PRESS RELEASE **CAIXA GERAL DE DEPÓSITOS**

CONSOLIDATED RESULTS

FIRST 9M 2020

Consolidated net income totals €392 M. Preventative impairment reinforcement impacts recurring results (€342 M), down 29% over 2019.

Response to the Covid-19 pandemic impacts the results of the first nine months of 2020. CGD reinforces support to families and companies with growth in new mortgage loan operations and an increase in the corporate loan portfolio.

Consolidated net income for first nine months of 2020 was down 39% over the same period 2019 to €392 million, equivalent to a ROE of 6.6% (down by a year-on-year 4.2 p.p.).

This amount includes an extraordinary gain of €51 million (after tax) arising from actuarial gains in liabilities with post-employment benefits (pension fund and medical plan). Current net income of €342 million was therefore down 29% over the current income in first nine months of 2019. ROE stood at 5.8%;

The cost of credit risk totalled 0.29% owing to a €220 million increase of impairment and provisions in anticipation of the effects of the Covid-19 pandemic;

Recurring operating costs, down 6% over September 2019, reflected improved efficiency levels as shown by the recurring cost-to-income ratio of 49%[1] in terms of domestic activity;

Customer deposits were up €5.3 billion in the first nine months of 2020. This was essentially on account of the resources taken by CGD Portugal, fuelled by higher levels of household savings and showing our customers' trust in Caixa;

The corporate credit stock in Portugal (excluding the construction and real estate sectors) grew 9.8% across the first nine months of 2020, strengthening the support for corporates.

CGD maintained the trend of increasing its mortgage loans production share, which reached 21% between January to August (24% considering only the month of August). The annual output growth reached 4% over the same period of 2019;

Improvement of asset quality, with the non-performing loans (NPL) ratio decreasing to 4.2% which, together with impairment increases resulted in an NPL ratio net of impairment of 0.5% (considering all credit impairments);

Capital ratios reached 17.2% in core capital (CET1) and 19.8% in total capital, both above the average for eurozone banks.

[1] Excluding non-recurring costs

MAIN INDICATORS

CGD CONSOLIDATED	*Restated*	
BALANCE SHEET AND P&L INDICATORS (EUR million)	2019-09	2020-09
Net assets	89,862	90,357
Loans and advances to customers (net)	49,179	48,314
Customer deposits	64,674	70,470
Total operating income	1,379	1,213
Net core operating Income before impairments (1)	551	531
Net income	641	392
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (3) (4)	14.6%	9.2%
Net return on equity - ROE (4)	10.8%	6.6%
Gross return on assets - ROA (3) (4)	1.4%	0.9%
Net return on assets - ROA (4)	1.0%	0.6%
Total operating income / Average net assets (3) (4)	2.1%	1.9%
Employee costs / Total operating income (3)	31.0%	30.9%
Employee costs recurrent / Total core operating income (1) (2)	32.2%	33.1%
Cost-to-income BoP (3)	49.7%	49.9%
Cost-to-core income (2) (5)	53.5%	53.9%
CREDIT QUALITY AND COVER LEVELS (6)		
NPL ratio - EBA	6.6%	4.2%
NPL ratio (net)	2.1%	0.5%
NPE ratio - EBA	4.9%	3.3%
NPL coverage - EBA	68.1%	89.2%
NPE coverage - EBA	66.5%	82.9%
NPL specific coverage - EBA	55.3%	62.3%
NPE specific coverage - EBA	54.0%	58.8%
Forborne ratio for loans and advances - EBA (7)	4.1%	4.5%
Coverage ratio on forborne loans and advances - EBA (7)	100.2%	90.6%
Cost of credit risk(*)	0.01%	0.29%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	54.7%	53.5%
Loans & adv. customers (net) / Customer deposits (3)	76.0%	68.6%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR) (6)		
CET 1 (fully implemented)	15.7%	17.2%
Tier 1 (fully implemented)	16.7%	18.4%
Total (fully implemented)	18.0%	19.8%
Liquidity coverage ratio	325.4%	382.0%
OTHER INDICATORS		
Number of branches, local extensions and corporate offices - CGD Portugal	552	551
Number of employees - Domestic activity	7,421	6,763
Number of employees - CGD Portugal	7,011	6,409
Number of ATM and ATS in Portugal	2,999	2,894
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 ; (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;

CONSOLIDATED INFORMATION

RESULTS

The first nine months of 2020 were marked by the particularly challenging context of the Covid-19 pandemic, reflected in a sharp retraction in economic activity in Portugal and worldwide. The preventive increase of impairments and provisions, in anticipation of the effects of the Covid-19 pandemic, conditioned CGD's activity, which still generated a consolidated profit of €392.3 million in the first nine months of 2020 (a reduction of 38.8% compared to the same period in 2019), equivalent to a return on equity (ROE) of 6.6%.

Net income includes an extraordinary gain of 50.5 million euros (after tax) arising from actuarial gains in liabilities with post-employment benefits (pension fund and medical plan). In September 2019, net income was impacted by the non-recurring gain related to the reversal of €159 million of impairment associated with the sale of Banco Caixa Geral (Spain) and Mercantile (South Africa), adjusting the valuation of these assets that resulted from the provision made in 2017 to the sale price reached in the negotiation process.

Thus, the current net income in the first nine months of this year was €341.8 million, which compares with €481.4 million generated in the same period of 2019, corresponding to a year-on-year reduction of 29.0%. ROE for current activity was accordingly 5.8%, down 2.4 pp. over the first nine months of 2019.

During the first nine months of 2020, despite the maintenance of the downward trend in operating costs, the unfavourable evolution of total operating income conditioned net operating income before impairment, which decreased by €95.5 million (13.9%) compared to the level recorded in the same period of 2019. Net interest income decreased by €76.5 million (-9.0%) compared to the same period of the previous year, impacted by the historically low levels of interest rates and the early amortization of credit to public entities that occurred in 2019.

Year-on-year net commission earnings were down 0.3% by €1.1 million. Income from financial operations of €38.8 million was up €20.8 million over the €18.0 million recognised in the first nine months of 2019.

Other operating income had a significant decrease in the first nine months of 2020, to €96.3 million (-81.2% below the value recorded in the same period of 2019), with the recording in 2019 of the capital gains resulting from the sale of the Rua do Ouro property being the most relevant contribution to explain this unfavorable evolution.

Operating costs totaled €620.9 million in the first nine months of 2020, which translated into a 10.2% reduction compared to the first nine months of 2019. This positive evolution was especially significant in the decrease of €47.7 million of employee costs (-11.0%).

These costs include, in the first nine months of 2020, non-recurring costs of €75.7 million for early retirement and voluntary redundancy programmes and a positive impact of €70.7 million mentioned above, in respect of the actuarial gains in liabilities for post-employment benefits. The exclusion of these non-recurring results would have resulted in a 3.7% reduction of employee costs. General administrative costs, in turn, were down 12.3% by €23.6 million. Excluding the above referred to non-recurring items the year-on-year reduction of operating costs as a whole was 5.7%.

Profitability of the first nine months of 2020 was also affected by the preventive reinforcement of provisions and impairments to face the expected impacts resulting from the pandemic crisis. Operating income, (down 37.5%), was negatively impacted by increased provisions for guarantees and other liabilities, which were up €78.3 million over first nine months of 2019. In the period from January to September 2020, credit impairments were recorded, net of recoveries, in the amount of €110 million, an increase of €106 million compared to the same period of the previous year, thus reflecting a prudent attitude towards the possible deterioration of the credit portfolio. The credit impairment aggregate reflects, in the period under analysis, a cost of credit risk of 31 bp, which compares with 1 bp in the first nine months of 2019.

Income from held-for-sale subsidiaries, down €19.1 million to €15.1 million, over the first nine months of 2019, reflected the exits of Mercantile Holdings and Banco Caixa Geral (Spain) from CGD Group's consolidation perimeter owing to the sale of these two entities pursuant to the implementation of the bank's strategic plan and balance sheet optimisation process. Together, the two subsidiaries contributed €20 million to this account in September 2019.

In turn, the results of companies measured by the equity accounting method, impacted by the increase of the insurance area's contribution, were up €17.5 million over the first nine months of 2019, to €30.7 million.

BALANCE SHEET

CGD's consolidated net assets at the end of the first nine months of 2020 was slightly up by €495 million, to €90,357 million (+0.6% year-on-year 2019).

Non-current assets held-for-sale were down 82.9% by €5.7 billion owing to the sale of Banco Caixa Geral (Spain) in October 2019 and Mercantile Bank (South Africa) in the following month, as part of the bank's strategic plan and balance sheet optimisation process.

Securities investments were up 22.5% by €4,539 million over September 2019 to €24,698 million, at 30 September 2020, almost all of which in public debt. Cash and cash balances at central banks were up 50.9% by €2,454 million over September 2019 to €7,275 million.

Loans and advances to customers (net) were down 1.8% over the end of September 2019 to €48,314 million due to the reduction in lending to public entities and the sale of NPL portfolios during the last quarter of 2019.

The adverse environment in force since the end of the first quarter of the year had the effect of slowing the rate of growth of new agreements, although evolution in comparison to the preceding year, was positive.

14,033 mortgage lending operations totalling €1,554 million, were entered into with CGD Portugal in the first nine months of 2020. This was an increase of 4.0% by €59 million over the same period last year.

Special reference should be made to the 3.4% or €467 million growth in the first nine months of 2020 in corporate loans in Portugal (excluding the construction and real estate sectors), reflecting CGD's commitment to support the most dynamic sectors in the national economy particularly in the current context.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS			Change 2020-09 vs. 2019-09	
	2019-09	2020-09	Total	(%)
CGD Portugal	**42,135**	**41,347**	**-788**	**-1.9%**
Corporate	13,709	14,176	467	3.4%
General government and other	3,708	2,820	-888	-23.9%
Individual customers	24,719	24,351	-368	-1.5%
Mortgage loans	23,918	23,598	-320	-1.3%
Other	801	753	-47	-5.9%
Other CGD Group companies	**9,722**	**9,175**	**-547**	**-5.6%**
Total	**51,857**	**50,522**	**-1,336**	**-2.6%**

Note: Gross loans and advances to customers

CGD achieved a 17.9% share of the credit market in the national marketplace in August 2020 of 14.2% in the case of corporate loans and 23.4% in the case of individual mortgage loans.

The 9.0% increase of €5,796 million in customer deposits in comparison to the same period 2019 essentially derives from resources taken by CGD Portugal.

CGD retained its leading position in the national market in August 2020, both in terms of total customer deposits with a market share of 25.5% and individual customers' deposits with a market share of 29.6%.

Total resources taken from domestic activity at the end of September 2020 were up 7.6% over the same period of last year to €77,496 million. Reference should be made to the 11.2% increase of €6,142 million in customer deposits from domestic operations, as a sign of the confidence and loyalty of CGD customers.

The reduction of off-balance sheet products in comparison to the same period last year is essentially explained by the reduction of the financial insurance component and variable-income treasury bonds which were down 8.4% by €717 million and 4% by €125 million, respectively. Unit trust investment funds were up €210 million, real estate investment funds up €94 million and pension funds up €304 million.

(EUR Million)

RESOURCES TAKEN			Change 2020-09 vs. 2019-09	
	2019-09	2020-09	Total	(%)
Balance sheet	**69,542**	**75,300**	**5,758**	**8.3%**
Central banks' & cred instit. resources	1,598	2,190	591	37.0%
Customer deposits (Consolidated)	64,674	70,470	5,796	9.0%
Domestic activity	55,061	61,203	6,142	11.2%
International activity	9,613	9,267	-346	-3.6%
Covered bonds	2,276	1,255	-1,021	-44.9%
EMTN and other securities	796	1,238	442	55.5%
Other	198	147	-51	-25.6%
Off-balance sheet	**20,764**	**20,531**	**-234**	**-1.1%**
Investment funds	4,202	4,412	210	**5.0%**
Real estate investment funds	838	932	94	**11.2%**
Pension funds	4,045	4,349	304	**7.5%**
Financial insurance	8,588	7,870	-717	**-8.4%**
OTRV Portuguese Governm. Bonds	3,092	2,967	-125	**-4.0%**
Total	**90,307**	**95,831**	**5,524**	**6.1%**
Total resources (domestic activity) (1)	**72,015**	**77,496**	**5,481**	**7.6%**

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

The loans-to-deposits ratio of 68.6% in September 2020 (76.0% in September 2019), reflects the significant increase in deposits.

Asset quality continued to trend to improvement with NPLs (non-performing loans as defined by the EBA) down 39% by €1.5 billion over September 2019 owing to, in addition to the positive evolution of cured credit, disposals and recoveries, which also performed well. The NPL ratio of 4.2%, against 6.6% in September 2019, confirmed the commitment to endeavour to converge to the average for European banks. Specific impairment and collateral coverage at 30 September 2020 were 62.3% and 29.2% respectively. If considered the total credit impairment, we achieve an NPL coverage ratio of 89.2% (total coverage ratio of 118.4%), giving an NPL ratio, net of impairment of 0.5%. This evolution also reflects increased impairment as a preventative measure in 2020.

LIQUIDITY

CGD continues to enjoy ample liquidity, allowing it to redeem a covered bond for the amount of €1 billion in January 2020, without recourse to market refinance.

In the sphere of Eurosystem monetary policy measures and in consideration of the alterations made by the European Central Bank in the context of the Covid-19 pandemic, CGD obtained €1 billion in funding from the European Central Bank in the form of a TLTRO-III (Targeted Longer-Term Refinancing Operation) in June.

Simultaneously, CGD increased the value of its assets on the Eurosystem collateral pool to around €14.2 billion. This was an increase of €3.4 billion over the end of 2019, maintaining a high level of collateral available.

The liquidity coverage ratio (LCR) of 382%, at the end of September 2020, was much higher than the current liquidity regulatory requirement (100%).

CAPITAL

Consolidated shareholders' equity was up €12 million over the same period in 2019 to €8,631 million at 30 September 2020. Reference should be made to the 13.5% positive evolution of €409 million in other reserves and retained earnings and the €109 million decrease in revaluation reserves.

Other reserves also reflected the change of actuarial assumptions on pension funds – reduction of the discount rate to 1.30% (against 1.40% in December 2019), which was partly offset by actuarial gains in responsibilities with post-employment.

"Other equity instruments" of €500 million refers to the market issue of additional tier 1 funds securities at the end of March 2017

(EUR Million)

SHAREHOLDERS' EQUITY			Change 2020-09 vs. 2019-09	
	2019-09	2020-09	Total	(%)
Share capital	3,844	3,844	0	0.0%
Other capital instruments	500	500	0	0.0%
Revaluation reserves	358	249	-109	-30.5%
Other reserves and retained earnings	3,022	3,431	409	13.5%
Non-controlling interests	253	215	-39	-15.2%
Net income	641	392	-249	-38.8%
Total	**8,618**	**8,631**	**12**	**0.1%**

The fully loaded CET1, Tier 1 and Total ratios, (including net income for the period) were 17.2%, 18.4% and 19.8% respectively, meeting CGD's current capital requirements. These ratios, above the Portuguese and European average, show CGD's robust and adequate capital position.

RELEVANT EVENTS

Measures to minimise the impact of Covid-19 on corporate and individual customers and employee protection

Third quarter 2020 continued to be impacted by a nationwide emergency scenario deriving from the Covid-19 pandemic. Caixa has, since March, been engaged on the development of a series of measures to minimize the pandemic's impact on customers.

Corporate customers: possibility of a moratorium on current operations; Covid-19 Capitalizar 2018 (capitalisation line of credit); Covid-19 Linha de Apoio à Economia (economic support line of credit); specific lines of credit for Madeira and the Azores; Linha de Crédito de Apoio ao Setor da Pesca 2020 (fisheries support 2020 line of credit); flexible Linha Caixa Invest Inovação (investment, innovation line of credit); no monthly fees on POS equipment for small traders; possibility of rescheduling operations.

Individual customers: possibility of a moratorium on current operations; mortgage loan protection and loans for training purposes, protection for non-mortgage loans, specialised credit and leasing operations; unlimited SEPA and MB Way transfers; no commissions in the first year or during the crisis period; increased flexibility for insurance; easy app-based access to Caixa.

CGD promptly adjusted its offer, in line with the significant legislative changes to the incentives package during the course of the second and third quarters, both as regards moratoria and lines of credit. Such adjustments included:

- Information to individual customers adhering to the APB-CGD moratorium on the possibility of conversion to a moratorium defined by law, benefiting from extensions to maturities and the possibility of redemptions of retirement savings plans at no cost or fiscal penalty, for people with a drop in income following the Covid-19 pandemic;

- The consolidation of a proactive approach to corporate customers, encouraging their use of the support mechanisms provided by Caixa and the state, which include the new EIF- Covid lines of credit for customers not eligible for mutual guarantee lines of credit, the Covid-19 Economic Support line of credit for micro and small enterprises and the Social Innovation Fund (SIF) line of credit for micro-enterprises, SMEs and social economy entities, promoting innovation and social entrepreneurship initiatives.

As part of its contingency plan Caixa took a series of steps to strengthen the protection and safety of its customers and employees, enabling 99% of branch offices to remain open, ensuring the provision of essential banking and face-to-face services for individual and corporate customers, over the whole of mainland Portugal and its islands, as well as the full operational capacity in the central services.

Innovation and digital transformation

CGD has demonstrated its capacity to adapt to the market, responding rapidly to the pandemic and achieving the highest level of growth in the sector, as measured by the "Best Digital Bank" indicator, among young people between the ages of 16 and 24 (65%) and CGD's young adult customers (57%). This was a further 5 points rise in image ratings, particularly "Experience with the Brand" (Brand Score survey for third quarter 2020).

CGD continues to commit to mobility solutions designed to simplify customers' day-to-day activities, presenting a significant increase in the user rate, having added to the online features the possibility of carrying out a set of new operations and transactions.

The DABOX powered by Caixa open banking solution is the national open banking market leader with a 70% market share (SIBS AP Market). Focusing on innovation and an improved user experience, it was the first national app to initiate transfers from other banks.

CGD increased its number of digital customers in the domestic market to 1.8 million with active Caixadirecta agreements, comprising 52% of CGD customers[2].

In the first nine months of 2020, an average 62% of the operations performed by CGD customers used digital channels, 75% of which app-based. The Caixadirecta service was accessed more than 560,000 times in a single day.

These indicators show CGD customers' continued use of digital solutions after lockdown and increased use of distance channels.

At the same time, one out of ten CGD customers benefits from an exclusive "remote management" service, accompanied (even remotely) by a dedicated manager who provides tailored financial solutions on any of the available remote channels between 9 a.m. and 6 p.m. They can also use the Caixadirecta 24 hours a day service, each and every day, without prejudice to the face-to-face services available at any Caixa branch.

This service is now particularly relevant owing to the Covid-19 pandemic and has recorded a high rate of growth in distance interactions. There has been a threefold increase in the daily volume of sales of dedicated commercial officers in less than a year. Total operating income has exceeded expectations and is responsible for a contribution of around 30% to the profitability of the personal customers' segment.

Enhanced value proposals and customer service levels

Caixa continues to lead its competitors in the most representative services, particularly unit trust funds, deposits, credit to households, payments and bank cards and digital business.

Caixa's offer for individual customers particularly includes: more competitive rates and a new simulator for its Leasing Imobiliário para Habitação (residential property leasing) operations, the re-launch of its Plano Proteção Vida (life protection plan), family protection and savings incentives, life insurance associated with mortgage loans with more competitive terms and a more comprehensive level of protection, Liber 3G motor vehicle insurance and the launch of the 5 year structured deposit in USD equities March 2022 and, in the 2nd quarter of the year, Multicare 60+ insurance with 4 options based on a customer's profile, PPR Evoluir (retirement savings plans) life insurance that enables a retirement nest egg to be built up and the introduction of the Caixa Maiores Acompanhados (accompanied adults) debit card. The USD Saúde September 2022, life insurance associated with home leasing operations whose rates are based on the age of the insured person which may be up to 70 were launched in the 3rd quarter.

By the end of September 2020, there had been a 7% increase in total subscriptions to the Contas Caixa (Caixa accounts multiproduct solution) over September 2019 to more than 1.87 million accounts.

CGD intensified its investment in the university segment with an online solution and use of its digital mobile key that, in addition to speeding up the registration process allows students to adhere to Caixa's specific offer for this segment. CGD also continued to make its customary contribution to rewarding academic achievement.

CGD applied the state sponsored moratorium to the legislative alterations in the third quarter enabling companies to benefit from the extension of the period of the moratorium, at a first stage up to 1 March 2021 and,

[2] Active CGD customers eligible for Caixadirecta

later up to 30 September 2021, while, at the same time, simplifying the cancellation procedure.

Reference should be made to an additional 20,000 Caixa Business accounts, as a multiproduct solution encompassing several products through Caixadirecta Empresas which allows customers to access their accounts and perform the most frequent banking operations, in a user-friendly, autonomous manner without the need for a physical presence at a branch office.

Caixa continued to provide treasury and specialised credit support measures in the third quarter: short term funding – possibility of 90 day loan extensions; factoring – possibility of an increase of up to 30% of the credit limit for several sectors of activity; confirming – an increase of up to 20% of the credit limit and possibility of extending payment orders in force for up to 90 days.

Caixa further incentivised the use of totally digital solutions, such as Caixadirecta Empresas, its "Flexcash" digital confirming solution and new platforms for digitally processing foreign trade documents, whose level of importance in the current environment is increasing.

Reference should be made to the strengthening of the Caixadirecta Empresas service at the end of August and September, in the form of a campaign for access to paperless invoices issued by Caixa.

The maintenance of medium and long term finance and increase in the number of customers choosing CGD to assist them with their investments or treasury needs have helped CGD to strengthen its position as a bank for corporate customers.

Delivering on its objective to provide a new client experience in face to face service, Caixa continued its expansion of the new branch prototype in 5 locations extending the total to 20, at the end of the quarter.

Grounded on a disruptive approach to customer management and to transactions, with more modern and sophisticated renovated spaces, aided by a more intense use of digital channels – pricing displayed in screens, deal simulators and free access to wi-fi.

The new branch prototype assures a new standard in service in the main products – opening of new accounts and treasury – that have been simplified and optimized:

- Opening of new accounts in just 20 minutes, using only the Citizenship Card;
- Automatic retrieval of client data from Citizenship Card;
- Simplified confirmations of client requests and transactions with digital signatures and email receipts;
- New treasury equipments that expedite deposits and withdrawals.

Service Quality Assessment

Caixa Geral de Depósitos rose in the global ranking of 2020 of the 250 largest European banks of the prestigious magazine The Banker, based on Tier 1 capital, now occupying the 62nd place (from 63 in 2019). CGD also won 1st place in the new "Top 5" table of banks with the Best Performance in Portugal.

According to the Brand Score, in the 3rd Quarter of 2020, Caixa obtained the best evaluation from its customers in the attribute "Relevance of Caixa in the sector", reflecting the recognition of the bank's importance in the financial sector. At the same time, there is an increase in attractiveness to non-Customers.

Caixa Gestão de Ativos, whose activity continues to merit public acknowledgment, celebrated its 30th birthday in 2020.This time it was APFIPP[3] in partnership with Jornal de Negócios that has awarded three prizes to investment funds, which this year had already been distinguished by Morningstar and Euronext.

In October of this year, the Government of the Macau Special Administrative Region extended the agency contracts with Bank of China and the Banco Nacional Ultramarino issuing banks for a period of ten years. This is an acknowledgment of the role played by this Caixa Group entity - present in Macau since 1902 and currency issuer for over 30 years – in the development of the region and as a primary vehicle for connecting the Portuguese economy with Asian markets.

Sustainability

CGD remains committed to its response to the social, economic and cultural impacts of the Covid-19 pandemic, encouraging the development of activities and projects to promote social inclusion and economic-financial resilience, based on its provision of lines of credit for the national economy and Portuguese households, in addition to its support for needier communities, with donations of computers to "digitally excluded" children and young people.

CGD awarded its Caixa Mais Mundo prizes for the second consecutive year, in recognition of the academic achievements of the 100 best students accepted on the 2019/2020 intakes of establishments of higher education which have entered into agreements with

[3] Portuguese Investment Funds, Pensions and Wealth Association

CGD. CGD awarded each student a prize of €1,500 in due recognition of their academic merit, encouraging further training and the pursuit of academic studies.

In its “Support for the victims of Cyclone Idai”, CGD group’s subsidiary in Mozambique backed the endeavours of the Health4Moz NGDO with a donation of €100,000 for the acquisition and installation of neonatal equipment in Beira’s central hospital in Mozambique.

The development of a cards campaign under the banner “An advantage for you and help for those in need” in third quarter 2020, raised €20,000 for the Portuguese Anti-Cancer League.

CGD set out its Gender Equality Plan 2021 as a major contribution to fulfilling its commitments to human rights and furtherance of its sustainable development objectives, in recognition of the fact that principles of equality and non-discrimination between women and men are structuring societal values.

CGD was one of the founding signatories of the United Nations’ “Principles for Responsible Banking” (PRB), in September 2019, committing to the strategic alignment of its businesses with the aim of making a positive contribution to society and the environment. To mark the PRBs’ first anniversary, the CGD’s CEO gave an account of the principal measures implemented.

As regards environmental responsibility, CGD continued to make continuous improvements to its headquarters building’s environmental management system (EMS), ensuring compliance with applicable environmental legislation, prevention of pollution and improvements to CGD’s environmental performance. CGD’s environmental management system was audited in September by APCER (Portuguese Standards Association) which recommended a renewal of its ISO 14001:2015 certification.

CGD donated five items of recycled furniture to three “social welfare” institutions (i.e. charities) in 2020 through its cards recycling programme, developed in partnership with Extruplás, to encourage the implementation of recycling practice and transform wastes into equipment having a positive impact on the community and environment.

In its awareness of the importance of the disclosure of up-to-date information on sustainability issues to the general public, customers and investors, CGD completely restructured the sustainability area of its corporate website. The fact that sustainability now has its own heading on the main menu shows how strategically important it is to CGD.

Prizes and distinctions

The following prizes and distinctions were awarded to CGD group’s retail and digital banking and fund management activities in first nine months of 2020:

CGD – 1st placed Portuguese bank in the worldwide ranking for the 3rd consecutive year in the Top 1000 World Banks 2020 ranking − The Banker Magazine.

CGD - “Best Bank” in Portugal 2019 for the 6th consecutive year, *EMEA Finance* magazine, in the sphere of its annual *Europe Banking Awards 2019.*

CGD – Awarded a distinction for "Active Ageing and Preparation for Retirement" for the 2nd consecutive year from Human Resources magazine which recognises the best companies for Personnel Management in Portugal.

CGD – Most Reputable Brand 2020 Banking − Marktest Reputation Index (MRI).

CGD – Brand distinguished with the “On Strategy” award − *Brands Reputation Portugal 2020 Awards”* attributed by the *Reputation Knowledge Centre.*

CGD DABOX app – Best Communication Campaign in the Banking and Financial Services category − SAPO Prizes 2020.

Caixa Gestão de Ativos − Best National Global Bond Manager − Morningstar Awards *2020* received for the 4th year and encompassing its global funds offer.

Caixa Gestão de Ativos − Best National Bond Manager − Morningstar Awards 2020, awarded for the 6th consecutive year.

Caixa Gestão de Ativos **–** Sustainable Finance Prize 2020 from Euronext Lisbon Awards 2020, which recognises the best positive impact on environmental or corporate governance issues.

Caixa Gestão de Ativos | Best Fund in the “Other Equity Funds” category for the second consecutive year − “Best Funds 2020 − Jornal de Negócios / APFIPP” prizes.

Caixa Gestão de Ativos | Best Fund in the “Bond Index Fund” category for the second consecutive year – “Best Funds 2020 – Jornal de Negócios / APFIPP” prizes.

Caixa Gestão de Ativos | Best Fund in the “Other Bond Funds” category – “Best Funds 2020 – Jornal de Negócios / APFIPP” prizes.

DOMESTIC AND INTERNATIONAL ACTIVITY

Domestic activity’s contribution to CGD group’s net profit in September 2020 was down 39.2% to €308.8 million against €508.4million for the same period of the preceding year.

This decrease in net profit particularly derives from the reduction of other operating income in comparison to the preceding year as the capital gain of €36.6 million made on the sale of the Rua do Ouro building was accounted for in first quarter 2019 and, in second quarter 2019, owing to the reversal of impairment on the equity investment, registered in 2017, of €159 million in BCG (Spain) and Mercantile (South Africa).

The decreases of €48.5 million and €12.8 million in net interest income and income from equity instruments, respectively, were unfavourable developments.

Credit impairment was up €81.4 million to provide for the eventuality of credit portfolio deterioration deriving from the current environment.

Income from financial operations was up €23.1 million and also commissions earnings have seen a slight increase in the same period, + €8.8 million.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	Restated 2019-09	2020-09	Change (%)	Restated 2019-09	2020-09	Change (%)
Net interest income	552.5	504.0	-8.8%	298.7	271.4	-9.1%
Income from equity instruments	21.1	8.3	-60.6%	0.3	0.3	-3.5%
Net fees and commissions	302.6	311.4	2.9%	67.0	56.9	-15.0%
Net trading income	-16.0	7.1	-	34.0	31.5	-7.4%
Other operating income	142.7	40.0	-72.0%	-2.9	1.2	-
Total operating income	**1002.8**	**870.8**	**-13.2%**	**397.1**	**361.3**	**-9.0%**
Employee costs	323.6	275.3	-14.9%	107.9	108.5	0.6%
Administrative expenses	143.2	124.2	-13.3%	69.9	63.4	-9.4%
Depreciation and amortisation	46.5	49.7	7.0%	21.0	18.7	-11.0%
Operating costs	**513.3**	**449.3**	**-12.5%**	**198.8**	**190.6**	**-4.2%**
Net operating income before impairments	**489.5**	**421.5**	**-13.9%**	**198.3**	**170.8**	**-13.9%**
Credit impairment (net)	-18.8	62.6	-	22.8	47.4	107.9%
Provisions and impairments of other assets (net)	-194.7	-68.3	-	7.7	6.0	-21.3%
Net operating income	**702.9**	**427.1**	**-39.2%**	**167.9**	**117.4**	**-30.1%**
Income Tax	205.0	146.5	-28.5%	36.8	21.7	-41.0%
Net operat. inc. after tax and before non-controlling interests	**497.9**	**280.6**	**-43.6%**	**131.1**	**95.7**	**-27.0%**
Non-controlling interests	2.2	2.2	1.0%	33.2	27.5	-17.3%
Results from subsidiaries held for sale	0.0	0.0	-	34.2	15.1	-55.9%
Results of associated companies	12.7	30.5	140.1%	0.5	0.2	-
Net income	**508.4**	**308.8**	**-39.2%**	**132.5**	**83.4**	**-37.0%**

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

Operating costs in September 2020 were down to €449.3 million. This positive evolution in comparison to the same period of the preceding year essentially derived from the significant decrease of 13.3% in general administrative costs and 14.9% in employee costs This latter account, in September 2020, included a non-recurring cost of €75.7 million for early retirement and voluntary redundancy programmes as a charge to the provision set up in 2017, with no impact in net income. A non-recurring gain of €70.7 arising from extraordinary actuarial gains in liabilities with post-employment benefits (pension fund and medical plan) was also recognised in employee costs. These two non-recurring effects generated an impact of €50.5 million in net profit.

Excluding non-recurring effects, domestic activity contributed with €258.4 million to CGD group’s net profit in 2020 in comparison to €348.9 million in 2019, corresponding to a €90.6 million decrease (-26.0%).

The international business area's contribution to consolidated net income in September 2020 was down 37.0% over the first nine months of 2019 to €83.4 million. The main contributors to income from international activity in the first nine months of 2020 were BNU Macau (€43.1 million), BCI Moçambique (€14.3 million) and Banco Caixa Geral - Angola (€13.6 million).

Total operating income from international activity was down 9.0% in comparison to the first nine months of 2019. There was a reversal of the growth trend of operating costs which were down 4.2%. Credit impairment was up €24.6 million over the same period 2019.

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

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated 2019-09	2020-09	Change		2019-09	2020-09	Change	
			Total	(%)			Total	(%)
Interest and similar income	1,394,832	1,136,685	-258,147	-18.5%	1,014,817	816,201	-198,617	-19.6%
Interest and similar costs	543,286	361,607	-181,679	-33.4%	444,783	288,675	-156,108	-35.1%
Net interest income	851,546	775,079	-76,467	-9.0%	570,035	527,525	-42,509	-7.5%
Income from equity instruments	21,363	8,585	-12,778	-59.8%	75,224	89,924	14,700	19.5%
Net interest inc. incl. inc. from eq. investm.	**872,909**	**783,664**	**-89,245**	**-10.2%**	**645,258**	**617,449**	**-27,809**	**-4.3%**
Fees and commissions income	471,921	451,949	-19,973	-4.2%	386,577	376,697	-9,880	-2.6%
Fees and commissions expenses	102,394	83,535	-18,859	-18.4%	73,948	66,460	-7,488	-10.1%
Net fees and commissions	369,528	368,414	-1,114	-0.3%	312,630	310,237	-2,393	-0.8%
Net trading income	18,030	38,795	20,765	115.2%	19,291	19,754	463	2.4%
Other operating income	118,547	22,284	-96,264	-81.2%	54,257	23,132	-31,125	-57.4%
Non-interest income	**506,105**	**429,492**	**-76,613**	**-15.1%**	**386,177**	**353,123**	**-33,055**	**-8.6%**
Total operating income	**1,379,013**	**1,213,155**	**-165,858**	**-12.0%**	**1,031,436**	**970,572**	**-60,864**	**-5.9%**
Employee costs	431,504	383,828	-47,676	-11.0%	326,276	280,492	-45,783	-14.0%
Administrative expenses	192,272	168,660	-23,612	-12.3%	145,639	130,207	-15,432	-10.6%
Depreciation and amortisation	67,469	68,408	939	1.4%	50,615	53,024	2,409	4.8%
Operating costs	691,245	620,896	-70,349	-10.2%	522,530	463,723	-58,807	-11.3%
Net operating income before impairments	**687,769**	**592,260**	**-95,509**	**-13.9%**	**508,906**	**506,849**	**-2,057**	**-0.4%**
Credit impairment	71,870	195,707	123,837	-	45,256	159,880	114,624	-
Credit recoveries	-67,882	-85,707	-17,825	-	-62,457	-82,115	-19,659	-
Provisions for reduction of employees	-38,073	-75,057	-36,984	-	-37,430	-74,205	-36,775	-
Provisions for garantees and other commitements	-54,505	23,760	78,265	-	-53,413	21,645	75,058	-
Other provisions and impairments	-94,425	-10,939	83,486	-	-144,428	11,339	155,767	-
Provisions and impairments	**-183,015**	**47,765**	**230,779**	**-**	**-252,471**	**36,543**	**289,014**	**-**
Net operating income	**870,783**	**544,495**	**-326,288**	**-37.5%**	**761,377**	**470,306**	**-291,071**	**-38.2%**
Income Tax	**241,832**	**168,256**	**-73,576**	**-30.4%**	**188,478**	**140,934**	**-47,544**	**-25.2%**
of which Contribution on the banking sector	27,029	27,976	947	3.5%	26,480	27,677	1,197	4.5%
Net op. inc. after tax and before non-controlling int.	**628,951**	**376,239**	**-252,712**	**-40.2%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	35,431	29,707	-5,724	-16.2%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	13,204	30,675	17,471	132.3%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	34,173	15,058	-19,116	-55.9%	n.a.	n.a.	n.a.	n.a.
Net income	**640,898**	**392,266**	**-248,632**	**-38.8%**	**572,900**	**329,372**	**-243,528**	**-42.5%**

(EUR Million)

BALANCE SHEET	Consolidated Activity				Separate Activity			
	2019-09	2020-09	Change		2019-09	2020-09	Change	
ASSETS			Total	(%)			Total	(%)
Cash and cash equiv. with central banks	4,821	7,275	2,454	50.9%	3,998	6,537	2,539	63.5%
Loans and advances to credit instit.	2,988	3,397	408	13.7%	4,065	4,607	542	13.3%
Securities investments	20,159	24,698	4,539	22.5%	21,287	25,973	4,686	22.0%
Loans and advances to customers	49,179	48,314	-865	-1.8%	43,000	42,158	-843	-2.0%
Assets with repurchase agreement	40	122	82	206.2%	31	100	69	221.6%
Non-current assets held for sale	6,853	1,173	-5,679	-82.9%	774	196	-578	-74.7%
Investment properties	256	190	-66	-25.7%	5	8	3	52.6%
Intangible and tangible assets	682	637	-44	-6.5%	484	477	-7	-1.4%
Invest. in subsid. and assoc. companies	423	482	59	14.1%	1,561	1,550	-11	-0.7%
Current and deferred tax assets	1,956	1,769	-187	-9.6%	1,876	1,695	-181	-9.7%
Other assets	2,505	2,300	-205	-8.2%	1,575	1,223	-352	-22.3%
Total assets	**89,862**	**90,357**	**495**	**0.6%**	**78,658**	**84,524**	**5,866**	**7.5%**
LIABILITIES								
Central banks' and cred. instit. resources	1,598	2,190	591	37.0%	2,409	2,976	567	23.5%
Customer resources	64,872	70,617	5,745	8.9%	58,252	64,509	6,257	10.7%
Debt securities	2,463	1,380	-1,083	-44.0%	2,463	1,380	-1,083	-44.0%
Financial liabilities	1,111	956	-155	-13.9%	1,110	956	-155	-13.9%
Non-current liabilities held for sale	5,902	856	-5,046	-85.5%	0	0	0	-
Provisions	947	1,016	69	7.2%	958	1,035	78	8.1%
Subordinated liabilities	609	1,113	504	82.7%	609	1,113	504	82.8%
Other liabilities	3,741	3,598	-143	-3.8%	5,227	4,790	-438	-8.4%
Sub-total	**81,243**	**81,726**	**483**	**0.6%**	**71,028**	**76,759**	**5,731**	**8.1%**
Shareholders' equity	**8,618**	**8,631**	**12**	**0.1%**	**7,630**	**7,766**	**136**	**1.8%**
Total	**89,862**	**90,357**	**495**	**0.6%**	**78,658**	**84,524**	**5,866**	**7.5%**

Lisbon, 5th of November 2020

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 September 30, 2020, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period.
- The year 2020 has 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, exceptional 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. Several countries lifted their lockdown restrictions in the second part of the half year, enabling a resumption of economic activity albeit subject to the application of limitations on different sectors. Consequently diverse economic indicators have confirmed a sharp deceleration of worldwide economic activity, making a global recessionary scenario a certainty and the only doubts regard its levels of depth and duration as well as future recovery scenarios.

  Impacts, albeit uncertain, are naturally expected on the group's activity. Their extent will be contingent upon a multiplicity of factors such as the depth of the economic crisis, its length, the economic sectors most affected and the type and impact of the monetary and fiscal policy measures adopted and to be adopted by the diverse European Union central banks in the future.

  In light of these uncertainties, and based on the information available at this time, CGD estimated and recognized in its financial statements for the period ending on September 30, 2020 its best estimate of the financial effects of this pandemic, including the valuation of financial assets and the measurement of expected losses in the loan portfolio, which will be subject to continuous monitoring and reassessment.
- 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 Primeiros 9 meses de 2020". In the event of any inconsistency, the original version prevails.

CAIXA GERAL DE DEPÓSITOS
Head Office: Av. João XXI, 63
1000-300 LISBOA
PORTUGAL
(+351) 217 905 502
Share Capital € 3,844,143,735
CRCL and Tax no. 500 960 046

INVESTOR RELATIONS
investor.relations@cgd.pt
http://www.cgd.pt/Investor-Relations