

Investor Report

Report Reference Date: **30-06-2014**

Report Frequency: Quarterly

1. Current Credit Ratings	Long Term	Short Term
Mortgage Covered Bond Programme	Ba1 / BBB / AL (Moody's/Fitch/DBRS)	N/A
Caixa Económica Montepio Geral	B2 / BB / BBBL (Moody's/Fitch/DBRS)	NP / B / R-2L (Moody's/Fitch/DBRS)
Portugal	Ba2 / BB+ / BBBL (Moody's/Fitch/DBRS)	NP / B / R-2M (Moody's/Fitch/DBRS)

2. Covered Bonds Issues	Issue Date	Coupon	Maturity Date	Soft Bullet Date ¹	Remaining Term	Nominal Amount
Covered Bonds Outstanding					2,29	2.000.000.000

Syndicated Covered Bonds Issues
Private Placements Covered Bonds Issues

Series 2 (ISIN PTCMKTOE0007)	16-12-2009	Floating Rate	16-12-2016	16-12-2017	2,46	1.000.000.000
Series 3 (ISIN PTCMHKOE0019)	05-11-2010	Floating Rate	05-11-2015	05-11-2016	1,35	500.000.000
Series 4 (ISIN PTCMGXOE0015)	21-05-2013	Floating Rate	21-05-2017	21-05-2018	2,89	500.000.000

CRD Compliant (Yes/No)

3. Asset Cover Test	Remaining Term	Nominal Amount	Yes
Mortgage Credit Pool	22,81	2.721.725.567,85	
Other Assets² (Deposits and Securities at market value)¹	1,15	14.041.962,50	
Cash and Deposits	0,00	0,00	
RMBS	0,00	0,00	
Other securities	1,15	14.041.962,50	
Total Cover Pool	22,70	2.735.767.530,35	
% of ECB eligible assets			0,51%
Overcollateralization³ with cash collateral (Current OC)			36,79%
Committed overcollateralization (Fitch)			35,00%
Required Overcollateralization (Fitch) - Minimum OC level to keep the current Mortgage Covered Bond Programme rating			26,00%
Required Overcollateralization (Moody's) - Minimum OC level to keep the current Mortgage Covered Bond Programme rating			0,50%
Legal Minimum Overcollateralization			5,26%

4. Other Triggers

Net Present Value of Assets (incl. derivatives) ⁴	2.749.113.472,88
Net present value of liabilities (incl. derivatives) ⁴	1.997.914.716,40
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0	OK
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0 (stress of + 200bps)	OK
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0 (stress of - 200bps)	OK
Other Assets ≤ 20% (Cover Pool + Other Assets)	OK
Deposits with a remaining term > 100 days ≤ 15% Covered Bonds Nominal	OK
Estimated Interest from Mortgage Credit and Other Assets - Estimated Interest from Covered Bonds >= 0	OK
Mortgage Credit + Other Assets WA Remaining Term - Covered Bonds WA Remaining Term >= 0	OK

5. Currency Exposure
Cover Pool Includes

Assets in a currency different than Euro (yes/no)	No
Liabilities in a currency different than Euro (yes/no)	No
Cross currency swaps in place (yes/no)	No

Currency Exposure Detail

n/a

6. Mortgage Credit Pool
Main Characteristics

Number of Loans	53.962
Aggregate Original Principal Balance (EUR)	3.827.325.022,56
Aggregate Current Principal Balance (EUR)	2.721.725.567,85
Average Original Principal Balance per loan (EUR)	70.926,30
Average Current Principal Balance per loan (EUR)	50.437,82
Current principal balance of the 5 largest borrowers (EUR)	3.307.289,56
Weight of the 5 largest borrowers (current principal balance) %	0,12%
Current principal balance of the 10 largest borrowers (EUR)	5.773.928,52
Weight of the 10 largest borrowers (current principal balance) %	0,21%
Weighted Average Seasoning (months)	112,26
Weighted Average Remaining Term (months)	273,76
Weighted Average Current Unindexed LTV ⁵ (%)	56,83%
Weighted Average Current Indexed LTV ⁵ (%)	52,77%
Weighted Average Interest Rate (%)	1,738%
Weighted Average Spread (%)	1,228%
Max Maturity Date (yyyy-mm-dd)	22-12-2060

Subsidized Loans

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	11.110	20,59%	390.700.635	14,35%
No	42.852	79,41%	2.331.024.933	85,65%

Insured Property⁶

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	53.962	100,00%	2.721.725.568	100,00%
No	0	0,00%	0	0,00%

Interest Rate Type

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Fixed	3.393	6,29%	118.470.657	4,35%
Floating	50.569	93,71%	2.603.254.910	95,65%

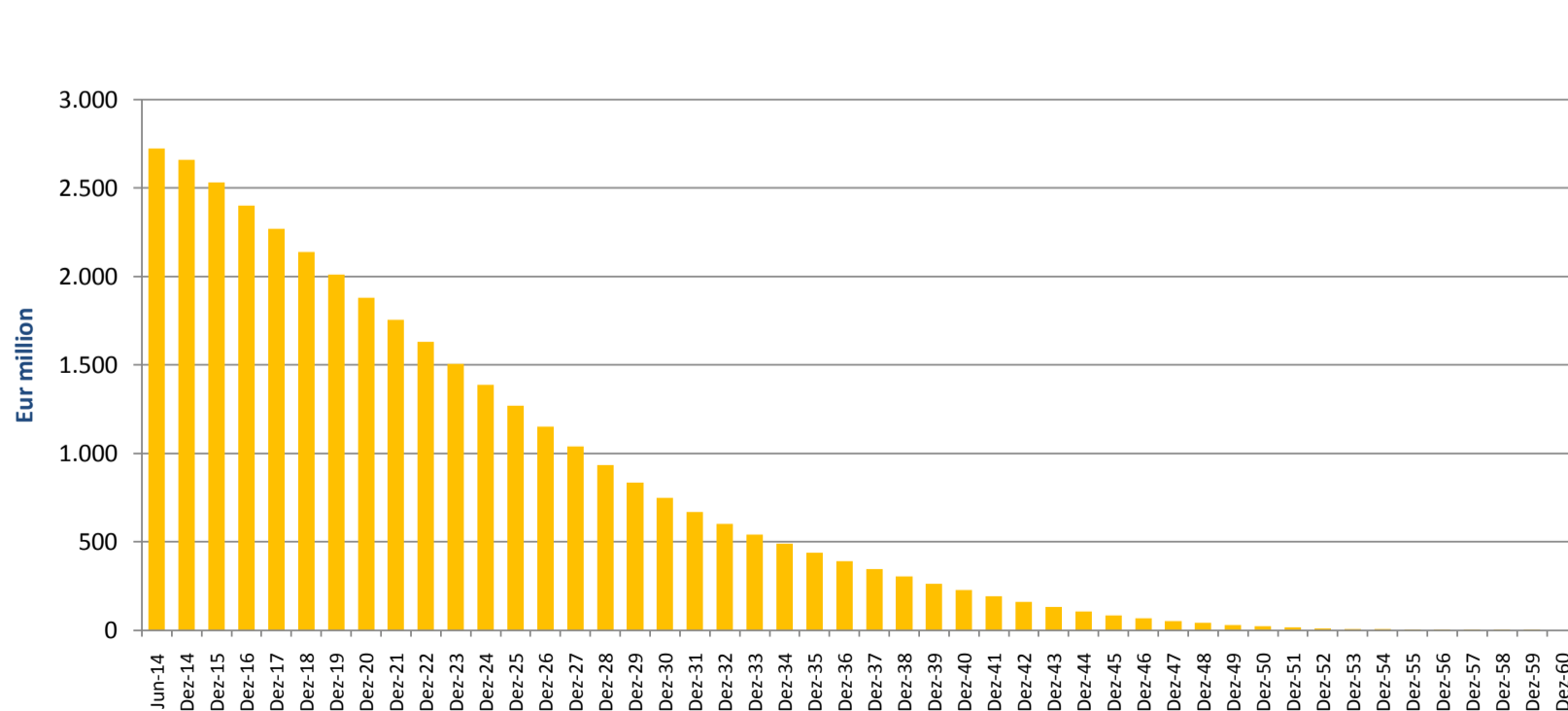
Repayment Type

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Annuity / French	52.328	96,97%	2.588.151.256	95,09%
Linear	0	0,00%	0	0,00%
Increasing instalments	1.628	3,02%	133.102.407	4,89%
Bullet	0	0,00%	0	0,00%
Interest-only	0	0,00%	0	0,00%
Other	6	0,01%	471.904	0,02%

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6. Mortgage Credit Pool (continued)

Seasoning	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 1 year	517	0,96%	42.509.971	1,56%
1 to 2 years	656	1,22%	47.826.143	1,76%
2 to 3 years	618	1,15%	42.221.945	1,55%
3 to 4 years	1.234	2,29%	84.919.342	3,12%
4 to 5 years	2.139	3,96%	143.568.897	5,27%
5 to 6 years	2.186	4,05%	128.055.290	4,70%
6 to 7 years	5.179	9,60%	283.976.788	10,43%
7 to 8 years	5.289	9,80%	290.366.820	10,67%
8 to 9 years	5.475	10,15%	319.006.445	11,72%
9 to 10 years	4.142	7,68%	236.167.361	8,68%
10 to 11 years	3.626	6,72%	202.528.614	7,44%
11 to 12 years	4.073	7,55%	213.205.482	7,83%
More than 12 years	18.828	34,89%	687.372.471	25,26%
Remaining Term	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 5 years	2.664	4,94%	27.269.757	1,00%
5 to 8 years	3.903	7,23%	75.401.572	2,77%
8 to 10 years	2.485	4,61%	70.676.598	2,60%
10 to 12 years	2.074	3,84%	75.483.979	2,77%
12 to 14 years	4.638	8,59%	176.418.634	6,48%
14 to 16 years	6.335	11,74%	271.492.912	9,98%
16 to 18 years	6.456	11,96%	326.370.805	11,99%
18 to 20 years	5.116	9,48%	277.187.821	10,18%
20 to 22 years	2.482	4,60%	142.124.081	5,22%
22 to 24 years	1.791	3,32%	108.209.594	3,98%
24 to 26 years	2.105	3,90%	141.425.181	5,20%
26 to 28 years	1.879	3,48%	128.943.244	4,74%
28 to 30 years	2.441	4,52%	170.185.356	6,25%
30 to 40 years	8.706	16,13%	655.628.840	24,09%
More than 40 years	887	1,64%	74.907.193	2,75%
Current Indexed LTV	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 40%	19.586	36,30%	608.577.440	22,36%
40 to 50%	9.426	17,47%	486.949.314	17,89%
50 to 60%	9.596	17,78%	573.291.431	21,06%
60 to 70%	8.967	16,62%	590.060.582	21,68%
70 to 80%	6.387	11,84%	462.846.801	17,01%
More than 80%	0	0,00%	0	0,00%
Loan Purpose	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Owner-occupied	49.180	91,14%	2.492.246.231	91,57%
Second Home	3.342	6,19%	168.556.895	6,19%
Buy to Let	606	1,12%	28.887.292	1,06%
Other	834	1,55%	32.035.150	1,18%
Property Type	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Residential	53.962	100,00%	2.721.725.568	100,00%
Flat	45.343	84,03%	2.161.595.504	79,42%
House	8.612	15,96%	559.565.757	20,56%
Other	7	0,01%	564.307	0,02%
Commercial	0	0,00%	0	0,00%
Geographical Distribution	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Portugal	53.963	100,00%	2.721.725.568	100,00%
North	16.600	30,76%	747.877.366	27,48%
Center	8.487	15,73%	410.982.826	15,10%
Lisbon	18.821	34,88%	1.024.909.674	37,66%
Alentejo	2.582	4,78%	132.542.840	4,87%
Algarve	3.449	6,39%	177.903.713	6,54%
Madeira	1.539	2,85%	89.628.871	3,29%
Azores	2.484	4,60%	137.880.278	5,07%
Delinquencies ⁷	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
> 30 to 60 days	177	0,33%	9.792.515	0,36%
> 60 to 90 days	0	0,00%	0	0,00%
> 90 days	0	0,00%	0	0,00%

Projected Outstanding Amount^a


Amortisation Profile	Principal Balance
Jun-2014	2.721.725.568
Jun-2015	2.593.884.731
Jun-2016	2.465.012.062
Jun-2017	2.335.042.418
Jun-2018	2.204.465.600
Jun-2019	2.073.973.361
Jun-2020	1.944.527.302
Jun-2021	1.816.427.036
Jun-2022	1.690.522.418
Jun-2023	1.567.185.689
Jun-2024	1.445.877.393
Jun-2025	1.326.487.371
Jun-2030	790.132.904
Jun-2035	463.122.484
Jun-2040	244.672.227
Jun-2045	93.222.095
Jun-2050	25.774.083
Jun-2055	4.319.496
Dez-2060	0

^a Mortgage Credit Pool; assumes no prepayments

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7. Expected Maturity Structure

In EUR	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	>10 Years
Residencial Mortgages ^b	127.840.837	128.872.669	129.969.644	130.576.818	130.492.239	628.095.967	1.445.877.393
Commercial Mortgages	0	0	0	0	0	0	0
Other Assets ²	0	14.000.000	0	0	0	0	0
Cover Pool	127.840.837	142.872.669	129.969.644	130.576.818	130.492.239	628.095.967	1.445.877.393
Covered Bonds	0	500.000.000	1.500.000.000	0	0	0	0

^b Assumes no prepayments

8. Liquidity Cushion
Nominal Amount
Liquidity Cushion (according to Fitch's definition)^c

Liquidity Cushion amount	14.041.962,50
Deposits with eligible financial institutions	0,00
Eligible securities	14.041.962,50
Liquidity Cushion requirement calculation	
Required Liquidity Cushion	7.347.438,20
Interest due month 1	334.055,56
Interest due month 2	4.022.060,42
Interest due month 3	2.991.322,22

^c At least equal to the interest payments due on the Covered Bonds Outstanding before swaps for the next 3 months

9. Derivative Financial Instruments
Nominal Amount

Total Amount of Derivatives in the Cover pool	2.727.918.528,24
Of Which Interest Rate Derivatives^b	2.727.918.528,24
Fixed to Floating Swaps	0,00
Interest Basis Swaps	2.727.918.528,24
Of Which Currency Swaps	0,00

^b External Counterparties (Yes)

10. Contacts

Financial Division	users_GT@montepio.pt
Other Reports on CEMG website	http://www.montepio.pt/SitePublico/en_GB/institutional/investor-relations/funding-programmes.page?
ECBC Label Website	https://coveredbondlabel.com/

Notes
¹ Soft Bullet Date (Extended Maturity)

If the covered bonds are not redeemed on the relevant maturity date, the maturity will automatically be extended on a monthly basis up to one year. In that event, the covered bonds can be redeemed in whole or in part on a monthly basis up to and including the Extended Maturity Date.

² Other Assets

In addition to the mortgage assets, other assets (or substitution assets) may be included in the cover pool up to an amount equal to 20% of the cover pool, subject to the following eligibility criteria:

- Deposit with the Bank of Portugal in cash or ECB eligible securities, or
- Deposits held with credit institutions rated at least A-

³ Overcollateralisation

The overcollateralisation ratios are calculated by dividing (i) the total outstanding balance of the assets included in the cover pool by (ii) the total nominal amount of the covered bonds (both excluding accrued interest). For clarification purposes, all assets included in the covered pool are eligible assets.

⁴ Net Present Value (NPV)

The NPV of the assets is obtained by discounting all future cash flows with the IRS curve plus relevant spread.

The NPV of the liabilities is obtained by discounting all future cash flows with the IRS curve plus relevant spread. Substitution assets as well as any derivatives in the pool are marked at their market value.

NPV of liabilities cannot exceed the NPV of the portfolio assigned to the bond, including derivatives.

Stress testing - Net present value is also calculated for a 200 bps shift upwards and downwards of the discounting curve.

⁵ Loan-to-Value

The Current Unindexed LTV is calculated by dividing the outstanding balance of the loan by the value of the underlying property (last physical valuation).

The Current Indexed LTV is calculated by dividing the outstanding balance of the loan by the latest valuation amount of the underlying property (i.e. indexed value or last physical valuation).

A full valuation of the underlying properties must have been performed by an independent appraiser, at origination or after, prior to the inclusion of the mortgage loan in the cover pool.

Properties (both residential and commercial) should also be revalued regularly:

- For commercial assets this must be done on an annual basis;
- Residential properties must be revalued at least every 3 years - if the individual mortgage credit value exceeds € 500.000
- Also the value of the mortgage property should be checked on a frequent basis, at least every three years, in order to identify the properties that require appraisal by an expert (this procedure can be done using statistical models approved by the Bank of Portugal).

⁶ Insured Property

All mortgages must have property damage insurance covering fire and floods.

⁷ Delinquencies

A loan is considered to be delinquent if any payment is in arrears by more than 30 days. According to the Portuguese covered bonds legislation, any loan which is in arrears by more than 90 days must be removed from the pool and substituted by another loan which fulfills the eligibility criteria. Therefore, there are no NPL's included in the cover pool.