



SISTEMA DE INDEMNIZAÇÃO DOS INVESTIDORES

REPORT & FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2006

REPORT

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1. COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

EXECUTIVE BOARD (*)

CHAIRMAN Amadeu José Ferreira
Appointed by the CMVM Executive Board (Article 15/2 Decree-Law No. 222/99, 22nd June)

MEMBERS José António da Silveira Godinho
Appointed by the Portuguese Central Bank (*Banco de Portugal*) Board of Directors (Article 15/3 Decree-Law No. 222/99, 22nd June)

Mário Luís Vicente Arraia
Appointed by the Order of the Secretary for the State Treasury & Finance No. 12552/2006 30th May, pursuant to Article 15/3 Decree-Law No. 222/99, 22nd June

SUPERVISORY BOARD

CHAIRMAN Álvaro Pinto Coelho de Aguiar
Appointed by the Order of the Secretary for the State Treasury & Finance No. 9265/2006 3rd April, pursuant to Article 21 Decree-Law No. 222/99, 22nd June

MEMBERS Sérgio Alexandre dos Reis Gonçalves do Cabo
Appointed by the Order of the Secretary for the State Treasury & Finance No. 9265/2006 3rd April, pursuant to Article 21 Decree-Law No. 222/99, 22nd June

Sociedade de Revisores Oficiais de Contas Cravo, Fortes, Antão & Associados – *represented by Domingos José da Silva Cravo*

Appointed by the Order of the Secretary for the State Treasury & Finance No. 9265/2006 3rd April, pursuant to Article 21 Decree-Law No. 222/99, 22nd June

2. ACTIVITY IN 2006

In 2006, the activity of the Investor Compensation Scheme (Scheme) was concentrated on current management and in the performance of the first test on the adequacy of funds in the event of claims and the impact of same on the participating entities.

2.1. Participating Entities

There were 69 companies participating in the Scheme as at 31st December 2006. One new entity joined the Scheme in 2006. At the end of the year, the participating entities in the Scheme and the respective date on which they joined were as follows:

Table 1
Participating Entities as at 31.12.2006



| Participating Entity | Enrolment Date | Participating Entity | Enrolment Date |
|---|----------------|---|----------------|
| | | <i>(cont/d)</i> | |
| Amorim Patrimónios - Sociedade Gestora de Patrimónios, S.A. | 31-01-2000 | LJ Carregosa - Sociedade Financeira de Corretagem, S.A. | 31-01-2000 |
| Banco ActivoBank (Portugal), S.A. | 31-01-2000 | Personal Value - Sociedade Gestora de Patrimónios, S.A. | 31-01-2000 |
| Banco Alves Ribeiro, S.A. | 31-01-2000 | Siemca - Sociedade Mediadora de Capitais, S.A. | 31-01-2000 |
| Banco Bilbao Vizcaya Argentaria (Portugal), S.A. | 31-01-2000 | Banco Madasant - Sociedade Unipessoal, S.A. | 17-02-2000 |
| Banco Comercial dos Açores, S.A. | 31-01-2000 | Golden Assets - Soc. Gestora de Patrimónios, S.A. | 07-04-2000 |
| Banco Comercial Português, S.A. | 31-01-2000 | Pedro Arroja - Gestão de Patrimónios, S.A. | 07-04-2000 |
| Banco de Investimento Global, S.A. | 31-01-2000 | DIF Broker - Sociedade Corretora, S.A. | 01-06-2000 |
| Banco do Brasil, S.A. | 31-01-2000 | Orey Gestão de Activos - SGFIM, S.A. | 13-07-2000 |
| Banco Efisa, S.A. | 31-01-2000 | Grow Investimentos - Gestão de Patrimónios, SA | 27-07-2000 |
| Banco Espírito Santo de Investimento, S.A. | 31-01-2000 | Orey Valores - Sociedade Corretora, S.A. | 09-08-2000 |
| Banco Espírito Santo, S.A. | 31-01-2000 | Banco Best - Banco Electrónico de Serviço Total, S.A. | 11-06-2001 |
| Banco Finantia, S.A. | 31-01-2000 | Banco Português de Gestão, S.A. | 26-07-2001 |
| Banco Itaú Europa, S.A. | 31-01-2000 | Intervalores - Sociedade Corretora, S.A. | 03-08-2001 |
| Banco Popular Portugal, SA | 31-01-2000 | Finibanco, S.A. | 23-08-2001 |
| Banco Português de Investimento, S.A. | 31-01-2000 | F&C Portugal - Gestão de Patrimónios, S.A. | 22-11-2001 |
| Banco Português de Negócios, S.A. | 31-01-2000 | Ok2Deal - Sociedade Corretora, S.A. | 11-02-2002 |
| Banco Privado Português, S.A. | 31-01-2000 | Banif - Banco Internacional do Funchal, S.A. | 01-04-2002 |
| Banco Santander de Negócios Portugal, S.A. | 31-01-2000 | Banco Espírito Santo dos Açores, S.A. | 01-07-2002 |
| Banco Santander Totta, S.A. | 31-01-2000 | Luso Partners - Sociedade Corretora, S.A. | 12-09-2002 |
| Banif - Banco de Investimento, S.A. | 31-01-2000 | Invest Quest - Sociedade Gestora de Patrimónios, S.A. | 28-11-2002 |
| Banco Millennium BCP Investimento, SA | 31-01-2000 | Banco BPI, S.A. | 26-12-2002 |
| BMF - Sociedade de Gestão de Patrimónios, S.A. | 31-01-2000 | Golden Broker - Sociedade Corretora, S.A. | 23-07-2003 |
| Caixa - Banco de Investimento, S.A. | 31-01-2000 | Full Trust - Sociedade Gestora de Patrimónios, S.A. | 18-09-2003 |
| Caixa Central de Crédito Agrícola Mútuo, Crl | 31-01-2000 | Valor Alternativo - Sociedade Gestora de Patrimónios, S.A. | 08-10-2003 |
| Caixa Económica Montepio Geral | 31-01-2000 | Caixagest - Técnicas de Gestão de Fundos, S.A. | 02-04-2004 |
| Caixa Geral de Depósitos, S.A. | 31-01-2000 | MG Gestão de Activos Financeiros - SGFIM, S.A. | 22-07-2004 |
| Carnegie Investimentos-Gestão de Patrimónios, S.A. (*) | 31-01-2000 | Blue Activos Financeiros - Soc. Gestora de Patrimónios, S.A | 07-10-2004 |
| Crédito Agrícola Dealer - Soc. Financeira Corretagem, S.A. | 31-01-2000 | Finivalor - SGFIM, S.A. | 07-10-2004 |
| Deutsche Bank (Portugal), S.A. | 31-01-2000 | BPN Gestão de Activos - SGFIM, S.A. | 13-12-2004 |
| ESAF - Espírito Santo Gestão de Patrimónios, S.A. | 31-01-2000 | Santander Gestão de Activos - SGFIM, S.A. | 17-12-2004 |
| Finanser - Sociedade Financeira de Corretagem, S.A. (*) | 31-01-2000 | Crédito Agrícola Gest - SGFIM, S.A. | 22-12-2004 |
| Fincor - Sociedade Corretora, S.A. | 31-01-2000 | Pedro Arroja - Gestão de FIM, S.A. | 29-12-2004 |
| IBCO - Gestão de Patrimónios, S.A. | 31-01-2000 | Altavisa - Gestão de Patrimónios, S.A. | 22-09-2005 |
| Atrium Investimentos - Sociedade Financeira Corretagem, SA | 31-01-2000 | BPI Gestão de Activos - SGFIM, S.A. | 11-05-2006 |
| Lisbon Brokers - Sociedade Corretora, S.A. | 31-01-2000 | | |

(*) Investment Firms in liquidation.



2.2. Compensation

As at 31st December 2006 the total value of assets secured by the Scheme was approximately €110.3 billion and distributed among 69 participating entities.

In the test for the adequacy of the Scheme's funds in the event of a claim being lodged against the Scheme, and with a reference date of 31st December 2005, it was ascertained that in a single claim, resulting from the application of an indemnity limit per investor, the liability of the Scheme would correspond on average to 18% of the portfolio value of the investors' secured assets.

Assuming the same as at 31st December 2006, the Scheme's estimated maximum liability, on said date, would be €19.9 billion. In the event of a claim being lodged, the Scheme's maximum annual reimbursement, without recourse to loans would be €221.2 billion, which corresponds to an average compensation of 76.9% of the average value of the assets secured by the Scheme in each participating entity (€287.8 million).

Table 2
Compensation estimate in the event of a claim being lodged, as at 31.12.2006

| Description | Value |
|--|-------------------|
| Number of participating entities | 69 |
| Total value of assets secured by the Scheme ¹ | € 110.320.655.931 |
| Ratio 'Total SII Liability/Assets secured' ² | 18% |
| Maximum compensation estimate to be paid by the Scheme | € 19.857.718.068 |
| Average value of indemnisation per participating entity | € 287.793.015 |
| Maximum annual compensation without recourse to loans ³ | € 221.185.266 |
| Average reimbursement in the event of a claim being lodged | 76,9% |

¹ In accordance with the last report on half-yearly information: 30.06.2006.

² Ratio assumed in the test for the adequacy of funds in the event of a claim being lodged against the Scheme in 2006.

³ Calculation based on the average value of portfolios on 31.12.2005 & 30.06.2006, pursuant to the provisions of Article 10 CMVM Regulation 2/2000.

2.3. Pledges

By 31st December 2006, the amount of pledges constituted by participants had increased to approximately €61.6 million and were evaluated in accordance with the provisions of Article 8/7 CMVM Regulation No. 2/2000. All pledges were above the average (100%) of the fluctuation band established (92.5%-107.5%) in the abovementioned Regulation.

Table 3
Securities pledged as at 31.12.2006

| Security | | Quantity | Value (*) Euro |
|--------------|--------------|----------------------|-------------------|
| Description | ISIN Code | | |
| OT Jul/2008 | PTOTE2OE0000 | 2.373.434.992 | 23.520.266 |
| OT Apr/2011 | PTOTE4OE0040 | 1.143.300.000 | 11.146.718 |
| OT Jun/2012 | PTOTEKOE0003 | 768.823.080 | 8.159.058 |
| OT Sep/2013 | PTOTEGOE0009 | 617.608.356 | 6.712.538 |
| OT Jul/2009 | PTOTECO011 | 605.469.833 | 6.064.386 |
| OT May/2010 | PTOTEHOE0008 | 223.158.800 | 2.378.248 |
| Consolidated | PTCON2OE0007 | 234.187.608 | 1.402.877 |
| OT Jun/2011 | PTOTEJOE0006 | 81.847.775 | 860.973 |
| OT Jun/2014 | PTOTE1OE0019 | 45.500.000 | 466.912 |
| Consolidated | PTCON4OE0005 | 51.873.984 | 373.316 |
| Consolidated | PTCON3OE0006 | 46.390.200 | 261.028 |
| Consolidated | PTCON1OE0008 | 17.611.057 | 122.665 |
| OT Oct/2015 | PTOTE3OE0017 | 11.250.000 | 107.375 |
| OT Apr/2021 | PTOTEYOE0007 | 3.690.400 | 36.364 |
| OT Aug/2007 | PTOTEXO016 | 208.000 | 2.096 |
| Total | | 6.224.354.085 | 61.614.821 |

(*) Securities valued in accordance with Article 8/7 CMVM Regulation No. 2/2000. Taking into account the last closing price per security in 2006, the total value would be €1,494,410.

2.4. Financial Statements

In the 2006 financial year, the Scheme recorded a positive net result of €975,915, which was almost entirely generated by current activities (Extraordinary result was €7,015).

In the Asset items in the Balance Sheet, the cash item is the most salient, amounting to €3,467,176. The liabilities represent insignificant amounts to be paid in 2007. The latter relates to suppliers, tax and costs generated in 2006.

2.5. Income

Pursuant to Article 17 Decree-Law No. 222/99, of 22nd June, the Scheme's own income arises from the annual contributions by participating entities for the financing of the Scheme's operational expenses (Current income), and from the proceeds of fines imposed by the CMVM (*Comissão do Mercado de Valores Mobiliários*) or the Portuguese Central Bank (*Banco de Portugal*).

2.5.1. Current Income

The contributions by new participants that joined the Scheme during 2006 amounted to €1,667. Said contributions were for the financing of the Scheme's activities.

The current income for 2006 was restricted to said contribution, as the Executive Board exempted the participating entities (as at 31st December 2005) from paying the sums for the financing of running expenses in 2006, by taking into account the fact that the amounts available for covering running costs budgeted for the year were sufficient.

In November 2006 it was decided to proceed in the same manner with regard to the payment of the amount needed to meet running expenses in 2007..

2.5.2. Fines Imposed

In accordance with the provisions of Article 17 Decree-Law No. 222/99, of 22nd June, Article 406 Securities Code and Article 225/5 Legal Framework for Credit Institutions and Financial Companies, the proceeds of fines imposed, namely for breach of securities law, reverts to the Scheme.

The value of fines imposed in administrative infraction proceedings during 2006, attained €3,455,000, of which €900,000 was collected. In addition, €145,000 was also collected relating to administrative infraction proceedings of prior years.

There is also the prospect of the Scheme receiving the proceeds of fines relating to administrative infraction proceedings which could reach €3,008,500.

2.5.3. Financial Investments

The annual average rate of the cash surplus invested was €2,662,383. Said investments generated an income of €54,057, which is equal to a gross average rate of annual remuneration of approximately 2.03%

2.6. Claims and Compensation paid

In 2006, there were no claims lodged against the Scheme and consequently no compensation was paid.

2.7. Test on the adequacy of funds in the case of claims

In 2006, the Scheme conducted research with the objective of assessing the sufficiency of its funds in light of a possible claim being lodged, and also to analyse said impact on the participating entities.

The test was carried out with based on the information provided by the participating entities on the value of assets held on behalf of each client not excluding the Scheme's cover as at 31st December 2005 and the maximum compensation limit per investor (€25,000) was taken into account.

The simulations carried out showed that:

- In a single recourse to the Scheme, the Scheme's liability corresponded on average to 18% of the portfolio value of the investors protected by the Scheme, being able to attain a maximum of approximately € 6 billion;
- In approximately 75% of possible recourses to the Scheme, the funds and pledges in favour of the Scheme are sufficient to make the compensation payment. The Scheme's funds are sufficient to pay the compensation in 27 cases. Even though the Scheme's capital does not entirely cover the total compensation amount in the remaining 25 cases, the contributions of each participating entity for the payment of same are totally ensured by the pledge in favour of the Scheme;
- The capital and the pledges in favour of the Scheme are sufficient to meet the compensation payment within the ambit of a recourse to the Scheme arising from any of the investment firms or investment fund management companies that participate in the Scheme;
- In the event of one of the 16 credit institutions participating in the Scheme with the largest contribution having recourse to the Scheme, the contributions due by the remaining participating entities are not entirely ensured by the pledges established. In said cases only in situations where a participating entity does not submit the respective contribution, the Scheme shall have recourse to alternative sources in order to ensure the payment to investors (e.g. bank loans). Taking into account the legal annual limit envisaged for the contributions of the participating entities, the investor compensation implies the recourse to bank loans in 9 cases. Same would be repaid with contributions from the participating entities in subsequent years.



2.8. International Contacts

In May and November 2006, the Scheme was present at the meetings of EFDI (European Forum of Deposit Insurers) carried out in Amsterdam (EFDI Investment Sub-Group) and Palermo (Annual Meeting), respectively.

The EFDI Investment Sub-Group is essentially aimed at Investor Compensation Schemes. In addition to the representatives of the Investor Compensation Schemes and the Deposit Guarantee Schemes present at the Annual Meeting, there were representatives of the European Central Bank and the World Bank, *inter alia*.

3. FINAL CONSIDERATIONS

The Board wishes to thank all the entities which co-operated with the Scheme, namely the Portuguese Securities Commission and the Portuguese Central Bank.

Furthermore, the Board also wishes to thank the participating entities for the information provided in the test on the adequacy of funds in the event of claims.

Lisbon, 28th February 2007

The Executive Board

Amadeu José Ferreira - *Chairman*

José António da Silveira Godinho - *Member*

Mário Luís Vicente Arraia - *Member*



2006

FINANCIAL STATEMENTS



2006 FINANCIAL STATEMENTS

Balance Sheet As at 31st December 2006

Value in Euros

| ACCOUNT CODES | Notes | FINANCIAL YEAR | | ACCOUNT CODES | Notes | FINANCIAL YEAR | |
|---------------------------------|-------|----------------------------------|--|---------------|-------|---|---|
| | | 2006 | 2005 | | | 2005 | 2004 |
| Portuguese Accounting Standards | | Net Assets | Net Assets | | | Net Assets | Net Assets |
| 24 268 | | 3.913,62 1.496,39 5.410,01 | 61.496,92 | 59 88 | 40 | 2.518.500,72 975.914,60 3.494.415,32 | 2.165.196,04 353.304,68 2.518.500,72 |
| 12+13+14 15 | 03 | 3.467.175,79 3.467.175,79 | 803.811,19 1.659.000,00 2.462.811,19 | | | 4.184,60 231,00 940,62 5.096,13 | 970,29 940,62 |
| 271 | | 46.370,06 46.370,06 | 644,65 644,65 | 273 | | 19.444,41 19.444,41 | 5.511,42 5.511,42 |
| | | 3.518.955,86 | 2.524.952,76 | | | 24.540,54 | 6.452,04 |
| | | 3.518.955,86 | 2.524.952,76 | | | 3.518.955,86 | 2.254.952,76 |

Deputy-Director of the Administrative, Financial and
Human Resources Department— CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira—Chairman
José António da Silveira Godinho—Member
Mário Luis Vicente Arraia - Member

2006 FINANCIAL STATEMENTS

Profit & Loss Account As at 31st December 2006

Value in Euros

| ACCOUNT CODES Portuguese Accounting Standards | | Notes | FINANCIAL YEAR | | | |
|--|--|-------|----------------|---------------------|------------|-------------------|
| | | | 2006 | | 2005 | |
| Expenses | | | | | | |
| 62 | Supplies and External Services | | | 9.245,81 | | 10.070,49 |
| 63 | Taxes | | | 26.002,49 | | 11.766,81 |
| Staff Expenses: | | | | | | |
| 641+642 | Salaries | 43 | 33.141,61 | | 31.446,72 | |
| Social Security: | | | | | | |
| 645/8 | Others | | 5.478,26 | 38.619,87 | 6.292,24 | 37.738,96 |
| (A) | | | | 73.868,17 | | 59.576,26 |
| Interest and similar costs: | | | | | | |
| 681+685/8 | Others | 45 | | 20.788,74 | | 119,60 |
| (C) | | | | 94.656,91 | | 59.695,86 |
| 69 | Extraordinary expenses | 46 | | 15.478,18 | | |
| (E) | | | | 110.135,09 | | 59.695,86 |
| 86 | Tax on financial year profit | | | 110.135,09 | | 59.695,86 |
| (G) | | | | 975.914,60 | | 353.304,68 |
| 88 | Net profit for the financial year | | | 1.086.049,69 | | 413.000,54 |
| Income | | | | | | |
| 72 | Services rendered | 44 | 1.666,67 | 1.666,67 | 1.666,65 | 1.666,65 |
| 73 | Supplementary Income | | | | | |
| 76 | Other Operating Income | 48 | 985.000,00 | 985.000,00 | 352.496,39 | 352.496,39 |
| (B) | | | | 986.666,67 | | 354.163,04 |
| 7811/3/4/8+785/6/7/8 | Other interest and similar income: Others | 45 | 76.899,57 | 76.889,57 | 58.834,00 | 58.834,00 |
| (D) | | | | 1.063.556,24 | | 412.997,04 |
| 79 | Extraordinary Income | 46 | | 22.493,45 | | 3,50 |
| (F) | | | | 1.086.049,69 | | 413.000,54 |
| Operating Results: (B) - (A) = | | | | 912.798,50 | | 294.586,78 |
| Financial Results: (D - B) - (C - A) = | | | | 56.100,83 | | 58.714,40 |
| Current Results: (D) - (C) = | | | | 968.899,33 | | 353.301,18 |
| Pre-tax Results: (F) - (E) = | | | | 975.914,60 | | 353.304,68 |
| Net Results for the Financial year: (F) - (G) = | | | | 975.914,60 | | 353.304,68 |

Deputy-Director of the Administrative,
Financial and Human Resources Dept - CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira - Chairman
José António da Silveira Godinho - Member
Mário Luís Vicente Arraia - Member



2006 FINANCIAL STATEMENTS

APPENDIX TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

INTRODUCTORY NOTE

The Investor Compensation Scheme, abbreviated to Scheme, is a public legal person with administrative and financial autonomy. It was established by the Decree-Law No. 222/99 of 22 June and its functioning is governed by Regulation approved by Ministerial Order No. 1266/2001 of 6 November.

Its activities consists of guaranteeing, under the terms and conditions, and in accordance with the limits established by the above-mentioned Decree-Law and respective regulatory rules, cover for loans which a participating entity may owe as a result of its financial incapacity, so as to reimburse investors in accordance with the legal and contractual conditions applicable, for monies owed to them or belonging to them and which are specifically affected by investment transactions, or the restitution rights to investors for financial instruments which belong to them and which are held, administered or managed on their behalf within the context of investment transactions.

The Scheme functions in conjunction with the CMVM, which provides the technical and administrative services. For said reason, its head office is situated at 252 Avenida da Liberdade, 1056-801 Lisbon. The Scheme is registered with the Registered Office for Legal Entities under No. 504901400 and Activity Code No. 75130.

The Scheme's Financial Statements are presented in accordance with the Portuguese Official Accounting Standards (POC) and submitted for approval to the Minister of Finance together with the Annual Report and the Statement of Opinion by the Supervisory Board

Thus, the following notes respect the order established by the Portuguese Accounting Standards, with those numbered 1 & 2, 4 to 39, 41, 42 & 47 not being applicable to the Scheme.

NOTE 03 The financial statements were prepared in accordance with the general accounting principles accepted in Portugal, namely, prudence, continuity, accrual basis, consistency, materiality and substance over form.

NOTE 25 The account 'Other Transactions with Executive Bodies' that has a balance of € 680.53, reflects the following:

Accounts receivable - €905.51

Accounts payable - €1,586.04

The accounts receivable refers to the process for the repayment of sums unduly processed and the accounts payable represent the amount to be refunded by the Social Security to the beneficiaries via the Scheme.

NOTE 40 Accumulated results brought forward reflect an increase of €353,304.68 in 2006, which resulted from the transfer of the 2005 Net Results.

2006 FINANCIAL STATEMENTS

APPENDIX TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

NOTE 43 The remuneration assigned to the members of the governing bodies of the Scheme was established by the State Secretary for Treasury and Finance and was as follows in 2006:

| | |
|---|-------------|
| Executive Board (1 Member) | € 20,949.46 |
| Supervisory Board (Chairman and 1 Member) | € 10,474.80 |

NOTE 44 The services rendered correspond to the contributions by participants towards the running costs of the Scheme.

NOTE 45 Profit & Loss Statement *Vide* Appendix I

NOTE 46 Extraordinary Profit & Loss Statement *Vide* Appendix II.

NOTE 48 Other Information

Legal Proceedings with regard to Fines.

The sum total of the fines is not reflected in the financial statements and the value is expected to attain €3,008,500.00. Said fines resulted from the administrative infraction proceedings which were instituted by the CMVM and the Portuguese Central Bank (*Banco de Portugal*), and with regard to which there may be recourse to the competent Courts.

Guarantees established in favour of the Scheme.

In accordance with Article 6/2 Decree-Law No. 222/99, 22 June and Article 8 CMVM Regulation No. 2/2000, the participating entities have to pledge in favour of the Scheme, securities in a central depository system, so as to ensure the binding obligation of delivering to the Scheme the amounts necessary for payment of compensation owed to the investors, in the event of a claim being lodged.

As at 31 December 2006, total pledges, valued in accordance with Article 8/6 & /7 of the above-mentioned Regulation, was €61,614,820.87. The valuation of the said pledges based on the closing price for 2006 for each security amounted to € 61,494,410.00.

Deputy-Director of the Administrative,
Financial and Human Resources Dept CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira - Chairman
José António da Silveira Godinho - Member
Mário Luís Vicente Arraia - Member



2006 FINANCIAL STATEMENTS

APPENDIX I

Profit & Loss Statement

As at 31 December 2006

Value in Euros

NOTE 45

| EXPENSES | FINANCIAL YEARS | | INCOME | FINANCIAL YEARS | |
|--|------------------|------------------|------------------------|------------------|------------------|
| | 2006 | 2005 | | 2006 | 2005 |
| 687. Loss from the sale of Financial Investments | 18.485,80 | | 781. Interest received | 76.889,57 | 58.834,00 |
| | 2.302,94 | 119,60 | | | |
| 688. Other expenses | 56.100,483 | 58.714,40 | | | |
| TOTAL EXPENSES | 76.889,57 | 58.834,00 | TOTAL INCOME | 76.889,57 | 58.834,00 |

Deputy-Director of the Administrative,
Financial and Human Resources Dept - CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira - Chairman
José António da Silveira Godinho - Member
Mário Luís Vicente Arraia - Member

APPENDIX II

Extraordinary Profit & Loss Statement

As at 31 December 2006

Value in Euros

NOTE 46

| EXPENSES | FINANCIAL YEARS | | INCOME | FINANCIAL YEARS | |
|-----------------------------------|------------------|-------------|----------------------------------|------------------|-------------|
| | 2006 | 2005 | | 2006 | 2005 |
| 695. Fines and penalties | 200,00 | 0,00 | 797. Previous year's adjustments | 22.487,45 | 0,00 |
| 697. Previous year's adjustments | 15.278,18 | | | | |
| 698. Other extraordinary expenses | 0,00 | 0,00 | 798. Other Extraordinary Income | 6,00 | 3,50 |
| <i>Extraordinary Results</i> | 7.015,27 | 3,50 | | | |
| TOTAL EXPENSES | 22.493,45 | 3,50 | TOTAL INCOME | 22.493,45 | 3,50 |

Deputy-Director of the Administrative,
Financial and Human Resources Dept - CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira - Chairman
José António da Silveira Godinho - Member
Mário Luís Vicente Arraia - Member

2006 FINANCIAL STATEMENTS

Cash Flow Statement

From 01 January to 31 December 2006

Value in Euros

| | 2006 | | 2005 | |
|--|--------------|---------------------|-------------|---------------------|
| OPERATING ACTIVITIES: | | | | |
| Income from several debtors | 1.046.672,67 | | 292.670,15 | |
| Supplier payments | 5.243,11 | | 10.190,09 | |
| Staff payments | 32.044,91 | | 37.779,45 | |
| <i>Flow generated by operations</i> | 1.009.384,65 | | 244.700,61 | |
| Payment /Receipt of Income Tax | - 3.903,90 | | - 12.002,87 | |
| Other receipts/payments relating to activity | -199,47 | | 1,10 | |
| <i>Flow generated before extraordinary items</i> | 1.005.281,28 | | 232.698,84 | |
| Receipts relating to extraordinary items | 0,00 | | 0,00 | |
| Payments relating to extraordinary items | 0,00 | | 0,00 | |
| <i>Current operations flow [1]</i> | | 1.005.281,28 | | 232.698,84 |
| INVESTMENT ACTIVITIES: | | | | |
| Receipts from: | | | | |
| Interest and similar income | 19.690,16 | | 60.014,30 | |
| | | 19.690,16 | | 60.014,30 |
| Payment concerning: | | | | |
| Financial Investments | 20.606,84 | | 0,00 | |
| | | 20.606,84 | | 0,00 |
| <i>Flow generated by investment activities [2]</i> | | -916,68 | | 60.014,30 |
| Cash fluctuations and cash equivalents [3] = [1] + [2] | | 1.004.364,60 | | 292.713,14 |
| Exchange rate disparities effects | | 0,00 | | 0,00 |
| Cash and cash equivalents at the beginning of the period | | 2.462.811,19 | | 2.170.098,05 |
| Cash and cash equivalents at the end of the period | | 3.467.175,79 | | 2.462.811,19 |

Deputy-Director of the Administrative,
Financial and Human Resources Dept - CMVM

Ana Bela Alves

The Executive Board

Amadeu José Ferreira - Chairman
José António da Silveira Godinho - Member
Mário Luís Vicente Arraia - Member



2006 FINANCIAL STATEMENTS

Appendix to Cash Flow Statement As at 31 December 2006

Value in Euros

| | 2006 | 2005 |
|--|--------------|--------------|
| Cash | 0,00 | 0,00 |
| Bank deposit available immediately | 667.175,79 | 803.811,19 |
| Cash equivalents | 0,00 | 0,00 |
| Cash & cash equivalents | 667.175,79 | 803.811,19 |
| Other available funds | 2.800.000,00 | |
| Investment Units | | 1.659.000,00 |
| Available Funds as stated in Balance Sheet | 3.467.175,79 | 2.462.811,19 |

Deputy-Director of the Administrative,
Financial and Human Resources Dept - CMVM

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José António da Silveira Godinho - Member
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Report & Statement of Opinion by the Supervisory Board



REPORT & STATEMENT OF OPINION BY THE SUPERVISORY BOARD

2006 REPORT AND FINANCIAL STATEMENTS

1. In accordance with Article 21 Decree-Law No. 222/99, of 22 June, which established the Investor Indemnity Scheme (SII), it is incumbent on the CMVM Supervisory Board to monitor the SII and issue a Statement of Opinion on the respective annual financial statements.
2. On 28 February 2007, the Executive Board of the SII presented to the Supervisory Board the Report on the activities and the financial statements for the 2006 financial year.
3. The said Supervisory Board was appointed by the Order of the State Secretary for Treasury and Finance No. 9265/2006, of 3rd April 2006, published in the Official Gazette, II Series, No. 81, of 26 April 2006, and has monitored the SII's activity since said date, both through information and clarification received from the respective Executive Board and by reading the minutes of the meeting, analysis of the monthly accounts. Furthermore, the documentation, accounting and management information made available by the Services, were also analysed.
4. Within the scope of its duties, the Supervisory Board:
 - a) Ascertained monthly the financial and economic position of the SII, and in addition, the existence and the accounting disclosure of assets and liabilities, particularly as to the adequacy of accounting policies and valuation criteria adopted, which is adequately expressed in the Appendix to the Financial Statements;
 - b) No irregularities were found;
5. Taking into consideration the Executive Board's Report on the activities evolved during 2006, namely, as to the conformity with the financial year's accounts, the Supervisory Board considered that the document reflected the entity's performance clearly.
6. The Supervisory Board analysed the financial statements (Balance Sheet, Profit & Loss Account, Appendix to the Balance Sheet and the Profit & Loss Accounts, and Cash Flow Statement) drawn up in accordance with the provisions envisaged in the Plan of Accounts approved by the Executive Board pursuant to Article 20 Decree-law no. 222/99, of 22 June, and came to the conclusion that said information conveyed a true position of the assets of SII as at 31 December 2006, and the manner in which the results were drawn at the close of the financial year on said date.
7. The Supervisory Board read and agreed with the Audit Report drawn up by the *Sociedade de Revisores Oficiais de Contas*, member of this Supervisory Board.
8. The Supervisory Board stresses the full co-operation of the Board and Services which contributed greatly to the performance of its duties.



REPORT & STATEMENT OF OPINION BY THE SUPERVISORY BOARD

9. In consideration of the above and in compliance with the legal requirements, we hereby issue the following

OPINION

Taking the above into account, this Supervisory Board is of the opinion that all the conditions necessary for the approval of the present 2006 Annual Report and Financial Statements, submitted by the Executive Board, have been fulfilled.

Lisbon, 21st March 2007

The Supervisory Board:

Chairman:

Álvaro Pinto Coelho de Aguiar

Member:

Sérgio Alexandre dos Reis Gonçalves do Cabo

ROC Member:

Cravo Fortes, Antão & Associado, S.R.O.C.
Represented by Domingos José da Silva Cravo, ROC N.º638

2006 ANNUAL REPORT
& FINANCIAL STATEMENTS



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