



Announcement

Pursuant to the agreement in principle for the recapitalisation of Caixa Geral de Depósitos, S.A., under market conditions, reached between the European Commission and the Portuguese state, the authorisation to perform the recapitalisation operations from the Bank of Portugal and the European Central Bank last December, the Industrial Plan approved by CGD's sole shareholder, the relevant report produced by the Statutory Auditors on the operations and CGD's prior consultation, it is hereby announced that on this date the following resolution was passed by the Portuguese state as CGD's sole shareholder in the form of a Unanimous Written Resolution:

1. The use of the free reserves and legal reserve for an overall amount of € 1,412,460,251 to cover the same amount of retained losses carried forwards from past years.
2. An increase in CGD's share capital from € 5,900,000,000 to € 7,344,143,735, through the issuance of 288,828,747 new ordinary shares with a nominal value of € 5.00 each to be fully subscribed for and paid up by the Portuguese state, as follows:
 - (i) € 945,148,185 through the transfer of contingent convertible bonds (CoCos) subscribed for by the state, with a nominal value of € 900,000,000 plus accrued, unpaid interest since the last coupon up to the present date for the amount of € 45,148,185.
 - (ii) € 498,995,550, corresponding to the book value of the Portuguese state's equity stake in Parcaixa, SGPS, S.A., through the transfer in kind of 490,000,000 of the said company's equity shares.
3. A reduction of Caixa Geral de Depósitos, S.A.'s share capital for the amount of € 6,000,000,000, to € 1,344,143,735, through the extinguishing of 1,200,000,000 shares with a nominal value of € 5.00 each, to cover the retained losses of € 1,404,506,311 and to set up a free reserve for the amount of € 4,595,493,689.

The board of directors was also mandated to arrange for the respective records to be entered in the relevant registers.

*Caixa Geral de Depósitos, S.A.
Lisbon, 4 January 2017*

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