

Investor Presentation



Caixa Geral de Depósitos



Aug 2016
(1st Half Unaudited Accounts)

Investor Relations Office

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Long Term Commitment to the Portuguese Economy and Society

Customer – Centered Business

Support the Corporate Sector, Strong Focus on SME

Promotion of Human Talent and Teamwork

Highest Ethical Standards

Innovation

Social Responsibility and Global Sustainability



CGD Group Overview
Funding and Liquidity
Solvency
Asset Quality
Business Performance
Summary
Appendixes



CGD Group Overview

Group Overview

100%
State Owned
since 1876

4 Million
Customers
in Portugal

99.3bn€
Total Assets

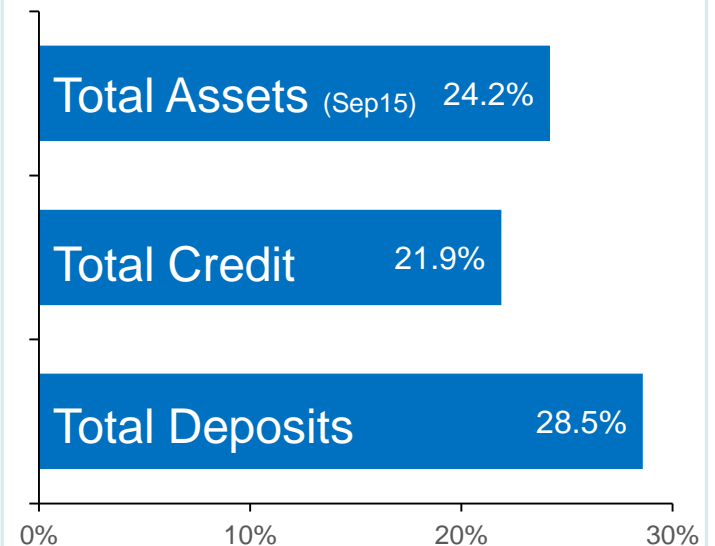
1,221
Branches

23
Countries
4
Continents

8,857
Employees in
CGD
Portugal

- Established in 1876 and fully owned by the Portuguese State.
- Strong franchise as a universal Bank and a dominant financial group in Portugal.
- Leading position in the retail market with 4 million customers in Portugal and assets of 99.3bn€.
- Total network of 1,221 branches connecting developed countries with the fast growing economies around the world, of which:
 - 730 in Portugal and;
 - 491 branches abroad.
- Largest international platform among Portuguese banks: 23 countries 4 continents.
- The most valuable banking brand in Portugal 2016 – Brand Finance

Market Shares – Portugal (June 2016)





CGD Group Overview

Connecting Portuguese Exporters and their Markets



Global Reach

Retail Banking

- **South Africa** - Banco Mercantile
- **Angola** - Banco Caixa Geral Angola
- **Cape Verde** - Banco Comercial Atlântico and Banco Interatlântico
- **Spain** - Banco Caixa Geral
- **France** - Branch of France
- **Luxembourg** - Branch of Luxembourg
- **Mozambique** - Banco Comercial e de Investimentos
- **São Tomé and Príncipe** - Banco Internacional de S. Tomé e Príncipe
- **East – Timor** - Branch of Timor
- **Macao** - Banco Nacional Ultramarino

Non – Residential Banking

- **Germany** - Representative Office CGD
- **Belgium** - Representative Office CGD
- **Canada** - Representative Office CGD
- **Macao** - Branch of Macao
- **Switzerland** - Representative Office CGD
- **Venezuela** - Representative Office CGD and BCG

Wholesale & Investment Banking

- **Brazil** - Banco Caixa Geral Brasil
- **EUA** - Branch of New York
- **United Kingdom** - London Branch
- **Cayman Islands** - Branch of Cayman Islands

Other International Business

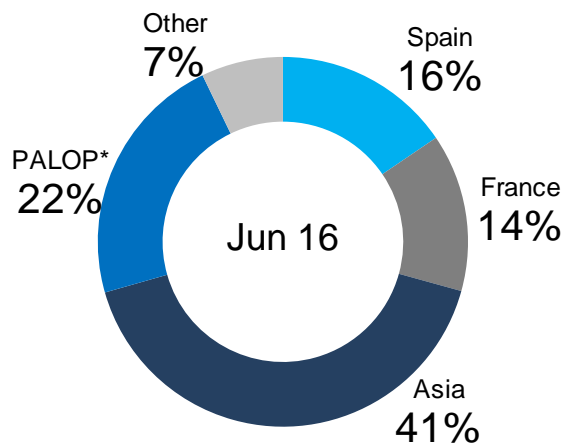
- **Algeria** - Business Delegation
- **China** - Branch of Zuhai, Representative Office Shanghai
- **India** - Representative Office of Mumbai and Pagim (Goa)
- **Mexico** - Representative Office BCG

Diversifying Resource Taking

International Activity Contribution

The international area with €16,616 million (up 4.7% over June 2015) also continued to make a highly favourable contribution to the deposits total. Particular reference should be made to the branches in Asia and Spain.

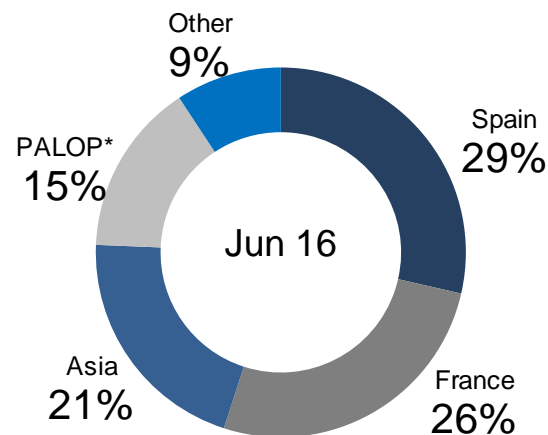
% Deposits Geographic Distribution



(* Portuguese Language Speaking African Countries)

Total: 16,616 M€ (23.1% of total Deposits)

% Credit Geographic Distribution



(* Portuguese Language Speaking African Countries)

Total: 15,140 M€ (21.4% of total Credit)



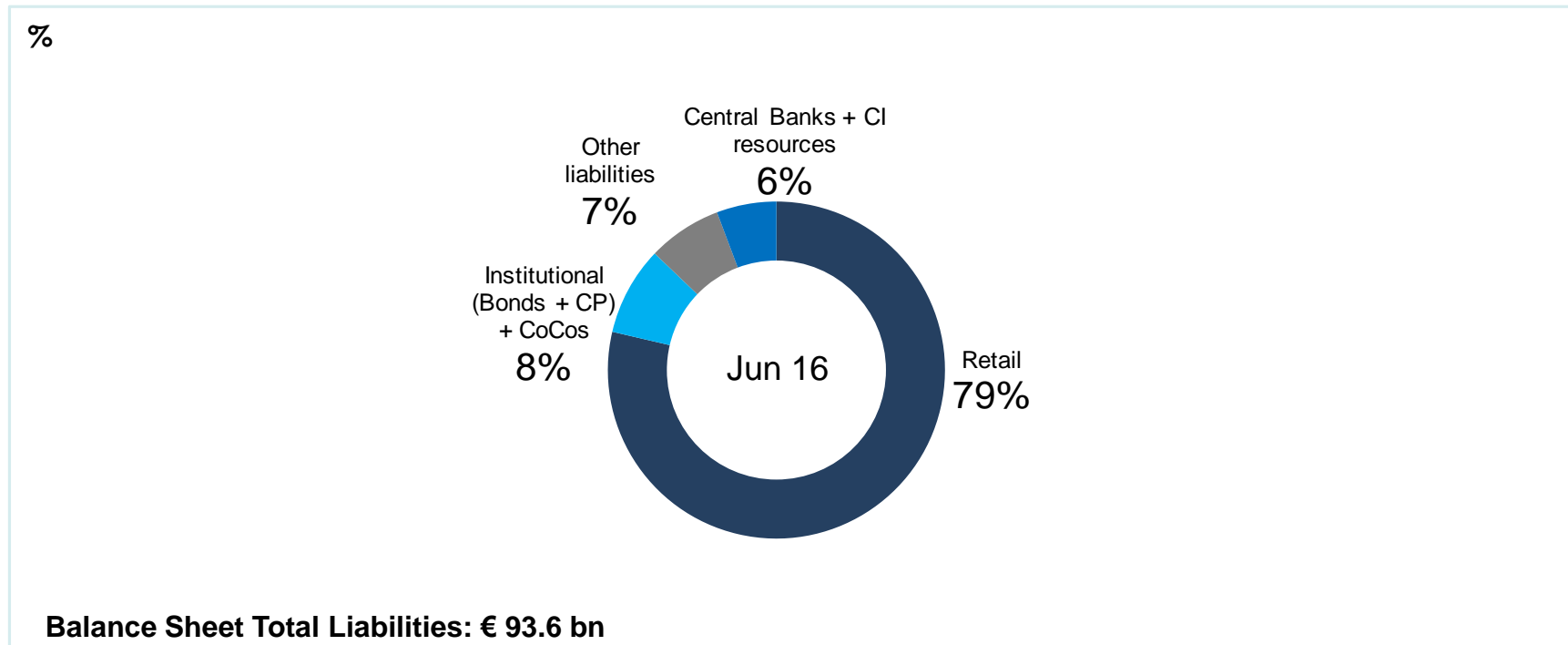
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Deposits as the Major Funding Contributor

Funding Structure – Balance Sheet

Robust funding structure reflecting a dominant retail contribution (deposits and other retail instruments), due to a large and stable customer base:

- 3/4 of deposits hail from households;
- 2/3 of deposits are term and savings deposits.

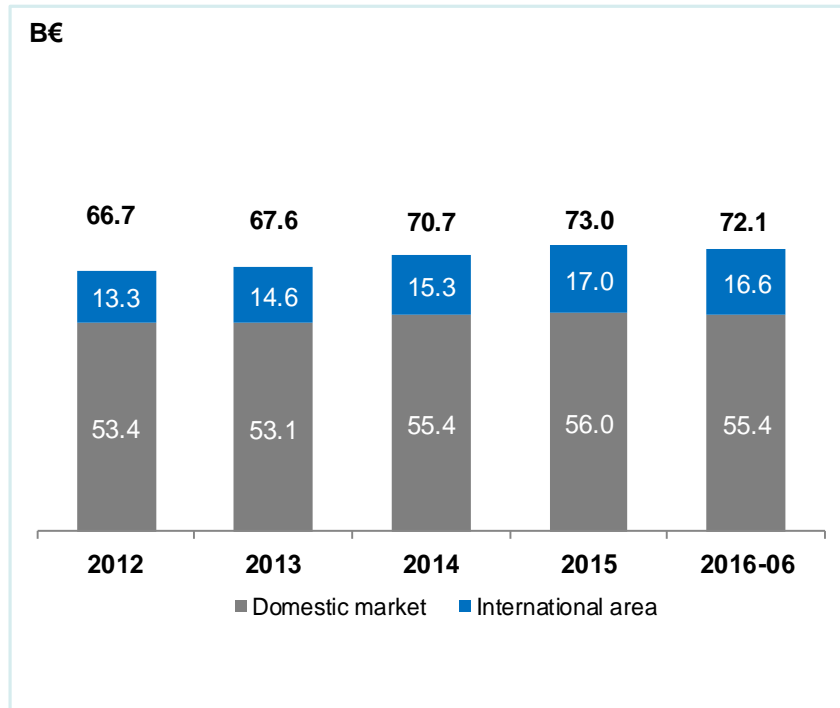


Funding and Liquidity

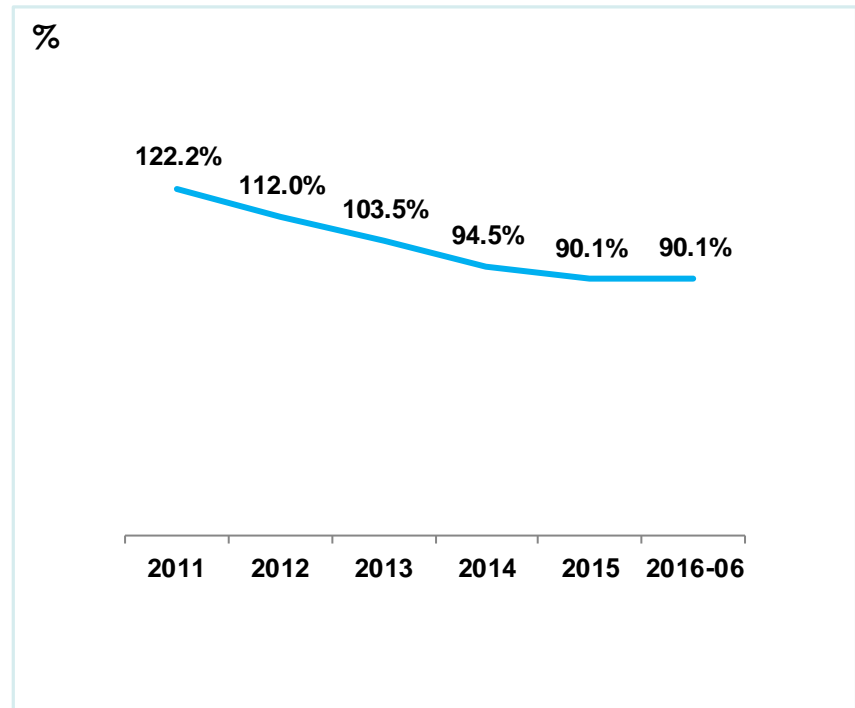
Strong Deposit Base and Deleveraging Process

Caixa continues to enjoy the trust of its customers, confirmed by the positive trend in deposits, mostly driven by households.

Deposits Evolution



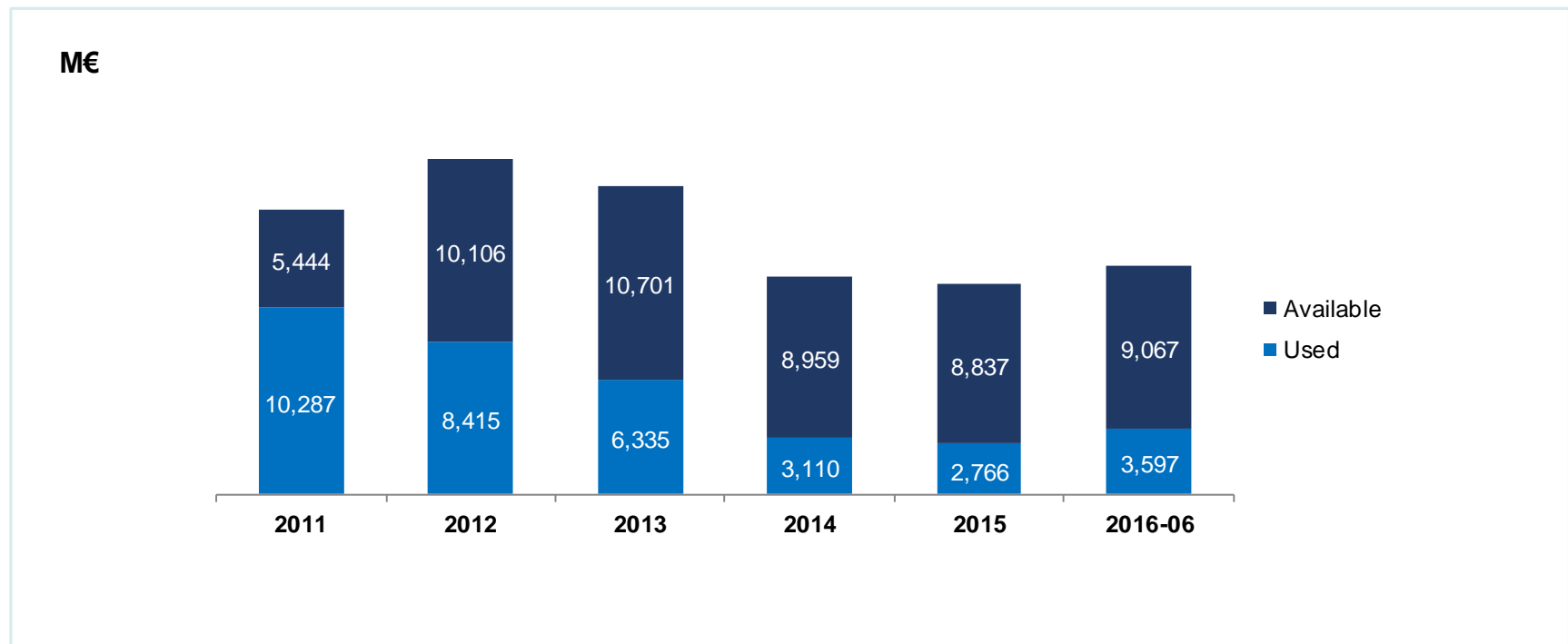
Loans-to-Deposits Ratio Evolution



Ample Available Collateral Pool

ECB Funds used by CGD Group and Available Collateral Pool

CGD's funding from the Eurosystem at the end of June 2016 totalled €3,597 million, a change of €832 million over December 2015 and €691 million over June 2015 and currently representing 3.6% of total assets.

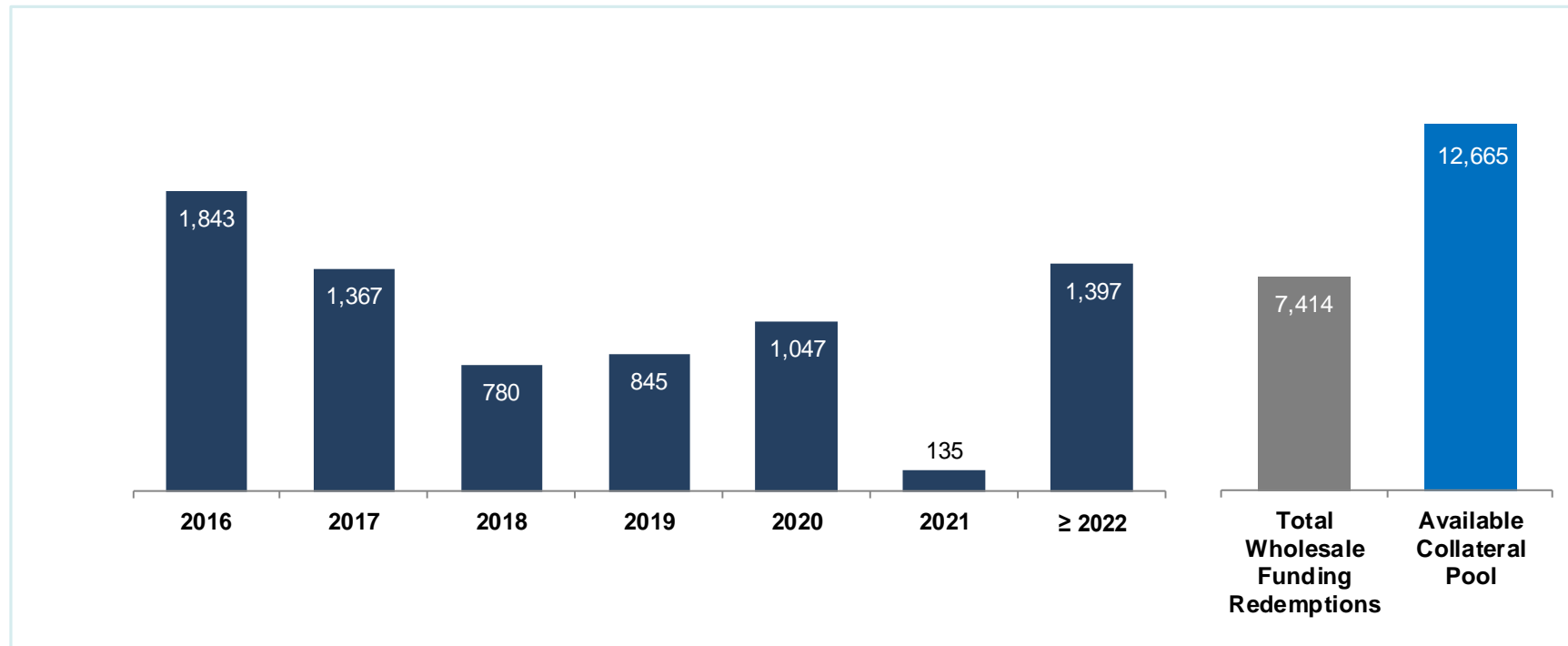




Available Collateral Pool Covers Upcoming Maturities

CGD's Wholesale Redemptions Calendar (Outstanding as of June 2016)

Low annual redemptions relative to CGD Group total funding resources.

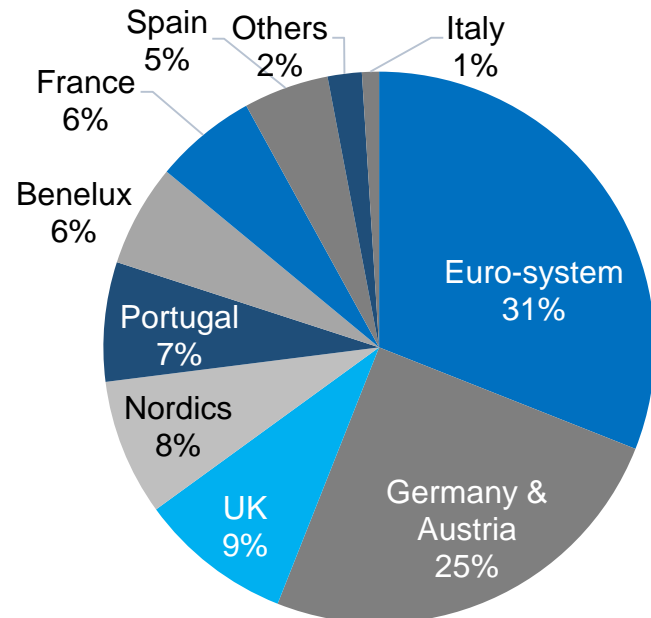


Funding and Liquidity

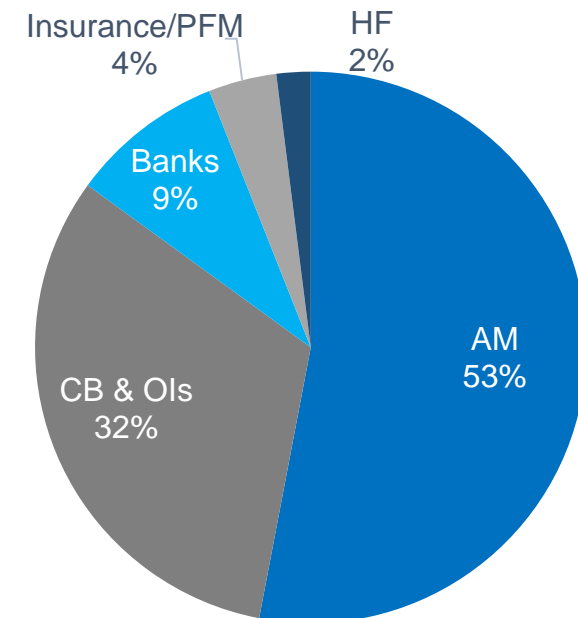
Covered Bonds Programme: A Presence in the Market

Issue Size	€750 MM	€750 MM	€1 bn	
Format	5 Year Covered Bond 2018	5 Year Covered Bond 2019		7 Year Covered Bond 2022
Announcement	11-Jan-13	09-Jan-14		20-Jan-15
Coupon	3.75%/annual	3%/annual		1%/annual
Reoffer Spread	Mid Swaps + 285bps	Mid Swaps + 188bps		Mid-Swaps + 64bps

Geographic Breakdown Latest Issue



Breakdown by type of investors

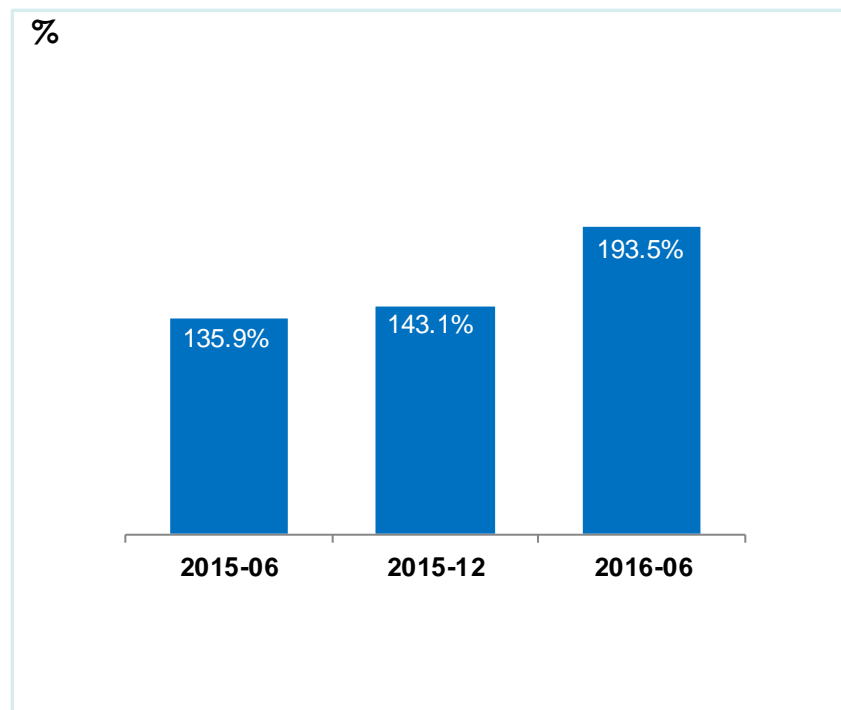


Funding and Liquidity

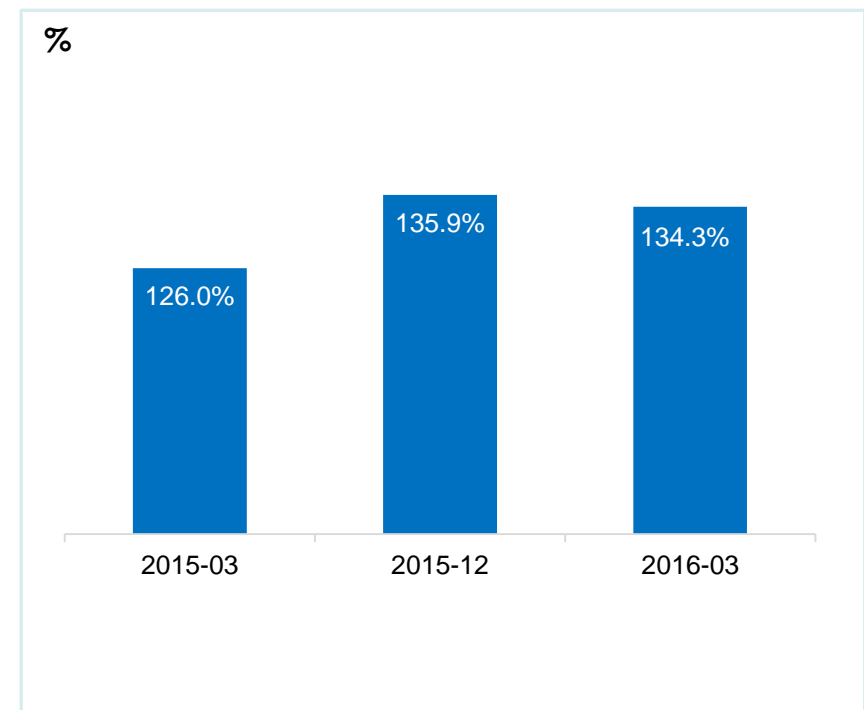
Liquidity Ratios

The LCR (“Liquidity Coverage Ratio”) indicator, with a comfortable 193.5%, was significantly higher than the minimum requirements and indicative of CGD’s excellent liquidity position.

Liquidity Coverage Ratio



Net stable funding ratio



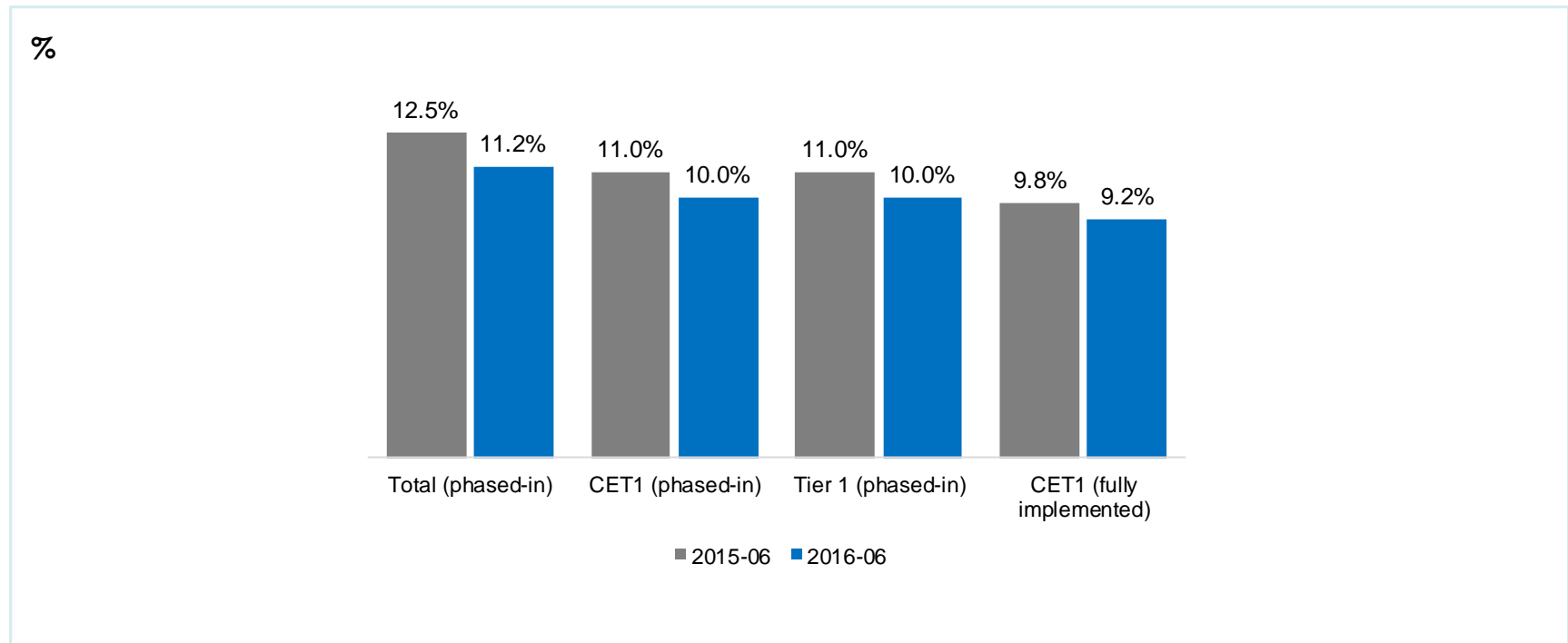


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A Balanced Capital Base

Capital

The phased-in and fully implemented Common Equity Tier 1 (CET 1) ratios, calculated according to CRD IV/CRR rules were 10.0% and 9.2%, respectively in June 2016.



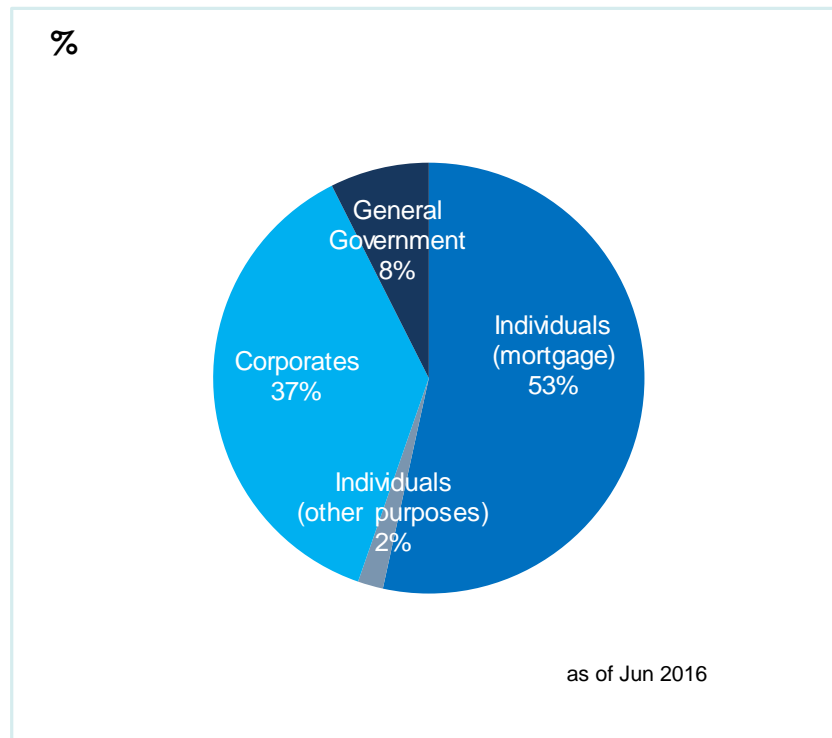


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Asset Quality

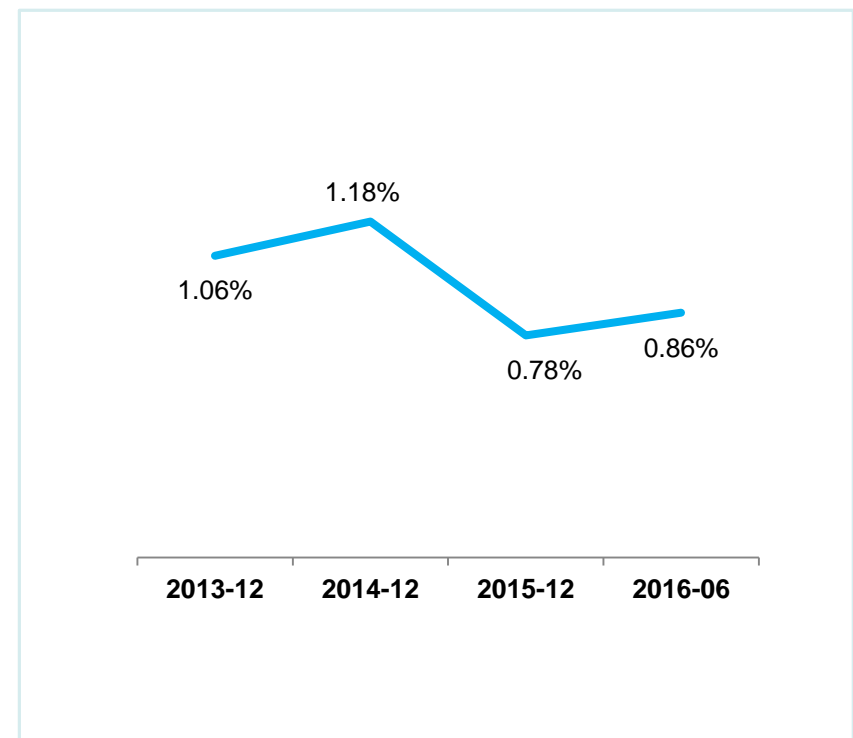
A Diversified Credit Portfolio

Loans and Advances to Customers Portugal



Loans and Advances to Customers (Gross)
June 16: € 52.4 bn

Cost of Credit Risk

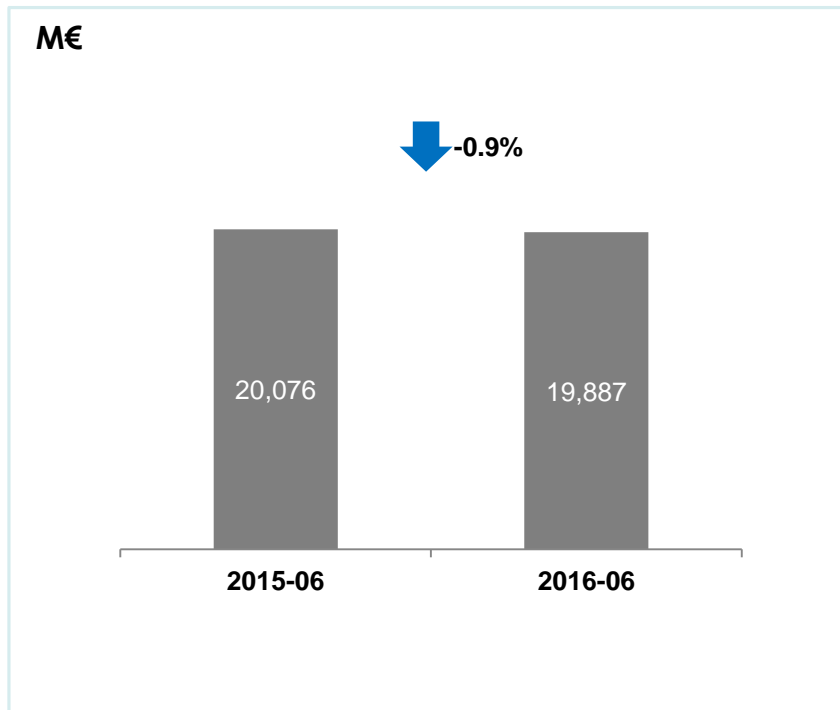


Cost of Credit Risk is approaching a more normal level.

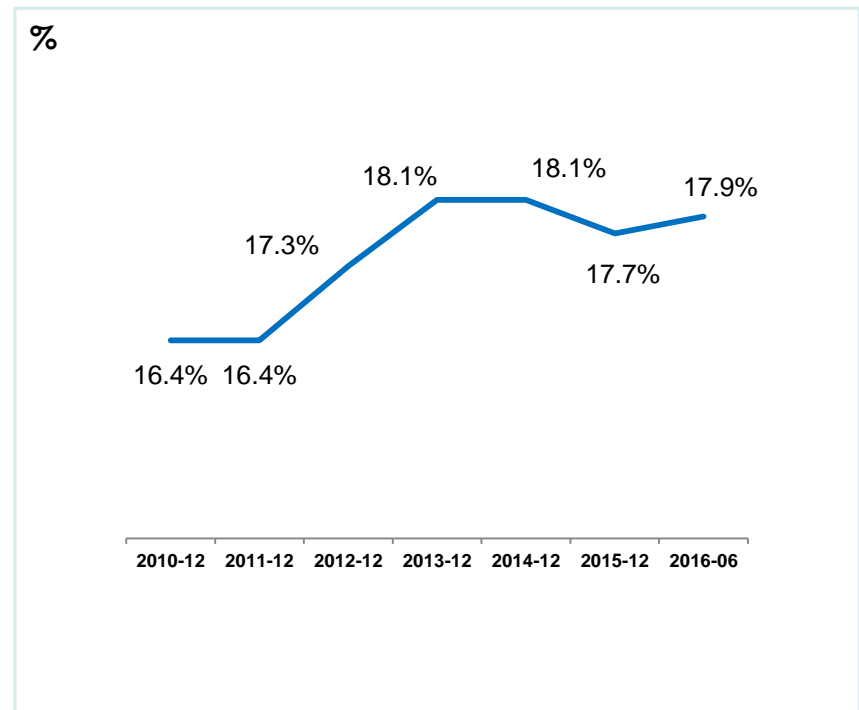
Asset Quality

Business Indicators

Corporate Loans – CGD Portugal



Corporate Loans – Market Share

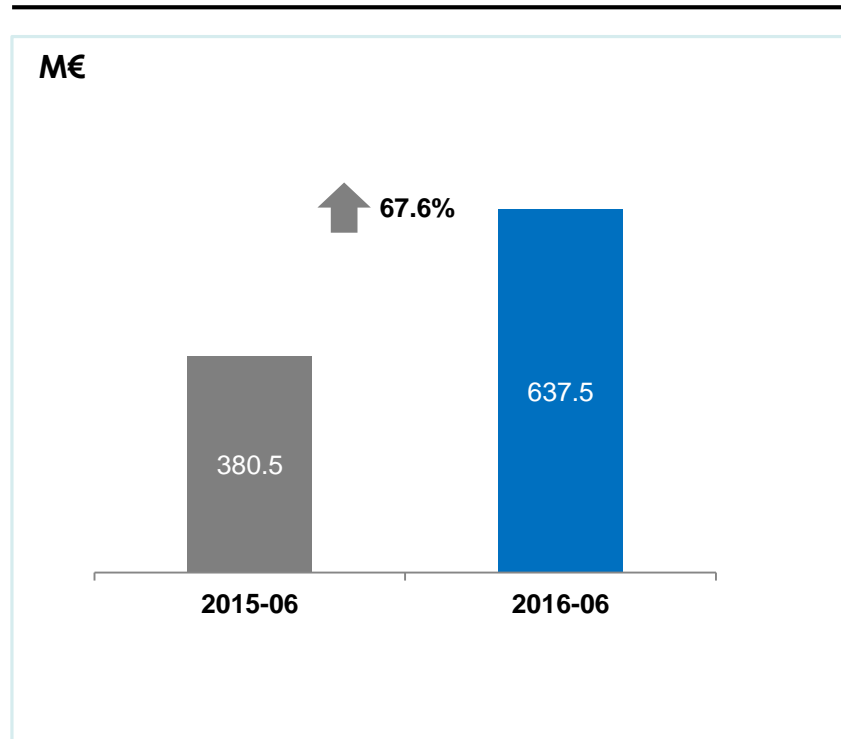


CGD had a 17.9% share of loans and advances to companies in June 2016, in the Portuguese market.

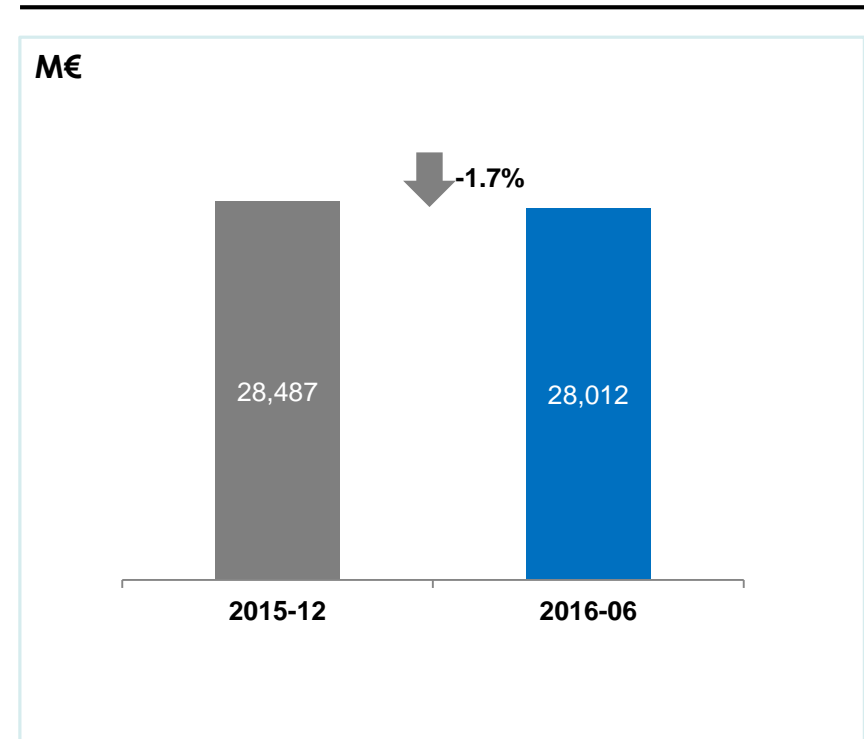
Asset Quality

Business Indicators

Mortgages – CGD Portugal New Operations - Volume



Mortgages – CGD Portugal Outstanding



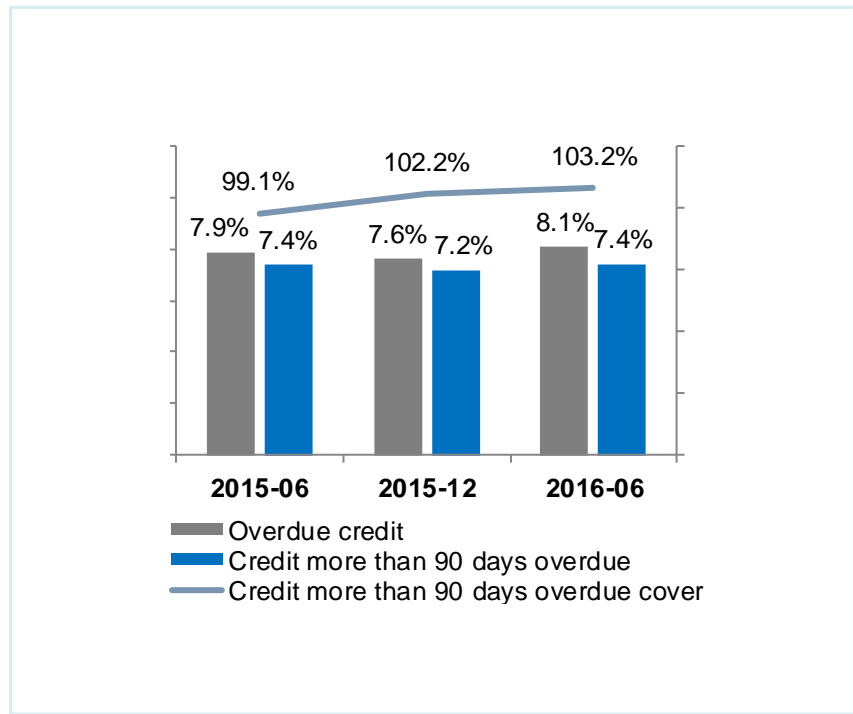
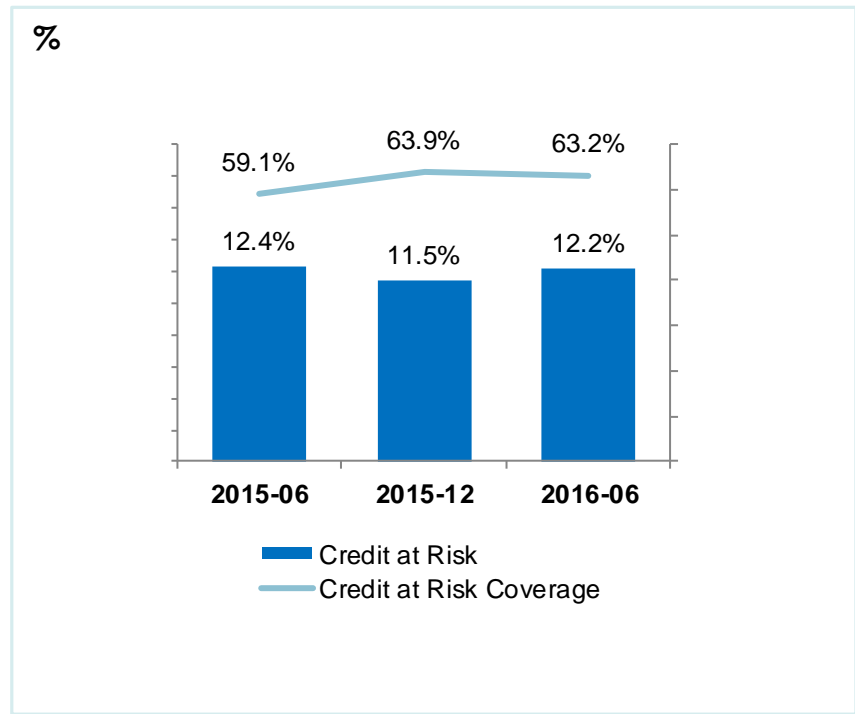
There were 6,995 new mortgage lending operations in first half 2016 in CGD (Portugal) a 67.6% increase of €257 million over first half 2015 to €637.5 million.



...to Address Challenging Economic Environment

Credit Quality Ratios

Credit at risk, in June 2016, was 12.2% of the credit portfolio, with a level of provisions and impairment coverage of 63.2%. The level of coverage of credit at risk was 46.5% for credit to individuals and 73.7% for corporate customers.

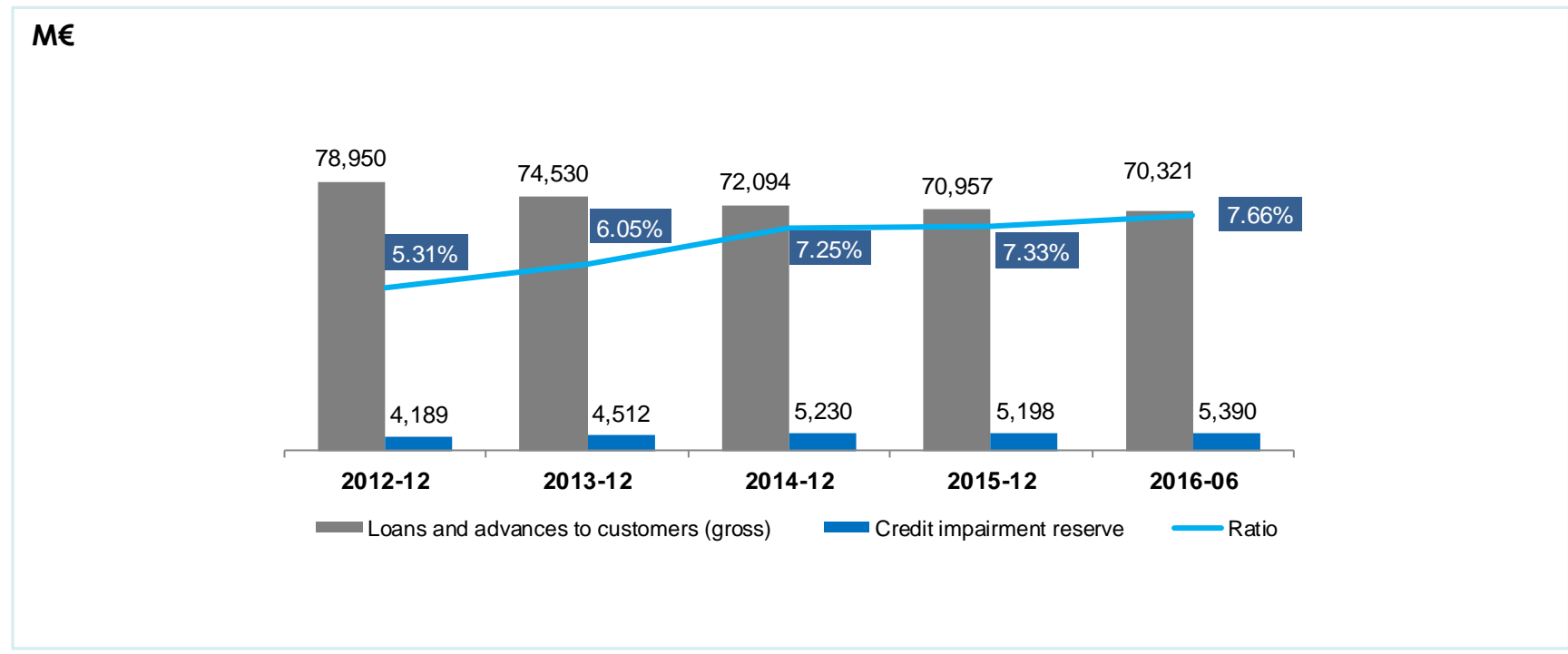




Prudent Provisioning...

Balance Sheet Impairments Reserve Ratio

CGD continues to adopt a conservative impairments policy.

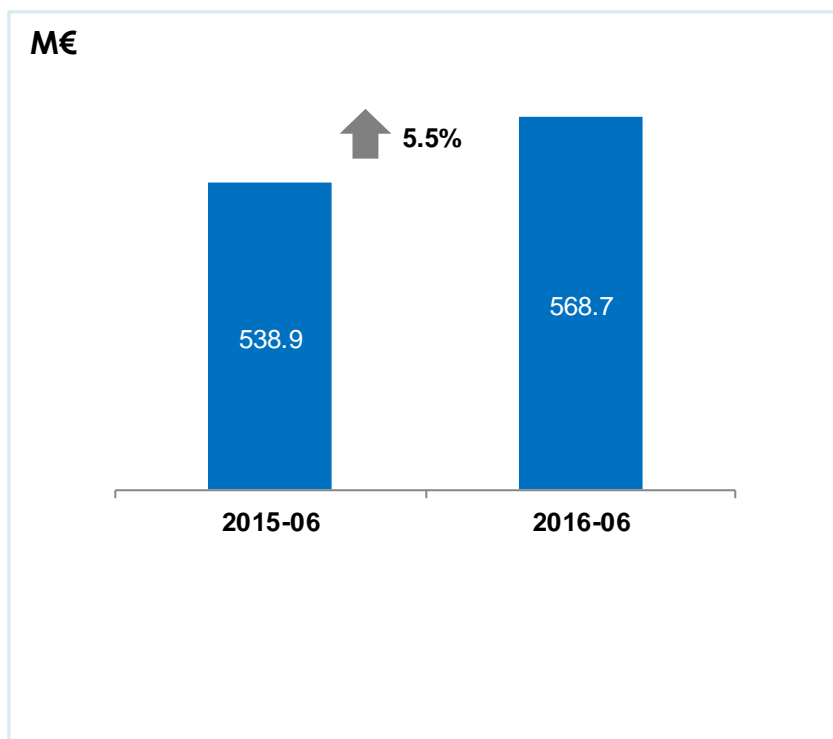




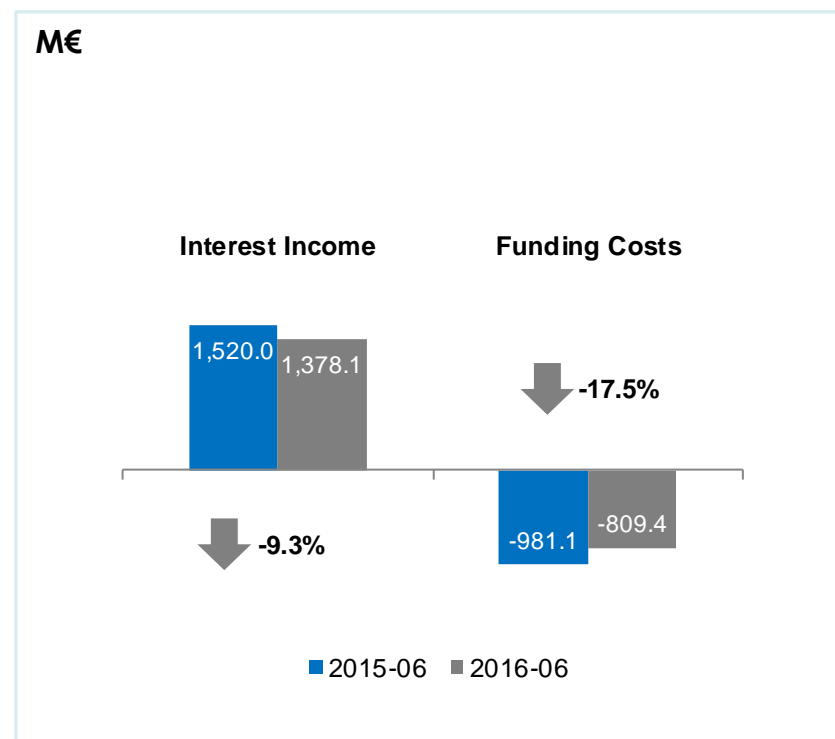
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Consolidated Results in 1H 2016

Net Interest Income



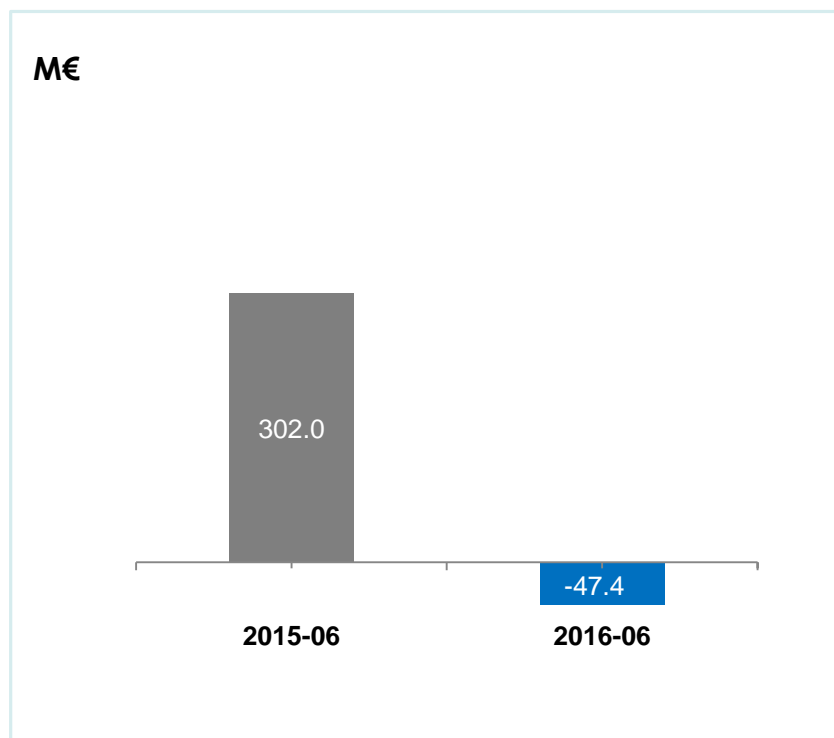
Interest Income and Funding Costs



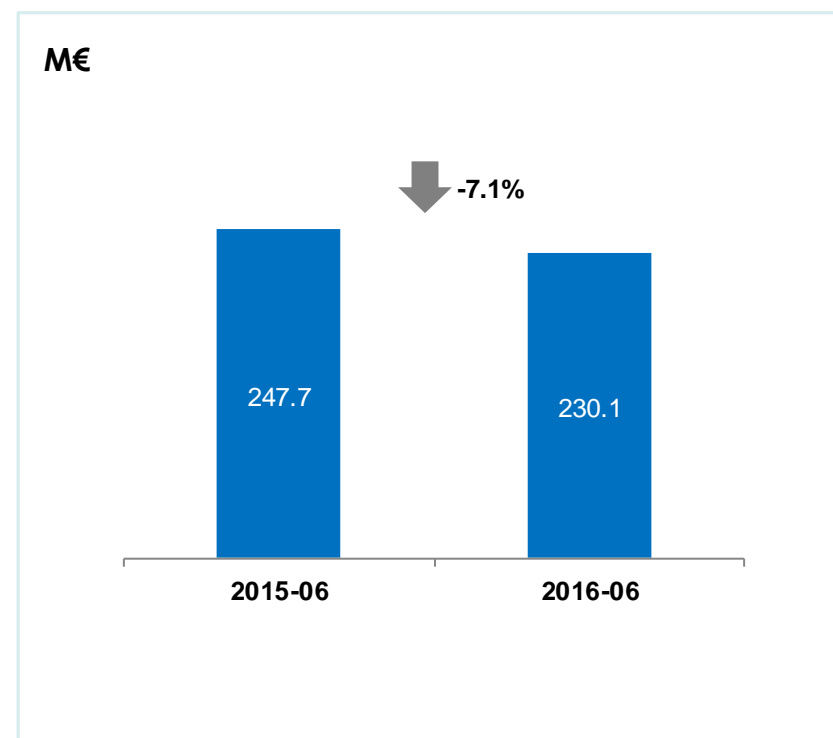
CGD Group's net interest income, in 1st H 2016, was up 5.5% by €29.8 million Vs. 1st H 2015 to €568.7 million.

Consolidated Results in 1H 2016

Income from Financial Operations



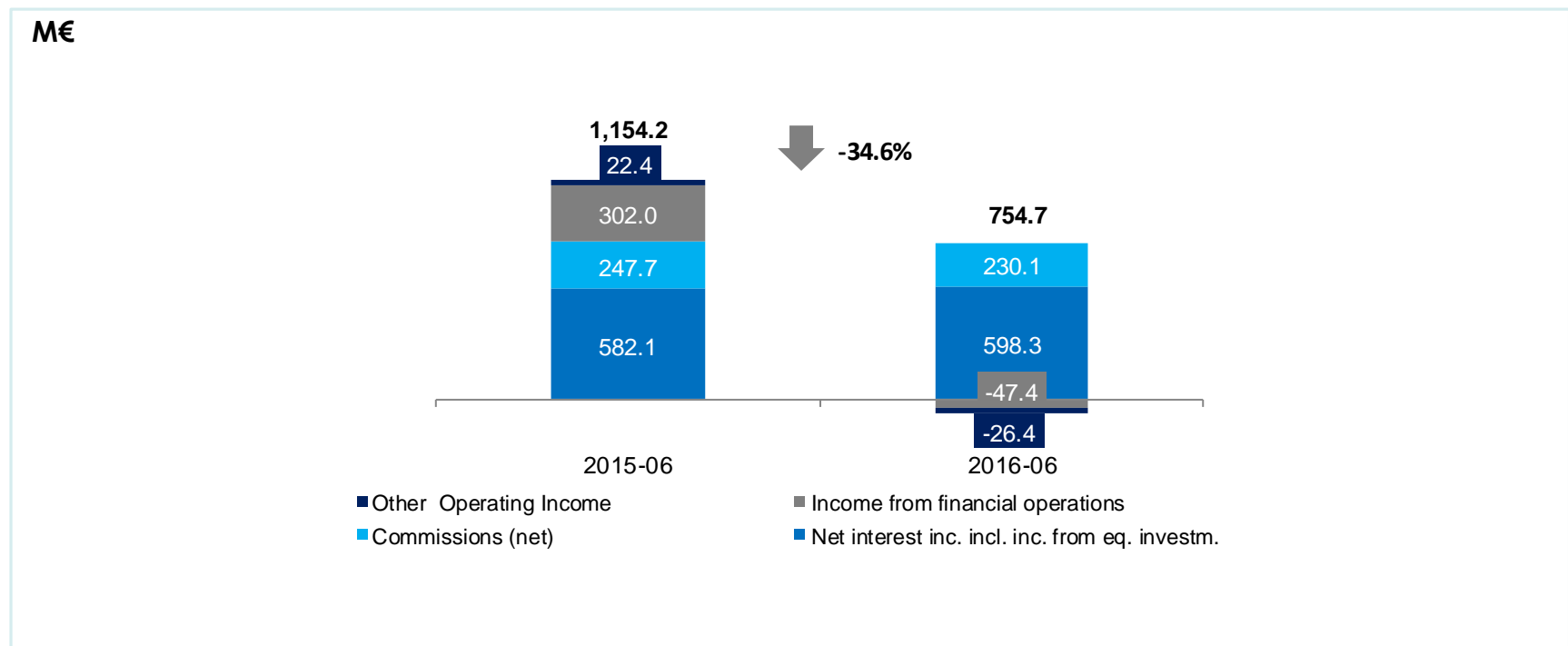
Commissions



Income from financial operations were negative at €47.4 million, influenced by high volatility experienced in international financial markets, including public debt, associated with the United Kingdom's referendum about Brexit.

Consolidated Results in 1H 2016

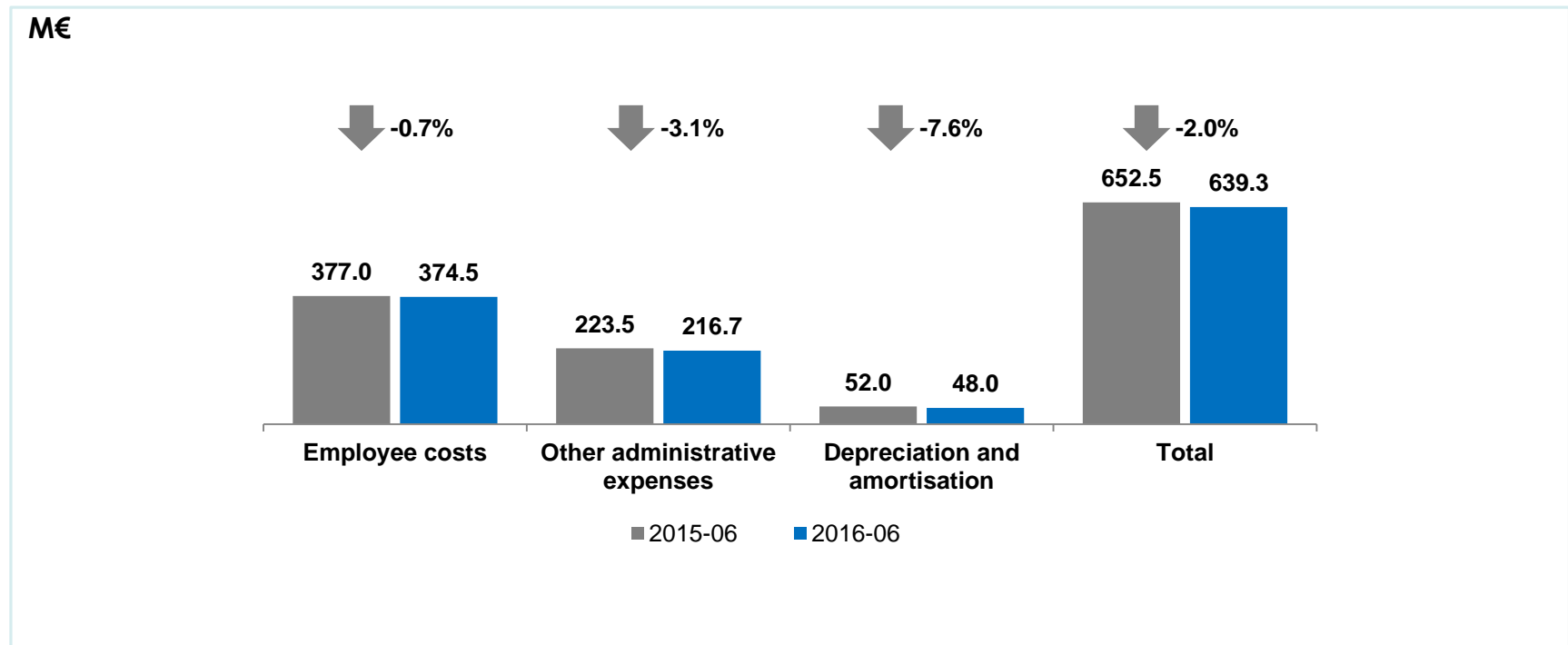
Net Operating Income



CGD's total operating income, strongly influenced by the negative change of €349.4 million in income from financial operations, was therefore down 34.6% Vs. 1st H 2015.

Operating Costs decreasing

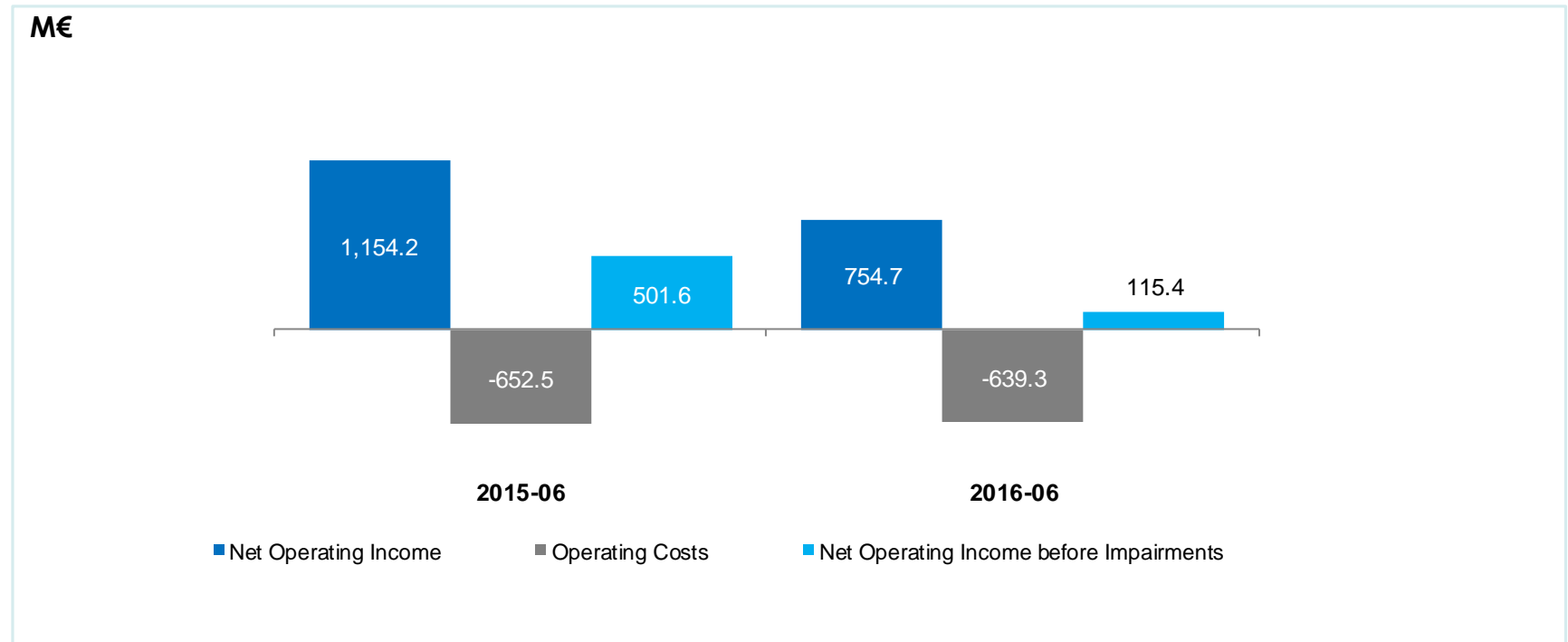
Operating Costs and Depreciation



CGD's operating costs for the first half were down 2.0%. Staff costs excluding non-recurrent costs decreased 6%, leaving total costs reduction at -5.1%.

Consolidated Results in 1H 2016

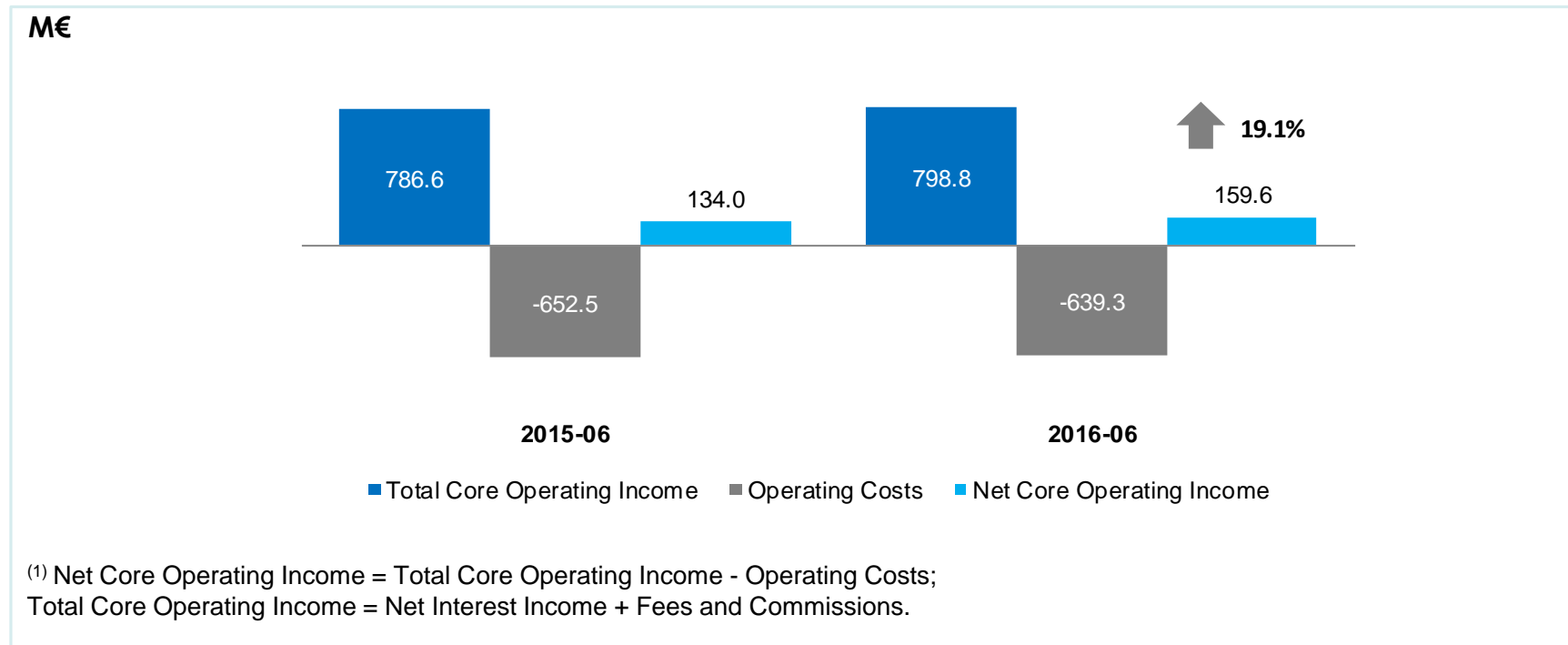
Net Operating Income before Impairments



Net operating income before impairments for first half 2016 amounted to €115.4 million.

Net Core Operating Income increasing

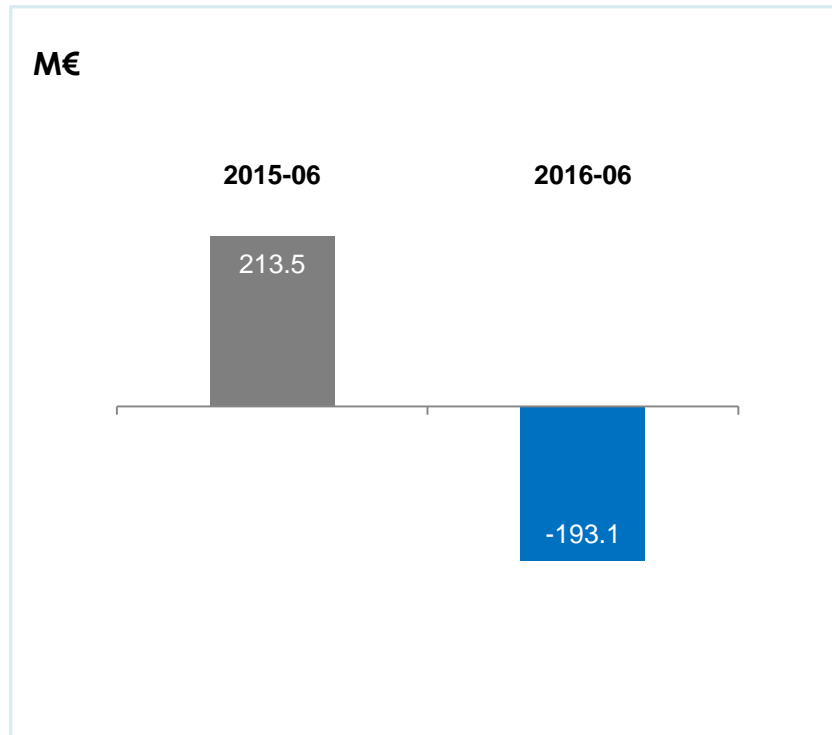
Net Core Operating Income⁽¹⁾



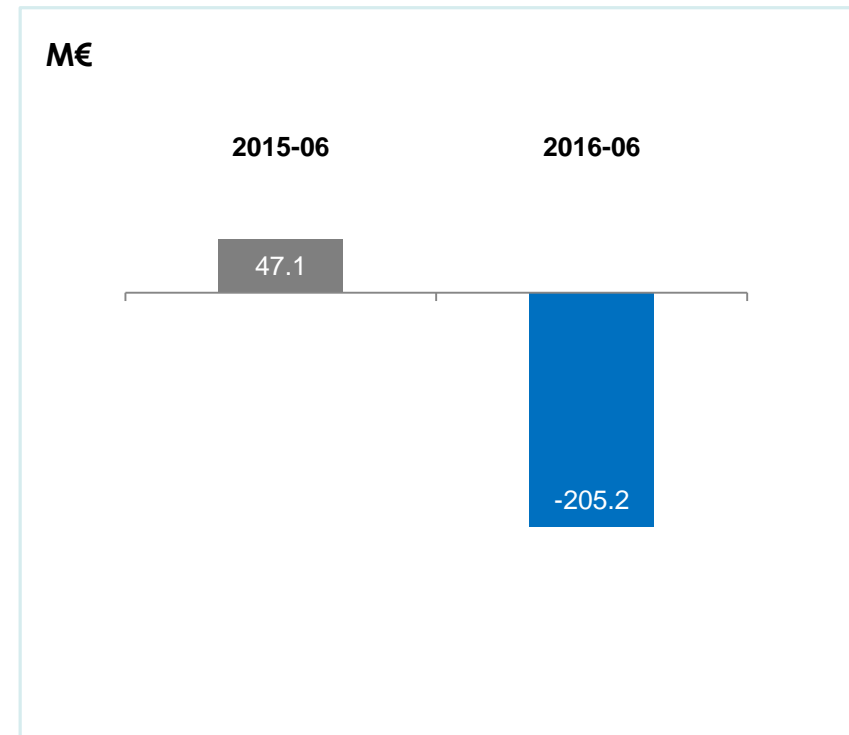
Net Core Operating Income increased 19.1% influenced by the positive evolution of net interest income and the reduction of operating costs.

Income before tax and non-controlling interests and Net Income

Net Income before tax and non-controlling Interests



Consolidated Net Income

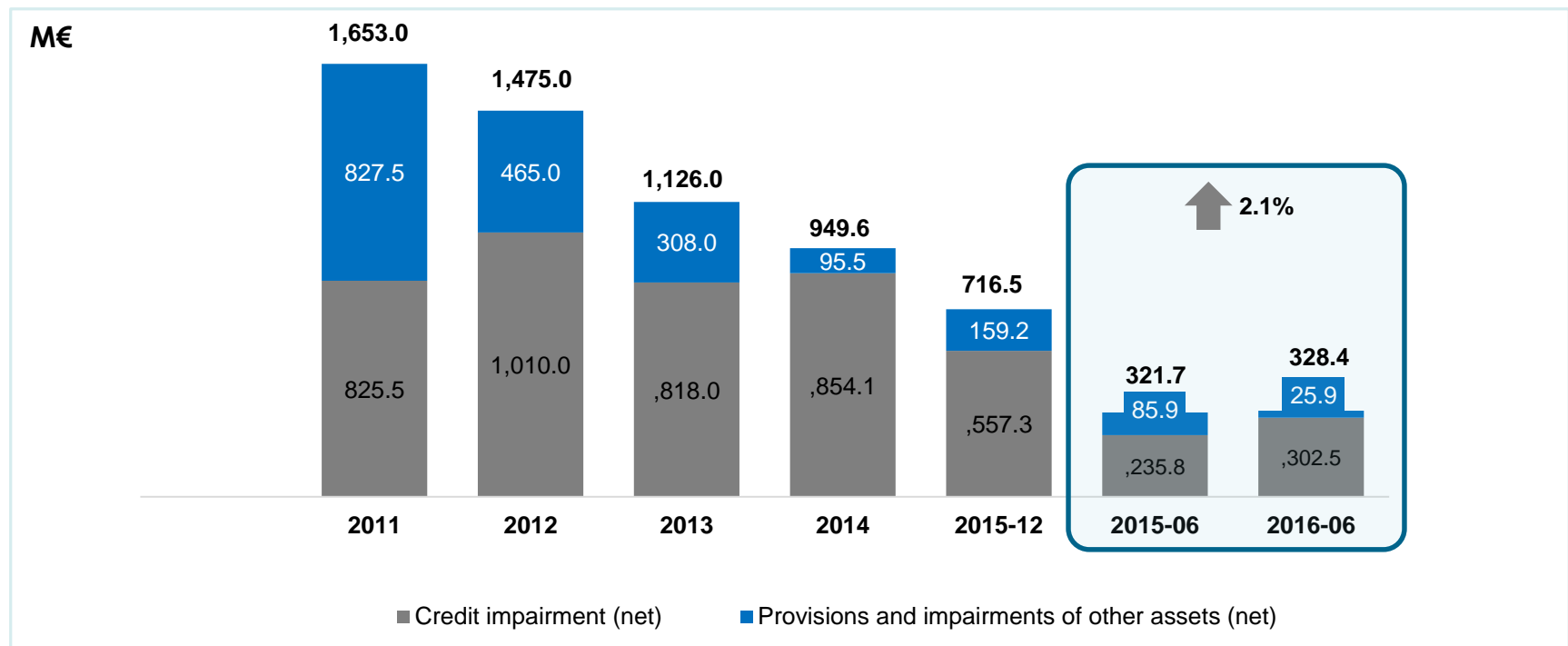


Income before tax and non-controlling interests and net income for the half year were €-193.1 million and €-205.2 million, respectively.

Decreasing Trend in Impairments and Provisions

Impairments and Provisions

There was a 2.1% increase of €6.7 million in provisions and impairment for the period to €328.4 million.





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CGD – A Financial Reference in Portugal

Market Leadership and Global Reach

- Market leader in retail banking in Portugal, with 28.5% share of customer deposits and 22.0% share of loans to customers.
- Extensive network, connecting mature economies with fast growing markets of Brazil, Africa and Asia.
- Gateway at the crux of the American Continent, the Portuguese Speaking African Countries and Asia.

Funding and Liquidity

- Customer resources trend positively.
- Loans-to-deposits ratio at 90.1%.
- CGD's funding from the Eurosystem at the end of June 2016 totalled € 3,597 million. CGD's liquidity remained at a highly comfortable level with an LCR (liquidity coverage ratio) of 193.5%, far higher than regulatory requirements.

Solvency

- The common equity Tier 1 (CET 1) ratios, calculated in accordance with CRD IV / CRR fully implemented and phasing-in rules, were 9.2% and 10.0%, respectively.

CGD – A Financial Reference in Portugal

Asset Quality	<ul style="list-style-type: none">• Cost of Credit Risk is approaching a more normal level.• The credit at risk and restructured credit ratios, calculated in accordance with Bank of Portugal criteria, at 12.2% and 10.3%, respectively, showed a slight increase over June 2015.
Economy Support	<ul style="list-style-type: none">• Commitment to the Portuguese economy, namely through the support to families and companies, in the latter case namely the export driven SMEs.
Strategy	<ul style="list-style-type: none">• Adjustment of the Bank to a new economic paradigm.• Focus on banking activity.• Strengthening of cross-border business.
Sustainability	<ul style="list-style-type: none">• The most valuable banking brand in Portugal 2016 – Brand Finance.• Comprehensive sustainability programme, recognised by domestic and international entities which monitor and audit its performance.• Bank with Environmental Certification – APCER (ISO 14001).

Appendixes

Appendix 1 - CGD Ratings

Appendix 2 – Main Financial Indicators

Appendix 3 - Portuguese Economy

Appendix 1 - CGD Ratings



CGD Credit Ratings

	Short Term	Long Term	Outlook
STANDARD & POOR'S	B	BB-	Positive
FITCH RATINGS	B	BB-	Stable
MOODY'S	N/P	B1	Review for DNG
DBRS	R-2 (mid)	BBB (low)	Stable

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CGD Consolidated Main Financial Indicators (1/4)

Balance Sheet (Consolidated Activity)

M€

	2015-06	2015-12	2016-06	Change 2016-06 vs 2015-06	
				Total	(%)
Assets					
Cash and cash equivalents with central banks	1,903	2,880	1,503	-401	-21.1%
Loans and advances to credit institutions	4,186	4,785	3,642	-544	-13.0%
Loans and advances to customers	66,205	65,759	64,931	-1,274	-1.9%
Securities investments	19,073	18,986	20,137	1,064	5.6%
Assets with repurchase agreement	1,312	1,081	856	-457	-34.8%
Non-current assets held for sale	838	830	749	-88	-10.6%
Investm. in subsid. and associated companies	295	277	267	-28	-9.4%
Intangible and tangible assets	818	754	707	-112	-13.7%
Current tax assets	51	37	41	-10	-20.1%
Deferred tax assets	1,461	1,474	1,559	98	6.7%
Other assets	4,096	4,037	4,964	868	21.2%
Total assets	100,238	100,901	99,355	-883	-0.9%

CGD Consolidated Main Financial Indicators (2/4)

Balance Sheet (Consolidated Activity)

M€

	2015-06	2015-12	2016-06	Change 2016-06 vs 2015-06	
				Total	(%)
Liabilities					
Central banks' and credit institutions' resources	6,019	5,433	5,769	-251	-4.2%
Customer resources	70,242	73,426	72,442	2,199	3.1%
Financial liabilities	1,794	1,739	2,262	468	26.1%
Debt securities	8,170	6,700	6,117	-2,053	-25.1%
Provisions	859	992	896	36	4.2%
Subordinated liabilities	2,426	2,429	2,400	-26	-1.1%
Other liabilities	4,337	3,998	3,726	-611	-14.1%
Sub-total	93,847	94,718	93,610	-237	-0.3%
Shareholders' equity	6,391	6,184	5,745	-646	-10.1%
Total	100,238	100,901	99,355	-883	-0.9%

CGD Consolidated Main Financial Indicators (3/4)

Income Statement (Consolidated Activity)

M€

RESULTS	2015-06	2015-12	2016-06	Change 2016-06 vs 2015-06	
				Total	(%)
Net interest income	538.9	-	568.7	29.8	5.5%
Net inter. income incl. inc. from equity investm.	582.1	-	598.3	16.3	2.8%
Commissions (net)	247.7	-	230.1	-17.6	-7.1%
Non-interest income	572.1	-	156.3	-415.8	-72.7%
Total Operating Income	1,154.2	-	754.7	-399.5	-34.6%
Operating costs	652.5	-	639.3	-13.3	-2.0%
Net Operating Income before Impairments	501.6	-	115.4	-386.2	-77.0%
Net Income before tax and non-controlling interests	213.5	-	-193.1	-406.6	-
Net income	47.1	-	-205.2	-252.3	-

CGD Consolidated Main Financial Indicators (4/4)

Financial Indicators

CREDIT QUALITY AND COVER LEVELS	2015-06	2015-12	2016-06
Overdue credit ratio	7.9%	7.6%	8.1%
Credit more than 90 days overdue ratio	7.4%	7.2%	7.4%
Non-performing credit ratio	9.7%	9.3%	9.8%
Non-performing credit (net) ratio ⁽¹⁾	2.6%	2.2%	2.3%
Credit at risk ratio ⁽¹⁾	12.4%	11.5%	12.2%
Credit at risk (net) ratio ⁽¹⁾	5.5%	4.5%	4.9%
Restructured credit ratio ⁽²⁾	10.1%	10.0%	10.3%
Restr. crd. not incl. in crd. at risk ratio ⁽²⁾	5.3%	5.6%	5.9%
Credit more than 90 days overdue coverage	99.1%	102.2%	103.2%
Crd. Imp. (P&L) / Loans & adv. custom. (aver.)	0.66%	0.78%	0.86%
STRUCTURE RATIOS			
Loans & adv. customers (net) / Net assets	66.0%	65.2%	65.4%
Loans & adv. custom. (net) / Custom. dep. ⁽³⁾	94.8%	90.1%	90.1%

(1) Ratios defined by the Bank of Portugal (instruction 23/2012).

(2) Ratios defined by the Bank of Portugal (instruction 32/2013)

Appendixes

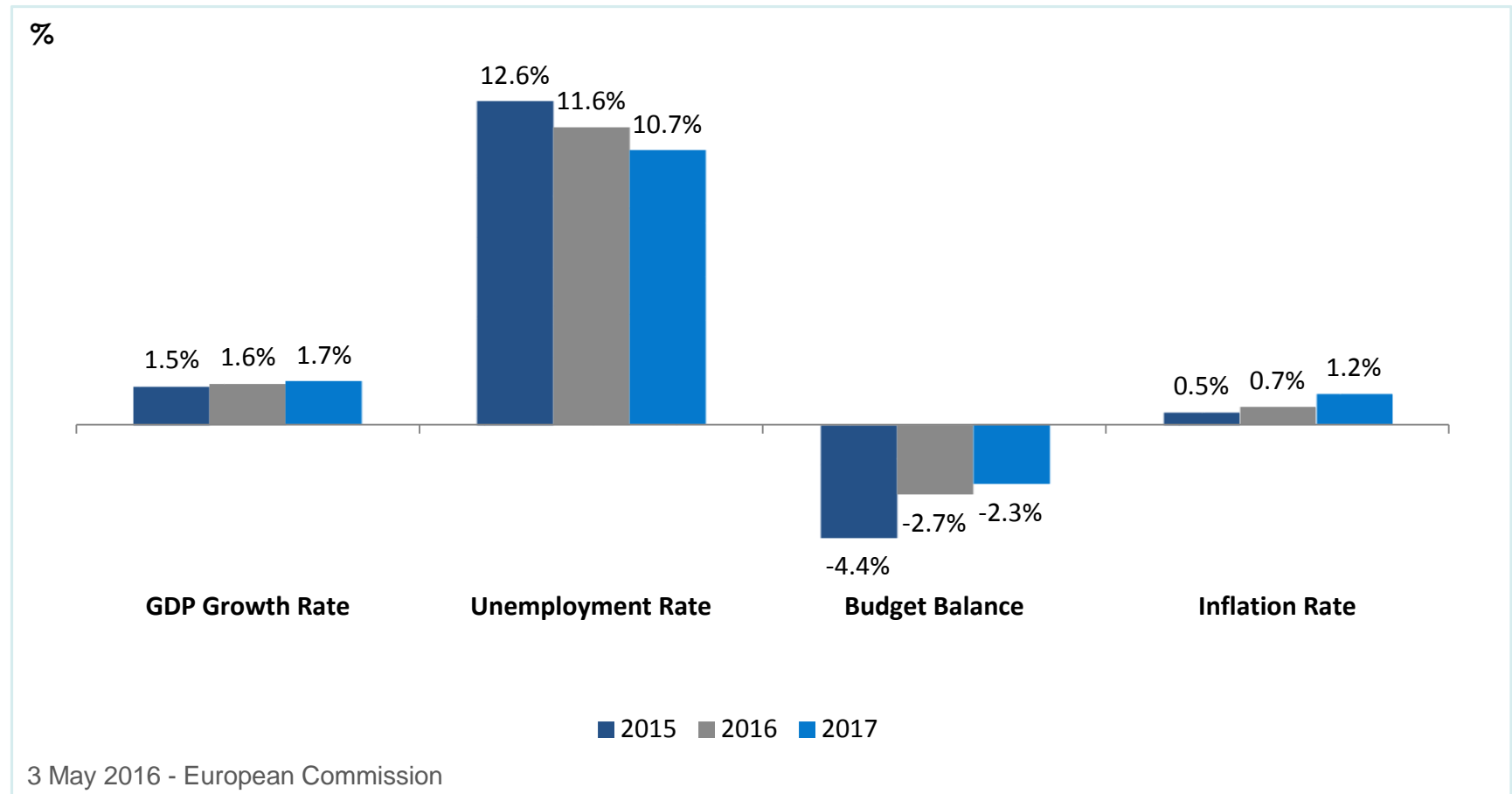
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European Commission Spring Estimates

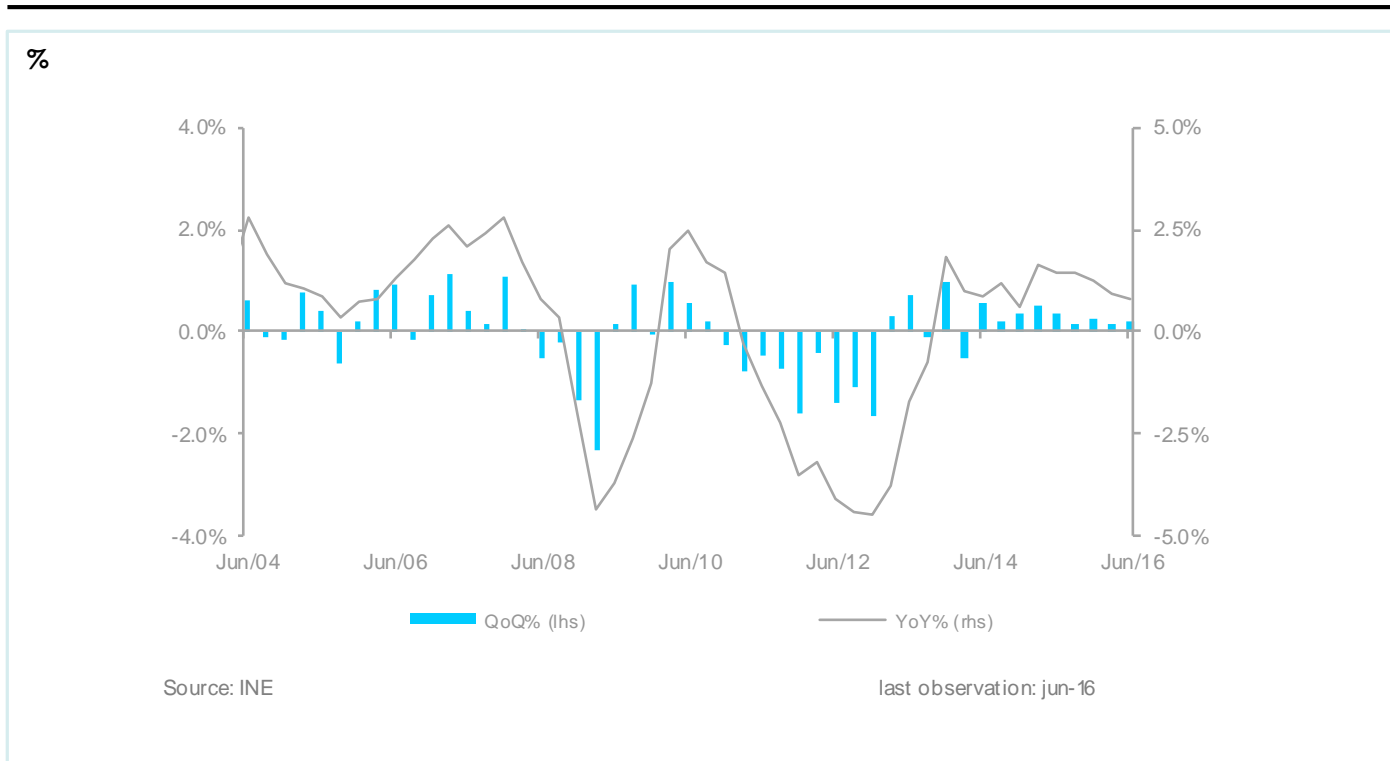
European Commission Spring Estimates for Portugal



Appendix 3 - Portuguese Economy

Economic Performance

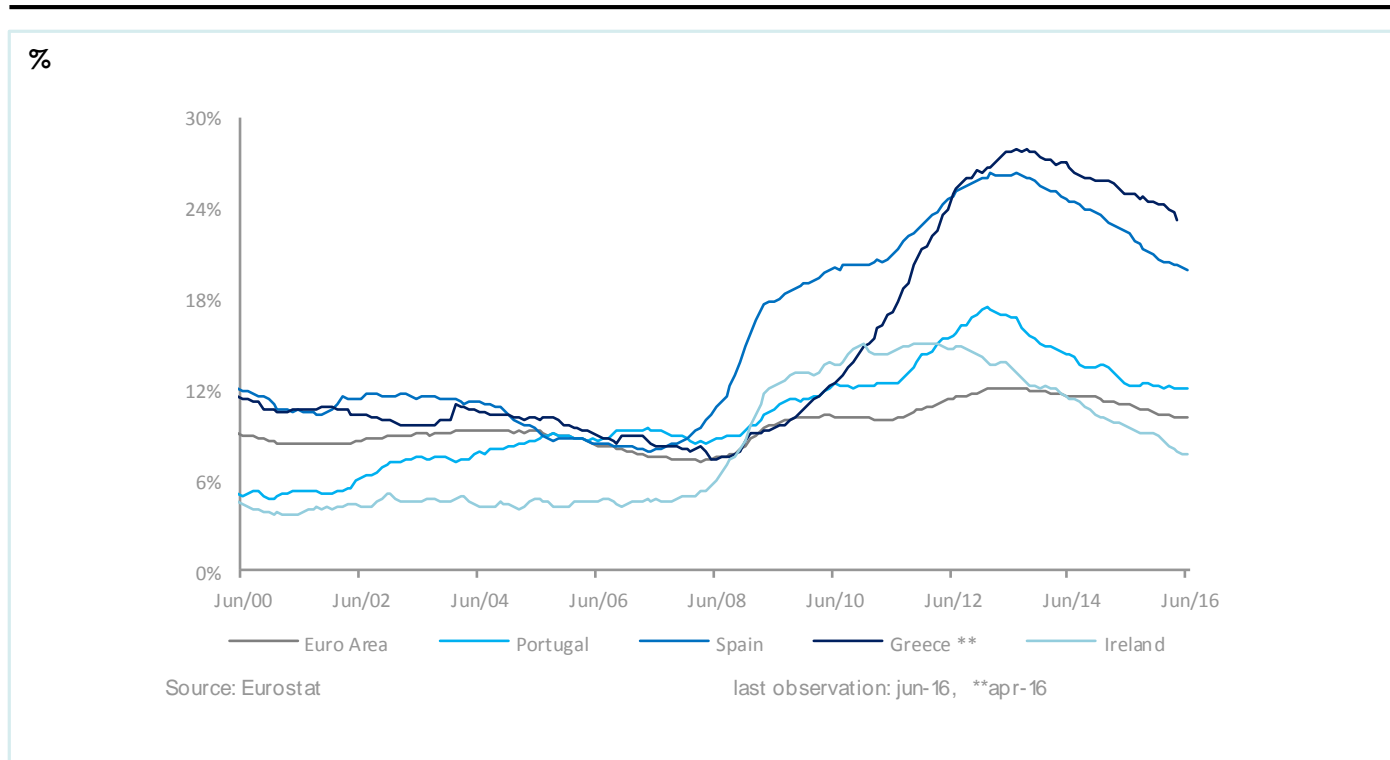
Portugal: Economic Growth



Appendix 3 - Portuguese Economy

Economic Performance

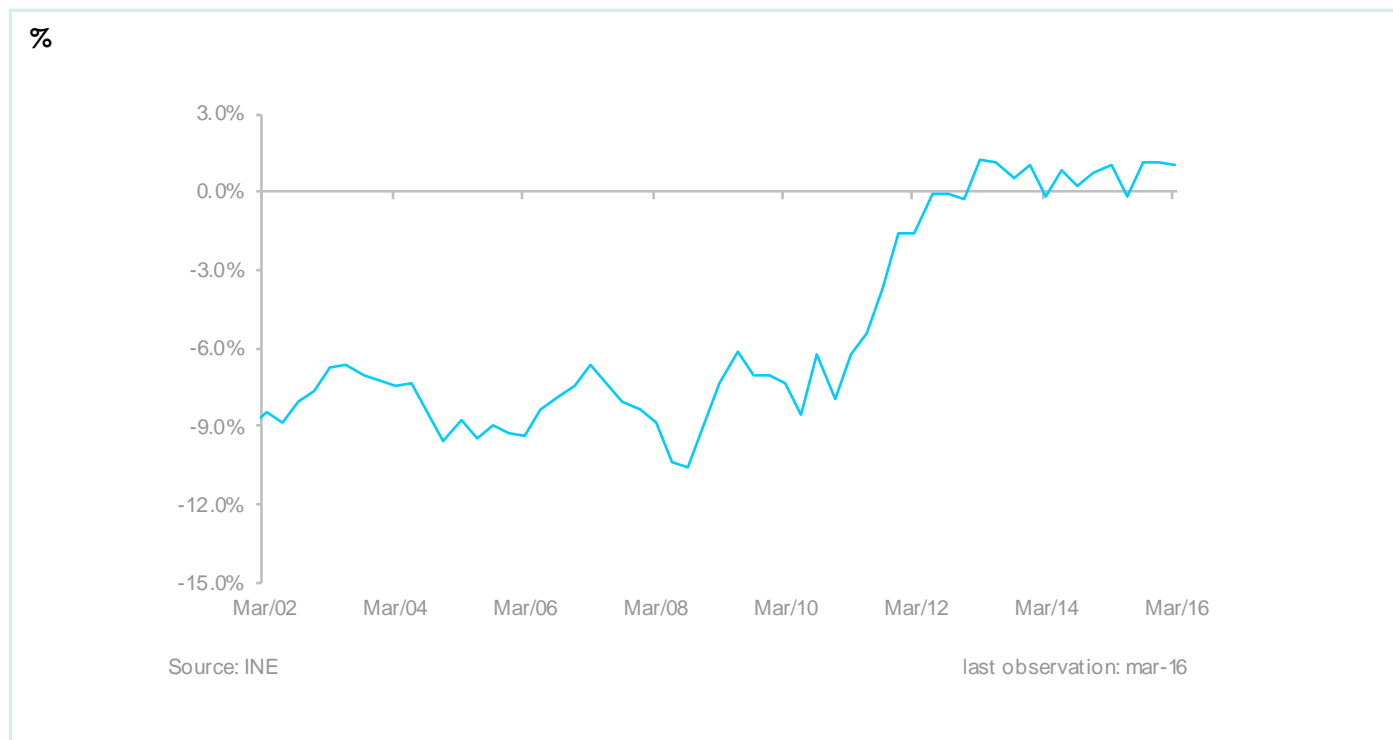
Portugal and Periphery: Unemployment Rate



Appendix 3 - Portuguese Economy

Trade Deficit - Sizeable Improvement

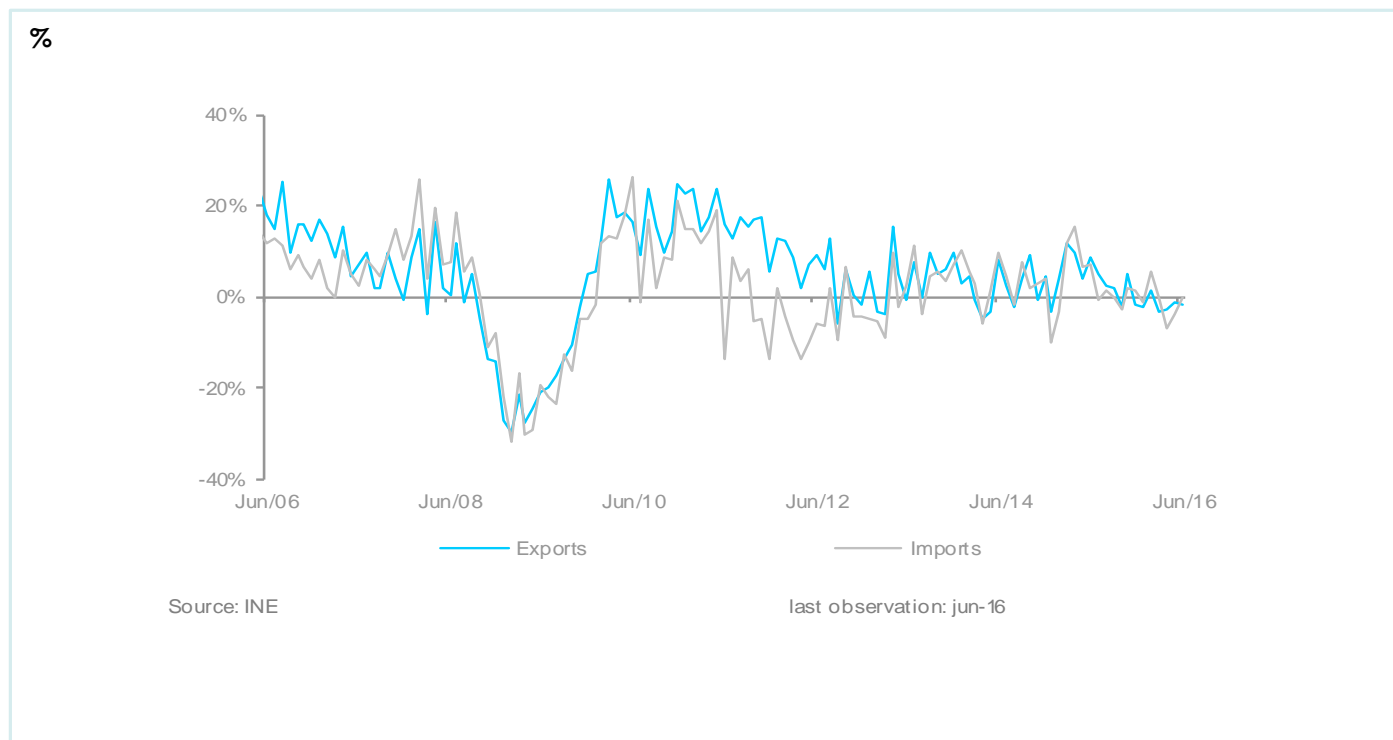
Portugal: Trade Balance (% of GDP)



Appendix 3 - Portuguese Economy

Trade of Goods (Y-o-Y%) – Current Prices

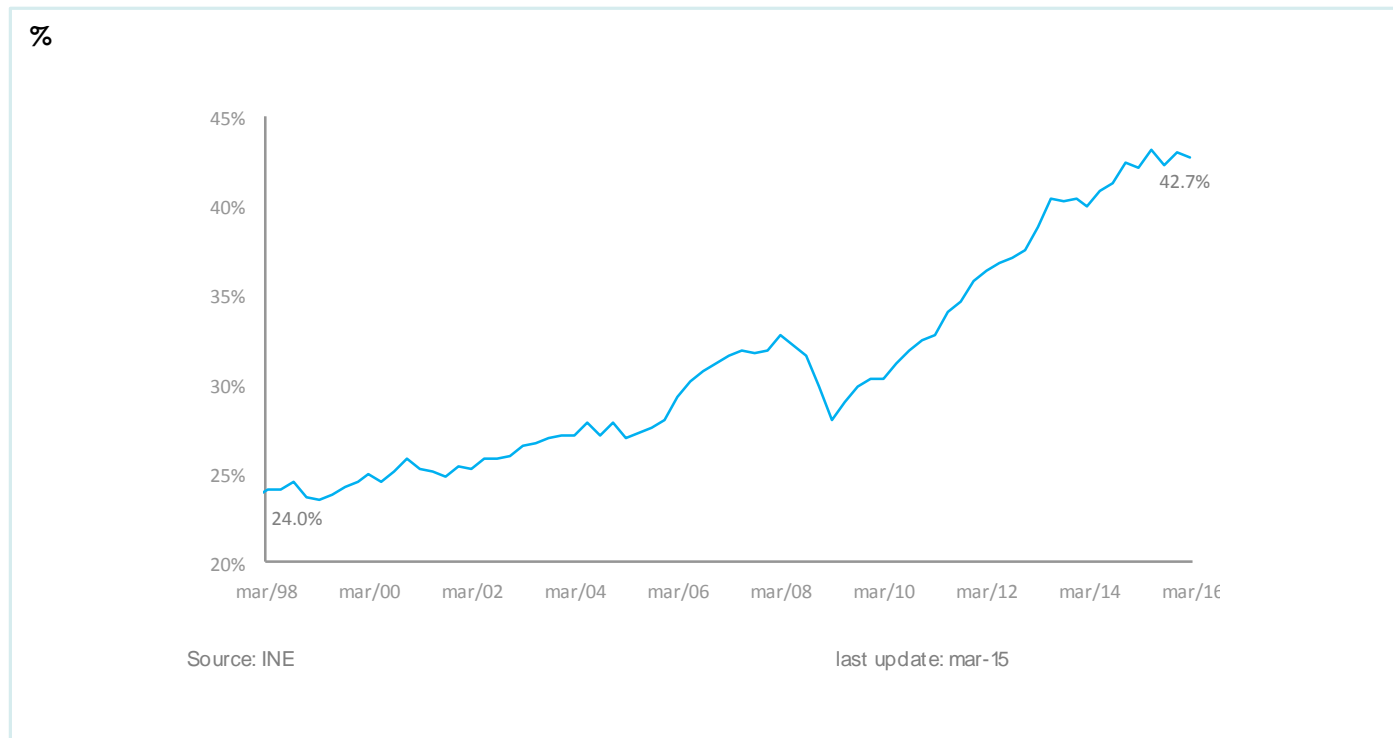
Portugal: Trade of Goods (Y-o-Y%) – Current Prices



Appendix 3 - Portuguese Economy

Trade Deficit - Sizeable Improvement

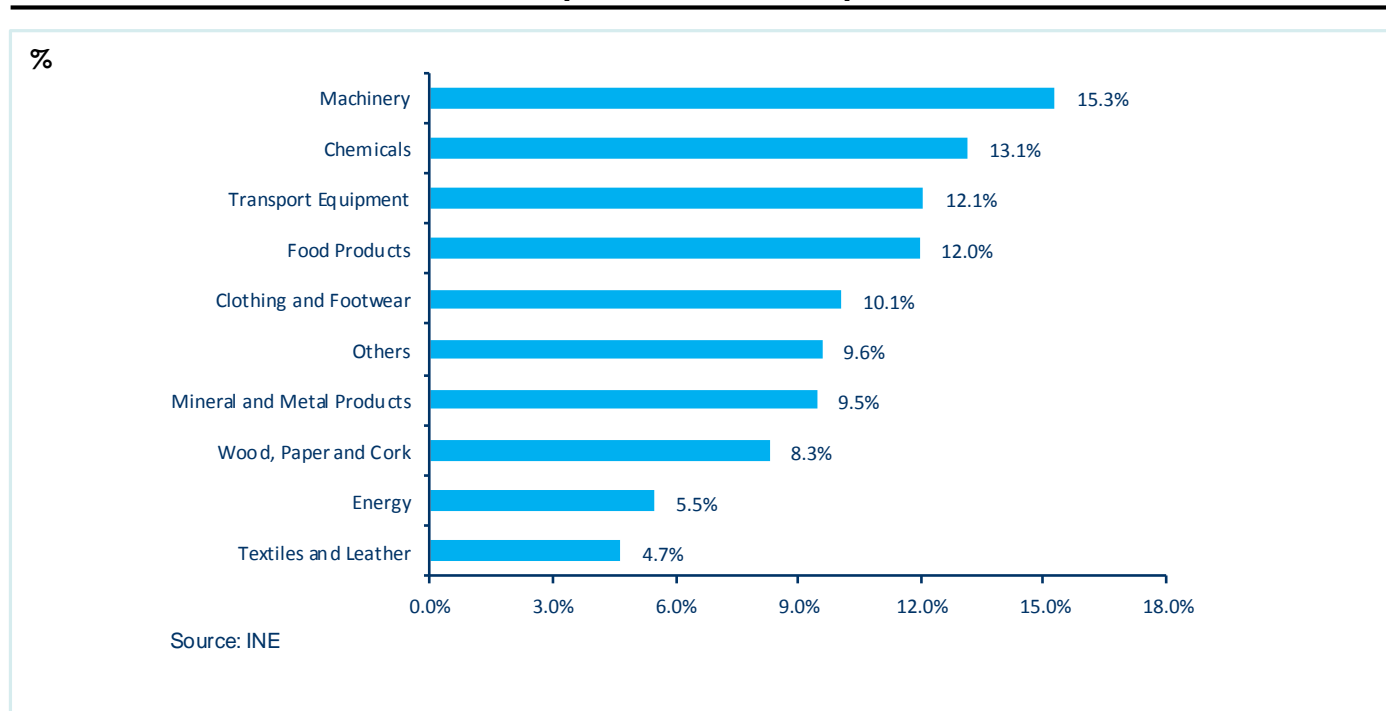
Portugal: Exports Evolution (% of GDP)



Appendix 3 - Portuguese Economy

Exports of Goods

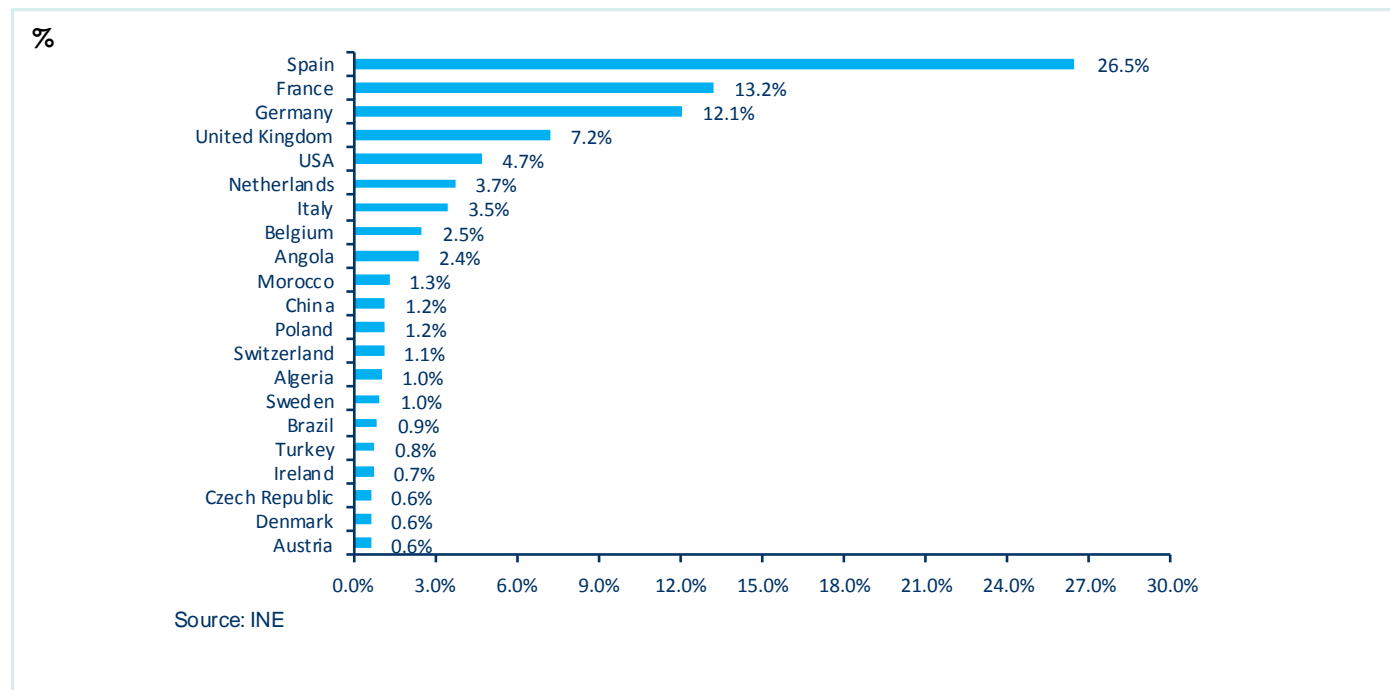
Portugal: Weight of goods in exports (Jan-Jun 2016)



Appendix 3 - Portuguese Economy

Exports of Goods

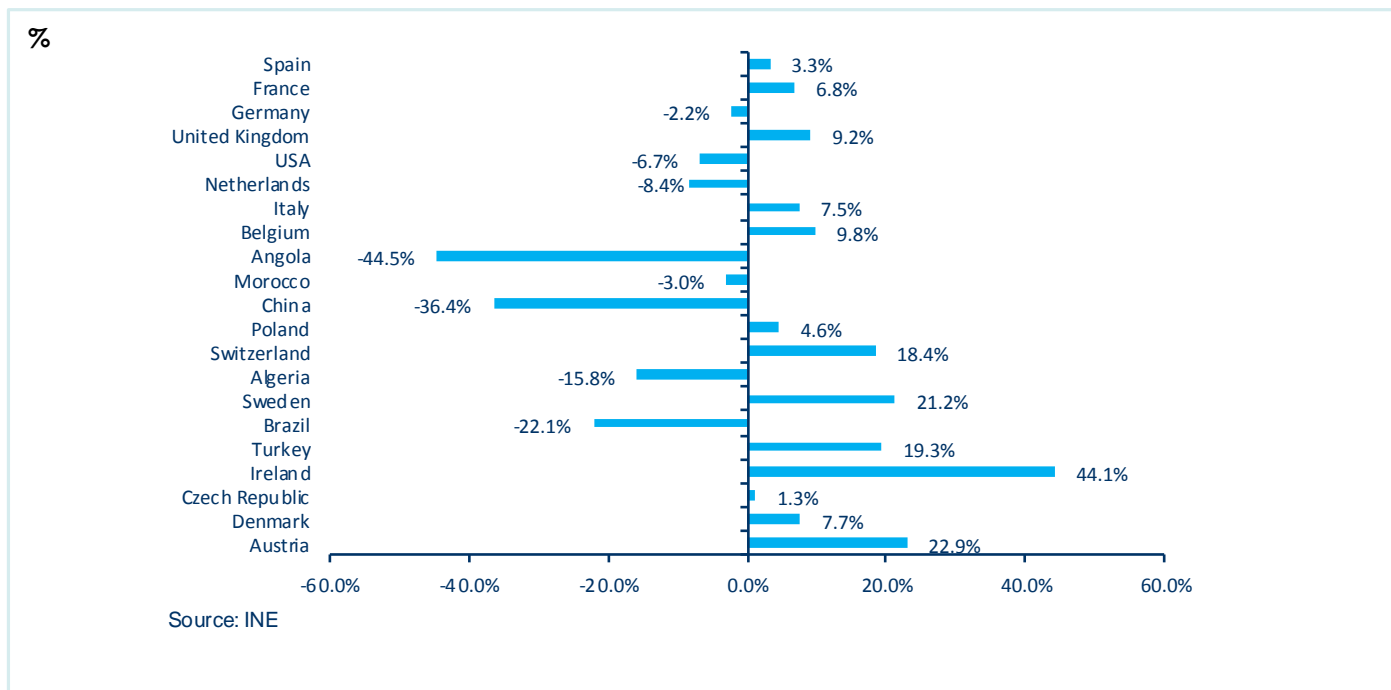
Portugal: Weight of selected partners in exports of goods (Jan-Jun 2016)



Appendix 3 - Portuguese Economy

Exports of Goods

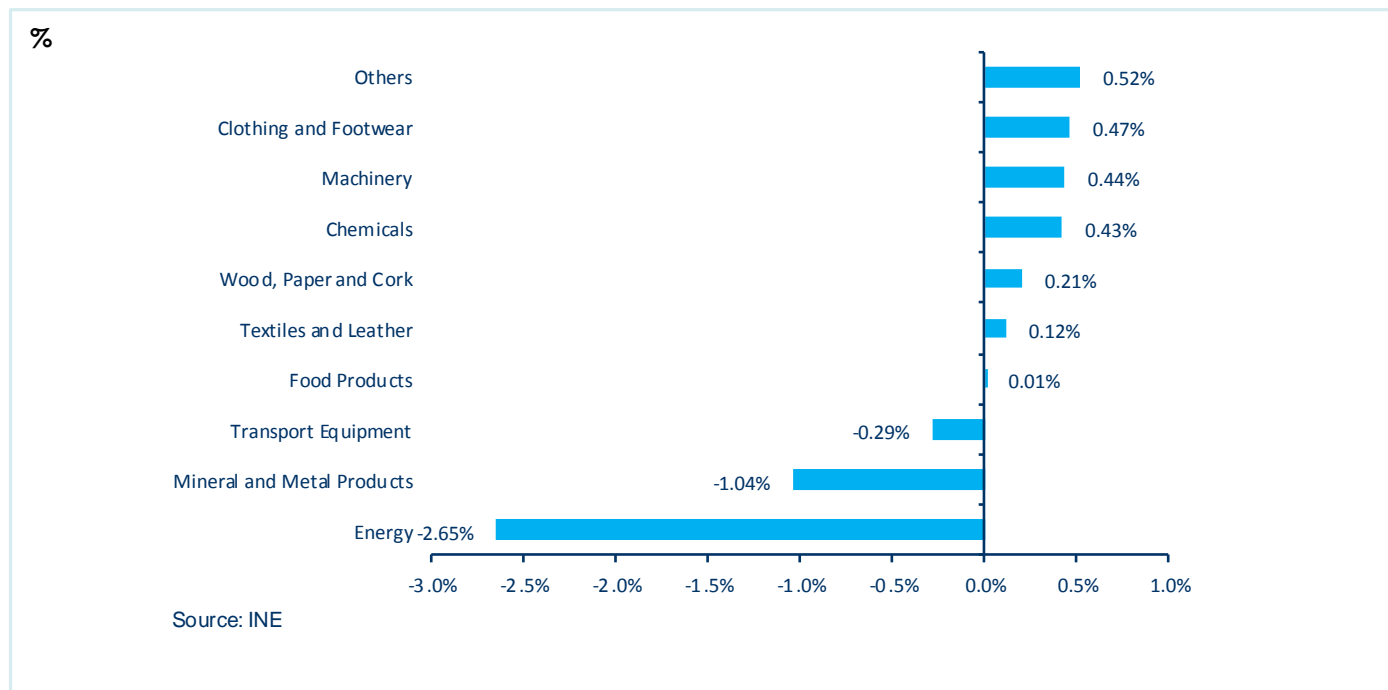
**Portugal: Growth rates of exports of goods
(Jan-Jun 2016, YoY)**



Appendix 3 - Portuguese Economy

Exports of Goods

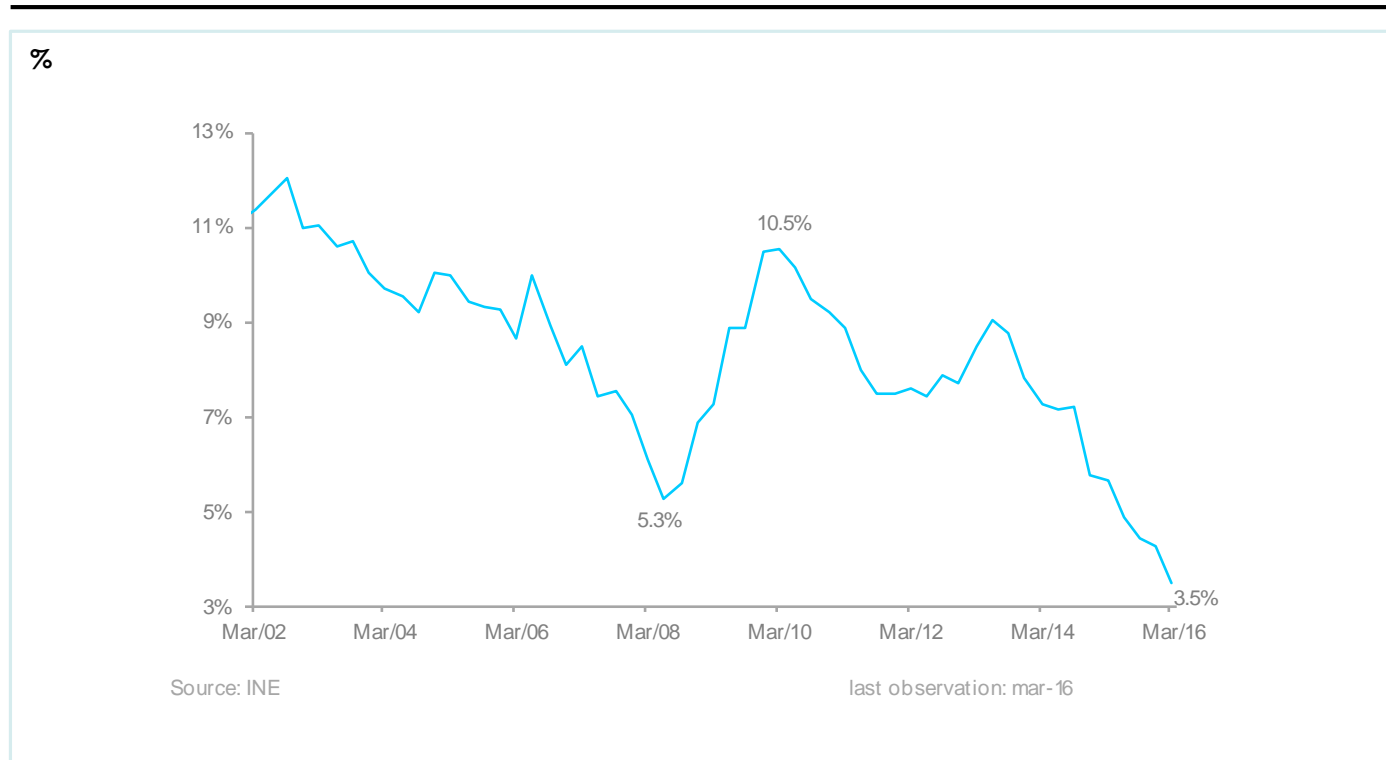
Portugal: Growth rates of exports of goods by Product Groups (Jan-Jun 2016, YoY)



Appendix 3 - Portuguese Economy

Savings Rate (% Disposable income)

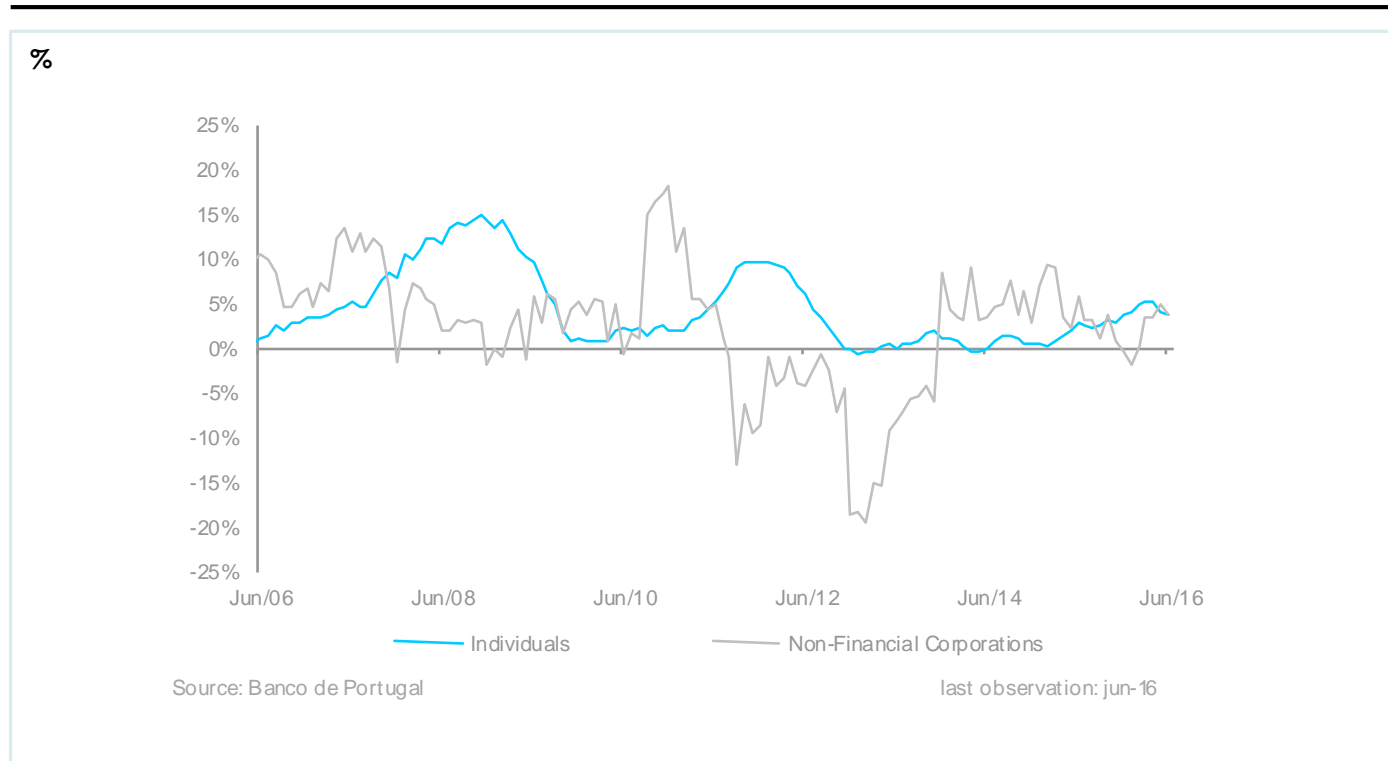
Portugal: Savings Rate (% Disposable income)



Appendix 3 - Portuguese Economy

Deposit Growth (Y-o-Y%)

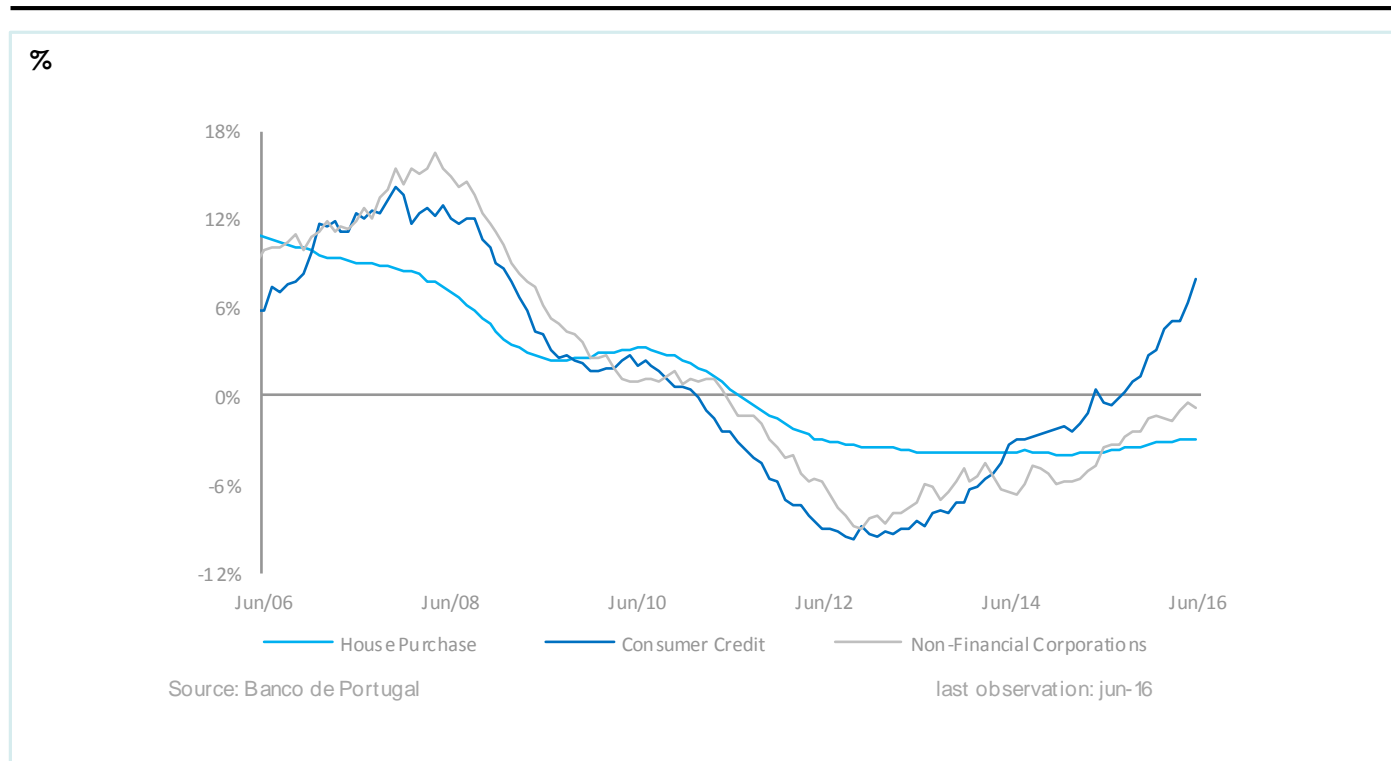
Portugal: Deposit Growth (Y-o-Y%)



Appendix 3 - Portuguese Economy

Credit Growth (Y-o-Y%)

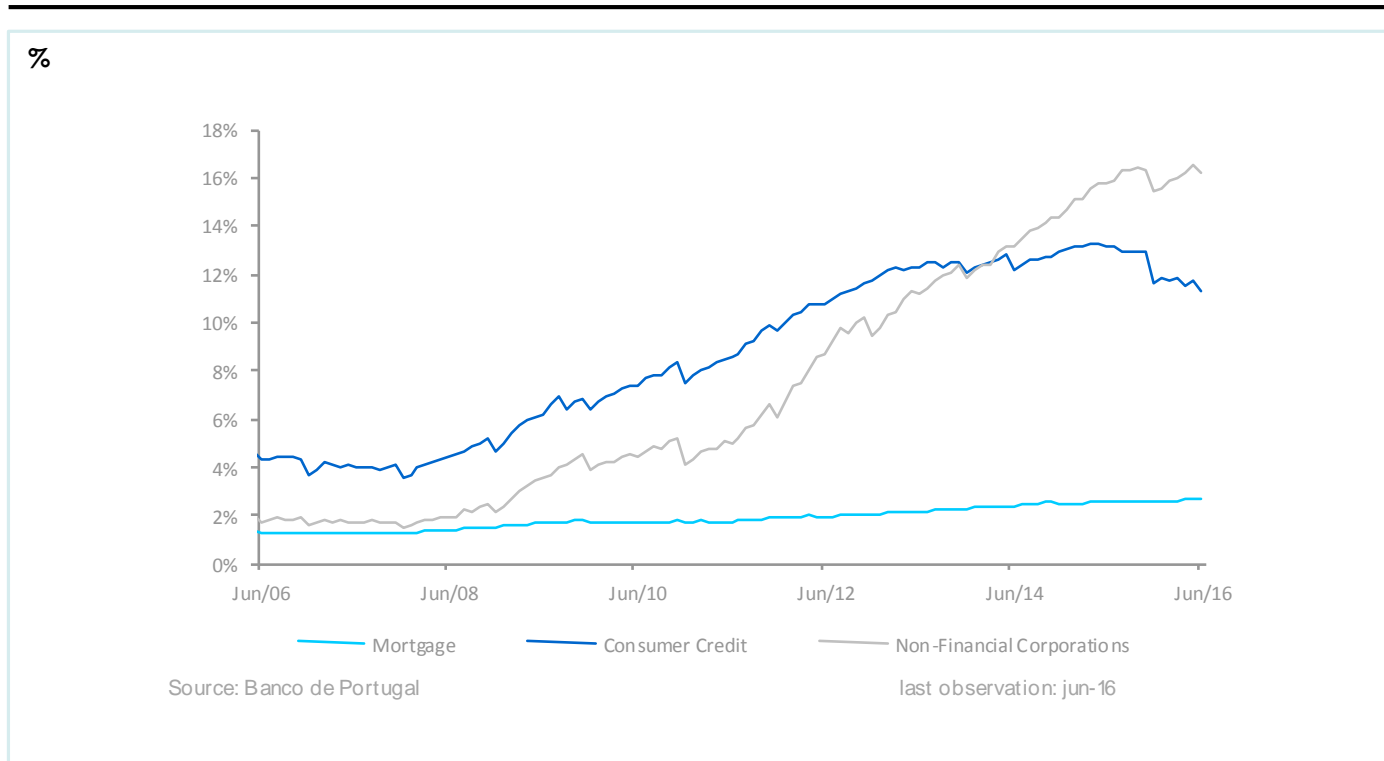
Portugal: Credit Growth (Y-o-Y%)



Appendix 3 - Portuguese Economy

NPLs as % of Outstanding

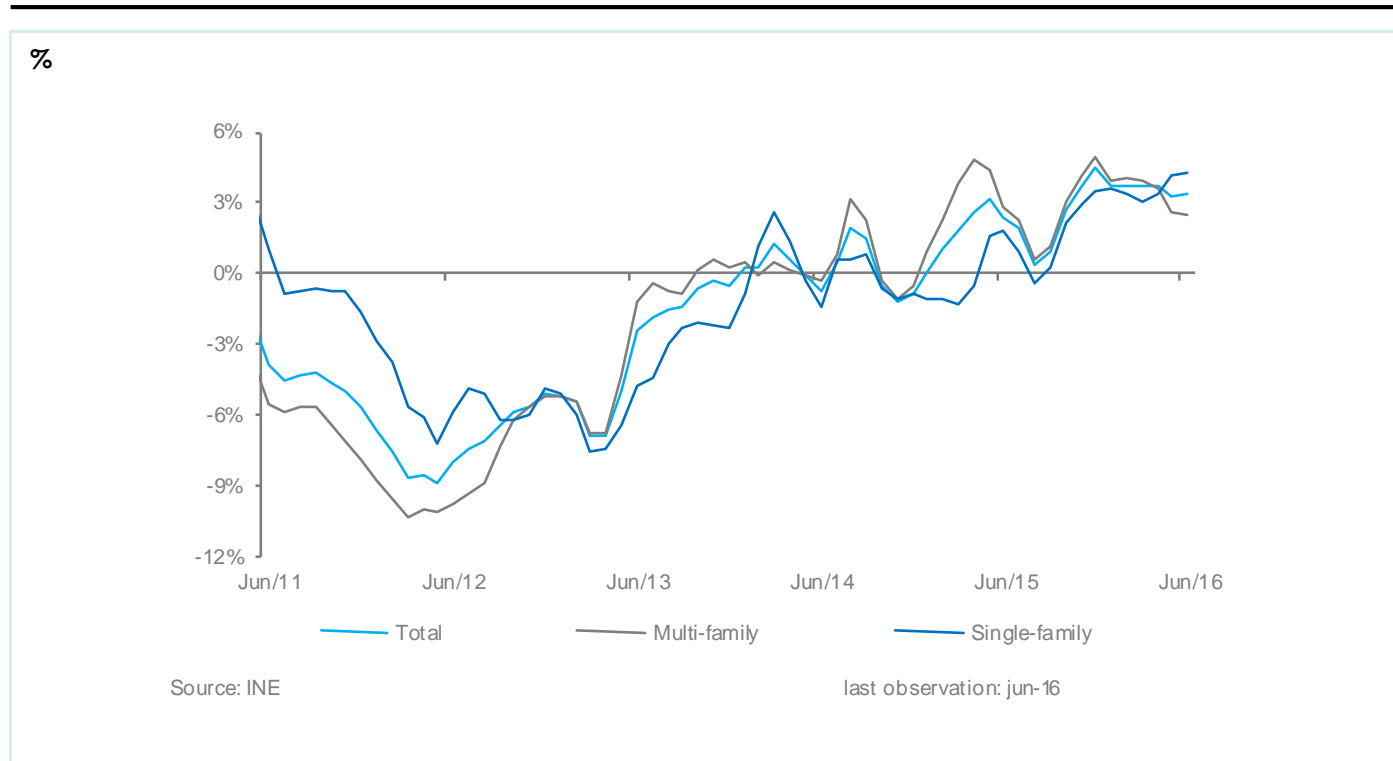
Portugal: NPLs as % of Outstanding



Appendix 3 - Portuguese Economy

House Price

Average value of bank appraisals (Y-o-Y%)





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