FIRST SUPPLEMENT

(dated 3 November 2016)

to the

CAIXA ECONÓMICA MONTEPIO GERAL

Caixa Económica Bancária
(Savings Bank)
Entidade com o capital aberto ao investimento do público
(Entity with capital open to public investment)
Registered Office: Rua Áurea, 219-241, Lisbon
Institutional Capital: €1,770,000,000
Registered with the Lisbon Commercial Registry Office under the
sole commercial registration and tax payer number 500 792 615

€5,000,000,000 CONDITIONAL PASS-THROUGH COVERED BONDS PROGRAMME
BASE PROSPECTUS

This supplement dated 3 November 2016 (the "**Supplement**") to the Base Prospectus dated 14 July 2016 (the "**Base Prospectus**"), constitutes a supplement to the Base Prospectus for the purposes of Articles 135-C, 142 and 238 of the Portuguese Securities Code prepared in connection with the €5,000,000,000 Conditional Pass-Through Covered Bonds Programme (the "**Programme**") established by Caixa Económica Montepio Geral (the "**Issuer**").

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

For the purposes of the applicable legal provisions, each of the Issuer, the members of the Executive Board of Directors of the Issuer, the members of the General and Supervisory Board of the Issuer (see *Executive Board of Directors and Other Governing Bodies of the Issuer*) and the Statutory Auditor, hereby declare that, to the best of their knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement, and for which each of them is responsible, under the applicable legal provisions, is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

I. GENERAL AMENDMENT

1. This Supplement is a supplement to the Base Prospectus and references to, and the definitions in, the Base Prospectus, shall be amended accordingly.

II. RISK FACTORS

2. In the chapter headed "**Risk Factors**" of the Base Prospectus, the second paragraph under the section headed "**Deferred Tax Assets Regime**" shall be amended as follows:

   "*The DTA special regime is applicable to expenses and negative asset variations that have not been deducted to the taxable income but which were accounted in tax periods that begin in, or after, 1 January 2015, and to DTAs registered in the taxpayer's annual accounts of the last tax period of 2014. (In 2014, the Issuer had registered DTAs of € 264.5 million and in 2015 of € 247 million.) However, the DTA special regime was recently amended through Law no. 23/2016 of 19 August 2016, which introduced a phasing out scheme. Under this phasing out scheme, the special regime will no longer apply to DTAs computed on costs and negative net worth variations arising from credit impairment losses and post-employment or long term employment benefits recorded in 2016 onwards*."

3. In the chapter headed "**Risk Factors**" of the Base Prospectus, the second paragraph under the section headed "**Exposure to the Issuer's credit risk**" shall be amended as follows:

"As at the date hereof, the Issuer has been rated B3, with a negative outlook (long term rating and senior unsecured) / Caa2 (senior subordinated) / Caa3 (junior subordinated) /NP (short-term) by Moody's Investor Service España, S.A. ("Moody's"), B, with a stable outlook (long term issuer default rating) / B (short-term) by Fitch Ratings Ltd. ("Fitch") and BB with a rating trend stable (senior long term debt and deposit) / BB (low) with a rating trend stable (subordinated debt) / R-4 with a rating trend stable (short-term debt and deposit) by DBRS Inc. ("DBRS")."

4. In the chapter headed "**Risk Factors**" of the Base Prospectus, in the section headed "**EU Savings Directive**", the respective wording shall be entirely replaced by the following wording**:**

*"**Administrative cooperation in the field of taxation***

*Under EU Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), EU Member States are required to provide to the tax authorities of other EU Member States details of payments of interest (or income deemed equivalent for these purposes) paid by a person within its jurisdiction to an individual resident in that other EU Member State. In this respect it should be noted that the Savings Directive, as amended by Council Directive 2014/48/EU, of 24 March 2014, was repealed by Council Directive 2015/2060, of 10 November 2015. The aim was the adoption of a single and more comprehensive cooperation system in the field of taxation in the European Union under Council Directive 2011/16/EU, of 15 February 2011. The new regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organization for Economic Co-operation and Development in July 2014. This regime is generally broader in scope than the Savings Directive. Notwithstanding the repeal of the Savings Directive as of 1 January 2016, certain provisions will continue to apply for a transitional period.*

Under Council Directive 2014/107/EU, financial institutions are required to report to the Tax Authorities of their respective Member State (for the exchange of information with *the State of Residence) information regarding bank accounts, including depository and custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Council Directive. The information refers not only to personal information such as name, address, state of residence, tax identification number and date and place of birth, but also to the account balance at the end of the calendar year, and (i) in case of depository accounts, income paid or credited in the account during the calendar year; or, (ii) in the case of custodial accounts, the total gross amount of interest, dividends and any other income generated, as well as the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.*

Portugal has implemented Directive 2011/16/EU through Decree-Law No. 61/2013, of 10 May. Also, Council Directive 2014/107/EU was implemented through Decree-Law No. 64/2016, of 11 October.

In view of the abovementioned regimes, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end will be provided through Order of the Ministry of Finance."

5. In the chapter headed "**Risk Factors**" of the Base Prospectus, in the section headed "**U.S. Foreign Account Tax Compliance Withholding**", the fourth and fifth paragraphs shall be replaced by the following paragraphs and the sixth paragraph shall be deleted:

"*Portugal has implemented, through Law 82-B/2014 of 31 December 2014 and Decree Law 64/2016, of 11 of October, the legislation based on the reciprocal exchange of information with the United States of America on financial accounts subject to disclosure (the "Financial Reporting Regime") in order to comply with Sections 1471 through 1474 of FATCA. Under such legislation the Issuer will be required to obtain information regarding certain accountholders and report such information to the Portuguese tax authorities which, in turn, would report such information to the Inland Revenue Service of the United States of America.*

In addition, Portugal has signed the Intergovernmental Agreement with the U.S. on 6 August 2015. The Intergovernmental Agreement was ratified by Portugal on 5 August 2016 and, pursuant to Notice (Aviso) no. 101/2016, entered into force on 10 August 2016."

III. DOCUMENTS INCORPORATED BY REFERENCE

6. In the chapter headed "**Documents incorporated by reference**" of the Base Prospectus the following wording shall be included as new paragraphs (c) and (d):

   "*(c) the unaudited consolidated results of the Issuer for the first half of 2016, available in Portuguese and English languages;*

   (d) the unaudited first half 2016 interim report, available in Portuguese and English languages;"

   Previous paragraph (c) shall be referred as the new paragraph (e).

IV. DESCRIPTION OF THE ISSUER

7. In the section headed "**Non performing Loans**" in the chapter headed "**Description of the Issuer**" of the Base Prospectus, the first sentence of the 6th paragraph with the wording:

   "After one month in default the process is automatically assigned to Montepio Recuperação de Crédito, ACE (MRC) which, in the first instance, tries to recover the overdue loans without recourse to litigation. To achieve this goal the contacts and negotiations are made mostly by specialized credit recovery companies, that report on a daily basis with the MRC by electronic communications." shall be replaced as follows:

   "*After one month in arrears the process is monitored by the Credit Recovery Division and the Contact Center. Between one month and two months in arrears, a letter is sent to the borrower notifying him of the delinquent status of the loan and outbound calls from the bank and the Contact Center are made to try to contact the borrower and the guarantors. After two months in arrears the process is no longer monitored by the Contact Center and the Credit Recovery Division begins the pre-litigation stage; several contacts and* *negotiations are made mostly using the services of extrajudicial specialized companies whose services are paid on a success fee basis*."

8. In the section headed "**Recent Developments**" in the chapter headed "**Description of the Issuer**" of the Base Prospectus, and after the section "**1st Quarter 2016 consolidated activity and results**" a new section shall be added with the following wording:

"*1st Half 2016 consolidated activity and results*

As at 24 August 2016 the Issuer presented the 1st Half 2016 results of its consolidated activity (unaudited financial information). The main highlights in respect of the Issuer's activity for this period are as follows:

The Capital (Institutional Capital + Participation Fund) of Caixa Económica Montepio Geral (CEMG) amounted to a total of €2,170 million, at the end of the 1st half of 2016. This amount incorporates the increased institutional capital of €270 million, paid up by Montepio Geral – Associação Mutualista (MGAM), in March 2016.

Therefore, since the end of 2015, the reinforcement of own funds by 8.2 per cent. combined with the € 505 million reduction of Risk-Weighted Assets (-3.6 per cent.), derived from the management of the allocation of risk in the credit portfolio and in the debt securities portfolio was reflected in an improvement of the capital ratios. In the 1st half of 2016, the Common Equity Tier 1 (CET1) and Total Capital ratios evolved from 8.8 per cent. to 10.3 per cent. and from 9.7 per cent. to 10.9 per cent., respectively. The capital ratios do not include the positive effects associated to the Deferred Tax Assets regime (+€38 million), the endorsement of which was approved at CEMG's Extraordinary General Meeting held on 6 July 2016.

At the end of the 1st half of 2016 the Leverage ratio stood at 6.4 per cent., compared to 5.7 per cent. as at 31 December 2015 (+64 bps).

(Million Euros)

	Jun-16[1]	*Dec-15*	*Jun-15[1]*
BASEL III - CRD IV / CRR			
Total Capital	***1,472***	***1,360***	***1,600***
Common Equity Tier 1 Capital	*1,381*	*1,231*	*1,436*
Tier 1 Capital	*1,381*	*1,231*	*1,436*
Tier 2 Capital	*100*	*137*	*171*
Risk Weighted Assets and equivalents[2]	*13,457*	*13.962*	*15,065*
CRD IV / CRR – Prudential Ratios – Phasing-in			
Total Capital ratio	***10.9%***	***9.7%***	***10.6%***
Common Equity Tier 1 ratio	***10.3%***	***8.8%***	***9.5%***
Tier 1 ratio	***10.3%***	***8.8%***	***9.5%***
CRD IV / CRR – Prudential Ratios – Full Implementation [2]			
Total Capital ratio	***9.1%***	***7.7%***	***8.4%***
Common Equity Tier 1 ratio	***8.3%***	***6.7%***	***7.3%***
Tier 1 ratio	***8.3%***	***6.7%***	***7.3%***

[1] Unaudited figures

[2] Unaudited figures and retrieved from the Management Report

Net assets amounted to €21,384 million, having increased by 1.1 per cent. in relation to the value recorded as at 31 December 2015 (-3.4 per cent. year-on-year), derived from a diversification of the balance sheet into different financial asset classes but undermined by the demand for credit (-2.2 per cent in relation to 31 December 2015).

Customers' deposits, with a growth of €236.4 million in the 2nd quarter of 2016 (+1.9 per cent.) but still decreasing 2.2 per cent. in relation to the end of 2015 continued to be the main source of funding, and now account for 59.3 per cent. of the total funding sources. The consolidation of the base of individual customer deposits was confirmed, with the corporate and institutional segment recording a growth of 8.5 per cent. against the 1st quarter of 2016.

Also during the 1st half of 2016, CEMG assured the repayment of €388 million of liabilities represented by securities, with refinancing at the European Central Bank (ECB) standing at €2,871 million, of which €1,950 million were derived from TLTROs (Targeted Longer-Term Refinancing Operations).

The Liquidity Coverage Ratio (LCR) increased from 111.4 per cent. at the end of 2015 to 113.5 per cent., in view of the minimum requirement in force of 70 per cent.. A note should also be made to the maintenance of a balanced commercial balance sheet with *the CTD ratio, considering loans and customers' resources on-balance sheet, which stands at 99.9 per cent. (97.7 per cent. as at 31 December 2015).*

At the end of the 1st half of 2016, loans to customers (gross) reached a total of €15,599 million, reflecting a 4.7 per cent. decrease in relation to the same period of the previous year and 2.2 per cent. reduction relative to 31 December 2015. This was due to the performance of the domestic activity (-4.3 per cent. year-on-year) as a result of a more stringent risk management policy in granting credit and of risk adjusted repricing.

Domestic activity represents 98.3% of the total gross credit portfolio, portraying the lower exposure to the Angolan and Mozambican markets.

The evolution of the Top 20 credit at risk exposures combined with the difficult economic situation of households and companies undermined the evolution of the credit at risk ratio which stood at 15.4 per cent.. The coverage of credit at risk by impairments and associated mortgage guarantees reached 120.5 per cent, and 50.2 per cent. taking into account just impairments.

The net income for the 1st half of 2016 was €-67.6 million (€-28.9 million in the 1st half of 2015), undermined by specific impacts that amounted to a total of €90.1 million after the fiscal effect. Those specific impacts are related to (1) the restructuring costs of €32.0 million incurred with the operational reorganisation programme, under the strategic plan in force, aimed at rescaling the resources allocated to the banking activity; (2) the contributions levied on the banking sector, to the Single Resolution Fund and to the National Resolution Fund which amounted to €26.4 million at the end of the 1st half of 2016, compared to €12.9 million in the same period of the previous year; (3) the impact on specific financial investments of the value of €52.2 million, and (4) the tax effect of €20.5 million related to the aforementioned specific impacts.

Net interest income grew by 1.0 per cent. year-on-year, having reached €127.3 million, influenced by the application of a strict repricing policy and the reduction of debt securities issued which were replaced by less onerous sources of funding. The increase in the net interest income was confirmed in the 2nd quarter of the year, standing at €66.7 million, a 9.9 per cent. increase in relation to the previous quarter, *a growth occurred in a context of historically low interest rates, which continues to constrain the performance of financial intermediation.*

Net fees and commissions reached a total of €49.3 million, 0.3 per cent. above that recorded in the same period of the previous year, where we highlight the growth of 18.6 per cent. from the first to the second quarter of 2016.

(thousand Euros)

	Jun-16	***Jun-15***
Results from financial assets and liabilities at fair value through profit or loss	*-29,078*	*11,199*
Results from financial assets available-for-sale	*40,204*	*83,418*
Results from currency revaluation	*9,696*	*7,239*
Results from financial operations	***21,095***	***101,856***

The results from financial operations amounted to €21.1 million, compared to €101.9 million in the same period of the previous year, which incorporated €69.5 million derived from the divestment of Portuguese public debt securities, in contrast to €3.0 million recorded in the first half of 2016.

Hence, the evolution of total operating income in the first six months of 2016 stood at €194.3 million, compared to €285.4 million in the same period of the previous year, in view of the minor contribution of the aforesaid earnings from divestment of securities.

The operating costs of the first half of 2016 (in a total amount of €195.9 million), excluding costs with the operational reorganisation programme (totalling €32.0 million), showed a year-on-year reduction of 5.5 per cent., having reached €163.9 million, which was influenced by the 4.5 per cent. decrease in terms of domestic activity.

Credit impairment charges decreased 38.4 per cent., year-on-year, with the cost of credit risk reducing to 1.2 per cent., against 1.8 per cent. in the first half of 2015.

Regarding the international activity of the CEMG Group, Banco MG Cabo Verde, Sociedade Unipessoal, S.A. recorded a negative net income of €41 thousand, whereas the activity developed by Finibanco Angola, S.A. reached a positive net income of

€6.2 million. BTM, S.A., which operates in Mozambique, presented a negative net income of €61 thousand in the 1st half of 2016.

The main indicators in respect of the Issuer's activity are as follows:

(unaudited figures)

	Jun 2016	***Dec 2015***	***Jun 2015***	***Dec 2014***
ACTIVITY AND RESULTS *(thousand euros)*				
Net Assets	*21,383,928*	*21,145,216*	*22,146,845*	*22,473,474*
Gross loans to Customers	*15,599,149*	*15,944,015*	*16,365,765*	*16,612,095*
Customers' Deposits	*12,688,923*	*12,969,431*	*13,170,661*	*14,314,659*
Net Income	*-67,627*	*-243,407*	*-28,909*	*-186,953*
SOLVENCY				
Common Equity Tier 1 ratio (CRD IV / CRR, phasing-in)	*10.3%*	*8.8%*	*9.5%*	*8.5%*
Tier 1 ratio (CRD IV / CRR, phasing-in)	*10.3%*	*8.8%*	*9.5%*	*8.5%*
Total Capital ratio (CRD IV / CRR, phasing-in)	*10.9%*	*9.7%*	*10.6%*	*8.7%*
Risk Weighted Assets (thousand euros)	*13,457,194*	*13,962,350*	*15,065,497*	*15,104,998*
LEVERAGE RATIOS				
Net Loans to Customers / Customers' Deposits (a)	*116.4%*	*113.1%*	*113.4%*	*106.5%*
Net loans to Customers / On-Balance sheet Customers' resources (b)	*99.9%*	*97.7%*	*99.8%*	*92.5%*
CREDIT RISK AND COVERAGE BY IMPAIRMENTS				
Cost of credit risk (c)	*1.2%*	*1.6%*	*1.8%*	*3.1%*
Ratio of loans and interest overdue by more than 90 days (d)	*9.2%*	*7.7%*	*7.4%*	*6.1%*
Non-performing loans ratio (a)	*10.9%*	*9.5%*	*8.8%*	*7.4%*
Net non-performing loans ratio (a)	*3.4%*	*1.6%*	*-0.04%*	*-1.0%*
Coverage of loans and interest overdue by more than 90 days (e)	*83.7%*	*104.0%*	*118.7%*	*136.7%*
Credit at risk ratio (a)	*15.4%*	*14.3%*	*13.4%*	*12.0%*
Net credit at risk (a)	*8.3%*	*6.8%*	*5.0%*	*4.0%*
Credit at risk coverage ratio (f)	*50.2%*	*56.1%*	*66.0%*	*69.4%*
Credit at risk coverage ratio, factoring-in related real estate collateral (g)	*120.5%*	*126.9%*	*130.7%*	*136.5%*
Restructured loans as a % of total loans (h)	*9.4%*	*9.6%*	*10.4%*	*10.5%*
Restructured loans not included in credit at risk as a % of total loans (h)	*3.1%*	*4.0%*	*5.5%*	*6.9%*
EFFICIENCY AND PROFITABILITY				
Net operating income / Average net assets (a)	*1.8%*	*2.1%*	*2.6%*	*3.5%*
Earnings before Taxes and Non-Controlling Interests / Average Net assets (a)	*-1.3%*	*-1.2%*	*-0.5%*	*-0.9%*
Earnings before Taxes and Non-Controlling Interests / Average Equity (a)	*-18.1%*	*-18.8%*	*-7.9%*	*-12.6%*

	Jun 2016	*Dec 2015*	*Jun 2015*	*Dec 2014*
Cost-to-Income (Operating costs / Net operating income) (a)	*100.9%*	*78.9%*	*60.8%*	*43.6%*
Staff costs / Net operating income (a)	*67.0%*	*44.8%*	*35.7%*	*24.8%*
***EMPLOYEES AND DISTRIBUTION NETWORK** (Number)*				
Employees				
Group total	*4,182*	*4,404*	*4,434*	*4,425*
CEMG	*3,647*	*3,871*	*3,906*	*3,907*
Branches				
Domestic - CEMG	*332*	*421*	*436*	*436*
International	*30*	*30*	*30*	*27*
Finibanco Angola (i)	*21*	*21*	*21*	*18*
Banco Terra Moçambique	*9*	*9*	*9*	*9*
Rep. Offices	*6*	*6*	*6*	*6*

(a) Pursuant to Banco de Portugal Instruction No. 16/2004, in its current version
(b) Total On-Balance sheet Customers' resources = Customers' Deposits and Debt securities issued
(c) Loan Impairments / Average Gross Loan Balance
(d) Loans and interest overdue by more than 90 days / Total Gross Loans Balance
(e) Total Impairments for Credit Risk / Loans and interest overdue by more than 90 days
(f) Total Impairments for Credit Risk / Credit at Risk (in accordance with Banco de Portugal Instruction No. 16/2004, in its current version)
(g) (Total Impairments for Credit Risk + Value of the real estate collateralizing Credit at Risk) / Credit at Risk (in accordance with Banco de Portugal Instruction No. 16/2004, in its current version)
(h) Pursuant to Banco de Portugal Instruction No. 32/2013
(i) Includes Business Centers

9. In the section headed "**Recent Developments**" in the chapter headed "**Description of the Issuer**" of the Base Prospectus, six new paragraphs shall be added at the end of such section, with the following wording:

"*On 21 July 2016, the Issuer disclosed to the market that all necessary legal and operational procedures for the closure of its Cayman Islands branch were concluded, in line with the Issuer's 2016-2018 Strategic Plan.*

On 8 August 2016, the Issuer disclosed to the market that its subsidiary Montepio Investimento, S.A. approved the closure of company Montepio Capital de Risco, S.C.R., S.A., and the general meeting of its subsidiary Montepio Recuperação de Crédito, A.C.E. approved the closure of the company, as included under the Issuer's 2016-2018 Strategic Plan.

On 20 September 2016, Eurico Hélder Reis Sousa Brito sold 125,000 Participation Units of the Issuer's Participation Fund, reducing his unitholding to 7,904,002 participation *units. As a result and in accordance with article 20 of the Portuguese Securities Code (Código dos Valores Mobiliários), he is no longer a qualified unitholder.*

Montepio Geral Associação Mutualista ("MGAM", the parent company) informed that, on 27 September, it holds 266,786,766 participation units of the CEMG Participation Fund, representing a qualified holding of 66.7%.

On 13 October 2016, Paulo Jorge Veríssimo Guilherme sold 71,500 Participation Units of the Issuer's Participation Fund, reducing his unitholding to 7,963,845 participation units. As a result and in accordance with article 20 of the Portuguese Securities Code (Código dos Valores Mobiliários), he is no longer a qualified unitholder.

Moreover, it should be noted that pursuant to article 8 of CEMG´s Articles of Association, the unitholders in CEMG´s Participation Fund have no voting rights. MGAM is, as the holder of CEMG institutional capital, the sole holder of voting rights"

V. EXECUTIVE BOARD OF DIRECTORS AND OTHER GOVERNING BODIES OF THE ISSUER

10. In the table headed "**Executive Board of Directors**", and upon the winding up of the company Montepio – Capital de Risco, SCR, S.A., references to "Chairman of Montepio – Capital de Risco, SCR, S.A." under the column "**Other Positions**" shall be disregarded.

11. In the table headed "**Executive Board of Directors**", and upon the winding up of the company Montepio Recuperação de Crédito, A.C.E., references to "Chairman of the Board of Directors of Montepio Recuperação de Crédito, A.C.E.", "Member of the Board of Directors of Montepio Recuperação de Crédito, A.C.E." and "In-house counsel at Montepio Recuperação de Crédito, A.C.E." under the column "**Other Positions**" shall be disregarded.

VI. DESCRIPTION OF THE ISSUER'S RESIDENTIAL MORTGAGE BUSINESS

12. In the section headed "**Arrears management in Pre-Litigation**" in the chapter headed "**Description of the Issuer´s Residential Mortgage Business**" of the Base Prospectus, the 5th paragraph with the wording:

"After 30 (thirty) days in arrears the process goes to Montepio Recuperação de Crédito, ACE (Credit Recovery Company held by Montepio). A new letter is sent to borrowers and guarantors, informing that fact and giving a new channel for payments (via net banking and ATM's)." shall be replaced as follows:

"*After 30 (thirty) days in arrears the process is monitored by the Credit Recovery Division and by the Contact Center. Several letters are sent to the borrowers and guarantors, as well as outbound calls to the borrowers and guarantors, notifying them on the delinquent status of the loan and advising about a new channel for payments (via net banking and ATM's) in addition to the standard direct debit procedure*."

VII. Taxation

13. In the chapter headed "**Taxation**" of the Base Prospectus, the section headed "**EU Savings Directive**" shall be entirely replaced by the following wording:

"***Administrative cooperation in the field of taxation***

*Under EU Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), EU Member States are required to provide to the tax authorities of other EU Member States details of payments of interest (or income deemed equivalent for these purposes) paid by a person within its jurisdiction to an individual resident in that other EU Member State. In this respect it should be noted that the Savings Directive, as amended by Council Directive 2014/48/EU, of 24 March 2014, was repealed by Council Directive 2015/2060, of 10 November 2015. The aim was the adoption of a single and more comprehensive cooperation system in the field of taxation in the European Union under Council Directive 2011/16/EU, of 15 February 2011. The new regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organization for Economic Co-operation and*

Development in July 2014. This regime is generally broader in scope than the Savings Directive. Notwithstanding the repeal of the Savings Directive as of 1 January 2016, certain provisions will continue to apply for a transitional period.

Under Council Directive 2014/107/EU, financial institutions are required to report to the Tax Authorities of their respective Member State (for the exchange of information with the State of Residence) information regarding bank accounts, including depository and custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Council Directive. The information refers not only to personal information such as name, address, state of residence, tax identification number and date and place of birth, but also to the account balance at the end of the calendar year, and (i) in case of depository accounts, income paid or credited in the account during the calendar year; or, (ii) in the case of custodial accounts, the total gross amount of interest, dividends and any other income generated, as well as the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Portugal has implemented Directive 2011/16/EU through Decree-Law No. 61/2013, of 10 May. Also, Council Directive 2014/107/EU was implemented through Decree-Law No. 64/2016, of 11 October.

In view of the abovementioned regimes, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end will be provided through Order of the Ministry of Finance."

14. In the chapter headed "**Taxation**" of the Base Prospectus, under the section headed "**Foreign Account Tax Compliance Act**", the sixth and seventh paragraphs shall be replaced by the following wording:

"*Portugal has implemented, through Law 82-B/2014 of 31 December 2014 and Decree Law 64/2016, of 11 of October, the legislation based on the reciprocal exchange of information with the United States of America on financial accounts subject to disclosure (the "Financial Reporting Regime") in order to comply with Sections 1471 through 1474* *of FATCA. Under such legislation the Issuer will be required to obtain information regarding certain accountholders and report such information to the Portuguese tax authorities which, in turn, would report such information to the Inland Revenue Service of the United States of America*.

In addition, Portugal has signed the Intergovernmental Agreement with the US on 6 August 2015. The Intergovernmental Agreement was ratified by Portugal on 5 August 2016 and, pursuant to Notice (Aviso) no. 101/2016, entered into force on 10 August 2016. This is a Model 1 IGA."