PRESS RELEASE

Consolidated results
1st Quarter 2019 (*)

(Unaudited financial information)

First quarter 2019 results confirm progress in terms of profitability and asset quality, allowing to resume the payment of dividends

- Consolidated net income was up €58 million, an increase of 85% over March 2018 to €126.1 million, equivalent to ROE[1] (return on equity) of 6.6%;
- Core operating income was up 11.5% a year-on-year change, to €126 million;
- Income from services and commissions was up 4.8% over the preceding year;
- Operating costs were down 5.3% over the same period 2018;
- Total operating income was up €18.7 million over first quarter 2018 to €455.9 million;
- CGD's efficiency level, with a cost-to-income ratio of 48%[2], continues to make favourable progress;
- The maintenance of positive trend in quality of CGD's assets with a CGD Group NPL (non-performing loans) ratio of 7.8% and impairment and collateral coverage of 62.8% and 40.2% respectively (total coverage of 103.0%). Cost of credit risk was 0.06% in first quarter;
- Total resources continue to show the loyalty of CGD's customers, with a total amount of €72,874 million in domestic activity;
- Performing loan book, excluding public sector, with growth in the quarter;
- There was a 58% increase of €165 million in new residential mortgage loans over the same period 2018;
- CGD continued to enjoy a highly favourable liquidity position with €12.0 billion in assets eligible for the Eurosystem pool and an LCR (liquidity coverage ratio) of 304%;
- The fully loaded, CET 1, Tier 1 and Total ratios, at 15.0%, 16.1% and 17.4%, respectively, easily met the capital requirements currently in force for CGD. CET1 ratio thus registered an increase of 2.9% after the recapitalization;
- Employee costs registered €55 million against the usage of a provision that was put in place in 2017 to account for the Staff Reduction Plan, with a neutral impact in the quarter's results;
- The General Meeting will decide upon a proposal to distribute €200 million dividends over the 2018 net income;
- All regulatory costs for 2019 were fully recorded in the first quarter.

[1] Current activity ROE = (net income + non-recurring costs + non-controlling interests) / Shareholders ' equity (average of 13 monthly observations and annualized)

[2] Excluding non-recurring costs of M€ 58.5 in 2018 and M€ 55.9 in 2019 for staff reduction programs as well as administrative expenses

(*) 2018 accounts have been restated, considering Banco Comercial do Atlântico (BCA) as a non-current asset held for sale.

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1. MAIN INDICATORS (*)

CGD CONSOLIDATED	*Restated*	
BALANCE SHEET AND P&L INDICATORS (EUR million)	2018-03	2019-03
Net assets	90,937	91,645
Loans and advances to customers (net)	53,360	50,905
Customer deposits	61,454	64,771
Total operating income	437	456
Net core operating Income before impairments (1)	113	126
Net income	68	126
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (3) (4)	7.5%	11.9%
Net return on equity - ROE (4)	3.8%	6.6%
Gross return on assets - ROA (3) (4)	0.6%	1.1%
Net return on assets - ROA (4)	0.3%	0.6%
Total operating income / Average net assets (3) (4)	1.9%	2.1%
Employee costs / Total operating income (3)	45.3%	40.9%
Employee costs recurrent / Total core operating income (1) (2)	35.5%	32.9%
Cost-to-income BoP (3)	65.5%	60.3%
Cost-to-income (2) (3)	52.4%	48.2%
Cost-to-core income (2) (5)	57.8%	55.0%
CREDIT QUALITY AND COVER LEVELS (6)		
NPL ratio - EBA	11.5%	7.8%
NPE ratio - EBA	9.0%	6.1%
NPL coverage - EBA	60.0%	62.8%
NPE coverage - EBA	58.9%	62.5%
Forborne ratio for loans and advances - EBA (7)	6.2%	4.6%
Coverage ratio on forborne loans and advances - EBA (7)	100.0%	98.4%
Cost of credit risk(*)	0.22%	0.06%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	58.7%	55.5%
Loans & adv. customers (net) / Customer deposits (3)	86.8%	78.6%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR) (6)		
CET 1 (fully implemented)	13.6%	15.0%
Tier 1 (fully implemented)	14.6%	16.1%
Total (fully implemented)	14.9%	17.4%
Liquidity coverage ratio	241.3%	303.6%
OTHER INDICATORS		
Number of branches - CGD Group	1,137	1,062
Number of branches - CGD Portugal (Physical branches from individuals network)	587	520
Number of employees - Domestic activity	8,071	7,627
Number of employees - CGD Portugal	7,521	7,197
CGD RATING	Short Term	Long Term
FitchRatings	B	BB
Moody's	NP	Ba1
DBRS	R-2 (high)	BBB (low)

Note: Indicators calculations according to glossary at:
https://www.cgd.pt/English/Investor-Relations/Other-information/Glossary/Other-versions/Documents/Glossary_10MAY2018.pdf

Solvency and credit quality ratios as of end-March 2019 are estimated, subject to change upon their definitive calculation. Solvency ratios include Net income of the period.

(1) Net core operating Income before impairments = Total operating income of core activity - Operating Costs; Total operating income of core activity = Net interest income + net fees and commissions;(2) Excluding non-recurring costs of M€58.5 in 2018 and M€55.9 in 2019 for staff reduction programs as well as general administrative expenses; (3) Ratios defined by the Bank of Portugal (instruction 6/2018); (4) Considering average shareholders' equity and net asset values (13 observations); (5) Operating costs / Total operating income of core activity; (6) Prudencial perimeter, except when marked with (*); (7) CGD Portugal Ratios.

(*) The 2018 values have been restated, considering Banco Comercial do Atlântico (BCA) as a non-current asset held for sale.

2. CONSOLIDATED INFORMATION

RESULTS

CGD's total operating income for first quarter 2019 was up €18.7 million over first quarter 2018 to €455.9 million. Contributory factors to this favourable evolution were, on the one hand, income from services and commissions which were up 4.8% by €5.5 million to €120.2 million over 2018 and, on the other hand, the evolution of structural costs, which reached €277.7 million in the first three months of 2019, decreasing by €15.5 million (-5.3%) compared to the first quarter of 2018.

Operating costs include a non-recurrent cost of €55 million for the pre-retirement and voluntary redundancy programs in the employee costs component, which are compensated by the usage in equal amount of the provision established in 2017 for this purpose.

During the first quarter of 2019 net interest income reached €283.4 million, a reduction of €8 million (-2.8%) over the preceding year, given the low interest rate environment and the impact on the credit and financial assets portfolios.

Income from financial operations was, in turn, positive but down €13.4 million over the first quarter of the preceding year to €13.8 million in the first quarter of this year. This unfavourable performance was conditioned by the valuation of interest rate hedge derivatives, given the evolution of long-term interest rates, partly offset by income from the disposal of public debt instruments.

Other operating income was positively influenced by gains obtained in the sale of real estate assets (gross value of €50 million and an impact of €36 million in net income).

Net operating income before impairment was up 23.8% by €34.3 million, in comparison to the same period of the preceding year. Core net operating income before impairment, (as the sum of net interest income and commissions net of operating costs) was, in turn, up 14.6% to €726.1 million, in the period under analysis.

Credit impairment, net of recoveries for the amount of €8.5 million for the period between January and March 2019 was recognised in the consolidated accounts. The credit impairment aggregate for the period under analysis reflects a cost of credit risk of 6 bps, in comparison to 22 bps for first quarter 2018.

All know regulatory costs for the full year 2019 were accounted for in the first quarter, regardless of the timing of its payment.

The tax bill in March 2019 totalled €109.2 million, in comparison to €73.3 million for March 2018. The referred to tax includes a banking sector contribution of €27.0 million up to March 2019 (against €34.8 million for the same period of the preceding year).

Results from held-for-sale subsidiaries, reflecting a smaller contribution from BCG Spain, totalled €6.6 million. In turn, income from companies when measured by the equity accounting method, reflecting a decrease of around €5.7 million in the insurance area's contribution was €4.7 million at the end of first quarter 2019.

As a result of the above referred to evolution CGD posted consolidated profit of €126.1 million in first quarter 2019, against a net profit of €68.0 million in the same period of the preceding year, an increase of 85%.

BALANCE SHEET

CGD's consolidated net assets were up 2.8% by €708 million over the same period 2018 to €91,645 million at the end of first quarter 2019.

At 31 March 2019, investment in securities, including assets with repurchase agreements, were up 12.5% by €2,049 million over March 2018 and 0.5% over December 2018 to €18,432 million. Investments in credit institutions were up 13.6% by €415 million over the same period of the preceding year to €3,471 million.

Loans and advances to customers was down 4.6% over the end of March 2018 to a net €50,905 million. The sharp rise in new agreements was, however, insufficient to counter the reduction in the portfolio which was strongly influenced by sales of NPLs and deleveraging operations in several customer segments, particularly the public sector and major enterprises.

A total of 4,421 residential mortgage loans in the amount of €449 million, were entered into with CGD Portugal in first quarter 2019. This represented a 44.8% increase of 1,368 operations, up 58.3% by €165 million over March 2018.

Customers' deposits were up 5.4% by €3,317 million in comparison to the same period 2018, essentially explained by the amounts taken in by CGD Portugal.

Central banks' and credit institutions' resources were down 51.2% by €2,174 million. This change was more than justified by the early repayment of €3 billion in financing from the ECB. As a reminder, CGD and Caixa-Banco de Investimento had paid off their respective liabilities to the ECB, in full, at the end of 2018.

CGD maintained its leading position in the domestic market both in terms of total customer deposits, with a market share of 25%, and retail customers' deposits with 29%.

(EUR Million)

RESOURCES TAKEN	Restated 2018-03	Restated 2018-12	2019-03	Change 2019-03 vs. 2018-03 Total	(%)	Change 2019-03 vs. 2018-12 Total	(%)
Balance sheet	**70,053**	**68,931**	**70,592**	**538**	**0.8%**	**1,661**	**2.4%**
Central banks' & cred instit. resources	4,250	1,797	2,076	-2,174	-51.2%	279	15.5%
Customer deposits (Consolidated)	61,454	62,626	64,771	3,317	5.4%	2,144	3.4%
Domestic activity	52,135	53,263	55,477	3,342	6.4%	2,213	4.2%
International activity	9,319	9,363	9,294	-25	-0.3%	-69	-0.7%
Covered bonds	3,020	3,058	2,249	-771	-25.5%	-809	-26.5%
EMTN and other securities	1,228	1,362	1,368	140	11.4%	6	0.5%
Other	102	87	128	26	25.9%	41	46.8%
Off-balance sheet	**19,479**	**19,888**	**20,423**	**944**	**4.8%**	**535**	**2.7%**
Investment funds	4,059	3,745	4,007	-51	-1.3%	262	7.0%
Real estate investment funds	984	778	800	-184	-18.7%	23	2.9%
Pension funds	3,747	3,641	3,905	158	4.2%	265	7.3%
Financial insurance	7,803	8,586	8,591	789	10.1%	5	0.1%
OTRV Portuguese Governm. Bonds	2,886	3,138	3,119	232	8.0%	-19	-0.6%
Total	**89,532**	**88,819**	**91,015**	**1,482**	**1.7%**	**2,196**	**2.5%**
Total resources (domestic activity) (1)	**68,884**	**70,360**	**72,874**	**3,989**	**5.8%**	**2,514**	**3.6%**

(1) Includes customer deposits, investment funds, financial insurance, OTRV and other bonds, owned by customers.

Total resources taken from domestic activity were up 5.8% over the same period of the preceding year to €72,874 million at the end of first quarter 2019.

Reference should be made to the performance of customer deposits in the case of domestic activity and off-balance sheet products which, notwithstanding decreases in its funds component (especially treasury funds), were up 4.8% by €944 million with financial insurance up 10.1% by €789 million and variable-rate treasury bonds up 8.0% by €232 million over March 2018.

Loans and advances to customers (gross) were down 6.5% over first quarter 2018 to €53,979 million, with loans to corporates and retail customers in the case of CGD's activity in Portugal down 9.3% and 4.7%, respectively, reflecting the effort to reduce the stock of NPL.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS	Restated	Restated		Change 2019-03 vs. 2018-03		Change 2019-03 vs. 2018-12	
	2018-03	2018-12	2019-03	Total	(%)	Total	(%)
CGD Portugal	**47,933**	**44,629**	**44,303**	**-3,630**	**-7.6%**	**-326**	**-0.7%**
Corporate	15,252	13,997	13,830	-1,422	-9.3%	-168	-1.1%
General government	4,930	4,124	4,114	-815	-16.5%	-10	-0.2%
Institutionals and other	1,345	1,160	1,181	-164	-12.2%	21	1.6%
Individual customers	26,407	25,348	25,178	-1,229	-4.7%	-169	-0.6%
Mortgage loans	25,530	24,496	24,340	-1,190	-4.7%	-156	-0.6%
Other	877	852	839	-38	-4.4%	-13	-1.5%
Other CGD Group companies	**9,778**	**9,821**	**9,676**	**-102**	**-1.0%**	**-145**	**-1.5%**
Total	**57,711**	**54,450**	**53,979**	**-3,732**	**-6.5%**	**-471**	**-0.8%**

Note: Gross loans and advances to customers

CGD achieved a 19% share of the credit market in February 2019 (15% for corporate and 24% for residential mortgage loans).

The loans-to-deposits ratio at the end of first quarter 2019 stood at 78.6% in comparison to 87.0% in March 2018. This demonstrates the strong resilience of CGD's depositors, even in an environment of low interest rates.

The quality of CGD's assets evolved favourably with a €2.4 billion reduction of 33.1% over March 2018 in its NPL (non performing loans) ratio according to the EBA definition in which, in addition to portfolio disposals a positive evolution in terms of cured and recovered credit was witnessed. The NPL ratio at the end of first quarter 2019 stood at 7.8% with impairment and collateral coverage of 62.8% and 53.7% respectively at the same date (total coverage of 103.0%).

LIQUIDITY

CGD Group's liquidity status remained at comfortable levels in first quarter 2019, reinforced by increases in deposits. This situation enabled it to fully liquidate a €750 million covered bonds issuance without the need to refinance.

Resources of €546 million taken from the ECB (European Central Bank) at the end of March 2019 were up €75 million over the end of December 2018. Banco Caixa Geral Spain was fully responsible for this liability and no other CGD Group entities have any other liability to the ECB. The Group, however, has a total amount of €12 billion in eligible assets for the Eurosystem pool which it can access at any time.

The liquidity position at the end of March 2019 was highly favourable with an LCR (liquidity coverage ratio) of 303.6%. This was higher than regulatory requirements and the average of European Union banks.

CAPITAL

Consolidated shareholders' equity at 31 March 2019 stood at €8,378 million. This was up €324 million in comparison to the same period 2018. Other reserves and retained earnings were up 13% by €389 million, largely on account of the incorporation of positive results for 2018.

(EUR Million)

SHAREHOLDERS' EQUITY	Restated	Restated		Change 2019-03 vs. 2018-03	
	2018-03	2018-12	2019-03	Total	(%)
Share capital	3,844	3,844	3,844	0	0.0%
Other capital instruments	500	500	500	0	0.0%
Revaluation reserves	309	257	291	-18	-5.8%
Other reserves and retained earnings	2,991	2,855	3,380	389	13.0%
Non-controlling interests	343	333	237	-106	-30.8%
Net income	68	496	126	58	85.3%
Total	**8,054**	**8,285**	**8,378**	**324**	**4.0%**

The other equity instruments account totalling €500 million refers to the market issuance of Additional Tier 1 securities at the end of March 2017.

The fully loaded, CET 1, tier 1 and total ratios, at 15.0%, 16.1% and 17.4%, respectively (including net income for the period), easily met the capital requirements currently in force for CGD.

The General Meeting scheduled for May 2019 will decide upon a proposal to distribute €200 million dividends over the 2018 net income.

RELEVANT EVENTS

Rating upgrades

In March 2019, following the publication of law 23/2019, which gives preference to all depositors in the case of banks' insolvency or resolution processes, DBRS Ratings upgraded its ratings on long term deposits to BBB (up 1 notch) and to R-2 (high) for short terms deposits, with a "stable" trend which was changed to "positive" in the following month in alignment with the review of the rating trend for the Portuguese Republic.

Innovation and digital transformation

The Digital Transformation Program continues with initiatives for end-to-end business transformation. In the business context, the development of support processes for the commercialization of core credit products, companies and individuals stands out.

CGD also continues to commit resources to its remote customers management services which account more than 301,000 customers, to meet the needs of customers who prefer a proximity relationship with the bank with the convenience of extended opening times and a multiplicity of contact channels. This comprises a year-on-year increase of 67% customers served.

CGD had about 1.61 million individual and corporate digital customers with active contracts, in the domestic market at the end of March 2019. Of note is the use of the Caixadirecta App, considering its 36% growth compared to the first quarter of 2018 and which accounted for 64% of total accesses to Caixadirecta, the Portuguese App with the highest number of ratings in Apps Stores (more than 55,000) and the financial App with the highest evaluation in IOS.

CGD continues to be the only bank in the top 25 in terms of number of social network searches. This is more than with more than twice that of the second placed bank (NetAudience meterpanel - February 2019).

Finally, the fact that cgd.pt site has become 100% accessible to people with disabilities, meeting AAA accessibility level.

Improved customer loyalty with an increase in the number of "Caixa Accounts"

Customers continue to express their preference for "Caixa accounts" as a multiproduct solution comprising a current account, online transfers, credit and debit cards and insurance. At the end of March 2019, subscriptions reached a total number of 1.6 million accounts, up by 64 thousand active accounts across the first quarter of the year and corresponding to the opening of 20,000 accounts per month.

New commercial offer

The growing demand for oversight of different customer segments requires the permanent adequacy of solutions enabling prompt replies to meet different needs, pursuant to which CGD launched the following diversified offer:

- Launch of a line of credit with a mutual guarantee for students in higher education, reinforcing CGD's current credit offer for training purposes.
- Reinforcement of the Crédito Caixa Casa Eficiente ("Efficient Home"), to help improve energy efficiency and the environmental performance of homes.
- Launch of the Conta Caixa Business ("Business Account"), as a multiproduct solution comprising a current account, online transfers, debit and credit cards, cheques and use of Caixa POS terminals at lower prices on the basis of a fixed monthly amount. The importance of this solution, recognised by customers in terms of their treasury management was confirmed by the reception of 20 thousand new subscriptions.
- Launch of new government sponsored credit lines, including for IT Innovation and Tourism Development;
- Launch of FLEXCASH, an innovative digital solution to manage and anticipate payments (confirming);
- Import/export documentary credits in EUR and USD extended to forfait;
- Offer of fixed rate MLT loans and leasing operations (new tenor: up to 20 years);
- Roll out of export credit insurance products (Caixa-COSEC) for companies;
- Launch of Caixa Invest Cultura Criativa line of credit exclusively for the domestic market, as part of the European Fund for Strategic Investments CCS GF (Cultural and Creative Sector Guarantee Facility) with a guarantee of 50%. This is a means of promoting creativity and innovation as a distinctive factor to boost the domestic economy.

A better customer experience

The improvement of its customers' experience is a priority for CGD and is a core issue in strengthening its value proposals for customers. CGD is indisputably the bank with more services for its customers, sustained by more than 336 thousand retail and 34.4 thousand corporate customers with a dedicated account manager.

A new branch office model was presented in Lisbon and Porto, designed to provide customers with a new experience based on an evolutive customer care vision based on a highly systematic proximity and technological approach which reinforces the use of self-service tools and processes associated with key times.

A new, faster and more expedient process for registering new customers and opening accounts was developed with greater emphasis on functionalities related to the integrated contracting of loyalty products and the automatic reading of citizens' cards. This reduces the time required to initiate a relationship with CGD by 75%.

According to Basef, CGD has the highest share of a major bank (36%).

Encontros Fora da Caixa conferences

CGD organised 3 "Encontros Fora da Caixa" meetings in 1st quarter 2019 in Ponta Delgada, Portalegre and Vila Real, dealing with regional issues and helping to define a strategic vision for companies and the country. These meetings were attended by around 1,152 CGD customers in person. There were also 52 thousand streaming views. The first cycle of these "Encontros" was thus concluded with events held in all district capitals over the last two years.

Caixa continues to lead the main customer and product segments

Particularly in terms of unit trust investment funds and deposits, loans to households, payments and bank cards and in the digital area, with 2.4 million Caixadirecta customers (1.1 million of whom active).

As regards the protection of people with fewer resources, reference should be made to the "minimum banking services" account in which CGD is the leader with a market share of around 44.2% (December 2018).

In terms of government sponsored lines, CGD achieved in the first 3 months of 2019 a leading position in the placement of Mutual Guarantee, PME Investment, IFD and supranational (EIB and EIF) lines, reaching 1st place in Linha Capitalizar Mais ("Capitalisation Plus") line of credit.

Prizes and distinctions

Across the 1st quarter 2019, the following awards and distinctions were attributed distinguishing CGD Group's activity in retail banking, investment banking and fund management:

- CGD – Best Bank in Portugal 2018, by English EMEA Finance magazine, in its Europe Banking Awards 2018;
- CGD – Most valuable brand (AA+) – in the Top 500 Banking Brands 2019, by The Banker magazine. The CGD is the first Portuguese bank brand in the ranking, 215th place worldwide, up 32 positions in just one year;
- CGD – Best 2019 Premium Card assigned to the Platinum Card by the online simulator Compara.J.com, which distinguishes the most competitive premium card;
- CaixaBI - Nº 1 IPO & Seasoned Equity Offer House 2019, by Euronext Lisbon Awards 2019;
- Caixagest – Best Global Domestic Manager, by Morningstar, a distinction which it had already received in 2015 and 2018, which covers its global offer of funds;
- Caixagest – Best Domestic Bond Manager, by Morningstar, for the fifth consecutive year.

3. DOMESTIC AND INTERNATIONAL ACTIVITY

Domestic activity contributed €85.6 million to CGD Group's net income in first quarter 2019, in comparison to €29.6 million in the same period of the preceding year.

In the case of CGD's core activity, reference should be made to income from services and commissions which was up 5.3% over the same period 2018 to €99.3 million in the first three months of the year and the other operating income aggregate that, up €35.7 million over the amount for first quarter 2018, compensated the reduction of €14.5 million in income from financial operations and €5.5% decrease of €10.9 million in net interest income in the period in question.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	Restated 2018-03	2019-03	Change (%)	Restated 2018-03	2019-03	Change (%)
Net interest income	196.9	186.0	-5.5%	94.9	97.2	2.4%
Income from equity instruments	7.3	4.0	-45.1%	0.0	0.0	10.3%
Net fees and commissions	94.3	99.3	5.3%	21.1	21.3	0.9%
Net trading income	20.6	6.1	-70.4%	6.3	7.9	26.0%
Other operating income	8.2	43.9	434.0%	-2.0	-2.6	-
Total operating income	**327.3**	**339.4**	**3.7%**	**120.3**	**123.8**	**2.9%**
Employee costs	167.1	155.1	-7.2%	35.5	33.5	-5.6%
Administrative expenses	64.3	49.4	-23.1%	22.0	24.6	11.9%
Depreciation and amortisation	9.6	16.1	67.0%	5.3	6.3	19.0%
Operating costs	**241.0**	**220.6**	**-8.5%**	**62.7**	**64.4**	**2.6%**
Net operating income before impairments	**86.3**	**118.8**	**37.6%**	**57.6**	**59.4**	**3.2%**
Credit impairment (net)	14.4	6.0	-57.9%	19.0	2.5	-87.0%
Provisions and impairments of other assets (net)	-5.6	-61.9	-	-6.0	-0.1	-
Net operating income	**77.6**	**174.7**	**125.2%**	**44.5**	**57.0**	**28.2%**
Income Tax	57.3	92.6	61.7%	16.1	16.6	3.1%
Net operat. inc. after tax and before non-controlling interests	**20.3**	**82.1**	**304.3%**	**28.4**	**40.5**	**42.4%**
Non-controlling interests	1.0	1.2	19.5%	5.4	6.6	21.7%
Results from subsidiaries held for sale	n.a.	n.a.	n.a.	15.2	6.6	-56.6%
Results of associated companies	10.3	4.7	-54.1%	0.2	0.0	-98.5%
Net income	**29.6**	**85.6**	**189.3%**	**38.4**	**40.5**	**5.3%**

(*) Pure intragroup transactions with no impact on consolidated net income are not eliminated.

Operating costs were down 8.5% in first quarter 2019 to €220.6 million, achieving positive evolution over the same quarter 2018, impacted by the decrease of general administrative costs and employee costs. This amount includes a non-recurrent cost of €55 million for early retirement and voluntary redundancy programs, which is compensated by the usage in equal amount of the provision established in 2017 for this purpose.

International business's contribution of €40.5 million to consolidated net income in first quarter 2019 was up 5.3% over the same period 2018. The main contributions to income from international activity in the first three months of the year were made by BNU Macau (€17.1 million), BCI Mozambique (€8.0 million), and France branch (€6.3 million).

Total operating income from international activity grew 2.9% over the same period of the preceding year. With the exception of other operating income which remained negative in the case of international activity, all total operating income components recorded growth over the preceding year, with special reference to the 2.4% growth of €2.3 million in net interest income and 26.0% growth of €1.6 million in income from financial operations.

Notwithstanding the 5.6% decrease in the employee costs component, operating costs were up 2.6% over March 2018, with administrative costs up 11.9% and depreciation and amortisation up 19%.

In the course of the implementation of the Strategic Plan, the branches in London, Cayman, Macau Offshore, Zhuhai and New York have been closed. During 2018, the sale of CGD's holdings in Mercantile Bank Holdings Limited (South Africa) and Banco Caixa Geral Geral, S.A. (Spain) advanced. The conclusion of the sale process is dependent on authorization from local authorities. There were also developments in the sale of BCG Brazil.

In the beginning of 2019, the sale process of Banco Comercial do Atlântico (Cape Verde) was started. The closing of the Luxembourg branch evolved and is expected to be concluded in the near future.

The objective of these operations is to rationalize CGD Group's international structure, allowing for some capital release and reduction of its risk profile.

4. CONSOLIDATED ACCOUNTS AND SEPARATE ACCOUNTS – CGD, S.A.

(EUR Million)

BALANCE SHEET	Consolidated Activity				Separate Activity			
	Restated 2018-03	Restated 2018-12	2019-03	Change YtD (%)	2018-03	2018-12	2019-03	Change YtD (%)
ASSETS								
Cash and cash equiv. with central banks	4,148	5,528	5,590	1.1%	3,344	4,661	4,746	1.8%
Loans and advances to credit instit.	3,157	3,057	3,471	13.6%	4,337	3,964	4,398	11.0%
Securities investments	15,907	16,383	18,432	12.5%	17,434	17,995	19,847	10.3%
Loans and advances to customers	53,360	51,144	50,905	-0.5%	47,284	44,852	44,714	-0.3%
Assets with repurchase agreement	125	55	76	38.4%	125	0	76	-
Non-current assets held for sale	7,368	7,028	6,947	-1.2%	708	657	633	-3.6%
Investment properties	893	810	807	-0.4%	3	5	5	0.0%
Intangible and tangible assets	551	491	701	42.7%	328	292	492	68.5%
Invest. in subsid. and assoc. companies	394	384	416	8.2%	3,549	1,672	1,633	-2.3%
Current and deferred tax assets	2,315	2,151	2,093	-2.7%	2,219	2,045	1,992	-2.6%
Other assets	2,718	2,097	2,207	5.3%	2,009	1,463	1,410	-3.6%
Total assets	**90,937**	**89,129**	**91,645**	**2.8%**	**81,339**	**77,607**	**79,946**	**3.0%**
LIABILITIES								
Central banks' and cred. instit. resources	4,250	1,797	2,076	15.5%	5,004	2,176	2,512	15.5%
Customer resources	61,556	62,714	64,899	3.5%	56,666	56,215	58,501	4.1%
Debt securities	3,222	3,260	2,453	-24.8%	3,222	3,261	2,453	-24.8%
Financial liabilities	955	738	839	13.7%	950	731	838	14.6%
Non-current liabilities held for sale	6,456	6,185	6,132	-0.9%	0	0	0	-
Provisions	1,335	1,047	1,021	-2.5%	1,310	1,046	1,018	-2.6%
Subordinated liabilities	1,026	1,160	1,164	0.4%	1,127	1,270	1,164	-8.4%
Other liabilities	4,083	3,943	4,683	18.8%	5,895	5,543	5,961	7.5%
Sub-total	**82,882**	**80,843**	**83,267**	**3.0%**	**74,174**	**70,240**	**72,448**	**3.1%**
Shareholders' equity	**8,054**	**8,285**	**8,378**	**1.1%**	**7,165**	**7,367**	**7,498**	**1.8%**
Total	**90,937**	**89,129**	**91,645**	**2.8%**	**81,339**	**77,607**	**79,946**	**3.0%**

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity			Separate Activity		
	Restated 2018-03	2019-03	Change (%)	2018-03	2019-03	Change (%)
Interest and similar income	512,140	478,762	-6.5%	381,199	352,399	-7.6%
Interest and similar costs	220,744	195,410	-11.5%	177,909	161,115	-9.4%
Net interest income	291,396	283,353	-2.8%	203,290	191,284	-5.9%
Income from equity instruments	7,280	3,998	-45.1%	31,301	39,865	27.4%
Net interest inc. incl. inc. from eq. investm.	**298,676**	**287,350**	**-3.8%**	**234,591**	**231,148**	**-1.5%**
Fees and commissions income	142,837	148,913	4.3%	116,055	122,620	5.7%
Fees and commissions expenses	28,132	28,706	2.0%	19,386	19,957	2.9%
Net fees and commissions	114,705	120,207	4.8%	96,669	102,663	6.2%
Net trading income	27,264	13,830	-49.3%	35,419	20,675	-41.6%
Other operating income	-3,517	34,484	-	-26,882	20,619	-
Non-interest income	**138,451**	**168,522**	**21.7%**	**105,206**	**143,957**	**36.8%**
Total operating income	**437,128**	**455,872**	**4.3%**	**339,797**	**375,106**	**10.4%**
Employee costs	202,553	188,539	-6.9%	167,090	155,483	-6.9%
Administrative expenses	75,746	66,773	-11.8%	60,357	50,780	-15.9%
Depreciation and amortisation	14,921	22,378	50.0%	10,168	16,292	60.2%
Operating costs	293,219	277,690	-5.3%	237,615	222,555	-6.3%
Net operating income before impairments	**143,908**	**178,182**	**23.8%**	**102,182**	**152,551**	**49.3%**
Credit impairment (net)	33,379	8,519	-74.5%	18,115	9,323	-48.5%
Provisions for reduction of employees	-43,768	-55,000	-	-45,668	-55,000	-
Provisions for sale international subsidiaries	0	0	-	0	0	-
Provisions for garantees and other commitements	-14,548	-15,750	-	-13,771	-16,159	-
Other provisions and impairments	46,792	8,698	-81.4%	-2,198	4,367	-
Provisions and impairments	**21,855**	**-53,533**	**-**	**-43,522**	**-57,469**	**-**
Net operating income	**122,054**	**231,715**	**89.8%**	**145,704**	**210,019**	**44.1%**
Income Tax	**73,331**	**109,177**	**48.9%**	**67,502**	**89,574**	**32.7%**
of which Contribution on the banking sector	34,792	27,030	-22.3%	34,092	26,480	-22.3%
Net op. inc. after tax and before non-controlling int.	**48,723**	**122,538**	**151.5%**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	6,399	7,766	21.4%	n.a.	n.a.	n.a.
Results of associated companies	10,493	4,727	-54.9%	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	15,219	6,598	-56.6%	n.a.	n.a.	n.a.
Net income	**68,035**	**126,097**	**85.3%**	**78,202**	**120,446**	**54.0%**

This document is an English translation of the Portuguese language document "Press Release - Resultados Consolidados 1º Trimestre de 2019". In the event of any inconsistency, the original version prevails.

Lisbon, 02 May 2019