



Fitch Downgrades CGD's Preference Shares to 'BBB'

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Fitch Ratings-London/Barcelona-04 March 2011: Fitch Ratings has downgraded Caixa Geral de Depositos's (CGD) hybrid capital instruments to 'BBB-' from 'BBB+', in line with Fitch's criteria for rating hybrid securities.

The downgrade reflects Fitch's view of the increased risk of coupon deferral due to the deterioration of CGD's standalone financial strength, as evidenced by the downgrade of its Individual rating to 'C' from 'B/C' (see "Fitch Downgrades 4 Portuguese Banks IDRs; Outlook Negative", dated 8 November 2010 on www.fitchratings.com). The downgrade of CGD's preference shares does not constitute a full review of CGD and therefore its other ratings are unaffected. The 'BBB-' rating on the preference shares is two notches below the bank's notional unsupported Issuer Default Rating (IDR) implied by its Individual Rating.

CGD is the parent of one of Portugal's leading financial groups and remains wholly owned by the Portuguese state. It is the market leader in deposits and residential mortgages (27% market share at end-H110). CGD's Support Rating of '1' is driven by the extremely high probability of support from the Portuguese state. Its Long and Short-term IDR ('A/Negative/F1') reflect the bank's Portuguese state ownership and are at the bank's Support Rating Floor.

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Additional information is available at www.fitchratings.com.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 16 August 2010, 'Equity Credit for Hybrids & Other Capital Securities - Amended' and 'Rating Hybrid Securities', both dated 29 December 2010, and 'Short-term Ratings Criteria for Corporate Finance', dated 2 November 2010, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria
Equity Credit for Hybrids & Other Capital Securities - Amended
Rating Hybrid Securities
Short-Term Ratings Criteria for Corporate Finance

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