



Announcement

Caixa Geral de Depósitos, S.A. announces about the conclusion of the sale process of shares representing 100% of the share capital of Mercantile Bank Holdings Limited to Capitec Bank Limited

Caixa Geral de Depósitos (CGD) has today formalized the definitive sale of shares representing 100% of the share capital of Mercantile Bank Holdings Limited (Mercantile), to Capitec Bank Limited (Capitec), for the amount of 3.56 billion South African Rand (ZAR), approximately 215 million euros (considering an exchange rate for the EUR/ZAR of 16.5), in a signing ceremony that took place at Mercantile's headquarters in Johannesburg, with the presence of CGD's Executive Committee Member, Francisco Cary, and Capitec's Chief Financial Officer, André du Plessis.

The sale process of Mercantile was initiated in 2017, as part of the strategic plan approved alongside CGD's recapitalization. In November 2018, the Portuguese Council of Ministers selected Capitec as the acquirer of the shares and, in October 2019, the South African authorities approved the transaction, as communicated by CGD on both occasions.

With the conclusion of this sale, another one of CGD's main commitments under the strategic plan is thus fulfilled, allowing for a significant strengthening of its capital structure. CGD will continue to endeavor in the fulfillment of the commitments made under its strategic plan. Besides the streamlining of its international presence, CGD has in its objectives a reduction of structural costs and the volume of non-performing assets as a way of improving its profitability.

The sale of Mercantile is expected to have a global positive impact of around 37 bps on CGD's consolidated CET1 ratio, of which 13 bps result from capital gains and the remaining 24 bps from the deleveraging of the stake from CGD's consolidated balance sheet.



CGD, Mercantile and Capitec sign Cooperation Agreement

On this date, CGD, Mercantile and Capitec have also signed a Cooperation Agreement, which defines the terms under which the parties will continue to work together in commercial aspects, namely Capitec's and Mercantile's intention to maintain current levels of service to Mercantile's client base (which includes Portuguese companies operating in South Africa and individuals from the Portuguese Community residing in that country), for a period of at least 12 months in accordance with the commercial policies of each institution.

Capitec is one of the large and most dynamic credit institutions in South Africa. Its share capital is wholly owned by Capitec Bank Holdings Limited, a listed company with a stock market capitalization of ZAR 160 billion (approximately EUR 9.7 billion).

Mercantile's acquisition is a relevant milestone for Capitec's expansion strategy in the business banking segment, a core activity of Mercantile. Within its client service model, Capitec has, among other channels, a network of 843 active branches with significant coverage of the South African territory.

As part of the agreement, CGD, Mercantile and Capitec also recognize the potential benefits of exploring opportunities for partnership in South Africa, Angola, Mozambique and/or involving economic agents from these countries, particularly those belonging to the Portuguese Community in South Africa or others with special connections to Portugal.

Caixa Geral de Depósitos, S.A.

Lisbon, November 7th, 2019

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