



Montepio

CAIXA ECONÓMICA MONTEPIO GERAL

ANNOUCEMENT

Caixa Económica Montepio Geral S.A. ("CEMG") announces that it has received the Bank of Portugal's decision, as CEMG's supervisory authority on a consolidated basis, concerning the prudential capital requirements to be complied with from 1 July 2018 onwards, following the annual supervisory process known as Supervisory Review and Evaluation Process (SREP), under Pillar 2.

The procedures followed by the Bank of Portugal met the European Banking Authority (EBA) guidelines regarding the annual supervisory process and the methodologies defined under the Single Supervisory Mechanism.

Being an "other systemically important institution" (O-SII), CEMG is subject to an additional requirement of own funds (O-SII buffer), which adds to the conservation buffer and to other buffers that may apply at any time.

Considering the abovementioned decision, the following levels shall be met in respect of the capital ratios, which include the components of minimum requirements (Pillar 1), specific requirements arising from SREP (Pillar 2) and combined buffer requirements, from the date above mentioned onwards:

Capital Ratios

CEMG – Consolidated basis						
	Capital Ratios 30 Sep 2017		Capital ratios requirements 2018 ⁽¹⁾			
	Phasing In ⁽²⁾	Phasing In (pro-forma) ⁽²⁾⁽³⁾	Phasing In	Pillar 1 (minimum)	Pillar 2 (SREP)	Buffers
CET1	13,0%	13,5%	9,4%	4,5%	3,0%	1,9%
T1	13,0%	13,5%	10,9%	6,0%	3,0%	1,9%
Total	13,2%	13,7%	12,9%	8,0%	3,0%	1,9%

(1) SREP's decision is applicable only to ratios on a consolidated basis.

(2) Ratios include the accumulated net income for the year.

(3) Estimated ratios considering adherence to the Special Regime for the Deferred Tax Assets.

The capital ratios reported by CEMG as of 30 September 2017 surpass the new required prudential levels, which include the specific requirements mentioned within Pillar 2 and the other applicable buffers.

Lisbon, 10 January 2018

Caixa Económica Montepio Geral, S.A.