Covered Bonds

September 2012
1. Programme Overview

2. Montepio Overview

3. Origination and Underwriting Guidelines

4. Servicing

5. CB Pool Overview (as of 31/07/2012)

Appendices
   A  Portuguese Housing and Mortgage Market
   B  The Portuguese Economy
   C  Financials
1. Programme Overview
The issuance of Covered Bonds (Obrigações Hipotecárias – O.H.) is regulated by DL 59/2006, from the Ministry of Finance, and by several regulatory notices (Avisos) issued by the Bank of Portugal.

Montepio is seeking to meet a further diversification of funding sources at an optimal cost of funding through the EUR 5 bln Covered Bond Programme. Currently and given the fact that the Covered Bond issuance markets are closed to Portuguese issuers, the main purpose of the CB Programme is to turn idle credits into assets eligible for Repo purposes, thereby improving Montepio’s liquidity position.

The Covered Bonds are issued by Montepio and collateralised by a dynamic pool of high quality residential mortgages backed by first (and subsequent) ranking mortgages.

The Cover Pool is segregated on the Issuer’s Balance Sheet and O.H. holders have a special creditor’s privilege over the Cover Pool.

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**Programme Overview**

- *Borrowers*
  - RBS N.V. as Hedge Counterparty
- *Interest and Amortisation*
- *Hedging Contracts*
- *Coupons and Principal*
- *Covered Bonds*
- *Cover Pool Monitor*
- *OC*
- *KPMG as Cover Pool Monitor*
- *Citicorp as a Common Representative*

*The Cover Pool Monitor, registered with CMVM and independent of Montepio submits an annual audit report to Montepio and Bank of Portugal.*

*Represents interests of the Covered Bond holders e.g. in case of amendments or insolvency.*
The Cover Pool (including Mortgage Credits, Hedging Contracts and Other Assets) is segregated on Montepio's balance sheet; by law, in the event of Montepio's insolvency, Covered Bond obligations are secured by a special creditor privilege over the Cover Pool.

The Cover Pool is managed in accordance with eligibility criteria established by Covered Bonds Law:
- First or first-and-subsequent ranking mortgages on property in Portugal
- All current LTVs below 80% (residential properties) or 60% (commercial)
- Mortgage loans must be replaced if more than 90 days overdue
- All properties covered by insurance
- Substitute collateral must be low-risk and highly liquid, and is limited to 20% of the Cover Pool

Mortgage collections from the Cover Pool are deposited into a separate, dedicated account at Montepio on a daily basis; such funds are used to comply with the regular Cover Pool liabilities.

In respect of mortgages in the Cover Pool, all properties are valued at their commercial / market value, initially determined by a full and independent valuation, and subsequently following a regular 3Y revaluation, using indices and models recognised by the Bank of Portugal.

Interest mismatches are hedged via swap agreements.

The Cover Pool must be compliant with “prudential tests”, namely:
- Minimum over-collateralisation (5.26% legal; 35% commitment to Fitch)
- NPV of Covered Bonds must not exceed that of the Cover Pool (+/- 200 bps parallel shift of yield curve)
- Average maturity of Covered Bonds must not exceed that of the Cover Pool
- Interest payable on Covered Bonds must not exceed that received from the Cover Pool
- 100+ day exposure to a single credit institution capped at 15% of nominal value of outstanding Covered Bonds

Regular reporting to the Bank of Portugal with a detailed description of the Cover Pool and confirming the compliance with the above.
Caixa Económica Montepio Geral (Montepio) is the oldest financial institution in Portugal (established in 1844) with short-term ratings of NP/B/R-2L and long-term ratings of Ba3/BB/BBBL by Moody's/Fitch/DBRS respectively.

Montepio is the sixth largest Portuguese banking institution and one of the largest providers of housing and construction mortgage finance, with total mortgage assets in excess of €9.8 million, as at 31 December 2011. Montepio’s consolidated total assets net of provisions and depreciation amounted to €21.5 million as at 31 December 2011.

Montepio is an experienced mortgage originator with an established track record acting as originator and servicer for its Pelican RMBS transactions (6 issues under the Programme) and for its Pelican SME transaction.

A granular and geographically well-diversified collateral consisting of prime first or first-and-subsequent lien Portuguese residential mortgages.

Low WA original (60.6%) and current (54.4%) LTVs; 23.9 years WA remaining term; highly seasoned pool with a 7.8 years WA seasoning; 1.18% WA margin.

99.9% monthly-paying loans; 95.2% floating rate, of which 37.4% accrue on an Euribor 3M basis and 57.8% on an Euribor 6M basis.

Strong Portuguese Covered Bond framework specifies robust collateral criteria including inter alia:

(i) All current LTVs below 80% (residential properties) or 60% (commercial)
(ii) Loans with more than 90 days arrears become ineligible for the Cover Pool
(iii) All properties covered by insurance and valued regularly in accordance with Bank of Portugal requirements
(iv) Substitute collateral must be low-risk and highly liquid, and is limited to 20% of the Cover Pool
(v) Legal requirements governing reporting to the Bank of Portugal pursuant to Decree Law 59/2006 address proper segregation of the Cover Pool
(vi) Highly rated transaction counterparties including RBS N.V. as provider of the interest rate swaps
2. Montepio Overview
Montepio Overview

History & Profile

- Caixa Económica Montepio Geral ("Montepio") is a savings bank and the oldest financial institution in Portugal (established on 24 March 1844).

- Montepio is fully owned by Montepio Geral Associação Mutualista (MGAM), a private mutual association, which is a non-profit organization, constituted in 1840, with the aim of promoting and developing social protection and health benefits for its mutual members.

- Montepio was created to serve the mutualism aims, offer mutualism schemes and develop banking intermediation.

- Montepio annual net income is distributed to MGAM for mutualism purposes.

- Until middle 80 s, Montepio’s main activity was to collect retail deposits and to grant credit to individuals and companies, especially mortgage loans, as one of the three specialized credit institutions (together with CGD and CPP) authorized to provide mortgage loans before the market was liberalized, in 1991.

- In the late 1980 s Montepio began the enlargement of its position in the financial market, with some acquisitions in the insurance sector and in the mutual and pension funds sector: Lusitania-Companhia de Seguros, Lusitania-Vida and Futuro.

- Since 1990, Montepio started a successful strategy of organic growth, through the expansion of its branch network, in order to fully cover the Portuguese mainland as well as the autonomous regions of Madeira and Azores. This was coupled with a multi-channel strategy, internet banking “Net 24” and the contact centre, as well as other developments in ATMs and phone banking.

- In 1992, with the D.L. 298, that liberalised the Portuguese banking activity, Montepio was classified as an universal credit institution similar to a bank. Since than, Montepio developed its offer, reinforced the enlargement of its financial activity and increased its market penetration as the sixth banking group in Portugal.

- Montepio operates as a universal bank focused in the retail market. Together with its subsidiaries, Montepio offers a wide range of banking and financial products and services, aimed at catering for all its customers financial needs.
In 2011, Montepio acquired Finibanco Group, which allowed to consolidate its market position in Portugal with the reinforcement of the branch network, a further penetration in the SME and Corporate segments and the achievement of a presence in Angola.

**Montepio Overview**

**History & Profile (cont.)**

- In 2011, Montepio acquired Finibanco Group, which allowed to consolidate its market position in Portugal with the reinforcement of the branch network, a further penetration in the SME and Corporate segments and the achievement of a presence in Angola.

<table>
<thead>
<tr>
<th>Branches*</th>
<th>2010</th>
<th>2011</th>
<th>Jun.12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>2896</td>
<td>3910</td>
<td>3862</td>
</tr>
</tbody>
</table>

* Includes the Offices Worldwide and Angola’s Branches.

<table>
<thead>
<tr>
<th>ATM (Multibanco – SIBS)</th>
<th>4.8%</th>
<th>5.6%</th>
<th>6.0%</th>
<th>8.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>436</td>
<td>643</td>
<td>840</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ATM (Private Network)</th>
<th>257</th>
<th>270</th>
<th>381</th>
<th>311</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. ATM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mkt. Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Employees 2010-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,896</td>
</tr>
<tr>
<td>2011</td>
<td>3,910</td>
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<tr>
<td>Jun.12</td>
<td>3,862</td>
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</table>

### Branches 2010-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Branches*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>342</td>
</tr>
<tr>
<td>2011</td>
<td>513</td>
</tr>
<tr>
<td>Jun.12</td>
<td>483</td>
</tr>
</tbody>
</table>

### International Offices

- Amsterdam
- Berlin
- Frankfurt
- Genève
- London
- Miami
- New York
- Paris
- Toronto

### Employees Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>436</td>
</tr>
<tr>
<td>2006</td>
<td>643</td>
</tr>
<tr>
<td>2010</td>
<td>840</td>
</tr>
<tr>
<td>Jun.12</td>
<td>1,168</td>
</tr>
</tbody>
</table>

### ATM Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>ATM (Multibanco – SIBS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>436</td>
</tr>
<tr>
<td>2006</td>
<td>643</td>
</tr>
<tr>
<td>2010</td>
<td>840</td>
</tr>
<tr>
<td>Jun.12</td>
<td>1,168</td>
</tr>
</tbody>
</table>

### ATM (Multibanco – SIBS) Growth

- N. ATM: 1,168
- Mkt. Share: 8.5%

### ATM (Private Network) Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>ATM (Private Network)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>257</td>
</tr>
<tr>
<td>2006</td>
<td>270</td>
</tr>
<tr>
<td>2010</td>
<td>381</td>
</tr>
<tr>
<td>Jun.12</td>
<td>311</td>
</tr>
</tbody>
</table>

### No of Promoters Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Promoters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>63</td>
</tr>
<tr>
<td>2010</td>
<td>205</td>
</tr>
<tr>
<td>2011</td>
<td>235</td>
</tr>
<tr>
<td>% Chg.</td>
<td>+15%</td>
</tr>
</tbody>
</table>

**Montepio CBs, Sep 2012**

**Pag. 8**
Montepio Overview

Banking Sector Ranking Position & Market Shares

- Montepio is in the 6th ranking position in Total Net Assets (among 36 credit institutions).
- The overall market share (Credit + Deposits) is increasing and reached 6.42% in Jun.12.

Total Net Assets Ranking (1)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Net Assets (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGD</td>
<td>117.694</td>
</tr>
<tr>
<td>Millennium</td>
<td>92.999</td>
</tr>
<tr>
<td>BES</td>
<td>85.292</td>
</tr>
<tr>
<td>BPI</td>
<td>44.656</td>
</tr>
<tr>
<td>Santander</td>
<td>42.603</td>
</tr>
<tr>
<td>Montepio</td>
<td>20.967</td>
</tr>
<tr>
<td>Banif</td>
<td>15.373</td>
</tr>
</tbody>
</table>

(1) Global Activity

Banking Activity Market Share (%)
(Credit + Deposits)

Sources: Bank of Portugal Financial and Monetary Statistics, and Banks Financial Reports
Customers

- The total number of customers has been rising after Finibanco’s integration, despite the strong competition.
- In the Corporate segment, the nº of customers is increasing significantly due to Montepio’s diversification strategy.

<table>
<thead>
<tr>
<th>Total number of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.264.534  1.285.092  1.449.135  1.453.584</td>
</tr>
</tbody>
</table>

Individuals Segment

Main goals: improve loyalty, through cross-selling and deep-selling

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1.182.560</td>
<td>1.198.023</td>
<td>1.322.910</td>
<td>1.322.619</td>
</tr>
</tbody>
</table>

Corporate Segment

Main goals: acquire new customers, mainly in the small business and SME segments.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>81.974</td>
<td>87.069</td>
<td>126.225</td>
<td>130.965</td>
</tr>
</tbody>
</table>
Franchise Strength

- In 2012, Montepio reached the 1st place in the Portuguese banking sector corporate reputation (the RepTrak™ Model), being considered the bank with best perception in “Products and Services”, “Corporate Governance”, “Citizenship/Social Responsibility” and “Performance”.

Corporate Reputation Trend
Rep Track Pulse 2011-2012

Source: Reputation Institute - RepTrak™ Pulse 2012
Montepio Consolidation Scope

- Acquisition of 100% of Finibanco Holding, SGPS, SA on March 2011.
- With that acquisition, Montepio gained an interesting international presence with Finibanco Angola.

Outside the scope of consolidation

- Pension Funds Management [9.8%]
- Asset Management [0.1%]

Scope of consolidation from Dec 2007 to Dec 2010

Broader scope of consolidation since March 31st 2011

Montepio Overview

Montepio CBs, Sep 2012
Funding & Capital Plan Goals

Leverage and Stable Funding Ratio

- Achievement of the indicative deleveraging goal of 120% in Jun. 12, set in the F&C Plan to be met in December 2014, due to the favorable performance of Customer Deposits.

- Stable Funding Ratio remains at 100%, also fulfilling the requirement before time (set to reach 100% by end-2014).

- Achievement of the Core Tier 1 ratio minimum requirements for the end of the year (10%).

- €50M capital raising approved in the MGAM’s General Assembly of December 2011 to be used when needed to more comfortably comply with the capital requirement.

Capital and Core Tier 1

Montepio CBs, Sep 2012
Credit Diversification Strategy

- Sustained decrease of Montepio’s credit portfolio, due to the implementation of the banking deleveraging process, even though lower than the banking sector average;
- Decrease in mortgage credit portfolio at a higher degree than in the banking sector, in line with the diversification policy;
- Increased allocation of credit to other corporations outside the construction sector, namely micro-enterprises and SMEs engaged in export markets.

Montepio CBs, Sep 2012
The proportion of Credit to Individuals remained practically unchanged on June 2012 (62,2%) when compared to the previous year. The credit to Corporate, 37,8% of the portfolio, continued the diversification policy, exhibiting a reduction of -0,5 p.p. in Construction and an increase of +0,5 p.p. and +0,4 p.p. in Manufacturing and Other Sectors, respectively.
Gains in Montepio’s credit market share due to a lower portfolio decrease when compared with the banking sector evolution.

Gains in market share in credit to corporations other than the construction sector, namely in the manufacturing sector.
NPL’s Trend

- The increase in Non Performing Loans > 90d of 8.4%, since December 11, resulted from the severe macroeconomic conditions, affecting both companies and families.
- But, NPL’s growth level is below the banking sector avg.
- Thus NPL Ratio >90d increased to 4.4% in Jun.12 from 4.0% in Dec.11 and 3.2% in Jun.11.
- NPL > 90 days coverage ratio is above 100%, reaching 102%.

NPL’s – Montepio v.s. Banking Sector

- NPL’s Trend

  - Total NPL’s > 90d (m€)
  
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>486.761</td>
<td>565.552</td>
<td>693.892</td>
<td>751.893</td>
<td></td>
</tr>
</tbody>
</table>
  
  - NPL Ratio and Coverage

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>3.8%</td>
<td>3.8%</td>
<td>4.7%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>90%</td>
<td>107%</td>
<td>122%</td>
<td>88%</td>
<td></td>
</tr>
</tbody>
</table>

Source: BoP, Monetary and Financial Statistics
Customers Deposits increased by 8,5% y.o.y. largely above total sector’s average;
Favorable trend due to the growth of deposits from individuals and small business (+13,6%), enhancing a stable funding profile, while in the total sector the growth was only +6,2%.
Montepio increased its Customer Deposits share, due to the higher growth compared with banking sector average;

The better performance was mostly due to the growth of individuals’ deposits, aiming to preserve a high granularity portfolio profile, mostly comprising small household savings.
**Profitability**

- Banking Income increased 9.9% with the positive performance of Fees and Commissions (+10.9%) which contributed to raise the weight of Other Net Banking Income in total Banking Income structure to 40.3%.
- Other Banking Income increased 37%, also due to the favorable performance of Dividend income and other income;
- The increase of Operating Expenses, still affected by the former Finibanco Group acquisition, led to a 6% decrease in Net Income.

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**Breakdown of Banking Income**

<table>
<thead>
<tr>
<th></th>
<th>Dec.10(*)</th>
<th>Dec.11</th>
<th>Jun.11</th>
<th>Jun.12</th>
</tr>
</thead>
<tbody>
<tr>
<td>M€</td>
<td>422,3</td>
<td>558,6</td>
<td>233,6</td>
<td>256,7</td>
</tr>
<tr>
<td>%</td>
<td>35,8%</td>
<td>42,9%</td>
<td>32,2%</td>
<td>40,3%</td>
</tr>
<tr>
<td></td>
<td>64,2%</td>
<td>57,1%</td>
<td>67,8%</td>
<td>59,7%</td>
</tr>
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</table>

- Net Interest Income
- Other Net Banking Income

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**Breakdown of Other Net Banking Income**

<table>
<thead>
<tr>
<th></th>
<th>Dec.10(*)</th>
<th>Dec.11</th>
<th>Jun.11</th>
<th>Jun.12</th>
</tr>
</thead>
<tbody>
<tr>
<td>M€</td>
<td>149,0</td>
<td>239,9</td>
<td>75,2</td>
<td>103,4</td>
</tr>
<tr>
<td>%</td>
<td>19,3%</td>
<td>31,4%</td>
<td>3,5%</td>
<td>61,7%</td>
</tr>
<tr>
<td></td>
<td>31,8%</td>
<td>29,4%</td>
<td>38,4%</td>
<td>46,9%</td>
</tr>
<tr>
<td></td>
<td>48,9%</td>
<td>39,2%</td>
<td>58,1%</td>
<td>-8,6%</td>
</tr>
</tbody>
</table>

- Fee and Commissions
- Trading Income
- Dividend income and other income

(*) 2010 figures do not consider Finibanco

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**Net Income Breakdown**


<table>
<thead>
<tr>
<th>Net Interest Income</th>
<th>Other Income</th>
<th>Impairments and Other</th>
<th>Net Income</th>
<th>Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>271</td>
<td>151</td>
<td>-123</td>
<td>319</td>
<td>141</td>
</tr>
<tr>
<td>51</td>
<td>51</td>
<td>-145</td>
<td>45</td>
<td>158</td>
</tr>
<tr>
<td>-248</td>
<td>-369</td>
<td>-154</td>
<td>-154</td>
<td>-154</td>
</tr>
</tbody>
</table>

- 2010(+)
- yoy
The progressive reduction in senior notes has been mainly compensated by retail funding.
Total outstanding debt in issue, including the type of debt, and maturity:

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>332.7</td>
<td>63.6</td>
<td>102.7</td>
<td>77.9</td>
</tr>
<tr>
<td>Covered Bonds</td>
<td>652.9</td>
<td>652.9</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Schuld scheins</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18.0</td>
<td>20.0</td>
<td>20.0</td>
<td>40.0</td>
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<td>Subordinated Debt</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>652.9</td>
<td>652.9</td>
<td>332.7</td>
<td>81.6</td>
<td>122.7</td>
<td>170.0</td>
<td>117.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Assumptions:
- Covered Bonds redeemed in July 2012
- FRN 2017 Call is exercised in 2014 (€63.5 million)
- Subordinated LT2 Apr/16 - Call is not exercised (€50 million)

- As of 31/07/2012 the total outstanding amount of wholesale funding was € 921.8M;
- The maturity profile of such debt is well distributed, over 42% matures beyond 3Y time;
- Montepio’s Total liquid Assets cover 350% of all the funding needs derived from the amortization profile of WS debt.
Focus on prudent liquidity management

- Montepio will continue pursuing the reduction of the Eurosystem refinancing window and the exposure of the BS to financial markets until the end of 2013, with a simultaneous reduction of applications vis a vis wholesale funding;
- The reduction of net commercial gap, enhanced by the reinforcement of Customer Deposits as the main source of funding, along with a decrease in debt securities held and in other financial investments in credit institutions that will mature, should allow for a reduction of debt securities issued until late 2013, as well as ECB funding.

Reduction of the Eurosystem refinancing

<table>
<thead>
<tr>
<th>Year</th>
<th>Eurosystem refinancing</th>
<th>Customer Deposits</th>
<th>Debt Securities Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>8,329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5,448</td>
<td>5,295</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>9,177</td>
<td>4,217</td>
<td>1,540</td>
</tr>
<tr>
<td>2011</td>
<td>13,678</td>
<td>2,950</td>
<td>2,003</td>
</tr>
<tr>
<td>Jun.12</td>
<td>13,800</td>
<td>2,400</td>
<td>1,968</td>
</tr>
<tr>
<td>2012</td>
<td>13,887</td>
<td>1,838</td>
<td>1,968</td>
</tr>
<tr>
<td>2013</td>
<td>14,225</td>
<td>1,555</td>
<td>1,700</td>
</tr>
<tr>
<td>2014</td>
<td>14,708</td>
<td>1,429</td>
<td>1,200</td>
</tr>
<tr>
<td>2015</td>
<td>15,326</td>
<td>1,346</td>
<td>880</td>
</tr>
</tbody>
</table>
Liquidity - ECB Refinancing

- Montepio obtained a remarkable reduction of ECB refinancing (-11.3%), by comparison with the banking sector (+31.2%);
- The ECB Net Funding represented 8.5% of net assets in Montepio, against 11.7% in the banking sector.

Montepio ECB Refinancing

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Jun.11</th>
<th>2011</th>
<th>Jun.12</th>
<th>Dec. 12 (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinancing</td>
<td>0.9</td>
<td>0.5</td>
<td>1.5</td>
<td>2.2</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

1st LTR O of 1.3 Bn€
2nd LTR O of 0.4 Bn€

-11.3% ECB Refinancing

ECB Net Funding in % of Net Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Jun.11</th>
<th>2011</th>
<th>Jun.12</th>
<th>Jun.12 (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECB Funding</td>
<td>10.2</td>
<td>16.5</td>
<td>41.9</td>
<td>44.9</td>
<td>46.9</td>
<td>61.6</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bank of Portugal, Statistical Bulletin (August 2012)

(g) goal.
Liquidity - ECB Refinancing

- ECB Collateral Pool increased €496 million since June 11, as well as the proportion of collateral available, from 23% to 42%.

- The evolution of the ECB Collateral Pool was built upon the following:
  - Pelican 6 securitization issuance held in March 2012, which allowed an increase of €240 million;
  - In June 2012, new collateral being created under the framework recently approved by the BdP, namely the usage of a pool of loan portfolios and individually rated loans amounting to €518 million;
  - Covered bonds to be issued in the 3rdQ 2012 which will entail an increase of €400 million;
  - Redemption of securities held.

Collateral Pool breakdown

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pelican RMBS</td>
<td>434</td>
<td>675</td>
<td>623</td>
</tr>
<tr>
<td>Pelican SME no.1</td>
<td>363</td>
<td>283</td>
<td>244</td>
</tr>
<tr>
<td>Aqua Finance no.3</td>
<td>85</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Aqua Mortgage no.1</td>
<td>68</td>
<td>67</td>
<td>71</td>
</tr>
<tr>
<td>Mortgage Bonds</td>
<td>996</td>
<td>1.035</td>
<td>1.003</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>206</td>
<td>134</td>
<td>116</td>
</tr>
<tr>
<td>Sovereign Bonds</td>
<td>839</td>
<td>851</td>
<td>735</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolios of Credit Claims</th>
<th>-</th>
<th>-</th>
<th>518</th>
</tr>
</thead>
</table>

TOTAL

2,991 3,132 3,397

93.1% Credit to Corporations
6.9% Consumer Credit
Liquidity - Debt Securities

- Deposits increase and the commercial gap reduction allowed the pursuit of debt securities issued reduction (€ -600 million since Dec.11 and € -1,500 million since June 2011);
- In the first half of 2012, Montepio repaid a total of € 711 million compared with a projected value of € 431 million;
- The debt securities refinancing needs until 2015 will only be around 29% of the figure for 2008-June12 period.

Debt securities issued
3. Origination and Underwriting Guidelines
Montepio’s residential mortgage loans are originated at the branch level, as a result of direct contact with borrowers, no loans are originated through brokers. Montepio has a mortgage portal on its website, but all applications are submitted at branch level;

At the branch, the information required according to internal credit rules (i.e. financing application, identification documents, informative questionnaires, official documents showing customer’s income) is collected, checked and submitted to the application scoring system. Credit analysis filters through 4 levels of decision, according to the nature and the amount of the credit;

The levels of authorisation are the Branch Managers, the Regional Department Manager, the Commercial Manager and the Credit Committee (involving the Board);

The Credit Scoring System automatically checks whether there are any incidents stored in the internal and/or external databases and also checks credit policies/rules (i.e. Loan-to-Value, Debt-to-Income);

Once a favourable decision has been taken by the competent decision level, the customer is formally informed, by means of a letter.
The process involves various departments within Montepio, including logistic (Marketing, Risk, IT, Audit and Legal Depts.) and operational areas (Branches and Commercial/Regional Managers);

Montepio has a set of credit policy instruments which support the underwriting activity, including:

- Definition of credit products;
- Promotion and Marketing;
- Monitoring and Analysis of the Credit Application Process;
- Norms and decision procedures;
- Preventive Monitoring and Control;
- Credit Recovery.

Montepio Credit Policy Guidelines are updated on a regular basis, including the update and renewal of the basic intervention principles of the underwriting activity and respective preventive monitoring and recovery.
Montepio CBs, Sep 2012

**Marketing**
- Sets the Global Marketing Plan.
- Sets, together with the Regional Marketing Team, the measures to be undertaken at the regional level.
- Sets the pricing schedule for the credit operations.

**Risk Department**
- Submits the Credit Policy guidelines and instruments to the approval by the Board of Directors.
- Provides the Scoring Models

**Audit**
- Verification of the criteria that govern the granting of credit to customers.
- Periodic revision of the appraisal of the credit portfolio;
- Analysis of the large risks and levels of concentration by client, group and industry.

**Credit Process**

**Legal**
- Provides legal support.
- Draws-up the credit contracts, namely, those with underlying guarantees.
- Supervises the binding conditions of the credit contracts.
- Undertakes litigious procedures.

**IT**
- Provides data regarding the status of the credit contracts.
- Monitors the provisioning of the clients’ accounts for instalment payment purposes.
- Sends reminders to defaulting clients.
Credit Scoring System

Credit Scoring Model

- Sets the evaluation and decision-making criteria for personal credit applications.
- Developed from historical experience and for a given probability of default.
- Scores derived from socio-professional, demographic and financial variables.
- System verifies incidents registered in internal and external Data Bases.
- Model checks credit rules, including: DTI, LTV ratios and proof of employment.
- Allows for the automatic decision making and can only be overridden if endorsed by the Board.

Behavioural Scoring Model

- Supports credit risk assessment and marketing actions, focusing on pre-approved loans.
- Evaluates risk of each customer, based on his/her relationship with Montepio.
- Three different models used to differentiate between customers with:
  - mortgage loans
  - other loan types
  - savings products but no credit.
**Appraisals**

- Before granting a mortgage loan, an appraisal of the property is mandatory:
  - Up to €2.5M, only 1 appraiser is required;
  - Otherwise, 2 appraisers are required;

- The appraisal process and staff is completely independent from the underwriting / commercial departments;

- External appraisers – Civil Engineers or Architects registered in the Portuguese Association of Engineers or Architects, most of them with a University Degree in property appraisals;

- Internal appraisers – Qualified appraisers with a University Degree and Specialization;

- In December 2006, a centralised structure resident in the Real Estate Department was implemented, comprising internal and external Appraisers, with the following tasks:
  - Developing a web-based application (Portal de Avaliadores) that centralises the requests from the Branches and distributes them by the appraisers;
  - Validation and quality control of the Appraisal reports;

- The Appraisers send the valuation reports through the web-based application, which are then analysed and sent via computer system to the Branches;

- All relevant data feed is permanently stored into a special database;

- The valuation reports take into account relevant factors like the property location, the building type, the construction phase, the land and construction values, dimension and areas, and the existing of insurance policy.
4. Servicing
Experience as Servicer

- Montepio has been performing the role of Servicer under its Pelican Mortgages Programme, an activity which dates back to 2002, and which requires the management, monitoring and regular reporting on the performance of the securitised assets;

- The Pelican and the CB Investor reports can be downloaded from
  
Servicing - Collections

Automatic debit in Client’s account held by Montepio

Client has enough funds?

- YES
  - Receipt Sent to Client

- NO
  - Reminder / Letter sent to Client;
  - Automatic system attempts to debit the overdue funds

Daily running

Branch Management

✓ Insurance premiums and other costs related with loan management are debited in the Client’s accounts along with the mortgage instalment.
**Loan Recovery Process and Procedures**

**Branches**

- **Client Default**
  - Delinquency + 0 days
  - 1st Letter Sent

**Contact Center**

- Delinquency + 30 days
  - 2nd Letter Sent

- Delinquency + 60 days
  - 3rd Letter Sent

**Branches Procedures:**
- First contact with borrower, either personally or by phone, or, if necessary, with guarantors
- Draw-up new settlement plan and decide about it, for loans in arrears with less than 2 months
- Monitor the evolution of the loans with new settlement plans

**Contact Centre Procedures:**
- Delinquency 15 days: 1st contact with borrowers
- Delinquency 30 days: 2nd contact with borrowers and guarantors
- Delinquency 45 days: 3rd contact with borrowers and guarantors

Different scripts for the 3 contacts.
- Draw-up settlement plans.

Contacts with clients are recorded in a database easily accessible for monitor purposes.
Montepio Recuperação de Crédito, ACE (MRC)
Credit Recovery and Litigation

Credit Recovery

- 3rd Letter Sent (incl. Guarantor)
- (Specialized teams: personal and telephone negotiation of debt restructuring, contractual changes, property repossession, guarantors exoneration, etc)
- Litigation stage (Legal Court Action)
- Foreclosure Procedure begins
- Court Decision
- (Delinquency + 60 days)
- (Delinquency + 6 months)

Montepio Recuperação de Crédito Procedures:
- The aim of MRC is to settle the defaulted mortgage loans mainly out of the court.
- To achieve this goal, the contacts and negotiations are made mostly by specialized credit recovery companies, that report on a daily basis with the MRC by electronic communications.

Automated means: letters and SMS. Remote contacts: telephone contacts, faxes, emails, personalized letters and meetings

CR managers negotiate possible solutions. Approve and monitor payment / settlements plans.

Contacts with clients are recorded in a database easily accessible for monitor purposes.

Montepio CBs, Sep 2012
5. CB Pool Overview (as of 31/07/2012)
Breakdown by Loan-to-Value

- Unindexed LTV
- Indexed LTV

Key:
- <10
- 10-20
- 20-30
- 30-40
- 40-50
- 50-60
- 60-70
- 70-80
- 80-90
- 90-100
- >100
Breakdown by Seasoning (mths)
Breakdown by Term to Maturity

CB Pool Stratification

Montepio CBs, Sep 2012
Breakdown by Spread
Breakdown by Employment Status of Borrower
Breakdown by Borrower Loan Balance

- <25000
- 25000-50000
- 50000-75000
- 75000-100000
- 100000-125000
- 125000-150000
- 150000-175000
- 175000-200000
- 200000-225000
- 225000-250000
- 250000-275000
- 275000-300000
- >300000

Original Loan Balance
Current Loan Balance
Breakdown by Amortisation Type

- CONSTANT: 90.7%
- MIXED: 8.8%
- Increasing: 0.5%
-其他: 0.0%

Breakdown by Rate Type

- Euribor 3M: 58%
- Euribor 6M: 37%
- Fixed: 5%
Breakdown by Mixed Amortisation Loans Incremental Period

The diagram shows the stratification of CB pool breakdown by mixed amortisation loans incremental period. The bars represent the original and current distribution for each period.
**Breakdown by Loan Purpose**

- Acquisition: 86%
- Equity Release: 7%
- Mortgage Transfer: 4%
- Refurbishment: 3%

**Breakdown by Occupancy Type**

- First, Owner-Occupied: 86%
- Buy-To-Let: 7%
- Other: 6%
- Second Home: 1%
Appendix A
Portuguese Housing and Mortgage Market
**Highlights**

- After the liberalisation, in the early 90s, the Portuguese housing market became highly competitive.

- The market saw a significant growth with the decrease in interest rates and the improvement of the economic conditions.

- Portugal had a very strong culture of home ownership: according to the latest Census 2011, approximately 74% of individuals were owner-occupiers.

- Housing credit in Portugal is concentrated in Lisboa & Vale do Tejo and Porto.

- The adverse financial and economic conditions, as a consequence of the Portuguese Financial Assistance Program, impact in the mortgage market, that decreased, by the reduction of demand, as well as the more restrictive conditions in the offer side, with the decrease in the new housing construction.

- In favour of mortgage market recovery, after the consolidation period, are noted the following issues:
  - Expected increase in demand for repairs and renovation works in line with the development of the housing rental market, the related legislation has been revised in late 2011;
  - Raise in the number of families (+10,8% from 2001 to 2011, according to Census 2011) and their changing composition (increasing number of families with only one or two persons);
  - Stabilized property prices in the last decade comparing with other EU countries;
  - Changing in the regulatory framework, with the simplification of procedures and contractual terms;
Portuguese Housing Prices

- In Portugal, property prices have stabilized, since 2002 (average growth of 1.4% in the Dec.02-Jun.12 period), while in other Euro Area countries prices increased significantly until 2007 declining sharply afterwards, with the impact of the sub-prime and the financial crisis.

- Recent data shows that European residential property prices have lost momentum after the recovery observed in 2010. Some countries, like Belgium, France, and in a small degree, Spain, Finland and Italy, still have their housing prices over valued according to ECB estimates (in ECB Financial Stability Review, Jun.12).

- The steadiness of the Portuguese housing market, whose price levels compare favourably with other European countries, may attract investments in second homes and residential tourism in the future.

House Price Index

Source: BIS
Residential Mortgage Credit Evolution

- Since 2006, Mortgage Credit total volume has been easing its growth as new loans record a decreasing trend.
- Since 2011, Mortgage Credit volume has fallen slightly, as a result of the financial and economical crisis but still representing 82% of total Households Credit and 41% of Total Credit in the Portuguese Banking Sector (Jun.12).

Market Rates / Mortgage Growth

Source: Bank of Portugal
Residential Mortgage Credit Evolution

- After an increasing period until 2006 (+15,6 a.g.r.), housing loans began a downward trend to a slow rate of 3,4% until 2010.

- Since 2011, housing loans have been registering a negative growth trend, reaching -2,2% in Jun.12, as result of the liquidity constraints and the deleveraging process.

- In spite of the unfavourable environment, Non Performing Housing Loans ratio continue to be the lowest, with a slightly increased, from 1,3% in 2007 to 1,9% in Jun.12.

Credit in Portugal (excludes securitised credit)
Appendix B
The Portuguese Economy

Source: IGCP
Highlights from the 5th review of the Economic and Financial Adjustment Programme

- Deficit targets revised upwards: 5% in 2012, 4.5% in 2013 and 2.5% in 2014;
- Financing guaranteed for the next 12 months, with no need for additional financial support;
- External adjustment continues to surprise on the upside.

Budget deficit targets adjusted upwards

- The Government and the EU-IMF mission team have agreed to adjust the budget deficit path, mainly to allow for the partial operation of automatic fiscal stabilizers. The target for 2012 was revised from 4.5 to 5% of GDP, while the target for 2013 was raised by 1.5pp of GDP to 4.5%. Deficit is to fall below 3% by 2014, with a 2.5% target;
- Crucially, the structural adjustment continues to be significant, sustained by a strong contraction of primary spending. The cyclically adjusted primary balance is expected to be close to balance this year and to increase further to more than 3% of potential GDP by 2014.
In 2012, the higher contraction of domestic demand and wage bill led to both lower fiscal revenue (especially VAT) and lower social security contributions. Moreover, higher unemployment than initially projected increased the level of social transfers above target. The two effects combined contributed to raise the budget deficit around 2pp of GDP this year, with a similar carryover for 2013. The Government and the EU-IMF mission team have agreed to adjust the budget deficit path, mainly to allow for the partial operation of automatic fiscal stabilizers. The target for 2012 was revised from 4.5 to 5% of GDP, while the target for 2013 was raised by 1.5pp of GDP to 4.5%. Deficit is to fall below 3% by 2014, with a 2.5% target.

In the 2012 budget, this adjustment will be partly offset by lower spending than initially projected, namely with the wage and interest bills, as well as higher revenues from concessions and a new schedule of EU transfers.
The adjustment of the target in 2013 by 1.5pp of GDP reduces the need to compensate the carry over effect from 2012 and the less favourable macroeconomic environment. However, additional consolidation measures will need to be taken.

**New measures (amounting to about EUR 2.5 billion) include:**

- Fiscal devaluation through a reduction of the employers’ social security contribution (23.75% to 18%), coupled with an increase of the employees’ social security contribution (11% to 18%), with a net positive effect for the budget deficit of about 0.3pp of GDP;
- Streamline Public Administration, by increasing the pace of reduction of public employment and intermediate consumption;
- Reduction of pensions by 5% on average to replicate the civil servants’ wage cut that occurred in 2011;
- Additionally, structural measures already included in the medium-term budget framework presented in April will continue to be implemented, namely those aiming to reduce SOE’s losses, or bring down the costs of PPP.
**Financing plan: no additional EU-IMF loans required**

- The financing plan for 2013 was discussed and the EU-IMF mission team concluded that the financing sources available are sufficient to match the foreseen borrowing requirements;
- Moreover, the rescheduling of the deficit targets does not require additional EU-IMF financial support, given the current cash position and the available set of financing sources;
- Financing conditions favourable to return to MLT market until September 2013, in line with Programme projections.
**Macroeconomic scenario: lower GDP in 2013, faster external adjustment**

- The macroeconomic scenario for 2012 remains broadly in line with previous projections, while the forecast of real GDP growth in 2013 was revised from 0.2% to -1%. This reflects the worse external environment, as well as the expected short-term impact on domestic demand of the additional consolidation measures.

- As part of the deleveraging process, domestic demand has already declined significantly in 2011 and first half of 2012. However, this has been partly compensated by the positive performance of net exports.
The Portuguese Economy

- In fact, the external adjustment has continued to surprise on the upside. Exports of goods have decelerated somewhat in the first semester, but still less than what would be expected given the external environment, which reflects significant gains of market share. The observed reduction of nominal labor costs, further enhanced with the above-mentioned fiscal devaluation measure, should help sustain this trend.

- Moreover, imports are contracting at a strong pace, so that the goods and services account was already close to balance in Q2 (-0.2% of GDP) and it is expected to improve further to 2.3% of GDP in 2013, almost 12pp above the trough observed in 2008 (-9.5%).

![Balance of goods and services chart]

Source: Banco de Portugal.
Appendix C
Financials
(Consolidated Basis)
| Montepio CBs, Sep 2012 | Pag. 62 |

### Balance Sheet (Consolidated Basis)

<table>
<thead>
<tr>
<th>000 Eur</th>
<th>Dec 2011</th>
<th>Jun 2011</th>
<th>Jun 2012</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets</td>
<td>%</td>
<td>Net Assets</td>
<td>%</td>
<td>Net Assets</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Deposits at Central Banks</td>
<td>461.483</td>
<td>2,1</td>
<td>400.791</td>
<td>1,8</td>
</tr>
<tr>
<td>On sight availabilities with Credit Institutions</td>
<td>223.834</td>
<td>1,0</td>
<td>112.947</td>
<td>0,5</td>
</tr>
<tr>
<td>Financial assets held for negotiation</td>
<td>180.776</td>
<td>0,8</td>
<td>145.563</td>
<td>0,7</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>3.606</td>
<td>0,0</td>
<td>3.685</td>
<td>0,0</td>
</tr>
<tr>
<td>Financial assets available for sale</td>
<td>2.574.368</td>
<td>12,0</td>
<td>3.002.586</td>
<td>13,8</td>
</tr>
<tr>
<td>Applications in credit institutions</td>
<td>284.232</td>
<td>1,3</td>
<td>324.030</td>
<td>1,5</td>
</tr>
<tr>
<td>Costumers Credit</td>
<td>16.706.626</td>
<td>77,7</td>
<td>16.792.057</td>
<td>77,5</td>
</tr>
<tr>
<td>Investments held until maturity</td>
<td>76.994</td>
<td>0,4</td>
<td>48.314</td>
<td>0,2</td>
</tr>
<tr>
<td>Coverage derivatives</td>
<td>1.311</td>
<td>0,0</td>
<td>1.955</td>
<td>0,0</td>
</tr>
<tr>
<td>Other assets available for sale</td>
<td>137.011</td>
<td>0,6</td>
<td>235.068</td>
<td>1,1</td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>0</td>
<td>-</td>
<td>19.309</td>
<td>0,1</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>108.657</td>
<td>0,5</td>
<td>150.463</td>
<td>0,7</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>90.205</td>
<td>0,4</td>
<td>80.142</td>
<td>0,4</td>
</tr>
<tr>
<td>Interests in Associated Companies</td>
<td>57.856</td>
<td>0,3</td>
<td>58.453</td>
<td>0,3</td>
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<tr>
<td>Current income tax assets</td>
<td>2.768</td>
<td>0,0</td>
<td>2.538</td>
<td>0,0</td>
</tr>
<tr>
<td>Deferred income tax assets</td>
<td>80.693</td>
<td>0,4</td>
<td>4.933</td>
<td>0,0</td>
</tr>
<tr>
<td>Other assets</td>
<td>504.970</td>
<td>2,3</td>
<td>296.726</td>
<td>1,4</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>21.495.390</td>
<td>100,0</td>
<td>21.679.562</td>
<td>100,0</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources from the Central Banks</td>
<td>2.003.300</td>
<td>9,3</td>
<td>2.220.044</td>
<td>10,2</td>
</tr>
<tr>
<td>Financial liabilities held for negotiation</td>
<td>79.121</td>
<td>0,4</td>
<td>77.152</td>
<td>0,4</td>
</tr>
<tr>
<td>Debts with credit institutions</td>
<td>743.797</td>
<td>3,5</td>
<td>992.208</td>
<td>4,6</td>
</tr>
<tr>
<td>Debts with costumers</td>
<td>13.701.919</td>
<td>63,7</td>
<td>12.609.862</td>
<td>58,2</td>
</tr>
<tr>
<td>Debts ecurities</td>
<td>2.473.112</td>
<td>11,5</td>
<td>3.426.188</td>
<td>15,8</td>
</tr>
<tr>
<td>Financial liabilities associated to transferred assets</td>
<td>453.061</td>
<td>2,1</td>
<td>461.187</td>
<td>2,1</td>
</tr>
<tr>
<td>Hedging derivatives</td>
<td>13.041</td>
<td>0,1</td>
<td>1.120</td>
<td>0,0</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>7.985</td>
<td>0,0</td>
<td>4.310</td>
<td>0,0</td>
</tr>
<tr>
<td>Current income tax liabilities</td>
<td>10</td>
<td>0,0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>36</td>
<td>0,0</td>
<td>1.084</td>
<td>0,0</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>477.843</td>
<td>2,2</td>
<td>493.346</td>
<td>2,3</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>282.677</td>
<td>1,3</td>
<td>273.579</td>
<td>1,3</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>20.235.902</td>
<td>94,1</td>
<td>20.560.079</td>
<td>94,8</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>1.245.000</td>
<td>5,8</td>
<td>1.145.000</td>
<td>5,3</td>
</tr>
<tr>
<td>Other equity instruments</td>
<td>15.000</td>
<td>0,1</td>
<td>15.000</td>
<td>0,1</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>-319.551</td>
<td>(1,5)</td>
<td>-296.189</td>
<td>(1,4)</td>
</tr>
<tr>
<td>Reserves and retained earnings</td>
<td>262.629</td>
<td>1,3</td>
<td>240.723</td>
<td>1,1</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>45.029</td>
<td>0,2</td>
<td>5.068</td>
<td>0,0</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>113.813</td>
<td>0,1</td>
<td>9.881</td>
<td>0,0</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>1.259.488</td>
<td>5,9</td>
<td>1.119.483</td>
<td>5,2</td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td>21.495.390</td>
<td>100,0</td>
<td>21.679.562</td>
<td>100,0</td>
</tr>
</tbody>
</table>
### Results by Margin (Consolidated Basis)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>Jun 2011</th>
<th>Jun 2012</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>Interest Income</td>
<td>1 182 911</td>
<td>524 152</td>
<td>643 117</td>
<td>118 965</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>864 189</td>
<td>365 810</td>
<td>489 784</td>
<td>123 974</td>
</tr>
<tr>
<td>1 - NET INTEREST INCOME</td>
<td>318 721</td>
<td>57.1</td>
<td>158 342</td>
<td>67.8</td>
</tr>
<tr>
<td>Other Net Banking Income</td>
<td>239 909</td>
<td>42.9</td>
<td>75 211</td>
<td>32.2</td>
</tr>
<tr>
<td>2 - BANKING INCOME</td>
<td>558 630</td>
<td>100.0</td>
<td>233 553</td>
<td>100.0</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>225 373</td>
<td>92 486</td>
<td>97 693</td>
<td>5 207</td>
</tr>
<tr>
<td>Supplies and Third Parties’ Services</td>
<td>115 442</td>
<td>48 843</td>
<td>57 088</td>
<td>8 245</td>
</tr>
<tr>
<td>3 - ADMINISTRATIVE COSTS</td>
<td>340 815</td>
<td>61.0</td>
<td>141 329</td>
<td>60.5</td>
</tr>
<tr>
<td>4 - OPERATING CASH-FLOW (2-3)</td>
<td>217 815</td>
<td>39.0</td>
<td>92 224</td>
<td>39.5</td>
</tr>
<tr>
<td>5 - Depreciation</td>
<td>28 270</td>
<td>12 442</td>
<td>15 321</td>
<td>2 879</td>
</tr>
<tr>
<td>6 - Net Provisions</td>
<td>157 937</td>
<td>73 831</td>
<td>76 541</td>
<td>2 710</td>
</tr>
<tr>
<td>7 - Result from subsidiaries and associated companies</td>
<td>999</td>
<td>-950</td>
<td>-515</td>
<td>435</td>
</tr>
<tr>
<td>8 - Income Tax and Minority Interests</td>
<td>-12 422</td>
<td>-67</td>
<td>4 763</td>
<td>4 830</td>
</tr>
<tr>
<td>9 - RESULTS FOR FINANCIAL YEAR (4-5-6+7-8)</td>
<td>45 029</td>
<td>5 068</td>
<td>4 774</td>
<td>-294</td>
</tr>
<tr>
<td>10 - CASH-FLOW FOR THE FINANCIAL YEAR (5+6+9)</td>
<td>231 236</td>
<td>91 341</td>
<td>96 636</td>
<td>5 295</td>
</tr>
<tr>
<td>11 - COST-TO-INCOME ((3+5) / 2)</td>
<td>66.1%</td>
<td>65.8%</td>
<td>66.3%</td>
<td>-</td>
</tr>
<tr>
<td>12 - LEVEL OF NET PROVISIONS (6 / 4)</td>
<td>72.5%</td>
<td>80.1%</td>
<td>75.1%</td>
<td>-</td>
</tr>
</tbody>
</table>
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