PRESS RELEASE **CAIXA GERAL DE DEPÓSITOS**

CONSOLIDATED RESULTS 2023

Lisbon, 15th of March 2024

CGD maintains its leadership in Portuguese banking. Generated capital exceeds public investment of the Recapitalization Plan. Net income allows for stronger capital and historic payment to the State

Profitability allows reimbursement of public recapitalization

- CGD achieves Net Income of €1,291M allowing a payment to the State of the same amount: 1,258 M€ (€525 M in dividends, €529M in taxes and €204M in supervision costs)
- Dividends paid in 2023 and to be distributed in 2024 exceed €1.2B[1]
- Net Income of international entities held reaches a new maximum in 2023 of €206M, the highest value of this century
- In March 2024, the buyer of CGD's shareholding in Banco Comercial do Atlântico, S.A. (BCA) was selected, subject to the appropriate authorizations

Commercial dynamics preserve CGD's leadership in key segments

- Largest business volume in the Portuguese banking system and leadership in customer resources and credit
- Remuneration and publicity of the commercial offer allows recovery of deposits exceeding €70B in Portugal
- Mortgage Loans showed an increase in demand focused on fixed rates; production exceeds €1B in the last quarter
- CGD continues to be the leader in deposits and credit with market shares of 23.1% and 17.6%, respectively
- Credit portfolio for corporates and public sector grows and market share of credit to SME's increases to 15.8%
- Digital customers exceed 3M. In Portugal, Caixa is leader with 2.3M (+41k), including 1.7M mobile customers (+218 k)

Customer support reinforced in a year of rising interest rates

- Proactive support for families: ~38,400 renegotiated mortgage loans and ~3,500 with subsidized interest on Caixa's initiative, along with 7,750 operations with legislative measures applied
- In 2023, CGD did not increase the pricing in commissions and exempted its application in several operations in Portugal, dropping by €23M. Results achieved allows commissions not to be increased in 2024

Solid capital position after historic dividend and repayment of subordinated debt

- Full recovery of the Recapitalization Plan of 2017, both at the private investment level with the early repayment of €500M of the Tier 2 issue in June, and at the level of public investment through capital generated organically since 2017 in the amount of €4.8B, exceeding the €3.9B of that recapitalization
- Capital ratios above 20% after dividend payments. Capital exceeds regulatory requirement by 50%
- Supervisor reduces O-SII requirement for 2024 by 25 b.p., the fourth reduction in requirements since 2017

Significant improvement in asset quality

- CGD was ranked 1st among banks supervised by the ECB in the EBA 2023 EU-Wide Stress Test
- Non-core assets decrease €740M with a sharp reduction of €620M in NPL's and an additional decrease of €120M in foreclosed assets, investment properties and restructuring funds
- Consolidated NPL ratio of 1.6% and 1.5% in Portugal, the lowest value in the domestic market
- Cost of credit risk at 29 b.p. reflects prudent and preventive approach in the face of potential but non-materialized risks

Rating with 4 upgrades in 2023

- CGD had four upgrades of its rating by the three rating agencies in 2023
- Moody's upgraded senior debt to Baa1 in November - after upgrading the BCA to baa2 in May - and Fitch to BBB in September
- After an upgrade to BBB (high) in May, DBRS changed the Trend to "Positive" in December, anticipating a new upgrade

ESG rating upgrades demonstrates progress achieved in its commitments

- Best ESG Risk Rating at national level and 88th out of 1,032 banks by Sustainalytics with "Low Risk". Best classification in the CDP Climate Change Questionnaire at national banking level with "A-", confirming the evolution on its commitments
- CGD is the only Portuguese financial institution to be included in The Banker's sustainable banking revenue ranking

[1] Considering the dividend of €713 M paid in 2023 and the predicted amount for 2024 of €525M, in accordance with the Dividend Policy.

MAIN INDICATORS

CGD CONSOLIDATED	Restated 2022-12	2023-12
P&L INDICATORS (EUR million)		
Net interest income	1,408	2,866
Net fees and commissions	606	565
Total operating income	2,315	3,603
Operating costs	1,203	1,021
Net operating income before Impairments	1,112	2,582
Net operating income	1,130	1,933
Net income	843	1,291
PROFIT AND EFFICIENCY RATIOS		
Gross return on equity - ROE (1)(2)	12.7%	20.4%
Net return on equity - ROE (2)	9.8%	14.0%
Gross return on assets - ROA (1)(2)	1.1%	2.0%
Net return on assets - ROA (2)	0.9%	1.4%
Total operating income / Average net assets (1)(2)	2.2%	3.6%
Employee costs / Total operating income (2)(3)	21.7%	14.1%
Cost-to-income BoP (1)	50.9%	28.1%
Recurrent cost-to-income (2) (3)	38.9%	25.0%

	2022-12	2023-12
BALANCE SHEET INDICATORS (EUR million)		
Net assets	102,511	99,294
Cash and loans and advances to credit institutions	25,802	25,935
Securities investments	18,689	16,427
Loans and advances to customers (net)	50,778	50,529
Loans and advances to customers (gross)	53,032	52,658
Central banks' and credit institutions' resources	338	401
Customer deposits	83,875	80,518
Debt securities and subordinated liabilities	2,487	2,007
Shareholders' equity	9,483	9,826
CREDIT QUALITY AND COVER LEVELS		
NPL ratio - EBA Risk Dashboard	2.43%	1.65%
NPL ratio (net)	0.0%	0.0%
NPE ratio - EBA Risk Dashboard	2.15%	1.51%
NPL coverage - EBA Risk Dashboard	122.0%	172.2%
NPE coverage - EBA Risk Dashboard	107.8%	149.2%
Cost of credit risk	-0.01%	0.29%
STRUCTURE RATIOS		
Loans & adv. customers (net) / Net assets	49.5%	50.9%
Loans & adv. customers (net) / Customer deposits (1)	60.5%	62.8%
SOLVENCY AND LIQUIDITY RATIOS (CRD IV/CRR)		
CET 1 (fully implemented) (4)	18.7%	20.3%
Tier 1 (fully implemented) (4)	18.7%	20.4%
Total (fully implemented) (4)	20.2%	20.6%
Liquidity coverage ratio	303.4%	323.8%
Net stable funding ratio	182.6%	185.8%
Leverage ratio	7.7%	8.7%
BRANCHES		
Number of branches, local extensions and corporate offices - CGD Portugal	515	515
Number of branches - CGD Group (5)	891	886
EMPLOYEES	**2022-12**	**2023-12**
Number of employees - CGD Portugal (6)	6,513	6,243
Number of employees - CGD Group	11,178	10,910
CGD RATING	**Long Term**	**Outlook**
Moody's	Baa1	Stable
FitchRatings	BBB	Stable
DBRS	BBB (High)	Positive

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

(1) Ratios defined by the Bank of Portugal (instruction 6/2018); (2) Considering average shareholders' equity and net asset values (13 observations); (3) Excluding non-recurring costs; (4) Prudencial perimeter including Net Income deducted of the maximum distributable amount according to dividend policy; (5) In the first 9 months of 2023, a branch of Banco Caixa Angola, a branch of Banco Nacional Ultramarino (Macau) and three branch of Banco Comercial Atlântico (Cape Verde) were closed (6) Total domestic perimeter.

CONSOLIDATED ACTIVITY

RESULTS

CGD ended 2023 with a consolidated net profit of €1,291 million, arising from the evolution of net interest margin, the improvement in asset quality and the results achieved in cost control. According to the Dividend Policy, the maximum distributable amount in 2024, based on this result, is €525 million, exceeding the budgeted amount of €461 million. **In the years 2023 and 2024, dividends exceed 1.2 billion euros, allowing the reimbursement of 2.2 billion euros, 90% of the value of the cash capital increase carried out in 2017.**

The **consolidated net interest income** reached €2.9 billion, essentially on account of the activity in Portugal. This change in net interest income was due to the following effects:

- in the domestic activity, the impact of the rise in interest rates on the operations of individual and corporate and other customers segments reached around €1.6 billion. The contribution from treasury activities, securities portfolio management and from domestic entities totalled 787 million euros. In the case of deposits in central banks, it should be noted that the application of negative interest rates by the European Central Bank in 2022 represented a cost, a situation opposite to what happened from September 2022 onwards, when positive rates were recorded, resulting in positive developments of the net interest income.

- the €510 million contribution of international activity to the evolution of net interest income (up €9 million), strongly influenced by the negative exchange rate variations that occurred in the period, particularly in the case of BCG Angola.

The contribution of international activity to consolidated net income reached a new maximum of €206 million (up €13 million), particularly in the case of BNU Macau (up €22 million), the best positive contribution.

Full recovery of the Recapitalization Plan, both at the level of private investment with the early repayment of Tier 2, and at the level of public investment through capital generated organically since 2017

In a year characterized by the non-increase in pricing and the application of exemptions in several operations in Portugal, commissions were down by €42 million (-7%) over 2022.

Income from financial operations was down by €44 million over 2022, affected by the performance of interest rate derivatives (down €67 million), the results from the securities portfolio (down €61 million) and the non-recurring effect of the liquidation of the CGD Employee's Pension Fund, in the amount of €80 million, which took place in February 2023.

Other operating income was down by €79 million over December 2022. However, excluding the non-recurring gains associated with the disposal of real estate in Portugal in 2022 and the effects occurred in 2023, particularly the recognition of the capital gain related to the valuation of the headquarters building (€82 million) and the payment of irrevocable obligations to the Deposit Guarantee Fund (€155 million), the change would have been a positive €55 million.

Total operating costs decreased €182 million (down 15%) compared to December 2022, mainly due to the decrease in employee costs, which were down €188 million (excluding non-recurring effects related to the employee restructuring programme, employee costs were up 4%) and depreciation and amortisation (down €8 million). However, deducting the extraordinary effects that occurred in 2022 and 2023, mainly associated with the employee restructuring programme and with the agreement signed with the Government for the transfer of pension liabilities held by the Pension Fund (€246 million), which has since been extinct, recurrent operating costs increased €25 million (up 3%), reflecting the inflationary environment. Even so, Caixa recorded a **recurrent efficiency ratio (Cost-to-Income) of 21.4% in its activity in Portugal, the lowest in national banking**.

Provisions and impairments recorded in 2023 increased by €668 million over 2022. This change is **based on the continuity of CGD's prudent 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 2023 was €276 million. Of this amount, €206 million are related to credit risks, with the aim of providing for the economic uncertainty. The cost of credit risk was consequently up to 0.29% in December 2023 from -0.01% in December 2022.

The increase in operating results resulted in **higher taxes of 352 million euros** in December 2023, compared to 2022.

In the remaining items of the CGD Group's income statement, **income from equity instruments** decreased by €5 million (down 35%), totalling €9 million in December 2023. In turn, the **results from companies consolidated by the equity method** totalled €36 million, down 25% compared to 2022, and the **results of subsidiaries held for sale** totalled €21 million, an increase of €5 million over 2022. **Non-controlling interests** were down by €5 million.

BALANCE SHEET

CGD's consolidated net assets reached €99,294 million at the end of December 2023. Customer resources totalled €80.7B, influenced by the evolution of CGD Portugal's activity, which reflected the movement observed at the beginning of the year in the financial sector of transferring deposits to Savings Certificates and early repayment of loans.

(EUR Million)

LOANS AND ADVANCES TO CUSTOMERS [1]	Restated 2022-12	2023-12	Change (%)
CGD Portugal	**45,551**	**45,351**	**-0.4%**
Corporate & General Government	19,521	19,664	0.7%
Individual customers	26,030	25,688	-1.3%
Mortgage loans	25,004	24,586	-1.7%
Consumer credit & other	1,025	1,102	7.5%
Other CGD Group companies	**7,482**	**7,306**	**-2.3%**
Total	**53,032**	**52,658**	**-0.7%**

(1) Gross loans and advances to customers

In December 2023, in Portugal, **CGD maintained the leadership in total loans** with a market share of 17.6% (19.2% for individuals and 23.5% for mortgage loans).

In terms of new mortgage loans, CGD had a total value of €2,904 million in 2023, highlighting the recovery that occurred from the second half of the year, in the amount of €1,769 million, 26% more compared to the same period. The strong commercial dynamics supported by a competitive offer suited to customers' needs, in particular, the 2-year fixed rate and the young adult campaigns, contributed to a portfolio of €24.6 billion at the end of the year.

Highest business volume in Portugal as CGD leads in customer resources and credit

(…)

The NPL ratio reached 1.6% (consolidated), 1.5% (domestic activity), the lowest level in the domestic market.

In terms of credit to Corporates and the Public sector, the portfolio reached €19,664 million (+0.7%) supported by demand for ESG lines, such as leasing of electric and/or hybrid vehicles, whose production increased 53% reaching €78.2 million. Likewise, in corporate services, Caixa-BI's financial advisory services on ESG debt issues stand out with an increase from €1.6 billion in 2022 to around €2.8 billion in 2023.

In the domestic market, **customer deposits** were down 3.2% over December 2022. However, during the 2nd semester there was a reversal of this trend with an increase of around €1,400 million. **CGD maintained its leading position in total customer deposits,** with a 23.1% share, **and in individual customers' deposits** with a 31.5% share, as of December 2023.

Total **resources** taken from consolidated activity were €103,222 million at the end of December 2023. Off-balance sheet resources stood at €22.5 million.

The **loans-to-deposits ratio** in December 2023 stood at 63%, an increase compared to the end of 2022 (61%).

(EUR Million)

CUSTOMER RESOURCES	Restated 2022-12	2023-12	Change (%)
Balance sheet	**83,972**	**80,683**	**-3.9%**
Customer deposits (Consolidated)	83,875	80,518	-4.0%
Domestic activity	72,605	70,250	-3.2%
Individuals	55,969	55,320	-1.2%
Corporates	13,429	11,973	-10.8%
General Government	3,207	2,956	-7.8%
International activity	11,270	10,269	-8.9%
Other	97	164	70.0%
Off-balance sheet [1]	**22,650**	**22,539**	**-0.5%**
Total	**106,622**	**103,222**	**-3.2%**

(1) Includes Pension Funds and third party Asset Management

There was a sharp decrease in the volume of NPL **(Non-Performing Loans) exceeding 620 million euros**, because of the combined effect of the evolution in the components of cures, recoveries, sales, and write-offs, against inflows. The NPL ratio reached 1.6%, compared to 2.4% in December 2022. In 2023 witnessed a strengthening of credit impairment, raising the coverage ratio to 172.2% (total coverage of 193.2% including allocated collateral), **with the NPL ratio net of impairment remaining at 0% (zero).**

Non-core assets had a reduction of €120 million euros compared to 2022, with **investment properties** falling by 6 million euros, registering a value of 11 million euros, after the sale of a significant part of the position in the Fundimo fund. The **Real Estate available for sale** in 2023, excluding properties from the extinct Pension Fund, **recorded a reduction of €59 million**, standing at €232 million at the end of 2023. Lastly, the **Corporate Restructuring Funds** with a drop of €56 million, reaching a value of 149 million euros in 2023. It should be noted that in February 2024 an additional deleveraging of €14 million took place.

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.

In March 2024, the buyer of CGD's shareholding in Banco Comercial do Atlântico, S.A. (BCA) was selected, subject to the appropriate authorizations.

LIQUIDITY

At the end of 2023, **CGD continues to have a significant level of liquidity**, both in deposits with the Eurosystem of around €22 billion, and in the total amount of assets available for collateral in operations with the ECB, which, at the end of December 2023, totalled around €16 billion after the issue of a covered bond retained in CGD own portfolio, in the amount of €2 billion.

Reference should be made to CGD's comfortable liquidity and solvency position, which enabled the **exercise of call of the Tier 2 issue, amounting to €500 million**, on the first contractual date possible, at the end of the first half of 2023.

Regarding CGD Group's funding structure, customer deposits assume a fundamental weight, representing 91% of total consolidated liabilities (excluding non-current liabilities held for sale).

At the end of December 2023, the Liquidity Coverage Ratio (LCR) stood at 323,8%, a **value much higher than the current regulatory liquidity coverage requirement** of 100%.

CAPITAL

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.

Equity attributable to CGD shareholder was €9,550 million at the end of the year. Considering this value, **since the 2017 recapitalization, €4,788 million of capital have been generated, meaning that in 2023, and for the first time, the total public effort** in this process was exceeded.

The **fully loaded *CET1, Tier 1* and Total ratios** (including net income authorized by the Supervisory authority), **stood at 20.3%, 20.4% and 20.6%** 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.

It should be noted that, during the third quarter of 2023, **CGD proceeded with the settlement of the largest dividend ever paid** by CGD to its Shareholder, totalling €713 million.

For 2024**, the additional capital buffer requirement for CGD** as an "Other Systemically Important Institution" (O-SII) **was reduced by 25 b.p.**, reflecting a lower systemic risk assessment by the Supervisor.

MREL

In December 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 27.02% of total risk-weighted assets (RWA) and 10.10% of total leverage ratio exposure (LRE), **exceeding the target level determined by the Resolution Authority** for mandatory compliance from January 1, 2024 (26.19% RWA and 6.27% LRE), after revision of the minimum prudential requirements applicable in 2024. 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

In 2023, **CGD totalled 4 rating upgrades, with one currently in a positive outlook indicating a potential new increase.**

In December, DBRS Morningstar upgraded the outlook for long-term senior debt to “positive”, after upgrading the rating to BBB (high) in May.

In November, Moody’s upgraded the long-term senior debt rating and the Baseline Credit Assessment (BCA) to Baa1 and baa1, respectively, the second upgrade after the BCA’s upgrade to baa2 in May.

In September, Fitch Ratings upgraded the IDR (Issuer Default Rating) and CGD's preferred long-term senior debt ratings from BBB- to BBB, maintaining the “stable” outlook. At the same time, the long-term non-preferred senior debt rating also upgraded from BB+ to BBB-, reaching investment grade level.

DIGITAL TRANSFORMATION AND COMMERCIAL ACTIVITY

Digital banking

- In 2023 there was a **growth in the number of digital customers, consolidating leadership in the sector, and an increase in business**, with the weight of digital sales reaching 81%.
- Throughout the year, **the number of remote financial transactions exceeded 850 million** (up 12% compared to 2022), highlighting the growing relevance of digital channels in customers' daily lives.
- **The growth of the mobile channel stands out, which reaches 1.7 million Individuals and Corporate customers** (up 14% compared to the same period last year), whose relevance has been increasing among users.
- **Digital business saw strong growth in online contracting products** such as consumer credit (up 145%), non-financial insurance (up 260%), financial insurance (up 195%) and investment funds (up 32%).

- In addition to digital channels, CGD provides a total of 3,246 devices (+64 compared to 2022), consisting of 2,456 ATMs, 128 Virtual Teller Machines (VTM) and 662 bank passbook terminals. CGD is found in all municipalities, with an average of 8 ATMs in each and, **in 107 parishes, CGD is the only bank to offer the ATM service**.

Individuals

- **CGD promoted support measures to Portuguese families** experiencing more difficulties because of continuous interest rate rises and, **proactively, in more than 38 thousand mortgage loans, renegotiated the index and/or the spread**. In a unique way, for lower income families, considered in Decree-Law No. 20-B, **reduced the spread by 50 bps** in their instalments from July up to the end of 2023.
- **Personal loans and vehicle finance** accounted for sales of €353 million in 2023 and **continue to trend to growth (up 12% over 2022)**. Special reference should be made to the launch of personal loans for young people (up to the age of 30) with a discount on the interest rate.
- Reference should be made to **Caixa's strengthened leadership in the personal customers' deposits** segment which was up year-on-year to a market share of 31.5%.
- **New term deposits with attractive interest rates** and various maturities and characteristics adjusted to different savings objectives **were launched**. Caixa led in revising and communicating interest rates on deposits in line with market evolution.
- The focus has also been on a diverse set of resource-taking products which include structured deposits, financial insurance, and investment funds. Invested in **improving the financial brokerage service**, pursuing the objective of expanding and developing the services available on digital channels, such as opening a Financial Assets account, simplifying pre-contractual and contractual documentation, with an impact on the speed of the process.
- **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 43% and contactless payments by 37%.
- The new **"Sempre em Caixa" benefits program was launched, strengthening the value proposition** of credit cards through various partnerships in key sectors.

Corporates

- Caixa achieved a total number of around **71,000 POS installations in 2023 (up by around 5,000 over December 2022)**, with 80% of Caixa's POS installations accepting the cards of the Visa, Mastercard and China UnionPay international brands and 96% using contactless technology, whose operations already account for more than 60% of the total volume.
- **POS credit, as an innovative solution for corporate customers**, was launched in 2023. This comprises credit whose ceiling is based on the average amounts transacted on a customer's POS installation.
- 10,230 companies were awarded IAPMEI's PME Líder 2023 (leading SME) programme status of which 2,672 with Caixa support together with 3,922 PME Excelência 2023 (excellence SME) awards, 1,012 of which with Caixa support. Caixa once again also joined forces with COTEC in distinguishing 792 companies which were awarded the Estatuto Inovadora, (Innovative Company) status, 112 of which mentored by CAIXA.
- **Total loans and advances to companies achieved a market share of 15.9%**, while the new contracts market share reached 19.2% (up 2.7 p.p) over the same period of the preceding year.
- **The Flexcash digital payments management platform achieved record sales** of more than €1,460 million, up 36% over December last year.
- **Significant growths of equipment leasing operations (up 45%)**, strengthening Caixa's leading position to 25.6% of the market and **Confirming** production (up 34.5%) contributing to achieving a share of 20.9%. In **Trade Finance** there was a production growth of 16.2%, reaching a share of 19.9%.
- Caixa continues to be the benchmark for the implementation of sustainable credit policies, with its creation and provision of an ESG rating for corporate customers by CaixaDirecta Empresas. Sustainable financing for corporates grew 37.4%, reaching €922 million.

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 integrates the objectives of aligning the economy with the goals of the Paris Agreement, its concession, investment, and business monitoring models, as well as decarbonization goals and objectives for 2030, both for its own operations and for the most carbon intensive sectors.
- Caixa released the Allocation and Impact Report associated with the two "green" debt issues carried out in 2022 and whose objective was to finance more energy efficient properties, namely homes with energy certificates in classes A+, A and B.
- 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).

Social

- Caixa held the **Caixa Mais Mundo Awards** for the fifth consecutive year, awarding 300 prizes with a unit value of 1,000 euros, totalling **300 thousand euros**, thus creating the opportunity for more students, including more financially vulnerable social groups, to continue their studies in higher education.

- In 2023, Caixa also increased the number of **grants attributed to entities in the social sector**, as well as a set of donations to the sector, worth around **360 thousand euros**, distributed among more than 100 institutions.

- Caixa launched the **Caixa Social Awards** for the fifth consecutive year, an initiative that aims to financially support social projects, developed by third sector entities, with the aim of alleviating poverty and promoting social inclusion. The 2023 edition of the Awards supported 36 projects from social institutions through a donation of **760 thousand euros**.

- In terms of **corporate volunteering**, Caixa Volunteering Day was held for the fifth consecutive year, celebrated on April 10th, on CGD's anniversary. To celebrate this date, Caixa developed, from the north to the south of the country, several volunteering actions with the aim of supporting local solidarity institutions, surrounding communities and, simultaneously, encouraging the corporate citizenship of employees.

- Caixa's support for the widest range of cultural activities has been publicly acknowledged. Reference should be made to its support for the **Culturgest Foundation** as a private foundation with the object of performing cultural, artistic, and scientific activities. In 2023, the allocated amount was **3.3 million euros.**

  Since opening its doors, the foundation has played a significant role in developing the artistic environment in city and country. It has accompanied the careers of stage directors and choreographers, creating new productions and presenting them to a diverse audience, has commissioned works from visual artists, sponsoring solo and group exhibitions, organising all kinds of music concerts, and supporting and hosting the city's major film festivals.

  This programme has been complemented by conferences and debates and a diversified range of workshops, guided tours, meetings and events for schools and families, at the service of the community in which it operates.

- Caixa's support for the University segment has been reinforced over the years, contributing to the development of Higher Education in Portugal. It is based on four pillars: support for the academic community, promotion of knowledge, promotion of access to Higher Education and social-economic responsibility and cultural. Currently, there are more than 100 Higher Education schools that, within the scope of the **Caixa IU program – Polytechnic Institutes and Universities**, counted in 2023, with an investment from Caixa that amounted to **8.5 million euros**.

- CGD, within the scope of its social responsibility, **supported the community** with overall support of approximately **15 million euros**.

Governance

- The existence of a transparent governance model is key to fuelling responsible, diverse value creation. 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.

- Caixa has been promoting corporate alignment on sustainability-related topics in all entities and geographies where the Group is present.

- 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).

BRAND AND RECOGNITION

Reputation

In 2023, several studies show a positive assessment of the Caixa brand's reputation, consolidating its positioning as a **solid and trustworthy bank** in Portugal.

According to the RepScore study, by OnStrategy Consultant, in 2023, Caixa is the brand with the best reputation in its sector of activity, asserting itself as the **Bank with the greatest relevance, trust, admiration, preference and recommendation among the Portuguese**.

According to the results of the Brandscore study, by the consultancy Scopen, the Caixa brand reputation indicator confirms, in 2023, a **very positive evaluation and above the average for the Banking sector in Portugal**.

Caixa's reputation reached 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 Empresas e Líderes 2023.

Awards and distinctions

In 2023, the following prizes and distinctions were awarded relating to Caixa Group's activity:

- Caixa has the **Best Home banking website in 2023 – Caixadirecta Service**, according to PC Guia magazine.
- Caixa is **the No. 1 Bank in Portugal in the TOP 1000 World Banks** – The Banker 2023 in Capital Tier 1, maintaining its position as leader in Portugal since 2020
- Caixa is **the No. 1 Bank in Portugal in the Sustainable Banking Revenues Ranking** – The Banker 2023
- Caixa was triple awarded by Gazete International Global Magazine in Portugal, with the distinctions: **Best Banking App, Best Banking Digital Assistant** and **Best Digital Culture Initiative**
- Caixa was considered to have **the best commercial support platform in the banking sector** – 5-star award.
- For the second consecutive year, **the Portuguese chose Caixa in the Virtual Assistant category**, having surpassed the 2022 score – 5-star award.
- 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**
- Caixa was awarded the 2023 Fortius Award, for **the best Customer Service professionals in Portugal**, awarded by APCC and AproCS
- Caixa was considered **Best Digital Banking Brand in Portugal**, a distinction awarded in the context of the Global Brand Magazine Award
- Caixa – Banco de Investimento received the Euronext Lisbon Awards 2024, in the **Bookrunner - Bonds category.**
- Caixa was the **Portuguese brand with the highest growth in value** in the Banking Top 500, by Brand Finance

ECONOMIC-FINANCIAL FRAMEWORK

The **global economy**, in 2023, proved itself to be surprisingly resilient, although growth has continued to decelerate. The slowdown reflected the impact of the adverse effects of high levels of inflation and more restrictive financial conditions, which affected both the demand for and supply of credit, in respect of which the banking sector adopted a more cautious approach to its lending activities, accompanied by moderate external demand and low levels of confidence. Reference should also be made to the negative consequences deriving from geopolitical uncertainties. The evolution of prices, after inflation had reached its highest levels in decades in the second half 2022, decreased over 2023 in the main regions, owing to lower energy and food prices and a reduction of expenditure on final consumer goods, in addition to the gradual easing of distortions in supply chains related to the pandemic.

US economic growth was out of sync with the world economy, as, according to the IMF's still growth estimate, the 2.5% achieved in 2023 was higher to that of the previous year, with the robustness of household consumption having contributed to this result. The labour market has also performed favourably notwithstanding signs of a less dynamic performance throughout the year. As regards price growth, inflation benchmarks continued to trend downwards from the end of 2022. The annual variation of the consumer price index fell to one of its lowest levels since first quarter 2021 from 6.4% at the end of the previous year to 3.1% in December 2023.

According to Eurostat, the **euro area economy** has slowed considerably, having remained almost stagnant across the year, and coming under pressure owing to the weakness of the German economy. In real terms, economic growth is likely to have decelerated from 3.4% in 2022 to 0.5%. This result, excluding the pandemic year of 2020, was at its lowest since the period associated with the sovereign debt crisis between 2011 and 2013. Notwithstanding the above, labour market performance in the region continued to be solid, with the unemployment rate remaining, from the second quarter onwards and through the end of the year, at 6.5%, the lowest since at least 1998. Year-on-year annual price growth trended to moderation throughout 2023, with the respective variation down from 9.2% in December 2022 to 2.9% in December 2023 and already drawing close to the medium-term objective of 2.0%. As in the case of the US Federal Reserve, the European Central Bank has kept the process of monetary policy normalisation active and only started to reduce base rate increases from the second quarter of the year, having signalled the possibility of a last quarter interruption.

As regards the **Portuguese economy**, according to the National Institute of Statistics (INE), in 2023 GDP was up 2.3% in real terms, after the increase of 6.8% in the previous year, the best performance since 1987, having benefited from a positive contribution from both domestic and external demand. Following a very strong first quarter, the rate of economic expansion slowed substantially in subsequent periods, as a reflection of rising interest rates and lower confidence levels. In the external sector, the growth of exports of goods slowed down significantly in a context of more moderate domestic demand from the main trading partners, as well as that of the supply of services abroad, which nevertheless expanded again at a solid pace, mainly due to the contribution of the tourism and leisure sector. Notwithstanding the economic slowdown, Portugal did not deviate from the rest of the euro area in terms of the performance of its labour market in which both employment and activity rates attained their highest levels since 2011, while wages once again outpaced inflation from the second half year. According to INE, in annual average terms, the unemployment rate was 6.5% in 2023, after 6.1% in the previous year. Regarding inflation, there was a deceleration in the year-on-year rate of change of the Eurostat harmonised European index for Portugal, having decreased from 8.6% in December 2022 to 2.5% last December.

Regarding **global geopolitics**, the events of 2023 largely continued to have ramifications in terms of disruptions in the international order, triggered by Russia's invasion of Ukraine in 2022. Geopolitical tensions were also felt in the economic field and particularly so in the case of the dispute between the US and China over the conquest of sovereignty and leadership of the semiconductor industry. This dispute has also helped to exacerbate longstanding pressure on the possession and control of Taiwan.

In 2023, expectations that the main central banks would, over the medium term, adopt more flexible monetary policies in a context of moderating inflation, together with the resilience of economic activity, contributed to the appreciation of most asset classes. This positive performance was more pronounced in the case of shares, except for depreciation in the case of commodities.

At the beginning of the year, the world economy faced the challenges of persistently high inflation, accompanied by moderate growth. Although activity, in 2023, proved to be more robust than anticipated, the signs of deterioration were visible, as the impacts of restrictive monetary policies, low growth of international trade and decrease in business and consumer confidence are being felt. In global terms, growth has slowed in the most interest-sensitive sectors, notably the housing market and economies such as Europe which are more dependent on bank finance. Geopolitical tensions also continue to be a source of uncertainty over the short and medium term. As regards the evolution of prices, the process of disinflation occurring in almost all economies is visible.

CONSOLIDATED AND SEPARATE ACCOUNTS

(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated 2022-12	2023-12	Change Total	Change (%)	2022-12	2023-12	Change Total	Change (%)
Interest and similar income	1,865,048	3,601,708	1,736,659	93.1%	1,283,516	2,989,807	1,706,291	132.9%
Interest and similar costs	457,057	735,759	278,702	61.0%	313,428	556,336	242,908	77.5%
Net interest income	1,407,991	2,865,949	1,457,958	103.5%	970,089	2,433,471	1,463,383	150.9%
Income from equity instruments	14,099	9,139	-4,960	-35.2%	71,436	123,862	52,425	73.4%
Net interest inc. incl. inc. from eq. investm.	**1,422,091**	**2,875,088**	**1,452,998**	**102.2%**	**1,041,525**	**2,557,333**	**1,515,808**	**145.5%**
Fees and commissions income	755,983	723,083	-32,900	-4.4%	620,395	601,651	-18,744	-3.0%
Fees and commissions expenses	149,529	158,460	8,931	6.0%	117,299	120,571	3,272	2.8%
Net fees and commissions	606,454	564,623	-41,831	-6.9%	503,096	481,080	-22,016	-4.4%
Net trading income	216,046	171,600	-44,446	-20.6%	151,002	112,739	-38,263	-25.3%
Other operating income	70,750	-7,850	-78,601	-	44,091	-40,619	-84,709	-
Non-interest income	**893,251**	**728,373**	**-164,878**	**-18.5%**	**698,189**	**553,200**	**-144,989**	**-20.8%**
Total operating income	**2,315,341**	**3,603,461**	**1,288,120**	**55.6%**	**1,739,714**	**3,110,533**	**1,370,820**	**78.8%**
Employee costs	816,254	628,267	-187,986	-23.0%	660,708	473,844	-186,863	-28.3%
Administrative expenses	251,110	264,963	13,854	5.5%	189,503	199,492	9,989	5.3%
Depreciation and amortisation	135,722	127,749	-7,973	-5.9%	107,948	104,572	-3,377	-3.1%
Operating costs	1,203,085	1,020,980	-182,105	-15.1%	958,159	777,908	-180,251	-18.8%
Net operating income before impairments	**1,112,256**	**2,582,481**	**1,470,225**	**132.2%**	**781,555**	**2,332,625**	**1,551,071**	**198.5%**
Credit impairment	73,981	273,116	199,135	269.2%	46,034	225,955	179,920	390.8%
Credit recoveries	-79,281	-122,744	-43,464	-	-75,902	-92,166	-16,264	-
Provisions for reduction of employees	-59,867	83,614	143,480	-	-59,867	83,614	143,480	-
Provisions for guarantees and other commitments	25,946	61,518	35,571	137.1%	29,965	60,302	30,337	101.2%
Other provisions and impairments	21,278	354,056	332,778	-	-29,535	304,781	334,316	-
Provisions and impairments	**-17,942**	**649,558**	**667,500**	**-**	**-89,305**	**582,484**	**671,789**	**-**
Net operating income	**1,130,198**	**1,932,923**	**802,725**	**71.0%**	**870,859**	**1,750,141**	**879,282**	**101.0%**
Income Tax	**271,374**	**623,024**	**351,651**	**129.6%**	**198,570**	**568,380**	**369,810**	**186.2%**
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.	**858,825**	**1,309,899**	**451,074**	**52.5%**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Non-controlling interests	80,289	75,783	-4,506	-5.6%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	47,690	35,703	-11,987	-25.1%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	16,561	21,333	4,772	28.8%	n.a.	n.a.	n.a.	n.a.
Net income	**842,786**	**1,291,152**	**448,366**	**53.2%**	**672,289**	**1,181,762**	**509,473**	**75.8%**

The income statement for December 31, 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.

(EUR Million)

BALANCE SHEET	Consolidated Activity				Separate Activity			
	Restated 2022-12	2023-12	Change Total	Change (%)	2022-12	2023-12	Change Total	Change (%)
ASSETS								
Cash and cash equiv. with central banks	21,812	23,333	1,521	7.0%	20,781	21,889	1,108	5.3%
Loans and advances to credit instit.	3,990	2,602	-1,388	-34.8%	2,197	1,372	-825	-37.6%
Securities investments	18,689	16,427	-2,262	-12.1%	16,363	14,599	-1,764	-10.8%
Loans and advances to customers	50,778	50,529	-249	-0.5%	46,180	46,244	64	0.1%
Assets with repurchase agreement	0	154	154	-	0	154	154	-
Non-current assets held for sale	1,271	1,282	11	0.9%	127	140	13	9.9%
Investment properties	17	11	-6	-	6	5	-1	-13.9%
Intangible and tangible assets	780	719	-62	-7.9%	599	554	-45	-7.5%
Invest. in subsid. and assoc. companies	476	473	-3	-0.6%	1,249	1,253	4	0.3%
Current and deferred tax assets	1,029	836	-193	-18.8%	988	761	-227	-23.0%
Other assets	3,669	2,929	-740	-20.2%	2,266	1,634	-632	-27.9%
Total assets	**102,511**	**99,294**	**-3,217**	**-3.1%**	**90,756**	**88,605**	**-2,152**	**-2.4%**
LIABILITIES								
Central banks' and cred. instit. resources	338	401	63	18.5%	809	1,005	197	24.3%
Customer resources	83,972	80,683	-3,289	-3.9%	75,938	73,547	-2,391	-3.1%
Debt securities	1,368	1,401	33	2.4%	1,368	1,401	33	2.4%
Financial liabilities	221	151	-70	-31.5%	221	151	-70	-31.6%
Non-current liabilities held for sale	999	1,025	27	2.7%	0	0	0	-
Provisions	906	1,386	480	53.0%	856	1,313	457	53.4%
Subordinated liabilities	1,118	606	-512	-45.8%	1,118	606	-512	-45.8%
Other liabilities	4,106	3,815	-291	-7.1%	2,307	2,106	-201	-8.7%
Sub-total	**93,029**	**89,468**	**-3,560**	**-3.8%**	**82,618**	**80,130**	**-2,487**	**-3.0%**
Shareholders' equity	**9,483**	**9,826**	**343**	**3.6%**	**8,139**	**8,474**	**336**	**4.1%**
Total	**102,511**	**99,294**	**-3,217**	**-3.1%**	**90,756**	**88,605**	**-2,152**	**-2.4%**

The Balance Sheet of December 31, 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.

DISCLAIMER

- The financial statements have been prepared based on 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 Flitptrel IV SA and Flitptrel Porto Santo SA were classified under "Non-current assets held for sale" in June 2023. Therefore, and for comparative purposes only, the amounts related to the consolidated balance sheet as of 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 December 31,2023, unless otherwise stated. Solvency ratios include the net income authorized by the Supervisory authority, unless where otherwise noted.
- Annual growth of global economy is expected to remain close to 3% in 2023-26, driven by emerging market economies. In the euro area, activity has stagnated since the end of 2022, but quarterly growth is projected to pick up in early 2024.

  Inflationary pressures resulting from international prices will be moderate. Non-energy commodity prices are expected to decline in 2024, with contained increases afterwards. The Eurosystem projections for the euro area inflation shows gradual decrease from 5.4% in 2023 to 2.7% in 2024, 2.1% in 2025 and 1.9% in 2026. Inflation excluding energy and food products shows a similar profile, decreasing from 5.0% in 2023 to 2.7% in 2024, 2.3% in 2025 and 2.1% in 2026.

  Expectations point to short-term interest rates starting to decline in the next quarter. The ECB's interest rate hike continued to be passed on to the rates on new loans and new deposits of households and corporates in Portugal. The implicit interest rate of Portuguese debt is expected to increase from 2.1% in 2023 to 2.4% in 2026.
- 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 2023". In the event of any inconsistency, the original version prevails.

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