

FIRST SUPPLEMENT

(dated 18 May 2017)

to the

BASE PROSPECTUS

(dated 27 April 2017)



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 taxpayer number 500 792 615

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

This Supplement dated 18 May 2017 (the “**Supplement**”) to the Base Prospectus dated 27 April 2017 (the “**Base Prospectus**”) constitutes a supplement to the Base Prospectus for the purpose of Article 16 of Directive 2003/71/EC (the “**Prospectus Directive**”) 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**”, fully identified in the Base Prospectus). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the “**CBI**”), as competent authority under the Prospectus Directive. The CBI only approves this supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

For the purposes of the applicable legal provisions, each of the Issuer, the members of its Board of Directors, the members of its General and Supervisory Committee (see “*Executive Board of Directors and Other Governing Bodies of the Issuer*” in the Base Prospectus) and its Statutory Auditor (see “*Executive Board of Directors and*

Other Governing Bodies of the Issuer” in the Base Prospectus) hereby declare that, to the best of their knowledge (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility for the information contained herein.

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. IMPORTANT NOTICE

1. On page 4 of the Base Prospectus, the following wording shall be added at the end of the section headed “**Important Notice**” of the Base Prospectus:

“PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Covered Bonds includes a legend entitled “Prohibition of Sales to EEA Retail Investors, the Covered Bonds are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”) or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.”

II. GENERAL AMENDMENT

2. References to, and the definition of, the Base Prospectus shall be construed as referring to the base prospectus dated 27 April 2017, prepared in connection with the Programme, as supplemented by this Supplement dated 18 May 2017.

III. RISK FACTORS

3. On page 22 of the Base Prospectus, the following wording shall be added before the risk factor “**The resolution measure applied to Banco Internacional do Funchal, S.A. may prejudice investors’ and economic agents’ positive perception of the Portuguese financial system and the Issuer as a participant thereto**” of the Base Prospectus:

“The proceeds obtained from any sale of Novo Banco will be used to repay the loans extended to the Resolution Fund. In the event that the proceeds from the sale of Novo Banco’s equity are insufficient to repay the loans, the Resolution Fund will use its own receipts to finance the possible shortage. Funds available to the Resolution Fund arise from the following sources: (a) contributions from the banking sector, (b) initial, periodic and special contributions from institutions participating in the Resolution Fund

and collected before the implementation of the BRRD in Portugal, (c) initial, periodic and special contributions from institutions participating in the Resolution Fund collected pursuant to Decree-Law no. 24/2013, of 19 February 2013, and due under the transitional regime provided for in Law no. 23-A/2015, of 26 March 2015 (aimed at enabling compliance with the obligations undertaken by the Resolution Fund in the context of the application of resolution measures applied before 31 December 2014), (d) initial, periodic and special contributions from the investment firms not subject to the ECB's supervision, branches of credit institutions of third countries, entities relevant for the payments system not subject to the ECB's supervision, (e) proceeds derived from investment applications and from the Resolution Fund activity, (f) donations, (g) loans, and (h) other proceeds legally or contractually allocated to the Resolution Fund.

At this stage it is not possible to ascertain if the proceeds from the sale of Novo Banco will be sufficient or not to repay the loan extended to the Resolution Fund by the Portuguese State. On 21 March 2017, the Resolution Fund announced the completion of an amendment agreement between the parties to the 2014 Portuguese State Loan, the 2015 Portuguese State Loan (as defined below) and the Participants Loan (the "**Loans**") whereby (i) the maturity dates of the Loans have been extended to 31 December 2046, the date on which the Resolution Fund is required to pay the full principal amount of the Loans, (ii) the parties have agreed that the new maturity dates of the Loans would be further adjusted in the future to the extent required to ensure that the Resolution Fund would be able to perform its payment obligations under the Loans based only on the proceeds from the regular revenues of the Resolution Fund, (iii) the parties have further agreed that the Loans would rank *pari passu* without any preference among themselves and (iv) the Resolution Fund has undertaken that, before the full payment of any amounts due and payable in respect of the Loans, it would not make any payments of principal or interest under any other loans obtained by it after 31 December 2016 to fund any contingent liabilities arising in connection with the resolution measures applied to BES and Banif (as defined below). A press release confirming completion of this amendment agreement was also published by the Ministry of Finance on the same date. The agreement reached between the parties to the Loans has been designed with the aim that the Resolution Fund would be able to fully perform all of its actual or contingent liabilities in connection with the resolutions of BES and Banif (as defined below) with the ordinary contributions made by the participating institutions and with the contribution from the banking sector, thereby avoiding the need for any special contributions.

On 20 February 2017, the Bank of Portugal announced that it had selected Lone Star for the final stage of exclusive negotiations with a view to agreeing the final terms and conditions for the sale of Novo Banco. Bank of Portugal is currently conducting the second sale process of Novo Banco SA after the application of the resolution measure to BES in August 2014. On 31 March 2017, Bank of Portugal announced that a share purchase and subscription agreement relating to the share capital of Novo Banco, S.A. was entered into between Resolution Fund and Lone Star Fund, which is currently pending the completion on the compliance with several conditions precedent. The Issuer cannot anticipate the final outcome of this sale procedure.”

4. On page 32 of the Base Prospectus, the following new paragraph shall be added to the end of section headed “**Change in legal framework of the Issuer**” of the Base Prospectus:

“In an Extraordinary General Meeting of Montepio Geral – Associação Mutualista, held on 9 May 2017, the decision to transform the Issuer into a Public Limited Company (“*sociedade anónima*”), approved in an Extraordinary General Meeting of the Issuer held on 4 April 2017, was ratified. The effectiveness of these resolutions is conditional on their respective registration with the Commercial Registry. Upon this condition being met, CEMG’s capital shall be represented in full by ordinary shares.”

IV. OVERVIEW OF THE COVERED BONDS PROGRAMME

5. On page 52 of the Base Prospectus, the first paragraph of the section headed “**Listing and Admission to Trading**”, under the chapter headed “**Overview of the Covered Bonds Programme**” of the Base Prospectus, the wording:

“Application has been made to the Central Bank of Ireland to approve this document as a Base Prospectus and further application has been made to the Irish Stock Exchange for the admission of Covered Bonds issued under the Programme to the Official List of the Irish Stock Exchange and trading on the Regulated Market” shall be replaced by the following:

“This document dated 27 April 2017, as supplemented on 18 May 2017, has been approved by the Central Bank of Ireland as a Base Prospectus and further application has been made to the Irish Stock Exchange for the admission of Covered Bonds issued under the Programme to the Official List of the Irish Stock Exchange and trading on the Regulated Market.”

V. DOCUMENTS INCORPORATED BY REFERENCE

6. On page 60 of the Base Prospectus, in the chapter headed “**Documents Incorporated by Reference**” of the Base Prospectus, the wording of paragraphs (a) and (b) shall be replaced with the following:

“(a) audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 (available at <http://web3.cmvm.pt/sdi/emitentes/docs/CONV64429.pdf>), and 31 December 2015 (available at https://www.montepio.pt/iwov-resources/SitePublico/documentos/en_GB/investor-relations/cemg-annual-report-2015.pdf), as approved by the General Meeting of the Issuer, available in Portuguese and English languages, in each case together with the auditors' reports prepared in connection therewith, which appear in the annual report of the issuer for the relevant year. The audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2014, as approved by the General Meeting of the Issuer, in each case together with the auditors' reports prepared in connection therewith, which appear in the annual report of the Issuer for the relevant year;

(b) the unaudited consolidated results of the Issuer for the first quarter of 2017 (available at <http://web3.cmvm.pt/sdi/emitentes/docs/FR64378.pdf>)”.

7. On page 60 of the Base Prospectus, in the chapter headed “**Documents Incorporated by Reference**” of the Base Prospectus, paragraphs (c) and (d) shall be removed.

VI. RESPONSIBILITY STATEMENTS

8. On page 61 of the Base Prospectus, the second paragraph under the chapter headed “Responsibility Statements” of the Base Prospectus, with the wording:

“The Auditor has responsibility for the financial information that has been certified by it and that is included in this Base Prospectus. KPMG & Associados - SROC, S.A., registered with the CMVM with number 9098, with registered office at Edifício Monumental, Av. Praia da Vitória n.º 17A, 11th floor, 1069-006 Lisboa (the “Auditor”) has audited and certified the financial statements of the Issuer for the financial years ended 31 December 2014 and 31 December 2015.” shall be replaced with the following:

“The Auditor has responsibility for the financial information that has been certified by it and that is included in this Base Prospectus. KPMG & Associados - SROC, S.A., registered with the CMVM with number 9098, with registered office at Edifício Monumental, Av. Praia da Vitória n.º 17A, 11th floor, 1069-006 Lisboa (the “Auditor”) has audited and certified the financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2016.”

VII. FINAL TERMS OF THE COVERED BONDS

9. On page 65 of the Base Prospectus, under the section headed “**Final Terms of the Covered Bonds**” of the Base Prospectus, after the sentence:

“Final Terms dated [●]”, the following shall be added:

“[PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Covered Bonds (and beneficial interests therein) are not intended, from 1 January 2018, to be offered, sold or otherwise made available to (and, with effect from such date, should not be offered, sold or otherwise made available to) any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”), (b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Covered Bonds (and beneficial interests therein) or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Covered Bonds (and beneficial interests therein) or otherwise making them available to any retail investor in the EEA might be unlawful under the PRIIPs Regulation.]”

10. On page 75 of the Base Prospectus, under the section headed “**Final Terms of the Covered Bonds**” of the Base Prospectus, after item:

“(ii) Stabilising Manager (if any) [Not Applicable/*given names*]” the following shall be added:

“(iii) Prohibition of Sales to EEA Retail Investors [Applicable/Not Applicable]

(If the offer of the Covered Bonds is concluded prior to January 1, 2018, or on and after that date the Covered Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Covered Bonds will be concluded on or after January 1, 2018 and the Covered Bonds may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

VIII. DESCRIPTION OF THE ISSUER

11. On page 150 of the Base Prospectus, the following wording shall be added at the end of the chapter headed “**Description of the Issuer**” of the Base Prospectus:

“1st Quarter 2017 consolidated activity and results

On 9 May 2017, the Issuer presented the 1st Quarter 2017 results of its consolidated activity (unaudited financial information). The main highlights in respect of the Issuer’s activity in this period are as follows:

Earnings

The Issuer achieved a positive net income of €11.1 million in the first quarter of 2017, which compares to the negative net income of €-19.8 million in the same period of the previous year. Three different effects were the main contributors to this evolution.

- The impact in operating costs produced by the operating structure resizing program, in accordance with the strategic plan in place and to the new business framework. On the 1st quarter of 2017, the cost savings with this program accounted for approximately 19.3% of the operating costs recorded on 31 March 2016;
- The increase of €18.7 million (+35.6%) in the net interest income;
- The increase of €5.0 million (+23.7%) in the complementary business profit, namely in net commissions.

Net interest income stood at €71.1 million in the first quarter of 2017, compared to €52.4 million in the same period of the previous year. This performance was due to the reduction of the cost of funding.

The earnings from financial operations amounted to €7.5 million (which compares with €-4.8 million in the same period of the previous year), which include realized gains obtained in the portfolio of sovereign debt and profits in the trading portfolio.

On the other hand, it is worth underlining the year-on-year growth of 22.7% in the Commercial Operating Income during the first three months of 2017, supported by the positive performance of the commercial net interest income.

Operating costs for the first quarter of 2017 showed a year-on-year reduction of 19.3%, reaching €67.0 million, to which contributed the conclusion of the operational structure resizing program.

The cost of credit risk reduced to 0.9%, compared to 1.2% at the end of 2016, as result of a rigorous policy on credit lending. Total impairment was €35.1 million, 25.6% higher than in the same period of last year.

Regarding the CEMG Group's international activity, Finibanco Angola, S.A. achieved a net income of €4.3 million, compared with €3.9 million in the first quarter of 2016 (+10.9%). For this performance, net interest income growth accounted by €356.4 thousand (+5.2%).

BTM, S.A., which operates in Mozambique, showed a significant improvement in core business performance and in operational efficiency levels, with a 9.9% increase in net interest income comparing to the same period of the previous year, and a sharp decrease of 22.8% of operating costs. The combined effect of both factors led to a reduction of 44.4% in the negative net income for the first quarter of 2017 to -€37.5 thousand, compared to a negative net income of €67.5 thousand in the first quarter of 2016.

The activity in Cape Verde, developed by Banco MG Cabo Verde, Sociedade Unipessoal, S.A., reported a net income of €73.1 thousand, which compares with a result of €186.8 thousand on 31 March 2016. The contribution to this variation came from the reduction of €123.0 thousand of the net operating income, due to the decrease of the net interest income (€-197.5 thousand).

Capital

The Capital (Institutional Capital + Participation Fund) of the Issuer amounted to €2,170 million at the end of the 1st quarter of 2017.

On 31 March 2017, the Common Equity Tier 1 (CET1) and the Total Capital ratios were 10.2% and 10.6%, respectively, reflecting the combined effect of risk-weighted assets (RWAs) decrease (€12,663 million vs. €12,830 million in Dec-16) and the adjustment of total capital (€1,347 million vs. €1,392 million in Dec-16). Capital ratios do not include the positive effects related to the Deferred Tax Assets regime.

(Million Euros)

	Mar-16 ⁽¹⁾	Dec-16	Mar-17 ⁽¹⁾
BASEL III - CRD IV / CRR			
Total Capital	1,536	1,392	1,347
Eligible instruments to CET1	2,156	2,163	2,167
Common Equity Tier 1 Capital	1,437	1,331	1,293
Tier 1 Capital	1,437	1,331	1,293
Tier 2 Capital	106	74	62
Risk Weighted Assets	13,877	12,830	12,663
Total Capital ratio (phasing-in)	11.1%	10.9%	10.6%
Tier 1 ratio (phasing-in)	10.4%	10.4%	10.2%
CET1 ratio (phasing-in)	10.4%	10.4%	10.2%

⁽¹⁾ Unaudited figures; the ratios as at 31 March 2017 are estimated and include the cumulative net income of the year

Asset Quality

At the end of the first quarter of 2017, loans to customers (gross) totalled €14,991 million, a decrease of 3.2% over the same period of the last year and 0.3% compared to 31 December 2016, due to the performance of domestic activity as a result of a demanding policy of repricing and of risk management in the underwriting criteria.

The performance of the credit portfolio shows a dynamic stance that allowed the strengthening of market shares in all strategic segments, comparing the period of February 2017 to March 2016. Nonetheless, loans to customers followed the trend of the sector and fell by 3.2%. Domestic activity accounts for 98.7% of the total gross loan portfolio, evidencing a slight exposure to the Angolan and Mozambican markets.

During the first three months of 2017, there was a year-on-year decline of -3.2% in the number of new retail non-performing loans (NPL), reflecting a negative change of -40.3% in terms of outstanding capital.

The coverage of credit at risk by impairments rose to 53.8%, which increases to 122% if related real estate collateral is considered.

Liquidity

The LCR (Liquidity Coverage Ratio) reached 105.7%, 25.7 p.p. above the current minimum requirement, which is set at 80%. Also noteworthy is the maintenance of the balance of trade balance, with the credit-to-deposits ratio, considering loans and customers' resources, to be set at 102.8%

In the first quarter of 2017, the Issuer assured the repayment of €87.3 million of debt securities issued. It also reduced the exposure to the European Central Bank (ECB) by €97.2 million (-3.3%), with the refinancing at the ECB standing at €2,825 million, of which €1,905 million resulted from TLTRO (Targeted Longer Term Refinancing Operations) with an average maturity of 3.2 years.

At the end of the first quarter of 2017 customers' deposits persisted as the main source of funding, accounting for 60.0% of the total funding sources, having presented a decrease of 4.0% year-on-year. Despite the slight decrease in deposits, we witnessed an optimistic dynamic of the market shares, both in the segments of individuals and companies, as published by the Bank of Portugal - Monetary and Financial Statistics). The consolidation of the solid deposit base of private customers was maintained.

Key Indicators

	Mar 2016*	Dec 2016	Mar 2017*
ACTIVITY AND RESULTS (million euros)			
Net Assets	21,447	21,346	20,795
Gross loans to Customers	15,490	15,041	14,991
Customers' Deposits	12,070	12,468	11,592
Net Income	-20	-86	11
SOLVENCY			
Common Equity Tier 1 ratio (CRD IV / CRR, phasing-in)	10.4%	10.4%	10.2%
Tier 1 ratio (CRD IV / CRR, phasing-in)	10.4%	10.4%	10.2%
Total Capital ratio (CRD IV / CRR, phasing-in)	11.1%	10.9%	10.6%
Risk Weighted Assets (million euros)	13,877	12,830	12,663
LEVERAGE RATIOS			
Net Loans to Customers / Customers' Deposits (a)	117.9%	111.2%	118.8%
Net loans to Customers / On-Balance sheet Customers' resources (b)	100.5%	96.3%	102.8%
CREDIT RISK AND COVERAGE BY IMPAIRMENTS			
Cost of credit risk (c)	0.6%	1.2%	0.9%
Ratio of loans and interest overdue by more than 90 days (d)	8.8%	9.1%	9.2%
Non-performing loans ratio (a)	10.8%	11.5%	11.6%
Net non-performing loans ratio (a)	3.0%	3.9%	3.8%
Coverage of loans and interest overdue by more than 90 days (e)	92.3%	86.0%	88.7%
Credit at risk ratio (a)	15.5%	15.2%	15.1%
Net credit at risk (a)	8.1%	8.0%	7.6%
Credit at risk coverage ratio (f)	52.3%	51.6%	53.8%
Credit at risk coverage ratio, factoring-in related real estate collateral (g)	122.9%	120.0%	122.1%
Restructured loans as a % of total loans (h)	9.7%	8.9%	8.6%
Restructured loans not included in credit at risk as a % of total loans (h)	3.7%	3.2%	3.0%
EFFICIENCY AND PROFITABILITY			
Net operating income / Average net assets (a)	1.4%	1.7%	2.2%
Earnings before Taxes / Average Net assets (a)	-0.5%	-0.9%	0.3%
Earnings before Taxes / Average Equity (a)	-8.3%	-12.3%	4.5%
Cost-to-Income (Operating costs / Net operating income) (a)	110.7%	76.4%	58.2%
Staff costs / Net operating income (a)	75.1%	44.5%	36.3%
EMPLOYEES AND DISTRIBUTION NETWORK (Number)			
Employees			
Group total	4,330	4,155	4,156
CEMG	3,793	3,588	3,592
Branches			
Domestic - CEMG	383	327	325
International	30	33	33
Finibanco Angola (i)	21	23	23
Banco Terra Moçambique	9	10	10
Rep. Offices	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

*March 2016 restated in accordance with IFRS5 guidelines with respect to the accounts of Finibanco Angola and BTM subsidiaries, for comparative purposes; March 2017 are unaudited figures

IX. GENERAL INFORMATION

12. On page 190 of the Base Prospectus, the following wording shall be added at the beginning of the section headed “**Public Offer Selling Restrictions under the Prospectus Directive**” of the Base Prospectus:

“From January 1, 2018, unless the Final Terms in respect of any Covered Bonds specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.”

13. On page 190 of the Base Prospectus, at the beginning of the section headed “**Public Offer Selling Restrictions under the Prospectus Directive**” of the Base Prospectus, the wording:

“In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”),” shall be replaced with:

“Prior to January 1, 2018, and from that date if the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”),”.

14. On page 193 of the Base Prospectus, the paragraph of the section headed “**Significant or material change**”, under the chapter headed “**General Information**” of the Base Prospectus, with the wording:

“Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 30 September 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015.” shall be replaced with the following:

“Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 March 2017 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.”

15. On page 193 of the Base Prospectus, the paragraph of the section headed “**Accounts**”, under the chapter headed “**General Information**” of the Base Prospectus, with the wording:

“The auditors of the Issuer are KPMG & Associados, Sociedade de Revisores Oficiais de Contas, S.A., (which is a member of the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas")), registered with the CMVM with registration number 9098, with registered office at Edifício Monumental, Av. Praia da Vitória no. 17A, 11.º, 1069-006 Lisboa, who have audited the Issuer's accounts in accordance with Technical Standards and Review/Audit Guidelines issued by the "Ordem dos Revisores Oficiais de Contas" for each of the financial years ended on 31 December 2014 and 31 December 2015. The auditor's reports are incorporated by reference in this Base Prospectus.” shall be replaced with the following:

“The auditors of the Issuer are KPMG & Associados, Sociedade de Revisores Oficiais de Contas, S.A., (which is a member of the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas")), registered with the CMVM with registration number 9098, with registered office at Edifício Monumental, Av. Praia da Vitória no. 17A, 11.º, 1069-006 Lisboa, who have audited the Issuer's accounts in accordance with Technical Standards and Review/Audit Guidelines issued by the "Ordem dos Revisores Oficiais de Contas" for each of the financial years ended on 31 December 2015 and 31 December 2016. The auditor's reports are incorporated by reference in this Base Prospectus.”

16. On page 193 of the Base Prospectus, paragraphs (b) and (c) of the section headed “**Documents Available**”, under the chapter headed “**General Information**” of the Base Prospectus, with the wording:

“(b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2014 and 31 December 2015;

(c) the unaudited consolidated results of the Issuer for the first half of 2016 and the unaudited consolidated results of the Issuer for the third quarter of 2016;” shall be replaced with the following:

“(b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2016;

(c) the unaudited consolidated results of the Issuer for the first quarter of 2017;”.