PRESS RELEASE **CAIXA GERAL DE DEPÓSITOS**

CONSOLIDATED RESULTS 1Q2022

CGD is, after 11 years, recognized as investment grade by the three international rating agencies that atribute its rating. Net income of €146 million achieves an ROE (return on equity) of 7.2%. 2021-2024 Strategic Plan in progress.

Caixa Geral de Depósitos group's consolidated net income for first quarter 2022 was up 80.5% over 1Q2021 to €146 million, equivalent to ROE (return on equity) of 7.2%.

In March 2022, Fitch upgraded its rating on CGD to investment grade for the first time since the loss of this status 11 years ago. CGD has now been awarded investment grade status by the three international agencies that oversee its rating.

Execution of the 2021-2024 Strategic Plan continued, fulfilling CGD's ambition to continue to be a leading bank in customer and society service, supporting performance levels in 2024 in line with European banking practices in terms of profitability and capital strength.

Business volume was up €1.6 billion compared to 2021, recording growth in credit and resources, with international activity following the growth in Portugal, with an increase of over €650 million.

Corporate lending in the first quarter was up 8.6%, in contrast to a market downturn and the SME (Small and Medium Enterprises) credit portfolio was up by 9%. Reference should also be made to the growth in the sale of core products to corporates, including non-financial insurance (up 33%), bank guarantees (up 18%) and factoring and confirming (up 29%) and particularly as regards the contracting arm of the Flexcash platform, with growth of 35% over first quarter 2021.

Mortgage loans to personal customers in Portugal were up 20.3% in the quarter to €871 million. Consumer credit was, in turn, up 65%, owing to investments made in improving the quality of service and reducing funds approval and disbursement times.

Customer deposits were up 1.3% by €900 million across the quarter in Portugal, particularly in the corporate segment (up 3.3%).

There has been another increase in the number of active digital banking customers to 2.1 million at the end of March 2022. The number of financial transactions across the quarter was, in turn, up 9% year-on-year.

The steady decline in recurrent cost-to-income to 49% was indicative of high levels of efficiency gains and improved returns.

Asset quality remained stable with an NPL ratio net of impairment of 0%. Held-for-sale property was down 8.2% to €368 million, its lowest since 2008. New impaired credit totalled €22.9 million in first quarter 2022, which, with recoveries of €21.6 million, translated into a cost of credit risk of 1 bp, in a return to pre-pandemic levels.

International activity contribution to the Group's net income was up 29% to €37.9 million, over the first quarter of 2021, representing around 26% of the consolidated net income.

The regulatory costs for the year 2022, totaling €73.5 million, were fully accounted for in the first quarter, as has been CGD's practice.

CGD continues to enjoy a robust capital status, with a fully loaded CET1 ratio of 18.2% − higher than the average for Portuguese and European banks. The tier 1 and total ratios stood at 18.3% and 19.7% respectively. The regulatory capital requirements applicable in 2022 display a reduction of the Pillar 2 requirement from 2.25% to 2.00%, as opposed to an increase in the average of European banks.

This high level of solvency and improvement in the supervisor's perception of CGD's overall risk allowed the early redemption of the additional €500 million tier 1 issuance on 30 March 2022 as the first contractually scheduled call date. This perpetual issue, with a yield of 10.75%, had been launched in March 2017 under the recapitalisation plan agreed between the Portuguese state and the European Commission. Its redemption will allow significant annual interest savings and increase the capacity for organic capital generation.

At the beginning of 2022, the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) requirements applicable to CGD as of January 1, 2024 were updated to within the expected values.

CGD estimates that the direct impacts of the Russian invasion of Ukraine have no direct materiality in its activity, given the residual exposure of CGD and Portuguese companies, in general, to these two countries.

MAIN INDICATORS

CGD CONSOLIDATED	*Restated*	
BALANCE SHEET AND P&L INDICATORS (EUR million)	2021-03	2022-03
Net assets	96,281	104,045
Net assets (domestic activity)	83,414	89,749
Loans and advances to customers (gross)	51,413	53,393
Loans and advances to customers (net)	49,067	51,085
Customer deposits	74,621	80,958
Total operating income	387	458
Net core operating Income before impairments (1)(2)	165	210
Net income	81	146
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (3) (4)	7.8%	11.5%
Net return on equity - ROE (4)	4.2%	7.2%
Gross return on assets - ROA (3) (4)	0.7%	1.0%
Net return on assets - ROA (4)	0.4%	0.7%
Total operating income / Average net assets (3) (4)	1.8%	1.9%
Employee costs / Total operating income (2)(3)	32.1%	28.5%
Cost-to-income BoP (3)	59.2%	59.4%
Cost-to-income (2) (3)	50.6%	49.0%
Cost-to-core income (2) (5)	55.0%	51.8%
CREDIT QUALITY AND COVER LEVELS (6)		
NPL ratio - EBA	3.6%	2.8%
NPL ratio (net)	0.0%	0.0%
NPE ratio - EBA	2.7%	2.3%
NPL coverage - EBA	100.9%	107.2%
NPE coverage - EBA	94.8%	98.7%
NPL specific coverage - EBA	63.6%	65.2%
NPE specific coverage - EBA	60.3%	61.8%
Forborne ratio for loans and advances - EBA (7)	3.0%	2.0%
Coverage ratio on forborne loans and advances - EBA (7)	90.0%	92.1%
Cost of credit risk(*)	0.29%	0.01%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	51.0%	49.1%
Loans & adv. customers (net) / Customer deposits (3)	65.8%	63.1%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR) (6)		
CET 1 (fully implemented)	18.0%	18.2%
Tier 1 (fully implemented)	19.1%	18.3%
Total (fully implemented)	20.6%	19.7%
Liquidity coverage ratio	460%	369%
OTHER INDICATORS		
Number of branches - CGD Group	931	927
Number of branches, local extensions and corporate offices - CGD Portugal	543	542
Number of employees - CGD Group	11,720	11,390
Number of employees - Domestic banking and financial activity	6,554	6,346
Number of employees - CGD Portugal	6,277	6,085
Number of ATM - CGD Portugal	3,008	2,567
CGD RATING	Short Term	Long Term
Moody's	P-2	Baa2
FitchRatings	F3	BBB-
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

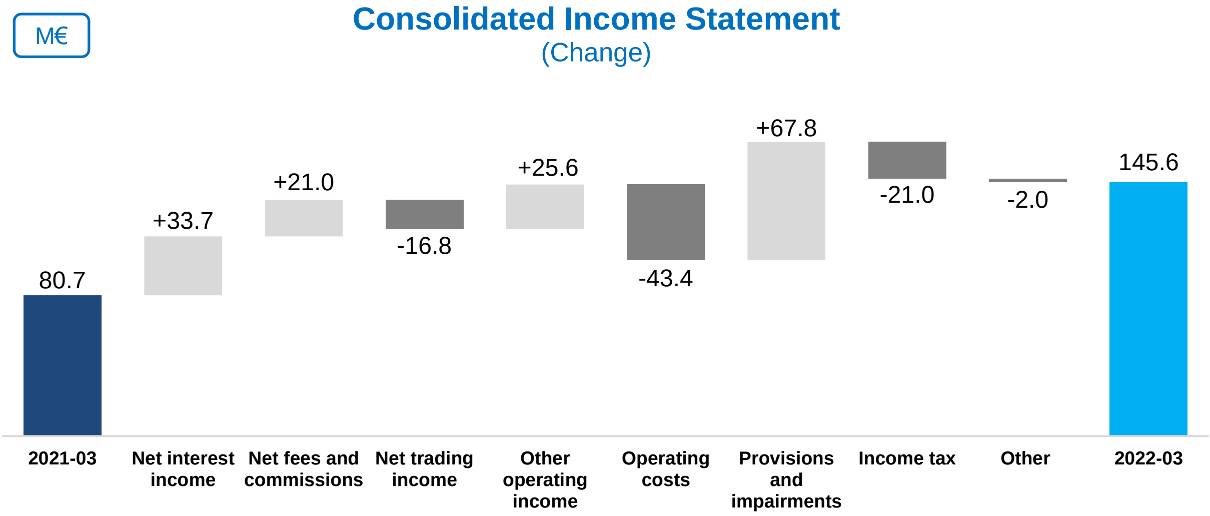
RESULTS

In such a challenging context as first quarter 2022, marked by the outbreak of a military conflict on European territory, rising inflationary pressures and hikes in interest rates, CGD ended the first three months of 2022 with consolidated net income of €145.6 million, up 80.5% over €80.7 million in March 2021. This led to a 3 percentage points increase in ROE (return on equity) from 4.2% over the same period last year to 7.2% in March 2022.

Net interest income was up 14.1% by €33.7 million over first quarter 2021, fuelled by the performance of the bank's business units in Mozambique and Angola. Domestic activity was also up (by 5.1%) with evident gains in commercial productivity evidenced by credit growth in the corporate and individual segments and, in the latter, in the mortgage and consumption areas.

Net commissions earned in Portugal and from international operations, which also reflected a period of lower economic activity in first quarter 2021, were up by a year-on-year €21 million in March 2022. The increase mainly derived from commissions on sales of investment funds (up €5.4 million) and financial insurance (up €3.9 million) and increase in transactions using various means of payment, given the progressive reopening of the economy. This is clearly evident in the annual growth of 35.3% in card purchases, 29% in the case of online purchases and 118% in the average value of contactless transactions.

Income from financial operations was down €16.8 million and is explained by the lower level of income on the fair value portfolio in comparison to the same period 2021.



Conversely, other operating income was up €25.6 million over March 2021, essentially owing to income from sales of real estate assets. This non-recurring income helped to offset the increase in supervision and resolution costs in first quarter 2022, in comparison to March 2021.

Total operating income from CGD Group's activity was, accordingly, up 18.2% by €70.3 million over the March 2021 − March 2022 period.

Structural costs were up €43.4 million. This change, however, includes €60.8 million in non-recurring factors, essentially related to adjustments of provisions for post-employment benefits and cost projections on pre-retirement programmes, whose impact is partially offset in terms of net income in the provisions account. Excluding the referred to extraordinary effects, structural costs would have grown €16.7 million, partially owing to changes in exchange rate profit and loss in several of the geographies in which CGD operates.

Notwithstanding the increase in structural costs, the cost-to-income and cost-to-core income ratios from CGD's current activity continue to trend favourably at European reference levels. In March 2022, these ratios stood at 49.0% and 51.8%, respectively, comparing positively to the 50.6% and 55.0% recorded in March 2021.

As a result of the referred to evolution, current core operating income was up 27.4% by €45 million year-on-year to €210 million in first quarter 2022.

The €67.8 million reduction of provisions and impairment recognised in the year-on-year period up to March 2022, reflects the return to a situation of relative normality in credit risk management terms following a period marked by preventive actions adopted on account of the emergence of Covid-19. Considering the referred to non-recurring factors with an impact on provisions and impairment, this account would have been down €29.5 million.

The impaired credit aggregate in the period under review reflects a cost of credit risk of 1 bp, against a cost of credit risk of 29 bps in March 2021.

In short, the €64.9 million increase in net income in first quarter 2022, over the same period 2021 benefited from the positive influence of CGD Group's core activity, in a period influenced by an increase in supervision costs. Excluding the impact of €26.4 million in non-recurring factors, net income for the period would have been €119.2 million.

BALANCE SHEET

CGD's consolidated net assets reached €104,045 million at the end of the first quarter of 2022, which represented only a slight increase from €104,010 million at the end of December 2021.

Gross loans and advances to customers of €53,393 million were up 1.7% compared to the end of 2021.

CGD Portugal entered into 6,897 mortgage loan agreements for €871 million during the first quarter of 2022. This was up 12.5% by around 770 operations and up 20.3% by €147 million over the same period of 2021.

Special reference should be made this period to the 2.4% growth of corporate loans and advances, representing €380 million.

CGD achieved an 18% share of the domestic credit market in March 2022, with 14% for corporate loans and 24% for mortgage loans to individual customers.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS			Change	
	2021-12	2022-03	Total	(%)
CGD Portugal	**44,945**	**45,579**	**634**	**1.4%**
Corporate	15,955	16,335	380	2.4%
General government and other	3,456	3,487	32	0.9%
Individual customers	25,534	25,757	222	0.9%
Mortgage loans	24,665	24,839	174	0.7%
Other	869	918	49	5.6%
Other CGD Group companies	**7,553**	**7,814**	**261**	**3.5%**
Total	**52,498**	**53,393**	**895**	**1.7%**

Note: Gross loans and advances to customers

Customer deposits were up 1.6% by €1,292 million over the end of 2021, essentially on account of higher levels of household savings, even so, below that registered at the beginning of 2021.

CGD retained its leading position in the national market, both in terms of total customer deposits with a March 2022 market share of 24% and individual customers' deposits with a market share of 32%.

Total resources taken from domestic activity at the end of March 2022 were up 0.3% over December last year to €86,338 million. Lower levels of off-balance sheet products derive from maturities in the case of insurance and asset depreciations as a result of Russia's invasion of Ukraine and its marked impacts on the prices of financial assets.

The loans-to-deposits ratio stood at 63% in March 2022, remaining stable in relation to the end of 2021, despite the continuous increase in deposits and credit.

Asset quality continued to trend to improvement with NPL (non-performing loans as defined by the EBA) down 1.6% by €35 million over December 2021 owing to the positive evolution of cured credit, recoveries and sales components. The NPL ratio reached 2.8%, which compares with the 2.84% observed in December 2021. The overall volume of impaired credit resulted in a coverage ratio of 107.2% (total coverage of 134.4% including the allocation of collateral), resulting in an NPL ratio net of impairment of 0%.

(EUR Million)

RESOURCES TAKEN			Change	
	2021-12	2022-03	Total	(%)
Balance sheet	**89,408**	**89,558**	**149**	**0.2%**
Central banks' & cred instit. resources	6,745	6,577	-168	-2.5%
Customer deposits (Consolidated)	79,666	80,958	1,292	1.6%
Domestic activity	68,728	69,627	900	1.3%
International activity	10,939	11,331	392	3.6%
Covered bonds	1,259	250	-1,009	-80.1%
EMTN and other securities	1,648	1,651	3	0.2%
Other	89	121	31	35.2%
Off-balance sheet	**21,672**	**20,959**	**-713**	**-3.3%**
Investment funds	6,952	6,587	-365	-5.3%
Real estate investment funds	892	883	-8	-0.9%
Pension funds	4,555	4,409	-146	-3.2%
Financial insurance	7,639	7,463	-176	-2.3%
OTRV Portuguese Governm. Bonds	1,635	1,617	-18	-1.1%
Total	**111,081**	**110,516**	**-564**	**-0.5%**
Total resources (domestic activity) (1)	**86,048**	**86,338**	**291**	**0.3%**

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

LIQUIDITY

The fact that CGD continues to enjoy a high level of liquidity, based on deposits growth in its retail network, enabled it to redeem a €1 billion covered bond in January 2022 without resource to market refinancing.

Following the authorisation of the European Central Bank (ECB) for the early redemption of its €500 million additional tier 1 issuance, CGD called in this option, effective 30 March 2022.

As part of the Eurosystem's monetary policy measures, CGD Group continues to hold €5.8 billion in ECB funding from the third TLTRO-III series (targeted longer-term refinancing operations).

CGD has assets of around €14 billion with the Eurosystem collateral pool and retains a large amount of available collateral, in addition to the significant amount of its cash balances with the Bank of Portugal.

The liquidity coverage ratio (LCR) of 369%, at the end of March 2022, was much higher than the current liquidity regulatory requirement (100%).

CAPITAL

At 31 March 2022, consolidated shareholders' equity was down €360 million, to €8,927 million, over the end of 2021. This evolution derives from the reduction of €500 million in "Other equity instruments", which referred to securities representing additional Tier 1 own funds (Additional Tier 1) that were called in March 2022. Other reserves and retained earnings were up €597 million (+15.4%), largely justified by the incorporation of the positive results of 2021.

(EUR Million)

SHAREHOLDERS' EQUITY			Change	
	2021-12	2022-03	Total	(%)
Share capital	3,844	3,844	0	0,0%
Other capital instruments	500	0	-500	-100,0%
Revaluation reserves	255	209	-46	-17,9%
Other reserves and retained earnings	3,867	4,464	597	15,4%
Non-controlling interests	238	264	26	11,1%
Net income	583	146	-438	-75,0%
Total	**9,287**	**8,927**	**-360**	**-3,9%**

The fully loaded CET1, Tier 1 and Total ratios, including net income for the period, were 18.2%, 18.3% and 19.7% respectively, meeting CGD's current capital requirements. These ratios, above the Portuguese and European average, show CGD's robust and adequate capital position.

Applicable from that 2022 onwards, the Pillar 2 requirement is set to 2%, which represents a reduction of 0.25% compared to 2021, thus reflecting an improvement in the Supervisor's perception of the overall risk of the institution.

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 quarter 2022. Starting 1 January 2024, CGD's own funds and eligible liabilities must be equivalent to 25.95% of total risk-weighted assets (including a combined buffer requirement of 3.5%) and a total leverage exposure of 5.94%.

The requirements apply on a sub-consolidated basis for the determined resolution perimeter, translated into the European perimeter. Until this decision, the resolution perimeter also included Banco Nacional Ultramarino in Macau.

The revision of the requirement applicable on January 1, 2024 is consistent with CGD's expectations and with its funding plan, which provides for the reinforcement of own funds and eligible liabilities to ensure due compliance.

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

RATING

On March 9, 2022, Fitch Ratings upgraded CGD's IDR and long-term preferred senior debt ratings from BB+ to BBB-, and revised its outlook from Positive to Stable.

The rating upgrade reflects the improvement in asset quality even during the pandemic period, the resilience of profitability - based on market leadership and strong levels of efficiency - and better capital ratios. The IDR and senior short-term preferred debt ratings were upgraded from B to F3.

With this change, CGD is now rated investment grade by the three international agencies that monitor its rating.

RELEVANT EVENTS

Innovation and digital transformation

Digital continued to occupy a central position in CGD's strategy in the first quarter of the year. This is reflected in the increase in the number of active digital clients and their respective satisfaction levels.

The 2.1 million active personal and corporate digital customers in the domestic market represent 60% of our customer base and year-on-year growth of 12%.

Reference should also be made to the growth of the mobile channel which now has 1.38 million individual and corporate customers (up by a year-on-year 19%), whose relevance to users has been increasing.

The 86 million accesses to Caixadirecta by 31 March were up 15% year-on-year. The 21 million operations also totalled significant year-on-year growth of 9%.

The contact center, which since 2021 has been equipped with a virtual assistant to ensure a more efficient customer service, posted a high 78% CSAT (customer satisfaction score).

The digital business, which has been evolving significantly since CGD embarked upon its transformation programme, has experienced strong growth in operations for online product subscriptions such as consumer credit (78%), retirement savings products (28%) and investment funds (23%). Reference should be made to the 27% growth of factoring and confirming operations, in the corporate segment.

Marked by a strong innovation component and focused on customer needs, the Caixadirecta app continues to be the country's banking app with the largest number of users in surpassing the 1 million monthly unique user accesses barrier in the first quarter of the year.

Several new features of this solution particularly include the updating of personal data, launch of the investor profile questionnaire and Milan market prices providing its users with an even more comprehensive service.

The digital assistant, as a national banking sector benchmark, has accumulated 1.7 million accesses since its launch at the end of the quarter. Compared to the same period last year, the number of queries has increased by 192% and the number of transactions by 88%. This is not only indicative of the usefulness of the voice service but also the confidence placed in it by users, who can now use the assistant to apply for credit cards.

The DABOX app continues to be the open banking leader in Portugal with a 34% market share (according to SIBS API Market data for 1st quarter 2022) and already has 24 entities available. Reference should be made to the presence of DABOX in the first edition of the open finance global progress report 2022 as an example of good innovation practices in the open banking area in Portugal.

Enhanced value proposal and customer service

In the corporate segment, reference should be made to the following offers for companies: Tourism Support Line of Credit 2021 (with an 80% guarantee from Banco Português do Fomento); SGM (mutual guarantee) lines of credit for Production Support (owing to hikes in raw material and energy costs and disruption of supply chains); EIF lines of credit with higher credit limits (Caixa Invest Transforma, Green Land, Start II and Tesouraria); sustainable, innovative solutions for SMEs (EDP Solar Solution!; campaigns with different prices for "green vehicles").

Reference should also be made in the first quarter to the opening of more than 5 thousand Contas Caixa Business [Caixa Business Accounts] as a multi-product solution that includes a current account, the Caixadirecta Empresas [companies] service, online SEPA transfers, debit and credit cards, cheques and access to CGD's POS terminals at lower prices on the basis of a fixed monthly charge.

The 2021 PME Líder (leading SMEs) programme is underway, and more than 2,700 companies, backed by CGD, have already been awarded this status.

The strategic priority of strengthening the commercial relationship with micro and small enterprises was confirmed by a 62% increase to 26,200 in the number of companies in the business segment to which a manager has been assigned.

CGD continues to focus on self-service via digital channels, with the launch of external financing operations (Finex) at Caixadirecta Empresas; with the Flexcash Platform, which grew 34% in number of operations, and is the first bank in Portugal to provide a 100% digital platform for foreign trade operations (Trade Finance).

In terms of the offer aimed at the specific needs of the private sector, the following stand out: the relaunch of the [Cliente Crédito Habitação] advantages (extendable to their first-degree relatives); the launch of Investimento Global 5 Years January 2022 and Investimento Ibéria 5 Years March 2022, individual life insurance linked to investment funds; the restructuring of the offer of pension funds, the new limits for trading on the stock exchange and brokerage and also the strengthening of customer protection measures within the scope of Multicare health insurance.

Consumer credit particularly included the results achieved by the Crédito Expresso (express credit) offer whose first quarter 2022 year-on-year growth of 67% helped to increase market share in this business segment by 1.5 pp.

In the first three months of 2022, CGD reinforced its leadership in the business of cards and other means of payment, with a total of around 4.6 million bank cards issued. Purchases with CGD cards grew by 35.3% compared to 2021 and already exceed the pre-pandemic value by more than 29%.

It should be noted that the change in consumption habits seen since the beginning of the pandemic reinforced the use of cards as a means of payment and a greater frequency of digital purchases, with growth of around 29% in online purchases and 118% in purchases using contactless technology, compared to the same period last year.

The average market share of cards was 21.7% in March 2022, a favorable evolution in addition to the increase in the penetration rate of 75.2% in debit cards and 19.1% in credit cards.

In terms of innovation, CGD reinforced its commitment to the automation and efficiency of processes, such as: the reinforcement of contactless technology, token transactions through digital wallets, smartphones, smartwatches or SwatchPAY! watches; finally, the offer and dissemination of non-banking products through credit card financing continued.

Service Quality Assessment

According to the Brand Score study, in first quarter 2022 CGD improved the assessment of its reputation indicator which continues to be highly positive and has reinforced the attributes of which this indicator is made up (trust, financial strength, governance, ethics and transparency).

CGD improved its brand indicators score in the first quarter of the year in the evaluation of its customers. Reference should be made to "Governance", "Ethics", "Innovation/Digital" and "Simplicity", as the indicator showing the greatest improvement (Brand Score).

According to this study, in first quarter 2022, CGD renewed its nomination as the "Best Bank for Personal Customers" and "Best Bank for Young People" (spontaneous nomination by the customers of each bank).

In the banking context, the CGD brand has improved its appeal to non-customers and excels in leading this indicator as the banking brand with the greatest appeal to new customers with a low probability of churn, coming second in this ranking.

Sustainability

The sustainability strategy for the 2021-2024 period is indicative of CGD's aim to become the leader in sustainable financing in Portugal, supporting the transition to a low carbon economy and financing projects with a social impact on people's lives, based on five strategic operating pillars:

- Sustainable, inclusive financing
- Climate risk management
- Equity, digital and financial inclusion
- Transparent governance models
- Disclosure of information on sustainability

In a global evaluation of CGD's ESG sphere, reference should be made to the low-risk result achieved in the Morningstar ESG Risk Rating (Sustainalytics).

Environment

On an environmental level, CGD was singled out as one of the leading companies in the fight against climate change in Europe, according to the "Europe's Climate Leaders 2022" ranking published by the Financial Times. Of the three Portuguese companies included in the ranking, the fact that CGD was the one to achieve the largest reduction in greenhouse gas emissions between 2015 and 2020, demonstrates the effectiveness of the measures implemented to reduce the environmental impact associated with its activities.

CGD was also awarded an "A-" grade in the Supplier Engagement Rating of the Carbon Disclosure Project (CDP) for its initiatives to incentivise its value chain and to adopt environmental commitments and practices to help mitigate the impact of climate change.

In terms of sustainable financing, CGD was the winner of the 2nd edition of the National Sustainability Award in the Sustainable Finance category, with the first sustainable debt issuance by a Portuguese bank. This major distinction has helped CGD to strengthen its position as a bank making an active contribution to sustainable economic development.

As a state-owned bank, CGD aims to play a leading role in the development and promotion of the market for sustainable financial products. It has, accordingly, been investing in the development of new financial products and the marketing of lines of credit that help to support the transition of companies and households to a more efficient economy with a smaller environmental footprint, such as, inter alia: hybrid and electric vehicles leasing, Caixa Invest Green Land and CGD's environmental-friendly consumer loans.

Social

CGD has awarded its CGD Mais Mundo prizes for the fourth consecutive year in due recognition of the academic merit of students in the nationwide access contest in the 2021/2022 school year, who were successful in gaining places in public educational institutions having agreements with CGD. CGD has doubled the number of prize-winners to 300 students and the total amount of prizes to €300,000.

In response to the difficulties resulting from the invasion of Ukraine, CGD has been taking a series of steps to provide for the most pressing needs of the Ukrainian population in terms of health, shelter/housing, food and access to education. They particularly include exemptions from charges on interbank transfers to Ukraine (up until end

May); exemption of annuities on debit cards (duration of 1 year); fundraising activities with employees, in which CGD agreed to double the amount of donations.

CGD held its Volunteer Day for the fourth consecutive year. This took the form of several nationwide actions: digital training (#Eusoudigital); collecting of medicines in partnership with Banco Farmacêutico Portugal; goods collections (school supplies, food and hygiene and cleaning products).

Another edition of the Caixa Social 2022 prizes was organised in the social sphere, distinguishing 29 projects out of the 596 applications accepted. With a total allocation of €500,000, Caixa Social 2022 prizes aim to identify solutions designed to address the main management challenges in the social sector, enhancing the impact of organisations and promoting the strengthening, requalification and innovation of social responses, in line with the European Union's recovery and resilience plan.

Prizes and distinctions

At the beginning of 2022, the following awards and distinctions were awarded in relation to CGD Group's activity in retail and digital banking and fund management:

- Powerful Brand - CGD was distinguished in the Large Banks category by the Marktest Group and Cofina Media
- Best Bank in Sustainability – CGD was elected "Best Bank in Sustainability in 2021" by the Brandscore study, by consulting firm Scopen
- Banking – Virtual Assistant – Caixadirecta App Digital Assistant – 5 Star Award
- Banking – Open Banking – DABOX App - 5 Star Award

DOMESTIC AND INTERNATIONAL ACTIVITY

Domestic activity's contribution to CGD Group's net income in March 2022 was up 110.4% to €107.7 million against €51.2 million for the same period of the preceding year.

CGD's activity in Portugal, Caixa Banco de Investimento and the Group's national companies linked to the real estate sector were the main factors responsible for the recorded change in domestic activity, with contributions of €61.2 million, €8.2 million and €27.8 million, respectively.

The positive performance in the net interest income and in the net fees and commissions' items demonstrate that the domestic core activity is recovering from an adverse environment, offsetting the increase in operating costs recorded in the period under analysis.

Thus, disregarding the non-recurring effects of the period essentially related with the adjustment of provisions associated with post-employment benefits and the expected costs of the pre-retirement program, the current core operating income was up by €26.0 million from €111.5 million to €137.5 million (+23.3%).

In the first three months of 2022, impaired credit net of reversals was down compared to the same period of 2021, considering the preventive actions taken during 2021 on a possible deterioration of the credit portfolio.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	Restated 2021-03	2022-03	Change (%)	Restated 2021-03	2022-03	Change (%)
Net interest income	150.7	158.4	5.1%	88.7	114.7	29.3%
Income from equity instruments	0.9	7.6	702.8%	0.0	0.2	-
Net fees and commissions	105.8	123.5	16.7%	20.4	23.5	15.5%
Net trading income	38.7	20.8	-	7.2	8.4	16.0%
Other operating income	-17.9	2.2	-	-1.5	4.1	-
Total operating income	**278.2**	**312.5**	**12.3%**	**114.7**	**150.8**	**31.5%**
Employee costs	126.1	153.7	21.9%	35.6	40.6	14.1%
Administrative expenses	37.4	40.4	8.1%	18.5	21.0	13.5%
Depreciation and amortisation	16.6	19.2	15.8%	6.4	9.1	42.3%
Operating costs	**180.1**	**213.3**	**18.4%**	**60.5**	**70.7**	**16.9%**
Net operating income before impairments	**98.1**	**99.2**	**1.1%**	**54.2**	**80.1**	**47.7%**
Credit impairment (net)	35.3	-4.8	-	0.4	6.1	1582.4%
Provisions and impairments of other assets (net)	-43.2	-77.8	-	3.9	5.1	30.5%
Net operating income	**106.0**	**181.9**	**71.5%**	**49.9**	**68.8**	**37.9%**
Income tax	63.9	84.7	32.6%	12.8	13.0	1.3%
Net operat. inc. after tax and before non-controlling interests	**42.2**	**97.1**	**130.4%**	**37.1**	**55.8**	**50.5%**
Non-controlling interests	0.6	0.0	-99.2%	8.0	18.2	127.2%
Results from subsidiaries held for sale	0.0	0.0	-	0.0	0.0	-
Results of associated companies	9.7	10.5	9.0%	0.4	0.3	-
Net income	**51.2**	**107.7**	**110.4%**	**29.5**	**37.9**	**28.7%**

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

The international business area's contribution to consolidated net income in March 2022 was up 28.7% over March 2021 to €37.9 million. It should be noted that this evolution was influenced by the exchange rate variation in the countries of CGD Group's main units abroad, with this effect having a positive impact of 5.2 million euros on the consolidated net income.

The main contributions to income from international activity were from BCI Mozambique (€9.9 million) and Banco Caixa Geral in Angola (€4.3 million).

As in the domestic activity, the contribution of CGD Group's international units to consolidated net income was due to the positive provision in the net interest income and commissions items, also demonstrating the scenario of economic recovery in the geographies where CGD is present, overcoming also the increase in structural costs recorded in the period under review.

Thus, the global product of the international activity increased by 31.5% compared to March 2021. In turn, structural costs increased by 16.9%, without canceling the positive changes in net interest income and commissions, resulting in an increase in net income gross operating income by 47.7%.

With regard to provisions and impairments, there was an increase compared to the same period in the previous year (+7.0 million euros), mainly explained by the increase in BNU Macau (+4.6 million euros).

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

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated 2021-03	2022-03	Change Total	Change (%)	2021-03	2022-03	Change Total	Change (%)
Interest and similar income	340,940	457,146	116,206	34.1%	249,398	322,701	73,303	29.4%
Interest and similar costs	101,724	184,215	82,490	81.1%	82,141	155,175	73,035	88.9%
Net interest income	239,215	272,931	33,716	14.1%	167,258	167,525	268	0.2%
Income from equity instruments	943	7,742	6,799	721.0%	42,439	33,234	-9,205	-21.7%
Net interest inc. incl. inc. from eq. investm.	**240,158**	**280,673**	**40,515**	**16.9%**	**209,697**	**200,759**	**-8,937**	**-4.3%**
Fees and commissions income	154,319	181,584	27,265	17.7%	126,255	148,173	21,918	17.4%
Fees and commissions expenses	28,327	34,566	6,239	22.0%	22,028	25,491	3,463	15.7%
Net fees and commissions	125,992	147,018	21,025	16.7%	104,227	122,683	18,455	17.7%
Net trading income	45,857	29,098	-16,758	-36.5%	38,448	24,848	-13,600	-35.4%
Other operating income	-24,549	1,004	25,553	-	-26,768	-25,673	1,094	-
Non-interest income	**147,300**	**177,120**	**29,820**	**20.2%**	**115,908**	**121,858**	**5,949**	**5.1%**
Total operating income	**387,458**	**457,793**	**70,335**	**18.2%**	**325,605**	**322,617**	**-2,988**	**-0.9%**
Employee costs	161,680	194,250	32,570	20.1%	129,923	156,387	26,464	20.4%
Administrative expenses	50,385	56,016	5,631	11.2%	38,382	42,032	3,650	9.5%
Depreciation and amortisation	23,040	28,226	5,185	22.5%	17,835	20,793	2,959	16.6%
Operating costs	235,105	278,492	43,387	18.5%	186,139	219,212	33,072	17.8%
Net operating income before impairments	**152,353**	**179,302**	**26,948**	**17.7%**	**139,465**	**103,405**	**-36,060**	**-25.9%**
Credit impairment	59,732	22,902	-36,830	-	59,177	17,671	-41,506	-70.1%
Credit recoveries	-24,018	-21,606	2,412	-	-23,345	-20,703	2,642	-
Provisions for reduction of employees	-32,578	-57,966	-25,388	-	-32,578	-57,789	-25,211	-
Provisions for guarantees and other commitments	-14,206	-9,833	4,373	-	-14,632	-8,734	5,898	-
Other provisions and impairments	7,451	-4,895	-12,346	-	7,268	-30,539	-37,807	-
Provisions and impairments	**-3,618**	**-71,397**	**-67,779**	**-**	**-4,110**	**-100,094**	**-95,984**	**-**
Net operating income	**155,971**	**250,699**	**94,728**	**60.7%**	**143,575**	**203,499**	**59,924**	**41.7%**
Income Tax	**76,706**	**97,704**	**20,998**	**27.4%**	**63,940**	**82,144**	**18,204**	**28.5%**
of which Contribution on the banking sector	28,733	37,106	8,373	29.1%	28,555	36,911	8,356	29.3%
Net op. inc. after tax and before non-controlling int.	**79,265**	**152,995**	**73,729**	**93.0%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	8,639	18,193	9,554	110.6%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	10,005	10,801	796	8.0%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	24	-14	-38	-	n.a.	n.a.	n.a.	n.a.
Net income	**80,654**	**145,588**	**64,934**	**80.5%**	**79,635**	**121,355**	**41,720**	**52.4%**

The March 2021 accounts of the consolidated activity were restated for comparability purposes due to the shareholder position in Banco Comercial do Atlântico (BCA) no longer being classified under "Non-current assets held for sale".

(EUR Million)

BALANCE SHEET	Consolidated Activity 2021-12	Consolidated Activity 2022-03	Consolidated Activity Change (%)	Separate Activity 2021-12	Separate Activity 2022-03	Separate Activity Change (%)
ASSETS						
Cash and cash equiv. with central banks	23,000	22,341	-2.9%	22,082	21,370	-3.2%
Loans and advances to credit instit.	3,924	3,923	0.0%	2,236	2,222	-0.6%
Securities investments	21,152	20,705	-2.1%	21,708	21,088	-2.9%
Loans and advances to customers	50,184	51,085	1.8%	45,613	46,249	1.4%
Assets with repurchase agreement	8	54	595.3%	0	54	-
Non-current assets held for sale	336	348	3.5%	121	114	-5.7%
Investment properties	33	21	-38.5%	8	8	-0.9%
Intangible and tangible assets	746	737	-1.3%	559	545	-2.5%
Invest. in subsid. and assoc. companies	530	511	-3.5%	1,265	1,260	-0.4%
Current and deferred tax assets	1,575	1,524	-3.3%	1,535	1,479	-3.7%
Other assets	2,522	2,796	10.8%	1,242	1,375	10.7%
Total assets	**104,010**	**104,045**	**0.0%**	**96,368**	**95,764**	**-0.6%**
LIABILITIES						
Central banks' and cred. instit. resources	6,745	6,577	-2.5%	7,216	7,077	-1.9%
Customer resources	79,756	81,079	1.7%	72,092	72,996	1.3%
Debt securities	1,790	779	-56.4%	1,790	779	-56.5%
Financial liabilities	382	268	-29.7%	381	268	-29.7%
Non-current liabilities held for sale	148	161	8.9%	0	0	-
Provisions	977	948	-2.9%	933	902	-3.4%
Subordinated liabilities	1,118	1,122	0.4%	1,118	1,122	0.4%
Other liabilities	3,808	4,183	9.8%	4,694	4,903	4.4%
Sub-total	**94,723**	**95,118**	**0.4%**	**88,224**	**88,047**	**-0.2%**
Shareholders' equity	**9,287**	**8,927**	**-3.9%**	**8,145**	**7,717**	**-5.2%**
Total	**104,010**	**104,045**	**0.0%**	**96,368**	**95,764**	**-0.6%**

The March 2021 accounts of the consolidated activity were restated for comparability purposes due to the shareholder position in Banco Comercial do Atlântico (BCA) no longer being classified under “Non-current assets held for sale”.

Lisbon, 12th of May 2022

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.
- In December 2021, the shareholding in Banco Comercial do Atlântico (BCA) was no longer classified as “Non-current assets held for sale”. For this reason and in accordance with the provisions of IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operating Units” the consolidated income statement as of 31 March 2021 has been restated.
- The financial metrics in this presentation refer to March 31, 2022, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period, unless where otherwise noted.
- Global economic activity decelerated in the early months of 2022, due to the impact of the new wave of the pandemic and the invasion of Ukraine by Russia at the end of February, which implied a deterioration in the growth prospects of the global economy in the short term and greater inflationary pressures. The prospects of growth of the Portuguese economy in the period 2022-24 have been revised downwards by the Bank of Portugal and inflation will be substantially higher. Geopolitical instability implies that the magnitude of the economic impact of the conflict is uncertain, involving the risk of materialization of more adverse scenarios.
- In light of this framework, with reference to the information available at the time, CGD estimated and reflected in its financial statements, for the period that ended in 31 March 2022, its best estimate of the financial effects arising from these events, including with regard to the valuation of its assets and the measurement of expected losses in the loan portfolio, which will be subject to continuous monitoring and review.
- This document is only intended to provide general information and does not constitute investment advice or professional advice, nor can it be interpreted as such.
- This document is an English translation of the Portuguese language document “Resultados Consolidados 1T2022”. In the event of any inconsistency, the original version prevails.

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