 3 750 | 375 |
| Israel | – | – | – | – | – | 3 167 | – | – | – | 3 167 | 317 |
| Macao | – | – | – | – | – | 3 | – | (3) | – | – | – |
| Other | 198 | – | – | 198 | 94 | 1 | – | – | – | 1 | 12 |
| | 145 255 | (64 770) | (2 366) | 78 119 | 24 554 | 194 484 | (17 815) | (67 342) | (36 566) | 72 761 | 16 301 |

(*) Amounts net of provisions for overdue loans. The weighting factor established in Bank of Portugal Notice 1/93 was applied to the guarantees granted.

(**) Includes loans excluded from the basis of incidence in accordance with specific authorisations of the Bank of Portugal.

| | Consolidated | | | |
|----------------------------|------------------|---------------|------------------|---------------|
| | 2004 | | 2003 | |
| | Net exposure (*) | Provision | Net exposure (*) | Provision |
| Mozambique | 25 593 | 12 797 | 6 121 | 3 062 |
| Cape Verde | 35 008 | 8 752 | 37 901 | 9 475 |
| Mexico | 25 694 | 2 569 | 39 913 | 9 483 |
| Russian Federation | 7 344 | 1 836 | 7 036 | 352 |
| Venezuela | 3 176 | 1 561 | 72 | 8 |
| Romania | 5 857 | 1 464 | 772 | – |
| South Africa | 6 162 | 1 541 | 8 942 | 2 236 |
| Morocco | 8 106 | 811 | 8 074 | 808 |
| Argentina | 154 | 116 | – | – |
| Brazil | 447 | 107 | 7 310 | 1 592 |
| Thailand | 955 | 95 | 1 240 | 124 |
| Angola | 159 | 80 | 158 | 88 |
| People's Republic of China | 642 | 64 | 693 | 69 |
| Israel | – | – | 3 167 | 317 |
| Hungary | – | – | 3 750 | 375 |
| India | – | – | 2 376 | – |
| Other | 309 | 106 | – | 12 |
| | 119 606 | 31 899 | 127 525 | 28 001 |

(*) Net basis for calculating the provisions, in accordance with the Bank of Portugal rules.

The loan portfolio of Banco Nacional Ultramarino, SA (Macao) amounted to €300 161 thousand and €255 946 thousand at 31 December 2004 and 2003, respectively, and was made up essentially of loans and advances to customers of risk countries in accordance with Bank of Portugal classification. No provisions for country-risk have been recorded for these loans since, in accordance with the regulations in force in Macao, such provisions are not compulsory.

The residual terms to maturity of "Loans and advances to customers", excluding overdue loans and interest, at 31 December 2004 and 2003 are as follows:

| | CGD | | Consolidated | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Up to three months | 4 296 852 | 3 976 904 | 4 970 717 | 4 518 879 |
| Three months to one year | 4 882 649 | 5 386 673 | 5 550 668 | 5 985 228 |
| One to five years | 9 372 208 | 9 224 151 | 10 574 002 | 10 548 097 |
| Over five years | 22 570 451 | 21 059 011 | 24 308 828 | 22 692 464 |
| Undetermined maturity | 1 383 | 5 044 | 66 928 | 5 044 |
| | 41 123 543 | 39 651 783 | 45 471 143 | 43 749 712 |

The aging of "Overdue loans" at 31 December 2004 and 2003 is as follows:

| | CGD | | Consolidated | |
|------------------------|----------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Up to three months | 43 936 | 59 847 | 76 950 | 96 575 |
| Three to six months | 22 869 | 49 300 | 37 561 | 66 006 |
| Six months to one year | 74 377 | 83 992 | 162 063 | 190 106 |
| One to three years | 351 338 | 373 650 | 395 748 | 419 654 |
| Over three years | 450 828 | 448 732 | 475 535 | 484 386 |
| | 943 348 | 1 015 521 | 1 147 857 | 1 256 727 |

The caption "Loans and advances to customers" at 31 December 2004 and 2003, by business activity, is made up as follows:

| | CGD | | Consolidated | |
|---|-----------|-----------|--------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| Agriculture, cattle breeding, hunting and forestry | 205 412 | 309 865 | 260 741 | 366 980 |
| Fishing | 20 603 | 29 330 | 31 575 | 32 265 |
| Mining industries: | | | | |
| Energy products | 16 486 | 19 320 | 23 639 | 19 392 |
| Mining industries except for energy products | 59 321 | 57 677 | 88 595 | 126 939 |
| Manufacturing industries: | | | | |
| Food, beverages and tobacco | 340 718 | 366 583 | 424 826 | 483 366 |
| Textiles | 253 849 | 263 883 | 301 080 | 320 549 |
| Leather and by-products | 38 563 | 45 878 | 41 882 | 49 364 |
| Wood and cork | 153 357 | 175 037 | 185 822 | 202 185 |
| Pulp, paper, printing and publishing | 255 014 | 246 442 | 323 981 | 325 102 |
| Coal, oil products and nuclear fuel | 57 281 | 4 584 | 76 493 | 48 781 |
| Chemical products and synthetic or artificial fibres | 60 930 | 51 002 | 105 267 | 62 432 |
| Rubber and plastic goods | 64 905 | 62 354 | 92 095 | 91 640 |
| Non metallic mineral products | 423 664 | 260 591 | 468 776 | 309 477 |
| Basic metallurgy industries and metallic products | 162 883 | 158 587 | 213 262 | 240 530 |
| Machinery and equipment | 61 024 | 63 550 | 98 607 | 90 460 |
| Electrical and optical equipment | 54 445 | 77 550 | 70 556 | 86 012 |
| Transport equipment | 165 653 | 343 665 | 174 795 | 349 473 |
| Undefined manufacturing industries | 413 971 | 435 742 | 501 451 | 625 292 |
| Electricity, water and gas | 347 930 | 614 003 | 491 425 | 711 972 |
| Building | 4 343 178 | 4 759 075 | 4 697 704 | 5 120 451 |
| Wholesale/retail trade and repair of cars, motorcycles and personal and domestic goods | 1 764 121 | 1 720 422 | 2 245 739 | 2 225 082 |
| Restaurants and hotels | 371 590 | 407 999 | 446 077 | 548 620 |
| Transport, warehousing and communications | 462 260 | 597 184 | 729 024 | 816 851 |
| Financial activities: | | | | |
| Financial intermediation excluding insurance and pension funds | 353 342 | 174 556 | 499 162 | 238 922 |
| Insurance, pension funds and supplementary social security activities | 1 624 | 1 536 | 6 744 | 8 021 |
| Other financial intermediation activities | 7 998 | 81 273 | 72 016 | 88 872 |
| Real estate activities, rentals and services provided to companies | 4 270 233 | 3 859 355 | 4 901 864 | 4 515 966 |
| Public administration, defence and mandatory social security | 1 222 254 | 1 120 900 | 1 380 121 | 1 283 472 |
| Education | 95 711 | 92 588 | 112 502 | 101 774 |
| Healthcare and welfare | 128 041 | 140 289 | 195 127 | 197 423 |
| Other activities and social and personal services | 471 613 | 527 182 | 803 303 | 748 814 |
| Personal and domestic services | 23 | 18 | 544 | 137 |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| International entities and other foreign institutes | – | – | 365 | – |
| Housing | 24 588 842 | 22 861 060 | 25 240 334 | 23 378 270 |
| Other | 830 052 | 738 224 | 1 313 506 | 1 191 553 |
| | 42 066 891 | 40 667 304 | 46 619 000 | 45 006 439 |

7. Securities

This heading comprises the following:

| | CGD | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2004 | | | 2003 | | |
| | Trading | Investment | Total | Trading | Investment | Total |
| Bonds and other fixed-income securities: | | | | | | |
| Government issuers: | | | | | | |
| Government debt securities | 400 608 | 93 624 | 494 232 | 847 538 | 98 550 | 946 088 |
| Treasury Bills | 38 709 | – | 38 709 | 60 999 | – | 60 999 |
| Bonds of other government issuers: | | | | | | |
| Domestic | – | 17 211 | 17 211 | – | 55 585 | 55 585 |
| Foreign | 1 734 280 | 264 695 | 1 998 975 | 1 476 914 | 328 218 | 1 805 132 |
| | 2 173 597 | 375 530 | 2 549 127 | 2 385 451 | 482 353 | 2 867 804 |
| Provision for securities: | | | | | | |
| Unrealised losses | – | (1 050) | (1 050) | – | (2 582) | (2 582) |
| | 2 173 597 | 374 480 | 2 548 077 | 2 385 451 | 479 711 | 2 865 222 |
| Issued by international financial organisations | 99 651 | 27 573 | 127 224 | 5 582 | 151 353 | 156 935 |
| Other issuers: | | | | | | |
| Bonds and other securities: | | | | | | |
| Issued by residents | 80 356 | 1 759 249 | 1 839 605 | – | 1 164 290 | 1 164 290 |
| Issued by non-residents | 1 108 067 | 1 554 858 | 2 662 925 | 436 048 | 2 144 400 | 2 580 448 |
| Subordinated debt securities | 1 513 | – | 1 513 | – | 1 496 | 1 496 |
| Overdue securities and interest | – | 8 339 | 8 339 | – | 8 785 | 8 785 |
| | 1 289 587 | 3 350 019 | 4 639 606 | 441 630 | 3 470 324 | 3 911 954 |
| Provision for securities: | | | | | | |
| Unrealised losses | – | (268 176) | (268 176) | – | (344 886) | (344 886) |
| Overdue securities | – | (8 304) | (8 304) | – | (8 535) | (8 535) |
| Country-risk | – | (9) | (9) | – | (17 529) | (17 529) |
| | – | (276 489) | (276 489) | – | (370 950) | (370 950) |
| | 1 289 587 | 3 073 530 | 4 363 117 | 441 630 | 3 099 374 | 3 541 004 |

| | Consolidated | | | | | | | |
|--|------------------|------------------|--------------------------------|------------------|------------------|------------------|--------------------------------|------------------|
| | 2004 | | | | 2003 | | | |
| | Trading | Investment | Securities held to maturity | Total | Trading | Investment | Securities held to maturity | Total |
| Bonds and other fixed income | | | | | | | | |
| securities: | | | | | | | | |
| Government issuers: | | | | | | | | |
| Government debt securities | 400 813 | 145 600 | – | 546 413 | 847 538 | 166 643 | – | 1 014 181 |
| Treasury Bills | 38 709 | – | – | 38 709 | 60 999 | 18 010 | – | 79 009 |
| Bonds of other government issuers: | | | | | | | | |
| Domestic | 281 | 18 065 | – | 18 346 | – | 56 447 | – | 56 447 |
| Foreign | 1 884 769 | 564 296 | – | 2 449 065 | 1 594 836 | 529 241 | – | 2 124 077 |
| Overdue securities and interest | – | 93 | – | 93 | – | 93 | – | 93 |
| | 2 324 572 | 728 054 | – | 3 052 626 | 2 503 373 | 770 434 | – | 3 273 807 |
| Provision for securities: | | | | | | | | |
| Unrealised losses | – | (1 276) | – | (1 276) | – | (2 685) | – | (2 685) |
| | 2 324 572 | 726 778 | – | 3 051 350 | 2 503 373 | 767 749 | – | 3 271 122 |
| Issued by international financial organisations | 99 651 | 28 820 | – | 128 471 | 5 582 | 152 601 | – | 158 183 |
| Other issuers: | | | | | | | | |
| Bonds and other securities: | | | | | | | | |
| Issued by residents | 82 579 | 1 905 358 | – | 1 987 937 | 24 | 1 268 859 | – | 1 268 883 |
| Issued by non residents | 1 156 501 | 1 778 389 | 41 | 2 934 931 | 479 142 | 2 330 323 | 2 549 | 2 812 014 |
| Overdue securities and interest | – | 8 339 | – | 8 339 | – | 8 785 | – | 8 785 |
| | 1 338 731 | 3 720 906 | 41 | 5 059 678 | 484 748 | 3 760 568 | 2 549 | 4 247 865 |
| Provision for securities: | | | | | | | | |
| Unrealised losses | – | (268 973) | – | (268 973) | – | (346 010) | – | (346 010) |
| Overdue securities | – | (8 304) | – | (8 304) | – | (8 535) | – | (8 535) |
| Country-risk | – | (409) | – | (409) | – | (17 529) | – | (17 529) |
| | – | (277 686) | – | (277 686) | – | (372 074) | – | (372 074) |
| | 1 338 731 | 3 443 220 | 41 | 4 781 992 | 484 748 | 3 388 494 | 2 549 | 3 875 791 |

The caption "Bonds and other securities issued by non-residents" at 31 December 2004 and 2003, includes bonds issued by a company with head office in Luxembourg in the amount of €354 839 thousand (€422 084 thousand as at 31 December 2003), for which provisions for unrealised losses of €250 817 thousand were recorded at 31 December 2004 (€326 179 thousand at 31 December 2003). In 2004 provisions for these bonds were used in the amount of €62 684 thousand. The caption "Bonds and

other securities issued by non residents" at 31 December 2004 and 2003 includes bonds acquired by Caixa following credit securitisation operations amounting to €6 625 thousand, which are fully provided for (Note 37.).

Under the terms of the contract for the issuance of notes entered into between Banco Nacional Ultramarino, SA (Macao) and the Territory of Macao, the bank has undertaken to provide the Territory with foreign currency

corresponding to the countervalue of the notes in circulation, and in return, receives a promissory note for an equivalent amount to cover the liabilities resulting from the currency issue (Note 18.). The amounts to be provided by BNU to the Territory are reconciled on a monthly basis during the first fifteen days of each month, based on the average daily balances of the preceding month. Up to 12 June 2001, this function was performed by BNU, having subsequently been transferred to Banco Nacional Ultramarino, SA (Macao).

received on the promissory note, remuneration for the functions entrusted to Banco Nacional Ultramarino, SA (Macao) being obtained by means of a permanent non interest-bearing deposit.

Bonds issued by other foreign government issuers recorded on the consolidated financial statements as at 31 December 2004 and 2003 include €129 440 thousand and €116 183 thousand, respectively, relating to the promissory note issued by the Government of Macao. No interest is

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Shares and other variable-yield securities: | | | | |
| Investment | | | | |
| Shares: | | | | |
| Domestic entities | 22 345 | 88 362 | 22 946 | 88 947 |
| Foreign entities | 4 632 | 17 637 | 10 274 | 24 305 |
| Trust fund units: | | | | |
| Domestic entities | 296 783 | 288 988 | 296 883 | 289 144 |
| Foreign entities | 1 468 | 1 584 | 1 693 | 2 573 |
| Participating bonds | 9 282 | 9 252 | 9 282 | 9 432 |
| Subordinated securities | – | 84 976 | – | 9 976 |
| Overdue securities and interest | 464 | 464 | 464 | 464 |
| | 334 974 | 491 263 | 341 542 | 424 841 |
| Trading: | | | | |
| Trust fund units | 39.880 | 14 257 | 39 880 | 14 257 |
| Shares: | | | | |
| Domestic entities | 11 167 | 15 312 | 12 178 | 17 050 |
| Foreign entities | 40 370 | 8 999 | 40 368 | 8 999 |
| Subordinated securities | 75 959 | – | – | – |
| | 502 350 | 529 831 | 433 968 | 465 147 |
| Provision for losses in securities | (29 395) | (32 599) | (31 420) | (35 484) |
| | 472 955 | 497 232 | 402 548 | 429 663 |

The consolidated and non-consolidated securities portfolio at 31 December 2004 includes participating units in investment trust funds managed by Group companies in the amounts of €272 086 and €272 183 thousand, respectively (€231 104 thousand and €231 260 thousand, respectively, at 31 December 2003).

Information on the changes in provisions for fixed-income and variable-yield securities during 2004 and 2003 is set out in Note 20.

The provision for country-risk at 31 December 2004 and 2003 was determined as follows:

At 31 December 2004 and 2003 Banco Nacional Ultramarino, SA (Macao) had securities of countries considered to be of risk by the Bank of Portugal in the amounts of €151 466 thousand and €162 579 thousand, respectively. No provisions for country-risk have been recorded for these securities since, under the regulations in force in Macao, such provisions are not compulsory.

| | 2004 | | | | 2003 | | | |
|----------|------------------|-----------|------------------|------------|------------------|---------------|------------------|---------------|
| | CGD | | Consolidated | | CGD | | Consolidated | |
| | Net exposure (*) | Provision | Net exposure (*) | Provision | Net exposure (*) | Provision | Net exposure (*) | Provision |
| Bulgaria | - | - | 1 448 | 362 | - | - | 1 701 | - |
| Brazil | 37 | 9 | 187 | 47 | 70 118 | 17 529 | 70 263 | 17 529 |
| Chile | - | - | - | - | - | - | 7 998 | - |
| Mexico | - | - | - | - | - | - | 47 | - |
| | 37 | 9 | 1 635 | 409 | 70 118 | 17 529 | 80 009 | 17 529 |

(*) Net basis for calculating the provisions, in accordance with the Bank of Portugal rules.

The differences between cost and the market value of the investment and held to maturity securities portfolios as at 31 December 2004 and 2003, were as follows:

| | CGD | | | | | |
|--------------------------|-----------------------------|------------------------|--|-----------------------------|------------------------|--|
| | 2004 | | | 2003 | | |
| | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities |
| Cost | 375 530 | 3 350 019 | 334 974 | 482 353 | 3 470 324 | 491 263 |
| Provision for securities | (1 050) | (276 480) | (29 395) | (2 582) | (353 421) | (32 599) |
| | 374 480 | 3 073 539 | 305 579 | 479 771 | 3 116 903 | 458 664 |
| Unrealised gains | 4 541 | 7 078 | 15 852 | 4 259 | 9 376 | 8 602 |
| Market value | 379 021 | 3 080 617 | 321 431 | 484 030 | 3 126 279 | 467 266 |

| | Consolidated | | | | | |
|--------------------------|-----------------------------|------------------------|--|-----------------------------|------------------------|--|
| | 2004 | | | 2003 | | |
| | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities | Bonds of government issuers | Bonds of other issuers | Shares and other variable-yield securities |
| Cost | 728 054 | 3 720 947 | 341 542 | 770 434 | 3 763 117 | 424 841 |
| Provision for securities | (1 276) | (277 277) | (31 420) | (2 685) | (354 545) | (35 484) |
| | 726 778 | 3 443 670 | 310 122 | 767 749 | 3 408 572 | 389 357 |
| Unrealised gains | 4 541 | 7 078 | 15 852 | 4 305 | 12 502 | 14 462 |
| Unrealised losses | – | – | (4 145) | (11) | – | (4 018) |
| Market value | 731 319 | 3 450 748 | 321 829 | 772 043 | 3 421 074 | 399 801 |

Unrealised losses on shares and other variable-yield securities are provided for under the caption provisions for loans and advances to customers.

The differences between the book value of bonds and other fixed-income securities and their redemption value at 31 December 2004 and 2003 are as follows:

| | CGD | | Consolidated | |
|---|--------|---------|--------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| Premium relating to securities purchased at above redemption value | 35 210 | 28 596 | 59 068 | 33 845 |
| Discount relating to securities purchased at below redemption value | 5 888 | 115 695 | 11 549 | 120 794 |

Securities sold to third parties at 31 December 2004 and 2003 were as follows:

| | CGD | | Consolidated | |
|-----------------------------------|--------|--------|--------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| Sold with repurchase agreement: | | | | |
| to credit institutions (Note 15.) | 45 588 | 50 521 | 45 588 | 50 521 |
| to customers (Note 16.) | – | – | 96 749 | 126 640 |

Securities sold with repurchase agreements are kept in the portfolio, by corresponding entry to the liability captions "Amounts owed to credit institutions" or "Amounts owed to customers", depending on the entity to which they are sold.

At 31 December 2004 and 2003 the amounts in the portfolio which are to be redeemed in the following year were as follows:

| | CGD | | Consolidated | |
|--------------------|-----------|---------|--------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| Government issuers | 77 989 | 376 652 | 334 762 | 553 823 |
| Other issuers | 1 277 398 | 806 206 | 1 407 878 | 907 717 |

8. Participating Interests and Investments in Subsidiary Companies

Participating interests

This non-consolidated balance sheet heading comprises the following:

| | 2004 | | | |
|---|--------------------------|---------|-----------------------|----------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| In domestic credit institutions: | | | | |
| Banco Comercial Português, SA | 2.61 | 439 013 | (279 053) | 159 960 |
| Unicre - Cartão Internacional de Crédito, SA | 17.60 | 1 065 | - | 1 065 |
| In foreign credit institutions: | | | | |
| Banco Comercial do Atlântico, SARL | 47.53 | 20 305 | - | 20 305 |
| Banco Internacional de S. Tomé e Príncipe, SARL (Note 1.1.) | 27.00 | 384 | - | 384 |
| In other domestic companies: | | | | |
| EDP - Electricidade de Portugal, SA | 9.77 | 784 896 | - | 784 896 |
| Portugal Telecom, SA | 4.45 | 478 037 | - | 478 037 |
| REN - Rede Eléctrica Nacional, SA | 20.00 | 159 998 | - | 159 998 |
| AdP - Águas de Portugal, SA (Note 1.1.) | 20.37 | 142 618 | - | 142 618 |
| Instituto Nacional de Habitação (Note 1.3.) | 52.00 | 86 953 | - | 86 953 |
| PT Multimédia, SGPS, SA | 1.28 | 47 780 | (3 159) | 44 621 |
| SIBS- Sociedade Interbancária de Serviços, SA (Note 1.1.) | 21.60 | 12 969 | - | 12 969 |

(to be continued)

(.../...)

| | 2004 | | | |
|--|--------------------------|------------------|-----------------------|------------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| Esegur - Empresa de Segurança, SA (Note 1.1.) | 50.00 | 12 952 | (1 620) | 11 332 |
| Euronext NV | 0.35 | 8 577 | – | 8 577 |
| FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 5 420 | – | 5 420 |
| Prado Karton - Companhia de Cartão, SA (Note 1.1.) | 37.40 | 5 111 | (163) | 4 948 |
| Prado - Cartolinas da Lousã, SA (Note 1.1.) | 37.40 | 5 111 | (171) | 4 940 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (144) | 4 215 |
| Companhia de Papel do Prado, SA (Note 1.1.) | 37.40 | 2 533 | (95) | 2 438 |
| Locarent - Companhia Portuguesa de Aluguer de Viaturas, SA (Note 1.1.) | 45.00 | 1 617 | – | 1 617 |
| Taguspark - Soc. de Prom. e Desenv. do Parque de Ciência e Tecn. da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| In other foreign companies: | | | | |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | 41.55 | 6 846 | (1 031) | 5 815 |
| A Promotora - Sociedade de Capital de Risco, SARL | 36.21 | 1 326 | – | 1 326 |
| Other | | 1 203 | (299) | 904 |
| | | 2 231 243 | (285 735) | 1 945 508 |

| | 2003 | | | |
|--|--------------------------|-----------|-----------------------|----------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| In domestic credit institutions: | | | | |
| Banco Comercial Português, SA | 5.98 | 1 009 598 | (42 961) | 966 637 |
| Unicre - Cartão Internacional de Crédito, SA | 17.60 | 1 065 | – | 1 065 |
| In foreign credit institutions: | | | | |
| Banco Comercial do Atlântico, SARL | 47.53 | 20 305 | – | 20 305 |
| Banco Internacional de S. Tomé e Príncipe, SARL | 52.00 | 829 | – | 829 |
| In other domestic companies: | | | | |
| Portugal Telecom, SA | 4.12 | 478 037 | (12 744) | 465 293 |
| EDP - Electricidade de Portugal, SA | 4.75 | 462 066 | (22 343) | 439 723 |
| REN - Rede Eléctrica Nacional, SA | 20.00 | 159 998 | – | 159 998 |
| AdP - Águas de Portugal, SA (Note 1.1.) | 20.37 | 142 618 | – | 142 618 |
| Instituto Nacional de Habitação (Note 1.3.) | 55.00 | 86 953 | – | 86 953 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (5 464) | 42 316 |
| SIBS - Sociedade Interbancária de Serviços, SA (Note 1.1.) | 21.19 | 12 420 | – | 12 420 |
| Esegur - Empresa de Segurança, SA (Note 1.1.) | 50.00 | 12 952 | (1 390) | 11 562 |
| Euronext, NV | 0.35 | 8 577 | – | 8 577 |
| FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | – | 8 480 |
| Prado Karton - Companhia de Cartão, SA (Note 1.1.) | 37.40 | 5 111 | (138) | 4 973 |
| Prado - Cartolinas da Lousã, SA (Note 1.1.) | 37.40 | 5 111 | (139) | 4 972 |

(to be continued)

(.../...)

| | 2003 | | | |
|--|--------------------------|------------------|-----------------------|------------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| Companhia de Papel do Prado, SA (Note 1.1) | 37.40 | 2 533 | (66) | 2 467 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| Taguspark - Soc. de Prom. e Desenv. do Parque de Ciência e Tecn. da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| In other foreign companies: | | | | |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | 41.55 | 6 846 | (702) | 6 144 |
| Lusogest - Sociedade Gestora Inst. Inv. Colectiva, SA (Note 1.1.) | 71.28 | 1 865 | – | 1 865 |
| A Promotora - Sociedade de Capital de Risco, SARL | 36.21 | 1 326 | – | 1 326 |
| Luspensiones - Sociedad G. Fondos Pensiones (Note 1.1.) | 20.80 | 158 | – | 158 |
| Other | | 3 384 | (468) | 2 916 |
| | | 2 484 541 | (86 553) | 2 397 988 |

In addition to the operations relating to companies included in the consolidation, as referred to in Note 1.1., the main changes in these participating interests in 2004 and 2003 were as follows:

Banco Comercial Português, SA (BCP)

In 2003 Banco Comercial Português, SA had a capital increase, under which Caixa received 194 635 125 subscription rights based on its shareholding. The rights were sold on the Stock Exchange for approximately €22 260 thousand (Note 32.) resulting in a capital gain of that amount, since no cost was attributed to the subscription rights. CGD's equity participation in BCP fell to 5.98% as a result of not having participated in BCP's capital increase.

In 2004, after obtaining authorization from the Bank of Portugal, CGD recorded a provision of €622 133 thousand to cover the full amount of the unrealised loss not provided for on BCP shares, calculated based on the listed price of the shares at 31 December 2003, by charge to free reserves and retained earnings (Note 23.). This provision was further adjusted based on the change in the market value of BCP shares and, consequently, provisions in the amount of €10 156 thousand were reversed by credit to retained earnings (Note 23.).

In July 2004 CGD sold 110 000 000 shares of BCP for €192 500 thousand. As a result of this operation, CGD recorded a loss of €2 200 thousand (Note 32.) and used provisions in the amount of €375 884 thousand.

Existing provisions at 31 December 2004 were calculated based on the listed price of BCP shares on that date.

EDP – Electricidade de Portugal, SA (EDP)

In 2004, after obtaining authorization from the Bank of Portugal, CGD recorded a provision of €141 863 thousand by charge to retained earnings (Note 23.), to cover the total unrealised loss not provided for on the investment in EDP at 31 December 2003, calculated based on its listed price at that date.

The following operations were carried out between the State, through Direcção Geral do Tesouro (DGT), Parpública – Participações do Estado, SGPS, SA (Parpública) and CGD under the fifth stage of EDP's share capital privatisation process:

- CGD sold to Parpública all the shares held, corresponding to 4.75% of EDP's share capital for the amount of €325 822 thousand. As a result of this

operation, provisions of €113 901 thousand were used and the remaining provisions in the amount of €27 962 thousand were credited to retained earnings (Note 23.);

- Simultaneously, Caixa acquired from DGT and Parpública, respectively, 568 853 506 and 224 883 323 subscription rights in the capital increase for €0.0801 each, totalling €63 578 thousand;

- CGD exercised its subscription rights in the share capital increase, having acquired 174 622 102 shares for €321 318 thousand.

In addition, in the capital increase carried out in 2004, CGD received 179 372 198 shares corresponding to 4.91% of EDP's share capital, valued at €2.23 each totalling €400 000 thousand (Note 23.).

FIEP – Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA (FIEP)

On 22 December 2004, under the dissolution and liquidation process of FIEP - Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA, the Shareholders' General Meeting approved an interim dividend of €36 000 thousand, CGD having received €3 060 thousand.

Galp Energia – SGPS, SA (Galp Energia)

In 2003 Caixa sold 22 388 282 Class B shares of Galp Energia, representing 13.50% of its share capital, to REN – Rede Eléctrica Nacional, SA (REN) for €310 481 thousand, having realised a capital gain of €33 610 thousand (Note 32.). In the consolidated accounts the capital gain resulting from this operation amounted to €26 888 thousand.

At 31 December 2003 the amount of €155 240 thousand (Note 13.) was still receivable, this having been received in January 2004.

Under the terms of the contract for the purchase and sale of the shares between CGD and REN, Caixa was entitled to

the full amount of the 2003 dividend distributed by Galp Energia, in the amount of €12 554 thousand.

Brisa – Auto-Estradas de Portugal, SA

In 2003 Caixa sold its participating interest in Brisa – Auto-Estradas de Portugal, SA to the Caixa Geral de Depósitos Pension Fund for €157 928 thousand, having realised a capital gain of €128 748 thousand (Note 32.).

Banco Itaú

In 2003 Caixa sold 633 573 740 ordinary shares of Banco Itaú, realising a net capital gain of €16 090 thousand, which was recorded in the caption "Gains arising from financial operations" (Note 27.).

These capital gains are net of withholding tax in Brazil, and are not subject to taxation in Portugal, under the terms of article 32-C of the Tax Benefits Statute, with the wording of Law 3 - B/2000 of 4 April.

Investments in Subsidiary Companies

This non-consolidated balance sheet heading comprises the following:

| | 2004 | | | |
|--|--------------------------|------------------|-----------------------|------------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| In foreign credit institutions: | | | | |
| Banco Simeón, SA (Note 1.1.) | 99.61 | 246 544 | – | 246 544 |
| Mercantile Bank Holdings, Ltd.(Note 1.1.) | 91.75 | 120 894 | (36 297) | 84 597 |
| Banco Nacional Ultramarino, SA (Macao) | 97.13 | 37 757 | – | 37 757 |
| CGD USA Holding Company, Inc. | 51.00 | 17 326 | – | 17 326 |
| Banco Financial Português | 100.00 | 7 469 | – | 7 469 |
| Banco Interatlântico, SARL | 70.00 | 3 813 | – | 3 813 |
| Caixa Geral Finance, Limited (Note 1.1.) | 0.02 | 50 | – | 50 |
| CGD Finance | 100.00 | 37 | – | 37 |
| In other domestic companies: | | | | |
| Caixa Seguros, SGPS, SA | 100.00 | 994 000 | (17 535) | 976 465 |
| Caixa Leasing e Factoring (Note 1.1.) | 100.00 | 43 034 | – | 43 034 |
| Caixa - Participações, SGPS, SA | 100.00 | 27 683 | – | 27 683 |
| Caixaweb, SGPS, SA | 100.00 | 25 000 | (5 451) | 19 549 |
| Caixa - Gestão de Activos, SA | 100.00 | 10 350 | – | 10 350 |
| Caixa - Sistemas de Informação, SA | 100.00 | 748 | (748) | – |
| Caixanet - Telemática e Comunicações, SA | 80.00 | 400 | – | 400 |
| Culturgest - Gestão de Espaços Culturais, SA | 51.00 | 127 | (26) | 101 |
| Caixa Brasil, SGPS, SA | 90.00 | 45 | – | 45 |
| Imocaixa - Gestão Imobiliária, SA | 80.00 | 20 | – | 20 |
| Caixa Internacional, SGPS, SA | 10.00 | 5 | – | 5 |
| Other | | 45 | (13) | 32 |
| In other foreign companies: | | | | |
| SCI - Rue du Helder | 100.00 | 6 029 | (6 029) | – |
| Socimmobil, SA | 100.00 | 4 771 | (4 771) | – |
| Other | | 7 | (6) | 1 |
| | | 1 546 154 | (70 876) | 1 475 278 |
| 2003 | | | | |
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| In domestic credit institutions: | | | | |
| Banco Postal, SA (Note 1.1.) | 100.00 | 26 946 | – | 26 946 |
| In foreign credit institutions: | | | | |
| Banco Simeón, SA (Note 1.1.) | 99.56 | 246 544 | – | 246 544 |
| Banco Nacional Ultramarino, SA (Macao) | 97.13 | 40 773 | – | 40 773 |
| CGD USA Holding | 51.00 | 18 686 | – | 18 686 |
| Mercantile Bank Holdings, Ltd. | 64.14 | 45 391 | (34 189) | 11 202 |
| Banco Financial Português | 100.00 | 7 368 | – | 7 368 |

(to be continued)

(.../...)

| | 2003 | | | |
|---|--------------------------|------------------|-----------------------|------------------|
| | Direct participation (%) | Cost | Provisions (Note 20.) | Net book value |
| Banco Interatlântico, SARL | 70.00 | 3 813 | – | 3 813 |
| CGD Luxemburgo | 100.00 | 67 | – | 67 |
| CGD Finance | 100.00 | 40 | – | 40 |
| In other domestic companies: | | | | |
| Caixa Seguros, SGPS, SA | 100.00 | 994 000 | (17 535) | 976 465 |
| Caixa - Participações, SGPS, SA | 100.00 | 27 683 | – | 27 683 |
| Caixaweb, SGPS, SA | 100.00 | 25 000 | (5 451) | 19 549 |
| Caixa Investimentos - Sociedade de Investimento, SA | 100.00 | 16 167 | – | 16 167 |
| Caixa - Gestão de Activos, SA | 100.00 | 10 350 | – | 10 350 |
| Caixa - Sistemas de Informação, SA | 100.00 | 748 | (748) | – |
| Caixanet - Telemática e Comunicações, SA | 80.00 | 400 | – | 400 |
| Culturgest - Gestão de Espaços Culturais, SA | 51.00 | 127 | (26) | 101 |
| Caixa Empresas de Crédito, SGPS, SA | 100.00 | 50 | – | 50 |
| Caixa Brasil, SGPS, SA | 90.00 | 45 | – | 45 |
| Imocaixa - Gestão Imobiliária, SA | 100.00 | 20 | – | 20 |
| Caixa Internacional, SGPS, SA | 10.00 | 5 | – | 5 |
| Other | | 45 | (13) | 32 |
| In other foreign companies: | | | | |
| SCI - Rue du Helder | 100.00 | 6 029 | (6 029) | – |
| Socimmobil, SA | 100.00 | 4 771 | (4 771) | – |
| Other | | 7 | (6) | 1 |
| | | 1 475 075 | (68 768) | 1 406 307 |

At 31 December 2004 and 2003 the difference between the book value of the main investments in companies not included in the consolidation and their market value, calculated in accordance with Notice 4/2002 of the Bank of Portugal, is made up as follows:

| Investments | 2004 | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------------------|
| | Book value | Provisions | Net book value | Market value (*) | Unrealised gains/losses (**) |
| Listed companies | | | | | |
| EDP - Electricidade de Portugal, SA | 784 896 | – | 784 896 | 789 407 | 4 511 |
| Banco Comercial Português, SA | 439 013 | (279 053) | 159 960 | 159 960 | – |
| | 1 223 909 | (279 053) | 944 856 | 949 367 | 4 511 |
| Portugal Telecom, SA | 478 037 | – | 478 037 | 455 536 | (22 501) |
| PT Multimédia, SGPS, SA | 47 780 | (3 159) | 44 621 | 32 716 | (11 905) |
| Euronext, NV | 8 577 | – | 8 577 | 9 707 | 1 130 |
| | 1 758 303 | (282 212) | 1 476 091 | 1 447 326 | (28 765) |
| Unlisted companies | | | | | |
| Finangeste, SA | 4 359 | (144) | 4 215 | 2 507 | (1 708) |
| Other | 12 755 | (429) | 12 326 | 9 569 | (2 757) |
| | 17 114 | (573) | 16 541 | 12 076 | (4 465) |
| | 1 775 417 | (282 785) | 1 492 632 | 1 459 402 | (33 230) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal, except for the investments in EDP and BCP in which case the listed price at 31 December 2004 was used.

(**) Net of provisions.

| Investments | 2003 | | | | |
|-------------------------------------|------------------|-----------------|------------------|------------------|------------------------------|
| | Book value | Provisions | Net book value | Market value (*) | Unrealised gains/losses (**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (42 961) | 966 637 | 321 148 | (645 489) |
| Portugal Telecom, SA | 478 037 | (12 744) | 465 293 | 352 640 | (112 653) |
| EDP - Electricidade de Portugal, SA | 462 066 | (22 343) | 439 723 | 286 459 | (153 264) |
| PT Multimédia, SGPS, SA | 47 780 | (5 464) | 42 316 | 26 954 | (15 362) |
| Euronext, NV | 8 577 | – | 8 577 | 9 139 | 562 |
| | 2 006 058 | (83 512) | 1 922 546 | 996 340 | (926 206) |
| Unlisted companies | | | | | |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 428 | (1 793) |
| Other | 14 891 | (589) | 14 302 | 10 345 | (3 957) |
| | 19 250 | (727) | 18 523 | 12 773 | (5 750) |
| | 2 025 308 | (84 239) | 1 941 069 | 1 009 113 | (931 956) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

At 31 December 2004 and 2003 the market value of the investments in companies listed on the stock exchange, included in the above table, was €12 767 and €830 810 thousand less than their net book value, respectively.

The provision for the investment in Mercantile Bank Holdings, Ltd. corresponds to the amount of the unrealised loss in relation to the market value of the investment, calculated based on the price listed on the Johannesburg Stock Exchange at the end of 2004 and 2003. As explained above, the provision for the equity participation in BCP at 31 December 2004 also corresponds to the full amount of the unrealised loss in relation to the market value at that date.

The provisions recorded by CGD at 31 December 2004 and 2003 correspond to application of the percentages established in Notice 4/2002 for investments subject to the transitory regime, except for the investment in PT Multimédia, SGPS, SA, where the provision corresponds to the full amount to be provided for. Provisions recorded in 2003 under the terms of Notice 4/2002 amounted to €40 878 thousand, of which €40 391 thousand were recorded by charge to reserves (Note 23.). In 2004 reversals

net of provisions under the terms of the above mentioned Notice amounted to €14 348 thousand, of which €14 294 thousand was recorded by corresponding credit to reserves and retained earnings (Note 23.).

The unrealised losses not provided for under the transitory regime established in Notice 4/2002, amounted to €42 216 thousand (€270 834 thousand in 2003), of which €966 thousand (€31 103 thousand in 2003) and €41 250 thousand (€239 731 in 2003) will be recorded over periods of five and ten years, respectively. These balances include investments in companies included in the consolidation.

9. Investments in Associated Companies and in Subsidiary Companies Excluded from Consolidation

Investments in Associated Companies

This consolidated balance sheet heading comprises the following:

| | 2004 | | 2003 | |
|--|-----------------------------|----------------|-----------------------------|----------------|
| | Effective participation (%) | Book value | Effective participation (%) | Book value |
| REN - Rede Eléctrica Nacional, SA | 20.00 | 172 457 | 20.00 | 169 473 |
| Unibanco Holdings | 12.77 | 100 930 | 12.77 | 77 956 |
| Unibanco - União de Bancos Brasileiros | 11.97 | 65 301 | 11.97 | 50 435 |
| AdP - Águas de Portugal, SA | 20.37 | 91 031 | 20.37 | 88 690 |
| SIBS - Sociedade Interbancária de Serviços, SA | 21.60 | 14 032 | 21.60 | 10 988 |
| Prado Karton - Companhia de Cartão, SA | 38.14 | 2 629 | 38.14 | 2 630 |
| Prado - Cartolinas da Lousã, SA | 38.14 | 2 726 | 38.14 | 2 478 |
| Companhia de Papel do Prado, SA | 38.14 | 1 273 | 38.14 | 1 237 |
| Banco Internacional de São Tomé e Príncipe, SARL (Note 1.1.) | 27.00 | 1 204 | 27.00 | 976 |
| Locarent - Companhia Portuguesa de Aluguer de Viaturas, SA (Note 1.1.) | 45.00 | 623 | 45.00 | 625 |
| F. Turismo - Soc. Gestora de Fundos de Investim. Imobil., SA | 33.47 | 438 | 33.47 | 429 |
| Imobci, Lda. | 50.00 | 253 | 50.00 | 78 |
| Other | | 147 | | 75 |
| | | 453 044 | | 406 070 |

At 31 December 2004 and 2003 the market value of the investments in Unibanco Holdings and Unibanco – União de Bancos Brasileiros was €215 123 thousand and €186 981 thousand greater, respectively, than their corresponding equity value. The market value of the investment in Unibanco Holdings, which includes ordinary and preference shares, was estimated based on the stock exchange price of the ordinary and preference shares of Unibanco and listed "Units", which include preference shares of Unibanco and Unibanco Holdings.

Investments in Subsidiary Companies excluded from consolidation

This consolidated balance sheet heading refers to the following subsidiaries, which are recorded in accordance with the equity method of accounting:

| | 2004 | | 2003 | |
|---|-----------------------------|----------------|-----------------------------|----------------|
| | Effective participation (%) | Book value | Effective participation (%) | Book value |
| Companhia de Seguros Fidelidade Mundial, SA | 100.00 | 787 326 | 100.00 | 678 846 |
| Cares - Companhia de Seguros, SA | 100.00 | 11 181 | 98.33 | 8 731 |
| CGD Pensões - Sociedade Gestora de Fundos de Pensões, SA | 100.00 | 4 265 | 100.00 | 4 118 |
| Garantia - Companhia de Seguros de Cabo Verde, SARL | 65.31 | 2 123 | 65.31 | 1 664 |
| Portal Executivo - Sociedade de Serviços, Consultoria e Informação em Gestão, SA | 75.00 | (522) | 75.00 | (161) |
| Lusopensiones - Soc. Gest. Fondos de Pensiones, SA (Note 1.1.) | – | – | 99.69 | 894 |
| Other investments with negative equity | | (29 499) | | (28 320) |
| | | 774 874 | | 665 772 |

10. Other Investments

This heading of the consolidated balance sheet comprises the following:

| | 2004 | | | |
|---|-----------------------------|------------------|-----------------------|------------------|
| | Effective participation (%) | Cost | Provisions (Note 20.) | Net book value |
| EDP – Electricidade de Portugal, SA | 9.77 | 784 896 | – | 784 896 |
| Portugal Telecom, SA | 4.45 | 478 037 | – | 478 037 |
| Império Bonança, SGPS, SA | 70.00 | 361 895 | – | 361 895 |
| Banco Comercial Português, SA | 2.61 | 439 013 | (279 053) | 159 960 |
| Instituto Nacional de Habitação | 52.00 | 120 525 | – | 120 525 |
| PT Multimédia, SGPS, SA | 1.28 | 47 780 | (3 159) | 44 621 |
| CGD USA Holding Company, Inc. | 51.00 | 17 326 | – | 17 326 |
| Euronext, NV | 0.48 | 11 703 | – | 11 703 |
| Manuel Inácio & Filhos, SGPS, SA | 16.08 | 7 500 | – | 7 500 |
| Vista Alegre Atlantis, SGPS, SA | 10.62 | 7 892 | (1 046) | 6 846 |
| FIEP – Fundo para a Internacionalização das Empresas Portuguesas, SGPS, SA | 8.50 | 5 420 | – | 5 420 |
| SAG Gest, SGPS, SA | 1.36 | 5 000 | (668) | 4 332 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (144) | 4 215 |
| SCI Imobiliária, SARL | 42.00 | 4 403 | (246) | 4 157 |
| Visabeira Indústria, SGPS, SA | 17.21 | 3 000 | – | 3 000 |
| Cifi, SA | 7.24 | 2 937 | – | 2 937 |
| Portuvinus, SGPS, SA | 15.65 | 2 289 | – | 2 289 |
| Taguspark - Sociedade de Promoção e Desenvolvimento do Parque de Ciência e Tecnologia da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| NG – Negócios e Gestão, SA | 18.93 | 1 609 | – | 1 609 |
| Grupo Pestana Pousadas, SA | 24.90 | 1 608 | – | 1 608 |
| Unicre – Cartão Internacional de Crédito, SA | 17.60 | 1 065 | – | 1 065 |
| Plataforma, SGPS, SA | 4.83 | 1 000 | – | 1 000 |
| Other investments with a unit value below €1000 thousand | | 7 743 | (4 508) | 3 235 |
| | | 2 319 170 | (288 824) | 2 030 346 |

| | 2003 | | | |
|-------------------------------------|-----------------------------|-----------|-----------------------|----------------|
| | Effective participation (%) | Cost | Provisions (Note 20.) | Net book value |
| Banco Comercial Português, SA | 5.98 | 1 009 598 | (42 961) | 966 637 |
| Portugal Telecom, SA. | 4.12 | 478 037 | (12 744) | 465 293 |
| EDP – Electricidade de Portugal, SA | 4.75 | 462 066 | (22 343) | 439 723 |
| Instituto Nacional de Habitação | 55.00 | 120 525 | – | 120 525 |
| PT Multimédia, SGPS, SA | 1.16 | 47 780 | (5 464) | 42 316 |
| CGD USA Holding Company, Inc. | 51.00 | 18 686 | – | 18 686 |
| Euronext, NV | 0.49 | 11 929 | – | 11 929 |

(to be continued)

(.../...)

| | 2003 | | | Net book value |
|---|-----------------------------|------------------|-----------------------|------------------|
| | Effective participation (%) | Cost | Provisions (Note 20.) | |
| FIEP – Fundo para a Internacionalização | | | | |
| das Empresas Portuguesas, SGPS, SA | 8.50 | 8 480 | – | 8 480 |
| Manuel Inácio & Filhos, SGPS, SA | 16.08 | 7 500 | – | 7 500 |
| Vista Alegre Atlantis, SGPS, SA | 10.62 | 7 892 | (627) | 7 265 |
| Solidal, Condutores Eléctricos, SA | 11.62 | 5 750 | (620) | 5 130 |
| SAG Gest, SGPS, SA | 1.36 | 5 000 | (619) | 4 381 |
| Finangeste - Empresa Financeira de Gestão e Desenvolvimento, SA | 4.47 | 4 359 | (138) | 4 221 |
| SCI Imobiliária, SARL | 42.00 | 3 773 | (211) | 3 562 |
| Visabeira Indústria, SGPS, SA | 17.21 | 3 000 | – | 3 000 |
| Cifi, SA | 7.24 | 3 167 | – | 3 167 |
| Cabelte - Projectos Internacionais, SGPS, SA | 9.53 | 2 745 | – | 2 745 |
| Grupo Pestana Pousadas, SA | 24.90 | 2 194 | – | 2 194 |
| Taguspark - Sociedade de Promoção e Desenvolvimento do Parque de Ciência e Tecnologia da Área de Lisboa, SA | 10.00 | 2 170 | – | 2 170 |
| Portuvinus, SGPS, SA | 18.28 | 2 000 | – | 2 000 |
| Unicre – Cartão Internacional de Crédito, SA | 17.60 | 1 065 | – | 1 065 |
| Plataforma, SGPS, SA | 4.83 | 1 000 | – | 1 000 |
| PT Prime Tradecom | 17.00 | 1 165 | (1 027) | 138 |
| Other investments with a unit value below €1000 thousand | | 10 101 | (2 735) | 7 366 |
| | | 2 219 982 | (89 489) | 2 130 493 |

In addition to the operations referred to in Note 8., the following changes were recorded under the caption "Other investments" in 2004 and 2003:

Império Bonança, SGPS, SA (Império Bonança)

On 16 July 2004 Caixa, Caixa Seguros and BCP signed a "Contract for the purchase and sale of shares – spot, forward and mandate" ("the Contract"). The contract comprises shares of Império Bonança, which at 31 December 2004 was the sole shareholder of the following entities ("the Companies"):

- Império Bonança – Companhia de Seguros, SA;
- Seguro Directo Gere – Companhia de Seguros, SA;
- Impergesto – Assistência e Serviços, SA, and
- Servicocomercial – Consultoria e Informática, Lda..

The Contract was subject to authorization and non-opposition declarations by the competent authorities (Instituto de Seguros de Portugal and Autoridade da Concorrência), which were granted at the end of 2004. Under the terms of the Contract, the formalities relating to the purchase and sale of the shares took place on 28 January 2005 ("Formalisation Date").

The Contract establishes the following operations:

- Acquisition, by Caixa Seguros from BCP, at the Formalisation Date, of shares representing 70% of Império Bonança's share capital;
- Forward acquisition, by Caixa Seguros from BCP, of shares representing the remaining 30% of Império Bonança's share capital.

The price of the shares acquired in January 2005 was €240 100 thousand, which will be adjusted by the changes in equity between 31 December 2003 and the last day of the quarter immediately prior to the Formalisation Date (which is 31 December 2004).

The price of shares to be acquired on the forward transaction was established at €102 900 thousand, of which €14 939 thousand was paid at the Formalisation Date. The remaining €87 961 thousand, plus monetary correction as from the Formalisation Date, will be paid on 16 July 2007. BCP has the option to anticipate this term in the event that the shares of a Holding company to be incorporated by Caixa to congregate all its investments in the insurance sector, are admitted for listing on the Stock Exchange. In this case, the remaining amount payable will be adjusted based on the market value of the shares of the referred to Holding. Caixa Seguros will be entitled to receive the full amount of all dividends, and any other equity rights due after the Formalisation Date relating to the shares acquired under the forward transaction.

In addition, under the contract the following operations were carried out on the Formalisation Date:

- Caixa Seguros acquired loans granted to the Companies in the amount of €78 600 thousand;
- CGD acquired loans granted to José de Mello, SGPS, SA totalling €96 102 thousand.

The effective transfer of the management of the Companies to Caixa took place at the Formalisation Date. Therefore, in the period between 16 July and 31 December 2004, Caixa did not appoint any member to the corporate boards of the Companies to be acquired nor exercised any control over their management. In addition, as explained above, BCP was entitled to the net income of the Companies up to 31 December 2004 through adjustment to the transaction price. Consequently, as the conditions established in the national rules did not occur, the accounts of Império Bonança were not consolidated at

31 December 2004. However, Caixa recorded in its financial statements as at 31 December 2004 an asset and a liability corresponding to the amount of its commitment to purchase all the shares of Império Bonança, as follows:

| | |
|---|----------------|
| Cost of shares acquired in January 2005 | 240 100 |
| Cost of shares to be acquired under the forward transaction | 102 900 |
| Adjustment to the price – equity changes | 17 073 |
| Balance payable recorded in "Other liabilities" (Note 18.) | 360 073 |
| Costs incurred with the acquisition | 1 822 |
| | 361 895 |

The amount of the transaction may also be adjusted as a result of an analysis of equity changes between 1 January and 31 December 2004 of the companies acquired.

Following the conditions set for the operation by the Autoridade de Concorrência (Competition Authority) at the end of 2004, Caixa mandated BCP Investimentos to sell the equity participation in Seguro Directo Gere – Companhia de Seguros, SA.

Euronext, NV

In 2004 and 2003 Caixa – Banco de Investimento sold, on the Stock Exchange, 11 500 and 138 500 shares of Euronext, NV for €270 thousand and €2 955 thousand, having realised capital gains of €43 thousand and €225 thousand, respectively (Note 32.).

Portuvinus, SGPS, SA

In September 2004 Caixa Capital – Sociedade de Capital de Risco, SA (Caixa Capital) participated in the capital increase of Portuvinus, SGPS, SA, having subscribed for 30 556 redeemable preference shares of €5 each for €153 thousand.

In addition, the shareholders' loans granted by Caixa Capital were partly converted into capital, corresponding to the acquisition of 27 194 redeemable preference shares of €5 each for the global amount of €136 thousand.

NG - Negócios e Gestão, SGPS, SA

In 2004 Caixa Desenvolvimento, SGPS, SA (Caixa Desenvolvimento) acquired 250 000 shares of NG – Negócios e Gestão, SGPS, SA, representing 50% of the company's share capital, at a cost of €0.5 each.

In addition, Caixa Desenvolvimento participated in that company's capital increase, having subscribed for 1 358 750 redeemable preference shares of €1 each at the price of €1 each. Subsequently it exchanged 250 000 ordinary shares for 250 000 redeemable preference shares, through the payment of an additional €125 thousand.

Caixa Desenvolvimento also granted shareholders' loans of €1 600 thousand.

Solidal – Condutores Eléctricos, SA

In November 2004 Caixa Desenvolvimento sold its investment in Solidal – Condutores Eléctricos for €6 918 thousand, resulting in a capital gain of €1 168 thousand (Note 32.).

In addition, shareholders' loans of €3 750 thousand granted by Caixa Desenvolvimento were fully repaid.

Cabelte - Projectos Internacionais, SGPS, SA

In July 2004 Caixa Capital sold its investment in Cabelte – Projectos Internacionais, SGPS, SA for €2 845 thousand, having recorded a capital gain of €100 thousand (Note 32.).

Sogeste – Sociedade de Gestão de Participações, SA

In 2003 it was decided to liquidate Sogeste – Sociedade de Gestão de Participações, SA (Sogeste). As part of the liquidation process, CGD received 174 918 shares of CEM – Companhia de Electricidade de Macau, SARL (CEM), which were subsequently sold for €127 748 thousand, as well as €14 647 thousand in cash. As a result of these operations CGD recorded a capital gain of €14 642 thousand (Note 32.). In the consolidated financial statements the capital gain amounted to €12 118 thousand (Note 32.).

Manuel Inácio & Filhos, SGPS, SA

In May 2003 Caixa Desenvolvimento and Caixa Capital participated in a capital increase of Manuel Inácio e Filhos, SGPS, SA, having subscribed for 1 597 444 and 798 722 redeemable preference shares of €1 each, respectively, at the price of €3.13 per share.

Visabeira Indústria, SGPS, SA

In August 2003 Caixa Desenvolvimento and Caixa Capital participated in a capital increase of this company, having subscribed for 15 385 shares of €1 each at the price of €6.5 per share. In addition, Caixa Desenvolvimento and Caixa Capital granted shareholders' loans of €1 100 thousand and €400 thousand, respectively.

Silvageste, SGPS, SA (Silvageste) and Silger, SGPS, SA (Silger)

In 2003 Caixa Desenvolvimento and Caixa Capital sold their investments in these companies to Fundo de Capital de Risco para Investidores Qualificados – Grupo CGD (a fund managed by Caixa Capital). In addition, the fund acquired the shareholders' loans of €2 867 thousand granted to Silger by Caixa Desenvolvimento.

In 2003 this transaction resulted in the reversal of provisions of €4 873 thousand for loss on these investments recorded in 2002, and a capital gain of €515 thousand was reflected in net income for the year (Note 32.).

The difference between the net book value and the market value of the main investments at 31 December 2004 and 2003, calculated in compliance with Bank of Portugal Notice 4/2002, was made up as follows:

| Investments | 2004 | | | | |
|-------------------------------------|------------------|------------------|------------------|-----------------------------|---|
| | Book value | Provisions | Net book value | Market value ^(*) | Unrealised gains/losses ^(**) |
| Listed companies | | | | | |
| EDP - Electricidade de Portugal, SA | 784 896 | – | 784 896 | 789 407 | 4 511 |
| Banco Comercial Português, SA | 439 013 | (279 053) | 159 960 | 159 960 | – |
| | 1 223 909 | (279 053) | 944 856 | 949 367 | 4 511 |
| Portugal Telecom, SA | 478 037 | – | 478 037 | 455 536 | (22 501) |
| PT Multimédia, SGPS, SA | 47 780 | (3 159) | 44 621 | 32 716 | (11 905) |
| Euronext, NV | 11 703 | – | 11 703 | 13 272 | 1 569 |
| Vista Alegre Atlantis, SGPS, SA | 7 892 | (1 046) | 6 846 | 3 897 | (2 949) |
| SAG Gest, SGPS, SA | 5 000 | (668) | 4 332 | 2 578 | (1 754) |
| | 1 774 321 | (283 926) | 1 490 395 | 1 457 366 | (33 029) |
| Unlisted companies | | | | | |
| Finangeste, SA | 4 359 | (144) | 4 215 | 2 428 | (1 787) |
| | 1 778 680 | (284 070) | 1 494 610 | 1 459 794 | (34 816) |

(*) Calculated in accordance with Bank of Portugal Notice 4/2002, except for the investments in EDP and BCP, in which case the listed price at 31 December 2004 was used.

(**) Net of provisions.

| Investments | 2003 | | | | |
|-------------------------------------|------------------|-----------------|------------------|-----------------------------|---|
| | Book value | Provisions | Net book value | Market value ^(*) | Unrealised gains/losses ^(**) |
| Listed companies | | | | | |
| Banco Comercial Português, SA | 1 009 598 | (42 961) | 966 637 | 321 148 | (645 489) |
| Portugal Telecom, SA | 478 037 | (12 744) | 465 293 | 352 640 | (112 653) |
| EDP - Electricidade de Portugal, SA | 462 066 | (22 343) | 439 723 | 286 459 | (153 264) |
| PT Multimédia, SGPS, SA | 47 780 | (5 464) | 42 316 | 26 954 | (15 362) |
| Euronext, NV | 11 929 | – | 11 929 | 12 738 | 809 |
| Vista Alegre Atlantis, SGPS, SA | 7 892 | (627) | 7 265 | 3 897 | (3 368) |
| SAG Gest, SGPS, SA | 5 000 | (619) | 4 381 | 2 578 | (1 803) |
| | 2 022 302 | (84 758) | 1 937 544 | 1 006 414 | (931 130) |
| Unlisted companies | | | | | |
| Solidal - Condutores Eléctricos, SA | 5 750 | (620) | 5 130 | 3 338 | (1 792) |
| Finangeste, SA | 4 359 | (138) | 4 221 | 2 428 | (1 793) |
| Other | 2 086 | (245) | 1 841 | 1 166 | (675) |
| | 12 195 | (1 003) | 11 192 | 6 932 | (4 260) |
| | 2 034 497 | (85 761) | 1 948 736 | 1 013 346 | (935 390) |

(*) Calculated in accordance with Notice 4/2002 of the Bank of Portugal.

(**) Net of provisions.

At 31 December 2004 and 2003 the market value of investments in companies included in the above table, with shares listed on stock exchanges, was €17 347 thousand and €835 489 thousand less than their net book value, respectively.

Provisions recorded in 2003 in accordance with Notice 4/2002, net of reversals, amounted to €30 155 thousand, of which €34 007 thousand was recorded by corresponding charge to reserves under the terms of the transitory regime included in the above mentioned Notice (Notes 20. and 23.). In 2004, in compliance with Notice 4/2002, the amounts provided, net of reversals, amounted to €14 524 thousand, of which €14 719 was recorded by corresponding credit to reserves and retained earnings.

The provisions recorded at 31 December 2004 and 2003 for investments subject to the transitory regime correspond to application of the percentages established in Notice 4/2002, except for the investment in PT Multimédia, SGPS, SA, where the full amount was provided.

At 31 December 2004 the unrealised losses not provided for under the transitory regime established in Notice 4/2002 amounted to €435 thousand (€203 236 thousand in 2003), of which €99 thousand (€31 020 thousand in 2003) and €336 thousand (€172 216 thousand in 2003) will be recorded over five and ten years, respectively.

11. Intangible Assets (Net)

During 2004 and 2003 this heading presented the following changes:

| | 2004 | | | | | | |
|--|--------------------------|----------------------------------|---------------|---------------------------|----------------------|---------------------------|------------------------|
| | CGD | | | | | | |
| | Gross book value in 2003 | Accumulated amortisation in 2003 | Additions | Transfers and adjustments | Exchange differences | Amortisation for the year | Net book value in 2004 |
| Key money | 183 | – | – | – | – | – | 183 |
| Computer software | 141 080 | (111 454) | 3 795 | 22 640 | (16) | (26 511) | 29 534 |
| Research and development expenses | 14 578 | (14 578) | – | 2 | – | (2) | – |
| Start-up costs | 31 | (28) | – | – | – | (2) | 1 |
| Multi-annual costs | 77 | (71) | – | – | – | (6) | – |
| Intangible assets in progress | 99 627 | – | 34 294 | (23 830) | – | – | 110 091 |
| Advances on account of intangible assets | 6 572 | – | 2 163 | (2 443) | – | – | 6 292 |
| Other | 1 119 | (236) | – | – | – | – | 883 |
| | 263 267 | (126 367) | 40 252 | (3 631) | (16) | (26 521) | 146 984 |

| | 2003 | | | | | | |
|--|--------------------------|----------------------------------|---------------|---------------------------|----------------------|---------------------------|------------------------|
| | CGD | | | | | | |
| | Gross book value in 2002 | Accumulated amortisation in 2002 | Additions | Transfers and adjustments | Exchange differences | Amortisation for the year | Net book value in 2003 |
| Key money | 183 | – | – | – | – | – | 183 |
| Computer software | 114 578 | (92 145) | 10 935 | 19 514 | (41) | (23 215) | 29 626 |
| Research and development expenses | 14 578 | (14 578) | – | – | – | – | – |
| Start-up costs | 37 | (25) | – | – | (2) | (7) | 3 |
| Multi-annual costs | 124 | (83) | – | (13) | (6) | (16) | 6 |
| Intangible assets in progress | 65 947 | – | 52 251 | (18 571) | – | – | 99 627 |
| Advances on account of intangible assets | 5 229 | – | 1 250 | 93 | – | – | 6 572 |
| Other | 1 011 | (236) | 108 | – | – | – | 883 |
| | 201 687 | (107 067) | 64 544 | 1 023 | (49) | (23 238) | 136 900 |

| 2004 | | | | | | | | |
|--|--------------------------|----------------------------------|---------------|---------------------------|----------------------|---------------------------|---------------|------------------------|
| Consolidated | | | | | | | | |
| | Gross book value in 2003 | Accumulated amortisation in 2003 | Additions | Transfers and adjustments | Exchange differences | Amortisation for the year | Net disposals | Net book value in 2004 |
| Key money | 191 | (36) | 98 | 33 | (5) | (34) | – | 247 |
| Computer software | 157 875 | (124 547) | 6 088 | 23 296 | 140 | (29 447) | (114) | 33 291 |
| Research and development expenses | 15 673 | (15 572) | – | 3 | – | (104) | – | – |
| Start-up costs | 8 407 | (7 069) | – | (259) | (15) | (269) | – | 795 |
| Multi-annual costs | 1 866 | (1 403) | 994 | 232 | (2) | (486) | – | 1 201 |
| Intangible assets in progress | 100 041 | – | 34 422 | (24 342) | 12 | – | – | 110 133 |
| Advances on account of intangible assets | 6 943 | – | 2 619 | (2 668) | 4 | – | – | 6 898 |
| Other | 21 701 | (14 663) | 2 090 | (649) | – | (1 651) | – | 6 828 |
| | 312 697 | (163 290) | 46 311 | (4 354) | 134 | (31 991) | (114) | 159 393 |

| 2003 | | | | | | | | |
|--|--------------------------|----------------------------------|---------------|---------------------------|----------------------|---------------------------|---------------|------------------------|
| Consolidated | | | | | | | | |
| | Gross book value in 2002 | Accumulated amortisation in 2002 | Additions | Transfers and adjustments | Exchange differences | Amortisation for the year | Net disposals | Net book value in 2003 |
| Key money | 191 | (36) | – | – | – | – | – | 155 |
| Computer software | 131 376 | (104 104) | 12 143 | 19 510 | 74 | (25 643) | (28) | 33 328 |
| Research and development expenses | 15 660 | (15 281) | – | – | – | (278) | – | 101 |
| Start-up costs | 7 472 | (6 105) | 535 | 83 | (23) | (624) | – | 1 338 |
| Multi-annual costs | 1 653 | (1 195) | 270 | 18 | (11) | (272) | – | 463 |
| Intangible assets in progress | 66 166 | – | 52 517 | (18 641) | (1) | – | – | 100 041 |
| Advances on account of intangible assets | 5 573 | – | 1 727 | (357) | – | – | – | 6 943 |
| Other | 2 401 | (1 545) | 277 | 7 763 | (7) | (1 851) | – | 7 038 |
| | 230 492 | (128 266) | 67 469 | 8 376 | 32 | (28 668) | (28) | 149 407 |

The intangible assets in progress in the non-consolidated financial statements at 31 December 2004 and 2003 refer essentially to costs incurred with the development of computer software, which had not yet started operating at that date.

12. Tangible Fixed Assets (Net)

The changes recorded in tangible fixed assets (net) in 2004 and 2003 were as follows:

| | 2004 | | | | | | | |
|--|------------------|--------------------------|---------------|----------------------|-----------------|-----------------|-----------------|----------------|
| | CGD | | | | | | | |
| | Gross book value | Accumulated depreciation | | Transfers | Depreciation | | Net book value | |
| | in 2003 | in 2003 | Additions | Exchange differences | and adjustments | for the year | Net disposals | in 2004 |
| Premises for own service | 821 054 | (237 765) | 776 | – | 6 176 | (13 220) | (3 077) | 573 944 |
| Leasehold improvements | 60 978 | (38 784) | 370 | (67) | 5 481 | (4 461) | (822) | 22 695 |
| Other property | 1 587 | (839) | – | – | – | (58) | – | 690 |
| Equipment | 513 458 | (435 921) | 16 770 | (33) | 9 961 | (22 322) | (1 260) | 80 653 |
| Leased assets | 31 536 | (10 786) | 18 044 | – | (5 028) | (6 426) | (757) | 26 583 |
| Art collection | 3 940 | – | 228 | – | 3 | – | (1) | 4 170 |
| Other tangible fixed assets | 12 622 | (7 660) | 219 | – | (3) | (1 174) | (2) | 4 002 |
| Work in progress: | | | | | | | | |
| Property | 2 456 | – | 6 232 | – | (6 186) | – | – | 2 502 |
| Equipment | 8 838 | – | 5 682 | – | (12 028) | – | – | 2 492 |
| Art collection | 16 | – | – | – | (16) | – | – | – |
| Advances on account of tangible fixed assets | 11 274 | – | 13 219 | – | 1 701 | – | (10 678) | 15 516 |
| | 1 467 759 | (731 755) | 61 540 | (100) | 61 | (47 661) | (16 597) | 733 247 |

| | 2003 | | | | | | | |
|--|------------------|--------------------------|---------------|----------------------|-----------------|-----------------|-----------------|----------------|
| | CGD | | | | | | | |
| | Gross book value | Accumulated depreciation | | Transfers | Depreciation | | Net book value | |
| | in 2002 | in 2002 | Additions | Exchange differences | and adjustments | for the year | Net disposals | in 2003 |
| Premises for own service | 838 733 | (230 884) | 604 | – | 260 | (13 211) | (12 213) | 583 289 |
| Leasehold improvements | 55 188 | (35 428) | 916 | (240) | 6 716 | (4 495) | (463) | 22 194 |
| Other property | 1 587 | (781) | – | – | – | (58) | – | 748 |
| Equipment | 522 802 | (437 128) | 13 066 | (121) | 11 864 | (32 457) | (489) | 77 537 |
| Leased assets | 21 555 | (7 488) | 11 889 | – | (10) | (4 831) | (365) | 20 750 |
| Art collection | 3 780 | – | 162 | (1) | – | – | (1) | 3 940 |
| Other tangible fixed assets | 12 367 | (6 626) | 275 | 2 | 119 | (1 172) | (3) | 4 962 |
| Work in progress: | | | | | | | | |
| Property | 3 654 | – | 5 535 | – | (6 733) | – | – | 2 456 |
| Equipment | 5 298 | – | 14 466 | – | (10 926) | – | – | 8 838 |
| Art collection | 16 | – | – | – | – | – | – | 16 |
| Advances on account of tangible fixed assets | 5 085 | – | 7 990 | – | (1 801) | – | – | 11 274 |
| | 1 470 065 | (718 335) | 54 903 | (360) | (511) | (56 224) | (13 534) | 736 004 |

| 2004 | | | | | | | | | |
|--|--------------------------|----------------------------------|---------------|----------------------|---------------|---------------------------|-----------------|------------------------|----------------|
| Consolidated | | | | | | | | | |
| | Gross book value in 2003 | Accumulated depreciation in 2003 | Changes | Exchange | Transfers and | Depreciation for the year | Net | Net book value in 2004 | |
| | | | Additions | Revaluat. differenc. | adjustments | | disposals | | |
| Premises for own service | 895 948 | (252 895) | 5 591 | 401 | 191 | 6 608 | (14 862) | (3 960) | 637 022 |
| Leasehold improvements | 66 301 | (39 846) | 591 | – | 643 | 6 249 | (4 974) | (822) | 28 142 |
| Other property | 1 701 | (917) | – | – | – | 1 013 | (264) | (4) | 1 529 |
| Equipment | 585 964 | (485 373) | 28 359 | – | 753 | 9 705 | (30 250) | (4 839) | 104 319 |
| Leased assets | 35 877 | (12 804) | 19 447 | – | 61 | (5 326) | (7 586) | (1 112) | 28 557 |
| Art collection | 4 403 | – | 267 | – | (4) | (7) | – | (1) | 4 658 |
| Other tangible fixed assets | 14 484 | (8 102) | 491 | – | 1 | 659 | (1 410) | (18) | 6 105 |
| Work in progress: | | | | | | | | | |
| Property | 7 170 | – | 9 421 | – | 15 | (6 830) | – | (4 540) | 5 236 |
| Equipment | 9 009 | – | 5 831 | – | 20 | (12 226) | – | (19) | 2 615 |
| Other tangible fixed assets | 37 | – | – | – | 2 | (10) | – | (27) | 2 |
| Art collection | 16 | – | – | – | – | (16) | – | – | – |
| Advances on account of tangible fixed assets | 11 275 | – | 13 235 | – | – | 1 701 | – | (10 678) | 15 533 |
| | 1 632 185 | (799 937) | 83 233 | 401 | 1 682 | 1 520 | (59 346) | (26 020) | 833 718 |

| 2003 | | | | | | | | | |
|--|--------------------------|---------------------------|------------------------------|----------------------|---------------|----------------------|-------------------------|------------------------|----------------|
| Consolidated | | | | | | | | | |
| | Gross book value in 2002 | Accum. depreciat. in 2002 | Changes to the open. balance | Exchange | Transfers and | Deprec. for the year | Net | Net book value in 2003 | |
| | | | Additions | Revaluat. differenc. | adjust. | | disposals | | |
| Premises for own service | 908 984 | (245 588) | 3 005 | 9 062 | 886 | (2 492) | 558 (14 882) | (16 480) | 643 053 |
| Leasehold improvements | 62 234 | (36 281) | 103 | 916 | – | (1 133) | 5 796 (5 123) | (57) | 26 455 |
| Other property | 1 697 | (788) | (20) | 4 | – | – | – (109) | – | 784 |
| Equipment | 610 451 | (497 957) | 2 981 | 21 180 | – | (788) | 5 747 (39 880) | (1 143) | 100 591 |
| Leased assets | 25 561 | (9 000) | 1 | 13 131 | – | 79 | (15) (6 019) | (665) | 23 073 |
| Art collection | 4 157 | – | 6 | 270 | – | (34) | 6 | – | 4 403 |
| Other tangible fixed assets | 12 387 | (6 672) | 1 270 | 680 | – | (10) | 124 (1 396) | (1) | 6 382 |
| Work in progress: | | | | | | | | | |
| Property | 6 374 | – | 58 | 8 194 | – | (199) | (7 257) | – | 7 170 |
| Equipment | 6 517 | – | (576) | 14 523 | – | (1) | (11 445) | – | 9 009 |
| Other tangible fixed assets | 25 | – | 10 | 27 | – | (5) | (20) | – | 37 |
| Art collection | 16 | – | – | – | – | – | – | – | 16 |
| Advances on account of tangible fixed assets | 5 159 | – | – | 7 990 | – | – | (1 874) | – | 11 275 |
| | 1 643 562 | (796 286) | 6 838 | 75 977 | 886 | (4 583) | (8 380) (67 409) | (18 357) | 832 248 |

The changes to the opening balances of the consolidated tangible fixed assets in 2003 result mainly from the fact that Esegur – Empresa de Segurança, SA started being consolidated by the proportional method (Note 1.1.).

Caixa has been selling some premises for its own service, including those vacated after the move to its new head office in 1993. The book value of the properties to be sold at 31 December 2004 and 2003 totalled €4 942 thousand.

13. Other Assets

This heading comprises the following:

| | CGD | | Consolidated | |
|--|---------------|----------------|---------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Gold | 520 | 682 | 520 | 682 |
| Other precious metals, and coin collection | 3 180 | 3 719 | 3 405 | 3 963 |
| Other liquid assets with residents | 29 | 4 490 | 54 | 4 546 |
| Other liquid assets with no residents | 19 | – | 19 | – |
| | 3 748 | 8 891 | 3 998 | 9 191 |
| Grants receivable from | | | | |
| The State | 58 280 | 76 100 | 64 633 | 80 940 |
| Other entities | 29 785 | 30 025 | 29 932 | 30 405 |
| IFADAP | 332 | 290 | 332 | 290 |
| Bank of Portugal | 145 | 150 | 145 | 150 |
| Ex-Fundo de Compensação (Compensation Fund) | 34 | 34 | 34 | 34 |
| | 88 576 | 106 599 | 95 076 | 111 819 |
| Shareholders' loans | 516 010 | 632 324 | 9 717 | 10 696 |
| Supplementary capital contributions | 329 399 | 329 399 | 1 947 | 1 947 |
| Assets received as settlement of defaulting loans | 139 354 | 150 517 | 172 011 | 181 804 |
| Corporate Income Tax recoverable (Note 33.) | 68 860 | 8 376 | 72 810 | 11 494 |
| Subordinated loans | 28 720 | 9 902 | 189 | 204 |
| Proceeds receivable from sale of property | 22 701 | 22 860 | 22 701 | 22 860 |
| Proceeds receivable from sale of assets received as settlement of defaulting loans | 6 940 | 13 429 | 6 940 | 13 429 |
| Proceeds receivable from sale of Barraqueiro | – | – | 27 925 | 27 925 |
| Other debtors | 98 191 | 42 933 | 120 233 | 66 010 |
| Proceeds receivable from sale of Mundial-Confiança | | | | |
| to Fidelidade | – | – | 100 415 | 100 568 |
| Interim dividends | – | – | 3 710 | – |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|---|------------------|------------------|-----------------|-----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Proceeds receivable from sale of Galp Energia (Note 8.) | – | 155 240 | – | 155 240 |
| Other | 44 559 | 43 148 | 68 282 | 63 145 |
| | 1 254 734 | 1 408 128 | 606 880 | 655 322 |
| | 1 347 058 | 1 523 618 | 705 954 | 776 332 |
| Provisions for losses in other assets | | | | |
| Assets received as settlement of defaulting loans | (20 796) | (19 605) | (33 555) | (31 292) |
| Country-risk | (1 946) | (16 155) | – | (7 517) |
| Debtors for doubtful loans | (648) | (825) | (1 886) | (2 270) |
| | (23 390) | (36 585) | (35 441) | (41 079) |
| Other financial investments | (5 419) | (4 652) | (9 511) | (6 146) |
| | (28 809) | (41 237) | (44 952) | (47 225) |
| | 1 318 249 | 1 482 381 | 661 002 | 729 107 |

As explained in Note 2. b) iii), in 2003 CGD started recording in the caption "Provisions for losses in other assets" provisions for country-risk relating to off-balance sheet items. At 31 December 2004 these provisions were reclassified to "Loans and advances to Credit Institutions" and "Loans and advances to customers" depending on the nature of the counterparty of the operations.

Information on the changes in provisions for losses on other assets in 2004 and 2003 is set out in Note 20.

The amount receivable from the sale of Barraqueiro results from the sale by Caixa Desenvolvimento, in 2002, of its participation in Barraqueiro, SGPS, SA. Under the terms of the contract, signed on 27 June 2002, the sale price plus supplementary capital contributions granted totalled €50 856 thousand, of which €22 931 thousand was received immediately and €27 925 is receivable in three equal instalments on 31 December 2003, 2004 and 2005. Payment of the instalments due on 31 December 2004 and 2003 has been deferred, but the respective interest has been paid.

The amounts recorded in assets received as settlement of defaulting loans refer to property and equipment received

as payment of overdue loans (Note 2. h)). The provision for assets received as settlement of defaulting loans is recorded to cover estimated losses on the sale of such assets.

Shareholders' loans reflected in the non-consolidated financial statements at 31 December 2004 and 2003 are as follows:

| | 2004 | 2003 |
|---|----------------|----------------|
| Shareholders' loans: | | |
| Caixa Seguros, SGPS, SA | 326 525 | 326 525 |
| Gerbanca, SGPS, SA | 102 212 | 102 212 |
| Caixa Brasil, SGPS, SA | 51 641 | 64 243 |
| Caixa Leasing e Factoring | 25 976 | 116 161 |
| Caixa Internacional, SGPS, SA | 8 189 | 8 189 |
| Caixa – Sistemas de Informação, SA | 1 467 | 1 467 |
| Caixa – Gestão de Activos, SGPS, SA | – | 13 527 |
| | 516 010 | 632 324 |
| Supplementary capital contributions: | | |
| Caixa Brasil, SGPS, SA | 329 399 | 329 399 |
| Subordinated loans: | | |
| Banco Simeón | 19 550 | – |
| Banco Nacional Ultramarino (Macao) | 9 170 | 9 902 |
| | 28 720 | 9 902 |

The subordinated loans granted to Banco Simeón earn interest at a rate indexed to the 12 month Euribor rate. The

loan contract provides for its conversion to share capital up to the end of the first half of 2005.

The subordinated loan of 100 000 000 Macao *Patacas* (€9 170 thousand and €9 902 thousand at the exchange rates at 31 December 2004 and 2003, respectively) falls due in December 2010 and earns interest at the interbank money market interest rate for the offer of funds in *Patacas* for a 6 month term.

The shareholders' loans to Caixa Brasil, SGPS, SA, do not earn interest and were granted to finance the acquisition of the equity interest in Banco Bandeirantes, SA and subsequent capital increases, as well as the additional amount spent in the acquisition of the equity participation in Unibanco Holdings, SA and Unibanco. In 2004 and 2003 Caixa Brasil, SGPS, SA repaid shareholders' loans of €12 602 thousand and €11 768 thousand, respectively. In addition, in 2003 CGD converted shareholders' loans totalling €309 744 thousand into supplementary capital contributions to that company.

Shareholders' loans to Caixa Seguros, SGPS, SA do not earn interest and were granted to finance the acquisition of Mundial-Confiança.

No interest is charged on the shareholders' loans granted to Caixa Leasing e Factoring. These loans were granted mainly to finance the acquisition of shares of the former Imoleasing – Sociedade de Locação Financeira Mobiliária, SA, Locapor – Companhia Portuguesa de Locação Financeira, SA and Lusofactor – Sociedade de Factoring, SA. The shareholders' loans were partly repaid following the capital increase of Caixa Leasing e Factoring under the merger process of the companies referred to in Note 1.1..

The shareholders' loans to Gerbanca, SGPS, SA do not earn interest. These loans were granted to finance the acquisition of Caixa - Banco de Investimento, SA.

No interest is charged on the shareholders' loans granted to Caixa Internacional, SGPS, SA. These loans were granted to

finance this company's participation in a capital increase of Banco Comercial e de Investimentos, SARL.

No interest was charged on the shareholders' loans granted to Caixa – Gestão de Activos, SGPS, SA. These loans were granted to finance the acquisition of shares of Investil – Sociedade Gestora de Fundos de Investimento Mobiliário, SA, Caixagest – Técnicas de Gestão de Fundos, SA, CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA and Fundimo – Sociedade Gestora de Fundos de Investimento Imobiliário, SA. These shareholders' loans were repaid during 2004.

14. Prepayments and Accrued Income

This heading comprises the following:

| | CGD | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Accrued interest on: | | | | |
| Liquid assets | 1 211 | – | 1 211 | – |
| Loans and advances to credit institutions | 15 305 | 22 051 | 7 529 | 16 810 |
| Loans and advances to customers | 199 722 | 202 928 | 216 122 | 218 513 |
| Investment securities | 13 729 | 28 136 | 19 954 | 31 816 |
| Interest rate swaps | 95 367 | 41 550 | 96 081 | 41 955 |
| Foreign exchange swaps | 26 243 | 24 763 | 28 478 | 24 737 |
| Other accrued income | 5 916 | 7 780 | 8 876 | 10 043 |
| | 357 493 | 327 208 | 378 251 | 343 874 |
| Deferred expenses: | | | | |
| Pension Fund contributions (Note 29.) | 139 926 | 310 039 | 143 603 | 314 538 |
| Other off-balance sheet operations | 42 200 | 25 086 | 36 618 | 25 064 |
| Debt securities | 19 379 | 18 455 | 19 379 | 18 455 |
| Bonds and other securities | 18 398 | – | 18 398 | – |
| Insurance | 184 | 2 867 | 487 | 3 059 |
| Advertising campaigns | – | – | 63 | 320 |
| Other | 32 461 | 12 422 | 37 454 | 16 973 |
| | 252 548 | 368 869 | 256 002 | 378 409 |
| Value fluctuations: | | | | |
| Pensions (Notes 2. i) and 29.) | 64 522 | 252 165 | 64 542 | 252 165 |
| Investments | 32 971 | 34 339 | 11 753 | 9 049 |
| Corporate Income Tax – advances on account | – | 3 819 | – | 15 268 |
| Supplies | 2 105 | 3 162 | 2 382 | 3 352 |
| Revaluation of options | – | 1 827 | – | 1 849 |
| Amortisation of premium or discount on currency swaps | – | – | 2 094 | 1 638 |
| Revaluation of forward foreign exchange position | 1 402 | 693 | 13 139 | 560 |
| Stock exchange operations pending settlement | 214 | – | – | – |
| Other prepayments and accrued income | 520 406 | 454 068 | 621 736 | 556 412 |
| | 1 231 661 | 1 446 150 | 1 349 899 | 1 562 576 |

15. Amounts Owed to Credit Institutions

This caption comprises the following:

| | CGD | | Consolidated | |
|--|------------------|-------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Repayable on demand: | | | | |
| Sight deposits | | | | |
| From domestic credit institutions | 907 299 | 1 134 853 | 848 121 | 1 085 098 |
| From foreign credit institutions | 35 552 | 88 639 | 26 546 | 56 837 |
| | 942 851 | 1 223 492 | 874 667 | 1 141 935 |
| Term or notice: | | | | |
| Term deposits and other resources | | | | |
| From domestic credit institutions | 276 382 | 56 613 | 274 544 | 63 963 |
| From foreign credit institutions | 3 322 543 | 5 141 568 | 2 212 545 | 4 223 761 |
| Interbank Money Market | 24 652 | 517 750 | 14 480 | 513 995 |
| Very short term resources | | | | |
| From domestic credit institutions | 30 102 | – | 30 102 | – |
| From foreign credit institutions | 127 427 | 1 306 460 | 95 968 | 1 267 045 |
| Loans | | | | |
| From domestic credit institutions | 3 826 | 4 093 | 94 857 | 174 283 |
| From foreign credit institutions | 3 031 818 | 5 283 674 | 498 004 | 2 465 172 |
| Consigned resources - non residents | 1 530 328 | 839 648 | 1 530 328 | 839 817 |
| Sales operations with repurchase agreement (Note 7.) | 45 588 | 50 521 | 45 588 | 50 521 |
| Resources of international financial entities | 585 | 863 | 1 002 | 1 351 |
| | 8 393 251 | 13 201 190 | 4 797 418 | 9 599 908 |

The residual term to maturity of the term or notice operations is as follows:

| | CGD | | Consolidated | |
|--------------------------|------------------|-------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Up to three months | 3 372 660 | 7 256 779 | 2 385 622 | 6 628 562 |
| Three months to one year | 1 551 555 | 2 340 052 | 538 447 | 1 793 064 |
| One to five years | 1 492 069 | 2 612 561 | 40 538 | 328 120 |
| Over five years | 1 976 967 | 991 798 | 1 832 811 | 850 162 |
| | 8 393 251 | 13 201 190 | 4 797 418 | 9 599 908 |

16. Amounts Owed to Customers

This caption comprises the following:

| | CGD | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Savings deposits | 8 212 999 | 7 995 896 | 8 653 449 | 8 376 980 |
| Other debts | | | | |
| Repayable on demand | 14 481 614 | 13 949 884 | 15 454 853 | 14 784 348 |
| Term | | | | |
| Deposits | 17 968 947 | 18 108 374 | 20 046 218 | 20 260 743 |
| Compulsory deposits | 936 463 | 1 049 608 | 937 473 | 1 050 520 |
| Other resources: | | | | |
| Sales operations with repurchase agreement (Note 7.) | – | – | 96 749 | 126 640 |
| Consigned resources | 123 | 163 | 6 902 | 7 250 |
| Cheques and orders payable | 147 882 | 61 844 | 150 329 | 65 281 |
| Loans | 25 544 | 30 572 | 25 565 | 30 592 |
| Other | 1 220 | 953 | 31 682 | 30 670 |
| | 19 080 179 | 19 251 514 | 21 294 918 | 21 571 696 |
| | 41 774 792 | 41 197 294 | 45 403 220 | 44 733 024 |

At 31 December 2004 and 2003 the remaining period to maturity of term and savings deposits was as follows:

| | CGD | | | |
|--------------------------|------------------|---------------------|------------------|---------------------|
| | 2004 | | 2003 | |
| | Savings deposits | Other term deposits | Savings deposits | Other term deposits |
| Up to three months | 3 751 410 | 9 632 132 | 3 729 233 | 10 231 265 |
| Three months to one year | 4 461 241 | 7 901 329 | 4 266 658 | 7 549 458 |
| One to five years | 348 | 1 296 006 | 5 | 1 406 815 |
| Over five years | – | 250 712 | – | 63 976 |
| | 8 212 999 | 19 080 179 | 7 995 896 | 19 251 514 |

| | Consolidated | | | |
|--------------------------|------------------|---------------------|------------------|---------------------|
| | 2004 | | 2003 | |
| | Savings deposits | Other term deposits | Savings deposits | Other term deposits |
| Up to three months | 4 180 368 | 11 189 010 | 4 099 003 | 11 875 212 |
| Three months to one year | 4 472 380 | 8 346 031 | 4 277 711 | 8 023 986 |
| One to five years | 701 | 1 420 412 | 266 | 1 597 176 |
| Over five years | – | 339 465 | – | 75 322 |
| | 8 653 449 | 21 294 918 | 8 376 980 | 21 571 696 |

17. Debt Securities

This caption comprises:

| | CGD | | Consolidated | |
|---|-----------|-----------|--------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| Bonds issued: | | | | |
| Bonds issued under the EMTN Programme | 3 368 148 | 3 630 206 | 5 553 071 | 6 128 610 |
| Cash Bonds - Zero Coupon | | | | |
| Vera Cruz – 2005 | 69 576 | 68 953 | 69 576 | 68 533 |
| BNU 99 – 1st issue | 21 200 | 21 200 | 21 200 | 21 200 |
| BNU 99 – 2nd issue | 15 000 | 15 000 | 15 000 | 15 000 |
| Top Saúde 2007 | 14 711 | 14 711 | 14 711 | 14 711 |
| Top Saúde 2007 – 2nd issue | 8 717 | 8 717 | 8 717 | 8 717 |
| Euro 2006 | 10 392 | 10 392 | 10 392 | 10 392 |
| Obrigações de Caixa Top 6 /2008 | 10 321 | 10 321 | 10 321 | 10 321 |
| Obrigações de Caixa Top 7 /2006 | 9 584 | 9 584 | 9 584 | 9 584 |
| CGD Luxarte 2009 | 6 909 | – | 6 909 | – |
| Rendimento Garantido – Caixa 2000/2004 | – | 23 254 | – | 23 254 |
| Rendimento Garantido Bolsa 2004 | – | 8 857 | – | 8 857 |
| Obrigações de Caixa Taxa Crescente Junho 2005 | 52 762 | 52 762 | 52 762 | 52 762 |
| Taxa Crescente Setembro 2005 | 100 000 | 100 000 | 100 000 | 100 000 |
| Taxa Crescente Dezembro 2005 | 70 000 | 70 000 | 70 000 | 70 000 |
| CGD Março 2006 | 71 152 | – | 71 152 | – |
| Obrigações de Caixa CGD Maio 2006 | 44 758 | 44 758 | 44 758 | 44 758 |
| CGD Junho 2006 | 75 000 | – | 75 000 | – |
| Obrigações de Caixa Agosto 2006 | 74 995 | 74 995 | 74 995 | 74 995 |
| CGD Outubro 2006 | 75 000 | – | 75 000 | – |
| CGD Novembro 2006 | 75 000 | 75 000 | 75 000 | 75 000 |
| Taxa Crescente 2007 – 1st issue | 125 000 | – | 125 000 | – |
| Taxa Crescente 2007 – 2nd issue | 50 000 | – | 50 000 | – |
| Taxa Crescente 2007 – 3rd issue | 84 272 | – | 84 272 | – |
| Taxa Crescente 2007 – 4th issue | 77 716 | – | 77 716 | – |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Taxa Crescente 2007 – 5th issue | 79 919 | – | 79 919 | – |
| CGD Dezembro 2007 | 55 732 | – | 55 732 | – |
| Obrigações de Caixa – Indexed to IPC | 62 675 | 62 675 | 62 200 | 62 675 |
| Securities issued by the France Branch | 45 000 | 45 000 | 45 000 | 45 000 |
| Eurímais Outubro 2006 | 43 626 | 43 626 | 43 626 | 43 626 |
| Caixa Euriprémio Setembro 2006 | 40 879 | 40 879 | 40 879 | 40 879 |
| Caixa Euriprémio Dezembro 2006 | 22 098 | 22 098 | 22 098 | 22 098 |
| CGD Rendamista | 30 000 | – | 30 000 | – |
| CGD Rendamista – 2nd issue | 25 263 | – | 25 263 | – |
| Obrigações de Caixa – Grande Prémio 2006 | 21 025 | 21 025 | 21 025 | 21 025 |
| Obrigações de Caixa Top 20/2007 | 20 000 | 20 000 | 20 000 | 20 000 |
| Obrigações de Caixa – Global Invest CGD/2006 | 10 823 | 10 823 | 10 823 | 10 823 |
| Securities issued by Caixa – Banco de Investimento | – | – | – | 36 253 |
| | 4 967 253 | 4 504 836 | 7 151 701 | 7 039 073 |
| Other: | | | | |
| Commercial Paper | | | | |
| Euro Commercial Paper | 2 767 888 | 2 615 228 | 2 767 888 | 2 125 731 |
| United States Commercial Paper | – | – | 293 320 | – |
| Certificates of deposit | | | | |
| Euro Commercial Paper | 787 025 | 951 247 | 787 025 | 1 440 744 |
| Other | 188 689 | 142 524 | 294 640 | 236 213 |
| Other | 1 716 | 1 394 | 1 716 | 1 394 |
| | 3 745 318 | 3 710 393 | 4 144 589 | 3 804 082 |

At 31 December 2004 and 2003 the bonds issued under the EMTN Programme on the consolidated financial statements were as follows, by type of remuneration and residual term to maturity:

| | 2004 | | | |
|-------------------|---|----------------|------------------|------------------|
| | Type of asset or underlying index used to calculate the bond remuneration | | | |
| | Shares/Indexes | Exchange rate | Interest rate | Total |
| Up to one year | 58 332 | 2 864 | 2 916 711 | 2 977 907 |
| One to five years | 197 057 | 1 500 | 585 863 | 784 420 |
| Five to ten years | 623 461 | 3 222 | 599 794 | 1 226 477 |
| Over ten years | 1 639 | 397 064 | 165 564 | 564 267 |
| | 880 489 | 404 650 | 4 267 932 | 5 553 071 |

| 2003 | | | | |
|---|----------------|----------------|------------------|------------------|
| Type of asset or underlying index used to calculate the bond remuneration | | | | |
| | Shares/Indexes | Exchange rate | Interest rate | Total |
| Up to one year | 73 776 | 1 481 | 2 840 226 | 2 915 483 |
| One to five years | 151 076 | - | 1 221 065 | 1 372 141 |
| Five to ten years | 439 799 | 7 775 | 639 561 | 1 087 135 |
| Over ten years | 60 341 | 354 313 | 339 197 | 753 851 |
| | 724 992 | 363 569 | 5 040 049 | 6 128 610 |

Swap contracts have been signed for the majority of these issues, under which their amounts are transformed into Euros and their remuneration rate is transformed into 3 or 6 month Euribor rates plus or minus a spread.

The characteristics of the main bonds issued (excluding those issued under the EMTN Programme) at 31 December 2004 are as follows:

| Bonds issued | Amount | Issue | Maturity | Redemption |
|-----------------------------------|--------|------------|------------|---|
| Bonds issued by CGD | | | | |
| Cupão Zero Vera Cruz 2005 | 71 819 | 28.04.2000 | 28.04.2005 | 105% of their nominal value - includes a variable factor indexed to 60% of the performance of a basket of 20 Portuguese and Brazilian shares, with a minimum of 0% of their nominal value. |
| Cupão Zero BNU 99 – 1st issue | 21 200 | 12.07.1999 | 13.07.2007 | 142.24% of their nominal value. |
| Cupão Zero BNU 99 – 2nd issue | 15 000 | 17.09.1999 | 18.09.2007 | 151.2% of their nominal value. |
| TOP Saúde 2007 | 14 711 | 15.09.2003 | 17.09.2007 | Indexed to 85% of the quarterly average performance of a basket of 10 shares, with a minimum of 0% and a maximum of 24%. |
| Obrigações de Caixa CGD Maio 2006 | 44 758 | 19.05.2003 | 19.05.2006 | Yearly interest payments on 19 May at a rate of 2.15% in the first year and 2.40% in the second. In the third year the interest rate is indexed to the 12 month Euribor rate with a maximum of 3.25%. |
| TOP Saúde 2007 – 2nd issue | 8 717 | 02.12.2003 | 03.12.2007 | Indexed to the quarterly average performance of a basket of 10 shares, with a minimum of 0% and a maximum of 24% (maximum proportional rate of 6%/year). |

| Bonds issued | Amount | Issue | Maturity | Redemption |
|--|---------|------------|------------|---|
| Euro 2006 | 10 392 | 28.02.2002 | 28.02.2006 | Indexed to the growth of the European price index plus a variable remuneration indexed to the Eurostoxx 50. |
| Obrigações de Caixa Top 6 / 2008 | 10 321 | 24.03.2003 | 24.03.2008 | Indexed to the performance of a basket of shares – Cabaz Top 6 with a maximum of 30% and a minimum of 0%. |
| Obrigações de Caixa Top 7 / 2006 | 9 584 | 23.04.2003 | 23.04.2006 | Indexed to 75% of the performance of a basket of shares – Cabaz Top 7 with a maximum of 15% and a minimum of 0%. |
| CGD Luxarte 2009 | 6 909 | 05.07.2004 | 06.07.2009 | Indexed to the change in a basket of shares with a minimum of 0% and a maximum of 35% over the period (maximum proportional rate of 7% per year). |
| Other bonds issued by CGD | | | | |
| Obrigações de Caixa Taxa Crescente Junho 2005 | 52 762 | 30.06.2003 | 30.06.2005 | Half-yearly interest payments on 30 June and December. The interest rate is 1.5% in the first half-year and 1.7%, 2% and 2.25%, respectively in the following periods. |
| Taxa Crescente Setembro 2005 | 100 000 | 29.09.2003 | 29.09.2005 | Half-yearly interest payments on 29 March and September. The interest rate is 2% in the first half-year and 2.125%, 2.25% and 3%, respectively in the following periods. |
| Taxa Crescente Dezembro 2005 | 70 000 | 29.12.2003 | 29.12.2005 | Half-yearly interest payments on 29 June and December. The interest rate is 2.15% in the first half-year and 2.3%, 2.5% and 3.1%, respectively in the following periods. |
| CGD Março 2006 | 71 152 | 15.03.2004 | 15.03.2006 | Half-yearly interest payments on 15 September and March. The interest rate is 1.75% in the first half-year and 1.875%, 2.125% and the 6 month Euribor rate on 14 September 2005 with a maximum of 2.25% in the following periods. |
| CGD Junho 2006 | 75 000 | 07.06.2004 | 07.06.2006 | Half-yearly interest payments on 7 December and June. The interest rate is 2% in the first half-year and 2.15%, 2.3% and the 6 month Euribor rate in the following periods. |
| Obrigações de Caixa Agosto 2006 | 74 995 | 04.08.2003 | 04.08.2006 | Half-yearly interest payments on 4 February and August up to 4 August 2006. The interest rate is 1.7% in the first half-year and 1.8%, 2%, 2.3%, 2.5% and 2.6%, respectively in the following periods. |
| CGD Outubro 2006 | 75 000 | 18.10.2004 | 18.10.2006 | Half-yearly interest payments on 18 April and October. The interest rate is 2% in |

| Bonds issued | Amount | Issue | Maturity | Redemption |
|---------------------------------|---------|------------|------------|--|
| CGD Novembro 2006 | 75 000 | 03.11.2003 | 03.11.2006 | the first half-year and 2.125%, 2.125% and the 6 month Euribor rate in the following periods. Half-yearly interest payments on 3 November and May. The interest rate is 2% in the first half-year and 2.125%, 2.25%, 2.5%, 2.75% and 3.5%, respectively in the following periods. |
| Taxa Crescente 2007 – 1st issue | 125 000 | 26.01.2004 | 26.01.2007 | Half-yearly interest payments on 26 June and January. The interest rate is 2% in the first half-year and 2.25%, 2.25%, 2.5%, 2.75% and 4% in the following periods. |
| Taxa Crescente 2007 – 2nd issue | 50 000 | 01.03.2004 | 01.03.2007 | Half-yearly interest payments on 1 September and March. The interest rate is 1.6% in the first half-year and 1.8%, 2%, 2.2%, 2.4% and 4.5%, respectively in the following periods. |
| Taxa Crescente 2007 – 3rd issue | 84 272 | 19.04.2004 | 19.04.2007 | Half-yearly interest payments on 19 September and April. The interest rate is 1.75% in the first half-year and 1.74%, 2%, 2%, 2.125% and 3.25%, respectively in the following periods. |
| Taxa Crescente 2007 – 4th issue | 77 716 | 21.06.2004 | 21.06.2007 | Half-yearly interest payments on 21 December and June. The interest rate is 1.875% in the first half-year and 2%, 2.125%, 2.25%, 2.5% and 4.125%, respectively in the following periods. |
| Taxa Crescente 2007 –5th issue | 79 919 | 02.11.2004 | 02.11.2007 | Half-yearly interest payments on 2 May and November. The interest rate is 1.875% in the first half-year and 2%, 2.125%, 2.25%, 2.5% and 3.5%, respectively in the following periods. |
| CGD Dezembro 2007 | 55 732 | 20.12.2004 | 20.12.2007 | Half-yearly interest payments on 20 June and December. The interest rate is 2.25% in the first 4 half-years and the 6 month Euribor rate with a minimum of 2.5% in the two remaining half-years. |
| Indexed to IPC | 62 675 | 27-11-1998 | 27-11-2008 | Half-yearly interest payments on 27 May and November. The interest rate is 1.75% indexed to the Consumer Price Index (IPC) published by INE (National Statistics Institute). The amount redeemed is indexed to the Consumer Price Index with a minimum of 100% of their nominal value. |

| Bonds issued | Amount | Issue | Maturity | Redemption |
|--|--------|------------|------------|--|
| Securities issued by the France Branch | 45 000 | 30-04-1999 | 31-01-2005 | Indexed to the performance of a basket of 8 shares listed on the Paris, Milan, Tokyo, Frankfurt, Nasdaq and New York stock exchanges with a minimum of 100% of their nominal value. The valorisation of each security included in that basket has a cap of 170%. |
| Eurimais Outubro 2006 | 43 626 | 20.10.2003 | 20.10.2006 | Yearly interest payments on 20 October. The interest rate is 2.25% in the first year and 2.35% and 3% in the following years, respectively. |
| Caixa Euriprémio Setembro 2006 | 40 879 | 01.09.2003 | 01.09.2006 | Quarterly interest payments on 1 March, June, September and December. The interest paid is indexed to the 3 month Euribor rate minus 0.5% plus an annual premium of 0.25% for each full year. |
| Caixa Euriprémio Dezembro 2006 | 22 098 | 15.12.2003 | 15.12.2006 | Quarterly interest payments on 15 March, June, September and December. The interest paid is indexed to the 3 month Euribor rate less 0.6% plus an annual premium of 0.3% for each full year. |
| CGD Rendamista | 30 000 | 23.08.2004 | 24.08.2009 | Yearly interest payments on 23 August. The interest rate is 5% in the first year and indexed to the 12 month Euribor rate in the following years with a maximum of 8% and a minimum of 0%. |
| CGD Rendamista – 2nd issue | 25 263 | 15.11.2004 | 14.11.2008 | Yearly interest payments on 15 November. The interest rate is 4% in the first year and indexed to the 12 month Euribor rate in the following years with a maximum of 7% and a minimum of 0%. |
| Grande Prémio 2006 | 21 030 | 18-06-2001 | 18-06-2006 | Indexed to 70% of the performance of a basket of 20 shares, with a minimum of 5% of their nominal value. |
| Top 20/2007 | 20 000 | 20-12-2002 | 20-12-2007 | Indexed to the performance of a basket of 20 shares, weighted by the variation in the EUR/USD exchange rate between the date of issue and 05/10/07, with a maximum of 30% and a minimum of 5%. |
| Global Invest CGD/2006 | 10 831 | 20-12-2001 | 22-12-2006 | Indexed to 72% of the performance of the Dow Jones Eurostoxx 50, FTSE 100, Nikkei225 and S&P500 indexes, with a minimum of 10.3% and a maximum of 36% of their nominal value. |

The residual terms to maturity of the "Bonds issued" and "Other debt securities" are as follows:

| | CGD | | Consolidated | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Bonds issued: | | | | |
| Up to three months | 368 389 | 21 481 | 367 025 | 1 271 481 |
| Three months to one year | 787 313 | 1 445 066 | 1 695 357 | 1 780 899 |
| One to five years | 2 046 186 | 1 156 267 | 3 295 712 | 2 083 032 |
| Over five years | 1 765 365 | 1 882 022 | 1 793 607 | 1 903 661 |
| | 4 967 253 | 4 504 836 | 7 151 701 | 7 039 073 |
| Other debt securities: | | | | |
| Up to three months | 2 691 346 | 2 601 301 | 3 052 168 | 2 675 886 |
| Three months to one year | 1 053 972 | 1 109 092 | 1 092 421 | 1 128 196 |
| | 3 745 318 | 3 710 393 | 4 144 589 | 3 804 082 |

18. Other Liabilities

This heading comprises:

| | CGD | | Consolidated | |
|---|--------|---------|--------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| Creditors: | | | | |
| Suppliers of fixed assets (leasing) | 27 892 | 16 904 | 18 666 | 13 777 |
| Suppliers for finance leasing | – | – | 2 349 | 7 825 |
| Other suppliers | 53 132 | 62 383 | 59 117 | 70 596 |
| Repayable subsidies | 463 | 464 | 463 | 464 |
| Caixa Geral de Aposentações | 31 147 | 226 960 | 31 147 | 226 960 |
| Other creditors: | | | | |
| For the acquisition of Império Bonança (Note 10.) | – | – | 360 073 | – |
| For amounts payable | 26 195 | 24 759 | 35 396 | 31 676 |
| For amounts payable relating to securities | 49 | 1 534 | 153 | 1 534 |
| Creditors for factoring ceded | – | – | 55 744 | 14 843 |
| Creditors for operations on securities | – | – | 3 303 | 2 346 |
| Other | 13 067 | 20 212 | 19 740 | 41 043 |
| Other liabilities: | | | | |
| Notes in circulation - Macao (Note 7.) | – | – | 127 801 | 122 982 |
| Corporate income tax payable (Note 33.) | 287 | 65 806 | 6 184 | 71 079 |
| Contributions to the Pension Fund | 175 | 25 241 | 175 | 25 241 |
| Withholding taxes | 35 861 | 34 477 | 40 508 | 37 604 |
| Other taxes payable | 4 576 | 6 569 | 9 702 | 13 448 |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Collections on behalf of third parties | 2 724 | 6 190 | 3 163 | 6 175 |
| Social Security contributions | 557 | 265 | 11 940 | 17 278 |
| Interest and dividends payable | 26 | 26 | 165 | 178 |
| Other | 2 140 | 1 789 | 2 350 | 2 021 |
| | 198 291 | 493 579 | 788 139 | 707 070 |

Contributions to the Pension Fund correspond approximately to the shortfall in the funding of CGD's Pension Fund at 31 December 2003.

19. Accruals and Deferred Income

This heading comprises the following:

| | CGD | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Accrued costs: | | | | |
| On resources from credit institutions | 31 720 | 37 860 | 19 617 | 22 260 |
| On deposits | 145 354 | 141 973 | 161 472 | 158 462 |
| On interest rate swaps | 31 476 | 20 577 | 26 012 | 18 702 |
| On other resources | 3 546 | 1 120 | 3 751 | 1 393 |
| On debt securities | 75 173 | 54 960 | 88 080 | 63 098 |
| On foreign exchange swaps | 20 645 | 24 953 | 22 688 | 27 006 |
| Other amounts payable | 1 042 | 845 | 6 343 | 5 183 |
| Accrued holiday pay and related subsidy | 61 749 | 54 755 | 72 506 | 62 754 |
| Bonus payable to CGD employees | 26 500 | – | 26 500 | – |
| Other | 15 584 | 15 141 | 22 390 | 22 692 |
| | 412 789 | 352 184 | 449 359 | 381 550 |
| Deferred income: | | | | |
| On interest rate swaps (Note 2. d)) | 69 659 | 115 423 | 70 851 | 115 423 |
| Other | 29 721 | 9 304 | 36 689 | 14 806 |
| Property and other assets received | 35 105 | 40 294 | 35 105 | 40 294 |
| Property and other assets received with promissory sales contracts | 31 541 | 39 730 | 31 541 | 39 730 |
| Revaluation of interest rate swaps | 77 558 | (41 782) | 84 653 | (37 924) |
| Revaluation of FRAs | 27 | (33) | 27 | (21) |
| Revaluation of options | 13 071 | – | 14 719 | – |
| Stock exchange operations | – | 1 125 | 14 767 | 1 115 |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Corporate Income Tax - advances on account | 1 958 | – | 2 093 | – |
| Other | 711 780 | 666 129 | 814 621 | 790 609 |
| | 1 383 209 | 1 182 374 | 1 554 425 | 1 345 582 |

The caption "Property and other assets received" refers to the corresponding entry to the amount of the assets received in payment of defaulting loans recorded in the caption "Assets received as settlement of defaulting loans" (Note 13.) that have not yet been written off in the caption "Loans and advances to customers".

20. Provisions

The movement in the provisions accounts in the non-consolidated financial statements in 2004 and 2003 was as follows:

| | 2004 | | | | | | | Balances at 31/12/04 |
|---|----------------------|----------------|--------------------------------|------------------|------------------|-----------|----------------|----------------------|
| | Balances at 31/12/03 | Additions | Charges to reserves (Note 23.) | Reversals | Write-offs | Transfers | Other | |
| Loans and advances to credit institutions (Note 5.) | 34 244 | 16 670 | – | (40 607) | (7 490) | 7 070 | (73) | 9 814 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6.) | 771 788 | 541 541 | – | (306 040) | (256 754) | 1 689 | (599) | 751 625 |
| Securities portfolio (Note 7.) | 406 131 | 54 626 | – | (76 692) | (71 556) | (1 531) | (4 044) | 306 934 |
| Losses on other assets (Note 13.) | 36 585 | 12 693 | – | (16 026) | (1 761) | (8 097) | (4) | 23 390 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 427 | – | – | (121) | – | – | – | 306 |
| General credit risks | 308 363 | 23 820 | – | (4 502) | (361) | (1 283) | (205) | 325 832 |
| Other risks and charges | 73 192 | 159 271 | – | (64 104) | (1 836) | 70 433 | – | 236 956 |
| Exchange rate fluctuation risks | 14 576 | 8 081 | – | (13 684) | – | 285 | – | 9 258 |
| Fund for general banking risks | 106 800 | 2 661 | – | (40 949) | – | (68 512) | – | – |
| Participating interests | | | | | | | | |
| Investments in subsidiary companies (Note 8.) | 155 321 | 18 603 | 711 584 | (19 361) | (512 350) | – | 2 814 | 356 611 |
| Other financial fixed assets (Note 13.) | 4 652 | 767 | – | – | – | – | – | 5 419 |
| | 1 912 079 | 838 733 | 711 584 | (582 086) | (852 108) | 54 | (2 111) | 2 026 145 |

| 2003 | | | | | | | | |
|---|------------------|----------------|---------------|------------------|------------------|-----------|-----------------|------------------|
| | Charges to | | | | | | | Balances at |
| | Balances at | | reserves | | | | | |
| | 31/12/02 | Additions | (Note 23.) | Reversals | Write-offs | Transfers | Other | 31/12/03 |
| Loans and advances to credit | | | | | | | | |
| institutions (Note 5.) | 65 388 | 20 860 | – | (43 809) | (726) | (7 373) | (96) | 34 244 |
| Overdue loans and interest, doubtful | | | | | | | | |
| loans and country-risk (Note 6.) | 714 415 | 352 103 | – | (237 317) | (144 504) | 87 518 | (427) | 771 788 |
| Securities portfolio (Note 7.) | 451 854 | 108 348 | – | (94 915) | (47 569) | 3 673 | (15 260) | 406 131 |
| Losses on other assets (Note 13.) | 23 106 | 2 509 | – | (712) | (4 433) | 16 115 | – | 36 585 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 1 054 | – | – | (627) | – | – | – | 427 |
| General credit risks | 410 986 | 1 014 | – | (2 868) | – | (100 375) | (394) | 308 363 |
| Other risks and charges | 30 791 | 49 781 | – | (4 160) | (3 219) | – | (1) | 73 192 |
| Exchange rate fluctuation risks | – | 14 579 | – | (3) | – | – | – | 14 576 |
| Fund for general banking risks | 115 564 | 2 789 | – | (11 998) | (1) | 442 | 4 | 106 800 |
| Participating interests | | | | | | | | |
| Investments in subsidiary | | | | | | | | |
| companies (Note 8.) | 109 209 | 18 959 | 40 391 | (11 945) | – | – | (1 293) | 155 321 |
| Other financial fixed assets (Note 13.) | – | 4 692 | – | (40) | – | – | – | 4 652 |
| | 1 922 367 | 575 634 | 40 391 | (408 394) | (200 452) | – | (17 467) | 1 912 079 |

As explained in Note 2.b) iv), in 2003 CGD transferred €98 166 thousand from provisions for general credit risks to provisions for specific credit risks, in accordance with Bank of Portugal Notice 8/2003.

The movement in the provisions accounts in the consolidated financial statements in 2004 and 2003 was as follows:

| | 2004 | | | | | | | Balances at 31/12/04 |
|---|-------------------------|----------------|--|------------------|------------------|------------------|------------|-------------------------|
| | Balances at 31/12/03 | Additions | Charges to reserves and retained earnings | | | Exchange rate | | |
| | | | (Note 23.) | Reversals | Write-offs | Transfers | differenc. | |
| Loans and advances to credit institutions (Note 5.) | 26 292 | 16 295 | – | (36 640) | (7 490) | 7 027 | (15) | 5 469 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6.) | 912 755 | 573 411 | – | (332 271) | (278 815) | (29 181) | 1 894 | 847 793 |
| Securities portfolio (Note 7.) | 410 243 | 55 985 | – | (78 211) | (72 235) | (1 131) | (4 269) | 310 382 |
| Losses on other assets (Note 13.) | 41 079 | 38 797 | – | (17 381) | (26 557) | (505) | 8 | 35 441 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 23 149 | 1 911 | – | (121) | (6 593) | – | (30) | 18 316 |
| General credit risks | 361 554 | 33 598 | – | (7 305) | (2 008) | (1 461) | (280) | 384 098 |
| Other risks and charges | 65 379 | 162 063 | – | (65 970) | (2 099) | 93 189 | 5 | 252 567 |
| Exchange rate fluctuation risks | – | 8 081 | – | (8 306) | – | 225 | – | – |
| Fund for general banking risks | 112 061 | 5 049 | – | (42 046) | (26) | (67 544) | (27) | 7 467 |
| Participating interests | | | | | | | | |
| Other participating interests (Note 10.) | 89 489 | 18 015 | 711 159 | (20 332) | (512 353) | – | 2 846 | 288 824 |
| Other financial investments (Note 13.) | 6 146 | 3 502 | – | – | (16) | (121) | – | 9 511 |
| | 2 048 147 | 916 707 | 711 159 | (608 583) | (908 192) | 498 | 132 | 2 159 868 |

| | 2003 | | | | | | | Balances at 31/12/03 |
|---|-------------------------|-----------|------------------------|-----------|------------|------------------|------------|-------------------------|
| | Balances at 31/12/02 | Additions | Charges to reserves | | | Exchange rate | | |
| | | | (Note 23.) | Reversals | Write-offs | Transfers | differenc. | |
| Loans and advances to credit institutions (Note 5.) | 39 938 | 18 399 | – | (33 424) | (726) | 2 201 | (96) | 26 292 |
| Overdue loans and interest, doubtful loans and country-risk (Note 6.) | 836 757 | 405 689 | – | (256 874) | (169 338) | 95 205 | 1 316 | 912 755 |
| Securities portfolio (Note 7.) | 462 619 | 110 285 | – | (100 994) | (49 472) | 3 673 | (15 868) | 410 243 |
| Losses on other assets (Note 13.) | 35 127 | 4 176 | – | (2 057) | (4 879) | 8 522 | 190 | 41 079 |
| Provisions for risks and charges: | | | | | | | | |
| Pensions and similar charges | 29 002 | 1 187 | – | (626) | (7 287) | – | 873 | 23 149 |
| General credit risks | 464 632 | 7 287 | – | (9 401) | (274) | (100 102) | (588) | 361 554 |

(to be continued)

(.../...)

| | 2003 | | | | | | | Balances at 31/12/03 |
|--|-------------------------|----------------|--------------------------------------|------------------|------------------|--------------|--------------------------------|-------------------------|
| | Balances at 31/12/02 | Additions | Charges to reserves (Note 23.) | Reversals | Write-offs | Transfers | Exchange rate differenc. | |
| Other risks and charges | 26 969 | 52 920 | – | (5 486) | (5 120) | (4 264) | 360 | 65 379 |
| Exchange rate fluctuation risks | – | 3 | – | (3) | – | – | – | – |
| Fund for general banking risks | 120 136 | 4 605 | – | (13 216) | (145) | 312 | 369 | 112 061 |
| Participating interests | | | | | | | | |
| Other participating interests (Note 10.) | 59 713 | 14 323 | 34 007 | (15 427) | (2 524) | (750) | 147 | 89 489 |
| Other financial investments (Note 13.) | 1 366 | 3 719 | – | (39) | (15) | 1 114 | 1 | 6 146 |
| | 2 076 259 | 622 593 | 34 007 | (437 547) | (239 780) | 5 911 | (13 296) | 2 048 147 |

The increases in provisions recorded in 2003 by corresponding charge to reserves, in the non-consolidated and consolidated financial statements, correspond to provisions for investments recorded in accordance with the transitory regime established by Bank of Portugal Notice 4/2002 of 25 June (Notes 8., 10. and 23.).

The provisions charged to reserves and retained earnings in 2004 in the non-consolidated accounts were as follows:

| | |
|--|----------------|
| Full provision for losses at 31 December 2003 | |
| BCP | 622 133 |
| EDP | 141 863 |
| Reversal of provisions by credit to retained earnings | |
| BCP | (10 156) |
| EDP | (27 962) |
| Reversals net of provisions recorded under the terms of the transitory regime of Notice 4/2002 | (14 294) |
| | 711 584 |

In the consolidated accounts, reversals net of provisions under the terms of the transitory regime of Notice 4/2002, amounted to €14 719 thousand.

21. Subordinated Liabilities

In the non-consolidated balance sheet this heading comprises the following:

| | 2004 | 2003 |
|--|------------------|------------------|
| Loan granted by CGD Finance | 605 000 | 605 000 |
| Loan granted by Caixa Geral Finance | 250 000 | – |
| Subordinated Cash Bonds - Renda Mais 2001/2010 - 1st issue | 100 000 | 100 000 |
| Subordinated Cash Bonds - Renda Mais 2001/2010 - 2nd issue | 173 368 | 173 368 |
| Subordinated Cash Bonds - Renda Mais 2002/2012 | 150 000 | 150 000 |
| Subordinated Cash Bonds - Renda Mais 2000/2010 | 119 131 | 119 131 |
| CGD (France Branch) - €110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| Subordinated Cash Bonds BNU Subordinadas /97 | 49 862 | 49 862 |
| Subordinated Cash Bonds BNU Subordinadas /98 | 49 880 | 49 880 |
| | 1 607 241 | 1 357 241 |

This consolidated balance sheet heading comprises the following:

| | 2004 | 2003 |
|--|------------------|------------------|
| CGD Finance - €400 000 000 6.25 percent Notes due 2009 | 400 000 | 400 000 |
| CGD Finance - €205 000 000 Floating Rate Subordinated Notes due 2010 | 205 000 | 205 000 |
| CGD Finance - €200 000 000 Floating Rate Subordinated Notes due 2011 | 125 000 | 125 000 |
| CGD Finance - €110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| CGD Finance – €10 000 000 Floating Rate Subordinated Notes due 2010 | 10 000 | 10 000 |
| Subordinated Cash Bonds - Renda Mais 2001/2011 - 2nd issue | 173 368 | 173 368 |
| Subordinated Cash Bonds - Renda Mais 2002/2012 | 150 000 | 150 000 |
| Subordinated Cash Bonds - Renda Mais 2000/2010 | 119 131 | 119 131 |
| Subordinated Cash Bonds - Renda Mais 2001/2011 – 1st issue | 99 903 | 100 000 |
| CGD (France Branch) – €110 000 000 Floating Rate Undated Subordinated Notes | 110 000 | 110 000 |
| Subordinated Cash Bonds BNU Subordinadas/97 | 49 862 | 49 866 |
| Subordinated Cash Bonds BNU Subordinadas/98 | 49 880 | 49 780 |
| Caixa Crédito, SFAC | – | 75 |
| | 1 602 144 | 1 602 220 |

The conditions of the loan granted by CGD Finance to Caixa, reflected in the non-consolidated financial statements, are similar to those of the bonds "CGD Finance - €400 000 000 6.25 percent Notes due 2009" and "CGD Finance - €205 000 000 Floating Rate Subordinated Notes due 2010" issued by that entity.

The loan granted by Caixa Geral Finance to CGD, reflected in the non-consolidated financial statements, results from application of the amount of the preference shares issued by that entity (Note 22.).

The conditions of the principal issues are as follows:

| Bonds | Issue | Redemption | Interest payment | Interest rate | Amount |
|--|--------------|-------------------|---|----------------------|---------------|
| CGD Finance - €400 000 000 6.25 percent Notes due 2009 | 12.10.1999 | 12.10.2009 | On 12 October each year | 6.25% | 400 000 |
| CGD Finance - €205 000 000 Floating Rate Subordinated Notes due 2010 | 26.05.2000 | 26.05.2010 | Quarterly, on 26 May, August, November and February | (1) | 205 000 |
| CGD Finance - €200 000 000 Floating Rate Subordinated Notes due 2011 | 03.12.2001 | 03.12.2011 | Quarterly, on 3 March, June, September and December | (2) | 200 000 |
| CGD Finance - €110 000 000 Floating Rate Notes due 2010 | 18.12.2002 | Perpetual | Quarterly on 18 March, June, September and December | (3) | 110 000 |
| CGD Finance - €10 000 000 Floating Rate Notes due 2010 | 27.07.2000 | 27.07.2010 | Quarterly on 27 January, April, July and October | (4) | 10 000 |
| Renda Mais 2001/2011 Subordinated Cash Bonds – 2nd issue | 03.12.2001 | 03.12.2011 | Half yearly on 23 June and December | (5) | 173 368 |
| Renda Mais 2002/2012 Subordinated Cash Bonds | 31.10.2002 | 31.10.2012 | Half yearly on 2 May and 31 October | (6) | 150 000 |
| Renda Mais 2000/2010 Subordinated Cash Bonds | 23.06.2000 | 23.06.2010 | Half yearly on 23 June and December | (7) | 119 131 |

| Bonds | Issue | Redemption | Interest payment | Interest rate | Amount |
|--|------------|------------|--|---------------|---------|
| Renda Mais 2001/2011 Subordinated Cash Bonds – 1st issue | 04.06.2001 | 04.06.2011 | Half yearly on 4 June and December | (8) | 100 000 |
| CGD (France branch) - €110 000 000 Floating Rate Undated Subordinated Notes | 18.12.2002 | Perpetual | Quarterly on 18 March, June, September and December | (9) | 110 000 |
| BNU Subordinated Cash Bonds/97 | 15.10.1997 | 15.10.2007 | Half yearly on 15 April and October | (10) | 49 880 |
| BNU Subordinated Cash Bonds/98 | 01.10.1998 | 01.10.2008 | Half yearly on 1 April and October | (11) | 49 880 |

(1) "CGD Finance - €205 000 000 Floating Rate Subordinated Notes due 2010" bear interest at the 3 month Euribor rate plus 0.60%. From the 20th coupon (26 August 2005) to the loan maturity date, the loan bears interest at the Euribor 3 month rate plus 1.10%. CGD has the option to repay the notes in full or in part on 26 May 2005. The interest rate in force at 31 December 2004 was 2.75%.

(2) "CGD Finance - €200 000 000 Floating Rate Subordinated Notes due 2011" bear interest at the 3 month Euribor rate on the third to last day prior to the beginning of each interest period, plus 0.65%. From the 20th coupon (3 December 2006) to the loan maturity date the loan bears interest at the Euribor rate plus 1.15%. CGD has the option to repay the notes in full or in part as from the 21st coupon (3 December 2006) inclusive. The interest rate in force at 31 December 2004 was 2.824%.

(3) "CGD Finance - €110 000 000 Floating Rate Undated Subordinated Notes" bear interest at the 3 month Euribor rate plus 1.30% up to the date of possible early redemption. CGD Finance has the option to repay the notes in full as from the 40th coupon (18 December 2012) inclusive. If the notes are not redeemed early, they bear

interest, as from the 10th coupon, at the Euribor 3 month rate plus 2.80%. The interest rate in force at 31 December 2004 was 3.475%.

(4) "CGD Finance - €10 000 000 Floating Rate Notes due 2010" bear interest at the 3 month Euribor rate plus 0.60%. The interest rate in force at 31 December 2004 was 2.745%.

(5) During the first five years "Renda Mais 2001/2011 Subordinated Cash Bonds – 2nd issue" bear interest at the 6 month Euribor rate on third to last day prior to the beginning of each interest period, plus 0.50%. From the 11th coupon (3 June 2006) to the loan maturity date, the bonds bear interest at the Euribor 6 month rate, plus 1%. The loan is redeemable on 3 December 2011. However, CGD may, with prior authorization from the Bank of Portugal, redeem the loan early, in full or in part, as from the 10th coupon (3 December 2006). The interest rate in force at 31 December 2004 was 2.71%.

(6) "Renda Mais 2002/2012 Subordinated Cash Bonds" bear interest at the 6 month Euribor rate on the day preceding the beginning of each interest period, plus a spread of 0.50%. CGD may redeem the bonds early, in full

or in part, as from the 10th coupon (2 May 2007) inclusive. If the bonds are not redeemed early they bear interest, from the 11th coupon to the bond maturity date, at the 6 month Euribor rate plus 1%. The interest rate in force at 31 December 2004 was 2.699%.

(7) "Renda Mais 2000/2010 Subordinated Cash Bonds" bear interest at the 6 month Euribor rate plus 0.50%. From the 11th coupon (23 December 2005) to the bond maturity date, the bonds bear interest at the 6 month Euribor rate plus 1.05%. CGD may redeem the bonds early, in full or in part, as from the 10th coupon (23 June 2005) inclusive. The interest rate in force at 31 December 2004 was 2.712%.

(8) "Renda Mais 2001/2011 Subordinated Cash Bonds – 1st issue" bear interest at the 6 month Euribor rate on the third to last day preceding the beginning of each interest period, plus 0.50%. From the 11th coupon (4 December 2006) to the bond maturity date, the bonds bear interest at the Euribor 6 month rate, plus 1%. The bonds are redeemable on 4 June 2011. However, CGD may, with authorization from the Bank of Portugal, repay the bonds early, in full or in part, as from the 10th coupon (4 June 2006). The interest rate in force at 31 December 2004 was 2.70%.

(9) "CGD (France branch) - €110 000 000 Floating Rate Undated Subordinated Notes" bear interest at the 3 month Euribor rate plus 1.30% up to the possible early redemption date. The branch in France has the option to redeem the notes early in full as from the 10th coupon (18 December 2012) inclusive. If the notes are not redeemed early they bear interest as from the 40th coupon at the 3 month Euribor rate plus 2.80%. The interest rate in force at 31 December 2004 was 3.475%.

(10) "BNU Subordinated Cash Bonds/97" bear interest at the 6 month Euribor rate on the third to last day preceding the beginning of each interest period, plus 0.15%, rounded up to the 1/16 of a percentage point. The bonds are redeemable in a single payment on 15 October 2007.

However, CGD may, upon approval by the Bank of Portugal, redeem the bonds early, in full or in part, during their last five years of their life. The interest rate in force at 31 December 2004 was 2.334%.

(11) "BNU Subordinated Cash Bonds/98" bear interest at the 6 month Euribor rate on the third to last day preceding the beginning of each interest period, plus 0.15%, rounded up to the 1/16 of a percentage point. The bonds are redeemable in a single payment on 1 October 2008. However, CGD may, with authorization of the Bank of Portugal, redeem the bonds early, in full or in part, during the last five years of their life. The interest rate in force at 31 December 2004 was 2.350%.

The costs charged and paid on the subordinated liabilities in 2004 and 2003 were as follows:

| | 2004 | | 2003 | |
|---------------------|---------------|-----------------------------|---------------|-----------------------------|
| | Costs paid | Costs charged (Note 26.) | Costs paid | Costs charged (Note 26.) |
| CGD | 54 941 | 54 904 | 55 608 | 54 941 |
| Consolidated | | | | |
| CGD Finance | 39 076 | 38 351 | 42 628 | 41 264 |
| CGD | 20 428 | 20 392 | 24 090 | 23 613 |
| Imoleasing | – | – | 780 | 610 |
| | 59 504 | 58 743 | 67 498 | 65 487 |

22. Minority Shareholders' Interest

Third party investments in subsidiary companies, by entity, are distributed as follows:

dividends, a quarterly dividend calculated based on an annual remuneration corresponding to the 3 month Euribor

| | 2004 | 2003 |
|---|----------------|---------------|
| Caixa Geral Finance | 253 861 | – |
| Banco Comercial e de Investimentos, SARL | 20 696 | 16 028 |
| Banco Comercial do Atlântico, SARL | 6 755 | 5 979 |
| Mercantile Bank Holdings, Ltd. | 5 099 | 5 964 |
| Banco Interatlântico, SARL | 2 063 | 1 980 |
| A Promotora – Sociedade de Capital de Risco, SARL | 1 337 | 1 417 |
| BCI Leasing, SARL | 936 | 804 |
| Caixa - Banco de Investimento, SA | 742 | 662 |
| Banco Simeón, SA | 647 | 510 |
| Caixanet - Telemática e Comunicações, SA | 330 | 347 |
| Caixa Crédito, SFAC, SA | – | 826 |
| Other | 17 | 21 |
| | 292 483 | 34 538 |

Caixa Geral Finance is a company based in the Cayman Islands with share capital of €1 000. On 28 June 2004 this company issued non voting preference shares in the amount of €250 000 thousand. If it is decided to distribute

rate plus 0.8% up to 28 June 2014 and 1.8% as from that date, will be paid to the shareholders. Caixa Geral Finance may redeem the preference shares, in part or in full, as from 28 June 2014, at €1 000 per share plus the dividend accrued since the last payment.

23. Share Capital and Reserves

At 31 December 2004 CGD's share capital was made up of 590 000 000 shares of €5 each, fully subscribed for and paid up by the Portuguese State.

The following changes were recorded in CGD's share capital, reserves, retained earnings and net income for the year in 2003 and 2004 in the non-consolidated and consolidated financial statements:

| | CGD | | | | | | | | |
|---|------------------|----------------|----------------|----------------|------------------|----------------------|--------------------|-------------------------|------------------|
| | Share capital | Share premium | Reserves | | | Revaluation reserves | Retained earnings | Net income for the year | Total |
| | | | Legal | Free and other | Total | | | | |
| Balances at 31 December 2002 | 2 450 000 | - | 636 625 | 203 533 | 840 158 | 301 179 | - | 651 389 | 4 242 726 |
| Distribution of net income for 2002: | | | | | | | | | |
| Appropriated to reserves | - | - | 130 278 | 174 963 | 305 241 | - | - | (305 241) | - |
| Distributed to the State | - | - | - | - | - | - | - | (318 987) | (318 987) |
| Distributed to employees | - | - | - | - | - | - | - | (27 161) | (27 161) |
| Provision for participating interests (Notes 8. and 20.) | - | - | - | (40 391) | (40 391) | - | - | - | (40 391) |
| Other | - | - | - | (478) | (478) | - | - | - | (478) |
| Net income for the year | - | - | - | - | - | - | - | 560 209 | 560 209 |
| Balances at 31 December 2003 | 2 450 000 | - | 766 903 | 337 627 | 1 104 530 | 301 179 | - | 560 209 | 4 415 918 |
| Share capital increase | 500 000 | 300 000 | - | - | - | - | - | - | 800 000 |
| Distribution of net income for 2003: | | | | | | | | | |
| Appropriated to reserves | - | - | 112 042 | 101 295 | 213 337 | - | - | (213 337) | - |
| Distributed to the State | - | - | - | - | - | - | - | (320 380) | (320 380) |
| Distributed to employees | - | - | - | - | - | - | - | (26 492) | (26 492) |
| Reversal of provisions for participating interests (Notes 8. and 20.) | - | - | - | 15 065 | 15 065 | - | 37 347 | - | 52 412 |
| Provisions for investments in BCP (Note 8.) | - | - | - | (455 190) | (455 190) | - | (166 943) | - | (622 133) |
| Provisions for investments in EDP (Note 8.) | - | - | - | - | - | - | (141 863) | - | (141 863) |
| Elimination of deferred costs and value fluctuation relating to pensions (Note 29.) | - | - | - | - | - | - | (795 812) | - | (795 812) |
| Merger with Banco Postal, SA (Note 1.1.) | - | - | - | (3 693) | (3 693) | - | - | - | (3 693) |
| Other | - | - | - | (186) | (186) | - | (4) | - | (190) |
| Net income for the year | - | - | - | - | - | - | - | 285 428 | 285 428 |
| Balances at 31 December 2004 | 2 950 000 | 300 000 | 878 945 | (5 082) | 873 863 | 301 179 | (1 067 275) | 285 428 | 3 643 195 |

| | Consolidated | | | | | | Total |
|--|------------------|----------------|------------------------|----------------------|--------------------|-------------------------|------------------|
| | Share capital | Share premium | Consolidation reserves | Revaluation reserves | Retained earnings | Net Income for the year | |
| Balances at 31 December 2002 | 2 450 000 | - | (117 006) | 301 179 | - | 665 135 | 3 299 308 |
| Distribution of net income for 2002: | | | | | | | |
| Appropriated to reserves | - | - | 315 938 | - | - | (315 938) | - |
| Distributed to the State | - | - | - | - | - | (318 987) | (318 987) |
| Distributed to employees | - | - | - | - | - | (30 210) | (30 210) |
| Provision for participating interests (Notes 10. and 20.) | - | - | (34 007) | - | - | - | (34 007) |
| Change in the regulatory revaluation reserve of insurance companies | - | - | 41 153 | - | - | - | 41 153 |
| Exchange loss (Note 1.3.) | - | - | (7 381) | - | - | - | (7 381) |
| (Goodwill) / negative goodwill: | | | | | | | |
| Increase in the participating interest in Banco Postal | - | - | 945 | - | - | - | 945 |
| Increase in the participating interest in Esegur | - | - | (2 106) | - | - | - | (2 106) |
| Impact of CGD USA Holding Company, Inc | - | - | 6 592 | - | - | - | 6 592 |
| Provisions for early retirement pensions – Banco Simeón | - | - | (4 532) | - | - | - | (4 532) |
| Other | - | - | (15 208) | - | - | - | (15 208) |
| Net income for the year | - | - | - | - | - | 667 252 | 667 252 |
| Balances at 31 December 2003 | 2 450 000 | - | 184 388 | 301 179 | - | 667 252 | 3 602 819 |
| Share capital increase | 500 000 | 300 000 | - | - | - | - | 800 000 |
| Distribution of net income for 2003: | | | | | | | |
| Appropriated to reserves | - | - | 314 819 | - | - | (314 819) | - |
| Distributed to the State | - | - | - | - | - | (320 380) | (320 380) |
| Distributed to employees | - | - | - | - | - | (32 053) | (32 053) |
| Reversal of provisions for participating interests (Notes 10. and 20.) | - | - | 14 790 | - | 38 047 | - | 52 837 |
| Provisions for investments in BCP (Notes 8. and 20.) | - | - | (455 190) | - | (166 943) | - | (622 133) |
| Provisions for investments in EDP (Notes 8. and 20.) | - | - | - | - | (141 863) | - | (141 863) |
| Change in the regulatory revaluation reserve of insurance companies | - | - | 31 126 | - | - | - | 31 126 |
| Exchange gain (Note 1.3.) | - | - | 512 | - | - | - | 512 |
| Goodwill in the increase in the participating interest in Caixa Crédito | - | - | (1 224) | - | - | - | (1 224) |
| Elimination of deferred costs and value fluctuations relating to pensions (Note 29.) | - | - | - | - | (795 812) | - | (795 812) |
| Other | - | - | (24 023) | - | (704) | - | (24 727) |
| Net income for the year | - | - | - | - | - | 448 481 | 448 481 |
| Balances at 31 December 2004 | 2 950 000 | 300 000 | 65 198 | 301 179 | (1 067 275) | 448 481 | 2 997 583 |

Consolidation reserves include CGD's legal reserves and the legal, free and revaluation reserves of its subsidiary and associated companies.

As the result of an unanimous deliberation of the Shareholders' General Meeting of 16 December 2004, CGD's share capital was increased by €500 000 thousand in 2004, through the issuance of 100 000 000 shares at €5 each plus premium of €3 per share. The capital increase was paid up through the transfer of 179 372 198 shares of EDP – Electricidade de Portugal, SA (EDP), corresponding to 4.91% of its share capital, valued at €2.23 per share, corresponding to the listed price of EDP's shares on Euronext Lisbon at 13 December 2004, totalling €400 000 thousand (Note 8.). The remaining €400 000 thousand was paid up in cash.

In accordance with CGD's articles of association, a minimum of 20% of its annual net income must be appropriated to a legal reserve. A percentage of net income must also be distributed to the employees and Board of Directors.

The revaluation reserves may only be used to cover accumulated losses or for capital increases. These reserves were set up pursuant to the terms of the following legislation:

| | |
|---------------------------------------|----------------|
| Tangible fixed assets: | |
| Decree-Law 219/82, of 2 June | 32 423 |
| Decree-Law 399 - G/84, of 28 December | 25 394 |
| Decree-Law 118 - B/86, of 27 May | 32 200 |
| Decree-Law 111/88, of 2 April | 21 423 |
| Decree-Law 49/91, of 25 January | 57 781 |
| Decree-Law 264/92, of 24 November | 55 203 |
| Decree-Law 31/98, of 11 February | 76 032 |
| Financial fixed assets | 723 |
| | 301 179 |

The financial statements of the insurance companies are prepared in compliance with the rules defined for the insurance sector by the Portuguese Insurance Institute.

These rules require that unrealised gains and losses on investments, including those relating to the securities portfolios of life assurance products with a fixed rate of capitalisation, without participation in profits, be recorded in the "Revaluation reserves" caption. No corrections have been made to the accounting policies adopted by the Group's insurance companies in preparing the consolidated financial statements of CGD.

CGD's consolidated net income has been calculated as follows:

| | 2004 | 2003 |
|---|--------------------|----------------|
| Caixa Geral de Depósitos, SA | | |
| Caixa Geral de Depósitos and International Financial Branch | 248 751 | 516 781 |
| London Branch | 15 678 | 23 018 |
| Madeira Offshore Financial Branch | 6 051 | 7 847 |
| New York Branch | 4 083 | 2 472 |
| France Branch | 3 568 | 3 074 |
| Cayman Islands Branch | 3 511 | 5 451 |
| East Timor Branch | 2 353 | 143 |
| Luxembourg Branch | 1 381 | 1 380 |
| Monaco Branch | 47 | 38 |
| Zhuhai Branch | 5 | 5 |
| CGD's non-consolidated net income | 285 428 | 560 209 |
| Dividends received by CGD | (18 199) | (30 728) |
| Elimination of capital gains/losses in the sale of investments | 784 | (11 110) |
| | (A) 268 013 | 518 371 |
| Contribution to net income of the subsidiary and associated companies: | | |
| Companhia de Seguros Fidelidade Mundial, SA | 81 304 | 47 128 |
| Unibanco Holdings | 38 515 | 27 158 |
| Unibanco – União de Bancos Brasileiros | 25 977 | 17 890 |
| Mercantile Bank Holdings, Ltd. | (24 561) | (4 037) |
| Caixa – Banco de Investimento, SA | 21 470 | 20 009 |
| REN – Rede Eléctrica Nacional, SA | 13 860 | 18 698 |
| Banco Simeón, SA | (11 629) | 403 |
| Banco Nacional Ultramarino, S.A. (Macau) | 7 341 | 5 655 |
| Ex-Imoleasing - Sociedade de Locação Financeira Imobiliária, SA | 6 116 | 6 008 |
| Ex-Locapor - Companhia Portuguesa de Locação Financeira Mobiliária, SA | 4 762 | 2 139 |
| AdP - Águas de Portugal, SA | 2 445 | 20 |
| Caixagest - Técnicas de Gestão de Fundos, SA | 2 397 | 1 094 |
| SIBS – Sociedade Interbancária de Serviços, SA | 2 397 | 1 080 |
| Ex-Lusofactor – Sociedade de Factoring, SA | 2 184 | 1 617 |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | 2 166 | 2 154 |
| Banco Comercial do Atlântico, SARL | 2 163 | 2 200 |
| Cares – Companhia de Seguros, SA | 2 062 | 883 |
| Esegur – Empresa de Segurança, SA | 1 733 | 1 393 |
| Caixaweb, SGPS, SA | (1 760) | (2 527) |
| Imocaixa – Gestão Imobiliária, SA | 1 530 | 90 |
| Banco Comercial e de Investimentos, SARL | 1 402 | 1 633 |
| Caixa Crédito – Sociedade Financeira para Aquisições a Crédito, SA | 1 311 | 1 150 |
| CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA | 545 | 442 |
| Caixaweb, Serviços Técnicos e de Consultoria, SA | 423 | (395) |
| Imoport.com – Multimédia, SA | (227) | (252) |
| Caixa Brasil, SGPS, SA | (156) | (266) |

(to be continued)

| (.. /..) | 2004 | 2003 |
|--|------------------------|----------------|
| Lusogest, Sociedad Gestora de Instituciones de Inversion Colectiva, SA | – | (1 994) |
| Banco Postal, SA | – | (1 919) |
| Lusopensiones, Sociedad Gestora de Fondos de Pensiones, SA | – | (450) |
| Other | 2 140 | (141) |
| | (B) 185 910 | 146 863 |
| Adjustments to the Group's net income: | | |
| Elimination of additions and reversals of provisions for losses on investments in the non-consolidated accounts | (7 090) | 2 491 |
| Other | 1 648 | (473) |
| | (C) (5 442) | 2 018 |
| Consolidated net income | (A+B+C) 448 481 | 667 252 |

24. Off-balance Sheet Items

These headings comprise the following:

| | CGD | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Contingent liabilities | | | | |
| Guarantees and sureties | 5 633 290 | 5 628 107 | 6 074 967 | 5 925 164 |
| Open documentary credits | 70 928 | 59 699 | 98 043 | 75 984 |
| Stand by letters of credit | 406 875 | 551 203 | 427 250 | 562 376 |
| Assets given as collateral | 4 973 344 | 2 803 176 | 5 023 340 | 3 543 228 |
| Transactions with recourse | 921 | 1 502 | 921 | 1 502 |
| Acceptances and endorsements | 338 | 194 | 338 | 194 |
| Bonds and indemnities | – | – | 23 112 | 13 734 |
| Other contingent liabilities | 1 | – | 7 176 | 34 366 |
| | 11 085 697 | 9 043 881 | 11 655 147 | 10 156 548 |
| Commitments | | | | |
| Irrevocable credit lines | – | – | 541 538 | 485 707 |
| Revocable commitments | 7 605 615 | 9 518 630 | 7 933 310 | 9 674 990 |
| Forward deposit contracts | 589 967 | 6 327 821 | 159 838 | 5 940 375 |
| Securities subscribed for | 256 047 | 374 393 | 331 921 | 466 436 |
| Other irrevocable commitments | 1 523 000 | – | 1 256 228 | 31 837 |
| Term liabilities relating to annual contributions to the Deposit Guarantee Fund (Note 2. m)) | 142 417 | 132 765 | 142 567 | 132 906 |
| Forward operations | 91 000 | 30 000 | 91 186 | 30 983 |
| Other | 11 067 | 11 068 | 23 133 | 21 859 |
| | 10 219 113 | 16 394 677 | 10 479 721 | 16 785 093 |
| Deposit and custody of securities | 71 039 608 | 73 279 478 | 74 891 740 | 74 697 737 |

(to be continued)

(.../...)

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Assets managed by the institution | | | | |
| Assets transferred in securitisation operations (Note 37.) | 1 263 833 | 1 349 542 | 1 263 833 | 1 349 542 |
| Other | 37 875 | 35 102 | 161 305 | 127 157 |
| | 1 301 708 | 1 384 644 | 1 425 138 | 1 476 699 |
| Foreign exchange operations and derivatives | | | | |
| Forward foreign exchange transactions | | | | |
| Purchases | 21 450 | 33 874 | 95 965 | 45 293 |
| Sales | 19 977 | 33 046 | 335 118 | 53 556 |
| Currency swaps | | | | |
| Purchases | 3 068 335 | 4 740 680 | 3 986 198 | 5 839 311 |
| Sales | 3 219 575 | 5 126 930 | 4 137 844 | 6 226 596 |
| Interest rate swaps | | | | |
| Purchases | 21 949 711 | 18 568 613 | 21 943 871 | 18 310 239 |
| Sales | 22 072 288 | 18 571 468 | 22 066 655 | 18 313 152 |
| Futures | | | | |
| Interest rate | 1 542 407 | 1 327 184 | 1 561 375 | 1 360 484 |
| Shares and indexes | 1 412 | 34 015 | 2 287 | 34 505 |
| Forward rate agreements (FRAs) | | | | |
| Trading | 5 800 | 85 000 | 5 800 | 75 000 |
| Caps and floors | | | | |
| Caps | 896 461 | 425 558 | 884 487 | 413 584 |
| Floors | 153 942 | 26 436 | 153 942 | 26 436 |
| Options purchased | 274 256 | 170 208 | 274 257 | 82 616 |
| Options sold | 257 598 | 157 559 | 257 598 | 224 423 |

CGD carries out derivative operations in the normal course of its business to meet the specific needs of its clients and in order to hedge its exposure to foreign exchange and interest rate fluctuations.

The above amounts correspond to the reference value of these operations, which reflects CGD's involvement with each product, but do not reflect the underlying credit and market risks. CGD controls the risks of its business activity with derivatives operations through procedures to approve the operations, definition of exposure limits by product and counterparty, and by monitoring the daily evolution of their results.

At 31 December 2004 and 2003 these operations were valued in accordance with the criteria explained in Note 2. d). These operations are made up as follows in the consolidated financial statements as at 31 December 2004:

| Type of contract | Notional value | | Total |
|--|----------------|------------------------|------------|
| | Hedging | Trading ^(a) | |
| Foreign currency contracts | | | |
| Over the Counter Market | | | |
| Forward foreign exchange transactions | | | |
| Purchases | 95 965 | – | 95 965 |
| Sales | 335 118 | – | 335 118 |
| Currency swaps | | | |
| Hedging of debt issued under the EMTN Programme | | | |
| Purchases | 826 765 | – | 826 765 |
| Sales | 826 765 | – | 826 765 |
| Other operations | | | |
| Purchases | 3 159 433 | – | 3 159 433 |
| Sales | 3 311 079 | – | 3 311 079 |
| Options purchased | 481 | 114 758 | 115 239 |
| Options sold | 481 | 95 894 | 96 375 |
| Interest rate contracts | | | |
| Over the Counter Market | | | |
| Forward Rate Agreements (FRAs) | | | |
| Purchases | – | 5 800 | 5 800 |
| Sales | – | – | – |
| Interest rate swaps and cross currency interest rate swaps | | | |
| Hedging of debt issued under the EMTN Programme | | | |
| Purchases | 2 366 648 | – | 2 366 648 |
| Sales | 2 465 913 | – | 2 465 913 |
| Other operations | | | |
| Purchases | 2 077 600 | 17 499 623 | 19 577 223 |
| Sales | 2 100 924 | 17 499 818 | 19 600 742 |
| Caps | 3 742 | 880 745 | 884 487 |
| Floors | 3 742 | 150 200 | 153 942 |
| Organised Markets | | | |
| Futures | | | |
| Long positions | – | 18 305 | 18 305 |
| Short positions | 69 861 | 1 473 209 | 1 543 070 |
| Shares and indexes | | | |
| Over the Counter Market | | | |
| Options purchased | – | 159 018 | 159 018 |
| Options sold | – | 161 223 | 161 223 |
| Organised Markets | | | |
| Futures | | | |
| Long positions | – | 118 | 118 |
| Short positions | – | 2 169 | 2 169 |

(a) Includes trading and hedging operations recorded at their market value.

The CGD Group's derivatives operations at 31 December 2004 were as follows:

| Type of contract | Book value | | | Market value | | |
|--|------------|----------|----------|--------------|----------|----------|
| | Hedging | Trading | Total | Hedging | Trading | Total |
| Foreign currency contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward foreign exchange transactions | 13 139 | – | 13 139 | 13 139 | – | 13 139 |
| Currency swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under the EMTN Programme | 191 | – | 191 | n.a. | n.a. | n.a. |
| Other operations | 7 693 | – | 7 693 | 2 765 | – | 2 765 |
| Purchases | 6 | 703 | 709 | n.a. | 703 | 703 |
| Sales | (4) | (123) | (127) | n.a. | (123) | (123) |
| Interest rate contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward rate agreements (FRA) | – | (27) | (27) | – | (27) | (27) |
| Interest rate swaps e cross currency interest rate swaps | | | | | | |
| Hedging of debt issued | | | | | | |
| under the EMTN Programme | 34 280 | – | 34 280 | n.a. | n.a. | n.a. |
| Other operations ^(a) | 35 789 | (84 653) | (48 864) | 19 046 | (84 653) | (65 607) |
| Caps | – | – | – | – | (577) | (577) |
| Floors | – | – | – | – | – | – |
| Shares and indexes | | | | | | |
| Over the Counter Market | | | | | | |
| Purchases | – | 12 482 | 12 482 | – | 12 482 | 12 482 |
| Sales | – | (27 783) | (27 783) | – | (27 783) | (27 783) |

(a) The market value of these operations does not include 18 operations of the France Branch with a notional value of €210 986 thousand, whose credit net book value amounts to €1 105 thousand, for which the respective market values are not available.

Unrealised losses in hedging derivatives are offset by unrealised gains not recorded in the hedged items.

The Group's derivatives transactions at 31 December 2004,
by residual term to maturity, is as follows:

| Type of contract | Up to 3 months | From 3 to 6 months | From 6 months to 1 year | From 1 to 5 years | Over 5 years | Total |
|---|-------------------|-----------------------|----------------------------|----------------------|-----------------|------------|
| Foreign currency contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward foreign exchange transactions | | | | | | |
| Purchases | 82 197 | 13 251 | 517 | – | – | 95 965 |
| Sales | 282 188 | 41 009 | 11 921 | – | – | 335 118 |
| Currency swaps | | | | | | |
| Hedging of debt issued under the EMTN Programme | | | | | | |
| Purchases | – | 826 765 | – | – | – | 826 765 |
| Sales | – | 826 765 | – | – | – | 826 765 |
| Other operations | | | | | | |
| Purchases | 2 159 833 | 927 161 | 60 795 | 11 644 | – | 3 159 433 |
| Sales | 2 245 360 | 988 531 | 65 544 | 11 644 | – | 3 311 079 |
| Options purchased | 23 958 | 27 619 | 60 910 | 2 191 | 561 | 115 239 |
| Options sold | 20 772 | 38 867 | 36 736 | – | – | 96 375 |
| Interest rate contracts | | | | | | |
| Over the Counter Market | | | | | | |
| Forward Rate Agreements (FRA) | – | – | – | 5 800 | – | 5 800 |
| Interest rate swaps and cross currency interest rate swaps | | | | | | |
| Hedging of debt issued under EMTN Programme | | | | | | |
| Purchases | 249 105 | 61 402 | 33 232 | 445 237 | 1 577 672 | 2 366 648 |
| Sales | 255 817 | 63 284 | 33 232 | 451 475 | 1 662 105 | 2 465 913 |
| Other operations | | | | | | |
| Purchases | 1 826 939 | 1 845 459 | 1 337 575 | 10 613 851 | 3 953 399 | 19 577 223 |
| Sales | 1 830 318 | 1 845 459 | 1 343 621 | 10 613 851 | 3 967 493 | 19 600 742 |
| Caps / Floors | 115 000 | 80 000 | 50 000 | 777 884 | 15 545 | 1 038 429 |
| Traded on the stock exchange | | | | | | |
| Futures | 1 541 375 | – | – | 20 000 | – | 1 561 375 |
| Contracts on shares | | | | | | |
| Over the Counter Market | | | | | | |
| Options purchased | 15 000 | – | – | 138 318 | 5 700 | 159 018 |
| Options sold | 1 046 | – | – | 160 177 | – | 161 223 |
| Traded on the stock exchange | | | | | | |
| Futures | 2 287 | – | – | – | – | 2 287 |

25. Distribution of Results by Business Lines and Geographic Markets

The results for 2004 are distributed as follows, by business lines and geographic markets:

Business Lines

| | CGD | | | | | |
|--|----------------------|----------------------|-----------------------|-------------------|-----------------------|-----------------------------|
| | Corporate Finance | Trading and Sales | Brokerage (Retail) | Retail Banking | Commercial Banking | Payments and Settlements |
| Interest income | – | 1 522 042 | – | 954 073 | 605 892 | – |
| Interest expenditure | – | (1 434 089) | – | (496 627) | (60 168) | – |
| Commissions (income) | – | 19 318 | 2 337 | 145 618 | 92 934 | 28 350 |
| Commissions (costs) | – | (16 052) | – | (39 192) | (1 037) | (527) |
| Income from securities | 70 136 | 2 948 | – | – | – | – |
| Gains arising from financial operations | – | 4 220 965 | – | 200 240 | 135 | – |
| Losses arising from financial operations | – | (4 257 477) | – | (179 556) | (58) | – |
| Reversal of provisions | 19 361 | 205 875 | – | 85 918 | 224 362 | – |
| Provisions for credit and other risks | (19 370) | (242 058) | – | (218 966) | (341 889) | – |
| Other operating income | – | 92 | – | 98 623 | 35 335 | – |
| Net income for the year | – | – | – | – | – | – |
| Loans and advances to customers (net) | – | 39 573 | – | 25 159 445 | 16 116 248 | – |
| Amounts owed to customers | – | 198 679 | – | 35 479 865 | 6 093 681 | – |
| Total assets | 4 459 289 | 40 892 037 | – | 25 728 826 | 17 357 627 | 512 |

| | CGD | | | | | |
|--|---------|------------|------------------|---------------------|-------------------|-------|
| | Custody | Asset | | | Reconciliation | Total |
| | | Management | Other | | | |
| Interest income | – | – | 105 | (681 647) | 2 400 465 | |
| Interest expenditure | – | – | (13 327) | 695 386 | (1 308 825) | |
| Commissions (income) | 5 212 | 34 719 | 5 165 | (3 654) | 329 999 | |
| Commissions (costs) | (2 805) | – | (376) | 2 419 | (57 570) | |
| Income from securities | – | – | 1 | (1) | 73 084 | |
| Gains arising from financial operations | – | – | – | (287 029) | 4 134 311 | |
| Losses arising from financial operations | – | – | – | 257 334 | (4 179 757) | |
| Reversal of provisions | – | – | 46 570 | – | 582 086 | |
| Provisions for credit and other risks | – | – | (17 461) | 1 011 | (838 733) | |
| Other operating income | – | – | 23 052 | 11 176 | 168 278 | |
| Net income for the year | – | – | – | – | 285 428 | |
| Loans and advances to customers (net) | – | – | – | – | 41 315 266 | |
| Amounts owed to customers | – | – | 2 577 | (10) | 41 774 792 | |
| Total assets | – | – | 1 851 064 | (23 061 602) | 67 227 753 | |

Business Lines

| | Consolidated | | | | | |
|--|----------------------|----------------------|-----------------------|-------------------|-----------------------|-----------------------------|
| | Corporate Finance | Trading and Sales | Brokerage (Retail) | Retail Banking | Commercial Banking | Payments and Settlements |
| Interest income | 5 986 | 1 687 882 | 227 | 1 045 960 | 730 775 | – |
| Interest expenditure | (3 860) | (1 573 340) | (150) | (535 105) | (115 511) | – |
| Commissions (income) | 22 265 | 19 786 | 9 167 | 174 748 | 114 529 | 28 350 |
| Commissions (costs) | (1 470) | (16 614) | (1 259) | (43 028) | (3 271) | (527) |
| Income from securities | 92 654 | 2 948 | – | 2 413 | – | – |
| Gains arising from financial operations | 3 345 | 4 283 454 | 49 | 671 424 | 1 512 | – |
| Losses arising from financial operations | (3 603) | (4 313 797) | (177) | (647 872) | (1 963) | – |
| Reversal of provisions | 20 018 | 207 442 | 27 | 98 075 | 237 555 | – |
| Provisions for credit and other risks | (21 216) | (247 828) | (57) | (261 063) | (367 882) | – |
| Other operating income | 31 | 92 | 80 | 106 891 | 40 896 | – |
| Net income for the year | – | – | – | – | – | – |
| Loans and advances to customers (net) | 194 431 | 39 601 | 8 658 | 26 389 384 | 19 176 501 | – |
| Amounts owed to customers | 81 882 | 198 679 | 4 358 | 38 488 720 | 6 595 341 | – |
| Total assets | 5 835 137 | 46 371 603 | 9 421 | 27 264 261 | 20 568 097 | 512 |

| | Consolidated | | | | |
|--|--------------------|---------------------|------------------|---------------------|-------------------|
| | Agency Services | Asset Management | Other | Reconciliation | Total |
| Interest income | – | 458 | 1 597 | (858 983) | 2 613 902 |
| Interest expenditure | – | (9) | (15 063) | 874 603 | (1 368 435) |
| Commissions (income) | 7 721 | 59 271 | 8 485 | (14 860) | 429 462 |
| Commissions (costs) | (2 814) | (9 305) | (787) | 11 811 | (67 264) |
| Income from securities | – | – | 360 | (40 272) | 58 103 |
| Gains arising from financial operations | – | – | 502 | (345 659) | 4 614 627 |
| Losses arising from financial operations | – | (19) | (400) | 310 739 | (4 657 092) |
| Reversal of provisions | – | 38 | 50 556 | (5 128) | 608 583 |
| Provisions for credit and other risks | – | (3) | (18 684) | 26 | (916 707) |
| Other operating income | – | – | 121 943 | (86 122) | 183 811 |
| Net income for the year | – | – | – | – | 448 481 |
| Loans and advances to customers (net) | – | – | 28 109 | (65 477) | 45 771 207 |
| Amounts owed to customers | – | – | 4 995 | 29 245 | 45 403 220 |
| Total assets | – | 30 098 | 4 196 214 | (34 006 526) | 70 268 817 |

Geographic Markets

| | CGD | | | |
|--|-------------------|------------------------|----------------|------------------|
| | Portugal | Rest of European Union | Rest of Europe | North America |
| Interest income | 2 313 092 | 655 585 | 826 | 32 024 |
| Interest expenditure | (1 311 694) | (601 340) | (234) | (20 168) |
| Commissions (income) | 305 578 | 24 989 | 228 | 1 291 |
| Commissions (costs) | (49 919) | (9 804) | (65) | (198) |
| Income from securities | 73 012 | 72 | – | – |
| Gains arising from financial operations | 4 114 737 | 295 907 | 1 | 1 853 |
| Losses arising from financial operations | (4 153 489) | (269 278) | – | (6 351) |
| Reversal of provisions | 571 612 | 3 737 | 2 | 5 996 |
| Provisions for credit and other risks | (814 805) | (16 927) | (5) | (4 287) |
| Other operating income | 156 527 | 363 | – | – |
| Net income for the year | – | – | – | – |
| Loans and advances to customers (net) | 39 156 301 | 1 845 301 | 9 368 | 195 121 |
| Amounts owed to customers | 40 056 711 | 1 598 583 | 19 500 | 66 757 |
| Total assets | 68 487 761 | 15 675 619 | 25 012 | 1 644 998 |

| | CGD | | | |
|--|----------------|-------------------|---------------------|-------------------|
| | Asia | Rest of the World | Reconciliation | Total |
| Interest income | 4 731 | 75 854 | (681 647) | 2 400 465 |
| Interest expenditure | (235) | (70 540) | 695 386 | (1 308 825) |
| Commissions (income) | 897 | 670 | (3 654) | 329 999 |
| Commissions (costs) | (3) | – | 2 419 | (57 570) |
| Income from securities | – | 1 | (1) | 73 084 |
| Gains arising from financial operations | 8 835 | 7 | (287 029) | 4 134 311 |
| Losses arising from financial operations | (7 885) | (88) | 257 334 | (4 179 757) |
| Reversal of provisions | 726 | 13 | – | 582 086 |
| Provisions for credit and other risks | (3 500) | (220) | 1 011 | (838 733) |
| Other operating income | 212 | – | 11 176 | 168 278 |
| Net income for the year | – | – | – | 285 428 |
| Loans and advances to customers (net) | 46 867 | 62 308 | – | 41 315 266 |
| Amounts owed to customers | 31 941 | 1 310 | (10) | 41 774 792 |
| Total assets | 206 698 | 4 249 267 | (23 061 602) | 67 227 753 |

Geographic Markets

| | Consolidated | | | | |
|--|-------------------|------------------------|----------------|------------------|----------------|
| | Portugal | Rest of European Union | Rest of Europe | North America | Latin America |
| Interest income | 2 517 900 | 736 259 | 826 | 36 108 | 74 |
| Interest expenditure | (1 466 052) | (634 084) | (234) | (24 253) | – |
| Commissions (income) | 373 280 | 41 594 | 228 | 1 291 | – |
| Commissions (costs) | (63 869) | (11 748) | (65) | (198) | – |
| Income from securities | 83 044 | 72 | – | – | 12 232 |
| Gains arising from financial operations | 4 173 921 | 297 931 | 1 | 1 853 | 856 |
| Losses arising from financial operations | (4 212 893) | (269 284) | – | (6 351) | (992) |
| Reversal of provisions | 586 326 | 11 622 | 2 | 3 304 | – |
| Provisions for credit and other risks | (834 442) | (30 863) | (5) | (4 287) | (103) |
| Other operating income | 253 331 | 8 215 | – | – | 92 |
| Net income for the year | – | – | – | – | – |
| Loans and advances to customers (net) | 41 100 408 | 3 553 266 | 9 368 | 294 142 | – |
| Amounts owed to customers | 40 148 124 | 3 181 714 | 19 500 | 66 757 | 51 641 |
| Total assets | 76 699 564 | 18 106 236 | 25 012 | 1 944 318 | 433 572 |

| | Consolidated | | | | |
|--|------------------|------------------|-------------------|---------------------|-------------------|
| | Asia | Africa | Rest of the World | Reconciliation | Total |
| Interest income | 30 990 | 74 874 | 75 854 | (858 983) | 2 613 902 |
| Interest expenditure | (11 656) | (36 219) | (70 540) | 874 603 | (1 368 435) |
| Commissions (income) | 6 437 | 20 821 | 671 | (14 860) | 429 462 |
| Commissions (costs) | (2 150) | (1 045) | – | 11 811 | (67 264) |
| Income from securities | 254 | 2 773 | – | (40 272) | 58 103 |
| Gains arising from financial operations | 11 360 | 474 357 | 7 | (345 659) | 4 614 627 |
| Losses arising from financial operations | (7 885) | (470 338) | (88) | 310 739 | (4 657 092) |
| Reversal of provisions | 2 359 | 10 098 | – | (5 128) | 608 583 |
| Provisions for credit and other risks | (6 596) | (40 217) | (220) | 26 | (916 707) |
| Other operating income | 2 121 | 6 174 | – | (86 122) | 183 811 |
| Net income for the year | – | – | – | – | 448 481 |
| Loans and advances to customers (net) | 390 054 | 427 885 | 61 561 | (65 477) | 45 771 207 |
| Amounts owed to customers | 1 091 031 | 813 898 | 1 310 | 29 245 | 45 403 220 |
| Total assets | 1 683 028 | 1 134 346 | 4 249 267 | (34 006 526) | 70 268 817 |

26. Interest Income and Interest Expense

These headings comprise:

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Interest expense: | | | | |
| Interest on deposits | | | | |
| Of the Public Administrative sector | 32 784 | 47 685 | 33 992 | 49 392 |
| Of other residents | | | | |
| Sight | 22 740 | 25 340 | 27 436 | 30 138 |
| Notice | – | – | 425 | 38 |
| Term | 239 748 | 288 923 | 266 027 | 323 972 |
| Savings | 140 581 | 175 103 | 141 745 | 176 561 |
| Of emigrants | 66 541 | 82 697 | 75 359 | 92 098 |
| Of other non-residents | 38 397 | 34 513 | 49 604 | 51 740 |
| Other | 6 820 | 6 772 | 6 820 | 6 772 |
| | 547 611 | 661 033 | 601 408 | 730 711 |
| Interest on amounts owed to foreign credit institutions | 160 971 | 243 625 | 77 795 | 152 936 |
| Interest on amounts owed to domestic credit institutions | 25 300 | 29 685 | 30 278 | 37 180 |
| Interest on interest rate swaps | 152 448 | 116 478 | 147 106 | 111 396 |
| Interest on debt securities | 231 112 | 146 570 | 290 685 | 212 502 |
| Interest on foreign exchange swaps | 97 590 | 102 267 | 117 872 | 123 168 |
| Interest on other resources | 24 230 | 15 452 | 27 263 | 18 794 |
| Interest on creditors | 4 103 | 3 710 | 3 926 | 2 997 |
| Interest on subordinated loans (Note 21.) | 54 904 | 54 941 | 58 743 | 65 487 |
| Other interest expense | 10 556 | 11 194 | 13 359 | 14 151 |
| | 1 308 825 | 1 384 955 | 1 368 435 | 1 469 322 |
| Interest income: | | | | |
| Interest on loans and advances to domestic credit institutions | 54 802 | 86 450 | 29 498 | 63 528 |
| Interest on loans and advances to foreign credit institutions | 189 346 | 165 280 | 184 083 | 174 101 |
| Interest on domestic credit | 1 415 656 | 1 620 316 | 1 611 682 | 1 818 456 |
| Interest on foreign credit | 89 819 | 73 565 | 96 979 | 80 576 |
| Interest on overdue credit | 35 129 | 33 599 | 38 598 | 37 325 |
| Interest on investment securities | 125 663 | 187 740 | 148 327 | 208 326 |
| Interest on interest rate swaps | 227 620 | 114 102 | 227 214 | 110 774 |
| Interest on foreign exchange swaps | 103 250 | 102 012 | 113 639 | 113 081 |
| Interest on trading securities | 130 087 | 54 603 | 137 387 | 57 506 |
| Interest on securities to be held to maturity | – | – | 686 | 1 066 |
| Interest on financial fixed assets | 1 961 | 2 510 | 2 243 | 2 789 |
| Interest on debtors and other investments | 4 021 | 6 618 | 5 224 | 8 295 |
| Interest on liquid assets | 20 747 | 23 034 | 21 551 | 24 719 |
| Other interest income | 2 364 | 1 968 | 2 791 | 1 926 |
| | 2 400 465 | 2 471 797 | 2 613 902 | 2 702 468 |

27. Losses and Gains Arising from Financial Operations

These headings comprise:

| | CGD | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Losses arising from financial operations: | | | | |
| Revaluation of foreign exchange position | | | | |
| Spot | 3 290 353 | 4 920 700 | 3 758 684 | 4 943 980 |
| Forward | 10 669 | 5 279 | 12 707 | 5 443 |
| Revaluation of trading securities | 18 519 | 36 870 | 23 091 | 49 390 |
| Realised losses on the sale of investment securities | 8 327 | 15 952 | 9 100 | 16 328 |
| Revaluation of and losses on futures contracts | 110 641 | 157 223 | 112 339 | 160 812 |
| Realised losses on off-balance sheet operations | 741 020 | 721 244 | 738 963 | 739 193 |
| Other | 228 | 966 | 2 208 | 2 861 |
| | 4 179 757 | 5 858 234 | 4 657 092 | 5 918 007 |
| Gains arising from financial operations: | | | | |
| Revaluation of foreign exchange position | | | | |
| Spot | 3 308 666 | 4 895 136 | 3 784 470 | 4 925 231 |
| Forward | 2 333 | 6 309 | 3 681 | 6 595 |
| Revaluation of trading securities | 104 856 | 44 305 | 110 883 | 56 671 |
| Realised gains on the sale of investment securities | 18 371 | 116 202 | 20 056 | 116 557 |
| Revaluation of and gains on futures contracts | 50 021 | 88 353 | 50 513 | 91 294 |
| Realised gains on off-balance sheet operations | 639 610 | 733 981 | 632 365 | 750 695 |
| Other | 10 454 | 521 | 12 659 | 1 993 |
| | 4 134 311 | 5 884 807 | 4 614 627 | 5 949 036 |

The caption "Realised gains on the sale of investment securities" for 2003 includes €16 090 thousand relating to capital gains, net of tax withheld in Brazil, on the sale of Banco Itaú shares (Note 8.).

28. Personnel Costs and Average Number of Employees

This heading comprises:

| | CGD | | Consolidated | |
|---|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Remuneration of the management and supervisory bodies | 2 729 | 2 283 | 6 812 | 6 714 |
| Remuneration of the employees: | | | | |
| Monthly remuneration | 282 637 | 273 669 | 359 682 | 344 355 |
| Additional remuneration | 2 785 | 3 998 | 4 791 | 5 907 |
| Holiday pay | 22 683 | 22 698 | 26 187 | 26 064 |
| Christmas bonus | 21 727 | 21 340 | 24 697 | 23 945 |
| Luncheon allowance | 26 398 | 25 048 | 28 197 | 26 414 |
| Other subsidies | 3 745 | 3 746 | 4 974 | 4 693 |
| Long term service bonus | 6 092 | 12 803 | 6 894 | 13 098 |
| Other additional remuneration | 34 859 | 5 507 | 38 239 | 8 407 |
| | 403 655 | 371 092 | 500 473 | 459 597 |
| Pension costs: | | | | |
| CGD – normal cost (Note 29.) | 33 467 | 37 381 | 33 467 | 37 381 |
| International branches and subsidiaries | 1 810 | 1 746 | 2 074 | 2 948 |
| Other | 86 | 1 364 | 3 591 | 2 842 |
| | 35 363 | 40 491 | 39 132 | 43 171 |
| Compulsory social charges | 47 973 | 46 928 | 65 837 | 63 470 |
| Other social charges | 12 115 | 10 798 | 14 048 | 12 777 |
| | 95 451 | 98 217 | 119 017 | 119 418 |
| Other personnel costs | 3 671 | 1 284 | 7 195 | 3 753 |
| | 502 777 | 470 593 | 626 685 | 582 768 |

The caption "Other additional remuneration" for 2004 includes €26 500 thousand relating to the provision for appropriation of net income to be distributed to CGD's employees.

The average number of employees in 2004 and 2003, by function, was as follows:

| | CGD | | Consolidated | |
|----------------------|---------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Senior management | 132 | 130 | 400 | 410 |
| Management | 1 897 | 1 903 | 2 931 | 3 023 |
| Technical staff | 2 274 | 2 198 | 4 456 | 4 332 |
| Administrative staff | 6 468 | 6 767 | 8 925 | 9 426 |
| Auxiliary | 248 | 250 | 1 450 | 1 295 |
| | 11 019 | 11 248 | 18 162 | 18 486 |

These numbers for 2004 and 2003 do not include staff employed by the Support Department of Caixa Geral de Aposentações (323 in 2004 and 325 in 2003), those assigned to CGD's Social Services (72 in 2004 and 73 in 2003) and those on secondment abroad (103 in 2004 and 106 in 2003).

Loans to members of the Board of Directors and the retirement pension liability relating to former members of the Board of Directors at 31 December 2004 and 2003, totalled:

| | CGD | |
|-------------------|-------|-------|
| | 2004 | 2003 |
| Loans granted | 1 094 | 1 002 |
| Pension liability | 727 | 699 |

29. Retirement Pensions

Actuarial studies were obtained from specialised entities to determine the amount of the liability for retirement pensions currently being paid and the past service liability of currently employed personnel as of 31 December 2004 and

2003 for the following Group companies:

- Caixa Geral de Depósitos, SA (CGD);
- Companhia de Seguros Fidelidade Mundial, SA (Fidelidade Mundial).

CGD's pension liability at 31 December 2004 and 2003 includes the liability relating to employees of the former BNU in service at the date of the merger, as they became covered by the benefits granted to CGD's employees. BNU's retired employees and pensioners at the date of the merger (Note 2. i) continue to be covered by the pension plan in force in BNU at the date of their retirement.

As explained in Note 2. i), in 2004 the pension liability relating to time of service of CGD's employees up to 31 December 2000 was transferred to Caixa Geral de Aposentações (CGA) under the terms of Decree-Laws 240-A/2004 of 29 December and 241-A/2004 of 30 December.

The assumptions and technical bases used were as follows:

| | 2004 | | 2003 | |
|--------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | CGD | Fidelidade Mundial | CGD | Fidelidade Mundial |
| Actuarial method | Projected Unit Credit | | Projected Unit Credit | |
| Mortality table | TV 73/77 | | TV 73/77 | |
| Disability table | EKV 80 | EVK 80 | EKV 80 | EVK 80 |
| Income and discount rate | 5% | 5% | 6% | 6% |
| Technical rate | - | 4% | - | 4% |
| Salary increase rate | 3% | 3% | 3% | 3% |
| Pension increase rate | 2% | 1% | 2% | 1% |
| Turnover rate: | | | | |
| Below 30 years of age | 5% | - | 5% | - |
| Between 30 and 40 years of age | 1% | - | 1% | - |
| Above 40 years of age | 0% | - | 0% | - |
| Future external service | 1/6 | - | 1/6 | - |

In the studies relating to CGD for 2004 and 2003, the normal retirement age was considered to be 60 years of age.

The income and discount rates were reduced to 5% for purposes of determining the liability at 31 December 2004. In addition, the estimated cost of death subsidies after normal retirement age was included. These changes resulted in increases of €423 506 thousand and €44 108 thousand, respectively, in Caixa's liability, before its transfer to the CGA.

Following is a comparison between the actuarial and financial assumptions used in determining CGD's pension liability as 31 December 2004 and 2003 and the actual amounts for the year:

| | 2004 | | 2003 | |
|-----------------------|-------------|--------|-------------|--------|
| | Assumptions | Actual | Assumptions | Actual |
| Income rate | 6% | 7.93% | 6% | 8.05% |
| Salary increase rate | 3% | 3.2% | 3% | 4.35% |
| Pension increase rate | 2% | 2.75% | 2% | 7.05% |

At 31 December 2004 and 2003 the past service liability in accordance with the actuarial studies, and the funds and provisions to cover the liability were as follows:

| | 2004 | | 2003 | |
|---|----------------|--------------------|------------------|--------------------|
| | CGD | Fidelidade Mundial | CGD | Fidelidade Mundial |
| Past service liability: | | | | |
| Current employees | 347 273 | 20 291 | 1 320 378 | 16 567 |
| Retired and early retired employees | 297 944 | 91 846 | 1 201 271 | 92 213 |
| | 645 217 | 112 137 | 2 521 649 | 108 780 |
| Autonomous pension funds | 645 217 | 84 489 | 2 497 086 | 81 265 |
| Mathematical provisions | – | 21 220 | – | 22 821 |
| Provisions for pensions and similar costs | – | 6 428 | – | 4 694 |
| | 645 217 | 112 137 | 2 497 086 | 108 780 |
| Coverage rate | 100.00% | 100.00% | 99.03% | 100.00% |

The future service liability of currently employed personnel of CGD at 31 December 2004 and 2003 totalled €994 611 thousand and €743 841 thousand, respectively.

As regards CGD, liabilities to some former employees could still be claimed. However, the effect of this is believed to be insignificant, considering that over the last three years there have only been twenty retirements in which such claims have been made.

The number of beneficiaries of CGD and Fidelidade Mundial in 2004 and 2003 was as follows:

| | 2004 | | 2003 | |
|-------------------------------------|---------------|--------------------|---------------|--------------------|
| | CGD | Fidelidade Mundial | CGD | Fidelidade Mundial |
| Current employees | 11 782 | 1 781 | 12 133 | 1 934 |
| Retired and early retired employees | 6 496 | 1 425 | 6 216 | 1 393 |
| | 18 278 | 3 206 | 18 349 | 3 327 |

The movement in the pension funds, mathematical provisions and provisions for pensions and similar costs during 2003 and 2004 was as follows:

| | CGD | Fidelidade Mundial |
|---|------------------|--------------------|
| Balance at 31 December 2002 | 2 231 667 | 108 242 |
| Normal contributions: | | |
| By employees | 24 331 | – |
| By CGD and Fidelidade Mundial | 32 370 | – |
| Extraordinary contributions | 119 134 | – |
| Pensions paid | (88 952) | (11 219) |
| Income and realised capital gains and losses (net) | 99 822 | 3 895 |
| Net unrealised capital gain | 106 862 | 804 |
| Foreign exchange losses, commissions and other net income and costs | (28 148) | (619) |
| Change in mathematical provisions | – | 2 983 |
| Change of provisions for pensions and similar charges | – | 4 694 |
| Balance at 31 December 2003 | 2 497 086 | 108 780 |

(to be continued)

(... /...)

| | CGD | Fidelidade Mundial |
|--|----------------|--------------------|
| Normal contributions: | | |
| By employees | 25 025 | - |
| By CGD and Fidelidade Mundial | 31 558 | - |
| Extraordinary contributions | 495 537 | 4 694 |
| Pensions paid | (91 847) | (8 328) |
| Income and realised capital gains and losses (net) | 161 760 | 3 753 |
| Net unrealised capital gain | 51 874 | 3 633 |
| Foreign exchange losses, commissions and other net income and costs | (15 733) | (528) |
| Assets transferred and to be transferred from CGD's Pensions Fund to CGA | (2 510 043) | - |
| Change of mathematical provisions | - | (1 601) |
| Change of provisions for pensions and similar charges | - | 1 734 |
| Balance at 31 December 2004 | 645 217 | 112 137 |

At 31 December 2004 and 2003 CGD's Pension Fund was managed by CGD Pensões – Sociedade Gestora de Fundos de Pensões, SA.

At 31 December 2004 CGD's Pension Fund had premises leased to Group companies in the amount of €68 158 thousand (€75 060 thousand in 2003), as well as bonds issued by Group companies totalling €421 541 thousand (€222 758 thousand in 2003).

The normal contributions to the pension funds in 2004 and 2003 were made in cash. Part of the extraordinary contributions of CGD in 2004 was made in 2005, with value date of 31 December 2004.

Assets in the amount of €1 434 120 thousand were transferred to CGA up to 31 December 2004, the remaining €1 075 923 thousand being recorded in the Fund's liabilities at that date. This operation resulted in non compliance with a series of limits fixed by Instituto de Seguros de Portugal, as well as limits established in the management contract.

The changes in the coverage of CGD's pension liabilities and the corresponding impact on the financial statements as at 31 December 2004 and 2003 were as follows:

| | 2004 | 2003 |
|---|-------------------------|------------------|
| Shortfall in funding - Initial situation | (I) (24 563) | (63 246) |
| Current service cost | (34 428) | (33 586) |
| Estimated income of the pension fund assets | 149 325 | 131 396 |
| Interest cost | (148 364) | (135 191) |
| Normal cost | (33 467) | (37 381) |
| Actuarial gains and losses: | | |
| Liability | (50 021) | (122 579) |
| Income | 48 576 | 47 139 |
| Decrease in the discount rate | (423 506) | - |
| Liability for death subsidy | (44 108) | - |
| | (469 059) | (75 440) |
| Change in liability and actuarial gains and losses | (II) (502 526) | (112 821) |
| Contribution to the Pension Fund: | | |
| by CGD | (III) 527 089 | 151 504 |
| Shortfall in the funding at year end | (I)+(II)+(III) - | (24 563) |

The coverage of the liability had the following impact on CGD's financial statements for the years ended 31 December 2004 and 2003:

| | 2004 | 2003 |
|--|----------------|----------------|
| Pension cost recorded in the income statement (Note 28.) | 33 467 | 37 381 |
| Amount recorded in deferred costs | 467 614 | 52 766 |
| Amount deferred in value fluctuations | 1 445 | 22 674 |
| | 502 526 | 112 821 |

Changes in the amounts recorded in deferred costs and value fluctuations in 2003 and 2004 were as follows:

| | Deferred costs (Note 14.) | Value fluctuations (Note 14.) | Total |
|---|------------------------------|----------------------------------|----------------|
| Balances at 31 December 2002 | 286 970 | 229 491 | 516 461 |
| Actuarial gains and losses for the year | 52 766 | 22 674 | 75 440 |
| Deferred costs amortised during the year (Note 32.) | (29 697) | – | (29 697) |
| Balances at 31 December 2003 | 310 039 | 252 165 | 562 204 |
| Actuarial gains and losses for the year | – | 1 445 | 1 445 |
| Change in the actuarial assumptions | 467 614 | – | 467 614 |
| Reversals against retained earnings (Note 23.) | (606 724) | (189 088) | (795 812) |
| Deferred costs amortised during the year (Note 32.) | (31 004) | – | (31 004) |
| Other | 1 | – | 1 |
| Balances at 31 December 2004 | 139 926 | 64 522 | 204 448 |

As a result of the above mentioned transfer of liabilities to CGA, Caixa charged to retained earnings the balance of deferred costs and value fluctuations corresponding to the liability transferred, totalling €795 812 thousand (Note 23.). The reversal was specifically authorized by the Bank of Portugal.

30. Other Administrative Costs

This heading comprises:

| | CGD | | Consolidated | |
|---|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Specialised services | 180 219 | 148 359 | 187 253 | 170 241 |
| Rent | 39 025 | 39 386 | 48 778 | 49 503 |
| Communications and postage expenses | 38 654 | 40 652 | 42 176 | 36 240 |
| Maintenance and repairs | 33 529 | 30 549 | 39 121 | 32 015 |
| Advertising and editing of publications | 25 901 | 19 370 | 29 143 | 22 794 |
| Water, energy and fuel | 11 475 | 10 921 | 14 285 | 13 399 |
| Travel, lodging and representation expenses | 6 675 | 7 270 | 11 344 | 12 089 |
| Printed forms and sundry material | 6 688 | 6 396 | 8 608 | 9 026 |
| Transport of values and other | 24 841 | 24 362 | 5 206 | 6 039 |
| Other | 17 602 | 13 996 | 26 038 | 24 717 |
| | 384 609 | 341 261 | 411 952 | 376 063 |

31. Other Operating Costs and Income

These headings comprise:

| | CGD | | Consolidated | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Other operating costs | | | | |
| Donations and subscriptions | 6 295 | 6 125 | 4 294 | 4 293 |
| Losses on finance lease operations | – | – | 558 | 603 |
| Other | 5 083 | 2 678 | 11 318 | 11 554 |
| | 11 378 | 8 803 | 16 170 | 16 450 |
| Other operating income | | | | |
| Miscellaneous services rendered | 73 031 | 68 345 | 57 202 | 49 503 |
| Reimbursement of expenses | 8 397 | 9 627 | 11 716 | 11 470 |
| Sale of cheques | 15 436 | 11 099 | 15 436 | 11 099 |
| Property income | 4 065 | 4 115 | 5 362 | 9 093 |
| Gains on finance lease operations | – | – | 2 887 | 2 134 |
| Recovery of loans written off | | | | |
| Credit granted | 24 819 | 18 667 | 26 368 | 19 881 |
| Interest and expenses | 10 636 | 9 949 | 12 167 | 11 833 |
| Other | 31 894 | 20 440 | 52 673 | 33 422 |
| | 168 278 | 142 242 | 183 811 | 148 435 |

32. Exceptional Losses and Gains

These captions are made up as follows:

| | CGD | | Consolidated | |
|---|---------------|----------------|---------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Exceptional losses | | | | |
| Losses from previous years | 48 209 | 81 181 | 49 952 | 81 885 |
| Amortisation of deferred pension costs (Note 29.) | 31 004 | 29 697 | 31 004 | 29 697 |
| Losses on the sale of fixed assets and property received in settlement of defaulting loans | 7 227 | 2 257 | 7 437 | 2 257 |
| Losses on the sale of participating interests: | | | | |
| BCP (Note 8.) | 2 200 | – | 2 200 | – |
| Lusogest (Note 1.1.) | 60 | – | 60 | – |
| Galp Energia (Note 8.) | – | 2 710 | – | 2 710 |
| Lusopensiones (Note 1.1.) | – | – | 562 | – |
| Other | 316 | 162 | 401 | 162 |
| Payment of additional assessments of other taxes | – | 277 | – | 277 |
| Other | 2 302 | 16 814 | 3 062 | 18 496 |
| | 91 318 | 133 098 | 94 678 | 135 484 |
| Exceptional gains | | | | |
| Settlement of interest | 23 987 | 58 299 | 23 987 | 58 299 |
| Gains on the sale of fixed assets and property received in settlement of defaulting loans | 7 099 | 12 348 | 7 497 | 12 348 |
| Overestimate of Corporate Income Tax | 3 185 | 16 121 | 3 185 | 16 121 |
| Gains on the sale of participating interests: | | | | |
| Solidal (Note 10.) | – | – | 1 168 | – |
| Lusogest (Note 1.1.) | – | – | 1 136 | – |
| Lusopensiones (Note 1.1.) | 260 | – | 260 | – |
| Banco Int. S. Tomé e Príncipe (Note 1.1.) | 313 | – | 313 | – |
| Cabelte - Projectos Internacionais, SGPS, SA (Note 10.) | – | – | 100 | – |
| Euronext (Notes 8. and 10.) | – | – | 43 | 225 |
| Brisa (Note 8.) | – | 128 748 | – | 128 748 |
| Galp Energia (Note 8.) | – | 36 320 | – | 29 598 |
| Sale of subscription rights (Note 8.) | – | 22 260 | – | 22 260 |
| Sogeste (Note 10.) | – | 14 642 | – | 12 118 |
| Cnufa (Note 1.1.) | – | 1 859 | – | – |
| Silvageste, SGPS, SA and Silger, SGPS, SA (Note 10.) | – | – | – | 515 |
| Other | 220 | 960 | 444 | 1 851 |
| Gain on the liquidation of Caixa Investimentos (Note 1.1.) | 1 653 | – | 3 | – |
| Other | 27 222 | 28 699 | 30 765 | 30 722 |
| | 63 939 | 320 256 | 68 901 | 312 805 |

In 2004 and 2003 the heading "Losses from previous years" includes €37 637 thousand and €70 730 thousand, respectively, relating to the settlement of interest.

33. Taxation

The tax burden, measured by the ratio between corporate income tax expense and net income for the year before income tax, for the last three years was as follows:

| | CGD | | | Consolidated | | |
|----------------------------------|---------|---------|---------|--------------|---------|---------|
| | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 |
| Corporate income tax | 6 576 | 137 171 | 107 161 | 22 436 | 148 373 | 116 024 |
| Income before income tax expense | 292 004 | 697 380 | 758 550 | 477 410 | 817 469 | 780 882 |
| Tax charge (%) | 2.25% | 19.7% | 14.1% | 4.70% | 18.2% | 14.9% |

Net income attributable to minority shareholders' interest was added to consolidated income before income tax expense.

The tax burden for 2004 corresponds only to autonomous taxation, since Caixa incurred a loss for tax purposes. This is mainly due to negative changes in shareholders' equity resulting from losses on the sale of investments and extraordinary contributions to the pension fund due to the change in actuarial assumptions, which were recorded by charge to reserves and retained earnings (Note 23.). There was also the effect of tax benefits, namely those relating to dividends received.

The tax burden in 2003 is lower than that resulting from the application of the IRC (Corporate Income Tax) and Municipal Surcharge normal rate (33%), due mainly to the tax exemption of the gain on the sale of the investment in Banco Itaú (Note 8.), the correction, for tax purposes, of gains on the sale of equity participations, and the negative change in shareholders' equity relative to the estimated distribution of profits to employees, and to the recording of provisions for equity investments by charge to reserves. In addition, there was also the effect of tax benefits, namely those relating to dividends received. At a consolidated level, there are also

subsidiaries with tax losses carried forward and the effect of results in companies recorded by the equity method.

The tax authorities may review the tax situation during a period of four years (six years for the years reporting tax losses) and corrections may be made to the taxable profit for the period between 2001 and 2004 as a result of different interpretations of tax legislation. Given the nature of the possible corrections that may be made, it is not possible to quantify them at this time. Caixa's Board of Directors, however, believes that any corrections relating to the above mentioned years will not have a significant effect on the financial statements.

In 2004 Caixa was subject to a tax inspection regarding the years 2001 and 2002. As a result, CGD was notified of proposed corrections by the tax authorities relating to the corporate income tax for those years, part of which it contested. No additional corporate income tax assessments and compensating interest for these years have yet been issued.

In 2003 CGD received an additional corporate income tax assessment plus compensating interest in the amount of €20 432 thousand, relating to the year 2000 of Banco Nacional Ultramarino, SA (BNU), which was merged into

Caixa in 2001. The additional assessment results mainly from corrections made by the tax authorities to the tax losses of BNU for the years 1994 and 1995, relating essentially to early retirement costs. The additional assessment has not been paid, Caixa having contested it legally and provided a guarantee, as it had done for the additional assessments for the years 1994 and 1995.

The comparison between charged and paid income tax expense in 2004 and 2003 can be presented as follows:

| | 2004 | 2003 |
|---|-------------|-------------|
| Income tax charge for the year | 6 576 | 137 171 |
| (Tax payable by the Branches) | (6 039) | – |
| Payments on account | (68 383) | (70 570) |
| Amounts withheld by third parties | (960) | (977) |
| Other | (54) | 182 |
| Corporate income tax payable /(recoverable) (Notes 13. and 18.) | (68 860) | 65 806 |

34. Foreign Currency-Denominated Assets/Liabilities

The Euro equivalent (in thousands of Euros) of the foreign currency-denominated assets and liabilities at 31 December 2004 and 2003 is as follows:

| | CGD | | Consolidated | |
|-------------|-------------|-------------|---------------------|-------------|
| | 2004 | 2003 | 2004 | 2003 |
| Assets | 3 112 884 | 2 631 877 | 5 126 299 | 4 105 984 |
| Liabilities | 5 106 928 | 5 829 110 | 7 621 436 | 8 135 844 |

35. Balances with Subsidiary Companies Included in the Non-consolidated Financial Statements

On 31 December 2004, the main balances with subsidiary companies were as follows:

| | Cash and bank applications and loans granted | Securities portfolio | Deposits | Debt securities | Debtors |
|---|---|-------------------------|------------------|--------------------|--------------|
| CGD Finance | 1 | 75 959 | 2 518 843 | - | - |
| Banco Simeón, SA | 472 486 | - | 312 869 | - | - |
| Banco Nacional Ultramarino, SA (Macao) | 32 356 | - | 439 369 | - | - |
| CGD North America | - | - | 292 804 | - | - |
| Mercantile Bank | 358 | - | 127 539 | - | - |
| Caixa Leasing e Factoring, IFIC, SA | 1 277 559 | 1 513 | 168 | - | 65 |
| Caixa - Banco de Investimento, SA | 701 666 | - | 23 261 | 10 476 | 211 |
| Caixagest - Técnicas de Gestão de Fundos, SA | - | - | 16 789 | - | 33 |
| Caixa - Participações, SGPS, SA | - | - | 15 824 | - | - |
| Banco Interatlântico, SARL | 9 | - | 9 289 | - | - |
| Caixaweb, SGPS, SA | - | - | 8 076 | - | - |
| BCI (Mozambique) | 409 | - | 5 185 | - | 28 |
| SCI du 8 Rue du Helder | 4 865 | - | - | - | - |
| Fundimo - Sociedade Gestora de Fundos de Investimento Imobiliário, SA | - | - | 4 464 | - | 11 |
| Banco Financial Português | - | - | 2 | - | 4 117 |
| Caixa - Gestão de Activos, SGPS, SA | - | - | 4 051 | - | 23 |
| Banco Comercial do Atlântico, SARL | 2 074 | - | 3 976 | - | - |
| Caixanet - Telemática e Comunicações, SA | - | - | 2 683 | - | - |
| Esegur - Empresa de Segurança, SA | - | - | 2 313 | - | 4 |
| Caixa Crédito, SFAC, SA | 31 115 | - | 1 836 | - | - |
| Imocaixa - Gestão Imobiliária, SA | - | - | 553 | - | 16 |
| Caixaweb - Serviços Técnicos e de Consultoria | - | - | 542 | - | 26 |
| Culturgest - Gestão de Espaços Culturais, SA | 2 | - | 458 | - | 114 |
| Sogrupos III - Gestão de Activos, ACE | - | - | 154 | - | 5 |
| Sogrupos IV - Gestão de Imóveis, ACE | - | - | 121 | - | 3 042 |
| Sogrupos, Serviços Administrativos, ACE | 239 | - | 106 | - | 1 410 |
| Groupement d'Intérêt Economique | 51 | - | - | - | 467 |
| Sogrupos SI, ACE | 14 | - | - | - | 181 |
| | 2 523 204 | 77 472 | 3 791 275 | 10 476 | 9 753 |

Costs and income on transactions with subsidiary companies in 2004 and 2003 are as follows:

| | 2004 | 2003 |
|----------------------------|---------|---------|
| Costs: | | |
| Interest expense | 125 433 | 139 120 |
| Commissions | 15 | 143 |
| Other administrative costs | 69 883 | 63 416 |
| Other operating costs | 2 816 | 2 643 |
| Income: | | |
| Interest income | 50 001 | 55 930 |
| Income from securities | 17 977 | 30 487 |
| Commissions | 8 908 | 98 |
| Other operating income | 36 301 | 36 181 |

36. Contingencies

Sale of Banco Bandeirantes

In 2000 Caixa acquired a participation in Unibanco Holdings, SA and Unibanco, in exchange for shares it held in Banco Bandeirantes, SA (Bandeirantes).

Under the terms of the Contract of Association, Caixa has assumed the responsibility for payment of potential losses arising from contingencies of Banco Bandeirantes, namely those relating to the liquidation of Banco Banorte, SA (Banorte) and tax and other litigation in progress. In addition, the contract establishes that Unibanco may claim, up to December 2006, general contingencies that had not been specifically identified at the transaction date.

Up to 31 December 2004 CGD paid 26 045 million Brazilian Reais (€8 453 thousand) relating to these matters, of which 2 333 million Brazilian Reais (€639 thousand) was paid in 2004.

As regards the contingency relating to the liquidation of Banorte, in November 2004 Unibanco informed Caixa of the amounts already paid by Bandeirantes/Unibanco and

an estimate of the contingencies, as well as a proposal to resolve the situation, which involves a payment by Caixa. The amounts paid include, among others, deposits made by Bandeirantes/Unibanco relating to civil, tax and labour proceedings resulting from the liquidation of Banorte. CGD and Unibanco are in the process of negotiations aimed at defining a solution to this contingency.

Caixa's Board of Directors believes that the contingencies to be paid relating to the liquidation of Banorte will be considerably less than the amount proposed by Unibanco, considering the correction of several criteria used to determine that amount.

Considering the evolution of the tax processes, in relation to which there have been rulings in favour of Bandeirantes, and other contingencies, the Board of Directors classifies as remote the probability of Caixa having to make significant payments as a result of these contingencies.

At 31 December 2004 CGD had a provision, corresponding to the allocation of part of the provision for other risks and charges, to cover its estimate of the amounts payable under the terms of the Contract of

Association entered into with Unibanco. At 31 December 2003 this contingency was covered by the fund for general banking risks.

Sale of Sogeste

In 2000 legal action was taken by IP Holding – SGPS, SA against BNU, in respect of the sale, in 1999, of a participation in Sogeste – Sociedade de Gestão de Participações, SA.

In the event of a ruling, which is unfavourable to Caixa, the amount of the indemnity will only be established in the judgement.

No provision has been recorded for this contingency since the Board of Directors believes that the probability of losing this action is remote.

This Fund is managed by Finantia – Sociedade Gestora de Fundos de Titularização de Créditos, SA, in which CGD has no direct or indirect participating interest. CGD continues to manage the mortgage contracts and delivers to Nostrum Mortgages FTC all the amounts received under the terms of the credit contracts.

To finance the operation the Fund issued securitisation units equal in amount to the credit portfolio acquired plus accrued interest, which were fully subscribed for by Nostrum Mortgages 2003-1 PLC (Nostrum Mortgages PLC) with headquarters in Ireland.

On the date of distribution of the income of the securitisation units, Nostrum Mortgages FTC pays to Nostrum Mortgages PLC, all the amounts received from Caixa, less expenses and commission borne, segregating the instalments between principal and interest.

To finance the operation Nostrum Mortgages PLC issued bonds with different subordination and rating levels and, consequently, different remuneration. These bonds have the following characteristics:

37. Securitisation Operations

In November 2003 CGD sold part of its mortgage and consumer credit portfolios, in the amounts of €1 000 000 thousand and €400 000 thousand, respectively, through two securitisation operations. The main conditions of these operations are as follows:

Mortgage loan securitisation

The loans were sold to Fundo de Titularização de Créditos Nostrum Mortgages 2003-1, FTC ("Nostrum Mortgages FTC" or "the Fund"), at their nominal value (book value).

| Debt issued | Amount | Rating | | | Redemption date | Early redemption date | Remuneration | |
|----------------------|---------|---------|-------|-----|-----------------|-----------------------|-----------------------------|-----------------------------|
| | | Moody's | Fitch | S&P | | | Up to early redemption date | After early redemption date |
| Class A Mortgage | | | | | | | | |
| Backed Floating Rate | | | | | | | | |
| Notes due 2046 | 980 000 | Aaa | AAA | AAA | June 2046 | March 2011 | 3 m Euribor + 0.21% | 3 m Euribor + 0.42% |
| Class B Mortgage | | | | | | | | |
| Backed Floating Rate | | | | | | | | |
| Notes due 2046 | 5 000 | A2 | A+ | A | June 2046 | March 2011 | 3 m Euribor + 0.50% | 3 m Euribor + 1.00% |

| Debt issued | Amount | Rating | | | Redemption date | Early redemption date | Remuneration | |
|---|------------------|---------|-------|-----|-----------------|-----------------------|--|-----------------------------|
| | | Moody's | Fitch | S&P | | | Up to early redemption date | After early redemption date |
| Class C Mortgage Backed Floating Rate Notes due 2046 | 15 000 | Baa2 | BBB+ | BBB | June 2046 | March 2011 | 3 m Euribor + 1.1% | 3 m Euribor + 2.20% |
| | 1 000 000 | | | | | | | |
| Class D Mortgage Backed Securities Entitlement Notes due 2046 | 4 000 | | | | | | Residual remuneration generated by the securitised portfolio | |
| | 1 004 000 | | | | | | | |

These bonds bear quarterly interest payable on 15 March, June, September and December each year.

In order to hedge the interest rate risk, Nostrum Mortgages PLC entered into an interest rate swap with Caixa. Under the terms of the swap, Nostrum Mortgages PLC transfers, on each bond interest payment date, an amount corresponding to application of the average interest rate of the credit portfolio less 0.65%, to the amount of the performing credits at the beginning of each period and receives an amount equal to the interest payable on the bonds.

Caixa has an early redemption option on the bonds in March 2011 and an option to repurchase the credit portfolio, when the outstanding loan portfolio is equal to or less than 10% of the initial amount of the operation.

On each quarterly interest payment date Nostrum Mortgages PLC has the option to repay part of the Class A, B, and C bonds, in order to adjust the amount of the liability to that of the assets (credit portfolio).

The bonds with the highest degree of subordination (Class D) were acquired by Caixa, and are recorded in the investment securities portfolio (Note 7.).

Remuneration of the Class D bonds corresponds to the difference between income from the securitised credit portfolio and the sum of all the costs of the operation, namely:

- Taxes;
- Expenses and commissions of the Fund and the issuer (custody commission and servicer commission calculated based on the value of the portfolio, both charged by Caixa, and management commission calculated based on the value of the portfolio, charged by Nostrum Mortgage FTC);
- Interest on the Class A, B and C bonds;
- Net payments on the swap.

The Class D bonds are the last to be redeemed by Nostrum Mortgages PLC, based on the nominal value of this class less the losses in the entire portfolio.

Consumer loan securitisation

The loans were sold to Fundo de Titularização de Créditos Nostrum Consumer Finance ("Nostrum Consumer Finance" or "the Fund"), at their nominal value (book value). The fund is managed by Finantia – Sociedade Gestora de Fundos de Titularização de Créditos, SA, in which CGD has no direct or indirect participation.

To finance the operation the Fund issued securitisation units equal in amount to the credit portfolio acquired, which

were fully subscribed for by Nostrum Consumer Finance PLC (Nostrum Consumer Finance PLC), with headquarters in Ireland.

To finance the operation, Nostrum Consumer Finance PLC issued bonds with different subordination and rating levels and consequently, different remuneration. The bonds have the following characteristics:

The amounts collected and delivered by Caixa are used quarterly by the Fund to:

- Acquire new loans that Caixa may offer during the first three years of the operation;
- Redeem the securitisation units through decrease of their nominal value, as from the third year.

| Debt issued | Amount | Rating | | | Redemption date | Remuneration |
|--|----------------|---------|-------|-----|-----------------|--|
| | | Moody's | Fitch | S&P | | |
| Class A Secured Floating Rate Notes due 2015 | 359 600 | Aaa | AAA | AAA | November 2015 | 3 m Euribor + 0.26% |
| Class B Secured Floating Rate Notes due 2015 | 15 600 | Aa1 | AA | AA | November 2015 | 3 m Euribor + 0.45% |
| Class C Secured Floating Rate Notes due 2015 | 12 400 | Aa3 | A | A | November 2015 | 3 m Euribor + 0.75% |
| Class D Secured Floating Rate Notes due 2015 | 10 000 | Baa2 | BBB | BBB | November 2015 | 3 m Euribor + 1.40% |
| Class E Secured Floating Rate Notes due 2015 | 2 400 | Ba2 | BB | BB+ | November 2015 | 3 m Euribor + 4.00% |
| | 400 000 | | | | | |
| Class F Notes | 2 625 | | | | November 2015 | Residual remuneration generated by the securitised portfolio |
| | 402 625 | | | | | |

These bonds bear quarterly interest payable on 26 February, May, August and November each year.

In order to hedge interest rate risk, Nostrum Consumer Finance PLC entered into an interest rate swap with Caixa. Under the terms of the swap, Nostrum Consumer Finance PLC transfers, on each bond interest payment date, an amount indexed to the average interest rate of the credit portfolio and receives an amount indexed to the 3 month Euribor rate plus 4.2%.

Caixa continues to manage the credits and, consequently, to maintain a business relationship with the clients, collecting the instalments and recovering the possible overdue instalments that may arise. The amounts collected are deposited daily in an account of the Fund with Caixa.

Caixa has an early redemption option on the bonds issued and an option to repurchase the credit portfolio at its nominal value, when the loan portfolio is equal to or less than 10% of the initial amount of the operation.

On each quarterly interest payment date, Nostrum Consumer Finance PLC has the option to make partial repayments of the Class A, B, C, D and E bonds, considering the subordination level of each class, in order to adjust the amount of the liability to that of the assets (credit portfolio).

The bonds with the highest degree of subordination (Class F) were acquired by Caixa and are recorded in the investment securities portfolio (Note 7.).

Remuneration of the Class F bonds corresponds to the residual remuneration of Nostrum Consumer Finance PLC, which in substance corresponds to the difference between income of the securitised credit portfolio and the sum of all the costs of the operation, namely:

- Taxes;
- Expenses and commission of the Fund and the issuer (custody commission and servicer commission calculated based on the value of the portfolio, both charged by Caixa, and management commission calculated based on the value of the portfolio, charged by FTC);
- Interest on the Class A, B, C, D and E bonds;
- Net payments on the swap.

The Class F bonds are the last to be redeemed by Nostrum Consumer Finance PLC, and so are the first securities to absorb possible losses that may occur in the securitised portfolio.

Accounting procedures

As the Bank of Portugal has approved the classification of these operations as complete and definitive transfers, Caixa has recorded the sale of the assets transferred through these operations, and maintains a record, in off-balance sheet accounts, by securitised contract, of the amounts due (principal not due and overdue) and accrued interest relating to each contract (Note 24.).

The movement in 2004 recorded in the assets transferred was as follows:

| | Nostrum Consumer FTC | Nostrum Mortgages FTC | Total |
|--|-------------------------|--------------------------|------------------|
| Balances at 31 December 2003 (Note 24.) | 362 545 | 986 997 | 1 349 542 |
| Acquisition of new credits | 204 139 | - | 204 139 |
| Payments | (201 597) | (88 123) | (289 720) |
| Write-offs | (415) | - | (415) |
| Other | - | 287 | 287 |
| Balances at 31 December 2004 (Note 24.) | 364 672 | 899 161 | 1 263 833 |

Also, in compliance with Bank of Portugal Circular Letter 96/03, income on the bonds with the highest level of subordination is only recorded when effectively received.

In addition, in compliance with Bank of Portugal Instruction 27/2000, Caixa records provisions for credit risks equal to those it would record if the credits were still considered as CGD's assets, up to the nominal value of bonds held by Caixa. At 31 December 2004 and 2003 bonds recorded in the portfolio amounted to €6 625 thousand and were fully provided for (Note 7.), since the full amount of the provisions to be recorded for credits would be €9 760 thousand and €9 951 thousand, respectively.

38. Note Added for Translation

The accompanying financial statements are a translation of financial statements originally issued in Portuguese in accordance with generally accepted accounting principles in Portugal and the disclosures required by the Chart of Accounts and other legislation for the banking sector issued by the Bank of Portugal, some of which may not conform with or be required by generally accepted accounting principles in other countries. In the event of discrepancies the Portuguese language version prevails.

Schedule of Securities and Investments

Caixa Geral de Depósitos, SA Schedule of Securities and Investments as at 31.12.04

(Consolidated)

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|----------------|--------------------|--------------------|-------------------|-------------------------------|
| A. Trading Securities | | | | | 3 755 729 572.47 |
| Fixed income securities issued by residents | | | | | 522 382 768.99 |
| Portuguese government debt | | | | | 439 522 615.41 |
| Short term maturity | | | | | 38 709 248.87 |
| Treasury Bills | | | | | 38 709 248.87 |
| Portugal (Rep) 18/03/2005 | 3 450 000 | 1.00 | 1.00 | 1.00 | 3 435 523.80 |
| Portugal (Rep) 20/05/2005 | 349 000 | 1.00 | 0.99 | 0.99 | 346 308.86 |
| Portugal (Rep) 21/01/2005 | 30 000 000 | 1.00 | 1.00 | 1.00 | 29 952 591.00 |
| Portugal (Rep) 22/07/2005 | 54 000 | 1.00 | 0.99 | 0.99 | 53 385.21 |
| Portugal (Rep) 23/09/2005 | 5 000 000 | 1.00 | 0.98 | 0.98 | 4 921 440.00 |
| Medium and long term maturity | | | | | 400 813 366.54 |
| Treasury Bonds | | | | | 400 813 366.54 |
| OT 10Y 15/06/11 | 4 000 000 000 | 0.01 | 0.01 | 0.01 | 45 348 768.00 |
| OT 10Y 23/02/2006 | 498 797 897 | 0.01 | 0.01 | 0.01 | 5 790 261.00 |
| OT 15/07/2008 - 3.25% | 12 000 000 000 | 0.01 | 0.01 | 0.01 | 123 392 038.36 |
| OT 15Y 23/09/13 | 2 000 000 000 | 0.01 | 0.01 | 0.01 | 23 076 630.00 |
| OT 17/06/2006 - 3% | 6 000 000 000 | 0.01 | 0.01 | 0.01 | 61 406 893.15 |
| OT 17/08/2007 - 4.875% | 13 189 877 155 | 0.01 | 0.01 | 0.01 | 141 593 060.23 |
| OT 23/02/2005E | 18 455 574 | 0.01 | 0.01 | 0.01 | 205 715.80 |
| Domestic public entity issuers | | | | | 281 247.22 |
| Medium and long term maturity | | | | | 281 247.22 |
| Bonds | | | | | 281 247.22 |
| Gov. Regional dos Açores 24/09/2005 | 27 433 884 | 0.01 | 0.01 | 0.01 | 281 247.22 |
| Other resident entities | | | | | 82 578 906.36 |
| Medium and long term maturity | | | | | 82 578 906.36 |
| Other bonds | | | | | 82 578 906.36 |
| B. Santander -12/04/2005 | 14 878 356 | 0.01 | 0.01 | 0.01 | 149 377.20 |
| BTA -16/05/2005 | 24 939 895 | 0.01 | 0.01 | 0.01 | 250 130.00 |
| C.E. Montepio - 23/01/2005 | 5 985 574 | 0.01 | 0.01 | 0.01 | 60 499.35 |
| EDIA - 21/11/2018 | 50 000 | 1 000.00 | 1 004.42 | 1 004.42 | 50 347 242.79 |
| EDIA - 21/11/2018 | 1 500 | 1 000.00 | 1 002.52 | 1 000.00 | 1 503 773.61 |
| Parública 15/10/2014 - 4.191% | 25 000 | 1 000.00 | 1 029.65 | 1 029.65 | 25 965 152.79 |
| Partest 28/12/2008 - 4.398% | 400 000 000 | 0.01 | 0.01 | 0.01 | 4 043 113.91 |
| Secil 01/03/2005 | 748 197 | 0.01 | 0.01 | 0.01 | 7 542.08 |
| Sonae Imobiliária, SGPS 20/01/2005 | 24 939 895 | 0.01 | 0.01 | 0.01 | 252 074.63 |
| Fixed income issued by non-resident entities | | | | | 3 140 920 903.38 |
| Foreign public entity issuers | | | | | 1 884 769 352.05 |
| Medium and long term maturity | | | | | 1 868 867.00 |
| Treasury Bills | | | | | 1 868 867.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|------------------|--------------------|--------------------|-------------------|-------------------------------|
| Bilhetes do Tesouro - Cabo Verde - 2005 | 20 537 | 91.00 | | | 1 868 867.00 |
| Medium and long term maturity | | | | | 1 882 900 485.05 |
| Bonds | | | | | 1 753 460 325.03 |
| Austria 15/01/2010 - 5.5% | 40 000 | 1 000.00 | 1 111.29 | 1 111.29 | 46 567 446.99 |
| Austria 15/07/2012 - 5% | 75 000 | 1 000.00 | 1 101.48 | 1 101.48 | 84 357 575.34 |
| Austria 20/10/2013 - 3.8% | 25 000 | 1 000.00 | 1 012.70 | 1 012.70 | 25 507 500.00 |
| Belgium Bonds 01/10/2007 - 8.5% | 5 950 000 000 | 0.01 | 0.01 | 0.01 | 69 833 642.12 |
| Belgium Bonds 28/09/2012 - 5% | 50 000 | 1 000.00 | 1 102.20 | 1 102.20 | 55 760 684.93 |
| Belgium Bonds 28/09/2013 - 4.25% | 30 000 000 | 1.00 | 1.05 | 1.05 | 31 790 749.31 |
| Belgium Bonds 24/04/2006 -2.05% | 900 000 000 | 0.01 | 0.01 | 0.01 | 9 042 476.25 |
| Bund Brd 04/07/2008 - 4.125% | 5 000 000 000 | 0.01 | 0.01 | 0.01 | 53 200 773.97 |
| Bund Brd 04/07/2010 - 5.25% | 7 500 000 000 | 0.01 | 0.01 | 0.01 | 84 862 818.49 |
| Bund Brd 04/07/2011 - 5% | 10 000 000 000 | 0.01 | 0.01 | 0.01 | 112 387 452.05 |
| Buoni Polien 01/02/2013 - 4.75% | 50 000 | 1 000.00 | 1 082.30 | 1 082.30 | 55 102 432.07 |
| Buoni Polien 01/02/2015 - 4.25% | 30 000 | 1 000.00 | 1 037.90 | 1 037.90 | 31 667 095.11 |
| Buoni Polien 01/08/2014 - 4.25% | 50 000 | 1 000.00 | 1 040.60 | 1 040.60 | 52 913 491.85 |
| Czech Republic 23/06/2014 - 4.625% | 50 000 | 1 000.00 | 1 066.20 | 1 066.20 | 54 526 438.36 |
| Finnish Gov. 04/07/2013 - 5.375% | 40 000 | 1 000.00 | 1 133.40 | 1 133.40 | 46 402 164.38 |
| Finnish Gov. 23/02/2011 - 5.75% | 40 000 | 1 000.00 | 1 137.74 | 1 137.74 | 47 476 539.89 |
| France Oat 25/04/2012 - 5% | 75 000 000 | 1.00 | 1.10 | 1.10 | 85 251 000.00 |
| France Oat 25/10/2012 - 4.75% | 100 000 000 | 1.00 | 1.09 | 1.09 | 109 594 000.00 |
| France Oat 25/01/2009 | 10 000 000 | 1.00 | 1.01 | 1.01 | 10 137 722.22 |
| Germany Bundesanl. 04/07/2012 - 5% | 1 500 000 000 | 0.01 | 0.01 | 0.01 | 16 910 917.81 |
| Greece 18/05/2012 - 5.255% | 50 000 | 1 000.00 | 1 109.05 | 1 109.05 | 57 092 226.03 |
| Greece 22/10/2022 - 5.9% | 50 000 | 1 000.00 | 1 202.50 | 1 202.50 | 60 698 835.62 |
| Greece 28/02/2005 Lis6M | 25 | 4 987.98 | 4 992.52 | 4 992.52 | 125 960.49 |
| Inst Cred Of 13/10/2005 Lis6M | 1 900 000 | 4.99 | 5.01 | 5.01 | 9 559 967.20 |
| Islandsbanki Frn 23/01/2007 | 5 000 | 1 000.00 | 1 000.15 | 1 000.15 | 5 022 434.58 |
| Netherlands Gov. 15/01/2010 - 3% | 20 000 000 | 1.00 | 1.00 | 1.00 | 20 034 475.41 |
| Netherlands Gov. 15/07/2007 - 3% | 50 000 000 | 1.00 | 1.01 | 1.01 | 51 895 433.42 |
| Netherlands Gov. 15/07/2013 - 4.25% | 28 500 000 | 1.00 | 1.05 | 1.05 | 30 483 443.83 |
| Quebec 04/01/2009 - 5.125% | 511 291 882 | 0.01 | 0.01 | 0.01 | 5 767 934.43 |
| Quebec Eur | 511 291 881 | 0.01 | 0.01 | 0.01 | 5 765 586.00 |
| Rep. Of Hungary 27/06/2011 - 5.625% | 20 000 | 1 000.00 | 1 121.20 | 1 121.20 | 23 003 452.05 |
| Rep. Of Hungary 27/09/2010 - 4% | 50 000 | 1 000.00 | 1 031.80 | 1 031.80 | 52 116 027.40 |
| Rep. Of Hungary 28/10/2011 - 3.625% | 30 000 | 1 000.00 | 1 003.40 | 1 003.40 | 30 295 664.38 |
| Rep.Of Poland 15/01/2009 - 3.875% | 75 000 | 1 000.00 | 1 026.00 | 1 026.00 | 79 745 081.96 |
| Slovenia 27/05/2005 - 5.375% | 3 000 | 1 000.00 | 1 011.10 | 1 011.10 | 3 130 050.00 |
| Spanish Gvt Bond 31/10/2011- 5.35% | 100 000 | 1 000.00 | 1 120.90 | 1 120.90 | 112 998 767.12 |
| Spanish Gvt Bond 30/07/2011 - 5.4% | 100 000 | 1 000.00 | 1 122.10 | 1 122.10 | 114 509 450.54 |
| Spanish Gvt Bond 31/01/2029 - 6% | 601 012 100 | 0.01 | 0.01 | 0.01 | 7 922 613.43 |
| Other securities | | | | | 129 440 160.02 |
| Certificados da Dívida do Gov. de Macau | 1 129 440 160.02 | 129 440 160.02 | | | 129 440 160.02 |
| Foreign financial entities | | | | | 99 650 835.52 |
| Medium and long term maturity | | | | | 99 650 835.52 |
| Bonds | | | | | 99 650 835.52 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--------------------------------------|-----------|--------------------|--------------------|-------------------|-------------------------------|
| BEI 15/03/2005 | 4 616 600 | 4.99 | 4.99 | 4.99 | 23 059 667.91 |
| Eurofima 16/07/2007 | 100 000 | 4.99 | 5.01 | 5.01 | 506 818.12 |
| Eurofima 23/08/2006 Frn | 500 | 2 582.28 | 2 569.37 | 2 569.37 | 1 294 045.67 |
| Int Americ 26/09/2007 | 48 250 | 498.80 | 502.06 | 502.06 | 24 378 307.99 |
| Invest. Grade Eur. 89 24/10/2007 | 500 | 100 000.00 | 100 401.20 | 100 401.20 | 50 411 995.83 |
| Other non-resident entities | | | | | 1 156 500 715.81 |
| Short term maturity | | | | | 15 082 712.05 |
| Cash bonds | | | | | 15 037 320.88 |
| BCP Finance 06/02/2009 Frn | 10 000 | 1 000.00 | 999.33 | 999.33 | 10 028 008.74 |
| BES Finance 27/06/2007 Frn | 5 000 | 1 000.00 | 1 001.53 | 1 001.53 | 5 009 312.14 |
| Certificates of Deposits | | | | | 45 391.17 |
| CDB Unibanco | | | 45 362.40 | | 45 391.17 |
| Medium and long term maturity | | | | | 1 141 418 003.76 |
| Other bonds | | | | | 1 141 418 003.76 |
| ACHM HYP 18/05/2006 | 5 000 | 1 000.00 | 1 000.91 | 1 000.91 | 5 018 730.50 |
| Alliance & Leic Plc 12/08/2008 Frn | 10 000 | 1 000.00 | 1 000.92 | 1 000.92 | 10 041 402.41 |
| Alliance & Leic Plc 14/09/2009 Frn | 4 000 | 1 000.00 | 998.15 | 998.15 | 3 997 146.00 |
| Allmeric G Fund 25-04-2005 5.52% | 5 000 | 1 000.00 | 990.90 | 990.90 | 5 144 295.26 |
| Alpha Credit Grp 08/06/2007 Frn | 6 000 | 1 000.00 | 1 000.04 | 1 000.04 | 6 009 919.18 |
| Alpha Credit Grp 16/11/2009 Frn | 5 000 | 1 000.00 | 996.40 | 996.40 | 4 997 473.89 |
| Anglo Irish Bk C 11/07/2005 Frn | 10 000 | 1 000.00 | 1 000.21 | 1 000.21 | 10 054 439.99 |
| Arena 2004-I Bv 20/02/2012 Frn C | 4 | 500 000.00 | 509 500.00 | 509 500.00 | 2 045 907.50 |
| Arena 2004-II Bv 17/10/2051 Frn D | 7 | 500 000.00 | 500 000.00 | 500 000.00 | 3 525 642.17 |
| Argent G F 11/07/2007 | 1 000 | 498.80 | 497.92 | 497.92 | 503 753.36 |
| Argent G F 27/02/2007 | 12 500 | 498.80 | 527.76 | 527.76 | 6 914 452.99 |
| Argent G F 20/11/2007 Frn | 270 | 3 701.03 | 3 783.87 | 3 783.87 | 1 025 588.26 |
| Athlon Securitizat1B13V | 3 000 | 1 000.00 | 1 010.80 | 1 010.00 | 3 032 412.00 |
| B Safra 29/05/2006 | 5 000 | 498.80 | 487.33 | 487.33 | 2 448 092.82 |
| Banca Intesa Spa 10/05/2011 Frn | 5 000 | 1 000.00 | 1 000.20 | 1 000.20 | 5 017 875.07 |
| Banca Intesa Spa 23/04/2008 Frnb | 5 000 | 1 000.00 | 1 003.01 | 1 003.01 | 5 037 366.86 |
| Banca Pop Verona 14/05/2009 Frn | 400 | 10 000.00 | 9 997.11 | 9 997.11 | 4 010 971.67 |
| Banca Pop Verona 14/10/2008 Frn | 5 000 | 1 000.00 | 999.87 | 999.87 | 5 023 279.46 |
| Bancaja Int Fin 22/01/2007 Frn | 50 | 100 000.00 | 100 166.98 | 100 166.98 | 5 031 463.19 |
| Bancaja 21/08/2017 Frn Class B | 100 | 100 000.00 | 101 500.00 | 101 500.00 | 10 181 400.00 |
| Bancaja Cavale 27/02/2009 Frn | 500 | 10 000.00 | 9 990.00 | 9 990.00 | 5 005 546.25 |
| Bancaja Int Fin 22/01/2008 Frn | 100 | 100 000.00 | 100 154.16 | 100 154.16 | 10 061 644.79 |
| Banco Bpi S.A Cayman 15/01/2007 Frn | 15 000 | 1 000.00 | 999.96 | 999.96 | 15 073 215.95 |
| Banco Bpi S.A Cayman 15/04/2009 Frn | 5 000 | 1 000.00 | 1 000.00 | 1 000.00 | 5 025 165.83 |
| Banque Fed Cr Mut 03/03/2011 Frn | 50 | 100 000.00 | 99 910.00 | 99 910.00 | 5 004 860.56 |
| Banque Psa Fin 16/07/2007 Frn | 3 000 | 1 000.00 | 1 001.69 | 1 001.69 | 3 020 052.90 |
| Banquo 0004 31/10/2009 Frn | 1 500 | 10 000.00 | 10 034.30 | 10 034.30 | 15 126 714.66 |
| Bat Intl Fin03/04/2006 Frn | 3 000 | 1 000.00 | 1 007.00 | 1 007.00 | 3 042 985.33 |
| Bayer Lb Giroz 09/03/2009 4.3% | 2 000 | 1 000.00 | 1 030.20 | 1 030.20 | 2 130 613.70 |
| Bes Finance Ltd 12/02/2009 Frn | 10 000 | 1 000.00 | 999.00 | 999.00 | 10 022 236.11 |
| Bluestone Sec B 09/03/2046 Frn | 100 | 14 183.39 | 14 183.39 | 14 183.39 | 1 420 303.14 |
| Bradford & Bingley 28/01/2009 | 10 000 | 1 000.00 | 997.86 | 997.86 | 10 020 075.07 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|--------|--------------------|--------------------|-------------------|-------------------------------|
| British American Tobacco | | | | | |
| Intl Finance 03/04/2006 | 5 850 | 1 000.00 | 1 014.12 | 1 006.70 | 5 932 582.50 |
| Byzantium Fin 11/10/2032 Cl 1B | 4 | 500 000.00 | 504 900.00 | 504 900.00 | 2 032 264.44 |
| Caisse Cent Cred Im 29/01/2007 | 1 000 | 10 000.00 | 10 011.13 | 10 011.13 | 10 052 394.92 |
| Caixa Finance Bv 10/07/2008 Frn | 200 | 100 000.00 | 99 992.76 | 99 992.76 | 20 101 051.80 |
| Caja Lab Fin 24/07/2006 Frn | 3 000 | 1 000.00 | 1 000.32 | 1 000.32 | 3 013 967.18 |
| Cam Global Finan. 15/03/2007 Frn | 5 000 | 1 000.00 | 1 001.46 | 1 001.46 | 5 012 926.48 |
| Cam Global Finan. 30/01/2008 Frn | 500 | 10 000.00 | 10 012.95 | 10 012.95 | 5 027 328.88 |
| Capitalia Spa 26/06/2006 Frn | 5 000 | 1 000.00 | 1 001.22 | 1 001.22 | 5 007 803.29 |
| Cassa Resp. Rimini 12/03/2009 | 8 000 | 1 000.00 | 998.43 | 998.43 | 7 997 446.67 |
| Cellular Tel.25/01/2007 6.375% | 10 000 | 1 000.00 | 1 070.11 | 1 070.11 | 11 296 796.72 |
| Cemg-Cayman Mog 26/11/2008 Frn | 1 000 | 10 000.00 | 10 018.92 | 10 018.92 | 10 043 683.40 |
| Cimpor Fin.Op.27/05/2011- 4.5% | 2 000 | 1 000.00 | 1 030.30 | 1 030.30 | 2 114 600.00 |
| Citicorp 28/09/2007 | 250 | 4 987.98 | 5 007.93 | 5 007.93 | 1 260 422.00 |
| Claris/Millesime 24V | 2 000 | 1 000.00 | 986.08 | 983.50 | 1 972 156.67 |
| Cofinoga SA 04/05/2011 FRN | 5 000 | 1 000.00 | 997.80 | 997.80 | 5 007 954.72 |
| Coventry Bdg 26/09/2008 Frn | 3 000 | 1 000.00 | 1 001.12 | 1 001.12 | 3 004 341.16 |
| Cx Catalunya Int 12/08/2008 Frn | 10 000 | 1 000.00 | 1 000.85 | 1 000.85 | 10 041 410.31 |
| Daimler Chrysler Us 11F | 3 000 | 1 000.00 | 1 022.26 | 1 011.90 | 3 066 789.04 |
| Daimler Chrysler 02/07/2007 Frn | 6 500 | 1 000.00 | 1 003.00 | 1 003.00 | 6 561 280.56 |
| Daimler Chrysler 04/10/2011 - 4.25% | 7 000 | 1 000.00 | 1 011.80 | 1 011.80 | 7 155 141.10 |
| Daimler Chrysler 05/12/2005 | 30 | 100 000.00 | 101 022.70 | 100 790.00 | 3 030 681.00 |
| Delhinus 2004-I Bv 25/01/2009 C | 5 | 500 000.00 | 508 900.00 | 508 900.00 | 2 559 587.50 |
| Den Norske Bank 22/01/2008 Frn | 100 | 100 000.00 | 100 065.06 | 100 065.06 | 10 051 256.12 |
| Deutsche Tel. Fin 11/07/2011 - 7.12% | 10 000 | 1 000.00 | 1 182.30 | 1 182.30 | 12 162 657.53 |
| Deutsche Tel. Int Fin 29/05/2007 - 7.5% | 5 000 | 1 000.00 | 1 104.11 | 1 104.11 | 5 743 495.21 |
| Deutsche Mortgage Port. Loan | | | | | |
| IV C 20/05/2011 Frn | 18 | 500 000.00 | 503 900.00 | 503 900.00 | 9 101 238.00 |
| Ebs Building Soc. 11/06/2007 Frn | 300 | 10 000.00 | 10 001.00 | 10 001.00 | 3 004 012.92 |
| Edison Spa 19/07/2011 Frn | 5 000 | 1 000.00 | 1 012.30 | 1 012.30 | 5 089 722.78 |
| EFG Hellas Plc 10/10/2008 Frn | 7 000 | 1 000.00 | 1 002.02 | 1 002.02 | 7 054 035.10 |
| EGG Banking Plc 08/11/2006 Frn b | 5 000 | 1 000.00 | 999.10 | 999.10 | 5 013 582.50 |
| ERAP 25/04/2008 - 3.375% | 50 000 | 1 000.00 | 1 017.47 | 1 017.47 | 52 033 945.21 |
| Erste Oest Spark 28/03/2008 Frn | 15 000 | 1 000.00 | 1 000.84 | 1 000.84 | 15 016 493.05 |
| Fin Danish Ind 28/05/2008 Frn | 10 000 | 1 000.00 | 1 000.21 | 1 000.21 | 10 023 379.57 |
| Findomestic Banca 11/06/2008 Frn | 60 | 50 000.00 | 50 015.00 | 50 015.00 | 3 004 612.92 |
| Ford Credit Austral | 1 000 | 1 000.00 | 1 018.06 | 1 008.90 | 1 018 061.77 |
| Ford Credit Austral 05/01/2007 Frn | 10 000 | 1 000.00 | 1 006.00 | 1 006.00 | 10 151 617.78 |
| Fortum Oyj 19/11/2013 - 5% | 5 000 | 1 000.00 | 1 071.52 | 1 071.52 | 5 387 052.05 |
| France Telecom 28/01/2013 - 7.25% | 10 000 | 1 000.00 | 1 216.60 | 1 216.60 | 12 837 516.39 |
| Freddie Mac 15/01/2012 - 5.125% | 30 000 | 1 000.00 | 1 100.59 | 1 100.59 | 34 496 388.52 |
| Fres 2004-2 27/12/2043 Frn D | 8 | 250 000.00 | 249 995.12 | 249 995.12 | 2 000 802.08 |
| Gallaher Grp 10/06/2011 - 4.625% | 7 000 | 1 000.00 | 1 043.50 | 1 043.50 | 7 486 332.19 |
| Gama Receivablesfs11V | 5 000 | 1 000.00 | 1 000.70 | 1 000.00 | 5 003 498.75 |
| Gen. Motors Accep 14/09/2007 Frn | 1 000 | 1 000.00 | 976.50 | 976.50 | 977 961.50 |
| Gen. Motors Accep 30/06/2009 Frn | 10 000 | 1 000.00 | 967.00 | 967.00 | 9 671 905.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|---------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Gen. Motors Float Jul 05 | 5 000 | 1 000.00 | 1 014.53 | 1 005.00 | 5 072 642.23 |
| Granities Mtg Plc 20/06/2011 2C | 10 | 500 000.00 | 502 600.00 | 502 600.00 | 5 030 958.33 |
| Granities Mtg Plc 20/07/2010 Frn | 5 000 | 1 000.00 | 1 035.60 | 1 035.60 | 5 215 463.19 |
| Granities Mtg Plc 20/09/2044 Frn 2C | 6 000 | 1 000.00 | 1 000.09 | 1 000.09 | 6 006 498.03 |
| Hipocat 7 15/01/2036 Frn - D | 35 | 100 000.00 | 100 010.46 | 100 010.46 | 3 522 721.65 |
| Holcim Fin Lux 09/12/2014 - 4.375% | 5 000 | 1 000.00 | 1 010.70 | 1 010.70 | 5 067 284.25 |
| Ibercaja 29/05/2006 Frn | 10 000 | 1 000.00 | 999.94 | 999.94 | 10 020 216.03 |
| lkb Deut Indust 12/11/2008 Frn | 10 000 | 1 000.00 | 1 001.79 | 1 001.79 | 10 050 183.96 |
| Imp Tobacco Fin 06/06/2005 - 5.75% | 3 000 | 1 000.00 | 1 013.51 | 1 013.51 | 3 139 303.97 |
| Imp Tobacco Fin 06/06/2007 - 6.25% | 5 000 | 1 000.00 | 1 073.60 | 1 073.60 | 5 546 938.36 |
| Irish Life & Perm 22/09/2006 Frn | 5 000 | 1 000.00 | 1 001.01 | 1 001.01 | 5 008 256.37 |
| JP Morgan 9717 | 2 | 100 000.00 | 181 000.00 | 181 000.00 | 451 412.10 |
| Jyske Bank A/S 10/03/2008 Frn | 5 500 | 1 000.00 | 1 001.36 | 1 001.36 | 5 515 344.15 |
| Kaupthing Bank Hf 27/11/2006 Frn | 5 000 | 1 000.00 | 1 001.48 | 1 001.48 | 5 018 270.68 |
| KFW 04/07/2011 - 5% | 50 000 | 1 000.00 | 1 096.88 | 1 096.88 | 56 083 726.03 |
| KFW 04/07/2012 - 5.25% | 70 000 | 1 000.00 | 1 116.29 | 1 116.29 | 79 962 697.26 |
| KFW 04/01/2009 - 5% | 3 000 000 000 | 0.01 | 0.01 | 0.01 | 33 806 404.92 |
| KFW 04/07/2013 - 3.875% | 50 000 | 1 000.00 | 1 020.98 | 1 020.98 | 52 009 787.67 |
| KFW 25/04/2008 - 3.25% | 44 000 | 1 000.00 | 1 013.69 | 1 013.69 | 45 585 729.86 |
| Kfw Int Fin 13/02/2007 | 450 000 | 4.99 | 5.00 | 5.00 | 2 254 357.12 |
| KPN Nv 21/07/2009 Frn | 4 000 | 1 000.00 | 1 005.60 | 1 005.60 | 4 042 752.00 |
| Lafarge, SA 04/12/2013 - 5.448% | 10 639 044 | 1.00 | 1.09 | 1.09 | 11 667 619.19 |
| Landsbanki Inslan 29/10/2007 | 5 000 | 1 000.00 | 1 001.28 | 1 001.28 | 5 027 695.10 |
| Locat Securi Vehi24V | 3 000 | 1 000.00 | 1 001.74 | 1 000.00 | 3 005 213.33 |
| Lvmh - Moet H. 01/07/2011 - 4.625% | 4 000 | 1 000.00 | 1 047.20 | 1 047.20 | 4 282 060.27 |
| Lvmh - Moet H. 29/04/2010 - 5% | 3 000 | 1 000.00 | 1 066.90 | 1 066.90 | 3 302 206.85 |
| Metro Ag 07/10/2009 | 4 475 | 1 000.00 | 1 006.59 | 1 000.50 | 4 504 487.02 |
| Metro Ag 13/02/2008 - 5.1255% | 5 000 | 1 000.00 | 1 057.40 | 1 057.40 | 5 513 144.13 |
| Metro Fin Bv 26/05/2011 - 4.625% | 5 000 | 1 000.00 | 1 038.01 | 1 038.01 | 5 329 433.56 |
| Minicentrales34F | 50 | 200 000.00 | 205 921.83 | 205 040.00 | 10 296 091.67 |
| Monte Dei Paschi 18/12/2008 Frn | 5 000 | 1 000.00 | 1 001.14 | 1 001.14 | 5 009 562.28 |
| Morgan Stanley 06/02/2007 | 24 750 | 498.80 | 500.06 | 500.06 | 12 496 976.86 |
| Nationwide Bldg 03/11/2008 Frn | 5 000 | 1 000.00 | 999.55 | 999.55 | 5 016 430.70 |
| Northern Rock Plc 05/03/2007 | 5 000 | 1 000.00 | 1 000.73 | 1 000.73 | 5 012 356.33 |
| Olivetti Fin 24/01/2008 - 5.875% | 10 000 | 1 000.00 | 1 077.01 | 1 077.01 | 11 320 680.60 |
| Permanent Fin Plc 10/06/2042 4C | 10 | 500 000.00 | 510 800.00 | 510 800.00 | 5 118 236.11 |
| Pt Int 07/04/2009 - 4.625% | 2 500 | 1 000.00 | 1 053.30 | 1 053.30 | 2 718 464.04 |
| Quartz Ireland Plc07V | 2 000 | 1 000.00 | 1 001.13 | 1 000.00 | 2 002 257.67 |
| Repsol Int Fin 08/10/2014 - 4.625% | 5 000 | 1 000.00 | 1 023.71 | 1 023.71 | 5 172 402.74 |
| Repsol Int Fin 22/07/2013 - 5% | 350 | 10 000.00 | 10 594.00 | 10 594.00 | 3 786 050.68 |
| Res Mrtg Sec 14 10/06/2036 M2 | 200 | 10 000.00 | 10 100.00 | 10 100.00 | 2 024 424.44 |
| Res Mrtg Sec 18 14/11/2037 M2C | 80 | 50 000.00 | 50 004.51 | 50 004.51 | 4 015 881.09 |
| RFF 14/04/2010 - 5.25% | 6 806 703 | 1.00 | 1.10 | 1.10 | 7 726 186.01 |
| RMAC 2004-NS3X M2 12/12/2036 Frn | 100 | 14 183.39 | 14 183.39 | 14 183.39 | 1 422 432.93 |
| Rur Hip Fon Tit 17/10/2036 Frn C | 50 | 100 000.00 | 100 013.06 | 100 013.06 | 5 032 913.48 |
| S George Bank 30/06/2008 Frn | 10 000 | 1 000.00 | 1 000.41 | 1 000.41 | 10 005 405.59 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|---------|--------------------|--------------------|-------------------|-------------------------------|
| Sabadel Int Fin 12/11/2008 Frn | 10 000 | 1 000.00 | 1 000.48 | 1 000.48 | 10 036 884.97 |
| Saecure 3 Bv 25/11/2070 Frn - C | 10 | 500 000.00 | 508 500.00 | 508 500.00 | 5 102 097.08 |
| Saecure Bv 25/08/2011 Frn 4D | 8 | 500 000.00 | 504 600.00 | 504 600.00 | 4 049 038.78 |
| San Paolo Imi 25/02/2011 Frn | 5 000 | 1 000.00 | 1 001.30 | 1 001.30 | 5 018 458.19 |
| Siena Mtg 03-4 Srl 16/03/2011 C | 300 | 10 000.00 | 10 259.00 | 10 259.00 | 3 082 200.00 |
| Sns Bank 06/10/2011 Frn | 500 | 10 000.00 | 9 989.00 | 9 989.00 | 5 022 883.75 |
| Sogerim 20/04/2011 Scn | 7 000 | 1 000.00 | 1 178.70 | 1 178.70 | 8 606 845.21 |
| St George Bank 10/08/2009 Frn | 5 000 | 1 000.00 | 999.10 | 999.10 | 5 012 248.33 |
| Stich Memphis 21/07/2045 Class B | 8 | 500 000.00 | 504 492.00 | 504 492.00 | 4 058 848.00 |
| Storm 2003 Bv 22/12/2010 Frn C | 10 | 500 000.00 | 507 000.00 | 507 000.00 | 5 073 898.61 |
| Tpsa Eurof Bv 01/03/2006 6.625% | 5 000 | 1 000.00 | 1 045.12 | 1 045.12 | 5 503 305.48 |
| UCI 11 15/09/2041 C Frn | 30 | 100 000.00 | 100 000.00 | 100 000.00 | 3 009 753.33 |
| Union Bk Norway 04/07/2008 Frn | 10 000 | 1 000.00 | 1 000.72 | 1 000.72 | 10 063 406.01 |
| Union Feno Fin 09/12/2010 - 5% | 40 | 100 000.00 | 106 920.00 | 106 920.00 | 4 289 402.74 |
| Union Feno Fin 26/06/2007 - 5.875% | 50 | 100 000.00 | 106 902.00 | 106 902.00 | 5 497 206.16 |
| Veolia Env. 28/05/2013 - 4.875% | 10 000 | 1 000.00 | 1 065.20 | 1 065.20 | 10 943 164.38 |
| Vivendi Environ 27/06/2008 - 5.875% | 10 000 | 1 000.00 | 1 088.51 | 1 088.51 | 11 187 702.74 |
| Yorkshire Blg Soc 26/09/2007 Frn | 5 000 | 1 000.00 | 1 000.46 | 1 000.46 | 5 003 895.02 |
| Variable-yield secur. issued by resident entities | | | | | 52 058 403.82 |
| Equities | | | | | 12 178 396.93 |
| Banco Comercial Português, SA | 250 000 | 1.00 | 1.89 | 1.89 | 472 500.00 |
| Banco Comercial Português, SA | 63 112 | 1.00 | 1.72 | 1.89 | 119 281.68 |
| Banco Espírito Santo Nom | 21 000 | 5.00 | 13.30 | 13.30 | 279 300.00 |
| Banco Espírito Santo, SA | 5 704 | 5.00 | 12.97 | 13.30 | 75 863.20 |
| BPI, SGPS, SA | 18 058 | 1.00 | 2.78 | 2.98 | 53 812.84 |
| BPI, SGPS, SA | 50 000 | 1.00 | 2.98 | 2.98 | 149 000.00 |
| Brisa Privatização | 25 000 | 1.00 | 6.75 | 6.75 | 168 750.00 |
| Brisa-Auto Estradas de Portugal | 11 795 | 1.00 | 5.35 | 6.75 | 79 616.25 |
| Brisa-Auto Estradas de Portugal | 141 548 | 1.00 | 5.21 | 6.75 | 955 449.00 |
| Cimentos de Portugal, SGPS, SA | 6 929 | 5.00 | 3.98 | 4.15 | 28 755.35 |
| Cimentos de Portugal, SGPS, SA | 91 518 | 5.00 | 3.62 | 4.15 | 379 799.70 |
| Cimpor | 98 328 | 1.00 | 4.15 | 4.15 | 408 061.20 |
| Cofina, SGPS, SA | 6 000 | 0.50 | 3.64 | 3.64 | 21 840.00 |
| Cofina, SGPS, SA | 1 104 | 0.50 | 2.63 | 3.64 | 4 018.56 |
| Corticeira Amorim, SA | 3 171 | 1.00 | 1.14 | 1.06 | 3 361.26 |
| EDP-Electricidade de Portugal, SA | 580 000 | 1.00 | 2.23 | 2.23 | 1 293 400.00 |
| EDP-Electricidade de Portugal, SA | 250 000 | 1.00 | 2.23 | 2.23 | 557 500.00 |
| EDP-Electricidade de Portugal, SA | 49 291 | 1.00 | 2.10 | 2.23 | 109 918.93 |
| EDP-Electricidade de Portugal, SA | 10 844 | 1.00 | 2.10 | 2.23 | 24 182.12 |
| Empresa Produtora de Celulose, SA | 4 845 | 4.99 | 1.36 | 1.43 | 6 928.35 |
| Empresa Produtora de Celulose, SA | 205 404 | 4.99 | 1.54 | 1.43 | 293 727.72 |
| Gescartão | 5 000 | 5.00 | 10.60 | 10.60 | 53 000.00 |
| Gescartão | 154 | 5.00 | 8.40 | 10.60 | 1 632.40 |
| Impresa | 1 197 | 1.00 | 3.58 | 5.80 | 6 942.60 |
| Jerónimo Martins, SGPS, SA | 10 000 | 5.00 | 9.70 | 9.70 | 97 000.00 |
| Jerónimo Martins, SGPS, SA | 3 000 | 5.00 | 9.70 | 9.70 | 29 100.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|---------|-----------------------|-----------------------|----------------------|----------------------------------|
| Jerónimo Martins, SGPS, SA | 1 196 | 5.00 | 8.16 | 9.70 | 11 601.20 |
| Novabase, SGPS, SA | 5 182 | 0.50 | 6.27 | 6.27 | 32 491.14 |
| Novabase, SGPS, SA | 17 693 | 0.50 | 5.90 | 6.27 | 110 935.11 |
| Pararede, SGPS, SA | 3 030 | 1.00 | 0.30 | 0.37 | 1 121.10 |
| Portugal Telecom, SA | 160 000 | 1.00 | 9.10 | 9.10 | 1 456 000.00 |
| Portugal Telecom, SA | 17 733 | 1.00 | 7.50 | 9.10 | 161 370.30 |
| Portugal Telecom, SA | 57 000 | 1.00 | 7.04 | 9.10 | 518 700.00 |
| Portugal Telecom, SA | 45 660 | 1.00 | 8.91 | 9.10 | 415 506.00 |
| Pt Multimédia | 44 000 | 0.00 | 18.49 | 18.49 | 813 560.00 |
| Pt Multimédia | 1 491 | 0.50 | 15.54 | 18.49 | 27 568.59 |
| Pt Multimédia | 35 000 | 0.50 | 18.49 | 18.49 | 647 150.00 |
| Semapa, SGPS | 64 356 | 1.00 | 4.10 | 4.10 | 263 859.60 |
| Semapa, SGPS | 1 124 | 1.00 | 3.39 | 4.10 | 4 608.40 |
| Sonae, SGPS, SA | 150 000 | 1.00 | 1.07 | 1.07 | 160 500.00 |
| Sonae, SGPS, SA | 38 018 | 1.00 | 0.72 | 1.07 | 40 679.26 |
| Sonae, SGPS, SA | 720 000 | 1.00 | 0.96 | 1.07 | 770 400.00 |
| Sonae, SGPS, SA | 782 241 | 1.00 | 0.64 | 1.07 | 836 997.87 |
| Sonae, Com, SGPS, SA | 1 344 | 1.00 | 2.42 | 3.80 | 5 107.20 |
| Telecom | 25 000 | 1.00 | 9.10 | 9.10 | 227 500.00 |
| Trust fund units | | | | | 39 880 006.89 |
| Caixagest Acções Eua (Caixeua) | 812 112 | 4.99 | 3.05 | 3.02 | 2 453 958.83 |
| Caixagest Acções Eua (Caixeua) | 773 022 | 4.99 | 2.99 | 3.02 | 2 335 840.58 |
| Caixagest Acções Europa | 345 918 | 4.99 | 7.37 | 7.85 | 2 716 632.42 |
| Caixagest Acções Europa | 684 543 | 4.99 | 7.42 | 7.85 | 5 375 990.00 |
| Caixagest Acções Europa | 32 270 | 4.99 | 7.75 | 7.85 | 253 429.22 |
| Caixagest Acções Europa | 301 966 | 4.99 | 7.76 | 7.85 | 2 371 459.78 |
| Caixagest Acções Japão | 907 236 | 4.99 | 2.55 | 2.58 | 2 343 481.31 |
| Caixagest Acções Oriente | 808 610 | 4.99 | 2.95 | 3.19 | 2 575 665.43 |
| Caixagest Acções Portugal | 221 893 | 4.99 | 12.56 | 15.38 | 3 412 825.29 |
| Caixagest Acções Portugal | 360 307 | 4.99 | 14.08 | 15.38 | 5 541 701.81 |
| Caixagest Acções Portugal | 16 803 | 4.99 | 14.88 | 15.38 | 258 438.54 |
| Caixagest Acções Portugal | 167 953 | 4.99 | 14.08 | 15.38 | 2 583 201.12 |
| Caixagest Moeda | 461 915 | 4.99 | 5.44 | 5.37 | 2 481 268.81 |
| Caixagest Multivalor | 297 377 | 4.99 | 8.49 | 8.81 | 2 620 813.24 |
| Caixagest Obrigações Euro | 379 378 | 4.99 | 6.64 | 6.74 | 2 555 300.52 |
| Variable-yield secur. issued by resident entities | | | | | 40 367 496.27 |
| Equities | | | | | 40 367 496.27 |
| ABB LTD | 60 000 | 0.65 | 4.12 | 4.12 | 246 937.59 |
| Abn Amro Holding Nv | 22 089 | 0.56 | 17.52 | 19.49 | 430 514.61 |
| ACCOR, SA | 4 856 | 1.00 | 32.21 | 32.21 | 156 411.76 |
| Adidas-Salomon Ag | 1 500 | 1.00 | 118.75 | 118.75 | 178 125.00 |
| Aegon Nv | 2 500 | 1.00 | 10.03 | 10.03 | 25 075.00 |
| Air Liquide | 25 000 | 1.00 | 136.00 | 136.00 | 3 400 000.00 |
| Alcatel | 70 000 | 1.00 | 11.45 | 11.45 | 801 500.00 |
| Alcoa Inc | 10 000 | 0.73 | 23.18 | 23.18 | 231 774.47 |
| Allianz Ag | 1 000 | 1.00 | 97.60 | 97.60 | 97 600.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---------------------------------------|--------|-----------------------|-----------------------|----------------------|----------------------------------|
| Altana Ag (Altg.De) | 16 900 | | 49.00 | 46.51 | 786 019.00 |
| American International Group Inc | 2 500 | 0.73 | 48.18 | 48.18 | 120 457.38 |
| Anglo American Plc | 21 000 | 1.42 | 17.42 | 17.42 | 365 728.53 |
| Arcelor | 10 000 | 1.00 | 16.97 | 16.97 | 169 700.00 |
| Asml Holding Nv | 10 000 | 1.00 | 11.81 | 11.81 | 118 100.00 |
| Aventis Sa (Ave Fp) | 18 672 | 3.82 | 51.95 | 68.60 | 1 280 899.20 |
| AXA | 5 000 | 1.00 | 18.18 | 18.18 | 90 900.00 |
| AXA | 33 062 | 1.00 | 17.60 | 18.18 | 601 067.16 |
| Bae Systems Plc | 75 000 | 1.42 | 3.27 | 3.27 | 245 195.38 |
| Banco Bilbao Vizcaya Argentaria | 38 043 | 0.49 | 10.08 | 13.05 | 496 461.15 |
| Banco Santander Central Hispano | 50 507 | 0.50 | 8.05 | 9.13 | 461 128.91 |
| Basf Ag | 2 000 | 1.00 | 53.00 | 53.00 | 106 000.00 |
| Bayer Ag | 6 000 | 1.00 | 24.94 | 24.94 | 149 640.00 |
| Bhp Billiton Plc | 35 000 | 1.42 | 8.66 | 8.66 | 303 063.61 |
| Bmw Ag | 9 000 | 1.00 | 33.20 | 33.20 | 298 800.00 |
| Bnp Paribas | 2 000 | 1.00 | 53.30 | 53.30 | 106 600.00 |
| Bnp Paribas | 8 498 | 1.00 | 46.65 | 53.30 | 452 943.40 |
| Carrefour | 6 000 | 1.00 | 35.04 | 35.04 | 210 240.00 |
| Caterpillar | 2 500 | 0.73 | 71.76 | 71.76 | 179 410.47 |
| Coca-Cola Co/The | 7 500 | 0.73 | 30.56 | 30.56 | 229 223.26 |
| Commerzbank | 2 000 | 1.00 | 15.16 | 15.16 | 30 320.00 |
| Compagnie De Saint-Gobain | 1 024 | 1.00 | 44.32 | 44.32 | 45 383.68 |
| Credit Agricole, SA | 2 000 | 1.00 | 22.20 | 22.20 | 44 400.00 |
| Danone | 4 000 | 1.00 | 67.95 | 67.95 | 271 800.00 |
| Deutsche Bank | 5 000 | 1.00 | 65.32 | 65.32 | 326 600.00 |
| Dexia | 34 304 | | 13.86 | 16.92 | 580 423.68 |
| Endesa | 5 000 | 1.00 | 17.29 | 17.29 | 86 450.00 |
| Enel | 5 000 | 1.00 | 7.23 | 7.23 | 36 155.00 |
| Essilor International | 24 008 | 1.00 | 43.70 | 57.65 | 1 384 061.20 |
| European Aeronautic Defense | 60 000 | 1.00 | 21.39 | 21.39 | 1 283 400.00 |
| Fresenius Medical Care (Fme Gr) | 17 321 | | 53.78 | 59.21 | 1 025 576.41 |
| General Motors Corporation | 5 000 | 0.73 | 29.47 | 29.47 | 147 346.01 |
| Grupo Auxiliar Metalurgico (Ex Split) | 15 000 | 1.00 | 10.30 | 10.30 | 154 500.00 |
| Hewlett-Packard Company | 5 000 | 0.73 | 15.51 | 15.51 | 77 564.06 |
| Honeywell International Inc | 5 000 | 0.73 | 26.07 | 26.07 | 130 350.19 |
| Inditex | 3 500 | 1.00 | 21.70 | 21.70 | 75 950.00 |
| Intel - Electronic Compo-Semicon | 5 000 | 0.73 | 17.17 | 17.17 | 85 860.07 |
| Jp Morgan Chase & Co. | 2 500 | 0.73 | 28.68 | 28.68 | 71 709.13 |
| L'Oreal | 4 000 | 1.00 | 55.85 | 55.85 | 223 400.00 |
| L.V.M.H. | 5 000 | 1.00 | 56.35 | 56.35 | 281 750.00 |
| Lafarge, SA | 15 000 | 1.00 | 71.00 | 71.00 | 1 065 000.00 |
| Lvmh Moet Hennessy Louis Vuitton | 9 845 | | 56.96 | 56.35 | 554 765.75 |
| Merck Co | 5 000 | 0.73 | 23.71 | 23.71 | 118 566.92 |
| Merck Kgaa (Mrk Gr) | 31 546 | | 34.57 | 50.62 | 1 596 858.52 |
| Metro Ag | 3 000 | 1.00 | 40.49 | 40.49 | 121 470.00 |
| Microsoft Corporation | 5 000 | 0.73 | 19.70 | 19.70 | 98 491.30 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-----------|-----------------------|-----------------------|----------------------|----------------------------------|
| Minnesota Mining Manufacturing | 5 000 | 0.73 | 60.63 | 60.63 | 303 134.87 |
| Nokia | 30 000 | 1.00 | 11.62 | 11.62 | 348 600.00 |
| Omega Pharma Sa (Ome Bb) | 33 273 | | 29.20 | 35.25 | 1 172 873.25 |
| Peugeot, SA | 5 000 | 1.00 | 46.70 | 46.70 | 233 500.00 |
| Pfizer Inc | 15 000 | 0.73 | 19.70 | 19.70 | 295 573.01 |
| Philips Nv | 13 500 | 1.00 | 19.51 | 19.51 | 263 385.00 |
| Porsche | 195 | | 525.49 | 469.50 | 91 552.50 |
| Procter & Gamble Co | 5 000 | 0.73 | 40.59 | 40.59 | 202 958.67 |
| Qiagen Nv (Qia Gr) | 87 986 | | 9.15 | 8.05 | 708 287.30 |
| Renault, SA | 9 000 | 1.00 | 61.55 | 61.55 | 553 950.00 |
| Repsol Ypf | 5 000 | 1.00 | 19.16 | 19.16 | 95 800.00 |
| Rio Tinto Plc | 16 550 | 1.42 | 21.74 | 21.74 | 359 848.95 |
| Rolls-Royce Group Plc | 40 000 | 1.42 | 3.50 | 3.50 | 140 131.91 |
| Royal Dutch Petroleum | 5 000 | 1.00 | 42.35 | 42.35 | 211 750.00 |
| Sanofi - Synthelabo, SA | 16 521 | 1.00 | 54.54 | 58.80 | 971 434.80 |
| Sanofi - Synthelabo | 3 500 | 1.00 | 58.80 | 58.80 | 205 800.00 |
| Sap Ag | 4 000 | 1.00 | 131.40 | 131.40 | 525 600.00 |
| Schering Ag | 2 186 | 1.00 | 55.01 | 55.01 | 120 251.86 |
| Schering Ag | 23 455 | | 44.46 | 55.01 | 1 290 259.55 |
| Siemens N | 3 000 | 1.00 | 62.38 | 62.38 | 187 140.00 |
| Société Générale | 6 308 | 1.25 | 64.40 | 74.45 | 469 630.60 |
| Sothebys Holdings | 6 484 | 0.10 | 16.37 | 18.29 | 87 065.82 |
| St Microelectronics Nv | 15 000 | 1.00 | 14.35 | 14.35 | 215 250.00 |
| Stora Enso Oyj | 25 000 | 1.00 | 11.27 | 11.27 | 281 750.00 |
| Telefonica | 50 000 | 1.00 | 13.86 | 13.86 | 693 000.00 |
| Thales, SA | 10 000 | 1.00 | 35.32 | 35.32 | 353 200.00 |
| Thyssenkrupp | 5 000 | 1.00 | 16.20 | 16.20 | 81 000.00 |
| Tiffany & Co | 2 967 | 0.00 | 35.07 | 32.01 | 69 725.92 |
| Total Fina Elf | 1 000 | 1.00 | 160.70 | 160.70 | 160 700.00 |
| Ubs Ag | 1 475 | 0.80 | 94.05 | 95.35 | 91 153.83 |
| Ubs Ag | 5 172 | 0.80 | 87.55 | 95.35 | 319 625.51 |
| Unicredito Italiano Spa | 91 326 | 0.50 | 4.13 | 4.23 | 386 308.98 |
| Upm-Kymmene Oyj | 25 000 | 1.00 | 16.36 | 16.36 | 409 000.00 |
| Videndi Universal, SA | 25 861 | 5.50 | 22.28 | 23.49 | 607 474.89 |
| Vinci, SA | 68 | 1.00 | 98.80 | 98.80 | 6 718.40 |
| Vodafone Airtouch | 2 170 000 | 1.42 | 2.00 | 2.00 | 4 347 386.71 |
| Volkswagen Ag | 5 000 | 1.00 | 33.35 | 33.35 | 166 750.00 |
| Wal-Mart Stores Inc. | 5 000 | 0.73 | 38.95 | 38.95 | 194 736.07 |
| Walt Disney Co | 5 000 | 0.73 | 20.51 | 20.51 | 102 562.22 |
| Zeltia Sa | 152 419 | 0.05 | 5.78 | 5.15 | 784 957.85 |
| B. Investment securities | | | | | 4 781 604 568.12 |
| Fixed income issued by public issuers | | | | | 727 959 460.48 |
| Portuguese government debt | | | | | 145 600 110.80 |
| Medium and long term maturity | | | | | 145 600 110.80 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|---------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Treasury Bonds | | | | | 141 038 463.40 |
| OT 15/07/2008 - 3.25% | 7 280 000 000 | 0.01 | 0.01 | 0.01 | 73 581 778.68 |
| OT 23/06/2008 - 5.375% | 48 | 0.01 | 0.01 | 0.01 | 0.57 |
| OT 15/07/2009 - 3.95% | 38 | 0.01 | 0.01 | 0.01 | 0.43 |
| OT 23/09/2013 - 5.45% | 1 | 0.01 | 0.01 | 0.01 | 0.01 |
| OT 23/02/2005 - 11.875% | 65 | 0.01 | 0.01 | 0.01 | 0.81 |
| OT 17/08/2007 - 4.875% | 85 | 0.01 | 0.01 | 0.01 | 0.85 |
| OT 07/06/2005 | 2 000 | 762.25 | 762.05 | 779.38 | 1 524 093.77 |
| OT 01/10/2007 | 101 | 150 939.60 | 151 039.10 | 153 272.69 | 15 254 948.61 |
| OT 17/07/2006 - 3% | 4 950 000 000 | 0.01 | 0.01 | 0.01 | 50 049 326.32 |
| OT 01/08/2007 - 4.875% | 600 000 | 1.00 | 1.05 | 1.05 | 628 313.35 |
| Adjustment to consolidation | | | | | 1 298 189.00 |
| Other bonds | | | | | 3 263 458.40 |
| Consolidado Perpétua - 2.75% | 46 390 200 | 0.01 | 0.01 | 0.01 | 445 055.79 |
| Consolidado Perpétua - 3% | 234 187 608 | 0.01 | 0.01 | 0.01 | 2 259 814.93 |
| Consolidado Perpétua - 4% | 51 873 984 | 0.01 | 0.01 | 0.01 | 395 022.56 |
| Consolidado Perpétua - 3.5% | 17 611 057 | 0.01 | 0.01 | 0.01 | 163 565.12 |
| Other domestic public issuers | | | | | 18 064 539.45 |
| Medium and long term maturity | | | | | 18 064 539.45 |
| Bonds | | | | | 18 064 539.45 |
| Governo Regional Açores 1.ª Emissão | 84 795 641 | 0.01 | 0.01 | 0.01 | 853 868.16 |
| Câmara Municipal de Sintra 2007 | 3 450 000 | 4.99 | 4.99 | 5.01 | 17 210 671.29 |
| Foreign public entity issuers | | | | | 564 294 810.23 |
| Short term maturity | | | | | 110 437 635.57 |
| Treasury Bills | | | | | 110 437 635.57 |
| Bilhetes do Tesouro - Cabo Verde - 2005 | 12 068 | 91.00 | | | 1 098 188.00 |
| Bilhetes do Tesouro - Cabo Verde - 2005 | | 9.10 | 9.10 | | 29 503 658.00 |
| Bilhetes do Tesouro - Moçambique - 2005 | 1 235 688 | 3.88 | | | 47 938 623.00 |
| Debentures - África do Sul - 2005 | 30 000 000 | 0.13 | 0.13 | | 3 913 550.68 |
| Treasury Bills - África do Sul - 2005 | 179 820 000 | 0.13 | 0.13 | | 23 225 845.89 |
| Letras Tesoro Rfa. L004082003E | | 1 000.00 | 978.70 | | 4 757 770.00 |
| Medium and long term maturity | | | | | 453 857 174.66 |
| Bonds | | | | | 215 194 451.55 |
| Bgb 0206V - Dívida Pública Belga | 3 500 000 000 | 0.01 | 0.01 | 0.01 | 35 009 862.87 |
| Froat 9709V - Dívida Pública França | 11 000 000 | 1.00 | 1.01 | 1.01 | 11 142 878.22 |
| Instituto Crédito Oficial Espanhol /2005 | 2 000 000 | 4.99 | 4.99 | 5.00 | 9 975 957.94 |
| Instituto Crédito Oficial Espanhol /2007 | 40 | 150 253.03 | 151 348.20 | 150 253.03 | 6 053 928.14 |
| Obrigações de Tesouro 2000 - Moçambique | 215 920 | 2.58 | | 3.88 | 557 046.00 |
| Obrigações de Tesouro 2001- Moçambique | 5 000 | 3.88 | | 3.88 | 19 398.00 |
| Obrigações de Tesouro 2002 - Moçambique | 33 860 | 3.88 | | 3.88 | 131 360.00 |
| Obrigações de Tesouro 2004 - Moçambique | 918 365 | 3.88 | | 3.88 | 3 562 404.00 |
| OT - Cabo Verde 06-06-09 A1 | 2 200 | 91.00 | | | 200 200.00 |
| OT - Cabo Verde 06-06-29 A1 | 1 926 | 91.00 | | | 175 266.00 |
| OT - Cabo Verde 13/05/2005 | 15 000 | 91.00 | | | 1 365 000.00 |
| OT - Cabo Verde 2008 | 31 428 | 91.00 | | | 2 859 948.00 |
| OT - Cabo Verde - 16/06/2006 | | | | | 1 456 000.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|-------------|--------------------|--------------------|-------------------|-------------------------------|
| OT Nova Série 10.8% - Cabo Verde 15-10-07 | 1 900 | 91.00 | | | 172 900.00 |
| OT Nova Série 8% - Cabo Verde | | 91.00 | 91.00 | | 910 000.00 |
| OT Nova Série 8% - Cabo Verde | | 91.00 | 91.00 | | 2 730 000.00 |
| OT Nova Série 8% - Cabo Verde 15-10-06 | 2 200 | 91.00 | | | 200 200.00 |
| OT Nova Série 8.25% - Cabo Verde | | 91.00 | 91.00 | | 910 000.00 |
| OT Nova Série 8.375% - Cabo Verde | | 91.00 | 91.00 | | 910 000.00 |
| OT Nova Série 8.5% - Cabo Verde | | 91.00 | 91.00 | | 682 500.00 |
| OT Nova Série 8.5% -Cabo Verde | | 91.00 | 91.00 | | 758 303.00 |
| OT Nova Série 8.5% - Cabo Verde | | 91.00 | 91.00 | | 370 734.00 |
| OT Nova Série 9% - Cabo Verde | | 91.00 | 91.00 | | 33 313 644.00 |
| OT Nova Série 9.5% - Cabo Verde | | 91.00 | 91.00 | | 2 275 000.00 |
| OT Nova Série 9.5% - Cabo Verde | | 91.00 | 91.00 | | 1 647 100.00 |
| OT Nova SérieE 8% - Cabo Verde | | 91.00 | 91.00 | | 1 073 800.00 |
| Premium/Discount Gilt Stocks | | | | | |
| 15/02/2007 | 135 000 000 | 0.13 | 0.14 | | 18 844 695.09 |
| Premium/Discount Gilt Stocks | | | | | |
| 28/02/2008 | 10 000 000 | 0.13 | 0.14 | | 1 379 897.35 |
| República da Grécia /2005 | 2 000 | 4 987.98 | 4 987.98 | 4 987.98 | 9 975 957.94 |
| Titulos Consolidados de Mobilização | | | | | |
| Financeira | | | | | 58 541 847.00 |
| The Greek State The Ministry Of Finance | 10 000 | 498.80 | 498.80 | 499.25 | 4 987 978.97 |
| Tresor Public France 25/04/2009 | 3 000 000 | 1.00 | 1.00 | 1.04 | 3 000 645.02 |
| Other securities | | | | | 238 662 723.11 |
| Bonos Estado Mejico 28/12/2006 | 216 | 1 000.00 | 960.24 | | 158 579.00 |
| Deuda República de Hungría 10/11/2005 | 5 000 | 1 000.00 | 1 010.36 | | 4 999 103.00 |
| Obligaciones del Estado Ref 12452 E | 2 800 | 1 000.00 | 1 081.77 | | 2 804 475.00 |
| Small Business Admin - 000103I00001 | 1 | 251 627.03 | 255 641.02 | 264 759.44 | 255 641.02 |
| Small Business Admin - 000103I00002 | 1 | 153 322.10 | 156 875.46 | 157 250.21 | 156 875.46 |
| Small Business Admin - 000103I00003 | 1 | 234 642.59 | 234 642.59 | 244 760.38 | 234 642.59 |
| Small Business Admin - 000103I00004 | 1 | 185 233.18 | 189 530.44 | 193 279.71 | 189 530.44 |
| Small Business Admin - 000106I00001 | 1 | 291 274.33 | 291 274.33 | 301 833.02 | 291 274.33 |
| Small Business Admin - 000106I00002 | 1 | 197 906.45 | 207 089.44 | 211 017.75 | 207 089.44 |
| Small Business Admin - 000107I00001 | 1 | 273 813.37 | 273 813.37 | 283 725.42 | 273 813.37 |
| Small Business Admin - 000120I00001 | 1 | 189 939.27 | 198 207.88 | 202 114.38 | 198 207.88 |
| Small Business Admin - 000120I00002 | 1 | 61 489.63 | 63 753.14 | 63 887.73 | 63 753.14 |
| Small Business Admin - 000120I00003 | 1 | 95 749.34 | 97 274.38 | 99 483.56 | 97 274.38 |
| Small Business Admin - 000120I00004 | 1 | 175 238.49 | 175 238.49 | 181 547.07 | 175 238.49 |
| Small Business Admin - 000120I00005 | 1 | 114 136.49 | 116 890.44 | 119 500.90 | 116 890.44 |
| Small Business Admin - 000120I00006 | 1 | 96 372.92 | 99 022.19 | 100 314.58 | 99 022.19 |
| Small Business Admin - 000120I00007 | 1 | 276 149.62 | 276 149.62 | 289 708.57 | 276 149.62 |
| Small Business Admin - 000120I00008 | 1 | 152 452.34 | 155 698.17 | 158 047.34 | 155 698.17 |
| Small Business Admin - 000120I00009 | 1 | 136 044.70 | 139 075.16 | 142 438.81 | 139 075.16 |
| Small Business Admin - 000120I00010 | 1 | 213 560.93 | 218 764.20 | 222 188.79 | 218 764.20 |
| Small Business Admin - 000120I00011 | 1 | 227 441.79 | 227 441.79 | 235 925.37 | 227 441.79 |
| Small Business Admin - 000120I00012 | 1 | 463 307.99 | 489 266.28 | 499 070.73 | 489 266.28 |
| Small Business Admin - 000120I00013 | 1 | 122 355.77 | 125 953.18 | 126 919.64 | 125 953.18 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|--------|--------------------|--------------------|-------------------|-------------------------------|
| Small Business Admin - 000120I00014 | 1 | 246 947.11 | 250 914.19 | 256 281.71 | 250 914.19 |
| Small Business Admin - 000120I00015 | 1 | 344 281.04 | 364 471.62 | 373 200.65 | 364 471.62 |
| Small Business Admin - 000120I00016 | 1 | 134 240.12 | 136 666.03 | 137 260.53 | 136 666.03 |
| Small Business Admin - 000120I00017 | 1 | 107 360.36 | 109 101.18 | 109 775.96 | 109 101.18 |
| Small Business Admin - 000121I00001 | 1 | 174 287.77 | 175 245.94 | 178 209.25 | 175 245.94 |
| Small Business Admin - 000121I00002 | 1 | 161 606.30 | 161 606.30 | 167 294.85 | 161 606.30 |
| Small Business Admin - 000121I00003 | 1 | 207 886.92 | 207 886.92 | 215 412.42 | 207 886.92 |
| Small Business Admin - 000121I00004 | 1 | 182 403.79 | 187 175.52 | 190 247.15 | 187 175.52 |
| Small Business Admin - 000121I00005 | 1 | 351 108.18 | 351 108.18 | 373 719.54 | 351 108.18 |
| Small Business Admin - 000121I00006 | 1 | 159 884.91 | 159 884.91 | 162 730.86 | 159 884.91 |
| Small Business Admin - 000124I00001 | 1 | 211 192.09 | 211 192.09 | 229 540.46 | 211 192.09 |
| Small Business Admin - 000124I00002 | 1 | 47 637.19 | 48 309.55 | 49 352.13 | 48 309.55 |
| Small Business Admin - 000201I00001 | 1 | 659 402.85 | 669 094.01 | 697 318.51 | 669 094.01 |
| Small Business Admin - 000216I00001 | 1 | 75 413.10 | 78 072.85 | 78 453.00 | 78 072.85 |
| Small Business Admin - 000216I00002 | 1 | 177 813.65 | 181 684.67 | 186 149.55 | 181 684.67 |
| Small Business Admin - 000301I00001 | 1 | 587 983.01 | 591 236.85 | 623 261.99 | 591 236.85 |
| Small Business Admin - 000302I00001 | 1 | 52 368.03 | 53 624.15 | 53 415.38 | 53 624.15 |
| Small Business Admin - 000320I00001 | 1 | 95 632.85 | 95 632.85 | 97 622.01 | 95 632.85 |
| Small Business Admin - 000403I00001 | 1 | 199 082.49 | 199 082.49 | 207 666.93 | 199 082.49 |
| Small Business Admin - 000403I00002 | 1 | 32 795.44 | 32 795.44 | 33 061.75 | 32 795.44 |
| Small Business Admin - 000403I00003 | 1 | 129 516.43 | 129 516.43 | 131 744.11 | 129 516.43 |
| Small Business Admin - 000403I00004 | 1 | 184 310.26 | 186 192.43 | 186 503.55 | 186 192.43 |
| Small Business Admin - 000403I00005 | 1 | 347 344.12 | 360 876.83 | 370 029.17 | 360 876.83 |
| Small Business Admin - 000407I00001 | 1 | 53 785.89 | 55 156.04 | 55 802.86 | 55 156.04 |
| Small Business Admin - 000419I00001 | 1 | 123 075.30 | 123 075.30 | 127 506.01 | 123 075.30 |
| Small Business Admin - 000420I00001 | 1 | 136 945.78 | 139 439.41 | 143 108.34 | 139 439.41 |
| Small Business Admin - 000420I00002 | 1 | 435 861.57 | 438 889.10 | 451 857.69 | 438 889.10 |
| Small Business Admin - 000426I00001 | 1 | 56 890.56 | 59 002.49 | 59 183.82 | 59 002.49 |
| Small Business Admin - 000426I00002 | 1 | 277 226.93 | 277 226.93 | 297 497.77 | 277 226.93 |
| Small Business Admin - 000426I00003 | 1 | 177 015.80 | 177 015.80 | 181 108.41 | 177 015.80 |
| Small Business Admin - 000426I00004 | 1 | 46 546.25 | 46 546.25 | 47 317.05 | 46 546.25 |
| Small Business Admin - 000427I00001 | 1 | 358 622.40 | 358 622.40 | 374 832.13 | 358 622.40 |
| Small Business Admin - 000428I00001 | 1 | 313 912.74 | 313 912.74 | 327 756.29 | 313 912.74 |
| Small Business Admin - 000501I00001 | 1 | 173 501.77 | 177 598.94 | 180 788.84 | 177 598.94 |
| Small Business Admin - 000501I00002 | 1 | 131 830.00 | 134 880.15 | 137 886.27 | 134 880.15 |
| Small Business Admin - 000501I00003 | 1 | 150 748.35 | 155 086.01 | 154 752.23 | 155 086.01 |
| Small Business Admin - 000508I00001 | 1 | 120 201.08 | 121 489.50 | 125 235.10 | 121 489.50 |
| Small Business Admin - 000518I00001 | 1 | 68 750.26 | 70 538.40 | 71 431.52 | 70 538.40 |
| Small Business Admin - 000601I00001 | 1 | 188 163.63 | 190 904.30 | 197 455.15 | 190 904.30 |
| Small Business Admin - 000601I00002 | 1 | 196 759.23 | 197 841.39 | 204 413.17 | 197 841.39 |
| Small Business Admin - 000601I00003 | 1 | 274 583.49 | 279 480.29 | 286 802.45 | 279 480.29 |
| Small Business Admin - 000630I00001 | 1 | 167 299.70 | 171 937.95 | 179 532.66 | 171 937.95 |
| Small Business Admin - 000703I00001 | 1 | 447 330.31 | 447 330.31 | 463 966.52 | 447 330.31 |
| Small Business Admin - 000703I00002 | 1 | 170 649.28 | 170 649.28 | 176 461.60 | 170 649.28 |
| Small Business Admin - 000703I00003 | 1 | 341 103.96 | 341 103.96 | 355 812.37 | 341 103.96 |
| Small Business Admin - 000705I00001 | 1 | 137 120.03 | 140 320.41 | 143 290.43 | 140 320.41 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|--------|--------------------|--------------------|-------------------|-------------------------------|
| Small Business Admin - 000725100001 | 1 | 219 972.66 | 226 569.88 | 228 496.59 | 226 569.88 |
| Small Business Admin - 000727100001 | 1 | 238 714.91 | 242 172.06 | 253 782.60 | 242 172.06 |
| Small Business Admin - 000801100001 | 1 | 306 089.55 | 322 853.28 | 326 750.59 | 322 853.28 |
| Small Business Admin - 000801100002 | 1 | 186 214.02 | 190 292.39 | 195 874.81 | 190 292.39 |
| Small Business Admin - 000801100003 | 1 | 191 817.20 | 196 121.18 | 200 330.05 | 196 121.18 |
| Small Business Admin - 000807100001 | 1 | 320 677.41 | 320 677.41 | 331 400.86 | 320 677.41 |
| Small Business Admin - 000807100002 | 1 | 368 421.53 | 379 285.19 | 386 728.40 | 379 285.19 |
| Small Business Admin - 000830100001 | 1 | 145 919.52 | 148 671.82 | 151 665.83 | 148 671.82 |
| Small Business Admin - 000901100001 | 1 | 342 446.77 | 346 984.44 | 358 500.68 | 346 984.44 |
| Small Business Admin - 000925100001 | 1 | 183 364.29 | 190 380.42 | 190 126.77 | 190 380.42 |
| Small Business Admin - 000925100002 | 1 | 100 227.80 | 102 895.60 | 103 892.13 | 102 895.60 |
| Small Business Admin - 000925100003 | 1 | 84 722.61 | 85 372.69 | 86 099.35 | 85 372.69 |
| Small Business Admin - 001101100001 | 1 | 205 756.22 | 205 756.22 | 215 465.86 | 205 756.22 |
| Small Business Admin - 001101100002 | 1 | 162 568.46 | 167 225.81 | 169 528.01 | 167 225.81 |
| Small Business Admin - 001103100001 | 1 | 184 396.04 | 189 581.83 | 191 310.89 | 189 581.83 |
| Small Business Admin - 001107100001 | 1 | 8 275.54 | 8 275.54 | 8 358.29 | 8 275.54 |
| Small Business Admin - 001107100002 | 1 | 102 793.33 | 102 793.33 | 107 355.30 | 102 793.33 |
| Small Business Admin - 001128100001 | 1 | 298 559.88 | 298 559.88 | 300 237.79 | 298 559.88 |
| Small Business Admin - 010102100001 | 1 | 280 585.76 | 300 884.98 | 299 438.32 | 300 884.98 |
| Small Business Admin - 010102100002 | 1 | 103 612.98 | 104 500.59 | 105 394.09 | 104 500.59 |
| Small Business Admin - 010102100003 | 1 | 282 953.82 | 293 042.23 | 296 926.08 | 293 042.23 |
| Small Business Admin - 010102100004 | 1 | 350 486.57 | 362 086.61 | 366 475.76 | 362 086.61 |
| Small Business Admin - 010103100001 | 1 | 280 309.59 | 289 027.51 | 299 678.98 | 289 027.51 |
| Small Business Admin - 010125100001 | 1 | 558 700.63 | 590 987.99 | 603 569.87 | 590 987.99 |
| Small Business Admin - 010125100002 | 1 | 271 142.49 | 276 406.67 | 292 749.83 | 276 406.67 |
| Small Business Admin - 010130100001 | 1 | 255 013.56 | 267 046.70 | 268 162.06 | 267 046.70 |
| Small Business Admin - 010201100001 | 1 | 387 547.09 | 387 547.09 | 401 959.96 | 387 547.09 |
| Small Business Admin - 010201100002 | 1 | 239 691.92 | 250 163.91 | 251 451.20 | 250 163.91 |
| Small Business Admin - 010201100003 | 1 | 221 001.03 | 232 168.36 | 234 745.08 | 232 168.36 |
| Small Business Admin - 010202100001 | 1 | 290 426.96 | 302 817.57 | 310 408.34 | 302 817.57 |
| Small Business Admin - 010202100002 | 1 | 283 025.95 | 283 025.95 | 297 709.33 | 283 025.95 |
| Small Business Admin - 010202100003 | 1 | 1 122 518.97 | 1 193 718.52 | 1 215 126.79 | 1 193 718.52 |
| Small Business Admin - 010202100004 | 1 | 142 400.03 | 144 935.87 | 147 028.03 | 144 935.87 |
| Small Business Admin - 010222100001 | 1 | 187 930.69 | 192 626.70 | 192 217.39 | 192 626.70 |
| Small Business Admin - 010227100001 | 1 | 230 825.70 | 245 524.06 | 248 426.17 | 245 524.06 |
| Small Business Admin - 010227100002 | 1 | 463 257.74 | 468 239.41 | 496 408.46 | 468 239.41 |
| Small Business Admin - 010301100001 | 1 | 646 962.19 | 662 015.94 | 693 866.94 | 662 015.94 |
| Small Business Admin - 010302100001 | 1 | 299 711.20 | 299 711.20 | 311 136.19 | 299 711.20 |
| Small Business Admin - 010302100002 | 1 | 204 678.79 | 208 584.47 | 210 499.86 | 208 584.47 |
| Small Business Admin - 010302100003 | 1 | 152 853.13 | 157 663.17 | 158 059.31 | 157 663.17 |
| Small Business Admin - 010330100001 | 1 | 561 547.03 | 562 513.76 | 562 602.73 | 562 513.76 |
| Small Business Admin - 010402100001 | 1 | 702 217.92 | 720 063.45 | 744 786.37 | 720 063.45 |
| Small Business Admin - 010402100002 | 1 | 710 662.19 | 755 127.60 | 769 291.82 | 755 127.60 |
| Small Business Admin - 010403100001 | 1 | 316 963.90 | 330 026.56 | 340 641.11 | 330 026.56 |
| Small Business Admin - 010425100001 | 1 | 646 287.69 | 646 287.69 | 674 788.98 | 646 287.69 |
| Small Business Admin - 010427100001 | 1 | 273 427.61 | 273 427.61 | 296 154.91 | 273 427.61 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|------------------------------------|--------|--------------------|--------------------|-------------------|-------------------------------|
| Small Business Admin - 01050100001 | 1 | 778 141.80 | 840 490.31 | 842 820.94 | 840 490.31 |
| Small Business Admin - 01050200001 | 1 | 293 053.87 | 293 053.87 | 313 596.95 | 293 053.87 |
| Small Business Admin - 01050200002 | 1 | 637 077.09 | 637 077.09 | 668 676.12 | 637 077.09 |
| Small Business Admin - 01050200003 | 1 | 317 144.36 | 325 676.59 | 342 217.80 | 325 676.59 |
| Small Business Admin - 01050200004 | 1 | 927 017.84 | 961 213.96 | 1 008 873.51 | 961 213.96 |
| Small Business Admin - 01052500001 | 1 | 46 140.91 | 46 140.91 | 49 976.14 | 46 140.91 |
| Small Business Admin - 01053100001 | 1 | 763 495.75 | 783 089.42 | 823 857.73 | 783 089.42 |
| Small Business Admin - 01060100001 | 1 | 353 104.00 | 381 683.41 | 377 379.89 | 381 683.41 |
| Small Business Admin - 01060100002 | 1 | 373 492.06 | 385 652.47 | 388 782.83 | 385 652.47 |
| Small Business Admin - 01060100003 | 1 | 236 817.06 | 244 121.64 | 250 360.63 | 244 121.64 |
| Small Business Admin - 01060400001 | 1 | 187 711.28 | 187 711.28 | 191 296.57 | 187 711.28 |
| Small Business Admin - 01070200001 | 1 | 352 541.58 | 386 010.97 | 382 616.91 | 386 010.97 |
| Small Business Admin - 01070200002 | 1 | 290 221.01 | 308 353.60 | 305 277.67 | 308 353.60 |
| Small Business Admin - 01070200003 | 1 | 566 817.80 | 580 535.91 | 604 012.38 | 580 535.91 |
| Small Business Admin - 01070200004 | 1 | 480 895.02 | 487 708.29 | 506 574.81 | 487 708.29 |
| Small Business Admin - 01080200001 | 1 | 212 916.61 | 212 916.61 | 225 436.11 | 212 916.61 |
| Small Business Admin - 01080200002 | 1 | 146 475.51 | 155 843.85 | 155 381.22 | 155 843.85 |
| Small Business Admin - 01080200003 | 1 | 540 454.25 | 540 454.25 | 580 015.50 | 540 454.25 |
| Small Business Admin - 01080300001 | 1 | 88 922.41 | 88 922.41 | 90 478.55 | 88 922.41 |
| Small Business Admin - 01083000001 | 1 | 108 993.49 | 115 612.23 | 114 988.13 | 115 612.23 |
| Small Business Admin - 01090400001 | 1 | 307 629.43 | 323 594.05 | 330 547.82 | 323 594.05 |
| Small Business Admin - 01102500001 | 1 | 421 455.07 | 444 516.44 | 459 723.18 | 444 516.44 |
| Small Business Admin - 01110100001 | 1 | 211 323.08 | 221 495.67 | 221 690.60 | 221 495.67 |
| Small Business Admin - 01110100002 | 1 | 666 821.39 | 674 388.57 | 697 241.78 | 674 388.57 |
| Small Business Admin - 01110100003 | 1 | 804 198.25 | 820 076.86 | 854 709.94 | 820 076.86 |
| Small Business Admin - 01110100004 | 1 | 174 730.15 | 176 192.13 | 179 807.81 | 176 192.13 |
| Small Business Admin - 01110200001 | 1 | 341 220.79 | 360 068.96 | 362 226.34 | 360 068.96 |
| Small Business Admin - 01110200002 | 1 | 594 247.27 | 615 172.97 | 631 571.95 | 615 172.97 |
| Small Business Admin - 01110200003 | 1 | 517 621.81 | 539 933.76 | 561 412.62 | 539 933.76 |
| Small Business Admin - 01110200004 | 1 | 283 095.68 | 299 031.42 | 304 186.31 | 299 031.42 |
| Small Business Admin - 01110200005 | 1 | 622 877.89 | 644 202.80 | 656 451.01 | 644 202.80 |
| Small Business Admin - 01110200006 | 1 | 450 605.23 | 479 886.33 | 490 213.43 | 479 886.33 |
| Small Business Admin - 01110200007 | 1 | 483 799.13 | 504 110.90 | 528 357.03 | 504 110.90 |
| Small Business Admin - 01110200008 | 1 | 194 974.70 | 203 420.58 | 203 261.13 | 203 420.58 |
| Small Business Admin - 01110200009 | 1 | 211 930.64 | 222 217.31 | 227 030.70 | 222 217.31 |
| Small Business Admin - 01120300001 | 1 | 174 639.20 | 185 322.34 | 188 034.02 | 185 322.34 |
| Small Business Admin - 01120300002 | 1 | 575 141.03 | 582 756.40 | 601 022.37 | 582 756.40 |
| Small Business Admin - 01120300003 | 1 | 1 465 905.75 | 1 574 445.57 | 1 577 681.07 | 1 574 445.57 |
| Small Business Admin - 01120300004 | 1 | 499 619.96 | 524 385.26 | 533 968.83 | 524 385.26 |
| Small Business Admin - 01120300005 | 1 | 338 419.64 | 353 908.12 | 356 714.60 | 353 908.12 |
| Small Business Admin - 01120300006 | 1 | 160 600.88 | 166 625.14 | 166 172.12 | 166 625.14 |
| Small Business Admin - 01120300007 | 1 | 225 331.07 | 240 078.60 | 237 230.80 | 240 078.60 |
| Small Business Admin - 01120300008 | 1 | 292 221.12 | 305 514.71 | 307 197.45 | 305 514.71 |
| Small Business Admin - 01120300009 | 1 | 295 739.44 | 305 328.55 | 305 998.64 | 305 328.55 |
| Small Business Admin - 01120300010 | 1 | 368 277.80 | 389 772.79 | 388 418.91 | 389 772.79 |
| Small Business Admin - 01120300011 | 1 | 179 934.14 | 180 749.63 | 190 352.33 | 180 749.63 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|--------|--------------------|--------------------|-------------------|-------------------------------|
| Small Business Admin - 011204I00001 | 1 | 56 246.11 | 56 246.11 | 58 467.83 | 56 246.11 |
| Small Business Admin - 011219I00001 | 1 | 206 061.42 | 223 358.60 | 223 448.89 | 223 358.60 |
| Small Business Admin - 020102I00001 | 1 | 258 446.70 | 274 166.84 | 271 772.21 | 274 166.84 |
| Small Business Admin - 020102I00002 | 1 | 472 816.00 | 502 395.58 | 507 539.61 | 502 395.58 |
| Small Business Admin - 020102I00003 | 1 | 418 927.74 | 433 550.00 | 437 125.95 | 433 550.00 |
| Small Business Admin - 020102I00004 | 1 | 1 202 060.01 | 1 260 934.22 | 1 294 089.73 | 1 260 934.22 |
| Small Business Admin - 020128I00001 | 1 | 352 714.89 | 360 252.69 | 375 860.04 | 360 252.69 |
| Small Business Admin - 020129I00001 | 1 | 109 701.04 | 116 229.35 | 112 992.07 | 116 229.35 |
| Small Business Admin - 020201I00001 | 1 | 312 376.24 | 332 462.99 | 330 144.20 | 332 462.99 |
| Small Business Admin - 020201I00002 | 1 | 415 400.65 | 447 362.13 | 441 234.42 | 447 362.13 |
| Small Business Admin - 020201I00003 | 1 | 413 425.91 | 425 287.03 | 445 210.09 | 425 287.03 |
| Small Business Admin - 020204I00001 | 1 | 198 124.73 | 215 404.40 | 208 278.62 | 215 404.40 |
| Small Business Admin - 020204I00002 | 1 | 579 931.45 | 611 006.59 | 624 876.13 | 611 006.59 |
| Small Business Admin - 020219I00001 | 1 | 330 190.09 | 336 450.51 | 347 112.34 | 336 450.51 |
| Small Business Admin - 020301I00001 | 1 | 557 876.27 | 589 178.62 | 600 587.27 | 589 178.62 |
| Small Business Admin - 020304I00001 | 1 | 360 266.10 | 368 298.92 | 376 701.43 | 368 298.92 |
| Small Business Admin - 020304I00002 | 1 | 384 752.12 | 397 616.51 | 411 530.87 | 397 616.51 |
| Small Business Admin - 020304I00003 | 1 | 664 722.18 | 725 679.37 | 711 877.57 | 725 679.37 |
| Small Business Admin - 020304I00004 | 1 | 249 828.50 | 256 536.78 | 261 383.07 | 256 536.78 |
| Small Business Admin - 020328I00001 | 1 | 452 108.23 | 468 227.02 | 492 372.99 | 468 227.02 |
| Small Business Admin - 020328I00002 | 1 | 723 080.52 | 755 905.93 | 788 157.77 | 755 905.93 |
| Small Business Admin - 020401I00001 | 1 | 491 419.15 | 505 704.89 | 519 675.75 | 505 704.89 |
| Small Business Admin - 020402I00001 | 1 | 474 849.05 | 490 196.76 | 503 786.35 | 490 196.76 |
| Small Business Admin - 020403I00001 | 1 | 446 550.46 | 460 635.00 | 480 881.26 | 460 635.00 |
| Small Business Admin - 020501I00001 | 1 | 519 443.42 | 533 417.06 | 545 254.56 | 533 417.06 |
| Small Business Admin - 020603I00001 | 1 | 556 353.94 | 575 965.88 | 606 080.86 | 575 965.88 |
| Small Business Admin - 020603I00002 | 1 | 460 606.66 | 472 091.90 | 482 342.69 | 472 091.90 |
| Small Business Admin - 020603I00003 | 1 | 344 173.65 | 364 335.66 | 366 331.55 | 364 335.66 |
| Small Business Admin - 020614I00001 | 1 | 826 658.29 | 858 889.79 | 901 570.07 | 858 889.79 |
| Small Business Admin - 020701I00001 | 1 | 352 216.83 | 368 419.41 | 367 076.85 | 368 419.41 |
| Small Business Admin - 020701I00002 | 1 | 474 480.29 | 491 847.31 | 503 395.12 | 491 847.31 |
| Small Business Admin - 020702I00001 | 1 | 360 914.90 | 379 665.52 | 377 156.07 | 379 665.52 |
| Small Business Admin - 020702I00002 | 1 | 228 465.14 | 229 205.19 | 234 247.59 | 229 205.19 |
| Small Business Admin - 020702I00003 | 1 | 634 330.92 | 669 127.08 | 677 344.90 | 669 127.08 |
| Small Business Admin - 020702I00004 | 1 | 190 582.67 | 197 502.02 | 200 885.56 | 197 502.02 |
| Small Business Admin - 020702I00005 | 1 | 717 944.01 | 750 591.72 | 778 969.25 | 750 591.72 |
| Small Business Admin - 020702I00006 | 1 | 246 886.33 | 266 695.87 | 268 953.03 | 266 695.87 |
| Small Business Admin - 020702I00007 | 1 | 310 875.82 | 335 228.63 | 327 877.61 | 335 228.63 |
| Small Business Admin - 020702I00008 | 1 | 709 568.73 | 732 322.14 | 743 493.21 | 732 322.14 |
| Small Business Admin - 020802I00001 | 1 | 766 141.65 | 806 014.45 | 825 992.64 | 806 014.45 |
| Small Business Admin - 020802I00002 | 1 | 760 753.24 | 816 950.73 | 832 553.13 | 816 950.73 |
| Small Business Admin - 020802I00003 | 1 | 844 838.24 | 892 739.30 | 926 686.17 | 892 739.30 |
| Small Business Admin - 020802I00004 | 1 | 485 379.89 | 506 040.51 | 517 686.78 | 506 040.51 |
| Small Business Admin - 020802I00005 | 1 | 1 123 825.09 | 1 182 149.04 | 1 204 605.64 | 1 182 149.04 |
| Small Business Admin - 020802I00006 | 1 | 412 026.71 | 428 074.97 | 445 763.46 | 428 074.97 |
| Small Business Admin - 020802I00007 | 1 | 278 950.55 | 296 113.15 | 300 122.90 | 296 113.15 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|--------|-----------------------|-----------------------|----------------------|----------------------------------|
| Small Business Admin - 020828I00001 | 1 | 603 607.19 | 632 106.45 | 627 184.08 | 632 106.45 |
| Small Business Admin - 020903I00001 | 1 | 1 595 223.90 | 1 702 390.88 | 1 716 859.73 | 1 702 390.88 |
| Small Business Admin - 020903I00002 | 1 | 626 426.69 | 654 994.10 | 668 322.11 | 654 994.10 |
| Small Business Admin - 020903I00003 | 1 | 1 203 157.01 | 1 285 949.01 | 1 298 278.61 | 1 285 949.01 |
| Small Business Admin - 020904I00001 | 1 | 583 677.80 | 607 001.81 | 627 091.76 | 607 001.81 |
| Small Business Admin - 020904I00002 | 1 | 525 324.66 | 536 137.39 | 544 861.49 | 536 137.39 |
| Small Business Admin - 020904I00003 | 1 | 227 462.67 | 235 798.34 | 234 570.88 | 235 798.34 |
| Small Business Admin - 020904I00004 | 1 | 185 495.40 | 197 657.88 | 193 610.82 | 197 657.88 |
| Small Business Admin - 020917I00001 | 1 | 305 000.32 | 321 743.75 | 325 206.59 | 321 743.75 |
| Small Business Admin - 020917I00002 | 1 | 633 947.16 | 643 743.42 | 670 006.07 | 643 743.42 |
| Small Business Admin - 021002I00001 | 1 | 743 017.27 | 778 315.20 | 813 143.24 | 778 315.20 |
| Small Business Admin - 021002I00002 | 1 | 315 234.85 | 337 794.74 | 334 937.03 | 337 794.74 |
| Small Business Admin - 021002I00003 | 1 | 466 752.63 | 495 072.62 | 509 637.86 | 495 072.62 |
| Small Business Admin - 021002I00004 | 1 | 1 302 598.00 | 1 375 893.52 | 1 430 408.92 | 1 375 893.52 |
| Small Business Admin - 021002I00005 | 1 | 470 482.83 | 489 541.32 | 495 183.18 | 489 541.32 |
| Small Business Admin - 021002I00006 | 1 | 518 012.56 | 537 382.93 | 545 047.63 | 537 382.93 |
| Small Business Admin - 021002I00007 | 1 | 661 212.76 | 681 214.42 | 686 418.19 | 681 214.42 |
| Small Business Admin - 021002I00008 | 1 | 817 458.54 | 860 275.40 | 872 383.58 | 860 275.40 |
| Small Business Admin - 021002I00009 | 1 | 592 852.50 | 616 988.99 | 625 826.96 | 616 988.99 |
| Small Business Admin - 021002I00010 | 1 | 611 896.67 | 633 546.31 | 643 066.68 | 633 546.31 |
| Small Business Admin - 021002I00011 | 1 | 703 439.99 | 742 160.01 | 753 116.93 | 742 160.01 |
| Small Business Admin - 021002I00012 | 1 | 1 201 874.64 | 1 288 876.58 | 1 295 019.93 | 1 288 876.58 |
| Small Business Admin - 021029I00001 | 1 | 672 599.56 | 720 128.05 | 719 681.53 | 720 128.05 |
| Small Business Admin - 021101I00001 | 1 | 292 205.06 | 294 982.89 | 305 719.54 | 294 982.89 |
| Small Business Admin - 021104I00001 | 1 | 434 792.60 | 459 832.17 | 461 149.73 | 459 832.17 |
| Small Business Admin - 021104I00002 | 1 | 898 963.73 | 958 871.40 | 971 438.18 | 958 871.40 |
| Small Business Admin - 021104I00003 | 1 | 516 911.06 | 546 708.94 | 553 740.97 | 546 708.94 |
| Small Business Admin - 021104I00004 | 1 | 911 450.74 | 963 038.86 | 980 666.31 | 963 038.86 |
| Small Business Admin - 021104I00005 | 1 | 265 623.26 | 274 532.56 | 279 900.51 | 274 532.56 |
| Small Business Admin - 021104I00006 | 1 | 666 401.84 | 717 507.61 | 728 670.43 | 717 507.61 |
| Small Business Admin - 021120I00001 | 1 | 398 913.22 | 414 624.88 | 428 456.73 | 414 624.88 |
| Small Business Admin - 021202I00001 | 1 | 271 643.21 | 281 959.19 | 285 225.36 | 281 959.19 |
| Small Business Admin - 021202I00002 | 1 | 394 516.93 | 417 636.39 | 431 996.04 | 417 636.39 |
| Small Business Admin - 021202I00003 | 1 | 530 558.60 | 556 803.95 | 570 350.49 | 556 803.95 |
| Small Business Admin - 021202I00004 | 1 | 798 288.44 | 850 913.42 | 856 411.83 | 850 913.42 |
| Small Business Admin - 021202I00005 | 1 | 268 964.82 | 285 059.29 | 287 792.36 | 285 059.29 |
| Small Business Admin - 021203I00001 | 1 | 495 279.60 | 538 415.11 | 523 139.08 | 538 415.11 |
| Small Business Admin - 021220I00001 | 1 | 351 812.26 | 371 308.11 | 383 475.36 | 371 308.11 |
| Small Business Admin - 021230I00001 | 1 | 823 532.16 | 899 977.93 | 905 885.38 | 899 977.93 |
| Small Business Admin - 030102I00001 | 1 | 481 597.92 | 520 136.30 | 526 747.72 | 520 136.30 |
| Small Business Admin - 030102I00002 | 1 | 522 839.58 | 543 029.51 | 564 666.74 | 543 029.51 |
| Small Business Admin - 030102I00003 | 1 | 824 908.26 | 872 329.27 | 890 900.92 | 872 329.27 |
| Small Business Admin - 030103I00001 | 1 | 868 691.51 | 917 581.27 | 926 789.60 | 917 581.27 |
| Small Business Admin - 030103I00002 | 1 | 1 124 413.31 | 1 195 568.90 | 1 208 047.17 | 1 195 568.90 |
| Small Business Admin - 030103I00003 | 1 | 625 643.61 | 650 319.95 | 662 206.22 | 650 319.95 |
| Small Business Admin - 030103I00004 | 1 | 1 005 097.49 | 1 087 854.04 | 1 085 505.29 | 1 087 854.04 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|-------------------------------------|--------|-----------------------|-----------------------|----------------------|----------------------------------|
| Small Business Admin - 030109100001 | 1 | 539 532.74 | 579 345.65 | 588 090.68 | 579 345.65 |
| Small Business Admin - 030203100001 | 1 | 932 026.10 | 1 002 861.11 | 1 007 464.29 | 1 002 861.11 |
| Small Business Admin - 030203100002 | 1 | 2 034 508.89 | 2 180 152.01 | 2 235 416.64 | 2 180 152.01 |
| Small Business Admin - 030203100003 | 1 | 327 710.89 | 342 835.52 | 350 650.65 | 342 835.52 |
| Small Business Admin - 030204100001 | 1 | 602 682.11 | 628 362.59 | 637 149.49 | 628 362.59 |
| Small Business Admin - 030226100001 | 1 | 577 029.42 | 621 659.39 | 623 191.77 | 621 659.39 |
| Small Business Admin - 030226100002 | 1 | 1 189 994.53 | 1 281 042.74 | 1 285 194.10 | 1 281 042.74 |
| Small Business Admin - 030303100001 | 1 | 980 504.73 | 1 031 181.93 | 1 043 933.58 | 1 031 181.93 |
| Small Business Admin - 030303100002 | 1 | 1 061 001.96 | 1 129 330.66 | 1 161 797.14 | 1 129 330.66 |
| Small Business Admin - 030304100001 | 1 | 626 735.42 | 704 343.02 | 677 851.96 | 704 343.02 |
| Small Business Admin - 030304100002 | 1 | 600 739.94 | 627 734.63 | 650 300.99 | 627 734.63 |
| Small Business Admin - 030304100003 | 1 | 1 015 027.98 | 1 055 109.76 | 1 062 612.48 | 1 055 109.76 |
| Small Business Admin - 030319100001 | 1 | 628 337.20 | 675 957.92 | 686 458.39 | 675 957.92 |
| Small Business Admin - 030401100001 | 1 | 411 179.18 | 439 670.44 | 449 727.23 | 439 670.44 |
| Small Business Admin - 030401100002 | 1 | 1 041 558.94 | 1 114 974.33 | 1 128 789.50 | 1 114 974.33 |
| Small Business Admin - 030401100003 | 1 | 755 171.17 | 821 972.18 | 810 389.29 | 821 972.18 |
| Small Business Admin - 030402100001 | 1 | 534 396.68 | 566 230.94 | 561 950.17 | 566 230.94 |
| Small Business Admin - 030402100002 | 1 | 543 215.51 | 583 571.15 | 582 598.63 | 583 571.15 |
| Small Business Admin - 030402100003 | 1 | 580 746.16 | 607 496.85 | 627 205.85 | 607 496.85 |
| Small Business Admin - 030402100004 | 1 | 914 252.99 | 977 885.93 | 982 821.96 | 977 885.93 |
| Small Business Admin - 030501100001 | 1 | 1 382 572.48 | 1 448 087.66 | 1 479 352.55 | 1 448 087.66 |
| Small Business Admin - 030502100001 | 1 | 609 435.26 | 640 598.30 | 637 048.78 | 640 598.30 |
| Small Business Admin - 030502100002 | 1 | 583 551.36 | 632 924.21 | 641 177.06 | 632 924.21 |
| Small Business Admin - 030502100003 | 1 | 1 397 842.57 | 1 485 475.91 | 1 516 659.19 | 1 485 475.91 |
| Small Business Admin - 030502100005 | 1 | 285 186.00 | 302 892.79 | 305 417.10 | 302 892.79 |
| Small Business Admin - 030502100006 | 1 | 1 284 560.64 | 1 401 722.11 | 1 386 927.27 | 1 401 722.11 |
| Small Business Admin - 030502100007 | 1 | 595 660.53 | 632 719.34 | 629 541.70 | 632 719.34 |
| Small Business Admin - 030502100008 | 1 | 1 267 215.08 | 1 394 070.29 | 1 366 615.43 | 1 394 070.29 |
| Small Business Admin - 030502100009 | 1 | 1 554 809.26 | 1 655 863.82 | 1 672 881.48 | 1 655 863.82 |
| Small Business Admin - 030502100010 | 1 | 530 782.17 | 572 713.28 | 579 216.04 | 572 713.28 |
| Small Business Admin - 030602100001 | 1 | 541 076.38 | 568 539.58 | 573 540.97 | 568 539.58 |
| Small Business Admin - 030602100002 | 1 | 978 013.91 | 1 053 682.77 | 1 057 477.54 | 1 053 682.77 |
| Small Business Admin - 030603100001 | 1 | 854 618.56 | 908 738.04 | 910 698.63 | 908 738.04 |
| Small Business Admin - 030603100002 | 1 | 862 430.51 | 920 149.62 | 929 803.58 | 920 149.62 |
| Small Business Admin - 030603100003 | 1 | 626 434.76 | 661 197.61 | 668 719.11 | 661 197.61 |
| Small Business Admin - 030603100004 | 1 | 1 191 540.09 | 1 273 738.37 | 1 284 253.82 | 1 273 738.37 |
| Small Business Admin - 030603100005 | 1 | 915 313.26 | 1 004 168.72 | 1 002 268.01 | 1 004 168.72 |
| Small Business Admin - 030626100002 | 1 | 548 202.54 | 607 142.15 | 589 317.73 | 607 142.15 |
| Small Business Admin - 030702100001 | 1 | 232 935.90 | 249 073.68 | 246 329.72 | 249 073.68 |
| Small Business Admin - 030702100002 | 1 | 1 356 147.90 | 1 483 099.89 | 1 468 030.10 | 1 483 099.89 |
| Small Business Admin - 030702100003 | 1 | 768 875.33 | 840 355.06 | 829 908.66 | 840 355.06 |
| Small Business Admin - 030702100004 | 1 | 509 670.67 | 558 760.55 | 546 937.79 | 558 760.55 |
| Small Business Admin - 030702100005 | 1 | 664 803.11 | 710 135.55 | 706 559.39 | 710 135.55 |
| Small Business Admin - 030703100001 | 1 | 590 178.49 | 641 861.74 | 643 294.56 | 641 861.74 |
| Small Business Admin - 030703100002 | 1 | 374 920.87 | 425 635.31 | 411 243.21 | 425 635.31 |
| Small Business Admin - 030804100002 | 1 | 303 640.83 | 325 663.23 | 329 450.30 | 325 663.23 |

(EUR)

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|-------------------------------------|--------|-----------------------|-----------------------|----------------------|----------------------------------|
| Small Business Admin - 030804I00003 | 1 | 684 713.08 | 740 360.86 | 739 490.12 | 740 360.86 |
| Small Business Admin - 030804I00004 | 1 | 1 018 014.12 | 1 073 484.66 | 1 066 685.38 | 1 073 484.66 |
| Small Business Admin - 030804I00005 | 1 | 874 984.15 | 942 680.77 | 933 223.10 | 942 680.77 |
| Small Business Admin - 030804I00006 | 1 | 724 625.07 | 781 139.10 | 782 145.81 | 781 139.10 |
| Small Business Admin - 030805I00002 | 1 | 816 264.90 | 887 779.60 | 897 891.39 | 887 779.60 |
| Small Business Admin - 030827I00001 | 1 | 309 033.35 | 327 681.65 | 323 326.14 | 327 681.65 |
| Small Business Admin - 030902I00001 | 1 | 784 159.01 | 824 319.55 | 824 347.15 | 824 319.55 |
| Small Business Admin - 030902I00002 | 1 | 1 551 936.07 | 1 680 421.11 | 1 681 429.62 | 1 680 421.11 |
| Small Business Admin - 030902I00003 | 1 | 1 325 836.87 | 1 419 448.56 | 1 432 725.84 | 1 419 448.56 |
| Small Business Admin - 030902I00004 | 1 | 692 765.81 | 738 515.71 | 745 803.96 | 738 515.71 |
| Small Business Admin - 030903I00001 | 1 | 571 176.51 | 604 913.78 | 615 619.75 | 604 913.78 |
| Small Business Admin - 030903I00002 | 1 | 777 175.59 | 829 147.27 | 851 248.20 | 829 147.27 |
| Small Business Admin - 030924I00001 | 1 | 392 630.48 | 418 257.07 | 420 664.30 | 418 257.07 |
| Small Business Admin - 031001I00001 | 1 | 432 970.81 | 464 890.26 | 469 946.52 | 464 890.26 |
| Small Business Admin - 031001I00002 | 1 | 672 406.76 | 721 715.72 | 727 880.32 | 721 715.72 |
| Small Business Admin - 031001I00003 | 1 | 1 249 255.60 | 1 324 842.21 | 1 337 877.79 | 1 324 842.21 |
| Small Business Admin - 031001I00004 | 1 | 966 408.58 | 1 046 243.41 | 1 045 538.12 | 1 046 243.41 |
| Small Business Admin - 031001I00005 | 1 | 639 115.98 | 679 972.28 | 683 055.21 | 679 972.28 |
| Small Business Admin - 031001I00006 | 1 | 654 894.69 | 701 176.08 | 709 447.42 | 701 176.08 |
| Small Business Admin - 031001I00007 | 1 | 674 565.15 | 734 842.76 | 734 432.81 | 734 842.76 |
| Small Business Admin - 031001I00008 | 1 | 1 294 143.28 | 1 352 463.58 | 1 380 695.58 | 1 352 463.58 |
| Small Business Admin - 031001I00009 | 1 | 940 034.48 | 1 006 686.39 | 1 031 105.02 | 1 006 686.39 |
| Small Business Admin - 031001I00010 | 1 | 694 641.99 | 737 056.18 | 752 602.91 | 737 056.18 |
| Small Business Admin - 031001I00011 | 1 | 720 356.67 | 783 412.02 | 783 611.19 | 783 412.02 |
| Small Business Admin - 031027I00001 | 1 | 2 269 963.04 | 2 464 368.55 | 2 460 866.93 | 2 464 368.55 |
| Small Business Admin - 031027I00002 | 1 | 626 298.82 | 667 118.63 | 678 945.50 | 667 118.63 |
| Small Business Admin - 031027I00003 | 1 | 770 797.26 | 828 639.02 | 843 545.11 | 828 639.02 |
| Small Business Admin - 031027I00004 | 1 | 1 221 769.85 | 1 308 290.39 | 1 338 986.45 | 1 308 290.39 |
| Small Business Admin - 031028I00001 | 1 | 922 817.38 | 992 732.96 | 997 796.29 | 992 732.96 |
| Small Business Admin - 031029I00001 | 1 | 748 194.81 | 791 943.50 | 797 059.41 | 791 943.50 |
| Small Business Admin - 031029I00002 | 1 | 742 987.86 | 802 071.01 | 803 355.63 | 802 071.01 |
| Small Business Admin - 031029I00003 | 1 | 972 414.69 | 1 048 801.37 | 1 050 810.76 | 1 048 801.37 |
| Small Business Admin - 031030I00001 | 1 | 669 499.18 | 709 172.55 | 719 510.77 | 709 172.55 |
| Small Business Admin - 031031I00004 | 1 | 800 967.45 | 849 945.36 | 865 293.15 | 849 945.36 |
| Small Business Admin - 031126I00001 | 1 | 1 861 054.25 | 2 015 916.21 | 2 021 570.18 | 2 015 916.21 |
| Small Business Admin - 031126I00002 | 1 | 906 254.17 | 971 996.30 | 982 433.89 | 971 996.30 |
| Small Business Admin - 031126I00003 | 1 | 600 308.27 | 649 519.22 | 656 773.27 | 649 519.22 |
| Small Business Admin - 031126I00004 | 1 | 879 192.19 | 941 274.91 | 952 868.50 | 941 274.91 |
| Small Business Admin - 031126I00005 | 1 | 1 018 784.08 | 1 106 928.74 | 1 119 073.18 | 1 106 928.74 |
| Small Business Admin - 031126I00006 | 1 | 592 997.21 | 636 682.15 | 638 717.30 | 636 682.15 |
| Small Business Admin - 040105I00004 | 1 | 1 012 903.07 | 1 108 527.00 | 1 114 507.38 | 1 108 527.00 |
| Small Business Admin - 040105I00005 | 1 | 862 285.69 | 919 514.04 | 927 224.43 | 919 514.04 |
| Small Business Admin - 040105I00007 | 1 | 658 461.31 | 704 452.73 | 716 076.67 | 704 452.73 |
| Small Business Admin - 040105I00008 | 1 | 762 065.45 | 795 557.64 | 808 025.62 | 795 557.64 |
| Small Business Admin - 040105I00009 | 1 | 677 231.76 | 724 481.93 | 731 620.23 | 724 481.93 |
| Small Business Admin - 040105I00010 | 1 | 777 956.22 | 843 514.56 | 854 538.23 | 843 514.56 |

(EUR)

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|-------------------------------------|--------|-----------------------|-----------------------|----------------------|----------------------------------|
| Small Business Admin - 040130I00001 | 1 | 1 004 772.47 | 1 071 018.77 | 1 070 394.16 | 1 071 018.77 |
| Small Business Admin - 040130I00002 | 1 | 850 257.73 | 921 140.87 | 927 843.75 | 921 140.87 |
| Small Business Admin - 040130I00003 | 1 | 863 664.20 | 927 566.83 | 944 900.46 | 927 566.83 |
| Small Business Admin - 040130I00004 | 1 | 969 600.40 | 1 044 444.34 | 1 054 828.28 | 1 044 444.34 |
| Small Business Admin - 040130I00006 | 1 | 733 450.27 | 779 451.02 | 789 603.22 | 779 451.02 |
| Small Business Admin - 040130I00007 | 1 | 1 185 582.55 | 1 278 980.16 | 1 297 477.83 | 1 278 980.16 |
| Small Business Admin - 040130I00008 | 1 | 852 065.68 | 908 850.32 | 915 442.32 | 908 850.32 |
| Small Business Admin - 040302I00001 | 1 | 887 685.65 | 958 240.67 | 960 919.71 | 958 240.67 |
| Small Business Admin - 040302I00002 | 1 | 1 027 361.76 | 1 108 782.86 | 1 113 403.30 | 1 108 782.86 |
| Small Business Admin - 040302I00003 | 1 | 717 773.50 | 763 148.68 | 763 754.07 | 763 148.68 |
| Small Business Admin - 040302I00004 | 1 | 1 180 847.04 | 1 277 228.45 | 1 278 266.92 | 1 277 228.45 |
| Small Business Admin - 040302I00005 | 1 | 704 625.46 | 748 342.61 | 750 862.98 | 748 342.61 |
| Small Business Admin - 040302I00006 | 1 | 317 381.91 | 333 434.61 | 336 621.60 | 333 434.61 |
| Small Business Admin - 040302I00007 | 1 | 1 006 949.61 | 1 087 564.35 | 1 104 502.89 | 1 087 564.35 |
| Small Business Admin - 040330I00001 | 1 | 380 658.27 | 396 824.56 | 395 408.78 | 396 824.56 |
| Small Business Admin - 040330I00002 | 1 | 952 211.86 | 1 032 571.77 | 1 042 967.18 | 1 032 571.77 |
| Small Business Admin - 040330I00003 | 1 | 1 306 804.62 | 1 429 853.71 | 1 424 822.15 | 1 429 853.71 |
| Small Business Admin - 040331I00001 | 1 | 731 422.37 | 780 306.89 | 790 623.70 | 780 306.89 |
| Small Business Admin - 040331I00002 | 1 | 420 001.39 | 457 650.07 | 453 731.69 | 457 650.07 |
| Small Business Admin - 040331I00003 | 1 | 815 943.08 | 882 731.63 | 892 951.79 | 882 731.63 |
| Small Business Admin - 040331I00004 | 1 | 977 020.70 | 1 055 476.86 | 1 071 977.34 | 1 055 476.86 |
| Small Business Admin - 040503I00001 | 1 | 879 310.14 | 957 367.12 | 956 522.37 | 957 367.12 |
| Small Business Admin - 040503I00002 | 1 | 712 524.49 | 763 157.04 | 770 417.10 | 763 157.04 |
| Small Business Admin - 040503I00003 | 1 | 980 720.36 | 1 059 455.42 | 1 068 063.32 | 1 059 455.42 |
| Small Business Admin - 040503I00004 | 1 | 1 632 080.97 | 1 768 328.51 | 1 792 743.02 | 1 768 328.51 |
| Small Business Admin - 040504I00002 | 1 | 834 521.32 | 898 254.86 | 910 930.10 | 898 254.86 |
| Small Business Admin - 040504I00003 | 1 | 677 452.82 | 729 554.31 | 737 786.77 | 729 554.31 |
| Small Business Admin - 040601I00001 | 1 | 847 052.11 | 921 282.65 | 930 961.08 | 921 282.65 |
| Small Business Admin - 040601I00002 | 1 | 714 906.05 | 775 576.72 | 783 043.74 | 775 576.72 |
| Small Business Admin - 040601I00003 | 1 | 425 268.66 | 456 457.12 | 460 884.91 | 456 457.12 |
| Small Business Admin - 040602I00001 | 1 | 705 317.11 | 753 513.29 | 761 523.83 | 753 513.29 |
| Small Business Admin - 040602I00002 | 1 | 844 053.01 | 919 805.24 | 927 935.00 | 919 805.24 |
| Small Business Admin - 040603I00001 | 1 | 760 823.11 | 823 207.37 | 830 727.54 | 823 207.37 |
| Small Business Admin - 040701I00001 | 1 | 434 594.49 | 472 243.31 | 476 015.69 | 472 243.31 |
| Small Business Admin - 040701I00002 | 1 | 649 641.66 | 697 404.74 | 702 015.78 | 697 404.74 |
| Small Business Admin - 040803I00003 | 1 | 916 530.63 | 1 000 527.61 | 1 004 746.71 | 1 000 527.61 |
| Small Business Admin - 040803I00004 | 1 | 399 363.41 | 432 785.13 | 435 985.03 | 432 785.13 |
| Small Business Admin - 040803I00005 | 1 | 716 802.28 | 776 877.41 | 783 780.28 | 776 877.41 |
| Small Business Admin - 040803I00006 | 1 | 718 928.38 | 773 967.55 | 779 390.25 | 773 967.55 |
| Small Business Admin - 040901I00001 | 1 | 497 902.86 | 540 809.66 | 542 868.47 | 540 809.66 |
| Small Business Admin - 041004I00001 | 1 | 1 553 206.80 | 1 695 518.09 | 1 705 125.95 | 1 695 518.09 |
| Small Business Admin - 041029I00001 | 1 | 745 213.00 | 815 294.51 | 818 989.09 | 815 294.51 |
| Small Business Admin - 041119I00001 | 1 | 602 044.00 | 658 486.09 | 660 556.66 | 658 486.09 |
| Small Business Admin - 041119I00004 | 1 | 729 262.83 | 795 689.13 | 795 844.53 | 795 689.13 |
| Small Business Admin - 041124I00002 | 1 | 65 633.65 | 71 650.44 | 71 626.00 | 71 650.44 |
| Small Business Admin - 041130I00001 | 1 | 980 157.00 | 1 055 259.98 | 1 057 344.36 | 1 055 259.98 |

(EUR)

| Securities | Number | Nominal alue/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-------------|----------------------|-----------------------|----------------------|----------------------------------|
| Small Business Admin - 041130I00004 | 1 | 1 204 088.00 | 1 319 956.68 | 1 322 498.01 | 1 319 956.68 |
| Small Business Admin - 041217I00001 | 1 | 1 801 419.27 | 1 968 320.14 | 1 970 302.33 | 1 968 320.14 |
| Small Business Admin - 041221I00001 | 1 | 528 523.32 | 577 458.64 | 577 908.54 | 577 458.64 |
| Small Business Admin - 041221I00002 | 1 | 940 157.07 | 998 674.28 | 1 013 902.99 | 998 674.28 |
| Small Business Admin - 991101I00001 | 1 | 43 343.74 | 43 343.74 | 44 576.43 | 43 343.74 |
| Small Business Admin - 991101I00002 | 1 | 166 294.99 | 168 060.85 | 173 934.59 | 168 060.85 |
| Small Business Admin - 991105I00001 | 1 | 58 052.69 | 58 052.69 | 59 249.74 | 58 052.69 |
| Small Business Admin - 991105I00002 | 1 | 167 480.78 | 167 480.78 | 173 081.34 | 167 480.78 |
| Small Business Admin - 991105I00003 | 1 | 160 190.16 | 160 751.92 | 167 198.48 | 160 751.92 |
| Small Business Admin - 991112I00001 | 1 | 133 583.89 | 133 583.89 | 139 094.23 | 133 583.89 |
| Small Business Admin - 991119I00001 | 1 | 126 272.61 | 126 272.61 | 129 548.12 | 126 272.61 |
| Small Business Admin - 991119I00002 | 1 | 280 386.71 | 280 386.71 | 288 885.23 | 280 386.71 |
| Small Business Admin - 991130I00001 | 1 | 111 130.71 | 111 489.06 | 114 569.10 | 111 489.06 |
| Small Business Admin - 991130I00002 | 1 | 92 853.44 | 92 996.69 | 96 558.29 | 92 996.69 |
| Small Business Admin - 991130I00003 | 1 | 259 044.92 | 271 728.87 | 280 623.36 | 271 728.87 |
| Small Business Admin - 991130I00004 | 1 | 226 192.63 | 226 192.63 | 236 597.49 | 226 192.63 |
| Small Business Admin - 991130I00005 | 1 | 85 208.74 | 87 557.53 | 87 926.90 | 87 557.53 |
| Small Business Admin - 991206I00001 | 1 | 395 560.48 | 404 212.25 | 414 966.68 | 404 212.25 |
| Small Business Admin - 991206I00002 | 1 | 226 908.90 | 233 228.46 | 237 119.80 | 233 228.46 |
| Small Business Admin - 991206I00003 | 1 | 235 800.93 | 235 800.93 | 245 232.97 | 235 800.93 |
| Fixed income securities issued by other issuers | | | | | 3 712 567 526.90 |
| Resident entities | | | | | 1 905 358 323.53 |
| Short term maturity | | | | | 11 250 000.00 |
| Cash bonds | | | | | 11 250 000.00 |
| Banco Alves Ribeiro 15/03/2006 | 2 250 | 5 000.00 | 5 000.00 | 4 999.67 | 11 250 000.00 |
| Medium and long term maturity | | | | | 1 894 108 323.53 |
| Other bonds | | | | | 1 894 108 323.53 |
| A. Silva & Silva-4/10/2007 | 7 980 000 | 5.00 | 5.00 | | 39 900 000.00 |
| Aubos Ptg 12/02/2005 | 23 277 236 | 0.03 | 0.02 | | 581 918.52 |
| Auto Industrial 30/4/2005 | 1 000 000 | 1.25 | 1.25 | | 1 250 000.00 |
| Auto Industrial (Eur) | 400 000 | 1.25 | 1.25 | | 500 000.00 |
| Auto-Sueco 27/12/2005 | 1 000 000 | 5.00 | 5.00 | | 5 000 000.00 |
| B.Mello 8749V | 285 | 0.01 | 0.01 | | 2.85 |
| Banco Itaú Europa, SA 12/07/2007 | 2 300 | 1 000.00 | 1 001.95 | | 2 304 488.02 |
| Banco Itaú Europa, SA 12/07/2007 | 8 500 | 1 000.00 | 999.41 | | 8 494 985.00 |
| Banco Itaú Europa, SA 24/07/2006 Frn | 10 000 | 1 000.00 | 998.24 | | 9 982 400.00 |
| Barraqueiro 1134 Pc | 83 875 000 | 0.01 | | | 838 750.00 |
| Barraqueiro 1136 Pc | 553 000 000 | 0.01 | | | 5 530 000.00 |
| BFN 87/49V | 80 | 0.01 | 0.01 | | 0.80 |
| BPSM 97/49V | 90 | 0.01 | 0.01 | | 0.90 |
| Brisa 98/08 | 400 000 | 4.99 | 4.99 | | 1 996 000.01 |
| BTA 87/49V | 212 | 0.01 | 0.01 | | 2.12 |
| Caixa Económica | | | | | |
| Montepio Geral 23/03/2007 | 5 000 | 1 000.00 | 998.24 | | 4 993 482.37 |
| Climaespaco | | | | | |
| Pc 29.ª Emissão 25/01/2005 | 101 606 979 | 100.00 | 0.01 | | 1 016 069.79 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|----------------|--------------------|--------------------|-------------------|-------------------------------|
| Colep 91/94 Pc | 600 | 5 000.00 | 0.00 | | 3 000 000.00 |
| CPP 88/49V | 87 | 0.01 | 0.01 | | 0.87 |
| CPP 89/49V | 31 | 0.01 | 0.01 | | 0.31 |
| Ecop/98 | 1 500 000 | 2.45 | 2.45 | | 3 677 489.64 |
| EDP 02/06/2006 | 76 | 0.00 | 0.00 | | 0.30 |
| EDP 98/08 - 25° | 399 971 105 | 0.01 | 0.01 | 0.01 | 3 999 705.35 |
| Financim Pc 1.ª Emissão Eur 21/07/2005 | 1 570 000 000 | 100.00 | 0.01 | | 15 700 000.00 |
| Financim Pc 2.ª Emissão Eur 25/07/2005 | 1 330 000 000 | | | | 13 300 000.00 |
| Financim Pc 3.ª Emissão Eur 05/09/2005 | 1 540 000 000 | 100.00 | 0.01 | | 15 400 000.00 |
| Fisipe 00/07 (Eur) | 1 000 000 | 2.16 | 2.16 | 2.16 | 2 160 000.00 |
| Fisipe/2000-4/12/2007 | 1 000 000 | 2.16 | 2.16 | 1.66 | 2 160 000.00 |
| Imolisboa 1147 Pc | 139 | 50 000.00 | | | 6 950 000.00 |
| Jerónimo Martins 03/10/2008 Frn | 582 500 | 5.00 | 5.00 | 5.00 | 2 912 500.00 |
| Jerónimo Martins 12/06/2008 | 2 435 000 | 5.00 | 5.00 | 5.00 | 12 175 000.00 |
| Jerónimo Martins 03/10/2008 | 582 500 | 5.00 | 5.00 | 5.00 | 2 912 500.19 |
| Jerónimo Martins 12/06/2008 | 900 000 | 5.00 | 5.00 | 5.00 | 4 500 000.00 |
| Laboratório Atral/89 | 10 000 | 0.54 | 0.19 | | 1 937.61 |
| Lactogal Pc 39.ª Emissão 03/05/2005 | 170 000 000 | 100.00 | 0.01 | | 1 700 000.00 |
| Lactogal Pc 40.ª Emissão 15/02/2005 | 85 000 000 | 100.00 | 0.01 | | 850 000.00 |
| Lisnave 15/11/2006 | 56 273 549 | 0.01 | 0.00 | | 232 132.51 |
| Man.Pocas Pc 14.ª Emissão 18/02/2005 | 46 875 000 | 100.00 | 0.01 | | 468 750.00 |
| Metro 95/07 | 1 685 000 | 4.99 | 4.99 | 4.99 | 8 408 150.00 |
| Modelo Continente 18/03/2009 Frn | 3 500 000 | 10.00 | 10.00 | 10.00 | 35 000 000.00 |
| Modelo Continente, SGPS 04/09V | 1 555 000 | 10.00 | 10.00 | 10.00 | 15 550 484.08 |
| Mota Engil 28/06/2007 Frn | 1 600 000 | 4.17 | 4.58 | 4.06 | 7 333 087.72 |
| Mota Engil 30/12/2009 Frn | 1 500 000 | 10.00 | 10.00 | 10.00 | 15 000 000.00 |
| Mota Engil Engenharia 7115 Pc | 1 125 000 000 | 0.01 | | | 11 250 000.00 |
| Mota Engil 02. 1.ª Emissão | 400 000 | 4.17 | 4.17 | | 1 667 999.98 |
| Mundicenter 8.ª Emissão Eur 24/03/2005 | 466 666 666 | 100.00 | 0.01 | | 4 666 666.66 |
| Mundicenter 9.ª Emissão Eur 22/04/2005 | 883 333 333 | 100.00 | 0.01 | | 8 833 333.33 |
| Mundileasing 2110 Pc | 415 000 000 | 0.01 | | | 4 150 000.00 |
| Parpública 4103 Pc | 2 500 000 000 | 0.01 | | | 25 000 000.00 |
| Parpública Pc Eur 16/06/2005 | 40 200 000 000 | 100.00 | 0.01 | | 402 000 000.00 |
| Parque Expo 13/08/2008 | 8 093 458 476 | 0.01 | 0.01 | 0.01 | 80 936 703.68 |
| Parque Expo 19/11/2008 | 19 570 553 632 | 0.01 | 0.01 | 0.01 | 195 705 400.58 |
| Partest 14/07/2005 | 164 687 104 | 0.01 | 0.01 | 0.01 | 1 646 871.04 |
| Partest 28/12/2008 4.398% | 12 244 526 691 | 0.01 | 0.01 | 0.01 | 122 431 696.87 |
| Polimaia/89 C | 8 240 | 1.49 | 1.50 | | 12 360.41 |
| Portucel Pc 22.ª Emissão Eur 21/06/2005 | 41 666 700 | 100.00 | 0.01 | | 416 667.00 |
| Portucel Pc | | | | | |
| 52.ª Emissão Eur 26/04/2005 | 10 263 031 038 | 100.00 | 0.01 | | 102 630 310.38 |
| Quimigal Pc 12 Eur 30/06/2005 | 59 855 748 | 100.00 | 0.01 | | 598 557.48 |
| Recheio 14/08/2005 | 362 762 243 | 0.01 | 0.01 | 0.01 | 3 627 622.44 |
| REN 21122 Pc | 600 000 000 | 0.01 | | | 6 000 000.00 |
| REN 21125 Pc | 700 000 000 | 0.01 | | | 7 000 000.00 |
| Ren Pc 122.ª Emissão Eur 07/01/2005 | 20 550 000 000 | 100.00 | 0.01 | | 205 500 000.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|----------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Ren Pc 124.º Emissão Eur 07/01/2005 | 10 700 000 000 | 100.00 | 0.01 | | 107 000 000.00 |
| Salvador Caetano 11/06/2007 Frn | 750 000 | 7.50 | 7.50 | 7.18 | 5 625 000.00 |
| SGAL 15/05/2014 Frn | 160 000 | 5.00 | 5.00 | 3.57 | 800 000.00 |
| SGAL 31/08/2008 (RL-.12*C)*.08 | 400 000 | 4.99 | 4.99 | 4.29 | 1 995 552.95 |
| Soares da Costa 29/06/2007-Eur | 1 650 000 | 3.13 | 3.12 | 3.12 | 5 152 973.05 |
| Soc.Transp.Colectivos do Porto 24/11/2006 | 4 500 000 | 5.00 | 5.00 | 5.00 | 22 500 000.00 |
| Soc.V.T.Val.14.º Emissão18/02/2005 | 31 250 000 | 100.00 | 0.01 | | 312 500.00 |
| Sodim 07V | 178 960 | 4.99 | 4.84 | 4.99 | 865 742.08 |
| Somague, SGPS 16/05/2005 Frn | 1 279 | 4.99 | | | 6 374.79 |
| Sonae | 299 398 | 49.98 | | | 14 957 612.00 |
| Sonae 4126A Pc | 345 | 50 000.00 | | | 17 250 000.00 |
| Sonae 4130 Pc | 192 | 50 000.00 | | | 9 600 000.00 |
| Sonae 4136 Pc | 56 | 50 000.00 | | | 2 800 000.00 |
| Sonae Invest 24/10/2007 | 11 886 353 887 | 0.01 | | | 118 863 538.87 |
| Sonae, SGPS Pc | | | | | |
| Emissão 34.º 03/01/2005 | 4 790 000 000 | 100.00 | | | 47 900 000.00 |
| Sonae, SGPS Pc | | | | | |
| 35.º Emissão 03/01/2005 | 1 075 000 000 | 100.00 | | | 10 750 000.00 |
| Soporcel Pc 21.º Emissão 18/02/2005 | 3 750 000 000 | 100.00 | | | 37 500 000.00 |
| Salvador Caetano 11/06/2007 | 250 000 | 7.50 | | | 1 875 000.00 |
| UBP 27/06/2006 | 98 | 0.01 | | | 0.98 |
| Unicer Pc 6.º Emissão Eur 14/06/2005 | 4 850 000 000 | 100.00 | | | 48 500 000.00 |
| Non-resident entities | | | | | 1 807 209 203.37 |
| Issued by international financial organisations | | | | | 28 820 174.30 |
| Bonds | | | | | 28 820 174.30 |
| Int Americ 09/10/2018 Frn | 5 000 | 516.46 | 526.53 | 527.60 | 2 632 650.45 |
| Eurofima 2007 | 1 000 000 | 4.99 | 4.99 | 5.01 | 4 987 978.97 |
| Eurofima 2005 | 10 000 | 498.80 | 498.80 | 498.80 | 4 987 978.97 |
| Eurofima 2007 | 3 000 000 | 4.99 | 4.99 | 4.99 | 14 963 936.91 |
| Eurofima 97/07 | 124 699 474 | 0.01 | 0.01 | 0.01 | 1 247 629.00 |
| Other non-residents | | | | | 1 778 389 029.07 |
| Short term maturity | | | | | 25 693 155.13 |
| Certificates of Deposit | | | | | 25 693 155.13 |
| Canadian Imp.Bk Of Com-031124I00001 | 1 | 18 355 000.00 | 18 351 155.13 | 18 344 462.39 | 18 351 155.13 |
| Natexix Banque Populaires-040226I00002 | 1 | 7 342 000.00 | 7 342 000.00 | 7 342 000.00 | 7 342 000.00 |
| Medium and long term maturity | | | | | 1 752 695 873.93 |
| Other bonds | | | | | 1 624 958 991.67 |
| Abn-Amro Bank 10/02/2008 | 1 | 9 445 100.00 | 9 445 100.00 | 9 445 100.00 | 9 445 100.00 |
| Allegro Inv Corp. | 4 000 | 10 000.00 | 10 000.00 | | 40 000 000.00 |
| Alliance & Leicester Plc Flt Rt De 14/09/2009 | 5 000 | 1 000.00 | 997.61 | 998.41 | 4 988 050.00 |
| Alliance and Leicester Plc 12/08/2008 | 1 000 | 10 000.00 | 9 993.07 | 10 009.17 | 9 993 069.29 |
| Alpha Credit 16/11/2009 | 2 000 | 1 000.00 | 997.69 | 997.00 | 1 995 387.63 |
| Alpha Credit Grp 11/04/2006 | 3 000 | 1 000.00 | 997.68 | 996.40 | 2 993 035.96 |
| Alpha Creditgroup Plc, London 08/06/2007 | 6 000 | 1 000.00 | 999.41 | 1 000.04 | 5 997 129.21 |
| Alpha Creditgroup Plc, London 16/11/2009 | 5 000 | 1 000.00 | 997.62 | 996.40 | 4 988 399.78 |
| American Express - 041116C00001 | 1 | 5 873 600.00 | 5 873 600.00 | 5 873 629.37 | 5 873 600.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Ameriquest Mortgage Corp.- 02121100001 | 1 | 131 586.61 | 131 586.61 | 131 586.61 | 131 586.61 |
| Anglo Irish Bank Corporation Plc, 11/07/2005 | 4 000 | 1 000.00 | 999.41 | 1 000.21 | 3 999 383.37 |
| Anglo Irish Bank Corporation Plc, 11/07/2005 | 6 000 | 1 000.00 | 999.82 | 1 000.21 | 5 999 685.07 |
| Arg Funding Corp. - 031010I00001 | 1 | 3 671 000.00 | 3 671 000.00 | 3 672 468.40 | 3 671 000.00 |
| Argentária Global Finance | | | | | |
| Euro Med Nts 27/02/07 | 1 500 | 498.80 | 498.69 | 532.63 | 748 037.89 |
| Argentária Global Finance Ltd | 12 500 | 498.80 | 498.80 | 497.92 | 6 234 973.71 |
| Autostrade | 133 | 100 000.00 | 99 822.26 | 100 650.00 | 13 276 360.90 |
| AXA Uap | 15 244 901 | 1.00 | 1.00 | 1.01 | 15 244 901.00 |
| Banca Antonveneta Spa Flt Rt | | | | | |
| De 30/09/2009 | 500 | 10 000.00 | 9 985.70 | 9 975.40 | 4 992 850.00 |
| Banca Antonveneta Spa Padova | 500 | 10 000.00 | 9 984.00 | 9 963.00 | 4 992 348.79 |
| Banca Delle Marche De 01/10/2007 Flt Rt | 5 000 | 1 000.00 | 998.83 | | 4 994 150.00 |
| Banca Intesa Spa Milan | 4 000 | 1 000.00 | 1 000.48 | 1 003.01 | 4 001 903.94 |
| Banca Intesa Spa Milan | 5 000 | 1 000.00 | 1 000.30 | 1 003.01 | 5 001 012.29 |
| Banca Intesa Spa Milan | 10 000 | 1 000.00 | 998.82 | 1 000.20 | 9 988 200.31 |
| Banca Intesa Spa Milan | 4 000 | 1 000.00 | 1 000.92 | 1 003.01 | 4 003 679.91 |
| Banca Lombarda E Piem Flt Rt 07 | | | | | |
| De 28/09/2007 | 250 | 10 000.00 | 9 995.60 | 9 998.20 | 2 498 900.00 |
| Banca Lombarda E Piemontese- Creagr | 1 200 | 10 000.00 | 9 994.20 | 10 006.00 | 11 993 042.25 |
| Banca Lombarda E Piemontese- Creagr | 500 | 10 000.00 | 9 995.60 | 9 996.10 | 4 997 989.03 |
| Banca Nazionale Del Lavoro | 5 000 | 1 000.00 | 998.87 | 1 000.27 | 4 994 338.53 |
| Banca Popolare Di Bergamo | 1 000 | 10 000.00 | 9 997.95 | 10 007.29 | 9 997 949.62 |
| Banca Popolare Di Lodi | 5 000 | 1 000.00 | 1 000.05 | 1 000.21 | 5 000 213.15 |
| Banca Popolare Di Verona 17/10/2008 | 5 000 | 1 000.00 | 998.19 | 999.87 | 4 990 941.02 |
| Banca Popolare Di Verona 14/05/2009 | 1 000 | 10 000.00 | 9 987.52 | 9 997.11 | 9 987 516.87 |
| Bancaja International Finance | 1 500 | 7 341.60 | 7 318.48 | 7 346.58 | 11 005 036.36 |
| Banco Banif Cayman 05/08/2009 | 10 000 | 1 000.00 | 996.95 | 997.50 | 9 969 490.91 |
| Banco Banif Cayman 21/11/2008 | 4 000 | 1 000.00 | 999.08 | 1 001.50 | 3 996 335.69 |
| Banco Banif Cayman 05/08/2009 | 2 500 | 1 000.00 | 996.97 | 998.10 | 2 492 435.13 |
| Banco Banif Cayman Finance Flt 05/08/2009 | 10 000 | 1 000.00 | 996.68 | 997.90 | 9 966 800.00 |
| Banco BPI, SA - Georgetown | 5 000 | 1 000.00 | 999.13 | 999.96 | 4 995 633.63 |
| Banco BPI, SA - Georgetown | 10 000 | 1 000.00 | 998.30 | 1 000.00 | 9 985 429.90 |
| Banco BPI, SA - Georgetown | 5 000 | 1 000.00 | 998.65 | 999.96 | 4 995 543.92 |
| Banco Central Hispanoamericano, SA | 5 000 | 734.16 | 733.39 | 734.61 | 3 670 471.04 |
| Banco Comercial Português | | | | | |
| Finance Bank - Georgetown | 10 000 | 1 000.00 | 996.66 | 999.33 | 9 972 632.84 |
| Banco Comercial Português | | | | | |
| Finance Bank - Georgetown | 5 000 | 1 000.00 | 999.04 | 998.80 | 4 995 407.67 |
| Banco Espírito Santo Finance, Ltd - Georgetown | 5 000 | 1 000.00 | 1 000.40 | 1 001.53 | 5 001 439.68 |
| Banco Espírito Santo Finance, Ltd - Georgetown | 10 000 | 1 000.00 | 997.14 | 999.00 | 9 976 471.92 |
| Banco Pastor, SA, La Coruna | 70 | 100 000.00 | 100 000.00 | 100 073.01 | 7 000 000.00 |
| Bankgesellschaft Finance | 5 | 716 075.90 | 716 075.90 | 715 793.13 | 3 580 379.52 |
| Banque Federative Du Credit Mutuel - 03/03/2011 | 50 | 100 000.00 | 99 798.24 | 99 910.00 | 4 989 911.82 |
| Banque Federative | | | | | |
| Du Credit Mutuel - 30/01/2006 | 800 | 7 341.60 | 7 336.69 | 7 344.70 | 5 869 355.30 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Banque Psa Fin | 3 000 | 1 000.00 | 998.76 | 1 001.69 | 2 996 276.32 |
| Banque Psa Finance, Paris | 3 000 | 1 000.00 | 998.07 | 1 001.69 | 2 996 335.93 |
| Bcp Finance 02/06/2009 Frn | 5 000 | 1 000.00 | 997.55 | 999.13 | 4 987 750.00 |
| Bcp Finance Bank Ltd 14/10/2009 Frn | 5 000 | 1 000.00 | 999.04 | | 4 995 200.00 |
| Bes Finance Ltd | 2 000 | 1 000.00 | 999.09 | 1 000.30 | 1 998 183.52 |
| Bes Finance Ltd 10/08/2009 Frn | 5 000 | 1 000.00 | 998.50 | 1 000.25 | 4 992 500.00 |
| Boats 15/05/2011 Euribor3M | 289 948 456 | 1.00 | 1.00 | | 289 198 476.74 |
| Boats Caravela Usd 15/05/2011-03 | 10 000 | 734.16 | 697.25 | | 6 972 481.84 |
| Boats Caravela Usd 15/05/2011-08 | 705 | 734.16 | 697.25 | | 491 561.10 |
| Boats Caravela Usd 15/05/2011-09 | 19 114 | 734.16 | 697.25 | | 13 327 201.65 |
| Boats Caravela Usd 15/05/2011-10 | 22 832 | 734.16 | 697.25 | | 15 919 569.38 |
| Boats Caravela Usd 15/05/2011-11 | 2 200 | 734.16 | 697.27 | | 1 533 999.91 |
| Boats Caravela Usd 15/05/2011-Tp | 39 289 815 | 0.73 | 0.70 | | 27 395 318.24 |
| Bonos Ico | 2 850 | 1 000.00 | 1 195.24 | | 3 040 953.00 |
| Bonos Ico | 2 300 | 1 000.00 | 1 143.40 | | 2 406 653.00 |
| Bradford & Bingley Bldg Scty | 5 000 | 1 000.00 | 998.44 | 997.86 | 4 992 222.00 |
| British American Tobacco | | | | | |
| Intl Finance 03/04/2006 | 1 650 | 1 000.00 | 1 003.59 | 1 006.70 | 1 655 930.05 |
| British Telecom, Plc | 5 000 | 1 000.00 | 1 036.97 | 1 041.40 | 5 184 873.87 |
| Bulgarian Foreign Trade Bank 28/07/2011 | 2 | 164 407.65 | 164 407.74 | 164 177.48 | 328 815.38 |
| Bulgarian Foreign Trade Bank 28/07/2012 | 6 | 186 532.38 | 186 532.38 | 186 401.80 | 1 119 194.19 |
| Cabral - Cupão Zero | 19 200 | 4.99 | 1 068.79 | | 20 520 787.20 |
| Caisse Centrale Du Credit Immobilier | 5 000 | 1 000.00 | 999.31 | | 4 996 549.83 |
| Caixa Catalunya 12/08/2008 | 5 000 | 1 000.00 | 1 000.41 | 1 000.90 | 5 002 031.84 |
| Caixa Catalunya Intl Fin 12/08/2008 | 5 000 | 1 000.00 | 998.09 | 1 000.85 | 4 993 105.39 |
| Caixa Catalunya Intl Fin 14/02/2008 | 5 000 | 1 000.00 | 999.10 | 1 000.63 | 4 990 518.73 |
| Caixa D'Estalvis De Catalunya 01/12/2009 | 40 | 100 000.00 | 99 905.00 | 99 901.00 | 3 996 264.51 |
| Caixa D'Estalvis De Catalunya 22/06/2009 | 35 | 100 000.00 | 99 721.87 | 99 839.00 | 3 490 265.50 |
| Caixa Etalvis | 100 000 | 50.00 | 49.95 | 49.95 | 4 995 328.04 |
| Caixa Finance B.V. Amsterdam | 20 | 100 000.00 | 99 915.53 | 99 992.76 | 1 998 310.67 |
| Caixa Finance B.V. Amsterdam | 80 | 100 000.00 | 99 815.58 | 99 992.76 | 7 985 246.55 |
| Caja De Ahorros De Valencia, | 500 | 10 000.00 | 9 982.14 | 9 990.00 | 4 991 068.14 |
| Caja De Ahorros Del Mediterraneo | | | | | |
| Global Finance | 10 000 | 734.16 | 734.08 | 734.43 | 7 340 802.57 |
| Caja Laboral Finance Ltd, Grand Cayman | 3 000 | 1 000.00 | 999.39 | 1 000.32 | 2 998 177.75 |
| Cajamar - Caja Rural Intermedi | 30 | 100 000.00 | 100 000.00 | 100 020.00 | 3 000 000.00 |
| Capitalia Spa (Ex. Banca Di Roma Spa) | 5 000 | 1 000.00 | 999.11 | 1 001.27 | 4 995 525.29 |
| Car Loan Invest-1 | 21 | 102 127.66 | 102 127.66 | 102 229.79 | 2 112 000.00 |
| Cassa Di Risparmio In Bologna Spa | 1 000 | 10 000.00 | 9 998.32 | 10 006.81 | 9 998 317.63 |
| Chelsea Bldg Society De 28/09/2009 | 5 000 | 1 000.00 | 998.09 | 998.22 | 4 990 450.00 |
| Chelsea Building Soc 28/09/2009 | 4 000 | 1 000.00 | 998.09 | | 3 992 757.48 |
| Christiania Bank Og Kreditkasse 22/09/2005 | 500 | 7 341.60 | 7 339.91 | 7 347.66 | 3 669 953.29 |
| Cofidis 15/06/2009 | 5 000 | 1 000.00 | 999.05 | 999.60 | 4 995 770.26 |
| Cofinoga - Cie Fin Nouvel Galeries | | | | | |
| Flt Rt De 21/09/2009 | 100 | 50 000.00 | 49 940.50 | 49 967.50 | 4 994 050.00 |
| Cofinoga 04/05/2011 | 5 000 | 1 000.00 | 997.04 | 997.80 | 4 985 198.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|--------|--------------------|--------------------|-------------------|-------------------------------|
| Cofinoga 21/09/2009 | 100 | 50 000.00 | 49 943.82 | 49 942.50 | 4 994 382.37 |
| Cofinoga 99/06 | 12 500 | 1 000.00 | 999.68 | 1 002.20 | 12 495 979.03 |
| Cofinoga Sa Flt Rt De 04/05/2011 | 5 000 | 1 000.00 | 997.54 | 997.82 | 4 987 700.00 |
| Comerica Bank - 021011I00001 | 1 | 7 342 000.00 | 7 332 213.99 | 7 351 544.60 | 7 332 213.99 |
| Commerzbank - 020719I00001 | 1 | 3 671 000.00 | 3 669 235.72 | 3 671 917.75 | 3 669 235.72 |
| Commerzbank Nv Amsterdam 28/02/2005 | 3 678 | 1 000.00 | 1 000.00 | 1 007.73 | 3 678 000.00 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2006 | 1 | 4 861.57 | 4 847.63 | 4 521.27 | 4 847.63 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2009 | 1 | 15 808.62 | 15 762.95 | 14 227.81 | 15 762.95 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2024 | 1 | 73 291.59 | 73 079.86 | 64 408.61 | 73 079.86 |
| Coop Ref Prod Açúcar de Alagoas Brasil 15/04/2024 | 1 | 56 349.83 | 56 187.16 | 56 141.31 | 56 187.16 |
| Countrywide Home - 020522I00001 | 1 | 3 671 000.00 | 3 671 000.00 | 3 677 791.35 | 3 671 000.00 |
| Coventry Building Society, Coventry 26/09/2008 | 3 000 | 1 000.00 | 999.05 | 1 001.12 | 2 997 872.25 |
| Credit Loc France 23/09/2016 6% | 5 000 | 516.46 | 516.46 | 526.13 | 2 582 285.03 |
| D.Telekom 02/07 | 2 500 | 1 000.00 | 1 000.00 | 1 104.40 | 2 500 000.00 |
| D.Telekom 02/07 | 5 000 | 1 000.00 | 1 091.51 | 1 104.40 | 5 457 570.40 |
| Daimler Chrysler Us 02/07/2007 | 5 000 | 1 000.00 | 1 002.72 | 1 002.60 | 5 013 611.87 |
| Daimler Chrysler Na Hldg | 10 000 | 1 000.00 | 999.49 | 1 003.00 | 9 994 908.92 |
| Daimler Chrysler 05/12/2005 | 20 | 100 000.00 | 100 331.36 | 100 790.00 | 2 006 627.19 |
| De Nationale Investeringsbank Nv | 10 000 | 1 000.00 | 998.81 | 1 001.28 | 9 988 107.99 |
| Den Norske Bank 22/01/2008 | 50 | 100 000.00 | 99 842.32 | 100 065.06 | 4 992 115.88 |
| Den Norske Bank 22/01/2008 | 50 | 100 000.00 | 99 847.67 | 100 065.06 | 4 992 383.67 |
| Ebs Building Society 11/06/2007 | 500 | 10 000.00 | 9 994.06 | 10 001.00 | 4 997 030.00 |
| Efg Hellas Plc 24/04/2006 | 5 000 | 1 000.00 | 1 000.66 | 1 001.20 | 5 003 319.69 |
| Efg Hellas Plc 2009 | 1 000 | 5 000.00 | 4 988.71 | 4 987.50 | 4 988 712.60 |
| Efg Hellas Plc 28/09/2009 | 10 000 | 1 000.00 | 997.62 | 997.50 | 9 977 438.23 |
| Efg Hellas Plc Rt 09/09 De 28/09/2009 | 5 000 | 1 000.00 | 997.62 | 997.71 | 4 988 100.00 |
| Emporiki Group Finance Plc 01/11/2007 | 5 000 | 1 000.00 | 998.06 | 997.30 | 4 990 321.00 |
| Erste Bank Der Oesterreichischen Sparkassen | 15 000 | 1 000.00 | 998.47 | 1 000.84 | 14 977 097.54 |
| Esfg Overseas Ltd 30/06/2008 | 5 000 | 511.29 | 511.32 | 534.96 | 2 556 593.65 |
| F Van La Bankiers 09/05/2006 | 500 | 10 000.00 | 10 001.39 | 10 024.26 | 5 000 693.82 |
| F Van Lanschot Bankiers Nv 09/05/2006 | 300 | 10 000.00 | 9 993.48 | 10 024.26 | 2 998 043.29 |
| F Van Lanschot Bankiers, 11/08/2010 | 170 | 50 000.00 | 49 915.50 | 49 950.60 | 8 485 635.00 |
| Fce Bank Plc 28/06/2006 | 5 000 | 1 000.00 | 996.03 | 992.00 | 4 980 134.15 |
| Fce Bank Plc 30/09/2009 | 5 000 | 1 000.00 | 995.34 | 966.50 | 4 977 886.69 |
| Federal Home Loan Bk-040211I00001 | 1 | 7 342 000.00 | 7 342 000.00 | 7 328 233.75 | 7 342 000.00 |
| Fih - Finance For Danish Industry - Euro Notes | 5 000 | 734.20 | 734.02 | 734.93 | 3 670 116.76 |
| Finance For Danish Industry 28/05/2008 | 3 000 | 1 000.00 | 998.74 | 1 000.21 | 2 996 224.06 |
| Finance For Danish Industry 28/05/2008 | 2 000 | 1 000.00 | 998.71 | 1 000.21 | 1 997 414.67 |
| Finance For Danish Industry 28/05/2008 | 5 000 | 1 000.00 | 998.64 | 1 000.21 | 4 993 196.50 |
| Finance For Danish Industry 28/05/2008 | 8 000 | 1 000.00 | 999.14 | 1 000.21 | 7 993 146.01 |
| Findomestic Banca Spa 11/06/2008 | 100 | 50 000.00 | 49 958.27 | 50 015.00 | 4 995 827.21 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|-------------|-----------------------|-----------------------|----------------------|----------------------------------|
| Fokus Bank As Oslo 01/09/2005 | 500 | 7 341.60 | 7 340.07 | 7 343.68 | 3 670 034.97 |
| Ford Motor Credit - Frn 06/01/2006 | 10 000 | 1 001.23 | 1 007.88 | 1 008.06 | 10 078 803.19 |
| Ford Motor Credit 03/06 | 1 000 | 1 000.00 | 1 005.60 | 1 008.40 | 1 005 596.23 |
| Ford Motor Credit Co -040610C00001 | 1 | 3 671 000.00 | 3 667 665.31 | 3 667 108.74 | 3 667 665.31 |
| Friesland 23/05/2006 | 5 000 | 1 000.00 | 1 001.25 | 1 002.90 | 5 006 251.68 |
| Friesland Bank Nv (Ex-Abn Amro Bank Nv Lisboa) | 5 000 | 1 000.00 | 999.60 | 1 002.79 | 4 997 987.73 |
| Galp 1A10V | 400 000 000 | 0.01 | 0.01 | 0.01 | 4 000 000.00 |
| Galp 1B10V | 200 000 000 | 0.01 | 0.01 | 0.01 | 2 000 000.00 |
| General Motors Acceptance Corp. - Frn | 10 000 | 734.20 | 733.55 | 731.02 | 7 335 547.85 |
| General Motors Acceptance Corp. 03/05 Us | 3 000 | 1 000.00 | 1 001.65 | 1 002.60 | 3 004 944.03 |
| General Motors Canada 12/09/2008 | 8 000 | 1 000.00 | 1 013.18 | 993.33 | 8 105 436.70 |
| Hfc Bank Plc | 63 | 100 000.00 | 99 886.73 | 100 599.20 | 6 292 864.00 |
| Huntington National Bk-020419I00001 | 1 | 3 671 000.00 | 3 670 933.98 | 3 670 889.87 | 3 670 933.98 |
| Hypo Real Estate Bank Int Dublin | 4 000 | 1 000.00 | 996.67 | 998.90 | 3 987 409.46 |
| Hypo Real Estate Bank Int Dublin | 5 000 | 1 000.00 | 997.71 | 998.90 | 4 988 525.21 |
| Ibercaja Finance Ltd Georgetown | 10 000 | 1 000.00 | 998.18 | 999.94 | 9 991 808.85 |
| Iberdrola International Bv | 10 000 | 1 000.00 | 996.49 | 1 050.70 | 9 964 850.81 |
| Ikb Deutsche Industriebank Ag, Dusseldorf | 5 000 | 1 000.00 | 998.80 | 1 001.79 | 4 995 366.17 |
| Ikb Deutsche Industriebank Ag, Dusseldorf | 5 000 | 1 000.00 | 999.15 | 1 001.79 | 4 996 600.48 |
| Ikbdeut 06V | 500 | 10 000.00 | 10 006.01 | 10 025.00 | 5 003 006.90 |
| Ing Bank / Int Nederlanden Bk | 200 000 | 45.38 | 45.38 | 48.48 | 9 075 604.32 |
| Intesa Securities Spa Milano | 4 044 850 | 1.00 | 1.00 | 1.00 | 4 043 321.34 |
| Investkredit Ag | 4 000 | 1 000.00 | 999.67 | 1 001.99 | 3 998 664.72 |
| Irish Nationwide Bldg S, 12/10/2009 Flt Rt | 40 | 100 000.00 | 99 762.00 | 0.00 | 3 990 480.00 |
| Irish Nationwide Bldg Socty | 40 | 100 000.00 | 99 772.56 | 99 775.00 | 3 990 902.30 |
| Irish Permanent Plc, Dublin | 500 | 10 000.00 | 9 983.71 | | 4 991 853.04 |
| Islandsbanki Hf - Reykjavik | 10 000 | 1 000.00 | 999.20 | 1 000.15 | 9 991 972.26 |
| J. Sainsbury | 3 | 49 879.79 | 49 628.82 | 49 480.75 | 148 886.46 |
| J. Sainsbury 04/11/2005 | 6 | 49 879.79 | 49 879.79 | 49 879.79 | 299 278.74 |
| J. Sainsbury | 9 999 | 498.80 | 498.80 | 498.87 | 4 987 324.00 |
| Kaupthing Bank, Reykjavik (Bunadarbanki Isl.) | 5 000 | 1 000.00 | 998.92 | 1 001.48 | 4 996 290.37 |
| Kaupthing Bank, Reykjavik (Bunadarbanki Isl.) | 5 000 | 1 000.00 | 998.92 | 1 000.76 | 4 994 624.51 |
| Key Bank N.A. - 030602I00003 | 1 | 36 710 000.00 | 36 703 124.88 | 36 712 936.80 | 36 703 124.88 |
| Kfw Internacional Finance/2007 | 1 000 000 | 4.99 | 4.99 | 4.99 | 4 987 978.97 |
| Koninklijke Kpn Nv | 5 000 | 1 000.00 | 1 005.60 | 1 006.00 | 5 027 994.74 |
| L Vuit Moet Hennessy 03/10 | 3 000 | 1 000.00 | 1 000.00 | 1 068.50 | 3 000 000.00 |
| L Vuit Moet Hennessy 03/10 | 2 000 | 1 000.00 | 1 035.72 | 1 068.50 | 2 071 430.56 |
| Landsbanki Islands, Reykjavik | 5 000 | 1 000.00 | 998.64 | 1 001.28 | 4 993 190.18 |
| Landshypotek Ab Stockholm | 100 | 100 000.00 | 99 990.29 | 100 019.47 | 9 999 029.03 |
| Macquarie Bank Ltd | 10 000 | 734.16 | 732.99 | 734.69 | 7 341 000.18 |
| Meridian Funding Co.-031024I00001 | 1 | 3 365 389.25 | 3 365 389.25 | 3 360 845.97 | 3 365 389.25 |
| Merrill Lynch & Co.-021011I00002 | 1 | 734 200.00 | 728 577.04 | 733 208.83 | 728 577.04 |
| Metro Ag | 4 000 | 1 000.00 | 998.10 | | 3 992 400.00 |
| Metro Ag 07/10/2009 | 6 425 | 1 000.00 | 998.26 | 1 000.50 | 6 413 808.42 |
| Mont.G.Caixa Económica 26/11/2008-Cayman | 500 | 10 000.00 | 9 995.26 | 10 018.92 | 4 998 128.08 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|-------------|--------------------|--------------------|-------------------|-------------------------------|
| Mont.G.Caixa Económica 04/11/2004 | | | | | |
| Flt Rt-Cayman | 10 000 | 1 000.00 | 999.52 | | 9 995 200.00 |
| Mont.G.Caixa Económica-Cayman 09V | 3 000 | 1 000.00 | 999.54 | 1 000.20 | 2 998 616.27 |
| Mont.G.Caixa Económica-Cayman 04/11/2009 | 500 | 10 000.00 | 9 995.35 | 9 996.00 | 4 997 676.23 |
| Morgan Guaranty Trust 2007 | 10 000 | 498.80 | 498.80 | 496.55 | 4 987 978.97 |
| National City Bank - 040726C00001 | 1 | 3 671 000.00 | 3 667 983.10 | 3 669 458.18 | 3 667 983.10 |
| National Grid 11/08/2005 | 50 | 100 000.00 | 99 957.80 | 99 900.00 | 4 997 889.90 |
| Nationwide Anglia Bld Scty | 10 000 | 1 000.00 | 998.90 | 999.55 | 9 988 995.05 |
| Nib Capital Bank 16/02/2009 Frn | 75 | 100 000.00 | 100 000.00 | 100 130.00 | 7 500 000.00 |
| Northern Rock Plc | 5 000 | 1 000.00 | 998.90 | 1 000.73 | 4 994 500.00 |
| Northern Rock Plc - Newcastle | 5 000 | 1 000.00 | 998.90 | 1 000.73 | 4 994 506.93 |
| Nostrum Con Fin 26/11/2015 CI F | 262 500 000 | 0.01 | 0.01 | | 2 625 000.00 |
| Nostrum Mtg Plc 15/11/2046 CI D | 400 000 000 | 0.01 | 0.01 | | 4 000 000.00 |
| Obligaciones Renfe Serie D 01-01-57 | 2 | 150.25 | 140.06 | | 280.00 |
| Obrigações Cimento Moçambique -2004 | 83 333 | 3.88 | | 3.88 | 323 291.00 |
| Old National Bank-030521I00001 | 1 | 3 671 000.00 | 3 671 000.00 | 3 675 368.49 | 3 671 000.00 |
| Olivetti Finance 24/01/2008 | 2 000 | 1 000.00 | 1 057.39 | 1 077.60 | 2 114 787.89 |
| Piraeus Grp Fin | 5 000 | 1 000.00 | 997.81 | 998.50 | 4 990 880.00 |
| Piraeus Grp Fin | 5 000 | 1 000.00 | 998.80 | 998.50 | 4 994 478.30 |
| Pnc Bank - 000518I00002 | 1 | 734 200.00 | 734 106.48 | 734 640.52 | 734 106.48 |
| Portman Building Society | 3 000 | 1 000.00 | 997.37 | 997.60 | 2 992 568.02 |
| Portman Building Society Flt Rt De 17/09/2009 | 3 000 | 1 000.00 | 997.37 | 997.74 | 2 992 110.00 |
| Powergen Plc | 5 000 | 1 418.34 | 1 418.34 | 1 485.43 | 7 091 695.62 |
| Providian Gateway-011107I00002 | 1 | 734 200.00 | 731 559.41 | 734 429.44 | 731 559.41 |
| Pt Int Finance 06/12/06 2% | 2 150 | 5 000.00 | 5 000.00 | 5 015.00 | 10 750 000.00 |
| Public Power Corporation | 1 620 | 5 000.00 | 4 998.92 | 5 000.63 | 8 098 247.54 |
| Quadrifoglio, Lecce | 11 | 100 062.50 | 100 062.50 | 100 332.67 | 1 120 700.00 |
| RCI Banque SA | 5 000 | 1 000.00 | 999.05 | 1 001.20 | 4 995 512.73 |
| RCI Banque SA | 1 000 | 2 000.00 | 1 999.52 | 2 004.73 | 1 999 517.33 |
| RCI Banque SA | 5 000 | 1 000.00 | 1 001.79 | 1 001.20 | 5 008 953.31 |
| RCI Banque SA, Renault Flt Rt de 22/09/2009 | 10 000 | 1 000.00 | 999.05 | 1 001.43 | 9 990 500.00 |
| Renault Credit Inter | 5 000 | 1 000.00 | 1 001.72 | 1 000.70 | 5 008 600.36 |
| Sabadell International Finance, Amsterdam | 10 000 | 1 000.00 | 998.09 | 1 000.48 | 9 985 248.99 |
| Sallie Mae - 000217I00001 | 1 | 1 848 931.14 | 1 836 218.18 | 1 860 486.96 | 1 836 218.18 |
| Scottish Power Plc, Glasgow | 10 000 | 511.29 | 511.29 | 542.23 | 5 112 918.81 |
| Sharp Brasil/2005 | 1 000 | 734.16 | 733.29 | 36.71 | 733 294.18 |
| Sns Bank Nederland Nv | 500 | 10 000.00 | 9 987.35 | 9 989.00 | 4 993 672.95 |
| Sns Bank Nederland Nv | 500 | 10 000.00 | 9 988.00 | 9 989.00 | 4 994 186.03 |
| Sns Bank Nederland, Flt Rt 06/10/2011 | 500 | 10 000.00 | 9 986.90 | 0.00 | 4 993 450.00 |
| Snsbk 18/09/2006 | 5 000 | 1 000.00 | 1 000.07 | 1 002.20 | 5 000 336.25 |
| Soc Gen Accpet 25/02/2014 6.631% | 7 500 | 1 000.00 | 1 003.79 | 882.70 | 7 528 390.29 |
| St George Bank Ltd, Flt 10/08/2009 | 5 000 | 1 000.00 | 998.57 | 999.31 | 4 992 850.00 |
| St George Bank Ltd, Kogarah | 15 000 | 1 000.00 | 998.68 | 999.10 | 14 980 241.57 |
| Structured Asset-030424I00001 | 1 | 3 671 000.00 | 3 671 000.00 | 3 709 912.60 | 3 671 000.00 |
| Tel. Italia 02/07 - (Fev 07) | 5 000 | 1 000.00 | 1 042.66 | 1 054.70 | 5 213 294.47 |
| Tel. Italia 02/07 (Fev 07) | 5 000 | 1 000.00 | 1 037.08 | 1 054.70 | 5 185 398.59 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-----------|--------------------|--------------------|-------------------|-------------------------------|
| Tel. Italia 04/07 (Out 07) | 50 | 100 000.00 | 99 935.01 | 100 180.00 | 4 996 750.59 |
| Telia Ab | 100 | 100 122.85 | 100 095.58 | 101 028.86 | 10 009 557.85 |
| Textron Finan.Corp.-030227100001 | 1 | 3 671 000.00 | 3 671 000.00 | 3 674 083.64 | 3 671 000.00 |
| Ubn 03/08 | 5 000 | 1 000.00 | 999.27 | 1 000.90 | 4 996 363.36 |
| Unicredito Italiano Spa Milano | 100 | 50 000.00 | 49 937.50 | 49 935.00 | 4 993 981.77 |
| Union Bank Of Norway, Oslo | 5 000 | 1 000.00 | 997.90 | 1 000.72 | 4 992 631.58 |
| Union Creditos Inmobiliarios 3 Frn | 34 | 16 524.47 | 21 758.92 | 16 524.47 | 739 803.24 |
| Us Bank Na-000911100001 | 1 | 3 671 000.00 | 3 670 860.92 | 3 670 632.90 | 3 670 860.92 |
| Van Lanschot Bankier 09/05/2006 | 500 | 10 000.00 | 10 015.47 | 10 023.00 | 5 007 732.68 |
| Volkswagen Nv | 5 000 | 1 000.00 | 1 005.80 | 1 023.80 | 5 028 997.60 |
| Volkswagen Bank | 5 000 | 1 000.00 | 999.05 | 999.43 | 4 996 144.36 |
| Volkswagen Bank Gmbh | 5 000 | 1 000.00 | 999.34 | 1 000.10 | 4 996 700.00 |
| Volkswagen Finan 19/01/2007 | 1 500 | 1 000.00 | 999.57 | 1 000.40 | 1 499 349.18 |
| Westlb Finance Curacao Nv | 3 300 | 1 344.30 | 1 344.30 | 1 393.41 | 4 436 199.39 |
| Woolwich Plc | 1 000 | 10 000.00 | 10 000.00 | 10 005.27 | 10 000 000.00 |
| Yorkshire Building Society - London | 500 | 10 000.00 | 9 978.50 | 10 004.56 | 4 994 108.46 |
| Other securities | | | | | 127 736 882.26 |
| Banco Internacional de Funchal | | 99.86 | 99.85 | | 9 990 806.00 |
| Caisse Depots et Consignations - Tdi | 5 113 | 15 244.90 | 15 244.90 | 15 244.90 | 77 947 173.70 |
| Commercial Plaza Securitisation Ltd | 187 | 23 714.35 | 23 714.35 | 23 714.35 | 4 434 589.53 |
| Metro Ag | 1 000 | 1 000.00 | 998.19 | | 998 188.44 |
| Oblig. First Union Corporation | 10 000 | 1 002.51 | 953.56 | | 7 341 605.00 |
| Telecom Italia Spa | 1 000 | 5 000.00 | 4 990.39 | 5 007.27 | 4 990 385.09 |
| Venetian Macau Finance Co | 30 000 | 736.63 | 734.52 | 736.63 | 22 034 134.50 |
| Variable-yield secur. issued by resident entities | | | | | 329 111 120.21 |
| Equities | | | | | 22 945 531.49 |
| Brisa Privatização | 451 780 | 1.00 | 4.75 | 6.75 | 2 145 955.00 |
| Cia. Fiac. Tec. Torres Novas | 2 131 | 5.00 | 10.65 | 0.20 | 22 695.15 |
| Cia. Ind. Prod. Antibióticos | 19 212 | 5.00 | 7.79 | 2.37 | 149 661.48 |
| Comundo Cons Mund Import Export | 86 | | 0.93 | 0.93 | 79.98 |
| D. Pedro Hotéis | 100 | 5.00 | 4.63 | 4.63 | 462.70 |
| EDP-Electricidade de Portugal | 2 420 000 | 1.00 | 3.02 | 2.23 | 7 306 134.03 |
| Emp. Madeirense Tabacos | 21 | 5.00 | 4.98 | 4.98 | 104.58 |
| Fab. Vasco Gama | 18 | 4.00 | 4.99 | 4.99 | 89.78 |
| Fiac. Algodão Coimbra | 100 | 4.00 | 3.94 | 0.90 | 394.00 |
| Gest. Agro Pecuária | 22 | 4.00 | 4.98 | 4.98 | 109.56 |
| Gestinsua | 1 187 | 5.00 | 4.99 | 4.99 | 5 920.73 |
| Gestnave | 400 | 4.00 | 43.31 | 43.31 | 17 325.20 |
| Grupo Dimensão | 5 | 4.00 | 4.99 | 0.65 | 24.95 |
| Imob Aviz, SA | 20 | 4.00 | 4.99 | 0.20 | 99.80 |
| Imovalor SGII | 19 761 | 4.00 | 14.12 | 7.06 | 279 025.32 |
| Ind. Fibras Madeira | 83 533 | 4.00 | 4.99 | 0.00 | 416 829.67 |
| J. Martins SGPS | 13 135 | 5.00 | 25.32 | 9.70 | 332 539.13 |
| Marconi AE | 223 | 5.00 | 31.31 | | 6 983.10 |
| Marconi Am | 10 | 5.00 | 31.42 | | 314.20 |
| Margueira | 10 837 | 4.00 | 4.99 | 4.99 | 54 062.12 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-------------|--------------------|--------------------|-------------------|-------------------------------|
| Matur - Empr. Tur. Madeira | 2 052 | 4.00 | 6.21 | 0.00 | 12 742.92 |
| Media Capital SGPS | 1 200 000 | 1.00 | 4.35 | 5.45 | 5 220 000.00 |
| Nec (Ex Sistel Comun Autom Sistemas) | 30 800 | 4.00 | 4.99 | 1.25 | 153 692.00 |
| Negócios Inov Tecnologias | 1 000 | 4.00 | 4.99 | 4.99 | 4 990.00 |
| Pema - Pesq. Empr. Min. Agro-Ind. Com. | 560 | 2.00 | 0.01 | 0.00 | 2.80 |
| Pgs Soc Prom Gest Áreas Ind Serv | 4 500 | 5.00 | 4.99 | 4.99 | 22 445.91 |
| Pirites Alentejanas | 236 401 | 5.00 | 3.73 | 3.73 | 881 490.59 |
| Procapital Inv. Imob. | 206 942 | 1.00 | 9.05 | | 1 872 825.10 |
| Pt Multimedia | 144 099 | | 17.15 | 18.49 | 2 470 652.31 |
| Saivane Imob. | 13 | 4.00 | | | 0.06 |
| Salvor Soc. Inv. Hoteleiros | 212 | 4.00 | 15.25 | | 3 233.00 |
| Sanjimo Imob. | 3 227 | 4.00 | | 2.72 | 0.05 |
| Secla | 49 740 | 4.00 | 4.99 | 1.25 | 248 286.12 |
| Semapa SGPS | 322 | 1.00 | 4.01 | 4.10 | 1 291.54 |
| Soc. Com. Turismo | 5 | 14.00 | 0.11 | | 0.55 |
| Soc. Ind. Farmacêutica | 8 | 4.00 | 60.47 | 4.68 | 483.76 |
| Soc. Port. Empreendimentos | 253 | 4.00 | 1.00 | | 253.00 |
| Sociedade Turística Penina | 3 | 1.00 | | | 0.00 |
| Sorefame - Soc. Reun. Fab. Metálicas | 171 | 4.00 | 9.99 | 4.99 | 1 708.29 |
| Telecomun. Gestão e Comparticip. | 7 864 | 1.00 | | | 0.00 |
| Telev. Independente | 168 | 5.00 | 63.44 | 63.44 | 10 658.09 |
| Telev. Independente Pref. | 1 | 5.00 | 63.82 | 63.82 | 63.82 |
| Text. Lopes Costa | 79 650 | 1.00 | 10.00 | | 796 172.48 |
| Valbopan Fib. Mad. | 49 152 | 4.00 | 4.99 | | 245 268.48 |
| Vista Alegre Atlantis | 67 020 | 1.00 | 3.89 | 0.59 | 260 460.14 |
| Participating bonds | | | | | 9 282 335.91 |
| CPP Perpétua | 366 198 462 | 0.01 | 0.01 | 0.01 | 3 464 923.25 |
| CPP/88 | 658 116 938 | 0.01 | 0.01 | 0.01 | 5 817 412.66 |
| Trust fund units | | | | | 296 883 252.81 |
| API Capital SCR SA | 120 | 1.00 | 25 000.00 | 25 000.00 | 3 000 000.00 |
| Caixagest Acções Japão | 5 000 | 4.99 | 4.00 | 2.58 | 19 987.00 |
| Caixagest Acções Oriente | 303 455 | 4.99 | 2.99 | 3.19 | 906 723.54 |
| Caixagest Acções Europa | 1 505 624 | 4.99 | 12.99 | 7.85 | 19 559 308.91 |
| Caixagest Estratégias Alternativas | 2 400 000 | 5.00 | 5.00 | 5.01 | 12 000 000.00 |
| Caixagest Eur Acções | 1 500 000 | 4.99 | 4.99 | 3.14 | 7 481 968.46 |
| Caixagest Maximizer 2008 | 915 195 | 5.00 | 5.00 | 5.55 | 4 575 975.00 |
| Caixagest Maximizer 2008 II GC | 1 127 687 | 5.00 | 5.00 | 5.35 | 5 638 435.00 |
| Caixagest Moeda | 9 686 951 | 4.99 | 6.73 | 6.74 | 65 148 863.15 |
| Caixagest Multi-Activos | 1 476 921 | 5.00 | 5.00 | 5.27 | 7 384 605.00 |
| Caixagest Seleção 2008 | 574 402 | 5.00 | 5.00 | 5.24 | 2 872 010.00 |
| Caixagest Seleção 2006 | 211 288 | 5.00 | 5.00 | 5.36 | 1 056 440.00 |
| Frie Grupo CGD | 1 200 | 49 879.79 | 49 879.79 | 40 995.69 | 59 855 747.86 |
| Fundimo | 5 291 911 | 4.99 | 6.63 | 7.73 | 35 100 081.94 |
| Fundo Capital Risco PME CGD Cap Frdp | 365 | 24 939.00 | 25 299.00 | 20 053.54 | 9 234 135.89 |
| Fundo Margueira Capital A | 9 510 441 | 1.00 | 4.99 | 4.99 | 47 437 879.70 |
| Fundo Turístico II | 129 307 | 50.00 | 52.20 | 58.05 | 6 749 989.28 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|-----------|--------------------|--------------------|-------------------|-------------------------------|
| Fundo Turístico SGFI | 1 149 900 | 4.00 | 4.99 | 6.34 | 5 735 865.07 |
| Lusimovest (FII) | 11 245 | 1.00 | 59.32 | 58.12 | 667 089.38 |
| Maxirent FII | 25 000 | 1.00 | 7.60 | 7.60 | 189 980.00 |
| Vision Escritórios (FII) | 371 782 | 1.00 | 6.10 | 6.28 | 2 268 167.63 |
| Variable-yield secur. issued by non-resident entities | | | | | 11 966 460.53 |
| Equities | | | | | 10 273 773.33 |
| Boston Western Cape | | | | | 0.13 |
| CGD - Representação de Bancos | | | | | 156 984.00 |
| Chesterton Industries (Pty) Ltd | 6 250 | | 3.99 | 0.00 | 24 916.32 |
| Corpcapital Ltd. | 2 915 | 0.00 | 0.10 | 0.00 | 280.41 |
| Cycad Financial Holdings | 1 433 331 | 0.00 | 0.00 | 0.00 | 1 863.29 |
| Dandy Shelf #3 | 20 | 0.13 | 476.72 | | 9 534.33 |
| Diamang | 3 400 | 1.00 | 1.13 | 1.13 | 3 846.89 |
| Euficash Sicav A | 272 | 1 000.00 | 1 027.73 | 2 108.43 | 279 541.96 |
| Euficash Sicav B | 284 | 1 000.00 | 1 008.33 | 936.10 | 286 366.18 |
| Eufinvest Sicav A | 6 432 | 100.00 | 117.45 | 243.00 | 755 422.09 |
| Eufinvest Sicav B | 6 706 | 100.00 | 112.05 | 203.96 | 751 407.64 |
| Eufirent Sicav A | 5 329 | 100.00 | 102.18 | 265.89 | 544 527.66 |
| Eufirent Sicav B | 5 313 | 100.00 | 100.40 | 129.88 | 533 429.64 |
| Finangola, SA Ex-Petrofina | 3 | 4.00 | 11.29 | 11.29 | 33.87 |
| Finangola, SA Ex-Petrofina Nom | 3 414 | 4.00 | 2.75 | 2.75 | 9 374.91 |
| GDI Share - Guangdong Investment Ltd | 2 349 994 | 1.83 | 1.83 | 0.11 | 4 405 953.73 |
| Hkprop - Hk Property | | | | | 0.00 |
| JD Group | 1 000 | 0.00 | 8.84 | | 8 840.00 |
| Lonmin Plc | 14 | 0.00 | 12.87 | | 180.18 |
| Milkworx (Previously Acuity) | 9 077 200 | 0.00 | 0.01 | | 70 802.16 |
| N1 Mac Trust | | | | | 73 341.19 |
| NFC Distributors (Pty) Ltd | 500 | | 92.56 | | 46 278.05 |
| Rand Leases | 400 | 0.00 | 0.15 | | 58.24 |
| Repsol Intl Pr | 80 000 | 0.73 | 18.35 | 18.75 | 1 468 320.97 |
| Sentra Beleggings | 5 224 | 0.13 | 0.37 | | 1 945.32 |
| Simeón Inversiones C.A. | 900 | 500.00 | 0.38 | | 343.00 |
| Simeón SA de C.V. | 6 000 | 1.00 | 7.84 | | 47 068.00 |
| Statman Investments | 675 000 | | 0.62 | | 420 637.49 |
| SWIFT (Pty) Ltd | | | | | 68 690.57 |
| Telecomunicações (Brasil) | 3 984 | 0.28 | | | 1 101.95 |
| Time Share Investments | | | | | 4 225.00 |
| Waterco - Water Co. | 79 473 | 1.83 | 1.83 | | 149 002.23 |
| Wb Building Trust | | | | | 149 455.93 |
| Trust fund units | | | | | 1 692 687.20 |
| Afianzamientos de Galicia Sgr | 550 | 120.20 | 120.20 | | 66 111.00 |
| Barnices Y Pinturas, SA | 100 | 60.10 | 60.22 | | 6 022.14 |
| Club de Tenis Cabezarribia | 1 | 1.00 | 4 507.59 | | 4 507.00 |
| Club de Tenis Villanueva de La Serena | 1 | 1.00 | 901.52 | | 901.00 |
| Club Financiero de Vigo | 1 | 17 729.86 | 17 729.86 | | 17 729.86 |
| Feisa | 100 | 6.01 | 6.01 | | 601.01 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|--------|--------------------|--------------------|-------------------|-------------------------------|
| Fundo Inv Cap Risco Emp Mocambiq | 200 | 0.73 | 7 341.60 | 7 341.60 | 1 468 320.99 |
| Inmobiliaria Gallega, SA | 150 | 6.01 | 4.24 | | 636.78 |
| Norba Club de Golf | 1 | 1.00 | 2 404.05 | | 2 404.05 |
| Norba Club de Golf | 1 | 1.00 | 4 808.10 | | 4 808.10 |
| Real Club Celta de Vigo | 100 | 60.10 | 60.10 | | 6 010.12 |
| San Pelayo S.L. | 1 | 3 005.06 | 3 005.06 | | 3 005.06 |
| Servicio de Pagos Interbancarios | 1 | 9 275.00 | 9 275.00 | | 9 275.00 |
| Servired S.C. | 47 | 60.10 | 60.10 | | 14 725.00 |
| Sogarpo S.G.R. | 750 | 120.20 | 116.84 | | 87 630.09 |
| C. Securities to be held to maturity | | | | | 40 817.21 |
| Other non-residents | | | | | 40 817.21 |
| Medium and long term maturity | | | | | 40 817.21 |
| Other bonds | | | | | 40 817.21 |
| Banco Credito Local E/4-54 | 525 | 6.01 | 5.16 | | 2 296.00 |
| Banco Credito Local E/4-54 | 703 | 6.01 | 5.15 | | 3 720.00 |
| Banco Credito Local E/4-54 | 665 | 6.01 | 5.02 | | 1 340.00 |
| Banco Credito Local E/4-54 | 978 | 6.01 | 5.02 | | 3 486.00 |
| Cdlas.Banco Credito Local | 516 | 6.01 | 6.01 | | 1 232.00 |
| Cdlas.Banco Credito Local | 1 495 | 6.01 | 6.01 | | 2 723.00 |
| Cdlas.Banco Credito Local | 753 | 6.01 | 6.01 | | 4 526.00 |
| Cdlas.Banco Credito Local | 3 439 | 6.01 | 6.01 | | 18 297.00 |
| Cdlas.Banco Credito Local | 512 | 6.01 | 6.01 | | 3 071.00 |
| Cdlas.Banco Credito Local | 21 | 6.01 | 6.01 | | 126.21 |
| D. Matured securities and interest receivable to be adjusted | | | | | 8 897 260.14 |
| Total (A+B+C+D) | | | | | 8 546 272 217.94 |
| E. Investments | | | | | 3 594 019 810.16 |
| Investments in Group and associated companies | | | | | 453 044 510.00 |
| AdP - Águas de Portugal | | | | | 91 031 019.00 |
| BCI-ALD | | | | | 49 049.00 |
| BIST Príncipe | | | | | 1 204 016.00 |
| Companhia Papel do Prado | | | | | 1 272 997.00 |
| F.Turismo | | | | | 437 563.00 |
| GCI | | | | | 98 983.00 |
| Imobci | | | | | 252 259.00 |
| Locarent | | | | | 623 148.00 |
| Prado - Cartolinas da Lousã | | | | | 2 726 512.00 |
| Prado Karton - C.ª de Cartão | | | | | 2 629 201.00 |
| REN | | | | | 172 456 936.00 |
| SIBS | | | | | 14 032 539.00 |
| Unibanco Holdings | | | | | 100 929 642.00 |
| Unibanco-União de Bancos Brasileiros | | | | | 65 300 646.00 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|-------------|--------------------|--------------------|-------------------|-------------------------------|
| Investments in subsidiaries excluded | | | | | |
| from consolidation | | | | | 774 873 907.00 |
| Alesia | | | | | -3 552 874.00 |
| Cares | | | | | 11 180 745.00 |
| CGD Pensões | | | | | 4 265 196.00 |
| Fidelidade Mundial | | | | | 787 325 234.00 |
| Garantia | | | | | 2 122 928.00 |
| Joffrin | | | | | -7 021 934.00 |
| Portal Executivo | | | | | -521 806.00 |
| Socimmobil | | | | | -9 555 502.00 |
| Wallace 1 | | | | | -5 767 459.00 |
| Wallace 2 | | | | | -3 600 621.00 |
| Other participating interests | | | | | 2 319 170 331.92 |
| In credit institutions in Portugal | | | | | 439 013 479.10 |
| Equities | | | | | 439 013 479.10 |
| BCP-Banco Comercial Português, SA | 84 635 125 | 1.00 | 5.19 | 1.89 | 439 013 479.10 |
| In credit institutions overseas | | | | | 20 262 829.46 |
| Equities | | | | | 20 262 829.46 |
| CGD USA Holding Company Inc | 969 166 | 0.01 | 17.88 | | 17 326 187.50 |
| CIFI, SA | 4 000 000 | 0.73 | 0.73 | | 2 936 641.96 |
| In other companies in Portugal | | | | | 1 845 446 800.61 |
| Equities | | | | | 1 724 721 647.07 |
| BPI-Dealer | | | | | 8 147.00 |
| Convento de Belmonte, | | | | | |
| Investimentos Turísticos, SA | 94 000 | 4.99 | 4.99 | | 469 060.00 |
| Cooperativa Sinfonia-Coop.Int.Públ., Lda | 1 000 | 2.49 | 2.49 | | 2 494.00 |
| DEFLOC-Locação de Equipamento | | | | | |
| de Defesa, SA | 2 375 | 10.00 | 10.00 | | 23 750.00 |
| EDP-Electric. de Portugal, SA | 174 622 102 | 1.84 | 2.20 | | 384 895 677.99 |
| EDP-Electric. de Portugal, SA | | | | | |
| (acções não privatizadas) | 179 372 198 | 2.23 | 2.23 | | 400 000 001.54 |
| Fastaccess | 250 000 | 1.00 | | | 417 717.00 |
| Felino, Fundação e Construções | | | | | |
| Mecânicas, SA | 16 667 | 5.00 | 14.96 | | 249 403.94 |
| Fespect, Serviços de Consultadoria, SA | 637 500 | 5.00 | 1.00 | | 637 500.00 |
| FIEP-Fundo P. Intern. Emp. Port. | 1 700 000 | 4.99 | 3.19 | | 5 419 600.00 |
| Finangeste-Emp.Financ. | | | | | |
| de Gestão e Desenvolvimento, SA | 247 375 | 5.00 | 17.62 | | 4 358 747.50 |
| FINPRO - Infraestruturas, SGPS, SA | 60 000 | 5.00 | 5.00 | | 178 559.22 |
| GRESVAL - Fábrica de Produtos de Grés, SA | 87 950 | 5.00 | 7.48 | | 658 039.13 |
| Grupo Pestana Pousadas, SA | 500 000 | 5.00 | 5.00 | | 1 608 115.50 |
| Império Bonança, SGPS, SA ^(a) | 75 215 651 | 5.00 | 4.81 | | 361 895 208.00 |
| Interbancos, SARL | | | | | 78 156.00 |
| Manuel Inácio & Filhos, SGPS, SA | 2 396 166 | 1.00 | 3.13 | | 7 499 999.58 |
| MTS Portugal-Soc.Gestora | | | | | |
| de Merc.Esp. Div. Públ., SGPS | 33 654 | 1.00 | 0.99 | | 33 196.70 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|---|---------------|--------------------|--------------------|-------------------|-------------------------------|
| Multivector | | | | | 73 848.00 |
| NG-Negócios e Gestão, SGPS, SA | 1 608 750 | 1.00 | 1.00 | | 1 608 750.00 |
| Plataforma, SGPS, SA | 200 000 | 5.00 | 5.00 | | 1 000 000.00 |
| PMH - Prod. Médico Hospitalares, SA | 63 920 | 5.00 | 5.00 | | 319 600.00 |
| Portugal Telecom, SGPS, SA | 51 706 738 | 1.00 | 9.25 | 9.10 | 478 037 268.09 |
| Portuvinus, SGPS, SA | 457 750 | 5.00 | 5.00 | | 2 288 750.00 |
| PT Multimédia, SGPS | 1 823 649 | 0.50 | 26.20 | 18.49 | 47 779 603.80 |
| PT Prime | 1 700 000 | 0.50 | | | 1 164 500.00 |
| SAG GEST, SGPS | 2 030 195 | 1.00 | 2.46 | 1.28 | 4 999 759.50 |
| Sagesecur-Estud. Desenv. e | | | | | |
| Particip. Proj. Inv. Val. Mobiliários, SA | 50 000 | 5.00 | 5.00 | | 250 000.00 |
| SCI-Imobiliária | | | | | 4 402 592.00 |
| SGPICE | 10 000 | 5.00 | | | 1.00 |
| Sinalemp - Sinalética Empresarial, SA | 87 151 | 1.00 | 1.00 | | 87 151.00 |
| SODAP - Soc. Desenvolv. Agríc. | | | | | |
| Pescas, SGPS, SA | 30 000 | 4.99 | 4.99 | | 149 640.00 |
| Tagus Agência de Viagens | 529 946 | 1.00 | | | 1.00 |
| Tagusparque-Soc.P.D.Parq. | | | | | |
| Ciência T.Área Met.Lisboa, SA | 435 000 | 5.00 | 4.99 | | 2 169 780.00 |
| Unicre-Cartão Internacional de Crédito, SA | 299 220 | 5.00 | 3.56 | | 1 065 255.77 |
| VAA - V. Alegre Atlantis, SGPS, SA | 355 790 | 1.00 | 2.16 | 0.60 | 770 007.80 |
| VAA - V. Alegre Atlantis, SGPS, SA (Fusão) | 4 977 330 | 1.00 | 1.43 | 0.59 | 7 121 769.00 |
| Visabeira Indústria, SGPS, SA | 461 538 | 5.00 | 6.50 | | 2 999 997.00 |
| Quotas | | | | | 197 290.74 |
| Biomediche, Produtos Hospitalares, | | | | | |
| Terapêuticos e Cirúrgicos, Lda. | 3 | 226 953.04 | 44 930.25 | | 134 790.74 |
| Tecnijoma, Plásticos Técnicos, Lda. | 1 | 62 500.00 | 62 500.00 | | 62 500.00 |
| Other | | | | | 120 527 862.80 |
| Associação Tecnopolo de Coimbra | 2 493 | 1.00 | 1.00 | | 2 493.99 |
| INH-Instituto Nacional de Habitação | 4 152 492 493 | 0.01 | 0.03 | | 120 525 368.81 |
| In other companies overseas | | | | | 14 447 222.75 |
| Equities | | | | | 13 765 302.95 |
| Central Britagem Cabo Verde, SARL | 4 185 | 91.00 | | | 380 798.60 |
| CSLINE | 2 400 | 91.00 | | | 218 400.00 |
| EUFISERV-European Savings Bank Fin.Services | 666 | 247.89 | 227.24 | | 151 339.18 |
| Euronext NV | 431 889 | 1.00 | 19.86 | | 8 577 315.54 |
| Euronext NV | 158 564 | 1.00 | 19.71 | 22.47 | 3 125 413.93 |
| Frescomar, SARL | 40 000 | 9.10 | | | 364 000.00 |
| Macau Cable Tv, Lda. | 3 000 | 91.70 | 183.40 | | 550 200.00 |
| MLBH Controlling Consortium | | | | | |
| (Nominees) PTY Limited | 498 100 | | | | 647.75 |
| PIM-Parque Industrial da Matola, SARL | 1 920 000 | 0.04 | 0.04 | | 76 200.73 |
| SISP, SARL | | | | | 91 000.00 |
| SISP, SARL | 10 | 91.00 | | | 91 000.00 |
| SITA | | | | | 15 925.00 |
| Sofaris | 4 | 49.55 | 49.55 | 49.55 | 198.18 |

(EUR)

| Securities | Number | Nominal value/unit | Average cost/price | Quoted price/unit | Balance sheet carrying amount |
|--|--------|--------------------|--------------------|-------------------|-------------------------------|
| SWIFT-Soc. F Worldwide Interbk Fin.Tel,Ltd | 94 | 123.95 | 577.28 | | 54 264.04 |
| Tudodirecto, SA | 250 | 91.00 | | | 22 750.00 |
| Visa Europe Limited | 1 | | | | 0.00 |
| World Trade Centre | 750 | 91.70 | 61.13 | | 45 850.00 |
| Quotas | | | | | 167 161.12 |
| Andima | 1 | 532.06 | | | 532.06 |
| Bolsa de Mercadorias e Géneros Alimentícios | 1 | 553.20 | | | 553.20 |
| Centro Desportivo Kagim | | | | | 30 466.80 |
| Centro Produtivo e Trans Tecno Macau | 1 | 13 755.00 | 13 755.00 | | 13 755.00 |
| Cetip | 1 | 3 181.02 | | | 3 181.02 |
| Clube Comercial Andima | 1 | 25.67 | | | 25.67 |
| Hortave | | | | | 45 709.30 |
| IPOR-Instituto Português do Oriente | 1 | 1 719.38 | 1 719.38 | | 1 719.38 |
| Kayarte, Lda | | | | | 5 187.00 |
| Rádio Táxi, Lda | | | | | 43 106.70 |
| SEAP-Serviços Administração e Participações, Lda. | 250 | 91.70 | 91.70 | | 22 925.00 |
| Other | | | | | 514 758.68 |
| JETCO - Joint Electronic Teller Services, Ltd. | 8 | 64 344.74 | 64 344.74 | | 514 757.95 |
| Sociedade Agrícola e Património | 1 | 0.73 | | | 0.73 |
| Other investments | | | | | 46 931 061.24 |
| Subordinated loans | | | | | 188 902.00 |
| JETCO-Joint Electronic Teller Services Ltd | 1 | 188 902.00 | 188 902.00 | | 188 902.00 |
| Collateral/guarantee | | | | | 15 049 095.98 |
| Supplementary capital contributions | | | | | 1 947 355.30 |
| Biomediche, Produtos Hospitalares, Terapêuticos e Cirúrgicos, Lda. | | | | | 1 097 355.30 |
| PT Prime Tradecom | | | | | 850 000.00 |
| Shareholders' loans | | | | | 9 716 581.16 |
| Fespect, Serviços de Consultadoria, SA | | | | | 1 644 510.86 |
| Grupo Pestana - Suprimentos | | | | | 2 500 000.00 |
| NG-Negócios e Gestão, SGPS, SA | | | | | 1 599 877.00 |
| PMH, Prod. Médico Hospitalares, SA | | | | | 89 639.30 |
| Portuvinus, SGPS, SA | | | | | 501 280.00 |
| SEAP-Serviços Administração e Participações, Lda. | | | | | 1 834 000.00 |
| Sinalemp, Sinaléctica Empresarial, SA | | | | | 47 274.00 |
| Visabeira - Suprimentos | | | | | 1 500 000.00 |
| Other | | | | | 20 029 126.80 |
| ACE Trem I | | | | | 5 699 430.00 |
| ACE Trem II | | | | | 14 098 589.80 |
| Felino, Fundação e Construções Mecânicas, SA | | | | | 91 665.00 |
| Sinalemp, Sinaléctica Empresarial, SA | | | | | 139 442.00 |
| TOTAL (A+B+C+D+E) | | | | | 12 140 292 028.10 |

(a) See Note 10. of the Notes to the Financial Statements.

Audit Report

Non-consolidated Accounts

(Translation of a report originally issued in Portuguese –
– see Note 38.)

(Amounts expressed in thousands of Euro – € thousand)

Introduction

1. Pursuant to the Article 245 of the Securities Market Code (Código dos Valores Mobiliários), we present our Audit Report on the financial information included in the Directors' Report and the accompanying non-consolidated financial statements of Caixa Geral de Depósitos, SA ("Caixa" or "CGD") for the year ended 31 December 2004, which comprise the balance sheet as of 31 December 2004, that reflects a total of €67 227 753 thousand and shareholders' equity of €3 643 195 thousand, including net income for the year of €285 428 thousand, the statements of income by nature and by functions and the statement of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Board of Directors of Caixa is responsible for: (i) the preparation of financial statements that present a true and fair view of the financial position of Caixa, the results of its operations and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) adopting adequate accounting policies and criteria and maintaining an appropriate system of internal control; and (iv) informing any significant facts that have influenced its operations, financial position or results of operations.

3. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verification that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards ("Normas Técnicas e Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our examination included verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the estimates, based on judgements and criteria defined by Caixa's Board of Directors, used in their preparation. Our examination also included assessing the adequacy of the accounting principles used and their disclosure considering the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the financial statements, and verifying that, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit. Our examination also included verifying that the financial information included in the Directors' Report is consistent with the other documents of account. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the financial statements referred to in paragraph 1 above present fairly, in all material respects for the purposes explained in paragraph 6 below, the non-consolidated financial position of Caixa Geral de Depósitos, SA as at 31 December 2004 and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in conformity with generally accepted accounting principles in Portugal for the preparation of non-consolidated financial statements of financial institutions and the information included therein is complete, true, up-to-date, clear, objective and licit in accordance with the definitions included in the standards referred to in paragraph 4 above.

Emphases

6. The accompanying non-consolidated financial statements of Caixa have been prepared for approval by the Shareholder's General Meeting and to comply with the requirements of the Bank of Portugal. In accordance with the accounting principles applicable to its non-consolidated financial statements, CGD's investments in subsidiary and associated companies are recorded at cost. Caixa also presents consolidated financial statements, which reflect more fairly its financial position, results of operations and cash flows. The effect of the consolidation as at 31 December 2004 consists of an increase of €3 041 064 thousand in assets, a decrease of €808 665 thousand in reserves and an increase of €163 053 thousand in net income for the year.

7. As further explained in Note 8, in 2004 CGD charged, to reserves and retained earnings, provisions for the full amount of the unrealised losses on its equity investments in Banco Comercial Português, SA and EDP – Electricidade de Portugal, SA not provided for as of 31 December 2003 and determined based on their listed price on the Stock Exchange at that date, in the amounts of €622 133 thousand and €141 863 thousand, respectively. These entries were subject to specific approval by the Bank of Portugal. Caixa has subsequently maintained the unrealised losses on these equity investments determined based on market value fully provided for and the reversals of the provisions, in the amount of €38 118 thousand, have also been recorded by corresponding credit to retained earnings. In addition, under the transitory regime allowed by Bank of Portugal Notice 4/2002 of June 25, Caixa recorded a net decrease in provisions, in the amount of €14 294 thousand, also by corresponding credit to reserves and retained earnings (Notes 8. and 23.).

8. As further explained in Note 29., in 2004 CGD reduced to 5% the discount rate used to calculate its liability for retirement and survivor pensions of its employees, and started including the liability for death allowances relating

to retired employees. These changes resulted in an increase of €467 614 thousand in CGD's liability. Subsequently, with reference to 30 November 2004, CGD's liability for retirement pensions relating to services rendered by its employees up to 31 December 2000, in the amount of €2 510 043 thousand, was transferred to Caixa Geral de Aposentações ("CGA"), under the provisions of Decree-Laws 240-A/2004 of 29 December and 241-A/2004, of 30 December. In exchange, Pension Fund assets of the same amount have and will be transferred to CGA. Consequently, after obtaining approval from the Bank of Portugal, CGD reversed the balances of deferred costs and value fluctuations relating to the liability transferred, in the total amount of €795 812 thousand, by corresponding debit to retained earnings (Notes 23. and 29.).

9. The non-consolidated financial statements for the year ended 31 December 2003 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. The Audit Report on these financial statements, dated 19 March 2004, included emphasis paragraphs relating to the effect of the consolidation and the recording of provisions for losses on equity investments in accordance with Bank of Portugal Notice 4/2002 of 25 June. It also included an emphasis paragraph on contingencies resulting from the sale of Banco Bandeirantes, SA to Unibanco – União de Bancos Brasileiros, SA. The latter emphasis paragraph is not applicable in 2004 (Note 36.).

Lisbon, 21 March 2005

Deloitte & Associados, SROC, SA

Represented by Maria Augusta Cardador Francisco

Consolidated Accounts

(Translation of a report originally issued in Portuguese –
– see Note 38.)

(Amounts expressed in thousands of Euro – € thousand)

Introduction

1. Pursuant to the Article 245 of the Securities Market Code (“Código dos Valores Mobiliários”), we present our Audit Report on the consolidated financial information included in the Directors’ Report and the accompanying consolidated financial statements of Caixa Geral de Depósitos, SA (“Caixa” or “CGD”) for the year ended 31 December 2004, which comprise the consolidated balance sheet as at 31 December 2004, that reflects a total of €70 268 817 thousand and shareholders’ equity of €2 997 583 thousand, including net income for the year of €448 481 thousand, the consolidated statements of income by nature and by functions and the consolidated statement of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The Board of Directors of Caixa is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results of their operations and their consolidated cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) adopting adequate accounting policies and criteria and maintaining appropriate systems of internal control; and (iv) informing any significant facts that have influenced the operations of the companies included in the consolidation, their financial position or results of operations.

3. Our responsibility is to examine the financial information contained in the documents of account referred to above,

including verification that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards (“Normas Técnicas e Directrizes de Revisão/Auditoria”) issued by the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our examination included verifying, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the estimates, based on judgements and criteria defined by Caixa’s Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, application of the equity method and verifying that the financial statements of the companies included in the consolidation were adequately examined, assessing the adequacy of the accounting principles used, their uniform application and their disclosure considering the circumstances, verifying the applicability of the going concern concept, assessing the adequacy of the overall presentation of the consolidated financial statements, and verifying that, in all material respects, the financial information is complete, true, up-to-date, clear, objective and licit. Our examination also included verifying that the consolidated financial information included in the Directors’ Report is consistent with the other consolidated documents of account. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above present fairly, in all

material respects, the consolidated financial position of Caixa Geral de Depósitos, SA as at 31 December 2004, the consolidated results of its operations and its consolidated cash flows for the year then ended in conformity with generally accepted accounting principles in Portugal for the banking sector and the information included therein is complete, true, up-to-date, clear, objective and licit in accordance with the definitions included in the standards referred to in paragraph 4 above.

Emphases

6. As further explained in Note 8., in 2004 CGD charged, to reserves and retained earnings, provisions for the full amount of the unrealised losses on its equity investments in Banco Comercial Português, SA and EDP – Electricidade de Portugal, SA not provided for as of 31 December 2003 and determined based on their listed price on the Stock Exchange at that date, in the amounts of €622 133 thousand and €141 863 thousand, respectively. These entries were subject to specific approval by the Bank of Portugal. Caixa has subsequently maintained the unrealised losses on these equity investments determined based on market value fully provided for and the reversals of the provisions, in the amount of €38 118 thousand, have also been recorded by corresponding credit to retained earnings. In addition, under the transitory regime allowed by Bank of Portugal Notice 4/2002 of June 25, Caixa recorded a net decrease in provisions, in the amount of €14 719 thousand, also by corresponding credit to reserves and retained earnings (Notes 10. and 23.).

7. As further explained in Note 29., in 2004 CGD reduced to 5% the discount rate used to calculate its liability for retirement and survivor pensions of its employees, and started including the liability for death allowances relating to retired employees. These changes resulted in an increase of €467 614 thousand in CGD's liability. Subsequently, with reference to 30 November 2004, CGD's liability for retirement pensions relating to services rendered by its employees up to 31 December 2000, in the amount of

€2 510 043 thousand, was transferred to Caixa Geral de Aposentações ("CGA"), under the provisions of Decree-Laws 240-A/2004 of 29 December and 241-A/2004, of 30 December. In exchange, Pension Fund assets of the same amount have and will be transferred to CGA. Consequently, after obtaining approval from the Bank of Portugal, CGD reversed the balances of deferred costs and value fluctuations relating to the liability transferred, in the total amount of €795 812 thousand, by corresponding debit to retained earnings (Notes 23. and 29.).

8. The consolidated financial statements for the year ended 31 December 2003 are presented in order to comply with the rules of the Bank of Portugal and the requirements for the publication of accounts. The Audit Report on these financial statements, dated 19 March 2004, included emphasis paragraphs relating to the recording of provisions for losses on equity investments in accordance with Bank of Portugal Notice 4/2002 of 25 June and contingencies resulting from the sale of Banco Bandeirantes, SA to Unibanco – União de Bancos Brasileiros, SA. The latter emphasis paragraph is not applicable in 2004 (Note 36.).

Lisbon, 21 March 2005

Deloitte & Associados, SROC, SA

Represented by Maria Augusta Cardador Francisco

Report and Opinion of Sole Auditor

Statement to Shareholders

1. Pursuant to the dispositions of articles 420 and 508-D of the Commercial Companies Code, our company is responsible for producing a report and issuing an opinion on the non-consolidated and consolidated accounts of Caixa Geral de Depósitos, SA, for the year ended 31 December 2004.

2. We have continuously monitored the evolution of the company's operations and issued the monthly opinion referred to in sub-paragraph c) of no. 10 of Bank of Portugal Notice no. 12/92 of 22 December and the quarterly report referred to in no. 2 of article 6 of Decree-Law 287/93 of 20 August, which latter report was sent to the offices of the Minister of Finance and Secretary of State for Treasury and Finance and copied to the chairman of the board of directors of Caixa Geral de Depósitos, SA.

In performing our works, we were been provided with the assistance of the board of directors and various company departments for the provision of necessary information.

3. We wish to make special reference to the following resolutions passed and /or implemented in the year ended:

(i) The increase of €500 million in CGD's share capital through the issue of 100 million new shares with a nominal value of €5 each and an issue premium of €3 per share, comprising the delivery of 179 372 198 EDP – Electricidade de Portugal, SA shares valued at €400 million and the remainder in cash;

(ii) The alterations made to the calculation of retirement and survivors' pensions liabilities, in respect of 31 December 2004, with the inclusion of liabilities for retirees' death grants and the reduction of the discount rate used to 5% (6% in 2003) which situations had the effect of increasing liabilities (prior to the transfers referred to in the following paragraph), for the respective amounts of €44 108 000 and €423 506 000;

(iii) The transfer of retirement and survivors' pensions liabilities for Caixa Geral de Depósitos employees, in respect of their length of service provided up to 31 December 2000, for the amount of €2 510 043 000, to Caixa Geral de Aposentações, pursuant to the dispositions of Decree-Laws nos. 240-A/2004 of 29 December and 241-A/2004 of 30 December. Consequently, after obtaining specific authorization from the Bank of Portugal, the amounts associated with the said liabilities which, under the terms of Bank of Portugal Notice no. 12/2001 of 9 November had not as yet been recognised in the income statement (€795 812 000), were cancelled as a charge to retained earnings. Under the terms of the referred to Decree-Laws, pension fund assets for the amount of the said liabilities shall be transferred to Caixa Geral de Aposentações by 31 December 2005, of which an amount of €1 434 120 000 was transferred in 2004;

(iv) The provisioning, after having obtained specific authorization from the Bank of Portugal, of the potential capital losses on its financial investments in Banco Comercial Português, SA and EDP – Electricidade de Portugal, SA, calculated in respect of 31 December 2003, as a charge to reserves and retained earnings, in its consideration that they represent structural devaluations with no prospects of recovery. The provisions totalled €622 133 000 and €141 863 000 respectively and were replenished for the amount of €38 118 000 also as a charge to retained earnings to maintain the valuation of the referred to investments at their market rate;

(v) The alienation of 110 million Banco Comercial Português, SA shares for €192 500 000, posting capital losses of €2 200 000 and having used €375 884 000 of provisions. As a result, CGD reduced its investment in the said bank's share capital from 5.98% to 2.61%;

(vi) The alienation to Parpública – Participações do Estado, SGPS, SA, as part of the fifth EDP – Electricidade de Portugal, SA privatisation stage, of all of its shares in

the company, comprising 4.75% of its share capital, for €325 822 000, having used €113 901 000 of provisions. CGD, also, acquired 568 853 506 and 224 833 323 subscription rights to the increase in the said company's share capital for the total amount of €63 578 000 from the Direção Geral do Tesouro and Parpública, respectively, which rights were exercised in acquiring 174 622 102 shares for €321 318 000. After these operations and CGD's share capital increase with the delivery of EDP shares, as referred to in sub-paragraph (i) above, investment in the said company's share capital increased to 9.77%;

(vii) Incorporation of Locapor, Lusofactor and Imoleasing by Caixa Empresas de Crédito SGPS, SA, in a public deed dated 30 December 2004. Following the said operation, the holding company increased its share capital by €9 950 000, through its issue of 1 990 000 shares with a nominal value of €5 each and an issue premium of €16.60 per share paid up in cash by CGD. Pursuant to the merger, Caixa Empresas de Crédito SGPS, SA, underwent a name change to Caixa Leasing e Factoring - Instituição Financeira de Crédito, SA, also altering its corporate object;

(viii) Subscription for 180 000 shares with a nominal value of €5 each, in the share capital increase of Locarent – Companhia Portuguesa de Aluguer de Viaturas, Lda., from €1 250 000 to €3 250 000 with no change to its 45% holding in the referred to company's share capital;

(ix) A capital increase in Mercantile Lisbon Bank Holdings Ltd., for the amount of 555 000 rand, through the issue of 3 083 333 334 new shares with a nominal value of 0.01 rand and an issue premium of 0.17 rand, for which CGD subscribed 3 059 312 473 shares for the amount of €550 676 000 rand (€71 612 000 at the exchange rate in force as at 31 December 2004). 5 698 408 Mercantile shares (around €127 000), pursuant to the execution of a pledge on ex-BNU credits were also recognised at their market value as at the end of September 2004.

CGD owned 91.75% of the said holding company's share capital as at 31 December 2004;

(x) The entering into, on 16 July 2004, of a share purchase agreement between Caixa Seguros, SGPS, SA and Banco Comercial Português, SA, for the acquisition of the full amount of the share capital of Império Bonança, SGPS, SA. Although the "formalisation date" referred to in the contract only occurred in January 2005 and the amount of the transaction is still subject to correction on the basis of net worth changes occurring in 2004, in the companies owned by the acquired holding company, Caixa Seguros recorded its investment in Império Bonança's share capital last year for the amount of €361 895 000. As, however, CGD did not exercise any control over Império Bonança management in 2004, it was not included as part of the consolidation perimeter;

(xi) The completion of Caixa Investimentos, SA's dissolution process whose liquidation generated capital gains of €1 653 000 (€3 000 in the consolidated accounts);

(xii) The alienation of the 90% investment in the share capital of CGD Luxemburgo, to Caixa Participações, SGPS, SA, for the amount of €131 000, with the said company now being a wholly owned subsidiary of the holding company. CGD Luxemburgo was liquidated in 2004;

(xiii) The deed for CGD's incorporation of Banco Postal, SA in May 2004, an operation generating a negative merger of €3 693 000, comprising the difference between the cost price and the net value of Banco Postal's liabilities and assets;

(xiv) The alienation of 161 290 Lusogest, SA and 26 260 Lusopensiones, SA shares to Banco Simeón, SA, posting capital losses of €60 000 and capital gains of €260 000, respectively in its non-consolidated accounts. Banco Simeón later sold off its investments in Lusogest

and Lusopensiones to Banco Espírito Santo, SA, pursuant to which CGD recorded net capital losses of €1 076 000 and net capital gains of €302 000, respectively in its consolidated accounts;

(xv) The formation of Caixa Geral Finance Limited, headquartered in the Cayman Islands with a share capital of €1 000, fully subscribed for and paid up by CGD, which company issued €250 000 000 of non-voting preference shares fully subscribed for and paid up by third parties;

(xvi) The acquisition of minority shareholdings of 11.11% in the share capital of Caixa Crédito SFAC, SA, and 1.7% in the share capital of Cares – Companhia de Seguros, SA, which companies became wholly owned subsidiaries of Caixa Participações, SGPS, SA and Caixa Seguros, SGPS, SA, respectively;

(xvii) alienation of 360 000 nominal registered shares for 15% of the share capital of Telepost, from CTT – Correios de Portugal, SA, for a total amount of €961 000;

(xviii) alienation of 52 500 ordinary, nominative registered shares held by CGD, comprising 7.5% of the share capital of Previsão – Sociedade Gestora de Fundos de Pensões, SA, to Portugal Telecom, SGPS, SA, for the total amount of €316 000;

(xix) acquisition of 10% of the share capital of Sagesecur – Sociedade de Titularização de Créditos, SA, for the amount of €250 000 from Parública – Participações Públicas, SGPS, SA.

4. In terms of the company's non-consolidated accounts, reference should be made to the following indicators on its operations during the year:

(i) shareholders' equity was €630 million down; this negative change essentially derives from the posting of €795.8 million to reserves and retained earnings in

respect of the cancellation of the deferred costs and fluctuation of values balance associated with the transfer of CGD Pension Fund liabilities to CGA and the provisioning of the potential capital losses generated by the financial investments of €622.1 million and €141.9 million in BCP and EDP respectively, the replenishment and transfer of the full amount of the fund for general banking risks and appropriation of net income for 2003 by way of dividends and employee bonuses for €346.9 million. These decreases were offset by the increases in share capital from €2 450 million to €2 950 million, with an issue premium of €300 million, the subordinated loan of €250 million made by Caixa Geral Finance Limited to CGD and the €285.4 million in net income for the year;

(ii) the solvency ratio, calculated under Bank of Portugal rules, fell 0.4%, to a year end figure of 9.2% (1.2% higher than the minimum required by the supervisory body), owing to the lower proportion in the decrease of weighted assets in comparison to own funds;

(iii) net operating income was €31.2 million down to €1 537.6 million as against €1 568.8 million in 2003, owing to the €20.5 million reduction in other operating income and €10.7 million reduction in net interest income. The decrease in other operating income derived from the significant €72 million downturn in profits and losses arising from financial operations offset by the increases of €22.8 million in net commissions and €28.8 million in other operating income; the negative change in net interest income derives from the fact that the general reduction in interest was more sharply felt on lending rates;

(iv) there was a marked €106.7 million downturn in operating cash flow in comparison to the decrease in net operating income, owing to the €75.5 million increase in operating costs deriving from increases of €43.3 million in outside supplies and services and €32.2 million in

employee costs of which €26.5 million in respect of the productivity bonuses included in this account heading for the first time (previously allocated to income);

(v) the cost-to-income ratio was 62.2%, as against the 2003 figure of 58.2% .

(vi) the €274.8 million reduction in net income and changes referred to in the preceding sub-paragraphs, derive from an €89.4 million increase in provisions for the year, net of reversals and the €214.5 million reduction in exceptional income, offset by a lower tax appropriation of €6.6 million in 2004 as opposed to €137.2 million in 2003.

5. The following indicators characterised the bank's activities during the year in terms of its consolidated accounts:

(i) a 8.4% fall of €452 million in consolidated shareholders' equity, including minority shareholders' interests to €4 900 million; the negative change essentially derives from the recognition in the income and retained earnings headings of the cancellation of the deferred costs and the fluctuation of values balances associated with the transfer of €795.8 million in liabilities from the CGD Pension Fund to CGA, and the provisioning of the potential capital losses generated by the respective financial investments of €622.1 million and €141.9 million in BCP and EDP; other contributory factors to the said change were the reversal and transfer of the fund for general banking risks (-€105 million) and the appropriation of €346.9 million in dividends and productivity bonuses for parent group employees from year 2003 income; these decreases were offset by the increase in share capital from €2 450 million to €2 950 million, with an issue premium of €300 million, through the issue of €250 million non-voting preference shares by Caixa Geral Finance Limited, subscribed for by third parties and the amount of €448 million in net income for the year;

(ii) the solvency ratio of 9.4% was 0.7% up over the 2003 figure, deriving from the effect of higher levels of shareholders' equity in comparison to the increase in weighted assets.

(iii) the overdue to total credit ratio fell by 0.3% over the preceding year to 2.5%, owing to the €109 million reduction in overdue credit combined with the €1 721 million increase in outstanding credit; there was a €42 million reduction in the total provisions for overdue credit, bad and doubtful debts, general credit and country risks on foreign loans;

(iv) net operating income, as opposed to the non-consolidated accounts increased by €61.2 million to €1 941.3 million, owing to the €54 million increase in other operating income and €7.2 million increase in net interest income. The increases in other operating income derive from the €51.6 million improvement in income generated by associated companies and subsidiaries and the €34.9 million increase in commissions as well as the €40.9 million increase in other operating income notwithstanding the €73.5 million downturn in the balance of profits and losses arising from trading activities.

(v) there was a €79.8 million increase in operating costs owing to the €43.9 million growth in employee costs and €35.9 million increase in outside supplies and services; the increase in employee costs essentially derives from the €26.5 million in productivity bonuses paid to employees, recognised as a cost for the year when, in the past, they were allocated to profit sharing; increased operating costs reduced operating cash flow by €18.6 million in addition to increasing the cost-to-income ratio from 57.3% to 58%, considering, in 2003, the productivity bonuses incorporated into employee costs;

(vi) there was a reduction of €340.1 million in income before taxation to €477.4 million, over the preceding year, owing, in addition to the already referred to

changes, to the €123.1 million increase in provisions for the year net of reversals and the €203.1 million reduction in exceptional income; the change in exceptional income essentially derives from the fact that the capital gains determined in 2003 on the alienation of financial investments in Brisa – Auto-Estradas de Portugal, SA (€128.7 million) and in Galp Energia – SGPS, SA (€29.6 million) and the subscription rights to the €22.3 million share capital increase in Banco Comercial Português, SA had no correspondent component last year;

(vii) in net income terms, the tax appropriation was €22.4 million as against the year 2003 figure of €148.4 million. The appropriation derives essentially from the impact of the capital losses made on the sale of BCP and EDP investments, in addition to the transfers of CGD Pension Fund Liabilities to Caixa Geral de Aposentações, on taxable income.

6. Caixa Geral de Depósitos, continued to implement various aspects of its risk control procedures in 2004, adapting to the respective Bank of Portugal standards and the guidelines referred to in the "Basle II" documents. New in-house rating and scoring models in terms of credit risk are being developed as are other market, interest rates and liquidity risk projects.

7. Caixa Geral de Depósitos has been preparing the implementation of the New International Accounting Standards (IFRS-International Financial Reporting Standards) and has set up an organisational structure comprising various taskforces, engaged on preparing the transition to the said standards of which reference should be made to the preparation of an accounting plan, analysis of the impact of the accounting criteria and assessment criteria to be altered, computer system adjustments and the preparation of a training programme. The quantification of the transition adjustments required to produce the opening balance sheet as at 1 January 2004, pursuant to IFRS 1 is currently in progress.

8. In the period following end-of-year accounts close we audited the bank's consolidated and non-consolidated accounts and analysed the board of directors' report, on which we have issued an opinion in the Statutory Audit Certificate supported by the inspection report referred to in article 451 of the Commercial Companies Code.

9. Opinion

In due consideration of the above, we consider that the shareholders' meeting should:

- a) approve the consolidated and non-consolidated management report and accounts for 2004 as produced by the board of directors;
- b) consider the proposal for the appropriation of net income which is a full part of the management report;
- c) undertake a general assessment of the company's management and inspection, drawing the conclusions referred to in article 455 of the Commercial Companies Code.

Lisbon, 21 March 2005

Oliveira Rego & Associados
Sociedade de Revisores Oficiais de Contas
(Certified Public Accountants)
Represented by partner Manuel de Oliveira Rego

Statutory Audit Certificate

Introduction

1. We have examined the attached financial statements of Caixa Geral de Depósitos, SA, comprising:

i) the balance sheet as at 31 December 2004, showing a total balance sheet value of €67 227 753 000 and total shareholders' equity of €3 643 195 000, including net income of €285 428 000, the income statement by type and function and cash flows and source and application of funds for the year then ended and annex to the financial statements;

ii) the consolidated balance sheet as at 31 December 2004, showing a total balance sheet value of €70 268 817 000 and total shareholders' equity of €2 997 583 000, including net income of €448 481 000, the consolidated income statements by type and function, cash flows and source and application of funds for the year then ended and annex to the financial statements;

Responsibilities

2. The board of directors is responsible for the preparation of the financial statements with the aim of providing a true and appropriate description of the company's and group's financial position and results generated by their operations, in addition to using adequate accounting policies and criteria and maintaining appropriate in-house control systems.

3. It is our responsibility to express a professional, independent opinion thereon, based on our examination of the said financial statements.

Scope

4. Our examination was based on the Technical Standards and Guidelines issued by the Ordem dos Revisores Oficiais de Contas (Order of Statutory Auditors) which require

that the examination be planned and realised with the aim of obtaining an acceptable degree of assurance as to whether the financial statements are free from materially relevant distortions. The referred to examination therefore included:

- samples of the amounts and disclosures set out in the financial statements, an assessment of estimates, based on judgements and criteria defined by the board of directors and used for the preparation thereof;

- consideration of whether the accounting policies and disclosure thereof are adequate, based on the circumstances;

- verification of the applicability of the going-concern principle;

- assessment of whether the global presentation of the non-consolidated and consolidated financial statements, is adequate.

5. We consider that our examination has provided us with an acceptable basis upon which to base our opinion.

Opinion

6. We consider that the referred to financial statements provide a true and appropriate description, in all materially relevant aspects, of the non-consolidated and consolidated financial position of Caixa Geral de Depósitos, SA as at 31 December 2004 and the non-consolidated and consolidated results generated by its operations and the source and application of funds for the year then ended, in conformity with generally accepted accounting principles in Portugal for the banking sector.

Emphases

7. Without affecting the opinion expressed in the preceding paragraph, we wish to make special reference to the following situations:

7.1. In respect of Caixa Geral de Depósitos' consolidation perimeter, our company provides statutory audit functions to the Caixa Leasing e Factoring, SA, Locarent, SA, Caixagest, SA, Culturgest, SA and Caixanet, SA, companies, having used the information supplied by the inspectors/auditors of the other companies included in the said consolidation perimeter, to form our opinion expressed in the issue of the statutory audit certificate on the consolidated accounts.

7.2. As set out in note 8 of the annex to the non-consolidated and consolidated financial statements and having received specific authorization from the Bank of Portugal for the purpose in question, Caixa Geral de Depósitos has set up a provision for potential capital losses on its financial investments in Banco Comercial Português, SA and EDP – Electricidade de Portugal, SA, calculated in respect of 31 December 2003, as a charge to reserves and retained earnings, in its consideration that they represent structural devaluations with no recovery prospects. The provisions respectively totalled €622 133 000 and €141 863 000, and were replenished for the amount of €38 118 000 also as a charge to retained earnings, to maintain the value of the referred to investments at their market rate. Potential capital losses on other financial investments have been provisioned under the terms of Notices nos. 3/95 of 30 June and 4/2002 of 25 June, both issued by the Bank of Portugal, with Caixa Geral de Depósitos having continued to use the criteria of the transitory dispositions referred to in the latter notice, as its application period was extended to 31 December 2004, in Bank of Portugal Circular Letter no. 73/2004 of 13 August, (notes 20 and 23 of the annex to the non-consolidated and consolidated financial statements).

7.3. As referred to in greater detail in notes 2.i) and 29 of the annex to the non-consolidated and consolidated financial statements, the calculation of retirement and survivors' pensions liabilities, in respect of 31 December 2004, included liabilities with retirees' death grants and the discount rate used was reduced to 5% (6% in 2003), which situations triggered an increase in liabilities (prior

to the transfers referred to in the following paragraph), for the respective amounts of €44 108 000 and €423 506 000.

7.4. As detailed in notes 2.i), 23 and 29 to the non-consolidated and consolidated financial statements, pursuant to the dispositions of Decree-Laws nos. 240-A/2004 of 29 December and 241-A/2004 of 30 December, liabilities for the amount of €2 510 043 000 in respect of the retirement and survivors' pensions of Caixa Geral de Depósitos employees, for their length of service provided up to 31 December 2000, were transferred to Caixa Geral de Aposentações and consequently, after obtaining the Bank of Portugal's authorization, the amounts associated with the said liabilities which, under the terms of Bank of Portugal Notice no. 12/2001 of 9 November had not as yet been recognised in the income statement (€795 812 000) were cancelled as a charge to retained earnings. Under the terms of the referred to Decree-Laws, pension fund assets for the amount of the said liabilities up to 31 December 2005, of which an amount of €1 434 120 000 was transferred in 2004, shall be transferred to Caixa Geral de Aposentações.

7.5. As set out in item 28 of the annex to the non-consolidated and consolidated financial statements, employee costs include €26 500 000 in respect of the provisions for bonuses to Caixa Geral de Depósitos employees, to be paid in 2005, when, such bonuses were previously recognised from a cash viewpoint as gratifications in the balance sheet. We agree with this alteration to the criterion.

Lisbon, 21 March 2005

Oliveira Rego & Associados
Sociedade de Revisores Oficiais de Contas
(Certified Public Accountants)
Represented by partner Manuel de Oliveira Rego

CAIXA GERAL DE DEPÓSITOS

Consolidated Operations - 1st Half 2005

1. SUMMARY OF INDICATORS

- 38.3 per cent increase in consolidated net income to €305.4m;
- 40 per cent growth in consolidated income before tax and minority shareholders' interests to €400.5m;
- ROE (return on equity) of 17.3 per cent;
- 15 per cent increase in income from bank earnings to €1 232.3m;
- 10.1 per cent increase in net interest income;
- 13.3 per cent increase in net commissions to €196.3m over same half last year;
- 63.5 per cent to 60.7 per cent improvement in cost-to-income;
- 4.3 per cent increase in the group's net assets, over the same period last year, to €83.1bn;
- Increase of around €1.2bn in shareholders' equity to €3.6bn, after adjustments for IAS/IFRS;
- 6.5 per cent increase in loans and advances to customers, particularly including an 8.4 per cent growth in mortgage lending to an end of first half balance of €26.4bn;
- 2.9 per cent increase in resources taken by Caixa Geral de Depósitos group to a balance of €79.3bn, particularly including customer deposits with €45.7bn;
- The first half 2005 financial statements have been prepared in accordance with the new accounting principles. The information for the same period last year was prepared on the basis of the same criteria.

2. ANALYSIS OF CONSOLIDATED ACCOUNTS FOR 1ST HALF 2005

INCOME STATEMENT

There was a 38.3 per cent year-on-year growth of €84.7m in net income at the end of the first half to €305.4m. The figures have already been adjusted for the IAS/IFRS standards, in force since 01 January and respective comparisons with the corresponding figures using the same criteria in 2004.

There was a 40 per cent increase of € 114.5m over June last year in income before tax and minority shareholders' interests to €400.5m.

There was a 15 per cent increase of €160.8m in bank earnings (including insurance) to €1 232.3m, over last year. This income derived both from a 10.1 per cent increase of €74.8m in net interest income and a 25.8 per cent increase of €86m in other operating income. Insurance income of €278m accounted for around 22.5 per cent of bank earnings.

Net interest income particularly included a 5.7 per cent growth of €39.3m in net interest and 65.8 per cent growth of €35.5m in income generated by capital instruments. Growth in such income particularly derived from dividends paid by EDP (up €19.9m, following a 4.8 per cent to 9.8 per cent equity investment increase) and Portugal Telecom (up €6.7m).

Other operating income particularly included the €52m growth in income generated by financial operations and 13.3 per cent growth of €23m in net commissions, in addition to the 65 per cent growth of €51.6m in insurance premiums written, net of commissions, claims costs and technical provisions.

Almost all of the income generated by subsidiary and associated companies, consolidated by the equity accounting method, derived from equity investments in REN-Rede Eléctrica Nacional (€11.2 m) and AdP-Águas de Portugal (€1.2 m).

Operating costs, in turn, increased by 10.1 per cent, in annual terms, particularly deriving from insurance operations, following the integration of Império-Bonança, on 01 January 2005. The increase in such costs was around 4 per cent in terms of CGD group's banking perimeter.

There was also a 13.1 per cent increase in employee costs owing to the integration of Império Bonança. Growth of employee costs in the banking area, not including insurance, was 6.8 per cent.

Impairment values, calculated under IAS, were €1.6m up over the preceding period to €96.4 m.

Income tax was €24.5m up in comparison to the same period last year to €88.1m, as a direct result of income growth, translating into a direct tax rate of 22 per cent, in comparison to the preceding year's 22.3 per cent.

On the basis of these results, annualised first half profit and efficiency ratios are indicative of an improved economic situation:

PROFIT AND EFFICIENCY INDICATORS

| | June 2004 | June 2005 |
|--------------------------------------|-----------|-----------|
| Return on equity - ROE (1) | 18.8% | 17.3% |
| Return on assets - ROA (2) | 0.56% | 0.74% |
| Other operating income/bank earnings | 31.0% | 34.0% |
| Employee costs/bank earnings | 34.3% | 33.7% |
| Cost-to-Income | 63.5% | 60.7% |

(1) Including shareholders' equity at end of period.

(2) Including net assets at end of period.

BALANCE SHEET

There was a 4.3 per cent increase in CGD group's net assets to €83.1bn, on a comparable basis with last year's figures. This figure includes a significant contribution of around €11.5bn from insurance which represented 13.8 per cent of total assets.

The principal assets account heading of loans and advances to customers (net) registered a 6.5 per cent year-on-year increase to €48.1bn, at end June. There was also a 15.6 per cent year-on-year increase in the value of the securities portfolio from €16.6bn to €19.1bn. This was offset by a 37.5 per cent reduction of €4.6bn in loans and advances to credit institutions, owing to a reallocation to other assets, without affecting liquidity. The volume of liquid assets and loans and advances to credit institutions balance remained around €4.6bn higher than resources generated by the same source.

Growth in the loans and advances to customers account heading derived from the housing segment which, including securitised credit, increased by 8.4 per cent or €2 052m in Portugal, in the twelve months period ending June.

LOANS AND ADVANCES TO CUSTOMERS

(Eur million)

| | June 2004 | June 2005 |
|--|---------------|---------------|
| Loans and advances to customers (gross) | | |
| CGD in Portugal: | | |
| Housing (a) | 24 344 | 26 396 |
| Corporate and institutional | 14 716 | 14 617 |
| Other loans and advances to individual customers (a) | 703 | 982 |
| | 39 763 | 41 995 |
| Other GROUP branches | 6 636 | 7 513 |
| TOTAL | 46 399 | 49 507 |

(a) Includes securitised credit.

In the housing sphere, reference should be made to the amount of fresh lending in the half year, totalling €2 224m, in comparison to €1 692m for the same period in 2004 or a 31.4 per cent increase, recording significantly greater activity in comparison to preceding years.

There was a 13.2 per cent growth of around €7.5bn in lending by other group branches in the period in question to comprise around 14 per cent of group lending.

The consolidated non-performing loans rate on loans and advances to customers, calculated under Bank of Portugal rules, was around 2.8 per cent at the end of the half year.

The overdue to total credit ratio was 2.6 per cent as against 2.5 per cent in June last year. The provisions (June 2004) and impairment (June 2005) coverage ratios on total overdue credit were 97.5 per cent and 113.1 per cent, respectively.

The balance on the securities investments account was 15.7 per cent up over June 2004 to €19bn. Around 46 per cent of the total was accounted for by insurance companies' investment operations:

| | (Eur million) | |
|----------------------|---------------|---------------|
| | June 2004 | June 2005 |
| Banking operations | 10 535 | 10 351 |
| Insurance operations | 5 921 | 8 695 |
| TOTAL | 16 456 | 19 046 |

The investments in subsidiary and associated companies balance, comprising financial investments consolidated by the equity accounting method, totalled €285.4m. The most relevant companies were REN, Águas de Portugal and SIBS.

Tax assets totalled €388.5m, of which amount €383.4m comprised deferred taxes.

On the liabilities side, reference should be made to the 2.9 per cent increase in institutional and customers' resources taken by the group to €79.3bn, with a slight growth of €304m in deposits and a strong 49.7 per cent increase of €3.2m in insurance technical provisions. There was also a positive improvement of 18.1 per cent in off-balance sheet resources to €10.8bn.

RESOURCES TAKEN BY GROUP

(Eur million)

| | June 2005 | June 2005 |
|------------------------------------|---------------|---------------|
| CGD GROUP balance sheet: | | |
| Customer deposits | 45 440 | 45 744 |
| Debt securities | 14 427 | 11 613 |
| Subordinated liabilities | 1 622 | 1 545 |
| Sub-total | 61 489 | 58 902 |
| Insurance technical provisions | 6 388 | 9 565 |
| Sub-total | 67 877 | 68 467 |
| Off-balance sheet resources | | |
| Unit trust funds | 5 148 | 5 755 |
| Pension fund | 2 747 | 1 444 |
| Wealth management | 1 250 | 3 598 |
| Sub-total | 9 145 | 10 797 |
| TOTAL | 77 022 | 79 264 |

Shareholders' equity was €1.2bn up over June 2005 to €3.6bn, owing to the increase in share capital and issue premium (€800m), increase in net income for the year (€100m) and the elimination of the joint negative balance on reserves and retained earnings which went into the black.

SHAREHOLDERS' EQUITY

(Eur million)

| | June 2004 | June 2006 |
|----------------------------------|--------------|--------------|
| Share capital | 2 450 | 2 950 |
| Reserves and retained earnings | -599 | 3 |
| Minority shareholders' interests | 295 | 294 |
| Net income for the year | 221 | 305 |
| TOTAL | 2 367 | 3 552 |

Caixa Geral de Depósitos

11 August 2005

CAIXA GERAL DE DEPÓSITOS
Consolidated Operations as at 30 June 2005

| ASSETS | (Eur million) | | | | |
|--|-----------------|-----------------|-----------------|-----------------|--------------|
| | BSAP (1) | IAS/IFRS | | Change IAS/IFRS | |
| | 30.06.2004 | 30.06.2004 | 30.06.2005 | Total | Percent |
| Cash and cash equivalents with central banks | 1,097.1 | 1,104.1 | 1,410.0 | 305.9 | 27.7% |
| Loans and advances to credit institutions | 11,619.8 | 12,136.5 | 7,582.6 | -4,553.9 | -37.5% |
| Loans and advances to customers | 43,892.6 | 45,208.2 | 48,131.2 | 2,923.0 | 6.5% |
| Securities and derivatives investments | 11,075.6 | 16,554.4 | 19,144.0 | 2,589.6 | 15.6% |
| Investments in subsidiary and associated companies | 1,145.6 | 275.9 | 285.4 | 9.6 | 3.5% |
| Investment properties | 1.7 | 248.2 | 284.8 | 36.7 | 14.8% |
| Intangible and tangible assets | 972.2 | 1,130.0 | 1,364.1 | 234.1 | 20.7% |
| Current tax assets | 18.3 | 22.1 | 5.1 | -17.0 | -76.8% |
| Deferred tax assets | | 339.7 | 383.4 | 43.7 | 12.9% |
| Technical provisions on outwards reinsurance | | 147.9 | 266.8 | 118.9 | 80.3% |
| Other assets | 2,553.1 | 2,463.0 | 4,226.4 | 1,763.4 | 71.6% |
| TOTAL | 72,376.0 | 79,629.8 | 83,083.8 | 3,454.0 | 4.3% |
| LIABILITIES | | | | | |
| | BSAP | IAS/IFRS | | Change IAS/IFRS | |
| | 30.06.2004 | 30.06.2004 | 30.06.2005 | Total | Percent |
| Central banks' and credit institutions' resources | 4 893.5 | 4 894.9 | 4 422.1 | -472.8 | -9.7% |
| Customer resources | 45 499.1 | 45 439.9 | 45 743.8 | 303.9 | 0.7% |
| Financial liabilities and derivatives | 479.6 | 509.2 | 701.8 | 192.6 | 37.8% |
| Debt securities | 13 077.0 | 14 427.4 | 11 613.4 | -2,814.0 | -19.5% |
| Provisions | 194.4 | 563.5 | 599.2 | 35.8 | 6.3% |
| Technical provisions on insurance operations | | 6 388.3 | 9 564.7 | 3,176.4 | 49.7% |
| Subordinated liabilities | 1 621.5 | 1 621.5 | 1 545.4 | -76.1 | -4.7% |
| Other liabilities | 2 790.0 | 3 418.6 | 5 341.4 | 1,922.8 | 56.2% |
| SUB-TOTAL | 68 555.1 | 77 263.3 | 79 531.9 | 2 268.6 | 2.9% |
| SHAREHOLDERS' EQUITY | 3 820.9 | 2 366.5 | 3 551.9 | 1,185.4 | 50.1% |
| TOTAL | 72,376.0 | 79,629.8 | 83,083.8 | 3,454.0 | 4.3% |

(1) BSAP (Banking System Accounting Plan)

CAIXA GERAL DE DEPÓSITOS
Consolidated Operations as at 30 June 2005
Income Statement

(Eur thousand)

| | PCSB (1) (a) | IAS/IFRS | | Change | |
|--|----------------|------------------|------------------|----------------|---------------|
| | 30.06.2004 | 1st Half 2004 | 2nd Half 2005 | Total | Percent |
| Interest and similar income | 1,321,669 | 1,533,653 | 1,679,141 | 145,488 | 9.5% |
| Interest and similar costs | 707,033 | 848,657 | 954,802 | 106,145 | 12.5% |
| Restricted net interest income | 614,636 | 684,996 | 724,339 | 39,343 | 5.7% |
| Income from capital instruments | 39,259 | 53,905 | 89,394 | 35,489 | 65.8% |
| Net interest income | 653,895 | 738,902 | 813,733 | 74,832 | 10.1% |
| Commissions (net) | 174,252 | 173,238 | 196,270 | 23,032 | 13.3% |
| Income from financial operations | -33,472 | -12,485 | 39,703 | 52,188 | |
| Insurance premiums (net) | | 79,337 | 130,892 | 51,555 | 65.0% |
| Other trading profit | 89,265 | 92,474 | 51,653 | -40,821 | -44.1% |
| Other operating income | 230,045 | 332,564 | 418,519 | 85,955 | 25.8% |
| Bank earnings | 883,940 | 1,071,465 | 1,232,252 | 160,786 | 15.0% |
| Operating costs | 547,275 | 679,962 | 748,486 | 68,524 | 10.1% |
| Employee costs | 323,394 | 367,379 | 415,601 | 48,222 | 13.1% |
| Other administrative costs | 183,611 | 261,861 | 278,865 | 17,004 | 6.5% |
| Depreciation and amortisation | 40,270 | 50,722 | 54,020 | 3,298 | 6.5% |
| Gross income | 336,665 | 391,504 | 483,766 | 92,262 | 23.6% |
| Impairment | 95,955 | 94,843 | 96,413 | 1,569 | 1.7% |
| Provisions (net) | -6,523 | 17,186 | -376 | -17,562 | |
| Results generated by subsidiary and associated companies | 58,607 | 6,502 | 12,776 | 6,274 | 96.5% |
| Income before taxation and minority shareholders' interests | 305,840 | 285,976 | 400,506 | 114,529 | 40.0% |
| Current and deferred taxation | 50,254 | 63,636 | 88,123 | 24,488 | 38.5% |
| Current | 50,254 | 59,824 | 56,572 | -3,252 | -5.4% |
| Deferred | | 3,812 | 31,552 | 27,740 | 727.7% |
| Net income allocated to minority shareholders' interests | 1,522 | 1,556 | 6,944 | 5,388 | 346.3% |
| Consolidated Net Income for the Year | 254,065 | 220,785 | 305,438 | 84,654 | 38.3% |

(1) Adjusted to include productivity bonuses - a) PCSB = Banking System Accounting Plan.

CAIXA GERAL DE DEPÓSITOS

Consolidated operations as at 30 June 2005
Summary of Principal Indicators

(Eur million)

| | IAS/IFRS | | Change |
|---|---------------|---------------|-------------|
| | 1st Half/2004 | 1st Half/2005 | |
| Income statement: | | | |
| Net interest income | 738.9 | 813.7 | 10.1% |
| Other operating income | 332.6 | 418.5 | 25.8% |
| Bank earnings | 1,071.5 | 1,232.3 | 15.0% |
| Income before taxation and minority shareholders' interests | 286.0 | 400.5 | 40.0% |
| Net income for the year | 220.8 | 305.4 | 38.3% |
| Balance sheet: | | | |
| Liquid assets | 79,630 | 83,084 | 4.3% |
| Loans and advances to credit institutions | 12,137 | 7,583 | -37.5% |
| Loans and advances to customers | 45,208 | 48,131 | 6.5% |
| Securities and derivatives investments | 16,554 | 19,144 | 15.6% |
| Central banks' and credit institutions' resources | 4,895 | 4,422 | -9.7% |
| Customer deposits | 45,440 | 45,744 | 0.7% |
| Debt securities | 14,427 | 11,613 | -19.5% |
| Technical provisions on insurance operations | 6,388 | 9,565 | 49.7% |
| Shareholders' equity | 2,367 | 3,552 | 50.1% |
| Resources taken by CGD Group | 77,022 | 79,264 | 2.9% |
| Profit and efficiency ratios: | | | |
| Return on equity - ROE (1) | 18.8% | 17.3% | |
| Return on assets - ROA (2) | 0.56% | 0.74% | |
| Other operating income/bank earnings | 31.0% | 34.0% | |
| Cost-to-Income | 63.5% | 60.7% | |
| Structural ratios | | | |
| Loans and advances to customers/net assets | 56.8% | 57.9% | |
| Loans and advances to customers/customer deposits | 99.5% | 105.2% | |

(1) Including shareholders' equity at end of period

(2) Including liquid assets at end of period.

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