RESS RELEASE

1st Quarter 2020
Consolidated results

CGD, as market leader, faces economic crisis caused by the COVID-19 pandemic with an unparalleled capital and liquidity position

- Consolidated net income in the first quarter of 2020 was €86.2 million (down €39.9 million over the same period in 2019), equivalent to a ROE of 4.5% (down 2.1 p.p. year-on-year);

  Net income includes a charge in impairments and provisions for credit guarantees in the amount of €60 million in anticipation of the consequences of the economic crisis.

  It also reflects the first impacts resulting from the Covid-19 pandemic that began being felt in the second half of March. The measures resulting from the declaration of a State of Emergency originated a reduction in transactions and a decrease in demand for credit by corporates and individuals;

- Cost of credit risk cost reached 7 bps as a consequence of the additional impairments, in anticipation of the pandemic impact. Without this charge, it would have stayed at the same level as of the end of December 2019: -9 bps;

- Recurrent operating costs were down 4%, compared to March 2019. This results from a decrease in administrative expenses (-10%) an effect of optimizing operational efficiency and from a reduction in employee costs of 3%;

- CGD's efficiency level stayed below 50% with current cost-to-income ratio at 49%(1),

- Customer deposits were up €1.7 billion in the quarter, essentially from an increase in CGD Portugal, showing customer trust and loyalty to CGD;

- The balance of corporate loans in Portugal (excluding the construction and real estate sectors) grew 2.1% in the quarter (up €186 million) with new loans reaching €1.2 billion;

- New mortgage loans were up 13%, compared to the first quarter of 2019 despite signs of a slowdown in the second half of March;

- Non-Performing Loans ratio decreased to 4.5%, continuing its convergence to the European banking average. The NPL ratio net of impairments reached 0.7%;

- Capital ratios reached 16.6% in core capital (CET1) and 19.2% in total capital, above Portuguese and European average. The reduction to the levels of December 2019 is a consequence of the impact in fair value reserves from the lower value of public debt;

- Following the ECB's recommendation, it will proposed to the General Meeting that no dividends from the 2019 net income be distributed but rather form part of free reserves.

(1) Excluding non-recurring costs for employee redundancy programmes of €55,9 million in March 2019 and €61,3 million in March 2020.

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DISCLAIMER

- The financial statements have been prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted in the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Council and of the Parliament of July 19 and provisions of Decree-Law No. 35/2005 of February17. The financial information reported is unaudited.

- The financial metrics in this presentation refer to March 31, 2020, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period.

- The first months of 2020 have been marked by the COVID-19 pandemic. As a consequence of the spread of the disease, with confirmed cases in more than 200 countries and territories, drastic measures have been taken to contain it, including the restrictions on mobility of the population, the closure of national borders and conditioning in a wide range of economic activities. Consequently, there is a strong deceleration in economic activity worldwide, anticipating a scenario of a global recession, with a high uncertainty regarding its depth and duration.

  Naturally, although still uncertain, impacts are expected on the Group's activity and its ability to achieve its economic and financial goals. The degree of which will depend on multiple factors, such as the depth of the economic crisis, its duration, the economic sectors that will be most affected, the nature and impact of the monetary and fiscal policy measures that the various governments and economic blocs will adopt, namely the European Union.

  In light of these uncertainties, and based on the information available at this time, it is not possible to reliably estimate the financial effects of this pandemic, including the valuation of financial and non-financial assets and the measurement of expected losses in the loan portfolio that will be prospectively recorded.

- This document is intended for general information only and does not constitute investment recommendation or professional guidance and may not be construed as such.

This document is an English translation of the Portuguese language document “Press Release - Resultados Consolidados 1º Trimestre de 2020”. In the event of any inconsistency, the original version prevails.

1. MAIN INDICATORS

CGD CONSOLIDATED	Restated	
BALANCE SHEET AND P&L INDICATORS (EUR million)	2019-03	2020-03
Net assets	91,645	86,288
Loans and advances to customers (net)	50,905	48,008
Customer deposits	64,771	67,364
Total operating income	453	427
Net core operating Income before impairments (1)	130	117
Net income	126	86
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (3) (4)	11.9%	8.4%
Net return on equity - ROE (4)	6.6%	4.5%
Gross return on assets - ROA (3) (4)	1.1%	0.8%
Net return on assets - ROA (4)	0.6%	0.4%
Total operating income / Average net assets (3) (4)	2.0%	1.9%
Employee costs / Total operating income (3)	41.2%	44.4%
Employee costs recurrent / Total core operating income (1) (2)	33.1%	33.5%
Cost-to-income BoP (3)	60.1%	63.3%
Cost-to-income (2) (3)	47.9%	49.0%
Cost-to-core income (2) (5)	54.7%	54.5%
CREDIT QUALITY AND COVER LEVELS (6)		
NPL ratio - EBA	7.8%	4.5%
NPL ratio (net)	3.4%	0.7%
NPE ratio - EBA	6.1%	3.6%
NPL coverage - EBA	62.8%	84.3%
NPE coverage - EBA	62.5%	80.0%
Forborne ratio for loans and advances - EBA (7)	4.6%	3.5%
Coverage ratio on forborne loans and advances - EBA (7)	98.4%	87.4%
Cost of credit risk(*)	0.06%	0.07%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	55.5%	55.6%
Loans & adv. customers (net) / Customer deposits (3)	78.6%	71.3%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR) (6)		
CET 1 (fully implemented)	14.6%	16.6%
Tier 1 (fully implemented)	15.6%	17.8%
Total (fully implemented)	16.9%	19.2%
Liquidity coverage ratio	303.6%	392.0%
OTHER INDICATORS		
Number of branches, local extensions and corporate offices - CGD Portugal	552	551
Number of employees - Domestic activity	7,627	7,066
Number of employees - CGD Portugal	7,197	6,684
Number of ATM and ATS in Portugal	3,023	2,918
CGD RATING	Short Term	Long Term
FitchRatings	B	BB+
Moody's	NP	Ba1
DBRS	R-2 (high)	BBB

Note: Indicators calculations according to glossary at:

https://www.cgd.pt/English/Investor-Relations/Other-information/Glossary/Other-versions/Documents/Glossary_10MAY2018.pdf

(1) Net core operating Income before impairments = Net interest income incl. income from equity investments +net fees and commissions - Operating Costs;(2) Excluding non-recurring costs of M€55,9 in March 2019 and M€61,3 in March 2020 for staff reduction program; (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;

2. CONSOLIDATED INFORMATION

RESULTS

First quarter 2020 was marked by an emergency in the form of the COVID-19 pandemic. Caixa Geral de Depósitos group's activity has naturally been affected by the pandemic and the respective containment measures taken by the competent entities and its consolidated profit was, accordingly, down 31.6% in the first three months of 2020 to €86.2 million in comparison to net income of €126.1 million in the same period of the preceding year.

Notwithstanding the fact that operating costs continued to trend downwards, the drop in total operating income activity explains the decrease of net operating income before impairment. The positive performance of income from services and commissions, income from financial operations and operating costs accounts was not sufficient to reverse the negative effect of the evolution of net interest income and other operating income.

Net interest income in the first three months of 2020 was down 7.3% by €20.6 million over the same period of the preceding year owing to the current interest rate situation and, particularly, the high level of early loan repayments by public entities in 2019 given the low funding cost for the Republic.

Commissions were up by 1.9% (€2.3 million) year-on-year. Income from financial operations was also up 136.8% by €18.9 million, despite the negative impact in March, which was also reflected in the capital ratios through the fair value reserves of the public debt portfolios.

Conversely, other operating income was down 85.4% by €29.4 million year-on-year. This variation essentially derives from the positive impact in the first quarter 2019 accounts of the capital gain resulting from the sale of a property on Rua do Ouro, in Lisbon.

Operating costs of €271.4 million, in March 2020, were down 1.4% over March 2019. This positive performance essentially derived from a 10% decrease of general administrative costs. Employee costs, on the other hand, were up 1.0% by €1.9 million, although they included a non-recurring cost of €61.3 million (€55.9 million in 2019) for early retirement and voluntary redundancy programmes, mainly as a charge to the use of the same amount from the provision set up in 2017 for this purpose i.e. with no impact in net result. Excluding these non-recurrent costs there was a 3% reduction in employee costs.

Operating income (down 24.9%) was also negatively impacted owing to the €43 million increase of provisions for guarantees and other commitments in comparison to the amount recognised in March 2019. Impaired credit net of recoveries of €822 thousand reflecting a prudent attitude towards the possible deterioration of the credit portfolio, due to the current context with an increase of around €20 million in credit impairments

Tax was down 24.2% by €26.5 million. A contribution for this reduction was made by the current taxes which were down €17.3 million. As in the same period 2019, all costs related to contributions to supervisory and regulatory bodies, including the deposit guarantee fund, were recognised in first quarter 2020.

Income from held-for-sale subsidiaries was down 60.3% over first quarter 2019, to €2.6 million, owing to the exit of Mercantile Holdings and Banco Caixa Geral (Spain) from the CGD Group perimeter, accounting for an overall contribution of €5.6 million to this account in March 2019. Income from companies, based on the equity accounting method was also down 56.3% to €2.1 million, impacted by the decrease of the contribution from the insurance area.

BALANCE SHEET

CGD's consolidated net assets, year-on-year 2019, were down 5.8% by €5,356 million to €86,288 million in first quarter 2020. This evolution was mainly influenced by the 82.6% reduction of non-current assets held-for-sale deriving from the October 2019 disposals of Banco Caixa Geral (Spain) and Mercantile Bank (South Africa) in the following month in the bank's due furtherance of the implementation of its strategic plan and balance sheet optimisation operations.

Securities investments at, 31 March 2020, were up 12.9% by €2,385 million over March 2019 to €20,817 million, almost exclusively in public debt. Loans and advances to credit institutions totalled €4,012 million.

Loans and advances to customers (net) were down 5.7% over end March 2019 to €48,008 million. There was a slowdown of the rate of growth of new agreements which were influenced by the adverse economic conditions at the end of the first quarter of the year. The reduction of loans and advances to customers was sharply influenced by disposals of NPLs (non-performing loans) and deleveraging in state-owned companies throughout 2019, having however recorded a positive evolution compared to December.

CGD Portugal entered into 4,545 mortgage lending agreements amounting to €507 million in first quarter 2020. This represented a year on year 2.8% increase of 124 agreements and was up 12.9% by €58 million.

Special reference should be made to the 7.6% growth of corporate loans in Portugal (excluding construction and real estate) deriving from CGD's commitment to backing the most dynamic sectors of the domestic economy.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS			Change 2020-03 vs. 2019-03	
	2019-03	2020-03	Total	(%)
CGD Portugal	**44,303**	**40,987**	**-3,316**	**-7.5%**
Corporate	13,836	13,849	12	0.1%
General government and other	5,288	2,795	-2,493	-47.1%
Individual customers	25,178	24,343	-835	-3.3%
Mortgage loans	24,340	23,558	-782	-3.2%
Other	839	785	-54	-6.4%
Other CGD Group companies	**9,676**	**9,175**	**-501**	**-5.2%**
Total	**53,979**	**50,162**	**-3,817**	**-7.1%**

Note: Gross loans and advances to customers

CGD achieved an 18.1% share of the domestic credit market in February 2020, comprising 14.5% in terms of corporate and 23.6% in residential mortgage loans.

Customer deposits, essentially comprising resources taken by CGD Portugal, were up 4.0% by €2,593 million over the same period 2019.

CGD maintained its leading domestic market position in terms of total customer deposits in February with a market share of 25.3%. Reference should be made to its market share of 29.1% in the case of individual customers' deposits.

Total resources taken from domestic activity at the end of March 2020 were up 1.4% over the same period last year to €73,737 million. Reference should be made to the 3.8% increase of €2,086 million in customer deposits in the case of domestic operations, evidencing the confidence and loyalty of CGD customers. With the exception of pension funds, the reduction of off-balance sheet products over the same quarter of the preceding year was across-the-board to all components and was particularly expressive in the case of financial insurance and variable-income treasury bonds which were down by 3.1% by €265 million and 4.7% by €147 million, respectively, mainly due to the devaluation of these assets.

(EUR Million)

RESOURCES TAKEN			Change 2020-03 vs. 2019-03	
	2019-03	2020-03	Total	(%)
Balance sheet	**70,592**	**71,162**	**570**	**0.8%**
Central banks' & cred instit. resources	2,076	1,162	-913	-44.0%
Customer deposits (Consolidated)	64,771	67,364	2,593	4.0%
Domestic activity	55,477	57,562	2,086	3.8%
International activity	9,294	9,802	508	5.5%
Covered bonds	2,249	1,249	-1,000	-44.4%
EMTN and other securities	1,368	1,293	-75	-5.5%
Other	128	93	-35	-27.7%
Off-balance sheet	**20,423**	**20,049**	**-374**	**-1.8%**
Investment funds	4,007	3,879	-128	**-3.2%**
Real estate investment funds	800	759	-41	**-5.2%**
Pension funds	3,905	4,113	208	**5.3%**
Financial insurance	8,591	8,326	-265	**-3.1%**
OTRV Portuguese Governm. Bonds	3,119	2,972	-147	**-4.7%**
Total	**91,015**	**91,211**	**196**	**0.2%**
Total resources (domestic activity) (1)	**72,736**	**73,737**	**1,001**	**1.4%**

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

The loans-to-deposits ratio stood at 71.3% in March 2020 against 78.6% in March 2019, as a reflection of the increase of deposits and decrease of the loans and advances portfolio.

Asset quality continued to improve. NPLs (as defined by the EBA) were down 48% by €2.3 billion over March 2019 as a result of the favourable evolution of disposals and recoveries and positive evolution of the cured credit component. The NPL ratio of 4.5%, in comparison to 7.8% in March 2019, confirmed CGD's focus on endeavouring to converge with the average for European banks. Impairment and collateral coverage of 84.3% and 39.6% thereon, respectively (total coverage ratio of 123.8%) at the said date, resulted in an NPL rate of 0.7%, net of impairment. This evolution also reflects the preventive increase of credit impairments made in the quarter.

LIQUIDITY

A continuation of CGD's high level of liquidity enabled it to redeem a €1 billion covered bond in first quarter 2020 without recourse to market refinancing.

This situation, accompanied by a comfortable level of own funds also enabled CGD group to continue its operations without the need to borrow from the European Central Bank.

CGD had €13 billion in eligible assets included in the Eurosystem pool at the end of first quarter 2020, up by around €2.2 billion over the end of 2019, with additional €5.3 billion eligible assets that are not included in that pool, but immediately available.

The LCR (liquidity coverage ratio) of 392% the end of March 2020 exceeded regulatory requirements and the average for European Union banks.

CAPITAL

Consolidated shareholders' equity was up €94 million year-on-year to €8,472 million at 31 March 2020. Reference should be made to the 7.5% increase of €253 million in other reserves and retained earnings and reduction of €117 million in revaluation reserves.

Other equity instruments of €500 million refer to the market issuance of additional tier 1 securities at the end of March 2017.

(EUR Million)

SHAREHOLDERS' EQUITY			Change 2020-03 vs. 2019-03	
	2019-03	2020-03	Total	(%)
Share capital	3,844	3,844	0	0.0%
Other capital instruments	500	500	0	0.0%
Revaluation reserves	291	174	-117	-40.2%
Other reserves and retained earnings	3,380	3,632	253	7.5%
Non-controlling interests	237	235	-2	-0.9%
Net income	126	86	-40	-31.6%
Total	**8,378**	**8,472**	**94**	**1.1%**

The fully loaded, CET 1, tier 1 and total ratios, of 16.6%, 17.8% and 19.2%, respectively (including net income for the period), met the capital requirements currently in force for CGD.

RELEVANT EVENTS

Measures to minimise the impact of COVID-19 on corporate and personal customers

The end of first quarter 2020 witnessed a national emergency scenario in the form of the COVID-19 pandemic which required a prompt response to help corporate and personal customers to transcend the major liquidity constraints generated by the reduction of activity, pursuant to which CGD put in place a collection of measures designed to minimise the impact on its customers.

Corporate customers: Possibility of implementing a moratorium on live operations; COVID 19 Capitalizar 2018 (capitalisation) – line of credit; COVID 19 economic support line of credit; Flexible solutions for the Caixa Invest Inovação (investment and innovation) line of credit; Small traders exempted from monthly POS equipment charges; Possibility of rescheduling operations.

Individual customers: Possibility of implementing a moratorium on live operations; Mortgage loan protection for permanent own residence; Mortgage and personal credit protection; Unlimited SEPA and MB Way transfers; No fees payable for the first year or during the crisis period; Use of app for easy access to Caixa.

In order to ensure the provision of essential banking services and face-to-face service to individual customers and companies at a national level, CGD kept 99% of the branches in operation until the end of March, on schedule, adopting a set of measures to reinforce the protection and safety of customers and employees.

Rating – rating agencies adopt a cautious approach to the impact of the pandemic

The economic context deriving from the pandemic, in first quarter 2020, lowered expectations of a rating upgrade, based on the successful implementation of the strategic plan (up 5 notches since 2017).

Fitch Ratings left its rating on CGD's senior long term debt (IDR – Issuer Default Rating) unchanged at BB+ at 3 April 2020, having reduced outlook from stable to negative. The lowering of outlook is a consequence of the expected deterioration of economic conditions in Portugal, deriving from the impact of Covid-19, in line with the announcement of identical decreases in several banking systems across the eurozone.

Fitch also announced a BBB- rating on CGD's deposits for the first time. This was one notch higher than the rating on senior debt and only one notch lower than the rating on Portugal's public debt. This rating reflects greater protection for deposits in the event of a resolution.

Innovation and digital transformation

The COVID-19 pandemic confirmed CGD's leadership status as the digital bank of Portuguese citizens, based on its almost immediate provision of distance solutions to facilitate access to the bank and maintain customer proximity: Online application forms for moratoria requests; Immediate and fully digital adherence to Caixadirecta via app and use of Caixadirecta's digital app assistant to unblock agreements and register payment holiday requests were some of the news. We were also the 1st bank in Portugal with a 100% teleworking contact centre.

CGD continued to focus on innovative solutions with an improved level of customer experience and satisfaction, enhancing online functions with the possibility of blocking cards and certifying the device being used to improve security.

In the DABOX app, customers now have the possibility to transfer their accounts from other banks - a unique feature on the market - and to log in using a digital mobile key.

The new solutions launched in the market and the development and innovation strategy implemented had a positive impact on the perception of the brand, leading our customers to recognize us, more and more, as "Best Digital Bank" (BrandScore 1st Quarter 2020 study).

CGD's digital channels continue to growth in number of customers, accesses and operations. In the last month alone more than one million customers with more than 18.5 million logins accessed the service. The app accounted for 70% of accesses to Caixadirecta.

CGD increased the number of its domestic market customers for its digital services. There are currently 1.74 million customers with active Caixadirecta agreements.

It should be noted that, at the end of the quarter, more than 68% of operations executed by CGD customers were carried out through digital channels (variation of 16 pp compared to the reference value in previous months).

This was accompanied by a simultaneous growth of distance customer management which already has 12 centres, managing a total number of 502 thousand customers, almost double the number of customers in 2018 and meeting the needs of customers who recognise the added value of a distance manager in the current pandemic.

Enhanced value proposals and customer service levels

Caixa continues to lead the main customer and product segments, particularly unit trust investment funds, deposits, credit to households, payments and bank cards and digital business.

In terms of the offer to its personal customers CGD introduced real Estate Leasing for Housing which stands out with more competitive rates and a new simulator, relaunch of the Life Protection Plan, family protection insurance and savings incentives, Life Insurance associated with housing credit with more competitive conditions and more comprehensive protection, Liber 3G Auto insurance and the launch of a structured deposit USD 5 Shares March 2022.

The total number of subscriptions to Caixa Accounts (multi-product solution) exceeded 1.8 million accounts at the end of the 1st quarter of 2020, +15% over March 2019 and 75 thousand more accounts than in December 2019.

To support the Portuguese corporate business, we highlight the placement of over 10,000 Caixa Business Accounts, the multi-product solution that encompasses several products, namely Caixadirecta Empresas, which allows customers to access their accounts and carry out the most frequent banking transactions, autonomous and simple, without the need to go to the bank branch.

The maintenance of medium-term financing and the increase in the number of customers helps to reinforce CGD's position as a corporate bank.

Service Quality Assessment

According to the Caixa 2020 Satisfaction and Recommendation Research, the 1st quarter shows a high proportion of satisfied customers (76% of individual customers and 72% corporate and business customers) who expressed their satisfaction or high level of satisfaction in terms of their global experience with Caixa.

At the top of reasons are solidity/trust (22%), good service (19%) and competitive pricing/services (9%).

On the other hand, the retention rate for individual customers at the end of March was 97.9%, up 3.3 p.p. from the previous year.

According to Brand Score, in the first quarter of 2020, CGD enjoyed an increase in all brand indicators, as assessed by clients, in particular in the categories: Strength, Governance, Ethics, Sectorial relevance, Costumer Benefits and in Bank for the Youth, thus improving its Reputation Index. Probability of losing current clients decreased and attractiveness for non-customers increased.

Onstrategy also reports the Caixa brand as one of the most relevant. The Banker magazine maintained in 2020 a AA+ rating (Very Strong) just one notch below the highest ranking of AAA (Extremely Strong). In the 2020 edition of the Marktest Reputation Index and based on data gathered between the second and twentieth of March, Caixa is the winner in the Banking category.

Sustainability

CGD continued to implement its Sustainability Strategy for the 2018/2020 three-year period, having reviewed its matrix of material themes that will guide the definition of future Sustainability areas of action.

In the environmental aspect, CGD was recognized by the Carbon Disclosure Project, with a Leadership rating (A-) in the Climate Change 2019 questionnaire. In January 2020, the Lisbon Capital Verde European Commitment 2020 was signed, to which CGD committed itself to develop a set of initiatives to reduce its environmental impact.

In the social dimension, the development of the 2nd edition of the Caixa Social 2020 Awards and the *Caixa Mais Mundo* Awards stands out, which allowed the support of 18 projects and 100 higher education students, respectively.

In response to the impact of COVID-19, CGD anticipated the Caixa Social 2021 Awards in order to support entities in the social sector. The support of these Awards includes initiatives undertaken by non-profit legal entities whose activity is linked to fighting, controlling, preventing and responding to the health, social and economic impacts of the COVID-19 pandemic.

Prizes and distinctions

In 1st quarter of 2020, the following awards and distinctions were attributed distinguishing CGD Group's activity in retail banking, digital banking and fund management:

- CGD – Best Bank in Portugal 2019, for the 6th consecutive year by English EMEA Finance magazine, in its Europe Banking Awards 2019
- CGD – Most reputed brand 2020 – Banking, by Marktest Reputation Index (MRI)
- CGD - Brand awarded with the award “On Strategy - Brands Reputation Portugal 2020 Awards” by Reputation Knowledge Center
- CGD - Best Digital Bank, result of the BrandScore study for the 1st Quarter of 2020
- Caixa Gestão de Ativos – Best Global Domestic Manager, by Morningstar Awards 2020, a distinction which it had already received for the 4rd year, which covers its global offer of funds
- Caixa Gestão de Ativos – Best Domestic Bond Manager, by Morningstar Awards 2020, for the 6th consecutive year
- Caixa Gestão de Ativos – Sustainable Finance 2020 Award, by Euronext Lisbon Awards 2020, which rewards the greatest positive impact on environmental, social or corporate governance matters.

3. DOMESTIC AND INTERNATIONAL ACTIVITY

Domestic activity's contribution to CGD Group's net profit was down 25.5% to €63.8 million against €85.6 million for the same period of the preceding year.

This decrease in net income over the same period in 2019 mainly reflects the reduction in other operating income, as the capital gain from the sale of the property in Rua do Ouro was recorded in the first quarter of 2019. Net interest income and the provisions and impairments aggregate also recorded an unfavorable evotution, with a reduction of €18.5 million and an increase of €16.2 million euros, respectively, reflecting in the second case the increase of 60 million euros in this aggregate to face a possible deterioration of the credit portfolio, due to the current context.

Net trading income registered a favorable evolution (€16.0 million). Commissions have increased by €6 million euros in the same period.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	Restated 2019-03	2020-03	Change (%)	Restated 2019-03	2020-03	Change (%)
Net interest income	186.0	167.5	-10.0%	97.2	95.4	-1.9%
Income from equity instruments	4.0	3.5	-12.0%	0.0	0.0	34.6%
Net fees and commissions	96.8	102.8	6.2%	21.3	20.0	-6.0%
Net trading income	6.1	22.1	262.4%	7.9	10.7	34.9%
Other operating income	43.9	14.1	-67.9%	-2.6	-2.5	-
Total operating income	336.8	309.9	-8.0%	123.8	123.6	-0.1%
Employee costs	155.1	152.9	-1.4%	33.5	37.6	12.4%
Administrative expenses	46.9	40.6	-13.4%	24.6	24.3	-1.3%
Depreciation and amortisation	16.1	16.2	0.9%	6.3	6.7	6.8%
Operating costs	218.0	209.7	-3.8%	64.4	68.6	6.6%
Net operating income before impairments	118.8	100.2	-15.6%	59.4	55.0	-7.5%
Credit impairment (net)	6.0	-8.7	-	2.5	18.1	629.8%
Provisions and impairments of other assets (net)	-61.9	-31.0	-	-0.1	2.8	-
Net operating income	174.7	140.0	-19.9%	57.0	34.1	-40.2%
Income Tax	92.6	77.1	-16.8%	16.6	5.6	-66.0%
Net operat. inc. after tax and before non-controlling interests	82.1	62.9	-23.3%	40.5	28.5	-29.6%
Non-controlling interests	1.2	1.0	-18.9%	6.6	8.9	35.0%
Results from subsidiaries held for sale	0.0	0.0	-	6.6	2.6	-60.3%
Results of associated companies	4.7	1.9	-60.6%	0.0	0.2	-
Net income	85.6	63.8	-25.5%	40.5	22.4	-44.6%

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

Operating costs, in a total amount of € 209.7 million had a positive level of performance over the first quarter of 2019 (-3.8%), impacted by the decrease of general administrative costs and employee costs. This latter heading includes as of March 2020 a non-recurring cost of €61.3 million for early retirement and voluntary redundancy programmes, as a charge to the use of the same amount from the provision which was set up in 2017 for this purpose, and consequently without impact in net result.

There was a slight increase of 0.6% in the Core Recurrent Operating Income before Impairments excluding non recurrent costs, as the positive evolution in commissions and the costs reduction fully compensates for the reduction in net interest income.

The international business area's contribution to consolidated net profit was down 44.6% over March 2019 to €22.4 million. The main contributions to income from international activity in the first quarter of 2020 were from BNU Macau (€15.0 million), BCI Mozambique (€5.9 million) and Banco Caixa Geral Angola (€3.8 million). Total operating income from international activity was €124 million, a similar amount comparing to the same quarter of the previous year, while operating costs registered an increase of 6.6%, justified by several factors recorded in the France Branch (excessive reversal of provisions in 2019), BNU Macau (COVID 19 effects) and BCI Mozambique (increase in pay scales).

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

(EUR Million)

	Consolidated Activity				Separate Activity			
BALANCE SHEET	2019-03	2020-03	Change		2019-03	2020-03	Change	
ASSETS			Total	(%)			Total	(%)
Cash and cash equiv. with central banks	5,590	6,594	1,004	18.0%	4,746	5,714	967	20.4%
Loans and advances to credit instit.	3,471	4,012	540	15.6%	4,398	4,978	579	13.2%
Securities investments	18,432	20,817	2,385	12.9%	19,847	21,961	2,114	10.7%
Loans and advances to customers	50,905	48,008	-2,897	-5.7%	44,714	41,780	-2,934	-6.6%
Assets with repurchase agreement	76	17	-59	-77.8%	76	0	-76	-
Non-current assets held for sale	6,947	1,207	-5,741	-82.6%	633	222	-411	-64.9%
Investment properties	807	205	-602	-74.6%	5	5	0	0.4%
Intangible and tangible assets	701	651	-50	-7.1%	492	470	-22	-4.4%
Invest. in subsid. and assoc. companies	416	416	0	0.0%	1,633	1,540	-93	-5.7%
Current and deferred tax assets	2,093	1,831	-263	-12.6%	1,992	1,752	-239	-12.0%
Other assets	2,207	2,532	325	14.7%	1,410	1,530	120	8.5%
Total assets	**91,645**	**86,288**	**-5,356**	**-5.8%**	**79,946**	**79,952**	**6**	**0.0%**
LIABILITIES								
Central banks' and cred. instit. resources	2,076	1,162	-913	-44.0%	2,512	1,913	-600	-23.9%
Customer resources	64,899	67,457	2,558	3.9%	58,501	60,753	2,252	3.8%
Debt securities	2,453	1,421	-1,031	-42.1%	2,453	1,422	-1,031	-42.0%
Financial liabilities	839	1,015	176	21.0%	838	1,013	175	20.9%
Non-current liabilities held for sale	6,132	885	-5,246	-85.6%	0	0	0	-
Provisions	1,021	1,057	35	3.5%	1,018	1,067	49	4.8%
Subordinated liabilities	1,164	1,121	-44	-3.7%	1,164	1,121	-43	-3.7%
Other liabilities	4,683	3,698	-985	-21.0%	5,961	5,033	-928	-15.6%
Sub-total	**83,267**	**77,817**	**-5,450**	**-6.5%**	**72,448**	**72,321**	**-127**	**-0.2%**
Shareholders' equity	**8,378**	**8,472**	**94**	**1.1%**	**7,498**	**7,631**	**133**	**1.8%**
Total	**91,645**	**86,288**	**-5,356**	**-5.8%**	**79,946**	**79,952**	**6**	**0.0%**

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated 2019-03	2020-03	Change		2019-03	2020-03	Change	
			Total	(%)			Total	(%)
Interest and similar income	478,762	402,046	-76,716	-16.0%	352,399	287,705	-64,694	-18.4%
Interest and similar costs	195,410	139,295	-56,115	-28.7%	161,115	111,711	-49,404	-30.7%
Net interest income	283,353	262,752	-20,601	-7.3%	191,284	175,993	-15,290	-8.0%
Income from equity instruments	3,998	3,518	-480	-12.0%	39,865	68,063	28,198	70.7%
Net interest inc. incl. inc. from eq. investm.	**287,350**	**266,270**	**-21,081**	**-7.3%**	**231,148**	**244,056**	**12,908**	**5.6%**
Fees and commissions income	148,913	152,818	3,905	2.6%	122,620	125,789	3,170	2.6%
Fees and commissions expenses	31,252	30,288	-964	-3.1%	22,503	23,239	736	3.3%
Net fees and commissions	117,661	122,530	4,869	4.1%	100,116	102,551	2,434	2.4%
Net trading income	13,830	32,753	18,923	136.8%	20,675	29,237	8,562	41.4%
Other operating income	34,484	5,035	-29,449	-85.4%	20,619	-15,608	-36,227	-
Non-interest income	**165,975**	**160,319**	**-5,657**	**-3.4%**	**141,411**	**116,180**	**-25,231**	**-17.8%**
Total operating income	**453,326**	**426,588**	**-26,738**	**-5.9%**	**372,560**	**360,237**	**-12,323**	**-3.3%**
Employee costs	188,539	190,463	1,924	1.0%	155,483	155,042	-441	-0.3%
Administrative expenses	64,227	57,979	-6,248	-9.7%	48,234	43,436	-4,798	-9.9%
Depreciation and amortisation	22,378	22,949	572	2.6%	16,292	17,341	1,050	6.4%
Operating costs	275,143	271,391	-3,753	-1.4%	220,009	215,819	-4,189	-1.9%
Net operating income before impairments	**178,182**	**155,198**	**-22,985**	**-12.9%**	**152,551**	**144,417**	**-8,134**	**-5.3%**
Credit impairment (net)	8,519	9,341	822	9.6%	9,323	2,974	-6,349	-68.1%
Provisions for reduction of employees	-55,000	-61,329	-6,329	-	-55,000	-61,159	-6,159	-
Provisions for garantees and other commitements	-15,750	27,787	43,537	-	-16,159	28,394	44,553	-
Other provisions and impairments	8,698	5,298	-3,400	-39.1%	4,367	-1,433	-5,800	-
Provisions and impairments	**-53,533**	**-18,903**	**34,630**	**-**	**-57,469**	**-31,223**	**26,246**	**-**
Net operating income	**231,715**	**174,101**	**-57,614**	**-24.9%**	**210,019**	**175,640**	**-34,379**	**-16.4%**
Income Tax	**109,177**	**82,711**	**-26,466**	**-24.2%**	**89,574**	**67,490**	**-22,084**	**-24.7%**
of which Contribution on the banking sector	27,030	23,677	-3,354	-12.4%	26,480	23,377	-3,104	-11.7%
Net op. inc. after tax and before non-controlling int.	**122,538**	**91,390**	**-31,149**	**-25.4%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	7,766	9,844	2,078	26.8%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	4,727	2,065	-2,662	-56.3%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	6,598	2,618	-3,979	-60.3%	n.a.	n.a.	n.a.	n.a.
Net income	**126,097**	**86,229**	**-39,868**	**-31.6%**	**120,446**	**108,151**	**-12,295**	**-10.2%**

Lisbon, 13th of May 2020