PRESS RELEASE **CAIXA GERAL DE DEPÓSITOS**

CONSOLIDATED RESULTS

9M 2021

CGD reaches a net profit of 429 M€ and approves an extraordinary dividend of 300 M€. New upgrade from Moody's while Fitch's change of the outlook to "positive" prospects further improvement

In the first nine months of 2021, CGD Group's consolidated net income reached €429 million euros (up 9.4% over the same period in 2020), equivalent to a return on equity (ROE) of 6.9%, with economic activity in Portugal continuing the recovery process started in the second half of 2020, despite the longer lasting impact in certain sectors and companies.

Prospects of a less severe impact of the pandemic on the economy compared to the past, with lesser effects on credit asset quality, together with a robust capital position, allowed the bank to make an extraordinary dividend payment of €300 million.

Core operating income shows relative stabilisation, due to the recovery of net interest income for the second consecutive quarter. Income from financial operations performed well in achieving €92.5 million on a current basis.

Net income also included extraordinary profit of €32.7 million (after tax) on the revaluation of liabilities on post employment benefits and provisions for the pre-retirement programme. Current net income of €394 million was therefore up 15.2% over current income for first half 2020, largely due to the good evolution of net trading income.

New credit impairments at the end of the first nine months of 2021 stood at €180.4 million, as opposed to the €90.2 million recorded in the end of the first half year, which, net of recoveries (-€138 million), resulted in a cost of credit risk of 11 bps. These new credit impairments were mostly preventive of the impact from the end of moratoria.

Operating costs on a recurring basis were down 1.6% over the same period 2020 to €606 million. This translated into a recurring cost-to-income ratio of 47.3%, as opposed to 49.5% in first nine months of 2020.

Customer deposits were up 8.0% by €5.8 billion in first nine months of 2021. This essentially derived from resources taken by CGD Portugal, fuelled by higher levels of household savings and customers' trust and loyalty to Caixa.

Credit to companies in Portugal (excluding the construction and real estate sectors, in which the reduction of NPLs is concentrated) was up 5.9%, reflecting greater commercial support to companies.

The amount of new mortgage loans was up 56% over the same period of 2020. This resulted in a leading market position with a new sales share of 24.2% up to August 2021. CGD continued to trend to higher than sector growth and strengthened its market share in comparison to 2020.

Asset quality continued to improve. The non-performing loans ratio was down to 2.8% and, together with a preventive increase of impairment, made it possible to achieve an NPL ratio net of impairment of 0% (taking all impaired credit into account). This has been the case since the first quarter. Considering only specific impairments, CGD's net ratio already compares favorably with the average for European banks.

Capital ratios were strengthened, allowing them to reach, after the extraordinary dividend payment, 18.2% for core capital (CET1) and 20.8% for total capital, levels similar to those at the end of 2020 and comfortably complying with the capital requirements in force for CGD. These capital ratios, higher than the Portuguese and European averages, are indicative of CGD's robust solvency.

In September, Moody's once again upgraded CGD's rating, to Baa2, and Fitch, already in October, affirmed the BB+ rating, complemented by a change in outlook to positive, leaving continued expectations of an upwards movement.

At the end of the third quarter, CGD became the first Portuguese bank to issue a sustainable bond. The funds raised will finance a series of projects ranging from energy efficiency to job creation in less developed areas. This €500 million senior preferred issue with a 6 year maturity and a coupon rate of 0.375% − the lowest ever achieved by CGD – assured compliance with the MREL interim target for January 2022.

MAIN INDICATORS

CGD CONSOLIDATED		
BALANCE SHEET AND P&L INDICATORS (EUR million)	**2020-09**	**2021-09**
Net assets	90,357	103,560
Loans and advances to customers (gross)	50,522	51,836
Loans and advances to customers (net)	48,314	49,536
Customer deposits	70,470	77,687
Total operating income	1,213	1,285
Net core operating Income before impairments (1)(2)	536	540
Net income	392	429
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (3) (4)	9.2%	10.0%
Net return on equity - ROE (4)	6.6%	6.9%
Gross return on assets - ROA (3) (4)	0.9%	0.9%
Net return on assets - ROA (4)	0.6%	0.6%
Total operating income / Average net assets (3) (4)	1.9%	1.8%
Employee costs / Total operating income (2)(3)	30.5%	29.0%
Cost-to-income BoP (3)	49.9%	38.5%
Cost-to-income (2) (3)	49.5%	47.3%
Cost-to-core income (2) (5)	53.9%	53.3%
CREDIT QUALITY AND COVER LEVELS (6)		
NPL ratio - EBA	4.2%	2.8%
NPL ratio (net)	0.5%	0.0%
NPE ratio - EBA	3.2%	2.3%
NPL coverage - EBA	88.5%	112.5%
NPE coverage - EBA	82.6%	102.7%
NPL specific coverage - EBA	60.9%	68.0%
NPE specific coverage - EBA	57.9%	63.9%
Forborne ratio for loans and advances - EBA (7)	4.5%	2.2%
Coverage ratio on forborne loans and advances - EBA (7)	90.6%	81.6%
Cost of credit risk(*)	0.29%	0.11%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	53.5%	47.8%
Loans & adv. customers (net) / Customer deposits (3)	68.6%	63.8%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR) (6)		
CET 1 (fully implemented)	17.4%	18.2%
Tier 1 (fully implemented)	18.6%	19.4%
Total (fully implemented)	20.0%	20.8%
Liquidity coverage ratio	382%	389%
OTHER INDICATORS		
Number of branches, local extensions and corporate offices - CGD Portugal	551	543
Number of employees - Domestic banking and financial activity	6,763	6,459
Number of employees - CGD Portugal	6,409	6,189
Number of ATM and ATS in Portugal	2,894	2,655
CGD RATING	**Short Term**	**Long Term**
Moody's	P-2	Baa2
FitchRatings	B	BB+
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 including Net Income, except when marked with (*); (7) CGD Portugal Ratios.

CONSOLIDATED INFORMATION

RESULTS

In the third quarter of 2021, CGD Group's activity continued to be affected by the epidemiological situation and containment measures taken by the competent authorities. CGD posted a consolidated profit of €429.1 million in the first nine months of 2021, against a net profit of €392.3 million for the same period of the preceding year. This 9.4% increase was equivalent to a return on equity (ROE) of 6.9 %.

Despite the current economic context, CGD Group's core activity continues to show resilience, as it offsets the decrease in net interest income with the increase in net commissions and operating efficiency achieved through the reduction of operating costs.

Net interest income in the first nine months of 2021 was down 6.5% by €50.6 million over the same period of the preceding year, having been particularly affected by lower market interest rates, which were directly reflected in portfolio indexers, in addition to across-the-board decreases of spreads on new operations owing to a competitive market.

Net commissions were up €43.6 million over the same period of the preceding year. This increase is mainly supported by commissions in Portugal, associated with the placement of investment funds and financial insurance, with an expressive growth of €18.1 million (up 23.6%) and, to a lesser extent, by the dynamism in new loans and the increase in transactions using various payment systems, given the progressive reopening of economic activity. This fact is very expressive in the 15% year-on-year growth in card purchases (even growing 8.5% compared to 2019), with 68% in online purchases and 217% in the average value of contactless transactions.

Net trading income also increased more sharply, having reached €139.6 million, thus recording a positive variation of €100.8 million compared to September 2020. This variation was influenced by an extraordinary gain with the recovery of financial assets, in the amount of €47 million. Excluding this event, the growth in net trading income would have been €53.8 million.

This was offset by the €22.2 million decrease of other operating income over the same period 2020, essentially on account of the fact that no significant gains were made from real estate assets.

Given the evolution of the different aggregates, CGD Group's total operating income in September 2021 was up 5.9% by €72.1 million over the same period 2020.

Operating costs also had a very positive evolution, totalling 511.4 million euros in the first nine months of 2021. This positive evolution essentially derived from the sharp decrease of employee costs (-27.9%). This amount includes a non-recurring impact of €94.6 million, essentially owing to the provisions adjustments associated with post-employment benefits and adjustment of the costs foreseen with the pre-retirement programme. This impact is partially offset at the level of net income under provisions. The exclusion of such non-recurring factors would result in a 2.0% decrease of employee costs. General administrative costs, on the other hand, were down 5.2% by €8.8 million owing to continued improvements in the group's operational efficiency.

Operating income, up 13.4% by €72.8 million over the first nine months of 2020, was also positively impacted by the evolution of impaired credit, net of recoveries which was down €68.0 million over the same period of 2020, given the preventive action adopted in this period on a possible deterioration of the credit portfolio, resulting from the pandemic context. Even so, the aggregate of provisions and impairments increased by 108.8 million euros compared to the same period of the previous year, reflecting a prudent attitude towards the current macroeconomic context.

The impaired credit aggregate in the period under review reflects a cost of credit risk cost of 11 bps, against 29 bps for September 2020.

Income from subsidiaries held-for-sale was up €4.1 million over the same period last year to €11.0 million.

In turn, results from associated companies were up 38.9% by €11.9 million over the same period of the preceding year to €42.6 million.

BALANCE SHEET

CGD's consolidated net assets were up 13.3% by €12,185 million over December 2020 to €103.6 billion at the end of September 2021. This evolution particularly derives from the increase of €12,020 million, over December 2020, in cash and cash equivalents at central banks, from resources deriving from the TLTRO programme, and from the evolution of the commercial gap arising from the strong increase in customer deposits, even taking into account the continuous increase of the loan portfolio.

Gross loans and advances to customers of €51,836 million were up 3.4% across the first 9 months of the year.

CGD Portugal entered into 20,479 mortgage loan agreements for €2,476 million until the third quarter of 2021. This was up 45.9% by 6,446 operations and up 59.4% by €922 million over the same period of 2020.

Special reference should be made this period to the 22.5% growth of general government and other, representing €639 million.

CGD achieved an 18% share of the domestic credit market in August 2021, with 15% for corporate loans and 24% for mortgage loans to personal customers.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS			Change	
	2020-12	2021-09	Total	(%)
CGD Portugal	**43,478**	**44,774**	**1,296**	**3.0%**
Corporate	15,761	16,000	239	1.5%
General government and other	2,841	3,480	639	22.5%
Individual customers	24,586	25,295	708	2.9%
Mortgage loans	23,782	24,440	658	2.8%
Other	804	855	50	6.3%
Other CGD Group companies	**6,670**	**7,062**	**392**	**5.9%**
Total	**50,149**	**51,836**	**1,688**	**3.4%**

Note: Gross loans and advances to customers

Customer deposits were up 8.0% by €5,769 million over the end of 2020, essentially on account of higher levels of household savings, deriving from restrictions on consumption, as a consequence of the pandemic and respective lockdowns.

CGD retained its leading position in the national market, both in terms of total customer deposits with an August 2021 market share of 26% and personal customers' deposits with a market share of 30%.

Total resources taken from domestic activity at the end of September 2021 were up 7.1% over December last year to €84,767 million. There was an increase in off-balance sheet products (+3.0%) in the same period. This increase was essentially due to the Investment Funds component, which grew €1,420 million (+29.6%), despite the negative variation of the OTRV (Portuguese government bonds) component, totaling €731 million (-24.8%), consequence of the maturity of some issues.

The loans-to-deposits ratio, as a reflection of the sharp increase in deposits, totalled 64% in September 2021, in comparison to 69% in September 2020.

Asset quality continued to trend to improvement with NPLs (non-performing loans as defined by the EBA) down 10.6% by €244 million over December 2020 owing to the positive evolution of cured credit, recoveries and sales components. The NPL ratio stood at 2.8% against 4.2% in September 2020. The overall volume of impaired credit resulted in a coverage ratio of 112.5% (total coverage of 142.0% including the allocation of collateral), resulting in an NPL ratio net of impairment of 0%. This evolution also reflects higher levels of impaired credit in 2020 and first 9 months of 2021.

(EUR Million)

RESOURCES TAKEN			Change	
	2020-12	2021-09	Total	(%)
Balance sheet	**76,562**	**87,929**	**11,367**	**14.8%**
Central banks' & cred instit. resources	2,040	7,216	5,176	253.7%
Customer deposits (Consolidated)	71,918	77,687	5,769	8.0%
Domestic activity	62,668	67,749	5,081	8.1%
International activity	9,250	9,938	688	7.4%
Covered bonds	1,258	1,256	-2	-0.1%
EMTN and other securities	1,230	1,644	414	33.6%
Other	115	126	11	9.6%
Off-balance sheet	**20,741**	**21,366**	**625**	**3.0%**
Investment funds	4,798	6,218	1,420	29.6%
Real estate investment funds	931	941	10	1.1%
Pension funds	4,435	4,505	70	1.6%
Financial insurance	7,634	7,490	-144	-1.9%
OTRV Portuguese Governm. Bonds	2,942	2,212	-731	-24.8%
Total	**97,302**	**109,295**	**11,992**	**12.3%**
Total resources (domestic activity) (1)	**79,120**	**84,767**	**5,646**	**7.1%**

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

LIQUIDITY

In September 2021, CGD was responsible for an international marketplace preferred senior debt issuance of €500 million with a maturity of 6 years, possibility of early redemption in the fifth year and a coupon rate of 0.375%.

This issuance has the particularity of being sustainable and is directed at resource-taking to finance customers' credit operations in the environmental and socio-economic development domain. This was the first issuance with these characteristics by a Portuguese bank and is an important milestone to enable Caixa to fulfil its commitments in the sustainable financing domain.

In parallel and owing to an improvement of the Covid-19 pandemic situation, CGD group reduced the value of its assets in the Eurosystem collateral pool to around €11 billion, a level similar to the amount in the pool prior to the outbreak of the pandemic. This was down by approximately €2.3 billion in comparison to the end of the preceding year. Large amounts of collateral together with significant cash balances with the Bank of Portugal remain available.

The liquidity coverage ratio (LCR) of 389%, at the end of September 2021, was much higher than the current liquidity regulatory requirement (100%).

CAPITAL

Consolidated shareholders' equity was up €770 million over the same period of 2020 to €9,401 million at 30 September 2021. Other reserves and retained earnings registered an increase of €666 million, (up 19.4%), largely justified by the incorporation of the positive results, deducted from the dividend paid.

"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	2021-09	Total	(%)
Share capital	3,844	3,844	0	0.0%
Other capital instruments	500	500	0	0.0%
Revaluation reserves	249	277	28	11.3%
Other reserves and retained earnings	3,431	4,097	666	19.4%
Non-controlling interests	215	253	39	18.1%
Net income	392	429	37	9.4%
Total	**8,631**	**9,401**	**770**	**8.9%**

The fully loaded CET1, Tier 1 and Total ratios, including net income for the period and after deducting the extraordinary dividend to be paid in 2021, were 18.2%, 19.4% and 20.8% respectively, meeting CGD's current capital requirements. These ratios, above the Portuguese and European average, show CGD's robust and adequate capital position.

MREL

CGD was informed of the Single Resolution Board's decision to revise its MREL (minimum requirement for own funds and eligible liabilities) requirements under the European Banking Resolution Directive (BRRD2), in first half 2021. Starting 1 January 2024, CGD's own funds and eligible liabilities must be equivalent to 25.58% of total risk-weighted assets (including a combined buffer requirement of 3.5%) and a total leverage exposure of 6%.

Pursuant to the interim requirement, from 1 January 2022, the amount of own funds and eligible liabilities to be held is equivalent to: 23.13% of total risk-weighted assets (including a combined buffer requirement of 3.5%) and a total leverage exposure of 6%.

To fulfil its MREL requirements CGD estimated a need to issue approximately €2 billion in eligible liabilities in the form of preferred and non-preferred senior debt by the end of 2023, together with the non-preferred senior debt issuance of €500 million which took place in 2019.

On 14 September 2021, CGD issued senior preferred debt, in the amount of 500 million euros, with a maturity of 6 years and with the possibility of early repayment at the end of the 5th year, and a coupon of 0.375%, the lowest ever achieved by CGD in capital markets. This issuance is part of the Funding Plan defined to comply with the MREL requirements set by Banco de Portugal, in accordance with the decision of the Single Resolution Board and assures compliance of the interim binding target for January 2022.

The MREL requirement resolution is based on current legislation and is subject to a review by the supervisor in due course.

RATING

During the month of September, 2021, Moody's Investors Service upgraded again the rating of senior long-term debt of CGD one notch, from Baa3 to Baa2, and short-term senior debt, including commercial paper, from P-3 to P-2. The outlook remained as Stable.

At the same time, the long term senior non preferred debt rating was also upgraded one notch, from Ba1 to Baa3, raising it to investment grade. The short and long term ratings of deposits were raised to Baa2 and P-2, respectively, the same level as the Republic of Portugal.

These upgrades are a consequence of the upgrade of the Baseline Credit Assessment rating from ba1 to baa3 placing the "intrinsic" rating at an investment grade level. In its review, Moody's highlights that this evolution is a consequence of the successful delivery of the 2017-2020 Strategic Plan, reflected on CGD's capital level and asset quality indicators, further pointing out the enhanced profitability and liquidity. With this upgrade, CGD's rating has now been raised two notches by Moody's in 2021.

In October, Fitch Ratings affirmed CGD's IDR (Issuer Default Rating) and its senior long-term debt ratings at BB+, changing its outlook from Negative to Positive, maintaining a prospect of a future rating upgrade.

The revised outlook reflects CGD's resilience and improved asset quality, stable profitability during the pandemic period, and enhanced capital ratios. Also, although Fitch considers that there are risks to the evolution of the Portuguese economy in the short term, they are now lower than initially expected.

RELEVANT EVENTS

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

Owing to the continuation of the Covid-19 pandemic, the protection measures for personal and corporate customers were maintained and strengthened, in the following government lines of credit:

Companies: Overall measures designed to minimise impacts on companies particularly included the following in the 3rd quarter: new medium/long term lines of credit with a European Investment Fund (EIF) guarantee and overall plafond of €1,050 million: Caixa Invest Fundo Maneio, Caixa Invest Transforma, Caixa Invest Green Land, Caixa Invest Social Projeto II and Caixa Invest Start II. Special reference should be made to the Caixa Invest Tesouraria solution that, as a current account also benefits from a 70% EIF guarantee and the Covid-19 Federações Desportivas economic support line of credit for an overall amount of €30 million to provide for treasury requirements and Covid-19 Grandes Eventos Culturais support line of credit for an overall amount of €30 million for treasury and liquidity management purposes. In October, with the end of the moratorium, around 600 operations were restructured for a total value of €150 million, while others are still under negotiation.

Households: The following protection measures in the 3rd quarter particularly include oversight of customers approaching the end of a moratorium, providing information, carrying out individual surveys and issuing alerts to resume payments, and evaluating the application of any additional measures, in cases which a customer's situation with regard to the original application remains unchanged. In October, around 3.000 operations were restructured with a global value of €330 million;

Extension of the possibility of redeeming *PPRs* (savings plans) free of charge or fiscal penalty, up to 30 September 2021;

Additional Multicare healthcare insurance benefits and online medicine in a pandemic context, in the form of online access to a medical assistant, specialist consultations and prescriptions for medicine.

Measures to strengthen the protection and safety of branch office customers and employees in the context of the pandemic, first implemented in March 2020, remain in force.

Caixa resumed its pre-Covid-19 opening times for its personal services in 3rd quarter 2021, no longer applying the temporary reconfiguration of opening times and need to book appointments in advance. Fully 99% of branches remained operational to provide essential and face-to-face banking services for personal customers and companies nationwide.

Innovation and digital transformation

Caixa continued to expand its digital services across the third quarter to a total of 1.97 million digital personal and corporate customers with an active Caixadirecta contract. This was up 9%, over the same period last year.

This sharp growth also includes remote operations which were up 21% over the same period last year to a total of 61.2 million operations.

The sharp growth of digital business was also particularly visible in the case of online products and services, such as personal loans (up 188%), investment funds (up 78%), Caixa's multiproduct account solution (47%) and the opening of accounts online (up 12%).

Reference should be made to the 33% growth of factoring and confirming operations in the corporate segment.

Caixa continues to focus on the evolution of its Caixadirecta app as a primary access channel to the bank in its development of functionalities to ensure a better day-to-day financial management experience. This included its digital assistant that has continued to evolve in order to provide increasingly adequate responses to customers' needs. The system has started to register applications for personal loans and can communicate in English.

The assistant handled requests from more than 1.3 million customers over the half year (up 147% over the same period last year) and has now been equipped with a new interface to make it even more user-friendly.

The *Caixa Easy* app which focuses on the university segment now includes a virtual student ID card and also allows pre-registration for Caixadirecta subscriptions (already accounting for 16% of the total subscriptions for the service).

A total number of 1.23 million active personal customers were app users in third quarter 2021 (up 21%). The mobile channel accounted for 76% of total accesses to the Caixadirecta service.

The DABOX app, which now aggregates the *Universo* card, grew 27% in number of active users (in comparison to the same period last year). It already has more than 85 thousand customers (more than 37% of which are not are Caixa customers).

The DABOX app therefore continues to be the open banking market leader in Portugal with a market share of 46% in initiating transfers and 40% in terms of aggregating accounts (according to 3rd quarter 2021 data from the SIBS API Market). It already has more than 23 available entities.

DABOX was awarded an additional two distinctions across the quarter: "Golden Winner" in the Content & Publishing category of the Digital Communication Awards and in the "Financial Services" category of SAPO awards.

Enhanced value proposals and customer service levels

Caixa strengthened its lead in the cards and means of payment business in the first 9 months of 2021 (with around 4.5 million bank cards having been issued), enhancing its value proposal and strengthening its customers' loyalty and ties and Caixa's profitability. The lifting of lockdown restrictions has resulted in a very marked and positive relaunch of economic activity and resumption of consumer spending. Purchases made with Caixa cards are already up 15% over 2020 and 8.5% over 2019.

Reference should also be made to the following at the close of third quarter 2021:

- Online purchases up by around 68% over the same period last year;
- Growth of around 217%, in the average daily value of purchases using contactless technology, over the same period last year;
- Decrease in the number of withdrawals, representing a cost reduction of 2.3% over the same period 2020 and 21% over the same period 2019;
- A favourable 21.9% increase in average card market share with an increase in the number of cards;
- This was accompanied by a 74.9% increase in the penetration rate for debit cards and 18.9% for credit cards (August 2021 data);
- An increased activity rate, particularly in the case of personal debit card customers;
- Up to 30 September, credit card agreements were up 4.2% over 2020.

In terms of innovation, Caixa continued to focus on automation and procedural efficiencies, facilitating a seamless experience across different channels, customer relationships and enhanced involvement.

The issuance of cards using contactless technology is across-the-board to the whole range and allows purchases to be paid for at no additional cost by simply placing the card next to the terminal.

With a focus on changing those habits which have an impact on economic and environmental sustainability, Caixa introduced limitations on print-outs of ATM consultations. This achieved highly positive results in significantly reducing the total number of movements and consultations.

In terms of means of payment innovation up to September 2021, around 4.3 million tokens associated with personal customers' cards mainly used on electronic shopping, logistics, mobility or content platforms or payment wallets such as Apple Pay or Swatch PAY! were created.

A new, fully digital application form for credit cards was also provided, generating business through secure Caixadirecta messages.

There was a total of 3,350 items of self-service equipment available in the third quarter of 2021, down 6.9% over the same period last year, on which 111.2 million operations (down 4.5%) for an amount of €11.7 million (up 9.3%) were processed.

Retail branch office commercial activity particularly included:

- Growth of mortgage lending (loan and lease operations):
- Maintenance of a strong rate of sales with a continuous improvement of quality of service and customer satisfaction;
- Market share was strengthened by sales growth of more than €270 million (7th consecutive month);
- Growth of around 55% in the residential mortgage brokerage channel;

Business: Caixa's support for micro and small enterprises in such an adverse context was reflected in the growth of its loan stock from April, based on medium and long term lines of credit.

A positive performance in commissions-generating products and improved customer ties:

- A 91.3 thousand increase in the number of active *Contas Caixa* (Caixa accounts) in 2021, to more than 2 million;
- A third quarter acceleration of non-financial insurance, leveraged by *Vital Protection Insurance 65+*;
- Net growth of POS terminals and market share of 14.9%;
- Acceleration of resource diversification based on the launch of new investment products, as evidenced by Caixa's lead of the investment funds segment with a 33.3% market share in June 2021.

Service Quality Assessment

According to the BrandScore study on Portuguese banking, Caixa continued to be the banking brand leader with the best top-of-mind recall factor and a highly positive assessment of its reputation (customer evaluation), in respect of attributes considered essential to the bank's sustainability (trust, financial strength, governance, ethics and transparency).

Caixa renewed its nomination as the "Best Bank for Personal Customers" and "Best Bank for Young People" (spontaneous nomination) in the opinion of the customers of each bank in 3rd quarter 2021. It also strengthened its lead as the brand with the greatest appeal to new customers, keeping the possibility of customer churn low (BrandScore study).

Sustainability

In its commitment to playing a decisive role in terms of the sustainable, inclusive development of Portuguese society, Caixa has been developing projects and initiatives to mitigate the environmental impact of its activity, aligning its practices with national and international climate objectives.

Caixa's sustainability strategy for the period 2021-2024 was defined in line with the preparation of its new strategic plan. It is based on five strategic operating areas:

Sustainable, inclusive financing. To be the leader in sustainable financing in the Portuguese market, supporting the transition to a low carbon economy and financing projects with a social impact on people's lives.

Climate risk management. To accelerate the transition to a low carbon economy through efficient climate risk management.

Equity, digital and financial Inclusion. To be an inclusive bank that prioritises the wellbeing of employees and society.

Transparent governance models. To adopt efficient governance models as drivers of responsible, diversified, transparent performance.

Disclosure of sustainability information. To regularly disclose transparent information on CGD's ESG (Environment, Social and Governance) performance and progress in accordance with best guidelines and practices aligned with stakeholder expectations.

Caixa's sustainable financing strategy framework, included a senior preferred debt issuance of €500 million. This issuance targets the funds raised to finance its customers' credit operations in the environmental and socio-economic development domain. It was the first issuance with these characteristics by a Portuguese bank and represents an important milestone in enabling Caixa to implement its commitments in sustainable financing. The issuance's sustainable characteristic has attracted the interest of a large number of new investors.

Caixa was also the first bank in Portugal to develop an ESG rating model for its customers in all sectors of activity. Its results impact sustainable financing strategies and support the transition to a low carbon, inclusive economy. Caixa's ESG rating is innovative in the national marketplace in allowing around 300 thousand companies to be automatically rated, in a simple, objective, holistic way. Based on objective metrics, the ESG rating promotes a portfolio of banking products and services with a positive impact on society in line with the goals of the Paris Accord and European Green Deal.

Caixa's ESG rating model was distinguished in the TOP 3 of the Sustainability Initiative Award category of the 33rd edition of the IRG (Investor Relations and Governance) awards, mentored by Deloitte.

As the sustainable financing challenge requires private capital to be re-directed towards more sustainable investments, Caixa has focused on the development of products and services that help to achieve the United Nations' Sustainable Development Goals. They include the *Caixa Invest Green Land* line of credit which was designed to support corporate transformation, incorporating more sustainable environmental models into their business.

Caixa has been engaged on the promotion of training in sustainable financing in the sphere of the C*ommitment Letter for Sustainable Financing*. As such and with the objective of promoting empowerment and response to the main sustainability challenges, Caixa is an associate partner in the Sustainable Management MBA of INDEG/ISCTE.

As Caixa believes that no child should be left behind because of their individual circumstances and that all children deserve a quality education and equal opportunity, in 2021 it donated 657 items of computer equipment to various institutions and school groupings, benefiting hundreds of students in greater need. Caixa's donations programme has supported thousands of primary, secondary and university students from different areas of the country.

Caixa is also one of the social investors in the *EPIS – Entrepreneurs for Social Inclusion* grants that aim to distinguish good digital education practice and the academic merit of young people in pursuing their secondary and higher educational studies in a pandemic. This support includes grants for underprivileged students in secondary and higher education and donations of computer equipment.

CGD recognises the importance of equality and non-discrimination between women and men, not only as societal structuring values but as decisive factors in creating value for the company. CGD's gender equality plan for 2022, comprising 119 continuity initiatives, is committed to implementing an additional 9 measures aimed at reinforcing responses in various areas of the plan.

Taken together, the 128 measures promote the development and implementation of substantive and transformative equality designed to eliminate structural obstacles to effective gender equality.

Prizes and distinctions

The following prizes and distinctions were awarded to CGD group's retail and digital banking and fund management activities in first half of 2021:

CGD – CEO Paulo Macedo elected "Personality of 2021 – Human Resources"

CGD - "Best Bank" in Portugal 2020 for the 7th consecutive year, EMEA Finance magazine, in the sphere of its annual Europe Banking Awards 2020

CGD – Bank Nº1 in Portugal (rose 14 positions compared to 2019) in the Top 500 Banking Brands 2020 ranking - The Banker Magazine

CGD - Most valuable Portuguese bank brand | Top 500 Banking Brands 2021 - The Banker Magazine

CGD – First Portuguese Bank in the world's top, in Tier 1 capital – The Banker – Top 1000 World Banks 2021, with a rise in the world ranking from 179th to 174th

CGD - "Best Bank" - Digital Banking Services Portugal 2021 | Global Banking and Finance Awards

CGD App DABOX – Most Innovative Mobile Savings App Portugal 2021 | Global Banking and Finance Awards

CGD Digital Assistant of Caixadirecta app – Most Innovative Retail Banking App Portugal 2021 | Global Banking and Finance Awards

CGD Digital Assistant of Caixadirecta app - Best Mobile Payments Initiative – (Highly Commended) Awards dos PayTechaAwards

CGD Saldo Positivo – Best CSR Initiative Portugal 2021 in Corporate Social Responsibility (CSR) category | Global Banking and Finance Awards

Caixa Gestão de Ativos − Best National Global Bond Manager − Morningstar Awards 2021 received for the 4th year and encompassing its global funds offer

Caixa Gestão de Ativos − Best National Bond Manager − Morningstar Awards 2021, awarded for the 7th consecutive year

DOMESTIC AND INTERNATIONAL ACTIVITY

Domestic activity's contribution to CGD Group's net income in first nine months of 2021 was up 7.1% to €330.8 million against €308.8 million for the same period of the preceding year.

Three positive factors, that fully offset the decrease in net interest income, made a decisive contribution to the net income growth: the increase in income from services and commissions, associated with the placement of investment funds, financial insurance and new loans granting (up €37.6 million); the €105.3 million increase in net trading income; and the 23.1% reduction of operating costs.

Core operating income was up by a year-on-year €22.7 million from €379.4 million to €402.1 million (+6.0%). This increase is due to the exceptionally favourable evolution of operating costs (down €104.0 million) and, to a lesser extent, the €37.6 million increase in commissions earnings which offset the reduction in net interest income, including income from equity instruments.

In the first nine months of 2021, impaired credit net of reversals was down compared to the same period of 2020, when the preventive action on a possible deterioration of the credit portfolio, resulting from the pandemic context, started.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	2020-09	2021-09	Change (%)	2020-09	2021-09	Change (%)
Net interest income	504.0	449.9	-10.7%	271.4	274.3	1.0%
Income from equity instruments	8.3	8.9	7.6%	0.3	0.3	-9.7%
Net fees and commissions	311.4	349.0	12.1%	56.9	62.8	10.3%
Net trading income	7.1	112.4	-	31.5	27.2	-13.7%
Other operating income	40.0	13.2	-67.0%	1.2	2.9	147.3%
Total operating income	**870.8**	**933.5**	**7.2%**	**361.3**	**367.4**	**1.7%**
Employee costs	275.3	172.2	-37.5%	108.5	104.5	-3.6%
Administrative expenses	124.2	117.4	-5.5%	63.4	57.5	-9.2%
Depreciation and amortisation	49.7	55.7	12.0%	18.7	19.6	5.0%
Operating costs	**449.3**	**345.3**	**-23.1%**	**190.6**	**181.7**	**-4.6%**
Net operating income before impairments	**421.5**	**588.1**	**39.5%**	**170.8**	**185.7**	**8.7%**
Credit impairment (net)	62.6	20.1	-68.0%	47.4	21.9	-53.7%
Provisions and impairments of other assets (net)	-68.3	104.4	-	6.0	10.1	67.7%
Net operating income	**427.1**	**463.7**	**8.6%**	**117.4**	**153.6**	**30.9%**
Income tax	146.5	173.3	18.2%	21.7	34.1	56.9%
Net operat. inc. after tax and before non-controlling interests	**280.6**	**290.4**	**3.5%**	**95.7**	**119.6**	**25.0%**
Non-controlling interests	2.2	1.7	-23.2%	27.5	32.7	19.0%
Results from subsidiaries held for sale	0.0	0.0	-	15.1	11.0	-27.1%
Results of associated companies	30.5	42.1	38.1%	0.2	0.5	-
Net income	**308.8**	**330.8**	**7.1%**	**83.4**	**98.3**	**17.8%**

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

The international business area's contribution to consolidated net income in September 2021 was up 17.8% over first nine months of 2020 to €98.3 million. The main contributions to income from international activity until the end of the third quarter of 2021 were from BNU Macau (€37.0 million), BCI Mozambique (€24.4 million) and CGD's France branch (€14.8 million).

In first nine months of 2021, total operating income from international activity was up 1.7% over the same period of the preceding year, with special reference to the positive variation in net interest income (+1.0). Operating costs also had a favorable evolution, with a reduction of €21.4 million (-4.6%), as well as net provisions and impairments which decreased €21.4 million. These developments positively affected the contribution of international activity to CGD Group's net income in September 2021.

In early October, CGD inaugurated its Representative Office in Luxembourg, with the aim of promoting proximity, as well as all the products and services available in CGD's branch network in Portugal, to customers residing in Luxembourg. CGD thus reinforces its status as the Portuguese bank with the greatest international presence.

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

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	2020-09	2021-09	Change		2020-09	2021-09	Change	
			Total	(%)			Total	(%)
Interest and similar income	1,136,685	1,060,133	-76,553	-6.7%	843,667	752,814	-90,853	-10.8%
Interest and similar costs	361,607	335,683	-25,924	-7.2%	289,120	257,174	-31,946	-11.0%
Net interest income	775,079	724,450	-50,629	-6.5%	554,547	495,640	-58,907	-10.6%
Income from equity instruments	8,585	9,189	604	7.0%	89,924	69,151	-20,773	-23.1%
Net interest inc. incl. inc. from eq. investm.	**783,664**	**733,638**	**-50,025**	**-6.4%**	**644,470**	**564,791**	**-79,680**	**-12.4%**
Fees and commissions income	451,949	501,212	49,263	10.9%	376,390	410,650	34,260	9.1%
Fees and commissions expenses	83,535	89,210	5,675	6.8%	66,460	69,902	3,441	5.2%
Net fees and commissions	368,414	412,002	43,588	11.8%	309,930	340,748	30,818	9.9%
Net trading income	38,795	139,555	100,761	259.7%	19,754	113,267	93,513	473.4%
Other operating income	22,284	70	-22,213	-99.7%	27,406	-11,396	-38,802	-
Non-interest income	**429,492**	**551,628**	**122,136**	**28.4%**	**357,090**	**442,619**	**85,529**	**24.0%**
Total operating income	**1,213,155**	**1,285,266**	**72,110**	**5.9%**	**1,001,560**	**1,007,410**	**5,850**	**0.6%**
Employee costs	383,828	276,705	-107,123	-27.9%	285,655	181,486	-104,170	-36.5%
Administrative expenses	168,660	159,837	-8,823	-5.2%	129,113	121,923	-7,191	-5.6%
Depreciation and amortisation	68,408	74,883	6,475	9.5%	53,172	59,458	6,287	11.8%
Operating costs	620,896	511,424	-109,472	-17.6%	467,940	362,866	-105,074	-22.5%
Net operating income before impairments	**592,260**	**773,842**	**181,582**	**30.7%**	**533,620**	**644,544**	**110,924**	**20.8%**
Credit impairment	195,707	180,420	-15,287	-	161,709	147,440	-14,269	-8.8%
Credit recoveries	-85,707	-138,420	-52,713	-	-82,891	-135,427	-52,536	-
Provisions for reduction of employees	-74,614	92,658	167,272	-	-74,205	93,457	167,662	-
Provisions for guarantees and other commitments	23,760	-2,868	-26,628	-	24,276	-690	-24,965	-
Other provisions and impairments	-11,381	24,782	36,163	-	12,660	-28,832	-41,492	-
Provisions and impairments	**47,765**	**156,572**	**108,807**	**227.8%**	**41,548**	**75,949**	**34,401**	**82.8%**
Net operating income	**544,495**	**617,270**	**72,775**	**13.4%**	**492,072**	**568,595**	**76,523**	**15.6%**
Income Tax	**168,256**	**207,327**	**39,072**	**23.2%**	**145,878**	**176,340**	**30,462**	**20.9%**
of which Contribution on the banking sector	27,976	28,733	756	2.7%	27,677	28,555	879	3.2%
Net op. inc. after tax and before non-controlling int.	**376,239**	**409,942**	**33,703**	**9.0%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	29,707	34,415	4,709	15.9%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	30,675	42,616	11,940	38.9%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	15,058	10,971	-4,087	-27.1%	n.a.	n.a.	n.a.	n.a.
Net income	**392,266**	**429,114**	**36,848**	**9.4%**	**346,194**	**392,255**	**46,061**	**13.3%**

(EUR Million)

	Consolidated Activity				Separate Activity			
BALANCE SHEET	2020-12	2021-09	Change		2020-12	2021-09	Change	
ASSETS			Total	(%)			Total	(%)
Cash and cash equiv. with central banks	10,278	22,298	12,020	117.0%	9,513	21,444	11,931	125.4%
Loans and advances to credit instit.	3,312	3,908	596	18.0%	2,129	2,533	403	18.9%
Securities investments	23,445	21,130	-2,315	-9.9%	24,866	21,995	-2,871	-11.5%
Loans and advances to customers	47,903	49,536	1,633	3.4%	44,174	45,460	1,286	2.9%
Assets with repurchase agreement	14	184	170	1,223.6%	0	171	171	-
Non-current assets held for sale	1,159	1,140	-19	-1.6%	208	178	-30	-14.4%
Investment properties	189	193	4	2.1%	8	8	0	0.0%
Intangible and tangible assets	681	672	-9	-1.3%	517	497	-20	-3.8%
Invest. in subsid. and assoc. companies	505	515	10	2.0%	1,301	1,233	-68	-5.2%
Current and deferred tax assets	1,751	1,618	-132	-7.6%	1,699	1,569	-130	-7.7%
Other assets	2,140	2,367	227	10.6%	1,035	1,079	44	4.2%
Total assets	**91,375**	**103,560**	**12,184**	**13.3%**	**85,452**	**96,168**	**10,716**	**12.5%**
LIABILITIES								
Central banks' and cred. instit. resources	2,040	7,216	5,176	253.7%	2,532	7,516	4,985	196.9%
Customer resources	72,033	77,813	5,780	8.0%	65,978	71,144	5,166	7.8%
Debt securities	1,371	1,787	416	30.3%	1,371	1,787	416	30.3%
Financial liabilities	921	437	-484	-52.6%	921	436	-484	-52.6%
Non-current liabilities held for sale	864	860	-5	-0.5%	0	0	0	-
Provisions	1,037	971	-66	-6.4%	996	930	-66	-6.6%
Subordinated liabilities	1,117	1,114	-4	-0.3%	1,117	1,114	-4	-0.3%
Other liabilities	3,290	3,962	673	20.4%	4,730	4,907	178	3.8%
Sub-total	**82,675**	**94,159**	**11,485**	**13.9%**	**77,645**	**87,835**	**10,190**	**13.1%**
Shareholders' equity	**8,701**	**9,401**	**700**	**8.0%**	**7,807**	**8,333**	**526**	**6.7%**
Total	**91,375**	**103,560**	**12,184**	**13.3%**	**85,452**	**96,168**	**10,716**	**12.5%**

Lisbon, 4th of November 2021

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 February 17. The financial information reported is unaudited.
- The financial metrics in this presentation refer to September 30, 2021, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period, unless where otherwise noted.
- In the first nine months of 2021, economic activity in Portugal and worldwide was significantly affected by the new variants of the Covid 19 pandemic and by the imposed containment efforts, conditioning a series of economic activities. The third quarter of 2021 continued to witness the gradual lifting of restrictions but the economic outlook remains surrounded by uncertainty, despite the level of vaccination achieved and the non-appearance of new variants.

  The Portuguese economy maintains the recovery process that began in the third quarter of 2020, despite the longer impact on certain sectors and companies. Bank of Portugal and supranational institutions anticipate an acceleration of growth in 2022 as a result of the lifting of restrictive measures, the reduction in the savings rate and the recovery of the main trading partners.

  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, 2021 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 “Resultados Consolidados 9M2021”. In the event of any inconsistency, the original version prevails.

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