



CAIXA GERAL DE DEPÓSITOS S.A.
FINANCIAL RISK COMMITTEE
REGULATIONS

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REGULATIONS OF THE FINANCIAL RISK COMMITTEE

1. OBJECT

These Regulations of the Financial Risks Committee (CRF) of Caixa Geral de Depósitos, S.A. ("CGD") set out its rules in terms of powers, organisation and operation, in addition to all legal and statutory provisions, with which its interpretation shall comply.

2. APPOINTMENT AND COMPOSITION

2.1. The members of the CRF shall be appointed by the Board of Directors, which shall also appoint its Chairman, who shall not chair any other Specialised Committee of the Board of Directors.

2.2. The CRF is composed of three to six members of the Board of Directors who are not members of the Executive Committee.

3. POWERS

3.1. It is incumbent upon the CRF to monitor the management policy for all financial risks involved in the activities of CGD and all companies that, at any given time, are in a controlling or group relationship with CGD, regardless of the location of their registered office, main office or effective headquarters of their administration or principal place of business ("CGD Group"), namely liquidity, interest rate, exchange rate, market and credit risks.

3.2. The Financial Risk Committee is particularly responsible for:

- (a) Monitoring CGD's Pension Fund management policy;
- (b) Advising the Board of Directors on the CGD Group's risk appetite, risk strategy and general policies, both current and future, regarding risk taking, management, control, hedging and reduction factors;
- (c) Analysing specific risk categories, including credit risk, by monitoring and evaluating the risk of non-compliance with the obligations to which CGD and the CGD Group are subject by law;
- (d) Providing support to the Board of Directors in supervising the implementation of the CGD Group's risk strategy;
- (e) Examining whether the terms of the products and services offered to customers take into account CGD's and the CGD Group's business model and risk strategy and, if necessary, submit correction plans to the Board of Directors;
- (f) Analysing the adequacy of the allocation of resources to the management of risks regulated under the Legal Framework of Credit Institutions and Financial Companies and other national and European legislation in force;
- (g) Reviewing the processes and methodologies for assessing assets and external risk ratings, as well as the models related to those risks;



- (h) Monitoring and ensuring that CGD's risk management systems are appropriate to its profile and strategy;
- (i) Exercising other powers attributed to the risk committee under the Legal Framework of Credit Institutions and Financial Companies.

3.3. As part of the competences referred to in the previous section, it is incumbent upon the Financial Risk Committee to:

- (a) With regard to financial risks, monitor:
 - (i) Liquidity management and the medium- and long-term financing plan, including the contingency plan;
 - (ii) Market risks, interest rates, settlement of exchange and credit operations associated with derivatives;
 - (iii) Risks associated with the bond, equity and other security portfolios;
 - (iv) Available financial assets at Banco de Portugal and European Central Bank;
 - (v) The status, investments and liabilities in CGD's Pension Fund.

- (b) With regard to credit risks, monitor:
 - (i) The evolution of the loan portfolio and defaults therein;
 - (ii) The analysis of defaults involving amounts in excess of € 250,000.00 (two hundred and fifty thousand euros);
 - (iii) The evolution of impairments;
 - (iv) The analysis of the 50 (fifty) largest impairments;
 - (v) The evolution and analysis of companies under observation, without impairment;
 - (vi) The evolution of credit risks by class:
 - above € 10,000,000.00 (ten million euros) and under € 25,000,000.00 (twenty-five million euros);
 - above € 25,000,000.00 (twenty-five million euros) and under € 75,000,000.00 (seventy-five million euros); above € 75,000,000.00 (seventy-five million euros) and under € 300,000,000.00 (three hundred million euros);
 - above € 300,000,000.00 (three hundred million euros);
 - (vii) The analysis of the sectors with the highest risk, as designated by the Financial Risk Committee for this purpose at any given time;
 - (viii) The evolution of real estate received as payment and impairment thereof in excess of € 250,000,000.00 (two hundred and fifty million euros);
 - (ix) Risk of total gross credit exposure for each borrower, including all companies that, at any given time, are in a controlling or group relationship with the borrower, regardless of the location of their registered office, main office or effective headquarters of their administration or principal place of business, as well as for interconnected groups of customers;



- (x) Risk exposure to the State, including, without limitation, municipalities and public companies, when exceeding 10 (ten) percent of CGD's own funds, as per the last audited and approved balance sheet;

- (c) At the request of the Executive Committee, issue a written opinion on any operation resulting in a gross total exposure (i) to a non-sovereign entity (including, for this purpose, all companies in a control or group relationship, regardless of the location of their registered office, main office or effective headquarters of their administration or principal place of business) in excess of € 300,000,000.00 (three hundred million euros) or (ii) to one of the sovereign entities listed in Annex II (Sovereign Entities) of the Regulations of the Executive Committee in excess of 10 (ten) percent of CGD's consolidated equity, as per the latest audited and approved balance sheet.

3.4. The Financial Risk Committee shall also monitor:

- (a) The internal risk measurement and own fund calculation models;
- (b) Any European Directives and guidelines issued by the Bank of Portugal or the European Central Bank on financial risk and credit risk;
- (c) The rating processes.

3.5. The Financial Risk Committee shall exercise its powers in constant interaction and communication with the Risk Management Division, the Chairman of the Board of Directors and the CGD Administrator in charge of risk management (*Chief Risk Officer*).

3.6. The Financial Risk Committee shall have access to the risk information of CGD and the CGD Group and may determine the nature, amount, format and frequency of the risk information it requires. For this purpose, the Financial Risk Committee shall establish internal communication procedures with the Board of Directors and the Executive Committee.

3.7. Without prejudice to the duty to immediately report to the Board of Directors any detected situations considered as entailing high risk, the Financial Risk Committee shall prepare a quarterly report providing the Board of Directors with information on its activity, which must be submitted within a maximum of 30 (thirty) days from the end of each calendar quarter.

4. MEETINGS

4.1. The CRF shall meet regularly, at least eight times a year, as well as whenever convened by its Chairman or at the request of any of its Members.

4.2. Except in cases where the CRF needs to hold an emergency meeting to issue opinions on matters within its competence, its meetings shall be convened at least 5 (five) days in advance, with express mention of the matters on the agenda.



- 4.3. The notification for each meeting, to be sent by the Chairman via a written notification (e-mail) or simple verbal communication, including via telephone, shall include the respective Agenda.
- 4.4. As a general rule, any preparatory documents necessary for meetings, whose prior analysis is considered convenient, must be delivered to the CGD Secretary at least 2 (two) days prior to the date of the meeting. The CGD Secretary shall promptly distribute to each member of the CRF the preparatory documents for the meetings sent to him under the terms of this paragraph.
- 4.5. Except in cases where a different location is designated in the respective notice, meetings of the CRF shall be held at CGD's head office.
- 4.6. The meetings of the CRF may be held using telematic means, such as video-conference or conference call, provided that CGD ensures the authenticity of the representations and the security of the communications, and keeps a register of the contents and the respective participants.
- 4.7. The meetings of the CRF shall be presided over by the respective Chairman, or, in case he cannot attend, by a member of the committee elected by the other members.
- 4.8. Members of the CRF that, without a justification accepted by the latter, fail to attend more than two meetings during one fiscal year, shall be considered definitively absent.
- 4.9. Definitive absences shall be declared by the CRF.
- 4.10. CGD's Secretary, or a person appointed for that purpose, shall support the functioning of the CRF and the holding of its meetings.

5. MINUTES

- 5.1. CGD's Secretary, Alternate Secretary or the person appointed by him/her for that purpose, shall draw up the minutes of all the meetings of the Financial Risk Committee, which shall include the proposals presented, the discussions, comments and contributions made by its Members and by all participants from Divisions of CGD or Group companies during the meeting, the resolutions adopted, expressly stating the respective justification/basic rationale and any explanations of vote made by the Members during the meeting.
- 5.2. It shall be incumbent upon the CGD Secretary to circulate the meeting minutes to all members of the Financial Risk Committee who attended the respective meetings, for analysis, approval and signature, in the shortest possible time after the respective meeting.



5.3. All minutes of the meetings of the Financial Risk Committee shall be kept in hard copy, in the corresponding minutes book, and computerised copies of those minutes must also be extracted and archived in a secure and restricted-access file.

6. SUPPORT STRUCTURES

The Financial Risk Committee may appoint, when it deems it necessary, one or more supporting elements with experience in the areas of their competence, to

provide information and perform works with a view to substantiating its analyses and conclusions, provided the associated costs are provided for in CGD's budget.

7. AMENDMENTS AND FINAL PROVISIONS

7.1. Any amendments to these Regulations shall be approved by a majority of the Members of the Board of Directors.

7.2. In all situations not provided for in these Regulations, the provisions of the Regulations of the Board of Directors shall apply.

7.3. In case of conflict between any of the precepts of these Regulations and those of the Regulations of the Board of Directors, the provisions of the latter shall prevail.