PRESS RELEASE **CAIXA GERAL DE DEPÓSITOS**

CONSOLIDATED RESULTS
9M 2023

Organic capital generation exceeds public investment of the Recapitalisation Plan. Private component paid in full. Best result in the stress test among banks supervised by the ECB. Around €2 million a day in dividends delivered in 2023

Caixa Geral de Depósitos group's **consolidated net profit of €987 million** in the first 9 months of 2023 reflects the economic environment and the development of its transformation cycle. The evolution of net interest income and international activity contributed to a higher level of income, superseding the increase in operating costs in an inflationary environment. This contribution enabled **CGD to achieve €9.4 billion in equity capital and to generate, since 2017, organic capital of €4.1 billion, exceeding the Recapitalisation Plan's €3.9 billion**. It should be remembered that this Plan involved a capital increase with three components: 2.5 billion euros in cash, 945 million euros through the delivery of bonds subscribed by the Portuguese State in 2012 and 499 million euros through the delivery of shares representing 49% of Parcaixa, S.A..

In September, following authorisation from the supervisor, **CGD made a dividend pay-out of €713 million and paid €1,675 million of the €2,500 million in public investment**, representing 2/3 of the total.

The fact that **CGD came in top position in the banking groups supervised by the ECB and achieved 3rd position with the lowest capital reduction** among the 70 banks included in the EBA 2023 EU-Wide Stress Test bears witness to the high quality of its assets.

The recurring cost-to-income ratio, sustained by **high levels of efficiency and improved earnings**, was down to 25.8%.

Consolidated customer deposits totalled €79 billion and €69 billion in the case of domestic activity, with **CGD retaining its leading market share of 23.1%, in addition to its leading position in the personal customers segment with 31.4%**.

Customer deposits in the domestic market were down 4.9% over December 2022, followed by a trend reversal in the third quarter with an increase of around €200 million.

CGD's consolidated total of €53 billion in loans and advances to customers of which €45 billion in Portugal, remained stable in comparison to the same period last year. In domestic terms, this volume represents a **market share of 17.8%, enabling CGD to maintain its leading position, especially in terms of mortgage loans** (23.3%), in which its continues to be the market leader in a environment with a significant level of early repayments.

CGD actively promoted support to households with greater difficulties, restructuring more than 40 thousand loans by October 2023, including the proactive renegotiation of 20 thousand loans with spread reduction and 12 thousand contractual changes from variable rate to fixed rate. About 4,600 loans were also renegotiated under legislative measures. Of these, about 1,200 loans were restructured under Decree-Law No. 80/2022, and about 3,400 operations benefited from the State subsidy in accordance with Decree-Law No. 20/2023). CGD, as a one-off market development, also implemented an extraordinary support to lower-income households, characterized in Decree-Law No. 20-B, reducing the spread of mortgage loans by 0.5 p.p. in the instalments of around 2,600 operations until the end of 2023. It should also be noted that there were about 50 requests per day to freeze the mortgage loan instalments for a period of 2 years, under the recent Decree-Law 91/2023.

Consumer credit of €262 million**, retained its growth trend over 2022.**

The growth of loans to SMEs was 2.1%, higher than the 1.3% growth in loans to corporates and to the public sector, compared to December 2022

CGD also consolidated its leadership of the equipment leasing market with a market share of 24.4% in March 2023 according to the latest available data.

In terms of corporate business special reference should also be made to the 64% growth of sales on the Flexcash digital payment management platform and expressive 79% increase in "green" vehicle lease operations, over the same period 2022.

In Portugal, CGD reduced its fees, as a result of not increasing the fees prices, which implied a fees reduction in relation to the level of inflation recorded. At the same time, **CGD exempted commissions on several operations**, which resulted in a 4% decrease in income from services and commissions, a trend that should increase in the last quarter.

The total number of **2.31 million active digital banking customers** (personal and corporate) was up 5.5% by 120 thousand over the same period last year. The mobile channel recorded a 10.3% growth of 156 thousand customers to 1.68 million users. There were more than 190 million remote financial transactions (+5%). Sales on digital channels accounted for 81% in terms of individual customers in Portugal. Online operations involving consumer credit, accounted for 17% of the applications approved, up 55% over December 2022.

Marked by a strong component of innovation and focusing on customer needs, the Caixadirecta app has been completely redesigned with new layouts, simpler application processes and a strong financial and digital literacy component.

CGD recorded an NPL ratio (EBA Risk Dashboard) of 2.09% in the first 9 months of 2023, with a total NPL ratio, net of impairment, remaining at 0% (zero). **The cost of credit risk of 0.36% reflected a conservative and predominantly preventative approach.**

The capital ratios fulfil the regulatory requirements by a wide margin, even after the early repayment of the Tier 2 issue in June and dividend payment in September. The CET 1 ratio stands at 20.1%, more than double the regulatory requirement, and the Total Capital ratio at 20.3%, more than 50% of the requirement.

The MREL ratio equalled the amount of own funds and eligible liabilities, equivalent to 27.86% of total risk-weighted assets as opposed to the 26.44% requirement applicable from the beginning of 2024.

Fitch Ratings upgraded its rating on CGD to BBB in September, with outlook remaining stable. At the same time, the long term senior non-preferred debt rating was also upgraded from BB+ to BBB- to investment grade status and tier 2 debt upgraded from BB to BB+. This was the **3rd upgrade by a rating agency in 2023**, reflecting CGD's good performance.

CGD continues to make an active contribution to sustainable development and was **the only Portuguese financial institution in The Banker's sustainable banking revenues ranking**. It also announced its Carbon Neutrality Transition Plan that sets decarbonisation goals and objectives for 2030, both for its own operations and the most carbon-intensive sectors.

On a brand level, CGD was distinguished, in the third quarter, as the "Company with the Best Corporate Reputation in the Banking Sector", in Portugal, and came 15th in Merco's TOP 100 global ranking. It also won the Gazet International Global Magazine prizes for the "Best Banking App Portugal 2023" with its Caixadirecta app; "Best Banking Digital Assistant Portugal 2023" for the Caixadirecta app's digital assistant; and "Digital Culture Portugal Initiative 2023" with Digital Talks.

MAIN INDICATORS

CGD CONSOLIDATED	Restated 2022-09	2023-09
P&L INDICATORS (EUR million)		
Net interest income	911	2,090
Net fees and commissions	645	712
Non-interest income	457	426
Total operating income	1,569	2,808
Net operating income before Impairments	856	2,017
Net core operating Income before impairments (1)(2)	732	1,830
Net operating income	1,036	1,507
Net income	692	987
PROFIT AND EFFICIENCY RATIOS		
Net return on equity - ROE (4)	10.8%	14.4%
Gross return on equity - ROE (3) (4)	15.4%	21.3%
Gross return on assets - ROA (3) (4)	1.4%	2.0%
Net return on assets - ROA (4)	1.0%	1.4%
Total operating income / Average net assets (3) (4)	2.0%	3.7%
Employee costs / Total operating income (2)(3)	23.9%	14.3%
Cost-to-income BoP (3)	44.6%	27.9%
Recurrent cost-to-income (2) (3)	41.3%	25.8%

	2022-12	2023-09
BALANCE SHEET INDICATORS (EUR million)		
Net assets	102,511	98,378
Cash and loans and advances to credit institutions	25,802	23,375
Securities investments	18,689	17,443
Loans and advances to customers (net)	50,778	50,554
Loans and advances to customers (gross)	53,032	52,790
Central banks' and credit institutions' resources	338	320
Customer resources	83,972	79,542
Debt securities and subordinated liabilities	2,487	1,990
Shareholders' equity	9,483	9,701
CREDIT QUALITY AND COVER LEVELS		
NPL ratio - EBA Risk Dashboard	2.43%	2.09%
NPL ratio (net)	0.0%	0.0%
NPE ratio - EBA Risk Dashboard	2.15%	1.80%
NPL coverage - EBA Risk Dashboard	122.0%	147.8%
NPE coverage - EBA Risk Dashboard	107.8%	130.9%
Cost of credit risk	-0.01%	0.36%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	49.5%	51.4%
Loans & adv. customers (net) / Customer deposits (3)	60.5%	63.6%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR)		
CET 1 (fully implemented) (5)	18.7%	20.1%
Tier 1 (fully implemented) (5)	18.7%	20.1%
Total (fully implemented) (5)	20.2%	20.3%
Liquidity coverage ratio	303.4%	304.7%
Net stable funding ratio (6)	182.6%	172.8%
Leverage ratio	7.7%	8.4%
BRANCHES		
Number of branches, local extensions and corporate offices - CGD Portugal	515	515
Number of branches - CGD Group (7)	891	888
EMPLOYEES	**2022-09**	**2023-09**
Number of employees - CGD Portugal (8)	6,636	6,378
Number of employees - CGD Group	11,273	11,022
CGD RATING	**Long Term**	**Outlook**
Moody's	Baa2	Positive
FitchRatings	BBB	Stable
DBRS	BBB (High)	Stable

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

(1) Net core operating Income before impairments = Net interest income + 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) Prudencial perimeter including Net Income deducted of the maximum distributable amount according to dividend policy; (6) July 2023; (7) In the first 9 months of 2023, a branch of Banco Caixa Angola, a branch of Banco Nacional Ultramarino (Macau) and a branch of Banco Comercial Atlântico (Cape Verde) were closed (8) Total domestic perimeter.

CONSOLIDATED INFORMATION

RESULTS

CGD ended the first nine months of 2023 with a consolidated net profit of €987 million, up 43% over the €692 million in the same period of 2022.

The consolidated net interest income increased by €1,179 million, essentially on the account of the activity in Portugal. This change in net interest income was due to three effects:

- the contribution of treasury activity. In the case of the deposits in Central Banks, it should be noted that in 2022 the negative interest rates applied by the European Central Bank represented a cost, which was the opposite of the first nine months of 2023, when positive rates were recorded, resulting in an increase of interest income from these deposits by €417 million. It should be noted that, with effect from 20 September, minimum reserves no longer receive remuneration. Other domestic activity, including the securities portfolio management, was up €65 million;

- the impact of higher interest rates on the segments of individual customers (up €412 million) and companies and other customers (up €260 million);

- international activity also made a relevant contribution to the evolution of net interest income (up €25 million), particularly in the case of BNU Macau (up €21 million). It should also be noted that the negative change in BCG Angola's contribution (-€11 million) was due to negative exchange rate variations in the period (-€24 million).

Commissions were down by €31 million (-7%) over September 2022, where the lower fees associated with credit stood out in a context of lower demand and application of exemptions. Component parts of this variation were the decreases recorded at CGD Portugal (down €14 million) and BCI Mozambique (down €9 million).

Income from financial operations was up by €21 million over the first nine months of 2022. This growth was strongly influenced by the non-recurring effect of the liquidation of the CGD Employee's Pension Fund, which took place in February 2023. Excluding this extraordinary effect, income from financial operations was down €59 million, affected by the performance of interest rate derivatives (down €73 million).

Other operating income was up by €77 million over the September 2022. However, excluding the non-recurring gains associated with the disposal of real estate in Portugal in the first nine months of 2022 and the recognition of the capital gain related to the valuation of the Headquarters Building (€82 million), among other effects that occurred in 2023, the change would have been a positive €36 million.

Total operating costs increased €78 million (up 11%) compared to September 2022, mainly due to the increase in employee costs (up €41 million) and general administrative expenses (up €43 million). Deducting the extraordinary effects that occurred in the first nine months of 2022 and 2023, mainly associated with the employee restructuring programme, operating costs increased €49 million (up 8%) compared to September 2022, which was not unrelated to the effect of the evolution of the inflation rate.

Provisions and impairments recorded in 2023, up to September, increased by €690 million over the same period of 2022. This change is based on the continuity of CGD's conservative and preventive stance in hedging any risks posed by the current economic environment. However, this change was influenced by non-recurring factors, mainly associated with the employee restructuring programme (reversal of provisioning in 2022 and reinforcement in 2023), the disposal of asset portfolios in both periods, and the actuarial review under Decree-Law No. 14/2023. Net of extraordinary effects, provisions and impairments in terms of consolidated activity in the first nine months of 2023 was €369 million. Of this amount, €305 million are related to credit risks, with the objective of providing for the uncertainty characterising the economy in 2023. The cost of credit risk was consequently up to 0.36% in September 2023 from -0.01% in December 2022.

The increase in operating income resulted in a tax burden €181 million higher in September 2023 over the first nine months of 2022.

In the remaining items of the CGD Group's income statement, income from equity instruments decreased by €7 million (down 53%), totalling €6 million in September 2023. In turn, the results from companies consolidated by the equity method totalled €27 million, down 12% compared to September 2022, and the results of subsidiaries held for sale totalled €16 million, an increase of €4 million compared to the same period of 2022. Non-controlling interests were down by €5 million.

BALANCE SHEET

CGD's consolidated net assets reached €98,378 million at the end of September 2023, down 4.0% over December 2022, determined by the evolution of customer resources, which were down €4,430 million, mostly explained by CGD Portugal (-€3,863 million), due to the trend in the financial sector of transferring deposits to Savings Certificates and early amortisation of loans.

In 2023, CGD increased its share capital by €682 million, through the incorporation of reserves. As a result of this conversion, CGD's share capital increased from €3,844 million to €4,526 million, fully owned by CGD's sole shareholder, the Portuguese State.

In September 2023, in Portugal, CGD maintained the leadership in total loans with a market share of 17.8% (19.1% for individuals and 23.3% for mortgage loans). Growth was recorded in the segments of Corporate & General Government (+1.3%) – driven by the evolution in SMEs (+2.1%) – and consumer credit (+6.6%), and a decrease in mortgage loans (-2.2%) compared to December 2022, impacted by early repayments and reduced demand.

The consolidated loans and advances to customers portfolio reached €52,790 million (gross).

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS	Restated		Change	
	2022-12	2023-09	Total	(%)
CGD Portugal	**45,551**	**45,326**	**-225**	**-0.5%**
Corporate & General government	19,521	19,775	254	1.3%
Individual customers	26,030	25,551	-479	-1.8%
Mortgage loans	25,004	24,459	-546	-2.2%
Consumer credit & other	1,025	1,093	67	6.6%
Other CGD Group companies	**7,482**	**7,464**	**-18**	**-0.2%**
Total	**53,032**	**52,790**	**-243**	**-0.5%**

Note: Gross loans and advances to customers

In the domestic market, customer deposits were down 4.9% over December 2022. However, during the third quarter there was a reversal of this trend with an increase of around €200 million. CGD maintained its leading position in total customer deposits, with a 23.1% share, and in individual customers' deposits with a 31.4% share, as of September 2023.

Total resources taken from consolidated activity were €93,343 million at the end of September 2023. Off-balance sheet resources stood at €13.8 million.

The loans-to-deposits ratio in September 2023 stood at 64%, an increase compared to the end of 2022 (61%).

In terms of asset quality, the volume of NPL (Non-Performing Loans) had a decline, as a result of the combined effect of the evolution in the components of cures, recoveries, sales and write-offs, against inflows.

The NPL ratio reached 2.09%, compared to 2.43% in December 2022 influenced by the reduction in the loan portfolio. The first 9 months of 2023 witnessed a strengthening of credit impairment, raising the coverage ratio to 147.8% (total coverage of 169.0% including allocated collateral), with the NPL ratio net of impairment remaining at 0% (zero). CGD continues to enjoy a highly favourable position in terms of its coverage levels in comparison to the domestic and European average.

In July, the result of the European Banking Authority (EBA) 2023 stress test at European Union level was released. CGD ranked 1st among the banking groups supervised by the ECB and 3rd as the banking group with the lowest capital reduction among the 70 banks included in the test, within the largest European groups in the sector.

This result reflects progressive improvement in CGD's financial and prudential position, as well as the group's level of robustness, improving its capacity to absorb exogenous shocks.

(EUR Million)

CUSTOMER RESOURCES	Restated		Change	
	2022-12	2023-09	Total	(%)
Balance sheet	**83,972**	**79,542**	**-4,430**	**-5.3%**
Customer deposits (Consolidated)	83,875	79,427	-4,448	-5.3%
Domestic activity	72,605	69,064	-3,541	-4.9%
Individuals	55,969	53,553	-2,416	-4.3%
Corporates	13,429	12,561	-868	-6.5%
General Government	3,207	2,950	-257	-8.0%
International activity	11,270	10,363	-907	-8.0%
Other	97	115	18	18.9%
Off-balance sheet	**14,329**	**13,801**	**-527**	**-3.7%**
Total	**98,300**	**93,343**	**-4,957**	**-5.0%**

LIQUIDITY

CGD continues to have a significant level of liquidity, both in deposits with the Eurosystem, around €20 million, and in the total amount of assets available for collateral, which, at the end of September 2023, totalled around €14.2 billion.

Regarding CGD Group's funding structure, customer deposits assume a fundamental weight, representing 90.7% of total consolidated liabilities (excluding non-current liabilities held for sale).

At the end of September 2023, the Liquidity Coverage Ratio (LCR) stood at 304,7%, a value much higher than the current regulatory liquidity coverage requirement of 100%.

CAPITAL

The fully loaded *CET1, Tier 1* and Total ratios (including net income less the maximum distributable amount in accordance with the dividend policy), stood at 20.1%, 20.1% and 20.3% respectively, complying with the capital requirements in force for CGD with a comfortable margin. These ratios, which are higher than the Portuguese and European average, demonstrate CGD's robust and adequate capital position.

Having met all the conditions established at the General Meeting on June 29, 2023, namely the necessary authorizations from the European Central Bank, in its capacity as supervisory entity, on September 26, CGD proceeded with the settlement of the largest dividend ever paid by CGD to its Shareholder, in the total amount of €713 million. This value corresponded to a cash payment for the 2022 financial year, in accordance with the dividend policy, in the amount of €352 million, and the transfer to the Portuguese State of the ownership of its Headquarters Building, in the form of an additional distribution in kind, worth €361 million.

MREL

In September 2023, the amount of own funds and eligible liabilities held by CGD within the scope of the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) represented 27.86% of total risk-weighted assets (RWA) and 10.73% of total leverage ratio exposure (LRE), exceeding the target level determined by the Resolution Authority for mandatory compliance from January 1, 2024 (26.44% RWA and 6.27% LRE). It should be noted that this result occurs after the early redemption of the Tier 2 issuance in June and the dividend payment in September.

CGD is not subject to compliance with any minimum subordination requirement, and the preferred resolution strategy is Multiple Point of Entry approach.

RATING

On September 21st, 2023, Fitch Ratings upgraded CGD's IDR (Issuer Default Rating) and its senior preferred long-term debt ratings from BBB- to BBB, keeping the outlook Stable. IDR and senior preferred short-term ratings were affirmed at F3. Simultaneously, long-term senior non-preferred debt was upgraded from BB+ to BBB-, becoming investment grade level, and Tier 2 debt was upgraded from BB to BB+.

This was the 3rd upgrade of 2023 by a rating agency, after in May 2023, DBRS Morningstar upgraded its Long Term Senior Issuer Rating to BBB (high) and Moody's Investors Service upgraded CGD's Baseline Credit Assessment rating to baa2.

RELEVANT EVENTS

Innovation and digital transformation

The third quarter of the year witnessed growth in the number of digital customers and an increase in business, with digital sales accounting for more than 81%.

The domestic market had 2.31 million active (personal and corporate) digital customers, comprising 69% of the customer base and representing year-on-year growth of 5.5%. The mobile channel, which is becoming increasingly more relevant to users, accounts for more than 1.68 million (personal and corporate) customers and was up by a year-on-year 10.3%.

The 5% year-on-year increase to more than 190 million remote financial transactions over the quarter, highlighted the growing relevance of digital channels in customers' day-to-day lives.

Digital business continues to evolve positively, particularly in the personal customers segment and more expressively so in the case of personal credit and non-financial insurance products (both at more than 100%), in addition to an 83% increase in short term financing and 12% increase in foreign trade over the same period.

Marked by a strong component of innovation and focusing on customer needs, the Caixadirecta app has been completely redesigned with new layouts, simpler application processes and a strong financial and digital literacy component, based on a commitment to ensuring business sustainability.

CGD also has 3,213 items of equipment, comprising 2,481 ATMs (automated teller machines), 62 VTMs (virtual teller machines) and 670 passbook printers, making it possible to expand the number of self-service operations to a 24/7 operation. CGD's ATM and VTM network is available in all municipalities.

Personal customers can now take out new 100% digital insurance such as Multicare Dental, subscribe for non-financial products and join the partner discount programme.

Emphasis in the corporate segment remains geared to innovation and growth of online facilities. CGD was the first bank to publish a detailed ESG Rating report and distance subscriptions for Caixadirecta Empresas based on digital signatures, in addition to credit card applications. Customers are now able to anticipate confirming operations.

Enhanced value proposal and customer service

CGD actively promoted support to households with greater difficulties, restructuring more than 40 thousand loans by October 2023, including the proactive renegotiation of 20 thousand loans with spread reduction and 12 thousand contractual changes from variable rate to fixed rate. About 4,600 loans were also renegotiated under legislative measures. Of these, about 1,200 loans were restructured under Decree-Law No. 80/2022, and about 3,400 operations benefited from the State subsidy in accordance with Decree-Law No. 20/2023). CGD, as a one-off market development, also implemented an extraordinary support to lower-income households, characterized in Decree-Law No. 20-B, reducing the spread of mortgage loans by 0.5 p.p. in the instalments of around 2,600 operations until the end of 2023. It should also be noted that there were about 50 requests per day to freeze the mortgage loan instalments for a period of 2 years, under the recent Decree-Law 91/2023. The CH Fixed Rate 2 Years and CGD CH Jovens mortgage loan campaigns, with special conditions for customers up to 35 years old, were also launched.

As part of its focus on household support measures CGD left its 2022 charges for its Contas CGD multiproduct solutions unchanged in order not to negatively impact monthly household expenditure.

Consumer credit of €262 million retained its growth trend over 2022. Online applications accounted for 17% of approvals and are available to all customers with access to the Caixadirecta service, with an increasing trend in the number of digitally signed proposals (55%). Special reference should be made to the contribution of Crédito Expresso (multi-purpose and automobile) involving amounts of around €245 million and representing 93.7% of the total.

Initial appraisal and contract fees for all personal credit products (except for specialised credit), have been shelved since September, regardless of the framework of decree law 133/2009, allowing for operations involving lower amounts and maturities or for specific purposes such as education, health and renewable energy.

CGD continued to lead in means of payment, with 4.7 million cards and a strong focus on digitalisation and mobile payments. Online purchases were up 42% and contactless payments by 37%.

CGD has around 69 thousand items of POS (point-of-sales) equipment, 95% of which using contactless technology, which already represent around 50% of the volume of transactions. An innovative POS credit facility was launched across the period under analysis as an innovative solution for the corporate segment.

10,230 companies were awarded PME Líder 2022 (Leading SME) status under the PME Líder programme of which 2,672 benefiting from CGD support. Around 11 thousand companies in the corporate segment were also awarded CGD TOP status under this CGD programme which distinguishes the best companies.

CGD continued to provide a set of treasury and means of payment solutions for corporates across the period. Reference should be made to the 64% growth of sales on the Flexcash digital payment management platform, Flexcash for corporate treasury management; trade finance products for Portuguese companies' exports and imports, comprising credit and documentary remittances, which achieved a 1 pp growth in market share, with income from forfaiting operations (discount without recourse for documentary credit) of €10.2 million and promotion of non-financial insurance with a year-on-year growth in sales of 35%, in the corporate segment.

Lending to SMEs in the first 9 months of 2023 was up 2.1% in a context of a declining market for corporate loans.

The positive evolution of specialised credit translated into the consolidation of CGD's leading position in the equipment leasing segment, with a positive variation of 63% in sales and 17% growth in factoring and confirming operations over September 2022, demonstrating a commitment to support productive corporate investment.

In the investment solutions component and notwithstanding a challenging environment, companies continued to invest with the support of CGD which provided a collection of lines of credit to improve small and medium-sized Portuguese companies' access to finance in the form of special EIF - European Investment Fund lines of credit comprising a global package of €296 million, 17.8% of which was taken up in the first 5 months.

A series of sustainable financing solutions was also provided in the form of financing campaigns for electric and hybrid vehicles, with year-on-year increases of 79% in vehicle leasing agreements for this type of vehicles, on the Caixa Empresas network.

Reference should also be made, in terms of sustainable financing, to €2.6 billion in "green" issuances structured by Caixa BI.

Sustainability

Environment

CGD's publication of its Transition Plan is a significant milestone in the achievement of the objectives associated with its Sustainability Strategy 2021-2024 and ambition to become the leader in sustainable financing in Portugal.

This document is designed as a strategic planning component by means of which CGD integrates the objectives of aligning the economy with the goals of the Paris Accord in its concession, investment and business oversight models. It sets decarbonisation targets and objectives for 2030, both for CGD's own operations and the most carbon-intensive sectors.

For its calculation of intermediate reduction commitments (2030), CGD followed the recommendations and best practice disclosed by the Science-based Targets Initiative (SBTi), Net Zero Banking Alliance (NZBA) and the Sustainable Markets Initiative (SMI).

In its mission to raise awareness, inform and continuously implement the adoption of good sustainability practice, CGD has participated in panels at ESG events and conferences, including:

- 31st Annual Conference - "What ESG means for the Board" | Instituto Português de Auditoria Interna
- Global Summit 2030 | Digital with Purpose
- 2nd Edition "Decarbonising the Economy" | GRACE – Empresas Responsáveis
- SDGs in Focus: Insights on Portuguese Companies | CATÓLICA-LISBON
- Europe Regional Round Table - "Promoting real-world impacts and measures taken to deliver on targets" | UNEP – FI
- ESG Forum - "Sustainability in Portugal and the challenges for 2024" | Jornal Negócios

To coincide with the United Nations' adoption of the 2030 Agenda and Sustainable Developments Goals, National Sustainability Day is an initiative of vital relevance to make all social actors aware of the need for a conscious change in behaviour with transformative potential for a sustainable future, in which CGD has taken the opportunity to reinforce its ambition to decarbonise the economy with the publication of an institutional video and an Encontro Fora da Caixa event focusing on forests, land use planning and economic impact.

Social

CGD, within the scope of its social responsibility, continued to provide the community with overall support of approximately €15 million.

For the fifth consecutive year CGD launched the Caixa Social Awards, initiative to provide financial support to social projects developed by third sector entities, with the aim of alleviating poverty and promoting social inclusion.

The 2023 edition of Caixa Social Awards distinguished 36 social institutions, with an overall amount of €760 thousand, out of a total number of 777 applications submitted, in the following areas of intervention:

- Social inclusion and solidarity − initiatives aimed at guaranteeing the fundamental rights and socialisation of people in situations of poverty or social exclusion;
- Prevention and healthcare − based on measures to promote healthcare for the needy;
- Job creation and/or promotion − initiatives contributing to the maintenance and/or creation of jobs, support for entrepreneurship, combating long term unemployment and incentivising the assimilation of people into employment by helping to reduce structural weaknesses in the Portuguese economy;
- Education, training and empowerment − based on projects aimed at the acquisition and development of skills conferring greater autonomy and assimilation

into the labour market, including ways to combat school leaving and lack of academic success, programmes for inclusion and financial and digital literacy.

In terms of culture, it continues to promote and support the activity of the Caixa Geral de Depósitos/Culturgest Foundation, while also sponsoring the activities of the CGD Cultura programme. In social terms, the recognition of student merit took the form of Caixa Mais Mundo awards comprising 300 prizes of €1,000 each to provide greater assistance to students, including the more financially vulnerable social groups, to continue their studies in higher education.

CGD has, across the years, strengthened its support to academia by providing the university segment with access to a package of products and services, appropriate to its life cycle and facilitating the management of day-to-day lives. CGD's association with higher education has also taken the form of more than 200 merit awards, research, scholarships and recognition of innovative projects, aiming to contribute to the promotion of knowledge.

CGD reinforced its investment in culture across the first 9 months of 2023, in its consolidation of innovative programmes and maintaining or reinforcing its already consolidated investments. This period witnessed another cycle of CGD concerts at Culturgest in an initiative designed to expand the dissemination of information on the activity of the Caixa Geral de Depósitos Foundation-Culturgest. Work also continued on the CGD Cultura programme which has been developed with the purpose of supporting unequivocally high quality, differentiating, decentralising and creative projects contributing to the country's cultural development.

Governance

The existence of a transparent governance model is key to fuelling responsible, diverse value creation. Particular reference should, herein, be made to the approval of three corporate ESG policies in the form of the Sustainability Policy (review), Sustainable Financing and Energy Transition Policy and Climate and Environmental Risk Management Policy.

CGD's pioneering role in incorporating ESG criteria into its business model has been distinguished by several entities, such as the "Sustainable Banking Revenues Ranking 2023", as the only Portuguese financial institution in The Banker's sustainable banking revenues ranking and as a case study in the 2nd edition of the SDG Observatory Report on Portuguese companies, conducted by the Centre for Responsible Business & Leadership (Católica-Lisbon).

Prizes and distinctions[1]

The following prizes and distinctions related to CGD group's activities were awarded in the first 9 months of 2023:

- **Company with the best corporate reputation**
  CGD achieved first place in the "Company with the best corporate reputation" category in the banking sector, in Portugal, in 2023 and 15th in the TOP 100 of the global ranking, attributed by Merco

- **Best Banking App – Best Banking Digital Assistant – Best Digital Culture Initiative**
  CGD was triple awarded by Gazete International Global Magazine in Portugal, with the following distinctions: Best Banking App (App Caixadirecta), Best Banking Digital Assistant (App Caixadirecta Digital Assistant) and Best Digital Culture Initiative (Digital Talks)

- **Bank with the best reputation in Portugal**
  CGD was distinguished as the brand with the most relevance and reputation in Portugal, as a result of the RepScore study, released by the consultancy OnStrategy

- **CGD Business Platform selected for 5 Star Award**
  Considered the best commercial support platform in the banking sector

- **Caixadirecta App Digital Assistant elected for 5 Star Award**
  For the second year in a row, the Portuguese chose CGD in the Virtual Assistant category, having surpassed the 2022 score

- **Best investment funds**
  Caixa Gestão de Ativos was twice distinguished with the Best Funds Jornal de Negócios/APFIPP award, with the funds Caixa Ações Líderes Globais and Caixa Ações Europa Socialmente Responsável

- **Best customer service professionals**
  CGD was distinguished with the Fortius 2023 Prize, awarded to the best Customer Support professionals in Portugal, by APCC and AproCS

- **Best Digital Banking Brand**
  CGD was considered Best Digital Banking Brand in Portugal, a distinction given in the context of the Global Brand Magazine Awards

[1] The awards and distinctions are the sole responsibility of the entities that awarded them.

DOMESTIC AND INTERNATIONAL ACTIVITY

The contribution of the domestic units to the CGD Group's net income in the first nine months of 2023 was €837 million, which compares to €538 million (up 56%) in the same period of 2022. CGD's activity was the main responsible for the variation registered in the set of entities operating in Portugal, with a contribution of €783 million (up €329 million) to the consolidated net income.

The very positive net interest income performance of the domestic activity benefited from the positive effects of retail operations, due to the impact of rising interest rates, and of the treasury activity.

Other operating income from the domestic activity increased by €108 million, benefiting from non-recurring gains associated with the disposal of real estate in Portugal in the first nine months of 2022 and the recognition of the capital gain related to the valuation of the Headquarters Building (€82 million), among other effects that occurred in 2023.

On the other hand, operating costs increased by €77 million (up 15%), an increase justified by the evolution of general administrative expenses and employee costs. Reference should be made to the latter, influenced by extraordinary factors, including the increase in the costs of the employee restructuring programme in 2023 compared to 2022.

In the first nine months of 2023, provisions and impairments in domestic activity were up €683 million over the same period of 2022, strongly impacted by non-recurring effects. Excluding these effects, the increase in provisions and impairments over September 2022 was €369 million, reflecting the uncertainty generated by the current macroeconomic environment.

(EUR Million)

CONTRIBUTION TO CONSOLIDATED P&L (*)	Domestic Activity			International Activity		
	Restated 2022-09	2023-09	Change (%)	Restated 2022-09	2023-09	Change (%)
Interest and similar income	811.2	2,045.5	152.2%	486.2	556.4	14.4%
Interest and similar costs	258.6	337.2	30.4%	128.9	174.5	35.4%
Net interest income	**552.6**	**1,708.4**	**209.2%**	**357.3**	**381.8**	**6.9%**
Income from equity instruments	12.2	5.7	-53.5%	0.5	0.3	-30.3%
Net fees and commissions	385.1	369.3	-4.1%	71.5	57.1	-20.1%
Net trading income	101.7	106.2	4.4%	41.4	57.7	39.4%
Other operating income	24.7	133.0	438.9%	39.3	4.8	-
Total operating income	**1,076.2**	**2,322.5**	**115.8%**	**509.9**	**501.7**	**-1.6%**
Employee costs	319.7	361.9	13.2%	125.8	124.4	-1.1%
Administrative expenses	117.8	154.9	31.5%	66.9	71.8	7.4%
Depreciation and amortisation	72.3	70.0	-3.2%	27.8	24.6	-11.7%
Operating costs	**509.7**	**586.8**	**15.1%**	**220.5**	**220.8**	**0.1%**
Net operating income before impairments	**566.5**	**1,735.7**	**206.4%**	**289.4**	**280.9**	**-2.9%**
Credit impairment (net)	-115.0	115.7	-	16.9	27.3	61.8%
Provisions and impairments of other assets (net)	-95.2	357.4	-	13.2	9.2	-30.8%
Net operating income	**776.6**	**1,262.6**	**62.6%**	**259.3**	**244.5**	**-5.7%**
Income tax	269.1	453.7	68.6%	56.7	53.4	-5.8%
Net operat. inc. after tax and before non-controlling interests	**507.5**	**808.9**	**59.4%**	**202.6**	**191.0**	**-5.7%**
Non-controlling interests	0.0	0.0	-100.0%	60.2	55.1	-8.5%
Results from subsidiaries held for sale	0.6	2.5	322.4%	11.5	13.3	15.2%
Results of associated companies	29.4	25.7	-12.6%	0.9	1.0	-
Net income	**537.5**	**837.1**	**55.7%**	**154.8**	**150.3**	**-2.9%**

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

The contribution of the international business area to the consolidated net income for September 2023 was €150 million. Excluding from the period of 2022 the non-recurring gain from the sale of the Headquarters Building of the France Branch, in the amount of €23 million, the evolution of the contribution of international activity over the same period in 2022 was positive in €18 million.

The main contributions to consolidated net income from the international activity came from BNU Macau (€50 million), BCI Mozambique (€46 million), BCG Angola (€24 million) and the France Branch (€14 million).

This positive contribution of the recurring activity of CGD Group's international units to the consolidated net income was mainly due to net interest income, reflecting the favourable economic environment in the geographies where CGD is present. However, it is worth noting the impact that the negative exchange rate variation had on BCG Angola's results evolution, and consequently on the contribution of international activity. This negative impact was €11 million.

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

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated 2022-09	2023-09	Change		2022-09	2023-09	Change	
			Total	(%)			Total	(%)
Interest and similar income	1,258,904	2,568,959	1,310,055	104.1%	843,139	2,113,507	1,270,368	150.7%
Interest and similar costs	347,871	478,876	131,005	37.7%	247,830	346,787	98,957	39.9%
Net interest income	911,033	2,090,084	1,179,050	129.4%	595,309	1,766,720	1,171,411	196.8%
Income from equity instruments	12,676	6,003	-6,673	-52.6%	71,132	108,771	37,639	52.9%
Net interest inc. incl. inc. from eq. investm.	**923,709**	**2,096,087**	**1,172,378**	**126.9%**	**666,441**	**1,875,490**	**1,209,050**	**181.4%**
Fees and commissions income	565,438	542,861	-22,577	-4.0%	461,499	450,849	-10,650	-2.3%
Fees and commissions expenses	108,820	117,223	8,404	7.7%	85,141	88,614	3,474	4.1%
Net fees and commissions	456,618	425,638	-30,980	-6.8%	376,359	362,235	-14,124	-3.8%
Net trading income	143,085	163,894	20,808	14.5%	104,357	118,421	14,064	13.5%
Other operating income	45,731	122,407	76,676	167.7%	19,950	97,215	77,265	387.3%
Non-interest income	**645,434**	**711,939**	**66,504**	**10.3%**	**500,666**	**577,871**	**77,205**	**15.4%**
Total operating income	**1,569,143**	**2,808,025**	**1,238,882**	**79.0%**	**1,167,106**	**2,453,361**	**1,286,255**	**110.2%**
Employee costs	445,492	486,337	40,845	9.2%	331,364	372,087	40,723	12.3%
Administrative expenses	168,139	211,469	43,330	25.8%	122,376	156,020	33,644	27.5%
Depreciation and amortisation	99,663	93,583	-6,080	-6.1%	77,933	76,160	-1,773	-2.3%
Operating costs	713,294	791,389	78,095	10.9%	531,672	604,267	72,594	13.7%
Net operating income before impairments	**855,849**	**2,016,636**	**1,160,787**	**135.6%**	**635,434**	**1,849,095**	**1,213,661**	**191.0%**
Credit impairment	-37,671	218,815	256,487	-	-57,806	188,519	246,325	-
Credit recoveries	-60,480	-75,815	-15,335	-	-58,242	-71,436	-13,195	-
Provisions for reduction of employees	-59,203	72,562	131,765	-	-59,203	72,562	131,765	-
Provisions for guarantees and other commitments	-29,369	11,441	40,810	-	-26,387	8,815	35,202	-
Other provisions and impairments	6,649	282,572	275,923	-	-47,346	248,033	295,379	-
Provisions and impairments	**-180,075**	**509,575**	**689,650**	**-**	**-248,984**	**446,493**	**695,477**	**-**
Net operating income	**1,035,924**	**1,507,061**	**471,137**	**45.5%**	**884,418**	**1,402,601**	**518,184**	**58.6%**
Income Tax	**325,850**	**507,154**	**181,304**	**55.6%**	**275,231**	**462,558**	**187,327**	**68.1%**
of which Contribution on the banking sector	37,104	39,456	2,352	6.3%	36,909	39,334	2,425	6.6%
Net op. inc. after tax and before non-controlling int.	**710,074**	**999,907**	**289,833**	**40.8%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	60,243	55,092	-5,152	-8.6%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	30,287	26,725	-3,562	-11.8%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	12,137	15,831	3,694	30.4%	n.a.	n.a.	n.a.	n.a.
Net income	**692,255**	**987,371**	**295,116**	**42.6%**	**609,187**	**940,044**	**330,857**	**54.3%**

The September 2022 accounts of the consolidated activity were restated for comparability purposes due to the shareholder position in Banco Comercial do Atlântico (BCA) being classified under "Non-current assets held for sale" in December 2022 and due to the shareholder position in Flitptrel IV SA e Flitptrel Porto Santo SA being classified under "Non-current assets held for sale" in June 2023.

(EUR Million)

BALANCE SHEET	Consolidated Activity			Separate Activity		
	Restated 2022-12	2023-09	Change	2022-12	2023-09	Change
ASSETS			(%)			(%)
Cash and cash equiv. with central banks	21,812	19,990	-8.4%	20,781	18,472	-11.1%
Loans and advances to credit instit.	3,990	3,386	-15.2%	2,197	2,171	-1.2%
Securities investments	18,689	17,443	-6.7%	16,363	15,784	-3.5%
Loans and advances to customers	50,778	50,554	-0.4%	46,180	46,141	-0.1%
Non-current assets held for sale	1,271	1,336	5.2%	127	154	21.2%
Investment properties	17	611	-	6	5	-13.2%
Intangible and tangible assets	780	730	-6.4%	599	545	-9.0%
Invest. in subsid. and assoc. companies	476	525	10.2%	1,249	1,256	0.5%
Current and deferred tax assets	1,029	789	-23.3%	988	737	-25.3%
Other assets	3,669	3,015	-17.8%	2,266	1,629	-28.1%
Total assets	**102,511**	**98,378**	**-4.0%**	**90,756**	**86,894**	**-4.3%**
LIABILITIES						
Central banks' and cred. instit. resources	338	320	-5.4%	809	767	-5.1%
Customer resources	83,972	79,542	-5.3%	75,938	72,443	-4.6%
Debt securities	1,368	1,384	1.1%	1,368	1,384	1.1%
Financial liabilities	221	151	-31.6%	221	151	-31.7%
Non-current liabilities held for sale	999	1,063	6.5%	0	0	-
Provisions	906	1,255	38.4%	856	1,183	38.1%
Subordinated liabilities	1,118	606	-45.8%	1,118	606	-45.8%
Other liabilities	4,106	4,356	6.1%	2,307	2,024	-12.3%
Sub-total	**93,029**	**88,677**	**-4.7%**	**82,618**	**78,558**	**-4.9%**
Shareholders' equity	**9,483**	**9,701**	**2.3%**	**8,139**	**8,336**	**2.4%**
Total	**102,511**	**98,378**	**-4.0%**	**90,756**	**86,894**	**-4.3%**

The December 2022 accounts of the consolidated activity were restated for comparability purposes due to the shareholder position in Flitptrel IV SA e Flitptrel Porto Santo SA being classified under "Non-current assets held for sale" in June 2023.

Lisbon, 10th of November 2023

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 shareholding in Banco Comercial do Atlântico (BCA) was classified under "Non-current assets held for sale" in December 2022, and in June 2023 the shareholding in Flitptrel IV SA and Flitptrel Porto Santo SA were also classified under this heading. Therefore, and for comparative purposes only, the amounts related to the consolidated balance sheet as of September 30, 2022 and December 31, 2022 disclosed in this document were restated, as IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" only requires the restatement of the income statement.

- The financial metrics in this presentation refer to September 30, 2023, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period, excluding the maximum distributable amount according to dividend policy, unless where otherwise noted.

- World economy is expected to continue to grow at a moderate pace, influenced by tightening financial conditions and weak growth in global trade. In the Euro Area, after weak growth in the first half of 2023, annual GDP growth is projected to be 0.7% and 1.0% in 2023 and 2024, respectively, and a return to a pace close to its potential in 2025.

  International prices continue to support the reduction in inflation, despite the upward revision in energy prices. In the Euro Area, inflation is projected to fall to 5.6% in 2023, 3.2% in 2024 and 2.1% in 2025. Excluding energy and food prices, inflation is expected to stand at 5.1 % in 2023, 2.9% in 2024 and 2.2% in 2025.

  Increases in ECB interest rates have been reflected in a worsening of private sector funding costs and weaker dynamics of bank loans. However, it is still to be expected that part of the increases in official interest rates that have already occurred have not yet been fully reflected in the funding conditions of the economy.

- 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 9M 2023". In the event of any inconsistency, the original version prevails.

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