CONSOLIDATED RESULTS
JUNE 30, 2015

HIGHLIGHTS

CAPITAL

Solvency reinforcement

- Improvement of the Common Equity Tier 1 ratio (phasing-in) from 8.51% (December 2014) to 9.53%, 2.53pp above the minimum regulatory requirement levels.
- Shore-up of Total Capital ratio (phasing-in) from 8.67% (December 2014) to 10.62%, 2.62pp above the minimum regulatory requirement levels.
- Favourable evolution of Capital ratios underpinned by the reduction in RWA of EUR 345.0 million since March 2015 and of EUR 39.5 million since December 2014, combined with a EUR 200 million Capital increase held in June 2015.

LIQUIDITY

Sustainability of liquidity levels

- Stability of Individuals' Deposits base of EUR 9.1 billion (-0.3%) coupled with the increase in market operations allowed to switch from expensive institutional customers' funding resources into cheaper market alternatives.
- Positive Commercial Gap of EUR 32.5 million, considering total loans and customers' resources, leading to a balanced pattern of the leverage ratio (99.8%).

ASSET QUALITY

Improvement of asset quality

- Credit-at-Risk ratio reduction of 0.45pp to 13.37% (against 12.4% of the major players in the Sector).
- Sound Credit-at-Risk Coverage ratio of 66.0% (against 56.5% in June 2014).

  This coverage ratio reaches 130.7% (129.9% in June 2014) when real estate collaterals are taken into consideration.
- Coverage of loans overdue by more than 90 days stood at 118.7%.

- Increase in the number of Customers, 28,000 new customers' since June 2014 and 12,000 in the 1st half of 2015.

- Continuous positive diversification of the loan portfolio with the corporate segment (ex-construction) representing 39.4% of the total portfolio (36.7% in June 2014).

- Commercial Net Interest Income (Loans – Customers' resources) increased by 1.4% y.o.y.

- Net Interest Income (NII) improvement of 1.3% in the 2Q15.

EARNINGS

Improvement in activity and recurrent income

- Lower contribution to NII (around EUR 27.8 million per quarter) arising from the available-for-sale securities portfolio driven by the sale of sovereign debt securities in 2014, contributing to the global impact of EUR 34.6 million in the reduction of NII.

- Modest increase of Operating Expenses in Portugal (+0.7%) contrasting with international activities (Angola and Mozambique) as a result of the investments carried out by the Group.

- Net Trading Income decreased to EUR 114.9 million due to the lower contribution from the sale of fixed-income securities (EUR -192.7 million).

- Provisions and Impairments dropped by 43.6% to EUR 165.1 million.

- Improvement in the recurrent net income of EUR 157.6 million reaching EUR -98.4 million (from EUR -256.0 million). Net Income for the period stood at EUR -28.9 million.

RATING

Rating upgrades

- Moody's upgraded the Long-Term rating from 'B2' to 'B1' and the Outlook to 'Stable'.

- Fitch Ratings affirmed the Viability Rating and improved the Outlook to 'Stable' (from 'Negative') and revised the Long-Term IDR to 'B+' (from 'BB').

Caixa Económica Montepio Geral, Publicly Listed Company. Registered Office: Rua Áurea, 219 a 241, 1100 – 062 Lisboa
Institutional Capital: 1,500,000,000 Euros, Registered at the Lisbon Commercial Registry Office, under the same Registration and Tax identification number 500792615

Caixa Económica Montepio Geral registered a net income of EUR -28.9 million in the 1st half of 2015, compared to 6.2 million[1] in the same period of 2014.

This evolution was driven by two effects:

- ✓ The improvement of recurrent income by EUR 157.6 million.
- ✓ The reduction by EUR 192.7 million of Net Trading Income, which amounted to EUR 114.9 million, due to the lower contribution arising from the sale of Portuguese sovereign debt securities.

The increase of recurrent income resulted from i) the 1.4% growth in commercial net interest income, driven by the increase in loans to the corporate segment (excl. construction) and by the repricing of customers' resources and ii) the operating expenses containment policy in the domestic activity (+0.7%).

This effect offset the reduction in the activity due to the slow recovery of the national economy, still unstable, which was reflected in the 3.8% reduction of net loans and in the 4.9% decrease in net commissions.

Net Trading Income amounted to EUR 114.9 million, compared with EUR 275.0 million in the same period of 2014. This evolution was determined by the lower contribution arising from the sale of Portuguese sovereign debt securities which stood at EUR 262.2 million in the 1st half of 2014, against EUR 69.5 million by end-June 2015, i.e. a decrease of EUR 192.7 million.

Operational Expenses rose 5.0%, due to the increase observed in the international activity, whereas in Portugal this evolution was just +0.7%. Notwithstanding the slight increase in personnel costs and in administrative overheads, this evolution was partially offset by the decrease in depreciation and amortization of EUR 1.6 million (-10.3%) driven by the containment of investment costs.

Loan impairments were down by 43.0% to EUR 151.3 million, whilst in the domestic activity this evolution reached -44.6%, reflecting the ongoing economic recovery and the economic and financial situation of households and companies.

Regarding the international activity, loan impairments recorded by Finibanco Angola increased by 30.3%, reaching EUR 6.7 million, whereas in Banco Terra loan impairments stood at just EUR 0.4 million.

In what regards the balance sheet, total net assets amounted to EUR 22,146.8 million, slightly decreasing when compared to the same period of 2014 (-0.9%).

Loans to Customers (net) decreased by 3.8% to EUR 14,920.2 million, driven by the performance of the domestic activity (-4.3%), whilst the international activity registered an increase of 22.3%.

The performance of the loan portfolio in the 1st half of 2015 reflects the contraction of mortgage loans (-8.5%) and the growth in the corporate segment, excluding construction (+4.7%).

As far as the quality of the loan portfolio is concerned, there was an improvement of 0.45pp in the credit-at-risk ratio. Despite this progress, it should be noted that loans overdue by more than 90 days stood at 7.47% in line with the sector, reflecting the prolonged adverse economic context of the Portuguese economy, still impacting credit risk.

Still regarding asset quality, emphasis should be put on the increase in the credit-at-risk coverage ratio from 56.5% to 66.0%. Factoring in associated real estate collateral, this coverage ratio reached 130.7%, showing a positive evolution since June 2014 (129.9%).

As regards Liquidity, one should highlight the stability of the Individuals' deposits (-0.3% y.o.y) and the EUR 546 million redemption of debt securities issued, reflecting an active management of net refinancing needs.

Regarding Capital, there was a reinforcement of solvency as a result of the increase of own funds of EUR 348.5 million, coupled with a reduction in risk-weighted assets of EUR 345.0 million since March 2015 and EUR 39.5 million since December 2014. Prudential ratios show a capital buffer above the minimum regulatory required levels of EUR 380 million as far as CET1 ratio is concerned and of EUR 395 million in relation to Total Capital ratio.

[1] To ensure comparability, the financial statements of June 2014 were restated following the European Commission Regulation No. 634/2014 of June 13, which established the entry into force of the IASB's interpretation on IFRIC 21, of May 20, 2013, no later than the date of the first financial exercise that begins on or after June 17, 2014.

(thousand euros)	Jun-15	Dec-14	Mar-15
BASEL III - CRD IV / CRR			
Total Capital	**1,600**	**1,309**	**1,340**
Eligible instruments to CET1	1,896	1,682	1,696
Common Equity Tier 1 Capital	1,436	1,285	1,320
Tier 1 Capital	1,436	1,285	1,320
Tier 2 Capital	171	33	27
Risk-Weighted Assets and equivalents	15,065	15,105	15,411
Total Capital ratio (phasing-in)	**10.62%**	**8.67%**	**8.70%**
Common Equity Tier 1 ratio (phasing-in)	**9.53%**	**8.51%**	**8.57%**
Tier 1 ratio (phasing-in)	**9.53%**	**8.51%**	**8.57%**

This improvement in a number of key indicators was reflected in the improvement of the rating levels, with the upgrade of the Long-Term rating assigned by Moody's, from 'B2' to 'B1', and the upward revision of the Outlook from 'Negative' to 'Stable'. As for Fitch Ratings, it affirmed the Long-Term Viability Rating and upgraded the Outlook to 'Stable'.

Emphasis should be also put on the 3-notch upgrade of the covered bonds rating, from 'Ba1' to 'Baa1', by Moody's, classifying them as 'moderate credit risk' instruments, in the 'investment grade' category.

TABLE OF INDICATORS

(thousand euros)

INDICATORS	Jun-15	Dec-14	Jun-14 [2]
LEVERAGE RATIOS			
Net Loans to Customers / Customer Deposits (a)	113.39%	106.46%	108.03%
Net Loans to Customers / On-Balance sheet total Customers' Resources (b)	99.80%	92.50%	93.10%
CREDIT RISK AND COVERAGE BY IMPAIRMENTS			
Ratio of Loans and Interest Overdue by more than 90 days	7.47%	6.13%	5.96%
Non-Performing Loans Ratio (a)	8.79%	7.42%	8.41%
Net Non-Performing Loans Ratio (a)	-0.04%	-1.00%	0.66%
Coverage of Loans and Interest Overdue by more than 90 days	118.68%	136.65%	131.68%
Credit-at-Risk Ratio (a)	13.37%	12.03%	13.82%
Net Credit-at-Risk Ratio (a)	4.98%	4.02%	6.52%
Credit-at-Risk Coverage Ratio	66.04%	69.35%	56.49%
Credit-at-Risk Coverage Ratio, factoring in associated real estate collateral	130.70%	136.50%	129.90%
Restructured Loans as a % of Total Loans (c)	10.43%	10.49%	9.59%
Restructured Loans not included in Credit-at-Risk as a % of Total Loans (c)	5.46%	6.89%	6.42%
PROFITABILITY AND EFFICIENCY			
Net Operating Income / Average Net Assets (a)	2.58%	3.48%	4.25%
Earnings before Taxes / Average Net Assets (a)	-0.52%	-0.92%	0.17%
Earnings before Taxes / Average Equity (a)	-7.92%	-12.55%	2.26%
Operating Expenses / Net Operating Income (Cost-to-Income) (a)	60.77%	43.56%	34.63%
Personnel Expenses / Net Operating Income (a)	35.68%	24.75%	19.97%

(a) According to Banco de Portugal Instruction No. 16/2004.
(b) On-Balance sheet total Customers' Resources = Customers' Resources + Debt Securities Issued
(c) According to Banco de Portugal Instruction No. 32/2013.

[2] To ensure comparability, the financial statements of June 2014 were restated following the European Commission Regulation No. 634/2014 of June 13, which established the entry into force of the IASB's interpretation on IFRIC 21, of May 20, 2013, no later than the date of the first financial exercise that begins on or after June 17, 2014.

Glossary

CET1 – Common Equity Tier 1

CRD IV / CRR – Capital Requirements Directive 2013/36/EU and Regulation No. 575/2013 of the European Parliament and Council

IASB – International Accounting Standards Board

IDR – Issuer Default Rating

IFRIC – International Financial Reporting Interpretations Committee

RWA – Risk-Weighted Assets