

# ANNOUNCEMENT

## Disclosure of the Comprehensive Assessment Results

1. Caixa Geral de Depósitos concluded with success the Comprehensive Assessment conducted by European Central Bank in cooperation with the national competent authorities, whose results were published today. These results comprise all the elements of the Comprehensive Assessment, that is, Asset Quality Review (AQR), Stress test and Join-up.
2. The CET1 transitional in 2016 stood at 9.40 per cent in the baseline scenario and at 6.09 per cent in the adverse scenario, that is, above the minima thresholds set for the exercise in both cases, 8 per cent for the baseline scenario and 5.5 per cent for the adverse scenario.
3. The AQR impact was 0.44 percentage points of CET1 in net terms, of which 0.17 percentage points accounted for the extrapolation impact. When interpreting this result one needs to bear in mind that the Comprehensive Assessment is prudential in nature and that, while accounting rules were one important consideration, the ECB was not bound by them where the application of prudential or economic judgement led to a different result.
4. The impact of the Stress-test (including the Join-up effect) was 1.01 per cent of CET1 in the baseline scenario and an additional 3.31 percentage points in the adverse scenario.
  - Caixa Geral de Depósitos conducted the Stress-test on the assumption of a dynamic balance sheet because it had a restructuring plan approved by DGComp before December 2013. Therefore, for example, the sale of the insurance business in May 2014 was included in the exercise.
  - The baseline macroeconomic scenario of the Stress-test is based on the winter 2014 European Commission forecast and foresees a continuation of the gradual recovery in Portugal and in the EU.
  - The adverse macroeconomic scenario corresponds, to a large extent, to a hypothetical situation of sovereign debt crisis with consequences similar to those in the recent economic and financial crisis.
  - The Stress-test projections, including the baseline ones, can not be considered as forecasts of expected outcomes given that they were constrained by pre-defined assumptions and, in the case of the adverse scenario, include plausible but extreme assumptions, which are therefore not very likely to materialise.
5. The Comprehensive Assessment was a very demanding exercise which confirms that the balance sheet of Caixa Geral de Depósitos has the ability to withstand very strict asset valuation criteria, as well as the effects of a hypothetical scenario of

sovereign debt crisis, against the background of a starting point characterised by a still fragile economic situation.

6. The Comprehensive Assessment also represents a milestone in the construction of the Banking Union and constitutes a first fundamental step towards the harmonisation of supervisory practices in Europe, greater transparency in banks' balance sheets and confidence building.
7. Caixa Geral de Depósitos showed, with this exercise, its soundness as the Portuguese banking system leading institution being capable, in accordance with its mandate, to contribute to the development of the Portuguese economy through client service.

*Caixa Geral de Depósitos, S.A.*

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