



# Announcement

## **Cessation of CGD's Pension Fund and transfer of responsibilities to CGA**

Caixa Geral de Depósitos, S.A. (CGD) informs that today, February 24<sup>th</sup>, 2023, Decree-Law 14/2023 was published, transferring all liabilities covered by the Caixa Geral de Depósitos Staff Pension Fund (CGDPF) to Caixa Geral de Aposentações (CGA), extinguishing and liquidating CGDPF and determining that CGD transfer to CGA a financial compensation for the reassigned responsibilities.

According to the Decree-Law, effective January 1<sup>st</sup>, 2023, all responsibilities with pensions and benefits, current and future, of all Participants and Beneficiaries of CGDPF are transferred to CGA, including employees and former employees of the former Banco Nacional Ultramarino who were already Participants or Beneficiaries of CGDPF. It is also determined the cessation and liquidation of CGDPF, with the respective assets, valued at 3,307 million euros as of December 31<sup>st</sup> 2022, being transferred to CGD, which, in turn, is obliged to deliver to CGA a compensation in cash, for a total of 3,018 million euros, by reference to December 31<sup>st</sup> 2022. A mechanism for reviewing this compensation is also contemplated, at the end of the first five-year period, taking into account the possible difference between the actual rates of growth in wages and pensions and those considered as assumptions in the actuarial study. CGD will be responsible for any positive difference that may result in calculating the liabilities assumed with instalments in payment and new instalments, deducted from the difference in contributions to the CGA, up to a maximum of 320 million euros.

This transaction represents, in the 2022 financial statement, a gross impact of 245.8 million euros in costs, which corresponds to the difference between the liabilities calculated in a continuity scenario of the Pension Fund (going concern) and the reassessment of liabilities in the liquidation scenario (settlement scenario), corresponding to the amount of 3,018 million euros to be transferred to CGA.



With reference to December 2022, the operation represents a positive impact of 24 basis points on the total capital ratio and of 22 basis points on the MREL ratio (measured as a percentage of RWA), resulting from the reduction in the amount that is deducted from Own Funds, under the terms of Article 41 (1) CRR, related to the excess funding of the Pension Fund.

This operation allows CGD to reduce the levels of risk resulting from the volatility that the size of the Pension Fund, the nature of its assets and liabilities and the accounting and prudential treatment induce in the bank's income statement and balance sheet. It is also an important step towards bringing CGD's operating conditions closer to those of other banks, in the context of a European market.

Caixa Geral de Depósitos, S.A.  
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