THIRD SUPPLEMENT

(dated 12 March 2019)

to the

BASE PROSPECTUS

(dated 7 June 2018)

CAIXA ECONÓMICA MONTEPIO GERAL, CAIXA ECONÓMICA BANCÁRIA, S.A.

(a Savings Bank (*caixa económica bancária*) incorporated as a public limited liability company under the laws of the Portuguese Republic)

Registered Office: Rua Castilho, 5, 1250-066 Lisbon
Share Capital: €2,420,000,000
Registered with the Lisbon Commercial Registry Office under the sole commercial registration and taxpayer number 500 792 615

€6,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME
BASE PROSPECTUS

This Third Supplement dated 12 March 2019 (the "**Supplement**") to the Base Prospectus dated 7 June 2018 as supplemented on 23 October 2018 and further supplemented on 4 December 2018 (together, the "**Base Prospectus**"), constitutes a supplement to the Base Prospectus for the purpose of Article 16 of Directive 2003/71/EC (as amended, the "**Prospectus Directive**") prepared in connection with the €6,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Caixa Económica Montepio Geral, caixa económica bancária, S.A. (the "**Issuer**" or "**Banco Montepio**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), as competent authority under the Prospectus Directive. The CSSF only approves this supplement as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (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.

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.

This Supplement has been published on the website of the Luxembourg Stock Exchange (at www.bourse.lu)

I. FRONT PAGE

1. On the front page regarding the presentation of the Euro Medium Term Note Programme (the "**Programme**"), the sixth paragraph shall be deleted:

   "The Programme has been rated: (P)B3 (senior unsecured) / (P)Caa2 (subordinated) / (P)Caa3 (junior subordinated) / NP (short-term) by Moody's Investor Service España, S.A. ("**Moody's**"); B+ (senior unsecured) / B (short-term) by Fitch Ratings Ltd. ("**Fitch**") and BB (senior unsecured) / B (high) (subordinated) / R-4 (short-term) by DBRS Ratings Limited ("**DBRS**"). Moody's, Fitch and DBRS are established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**")."

   and shall be replaced by the following entry:

   "The Programme has been rated: (P)B3 (senior unsecured) / (P)Caa2 (subordinated) / (P)Caa3 (junior subordinated) / NP (short-term) by Moody's Investor Service España, S.A. ("**Moody's**"); B- (senior unsecured) / B (short-term) by Fitch Ratings Ltd. ("**Fitch**") and BB (senior unsecured) / B (high) (subordinated) / R-4 (short-term) by DBRS Ratings Limited ("**DBRS**"). Moody's, Fitch and DBRS are established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**")."

II. RISK FACTORS

2. On page 9 of the Base Prospectus, under the Chapter headed "**Risk factors**", before the risk factor "**Economic activity in Portugal**", the following entry <u>shall be added</u>:

"*United Kingdom's Exit from the European Union*

On 23 June 2016, the United Kingdom (the "**UK**") held a referendum, the result of which was to leave the EU ("**Brexit**"), which creates several uncertainties within the UK and regarding its relationship with the EU. On 29 March 2017, the UK served notice in accordance with article 50 of the Treaty on European Union of its intention to withdraw from the EU. The notification of withdrawal started a two-year process during which the terms of the UK's exit will be negotiated, although this period may be extended in certain circumstances.

The negotiation process is ongoing but there is a great amount of uncertainty on the specific terms to be agreed between the negotiating parties. Moreover, as the withdrawal date (29 March 2019) approaches, there is an increasing risk that the United Kingdom and the EU part ways without any agreement regarding such crucial matters as trade in goods and services, and security and immigration cooperation, in which case Brexit could become very problematic for both the United Kingdom and the EU member-states. If the so-called 'Hard-Brexit' scenario materialises, the implications to the European financial sector could be acute, especially implications regarding access to financial market infrastructures, the ability of the Issuer to perform contractual obligations under its existing contracts, access to funding markets, and there will be continued focus on the implications on resolvability of institutions on the use of English law in issuances of minimum requirement for own funds and eligible liabilities ("**MREL**") eligible instruments.

The resulting negotiations are likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect the Issuer. Until the terms and timing of the UK's exit from the EU are confirmed, it is not possible to determine the full impact that the referendum, the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK and in the EU. Should international trade between the United Kingdom and the EU Member States become significantly restricted in the future, the Portuguese economy could be adversely affected, notably given the importance of the United Kingdom as a market for the export of goods, and as a source of tourism.

Given the current uncertainties and the range of possible outcomes, there can be no assurance that the Issuer's business, results of operations, financial condition and prospects will not be affected by market developments, notably the depreciation of the exchange rate of GBP against the euro and higher financial market volatility in general due to increased uncertainty surrounding the aforementioned factors. Furthermore, no assurance can be given that the matters described above would not adversely affect the rights of the Holders of the Notes, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes."

3. In pages 9 to 12 of the Base Prospectus, under the Chapter headed "**Risk factors**", the risk factor "**Economic activity in Portugal**" shall be deleted and replaced with the following entry, which includes updated information:

"*Economic activity in Portugal*

As the Issuer currently conducts the majority of its business in Portugal, its performance is influenced by the level and cyclical nature of business activity in Portugal which is in turn affected by both domestic and international economic and political events. Thus, a decline in Portuguese economic activity may have a material effect on the Issuer's financial condition and on the results of its operations. A deterioration in Portugal's international economic performance and/or uncertainty regarding implemented political measures may also have a material effect on the Issuer's financial condition and on the results of its operations. In addition, following the recent events in Italy and France, continued political turmoil may have a negative impact on (i) the Issuer's cost of funding and its ability to issue Notes under the Programme; (ii) the yield of Portuguese Government bonds, impacting the capital position of the Issuer; and (iii) the Portuguese economy, which, in turn, would have a negative impact on the business of the Issuer.

The Issuer's business activities (including mortgage lending activities) are dependent on the level of banking and financial services required by its customers and borrowers in Portugal which are, in turn, influenced by the evolution of economic activity, saving levels, investment and employment. In particular, levels of borrowing are heavily dependent on customer confidence, employment trends, and the condition of the Portuguese economy and market interest rates.

Structural factors, such as the slow adaptation of some sectors to increasing external competition, as well as labour laws and the low levels of qualifications of a material portion of the workforce, combined with a period of very poor economic growth and the implementation of measures to reduce the public deficit in the context of the Portuguese Financial Assistance Programme ("**FAP**"), have contributed to a rise in the unemployment rate. In fact, during Portugal's last recession, the unemployment rate reached a historical high level.

In May 2011, the FAP was agreed between the European Central Bank ("**ECB**"), the International Monetary Fund ("**IMF**") and the European Commission ("**EC**", and together with the prior two entities, the "**Troika**") and was implemented in 2012. The FAP comprised a total funding of €78 billion to be allocated during the period from 2011 to 2014. The FAP's main objectives were to return the Portuguese economy to a path of sustained growth within a framework of financial stability and to restore the confidence of participants in the international financial markets. To this end, the FAP focused its assistance in three main areas: (i) a set of significant structural reforms to increase potential growth, create jobs and improve the economy's competitiveness; (ii) a strategy for credible fiscal consolidation, based on measures of a structural nature and greater budgetary control over all obligations of the State; and (iii) a process of orderly deleveraging of the financial sector through market mechanisms and supported by a fund to finance the recapitalisation of banks.

On 17 May 2014, the FAP came to an end, which constituted an important moment for the evolution of the Portuguese economy. During its period of implementation, there was significant progress in the correction of certain macroeconomic imbalances and various structural measures were adopted where needed. Notwithstanding this progress, the return to normal market conditions in respect of funding to the Portuguese economy required sustained product growth. Such product growth was also crucial to bringing about a reduction in the high level of unemployment observed in the Portuguese economy (which in 2013 reached a maximum annual average of 16.2 per cent., having started a downward trajectory in 2014 reaching 8.9 per cent. in 2017).

Following its exit from the FAP, Portugal became subject to Post-Programme Surveillance by the EC and the ECB and to Post-Programme Monitoring by the IMF.

Portugal's debt-to-GDP ratio was 129.2 per cent. of gross domestic product ("**GDP**") in 2016, below the 130.1 per cent. registered in March 2017. The indicator resumed the downward trajectory, reaching 124.8 per cent. by the end of that year. In the Portuguese Government's State Budget for 2019 (the "**SB 2019**"), approved on 29 November 2018, the debt-to-GDP ratio was expected to reach 121.2 per cent. by the end of 2018, below the 122.2 per cent. previously forecasted in the Stability Programme 2018-2022 ("**SP 2018-2022**"), published on 13 April 2018. The level of public debt is projected to continue its gradual declining trend. Given the current high level of government debt, Portugal still appears to face high fiscal sustainability risks in the medium-term.

However, in the long-term, Portugal faces low fiscal sustainability risks, particularly due to the positive structural primary balances since 2012.

In addition, Portugal's GDP grew by 2.8 per cent. in 2017, exceeding the government's projected growth of 2.6 per cent. presented in the SB 2018, accelerating from 1.9 per cent. in 2016 and representing the highest rate of growth since the beginning of the millennium. As expected, the economic growth registered in 2017 reflected the positive domestic demand contribution of 3.1 percentage points. The acceleration of this contribution (compared to 2.2 percentage points in 2016) mainly reflects the strong acceleration in investment ("**GFCF**"), but also the strong growth in private consumption. Private consumption expanded by 2.3 per cent. (compared to 2.4 per cent. in 2016), while GFCF rose by 9.2 per cent., strongly accelerating the growth of 2.3 per cent. in 2016. Public consumption rose slightly by 0.2 per cent. (compared with the expansion of 0.8 per cent. in 2016) and the change in inventories had a null contribution to GDP growth, which compares to a negative contribution of 0.1 percentage points in 2016. Meanwhile, net exports showed a negative contribution of 0.3 percentage points, penalising growth for the fourth consecutive year (-0.2 percentage points in 2016). The negative contribution of net exports in 2017 reflects increases of 7.8 per cent. in exports (compared to 4.4 per cent. in 2016) and 8.1 per cent. in imports (compared to 4.7 per cent. in 2016). Although net exports in 2017 have once again penalised growth, the economic recovery has continued to be sustained by exports, which at the end of 2017 were 47.5 per cent. higher than pre-adjustment programme levels (i.e. 2010). Exports of services, notably tourism, have continued to grow at a steady pace, as several Portuguese destinations consolidate their prestige in the international markets.

For 2018, the Bank of Portugal (18 December 2018) forecasts a deceleration in GDP growth to 2.1 per cent. (+2.8 per cent. in 2017), below the 2.3 per cent. projected by the IMF (on 9 October 2018) and by the Portuguese Government (in the SB 2019), and the 2.2 per cent. forecasted by the European Commission (on 8 November 2018) and by the OECD (on 21 November 2018). Bank of Portugal anticipates a stabilization of private consumption growth (2.3 per cent., compared with 2.3 per cent. in 2017), but a slowdown in GFCF (from 9.2 per cent. in 2017 to 3.9 per cent. in 2018). With lower investment growth, we also expect a slowdown in imports, but they are expected to advance more than exports, resulting in a new negative contribution from net exports. A further deceleration is anticipated in 2019 by Bank of Portugal, down to 1.8 per cent., also below the 2.2 per cent. projected in the SB 2019 and those 2.1 per cent. forecasted by OECD, and in line with the 1.8 per cent. projected by the European Commission and the IMF.

The following challenges facing the economy at the domestic level should be highlighted: (i) the still weak situation of the banking system; and (ii) the persistence of some political risks (a heterogeneous majority in the parliament supports a minority government) due to the possibility of a return to political instability (but which has been attenuated as the legislature moved forward), in a context in which the country should continue committed to the additional consolidation objectives with respect to public finances demanded by the EU for the medium-term and where such policies do not have the support of the left-leaning parties upholding the Portuguese Government. It should be noted, however, that this year Portugal will have the legislative elections on 6 October, with the most likely scenario being the maintenance of the current legislative solution (left party agreement). On the positive side, the labour market recovery may continue to exceed expectations, supporting higher growth in domestic demand. Externally, the economy remains vulnerable to the evolution of global demand, which as a central scenario is expected to continue to rise, but is also fraught with risks mainly due to: (i) the low oil price (although the average price of 2018 has been higher than that forecasted in the beginning of 2018), which should continue to favour the terms of trade; and (ii) the possibility of the world economy being able to grow more than anticipated. On the negative side, a few challenges should be highlighted: (i) the political uncertainty in the Eurozone (in particular, the parliamentary support to the governments of Spain and Germany and the recent political instability in France and in Italy, in this last case as a result of the fiscal policy that the current government with a matrix against the Euro and anti-immigration intends to implement); (ii) the possibility of renewed tensions in the financial markets, making the international environment less favourable than projections (recent events in Italy and the signs of contagion observed) and negatively affecting the financing conditions of the Portuguese economy; (iii) an appreciation of the euro could be a constraint on the competitiveness of the economy (risk now less pressing than at the beginning of 2018); (iv) the effects of the reduction of the ECB's monetary policy´s expansionary nature on Portuguese debt yields; (v) the increase of protectionism at the global level; and (vi) the high geopolitical risk arising from the following factors: (a) the uncertainty about the situation in Catalonia; (b) the uncertainty of the Brexit process; (c) the uncertainty regarding the economic and commercial policy that will be carried out by the US President ; (d) the geopolitical uncertainty in the Middle East (e.g. Syria), the Far East (e.g. North Korea, mitigated by the Singapore summit between the United States and North Korea), Eastern Europe (Russia / Ukraine) and the US / Russia relationship.

With respect to the labour market, the unemployment rate decreased from 11.1 per cent. in 2016 to 8.9 per cent. in 2017, continuing the trend of reduction from the historical peak reached at the beginning of 2013 (17.5 per cent.), with a further reduction being projected by Bank of Portugal for 2018, to 7.0 per cent., and for 2019, to 6.2 per cent., which compares with the 6.9 per cent. and 6.3 per cent. projected by the Government in the SB 2019.

On the other hand, the average rate of change of the Portuguese consumer price index ("**CPI**") was 1.0 per cent. in 2018, decelerating from the 1.4 per cent. observed in 2017 (and compared to 0.6 per cent in 2016, 0.5 per cent. in 2015 and -0.3 per cent. in 2014), with core inflation (excluding energy, food and tobacco prices) at 0.6 per cent. in 2018 (compared to +1.1 per cent. in 2017). When considering the harmonised consumer prices index ("**HCPI**"), a slight acceleration of inflation in 2019 is expected by the Bank of Portugal, to 1.4 per cent. (+1.2 per cent. in 2018 and +1.6 per cent. in 2017), in line with the 1.4 per cent. projected in the SB 2019.

In Portugal, 2017 was marked by a strong decrease in the country risk, reflected in the reduction of the spread of 10-year Portuguese bonds, a favourable trend that was maintained in 2018. The GDP has grown more than anticipated and the unemployment rate has fallen more than expected, with better prospects for meeting the budget targets. In recent years, Portugal has embarked on a process of fiscal adjustment, despite the sharp increase in the deficit observed in 2017, caused by the recapitalisation of Caixa Geral de Depósitos ("**CGD**"). Indeed, following the budget deficit of 2.0 per cent. of GDP in 2016, in decline from the 4.4 per cent. deficit in 2015 - a reduction which benefited from some extraordinary effects - the budget deficit in 2017 amounted to 3.0 per cent of GDP, representing an annual deterioration of the balance of 1.0 percentage points, reflecting an increase in expenditure of 6.2 per cent., mainly due to the impact of the recapitalisation of CGD, while revenue grew by 3.9 per cent. Excluding this impact, the budget deficit for the whole of 2017 was only 0.9 per cent., a figure well below that initially estimated by the Government in the SB 2018 (1.4 per cent.) and which would represent the lowest deficit of the entire democratic history of Portugal, given that the previous lower deficit was, according to longer annual series, in 1974, of 1.0 per cent. of GDP. Regarding 2018, the Portuguese Public Finance Council (on 20 September 2018) expects a budget deficit of 0.5 per cent. of GDP (3.0 per cent. in 2017), estimates that are slightly more favourable than the 0.7 per cent. of GDP projected by the Government in SB 2019, by the OECD (on 21 November 2018), the EC (on 8 November 2018) and the IMF (on 9 October 2018). For 2019, the Portuguese Public Finance Council expects a further reduction of the budget deficit to 0.2 per cent. of GDP, a forecast, in this case, in line with the 0.2 per cent. forecast by the Government in the SB 2019, and also by the

OECD, being in turn below the 0.3 per cent. of GDP projected by the IMF and the 0.6 per cent. of GDP forecasted by the European Commission.

Other favourable developments contributed to the reduction of the country risk during 2017 and 2018, such as Portugal's exit from the Excessive Deficit Procedure (“**EDP**”), positive developments in unemployment, general economic growth and favourable prospects for the achievement of budgetary targets. On 9 September 2017, Standard & Poor's increased the Portuguese Republic's rating to the first level of investment grade with a favourable outlook, and, on 15 September 2018, maintained the rating but improved the outlook from stable to positive. In turn, on 15 December 2017, Fitch increased its rating to two levels above "junk" maintaining the positive outlook, and reiterated this rating on 1 June 2018. On 12 October 2018, Moody’s upgraded the Portuguese Republic's domestic and foreign long-term issuer rating one level above "junk" from Ba1 to Baa3, whereas the outlook has been changed from positive to stable. This update was driven by (1) Portugal's high general government debt move to a sustainable, albeit gradual, downward trend, with limited risks of reversal; and (2) the increased economic resilience following the broadening of Portugal's growth drivers and a structurally improved external position.

The Issuer cannot foresee what impact any economic or related fiscal developments and policies, or other additional measures, may have on the Portuguese economy, Banco Montepio’s activity and performance.

Several challenges persist as fiscal consolidation is still unfolding, and private and public debt levels remain high. It is still unclear whether the Portuguese economy will begin to recover in a sustainable way, particularly through an increase in investment.

The current economic environment is still a source of challenge for the Issuer, and may adversely affect its business, financial condition and operating results. The adverse macroeconomic conditions in Portugal have significantly affected, and may continue to adversely affect, the behaviour and the financial situation of the Issuer's clients, and consequently, the supply and demand of the products and services that the Issuer has to offer. In particular, limited growth in customer loans is expected in the coming years, which may make it difficult for the Issuer to generate enough interest income to maintain its net interest margin. Additionally, an environment of extremely low or even negative interest rates is expected to continue, which limits the Issuer's ability to increase net interest margin and profitability, given that the majority of the Issuer's loan portfolio is composed of floating interest rate loans.

Furthermore, the reduction in the profitability of companies and the increase in corporate and personal insolvencies have had, and may continue to have, a negative influence on the ability of the Issuer's clients to pay back loans, and, consequently, could cause an increase in the ratio of overdue loans, reflecting a deterioration of the Issuer's quality of assets.

A negative development of any of the above factors may adversely affect the business and performance of the Issuer."

4. In page 12 of the Base Prospectus, under the Chapter headed "**Risk Factors**", before the risk factor "**Legislation for the protection of borrowers in a very difficult financial condition**", the following entry <u>shall be added</u>:

"*The Issuer's Strategic Plan includes targets that may not be achieved*

The Issuer's strategic plan aims to ensure profitability, the strengthening of capital and the maintenance of comfortable liquidity levels, defining as priorities the increase of core net operating income and capital management, risk management reinforcement, platform efficiency, liquidity management, human resources management and the governance model (the "**Strategic Plan**").

The Board of Directors, which took up office on 21 March 2018, undertook the commitment to enhance the efficiency, profitability of the operation and adequacy of Banco Montepio's business model to the most modern and demanding forms of customer relations.

The Board of Directors launched a Transformation Plan aimed at producing a diagnosis of Banco Montepio's baseline position and defining a strategy with clear choices and specific business goals for the medium and long-term.

Banco Montepio's Transformation Plan will define the Issuer's strategy and business goals for the medium and long-term, aiming to achieve six critical goals: (i) A sustainable business model, through an economically profitable business model with adequate creation of value for the shareholder; (ii) Strengthen Banco Montepio's position as a reference financial institution, by supporting the social economy, working among the segments of the population that are least benefited by banking services; (iii) Develop new value propositions and service models, affirming itself as a reference bank for small and medium-sized enterprises ("**SMEs**") and for the different segments of individual customers; (iv) Increase the efficiency of the commercial structures, developing new internal processes and new forms of working; (v) Enhance Banco Montepio's robustness as a bank of relations and proximity, whether personally or through technological innovation; (vi) Improve assets quality, focusing on the sustained improvement of credit quality ratios and the continuous reduction of concentration of risk in the activity sectors of construction and real estate development.

If any of the targets are not met, the Issuer will consequently seek to take additional measures in order to achieve them, but there is no guarantee that they will be met. They have not been set for the purpose of the offering of any Notes and are not, and should not be, regarded by potential investors as a forecast of future performance by Banco Montepio."

5. On page 29 of the Base Prospectus, under the Chapter headed "**Risk Factors**", the risk factor "**Montepio Geral Associação Mutualista may cease to own 100 per cent. of the Issuer's share capital**" <u>shall be deleted and replaced</u> by the following entry:

"*Montepio Geral Associação Mutualista ceasing to own 100 per cent. of the Issuer's share capital*

On 30 June 2017, MGAM disclosed the terms of a Memorandum of Understanding ("**MoU**") signed with Santa Casa da Misericórdia de Lisboa (a non-profit Portuguese organisation, operating under the strict control of the Portuguese Government, which has the mandate to finance causes in the public interest) for the national development of the social economy (*economia social*).

MGAM announced the intention of having other institutions of the so-called social economy (*economia social*) (i.e. charities (*misericórdias*) or beneficence institutions) enter into Banco Montepio's share capital with a small share and, in December 2018, sold a minor participation (less than 0.01 per cent.) to circa thirty entities operating in this sector. As far as the Issuer is aware, it is not certain if there will be other institutions entering into Banco Montepio's share capital and to what extent within the defined threshold, or if MGAM plans to sell additional shares to the current shareholders.

The Issuer cannot predict the negative consequences, if any, that may arise from MGAM ceasing to own 100 per cent. of the Issuer's share capital and corresponding voting rights."

6. On page 29 of the Base Prospectus, under the Chapter headed "Risk Factors", the risk

factor "**Change in the supervisory entity and rules applicable to Montepio Geral Associação Mutualista**" shall be deleted and replaced by the following entry:

"*Change in the supervisory entity and rules applicable to Montepio Geral Associação Mutualista*

Until 27 November 2018, MGAM was supervised by the Portuguese Ministry of Solidarity, Employment and Social Security in accordance with the provisions set forth in the previous Mutual Associations Code (*Código das Associações Mutualistas*).

According to the rules set forth in the recently approved Mutual Associations Code (*Código das Associações Mutualistas*), enacted by Decree-Law no. 59/2018, of 2 August, MGAM became subject to the supervision of the Portuguese insurance and pension funds authority (*Autoridade de Supervisão de Seguros e Fundos de Pensões*).

The Issuer cannot predict how the new supervision rules will affect MGAM's organisation and performance and, in particular, its relationship with the Issuer. Notwithstanding the foregoing, the imposition of concentration ratios on MGAM could lead to the sale of a participation in the Issuer's capital to third parties. Such a sale has become possible because the Issuer has, since 14 September 2017, been incorporated as a Portuguese public limited liability company (*sociedade anónima*), which allows for its shares to be sold off by MGAM.

Please refer to the section "Change in legal framework of the Issuer" for a description of the possible consequences arising from the change of Banco Montepio's legal nature into a public limited liability company."

7. In page 30 of the Base Prospectus, under the Chapter headed "**Risk Factors**", under the risk factor "**The Issuer is subject to compliance risk, which may lead to claims of non-compliance with regulations and lawsuits by regulatory agencies, in particular the Bank of Portugal, CMVM, and other parties**", the fourth paragraph shall be deleted:

"In November 2016, CEMG was notified by the Bank of Portugal of an accusation under an administrative proceeding related to alleged violations of certain AML procedures (administrative proceeding (processo de contraordenação) no. 84/14/CO). This administrative proceeding relates to events that occurred prior to 12 August 2016 and concerns alleged non-compliance by CEMG of certain duties pertaining to the implementation of certain required mechanisms to allow for: the identification of the property and control of property and control of legal entities; origin of funds; information update relating with banking entities; extension to affiliates of measures equivalent to those foreseen in Law no. 25/2008; system parameters for high risk operations; information report to Procuradoria Geral da República of operations potentially related to AML. CEMG presented its defence in January 2017."

and shall be replaced by the following entry:

"In November 2016, Banco Montepio was notified by the Bank of Portugal of an accusation under an administrative proceeding related to alleged violations of certain AML procedures (administrative proceeding (*processo de contraordenação*) no. 84/14/CO). This administrative proceeding relates to events that occurred prior to 12 August 2016 and concerns alleged non-compliance by Banco Montepio with certain duties pertaining to the implementation of certain required mechanisms to allow for: the identification and the knowledge of the ownership and control of corporate entities; information on the origin of funds; information update relating with banking entities; extension to affiliates of measures equivalent to those foreseen in Law no. 25/2008; system parameters for high risk operations; information report to the Procuradoria Geral da República of operations potentially related to AML. Banco Montepio presented its defence in January 2017. The potential applicable penalty applicable to Banco Montepio ranges from €10,000 (ten thousand euros) to €5,000,000 (five million euros)."

8. In page 30 of the Base Prospectus, under the Chapter headed "**Risk Factors**", before the risk factor "**European Central Bank – Single Supervisory Mechanism**", the following entry shall be added:

"*The Issuer's activity is subject to reputational risk*

The Issuer is exposed to reputational risk understood as the probability of occurrence of negative impacts on the Issuer resulting from an unfavourable perception of its public image, whether proven or not, among customers, suppliers, analysts, employees, investors, media and any other bodies with which the Issuer may be related, or even public opinion in general.

The Issuer continually monitors this risk but it cannot assure potential investors that it will be able to foresee and mitigate the impacts of this risk if the same occurs and should that be the case any failure to execute the Issuer's reputational risk policies successfully could materially adversely affect the Issuer's business activities, financial condition and operating results.

Litigation and Conduct risks

Banco Montepio faces various issues that may give rise to the risk of loss from legal and regulatory proceedings. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, and conduct by companies in which Banco Montepio holds strategic investments or joint venture partnerships, which could increase the number of litigation claims and the amount of damages asserted against Banco Montepio, or subject Banco Montepio to regulatory enforcement actions, fines and penalties. Any material legal proceedings, or publicity surrounding such legal or regulatory proceedings, may adversely impact on Banco Montepio's business, reputation and operating results."

9. In page 36 of the Base Prospectus, under the Chapter headed "**Risk Factors**", before the risk factor "**Amendment of the Tax Status of the Issuer**", the following entry shall be added:

"*Banco Montepio is exposed to Pension Fund risk*

Pension Fund risk arises from the potential devaluation of the fund's portfolio of assets or from the decrease of the corresponding expected returns. When faced with scenarios of this type, Banco Montepio is required to make unforeseen contributions, so as to maintain the benefits defined by the Fund.

The Pension Fund Monitoring Commission is responsible for the regular analysis and monitoring of the management of Banco Montepio's Pension Fund. In addition, the Risk Department produces monthly reports on the evolution of the market value of the Pension Fund portfolio and associated risk indicators.

As at 30 June 2018, the accumulated negative actuarial deviation of the Pension Fund stood at €188 million.

In the event of a shortfall in its pension liabilities, Banco Montepio may be required or may choose to make additional payments to Banco Montepio's pension schemes which, depending on the amount, could have a material adverse effect on Banco Montepio's financial condition, operating results and prospects.

Banco Montepio is exposed to the risks associated with the value of certain financial instruments being determined using financial models that incorporate assumptions, judgments and estimates that may change over time

Banco Montepio uses internally developed models to support some of its activities, including, but not limited to, scoring models used to assess clients' (individuals and corporates) capacity to repay loans granted by the Group. Even though Banco Montepio works continually to upgrade its internal models and to adapt them to constantly changing market conditions, these models do not exclude the possibility of Banco Montepio incurring losses associated with factors not foreseen or contemplated in the model's respective parameters or methodology."

10. In page 40 of the Base Prospectus, under the Chapter headed "**Risk Factors**", after the risk factor "**Liquidity risk**", the following entry <u>shall be added</u>:

"*Requisites related to liquidity ratios and its potential impact on profitability (LCR and NSFR)*

Basel III recommendations endorse the implementation of liquidity coverage ratios of short and medium/long term, known as LCR and NSFR.

The LCR addresses the sufficiency of high quality liquidity assets to meet short-term liquidity needs under a severe stress scenario. The LCR was introduced gradually starting from October 2015 with a minimum level of 60 per cent. and was fully implemented in January 2018 comprising the minimum required ratio of 100 per cent., one year earlier than the Basel Committee had recommended. As at 31 December 2018, the Issuer's LCR stood at 160.5 per cent. (153.2 per cent. as at 31 December 2017), above the 100% minimum regulatory requirement in force since 1 January 2018.

The NSFR, which was to be implemented in 2018 but is expected to be delayed until 2021, subject to the approval of the relevant regulation, will seek to establish a minimum acceptable amount of stable funding based on the liquidity characteristics of an institution's assets and activities over one year period.

The fulfilment of these ratios by the Issuer may lead to the constitution of portfolios with high liquidity assets but low profitability. Additionally, it may lead to an increase in the financing costs, since the ratios increase favours the long-term financing over the short-term. Such changes may have a negative impact on the Issuer's results.

Leverage ratios: impact on funding and Issuer's activity

The banking activities of the Issuer are subject to extensive regulation by the ECB, the EBA and the Bank of Portugal, mainly relating to liquidity levels, solvency and provisioning. These various regulations can significantly increase the costs of the Issuer's structure and limits its possibilities for increasing its income.

The regulatory package known as CRD IV/CRR, comprising Regulation (EU) No 575/2013, as amended, and Directive 2013/36/EU of the European Parliament and of the Council, of 26 June, as amended, has implemented the prudential regulatory framework known as Basel III at the level of the EU and establishes new minimum requirements on capital, new rules on the type of capital instruments that are eligible for own funds and new liquidity and leverage requirements. These rules will be applied gradually until January 2024.

CRD IV/CRR also introduces a leverage ratio aimed at monitoring possible under-estimations of risk-weighted assets and avoids excess leverage through a simple calculation. This ratio is calculated by dividing the total Tier 1 capital by total exposure as defined in CRD IV. In addition to the balance sheet assets, the denominator includes other off-balance sheet items.

The regulatory laws governing banking activity may change at any time in ways which may have an adverse effect on the business of the Issuer. It is not possible to predict the timing or form of any future regulatory initiatives. Changes in existing regulatory laws may materially affect the way in which Issuer conducts its business, the products and services it can offer and the value of its assets.

In addition, the Issuer's operations are subject to regulation in each jurisdiction in which it operates. Often, these regulations are complex and costly to comply with in terms of time and other resources. Breach of applicable regulations may lead to penalties, fines, compliance costs, reputational harm and even loss of licenses to operate.

Concentration Risks

The Issuer has significant credit exposure to certain groups of clients. The Issuer has a well-diversified loan portfolio, with the top 10 exposures representing 6.4% as of 30 June 2018. However, in the event that any of these groups defaults, such defaults may lead to a material increase in impairment charges, which could have an adverse effect on the Issuer's results and asset quality.

Although the Issuer believes it is in a strong position to continue to compete in the markets in which it operates, there can be no assurance that it will be able to compete effectively in these markets in the future."

11. On page 42 of the Base Prospectus, under the Chapter headed "**Risk Factors**", the risk factor "**Future discontinuance of LIBOR (or any other benchmark) may adversely affect the value of Floating Rate Notes or Reset Notes which reference LIBOR (or such other benchmark)**" shall be deleted and replaced by the following entry:

"*Future discontinuance of EURIBOR, LIBOR (or any other benchmark) may adversely affect the value of Floating Rate Notes which reference EURIBOR (or such other benchmark)*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates the London Interbank Offered Rate ("**LIBOR**"), announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR or any other benchmark (including, for example, the Euro Interbank Offered Rate ("**EURIBOR**")) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference EURIBOR or LIBOR (or such other benchmark) will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the EURIBOR or LIBOR (or such other benchmark) is to be determined under the Terms and Conditions of the Notes, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the relevant benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, ultimately result in the effective application of a fixed rate based on the rate which applied in the previous period when relevant benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference EURIBOR or LIBOR (or such other benchmark)."

12. In page 47 of the Base Prospectus, under the Chapter headed "**Risk Factors**", before the risk factor "**Appointment of a Dealer as Calculation Agent**", the following entry shall be added:

"*Reliance upon Interbolsa procedures*

Investments in Notes will be subject to Interbolsa procedures and Portuguese law with respect to the following:

(a) Form and Transfer of the Notes

Notes held through accounts of Affiliate Members of Interbolsa will be represented in dematerialised book-entry form (*forma escritural*) and are registered Notes (*nominativas*).

Notes will be registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by the Affiliate Members of Interbolsa on behalf of the relevant holders. Such control accounts will reflect at all times the aggregate number of Notes held in the individual securities accounts opened by the clients of the Affiliate Members of Interbolsa (which may include Euroclear and Clearstream, Luxembourg, thus becoming indirect Participants in Interbolsa). The transfer of Notes and their beneficial interests will be made through Interbolsa.

(b) Payments on Notes

All payments on Notes (including without limitation the payment of accrued interest, coupons and principal) will be (i) made by the Issuer to the Agent, (ii) transferred, in accordance with the procedures and regulations of Interbolsa, from the account held by the Agent with the Bank of Portugal to the accounts of the Affiliate Members of Interbolsa who hold control accounts on behalf of the holders of Notes and, thereafter, (iii) transferred by the Affiliate Members of Interbolsa from their accounts to the accounts of their clients (which may include Euroclear Bank and Clearstream, Luxembourg).

The holders of Notes must rely on the procedures of Interbolsa to receive payment under the Notes. The records relating to payments made in respect of beneficial interests in the Notes are maintained by the Affiliate Members of Interbolsa and the Issuer accepts no responsibility for, and will not be liable in respect of, the maintenance of such records.

(c) Risks related to withholding tax applicable on the Notes

Pursuant to Decree-Law 193/2005, of 7th November 2005, as amended from time to time, investment income paid to non-resident beneficial owners of Notes, and capital gains derived from a sale or other disposition of such Bonds, will be exempt from Portuguese income tax only if certain documentation requirements are duly complied with.

It is expected that the direct registering entities (*entidades registadoras directas*), the participants and the clearing systems will follow certain procedures to facilitate the collection from the effective beneficiary of the Notes (the "beneficial owner") of the information referred to in "Risks related to withholding tax" above required to comply with the procedures and certifications required by Decree-Law no. 193/2005. Under Decree-Law no. 193/2005, the obligation of collecting from the beneficiaries' proof of their non-Portuguese resident status and of the fulfilment of the other requirements for the exemption rests with the direct registering entities (*entidades registadoras directas*), the participants and the entities managing the international clearing systems. Details of those procedures are set out in "Special Debt securities tax regime" under "Taxation" chapter. Such procedures may be revised from time to time in accordance with applicable Portuguese laws and regulations, further clarification from the Portuguese tax authorities, regarding such laws and regulations, and the operational procedures of the clearing systems. While the Notes are registered by Interbolsa. Beneficiaries must comply with such procedures in order to receive payments under the Notes free of any withholding, if applicable. Beneficiaries must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes.

The Issuer will not gross up payments in respect of any such withholding tax in case the conditions described in detail in Taxation below are not fully met, including failure to deliver or incorrect filling of the certificate or declaration referred to above. Accordingly, beneficial owners of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes. None of the Issuer, the Arranger, the Dealers, the paying agents or the clearing systems assume any responsibility therefore.

Relationship with the Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments."

III. DOCUMENTS INCORPORATED BY REFERENCE

13. In the Chapter headed "**Documents incorporated by reference**" of the Base Prospectus, on page 48, after paragraph no 4., the following text shall be added:

"5. the announcement dated **11** March 2019 setting out Banco Montepio's disclosure of the unaudited results and the key financial indicators for the year ended 31 December 2018 (the "**2018 consolidated results**") (available at "https://www.bancomontepio.pt/resources/SiteMontepio/documentos/en_GB/banco-montepio-consolidated-results-2018.pdf ") including the information set out at the following pages in particular:

2018 CONSOLIDATED RESULTS

Consolidated Balance Sheet	14
Consolidated Income Statement	15

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Prospectus Regulation.

The Issuer confirms that the 2018 consolidated results are substantially consistent with the final figures to be published in the next annual audited financial statements. The financial information has not been audited. The Issuer is responsible for the information contained in the 2018 consolidated results and hereby declares that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the 2018 consolidated results is in accordance with the facts and contains no omissions likely to affect its import."

IV. DESCRIPTION OF THE ISSUER

14. At the end of the Chapter headed "**Description of the Issuer**" of the Base Prospectus, at the end of the section named "**Recent developments**" (which was added to page 113 of the Base Prospectus via the previous Supplement dated 23 October 2018), the following paragraphs (after the sub-heading "New Articles of Association and new Head Office address") shall be added:

"**Sale of the participation in the capital of BTM – Banco Terra, S.A.**

Following the announcement made by Banco Montepio on 31 August 2018 regarding the sale by its subsidiary Montepio Holding, SGPS, SA of the 45.78 per cent. participation in the capital of BTM – Banco Terra, S.A., the transfer of the ownership of the relevant shares took place at the end of December 2018 after completing several steps both with other shareholders and with the Mozambican authorities.

The Banco Montepio Brand

On 20 February 2019, the Issuer changed its brand name to "Banco Montepio" but the legal identification name remains the same (Caixa Económica Montepio Geral, caixa económica bancária, S.A.).

The Banco Montepio brand represents an evolution of the identity of the bank and reflects its new vision: a Portuguese and independent bank increasingly closer to the Portuguese families, corporates and institutions of the social economy. An almost bicentennial institution in which tradition and innovation cohabit in perfect harmony. A bank that was born different and wants to continue to make a difference in people's lives.

Moreover, it is a further step towards the clarification to the general public, and to clients in particular, regarding the distinction between Banco Montepio (the Issuer) and its main shareholder Montepio Geral Associação Mutualista (the mutual association).

In addition to the change of the brand name, Banco Montepio also changed its commercial logo and the colours used.

Fitch Ratings reviewed Banco Montepio's senior unsecured debt rating

In a press release dated 26 February 2019, Fitch Ratings announced that the Viability Rating of Banco Montepio remained unchanged at b+ but the long-term senior unsecured debt rating was reviewed to B- from B+. This rating action was due to the expectation of the rating agency regarding the promulgation and enactment of the new Law that will transpose to the Portuguese law the Directive 2017/2399 of the European Parliament and of the Counsel, of 12 December 2017, amending Directive 2014/59/EU on the rank of certain debt instruments in the insolvency hierarchy.

Unfavourable ruling under an administrative proceeding

On 21 February 2019, Banco Montepio was notified of an unfavourable ruling under an administrative proceeding whereby the Bank of Portugal imposed on Banco Montepio an administrative fine of €2.5 million and an ancillary sanction consisting of the publication of the final ruling. No further sanctions have been imposed upon Banco Montepio.

This administrative proceeding relates to events that occurred between 1 January 2009 and 2 September 2014 and concerns alleged non-compliance by Banco Montepio with certain duties regarding, in generic terms: (a) the internal control system procedures, (b) the assessment and approval of intragroup credit operations, (c) the calculation of specific credit provisions, and (d) the implementation at Banco Montepio's subsidiaries of suitable procedures to assess the origin of funds of the subscribers of the participation units representative of the Participation Fund of Banco Montepio.

This ruling is not final and will be judicially challenged. In any case, Banco Montepio cannot predict the outcome of such challenge. The origin of these non-compliant events has been addressed. Those duties are now compliant by Banco Montepio.

Save as disclosed above, there have been no new governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Banco Montepio is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had a significant effect on Banco Montepio's financial position."

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

15. On page 121 of the Base Prospectus, under the Chapter headed "**Board of Directors and Other Governing and Corporate Bodies of the Issuer**", the following entry <u>shall be inserted</u> in the table that identifies the current members of the Board of Directors of the Issuer, as follows:

"

Name		Other positions
Carlos Francisco Ferreira Alves[1]	Non-executive member	No other positions
Dulce Maria Pereira Cardoso Mota Jorge Jacinto[2]	Executive member	Vice-President of the Executive Board of Directors

[1] Carlos Francisco Ferreira Alves took up its duties as non-executive member of the Board of Directors in 15 January 2019.

[2] Dulce Maria Pereira Cardoso Mota Jorge Jacinto took up its duties as executive member of the Board of Directors in 9 January 2019. "

16. On page 121 and 122 of the Base Prospectus, under the Chapter headed "**Board of Directors and Other Governing and Corporate Bodies of the Issuer**", the table that identifies the areas of responsibility of each member of the Board of Directors and the respective alternate Directors of the Issuer shall be entirely deleted and replaced by the table as follows:

"

Director	Alternate Director	Area of Responsibility
Carlos Manuel Tavares da Silva	Audit Committee (hierarchical management)	Internal Auditing and Inspections (daily management) Communications
	José Carlos Sequeira Mateus	Commercial Division (Corporate and Institutional clients)
	Nuno Cardoso Correia da Mota Pinto / Carlos Miguel Lopez Leiria Pinto	Marketing
	Leandro Rodrigues da Graça Silva	Digital Marketing and Innovation
	Pedro Miguel Nunes Ventaneira	ALM
	Helena Catarina Gomes Soares de Moura Costa Pina	Management assistance office to the Board of Directors Customer Complaints Office
	Nuno Cardoso Correia da Mota Pinto	General Secretariat

Dulce Maria Pereira Cardoso Mota Jorge Jacinto	Carlos Manuel Tavares da Silva	Business Support Office
	José Carlos Sequeira Mateus	Commercial Divisions (South and Autonomous Regions; North; Centre; Lisbon)
Nuno Cardoso Correia da Mota Pinto	José Carlos Sequeira Mateus	Commercial Division (Public Sector and Social Economy)
	Carlos Manuel Tavares da Silva	Loan Portfolio Monitoring Office Office of Promoters and Representation Offices
	Pedro Miguel Nunes Ventaneira	Credit Analysis Division
José Carlos Sequeira Mateus	Nuno Cardoso Correia da Mota Pinto	Financial and International Division Investor Relations Office
	Carlos Miguel Lopez Leiria Pinto / Pedro Miguel Nunes Ventaneira	Financial Assets Monitoring Office
Pedro Miguel Nunes Ventaneira	Carlos Manuel Tavares da Silva	Strategic Planning and Accounting Division Risk Division Prudential Regulation Monitoring Office Information Management Office
Helena Catarina Gomes Soares de Moura Costa Pina	Carlos Manuel Tavares da Silva	Legal Division Human Resources Division
	Pedro Miguel Nunes Ventaneira	Compliance Division Litigation Division
Carlos Miguel Lopez Leiria Pinto	Leandro Rodrigues da Graça Silva	Credit Recovery Division
Leandro Rodrigues da Graça Silva	José Carlos Sequeira Mateus	Organisational Development Office IT Division
	Carlos Miguel Lopez Leiria Pinto	Managing Operations and Services Division

”

17. On page 123 of the Base Prospectus, under the Chapter headed "**Board of Directors and Other Governing and Corporate Bodies of the Issuer**", the following entry shall be deleted:

"**Audit Commission**

The current members of the Audit Commission were elected at the Extraordinary General Meeting held on 16 March 2018 and each such member started their role on 21 March 2018, with the appointment lasting until 2021. The following are the members of the Audit Commission of the Issuer:"

and shall be replaced by the following entry:

"**Audit Committee**

The current members of the Audit Committee were elected at the Extraordinary General Meeting held on 16 March 2018 and each such member started their role on 21 March 2018, with the appointment lasting until 2021. The following are the members of the Audit Committee of the Issuer:"

18. On page 123 of the Base Prospectus, under the Chapter headed "**Board of Directors and Other Governing and Corporate Bodies of the Issuer**", the following entry shall be inserted in the table that identifies the current members of the Audit Committee of the Issuer, as follows:

"

Name		**Other positions**
Carlos Francisco Ferreira Alves	Member	No other positions

"

19. On page 123 of the Base Prospectus, under the Chapter headed "**Board of Directors and Other Governing and Corporate Bodies of the Issuer**", under the subtitle Remuneration Committee, the following entry shall be deleted:

"To be appointed by the Board of Directors, according to the article 15 of the Articles of Association."

and shall be replaced by the following entry:

“To be appointed by the Board of Directors, according to the article 11 of the Articles of Association.”

20. On page 123 of the Base Prospectus, under the Chapter headed “**Board of Directors and Other Governing and Corporate Bodies of the Issuer**”, under the subtitle Risk Committee, the following entry shall be deleted:

“

Name	Position
Carlos Manuel Tavares da Silva	Chairman
Luís Eduardo Henriques Guimarães	Member
Manuel Ferreira Teixeira	Member
Rui Pedro Brás de Matos Heitor	Alternate Member

Carlos Manuel Tavares da Silva is substituted in the position by Luis Eduardo Henriques Guimarães while performing executive duties. The Alternate Member is in office since this Statutory Committee requires a minimum of three members.”

and shall be replaced by the following entry:

“

Name	Position
Luís Eduardo Henriques Guimarães	Chairman
Manuel Ferreira Teixeira	Member
Rui Pedro Brás de Matos Heitor	Member

”

VI. GENERAL INFORMATION

21. On page 163 of the Base Prospectus, in the Chapter headed “**General Information**”, paragraph (3) shall be deleted and replaced with the following paragraph:

“(3) There has been no significant change in the financial or trading position of Banco Montepio since 31 December 2018, the date of the last published annual financial statements of Banco Montepio for the twelve months ended 31 December 2018."

22. On page 163 of the Base Prospectus, in the Chapter headed "**General Information**", paragraph (5) shall be deleted and replaced with the following paragraph:

"(5) Save as disclosed in the Chapter headed "**Description of the Issuer**" of this Base Prospectus, at the end of the section named "**Recent developments**" (which was added to page 113 of this Base Prospectus via Supplement dated 23 October 2018 and further updated via the Supplement dated 12 March 2019) under the paragraph with the heading "**Unfavourable ruling under an administrative proceeding**", neither CEMG nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CEMG is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects, in the context of the issue of the Notes, on the financial position or profitability of the CEMG Group."