

Results Presentation 1H 2023



Consolidated Results
Unaudited financial information
Investor Relations | 21.07.2023



- 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 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 June 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 June 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 economic activity continues to be conditioned by high inflation and the tightening of monetary and financial conditions. In the Eurosystem projection of June 2023, world growth drops from 3.3% in 2022 to 2.9% in 2023 — due to the evolution of the more developed economies —, remaining around 3% in 2024-25. Growth in external demand for the Portuguese economy is expected to slow down from 7.8% in 2022 to 1.4% in 2023, in line with the evolution of imports from trading partners. This evolution takes place in a context of recomposition of global demand, with an increase in the weight of services, including non-tradables, to the detriment of consumption of goods and investment. In the short term, the decrease in inflation results from the adjustment in the prices of energy goods. In the case of the less volatile components, inflationary pressures associated with the dynamism of the labor market and, consequently, wage increases, particularly in advanced economies, point to a more gradual slowdown. Thus, inflation in the Euro area is expected to decrease from 8.4% in 2022 to 5.4%, 3% and 2.2% in 2023, 2024 and 2025, respectively. As for monetary and financial conditions, they became less favourable, reflecting higher interest rates and an appreciation of the Euro.
- 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 "Apresentação Resultados 1S 2023". In the event of any inconsistency, the original version prevails.

Agenda

1 Activity Highlights

2 Results and Balance Sheet

3 Financial Statements



Activity Highlights

1st half 2023 - Main highlights



PROFITABILITY

- Net Income of 608M€ confirms trend of improved profitability
- Evolution of the Net Income offsets accumulated losses in the 2011-2016 period
- The average return on equity (ROE) of the last decade reaches 0.9% while in the period after the 2017 recapitalization rises to 7.7%
- Recurrent Net Income from international activity exceeds €100M, maintaining an upward trend
- Recurrent Efficiency Ratio below 30% in an inflationary context



BUSINESS ACTIVITY

- CGD maintains leadership⁽¹⁾ in Deposits and Customer Resources
- CGD leads⁽¹⁾ in mortgage loans in a context of market retraction
- SME loan portfolio grows in the period



CAPITAL

- Distribution of dividend for 2022 of €352M, the highest ever, plus a distribution in kind of €361M, subject to the authorization of the European Central Bank, in the form of transfer of ownership of CGD's headquarters building to the sole shareholder approved in General Meeting, both operations totaling €713M
- Early repayment of the Tier 2 issue of €500M, fully repaying the private sector financing of the 2017 recapitalization; capital ratios achieved with an ample margin: CET 1 at 19.3% and Total Capital at 19.6%, after payment of dividends
- In all, with these operations, CGD delivers, in 2023, €1.2B of the 2017 recapitalization amount, offsetting €1,675M of the €2,500M in public investment (2/3 of the total)



ASSET QUALITY

- Credit performance remains stable despite the current economic climate
- NPL ratio net of impairments remains at 0% (zero)
- Cost of credit risk at 40 bp. reflects a conservative and preventive attitude



RATING

- Rating assigned by DBRS upgraded to BBB (high)
- Moody's BCA (Baseline Credit Assessment) rating was raised to baa2, the same level as Portugal, and the debt rating outlook was reviewed to "positive"

Net Income grows to €608M in the first half of 2023



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	2022 1H	2023 1H	Var. (M€)
Interest income			
<i>International activity</i>	226	260	+34
<i>Dom. activity (Central Bank deposits)</i>	5	258	+253
<i>Dom. activity (Treasury and others)</i>	50	82	+32
<i>Dom. activity (Retail - Households)</i>	134	404	+270
<i>Dom. activity (Retail - Corporates and other)</i>	163	311	+148
Commissions	304	289	-15
Income from financial operations	75	152	+77
Operating costs	491	556	+65
Provisions and impairments for credit risks	-168	129	+298
Other provisions and impairments	-62	137	+199
Tax	252	329	+77
Other	41	1	-40
Net income	486	608	+122

Sale of assets from the extinct Pension Fund: +80 M€

Reinforcement of credit impairment reflects a preventive approach

Mostly the provisioning of restructuring program costs

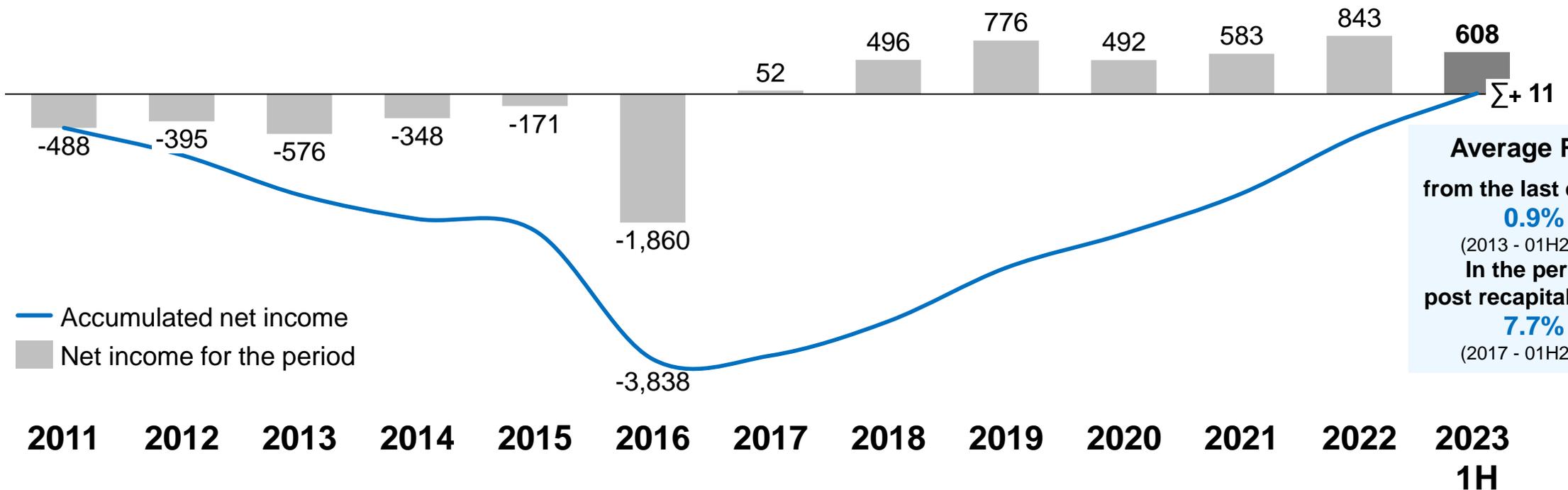
Net income evolution offsets previous losses



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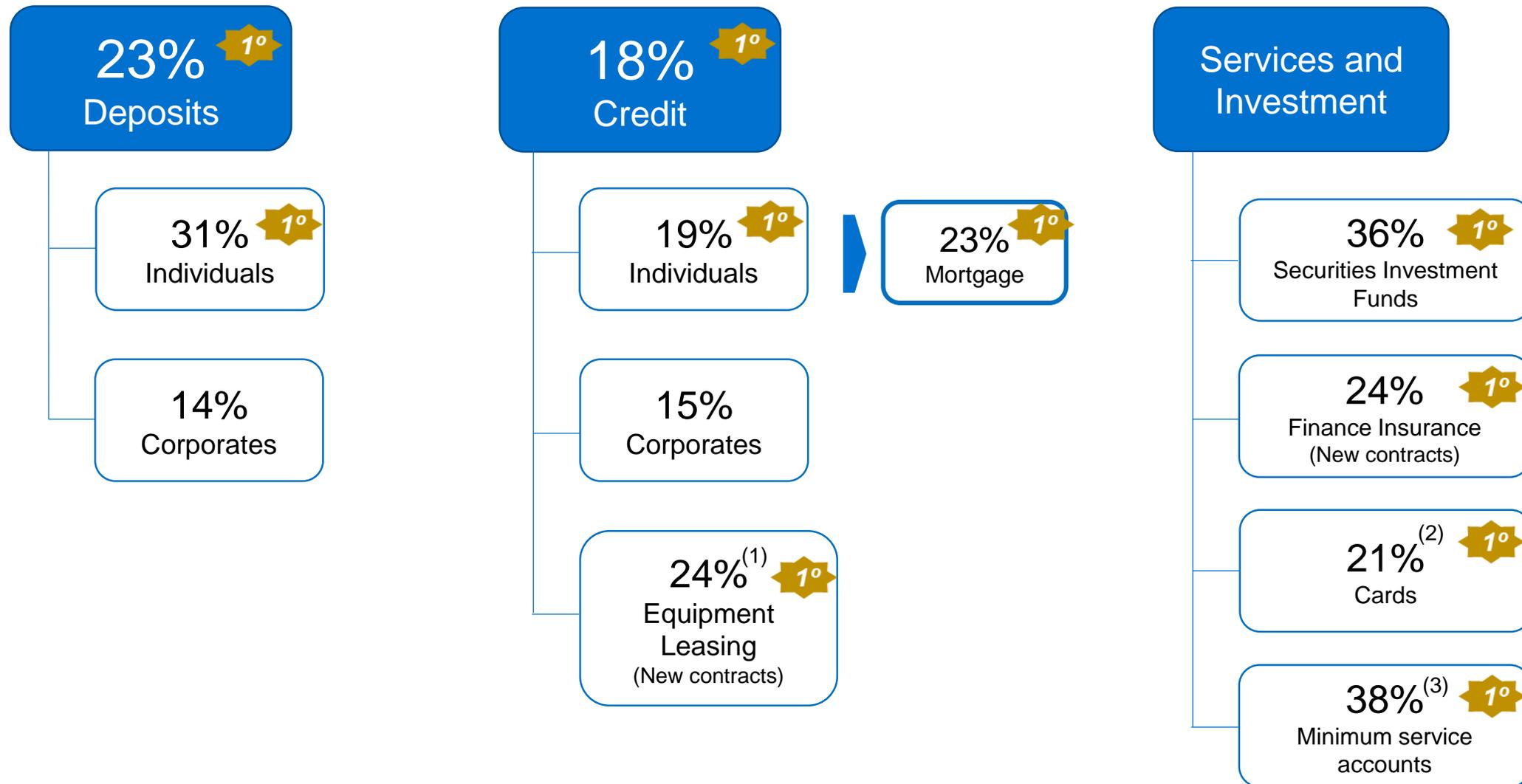
M€

Net Income Evolution (Consolidated)



Average ROE
from the last decade
0.9%
(2013 - 01H2023)
In the period
post recapitalization
7.7%
(2017 - 01H2023)

CGD maintains leadership



Market shares referring to May 2023, except: (1) March 2023; (2) average share of June 2023; (3) December 2022

Awards and Distinctions



Caixa remains proactive in supporting families



PORTUGAL

Mortgage loans

Interest rate subsidy - **Extraordinary CGD Support:**

spread reduction of up to 0.5% in instalments from July to December 2023 for customers covered by Decree-Law no. 20-B/2023

Deposits

Competitive offer and diversified

Depósito Caixa Net 12M
Non-callable

TANB⁽¹⁾: 2.75%



Depósito
Aforro 6M+

TANB⁽¹⁾ Average: 2.167%



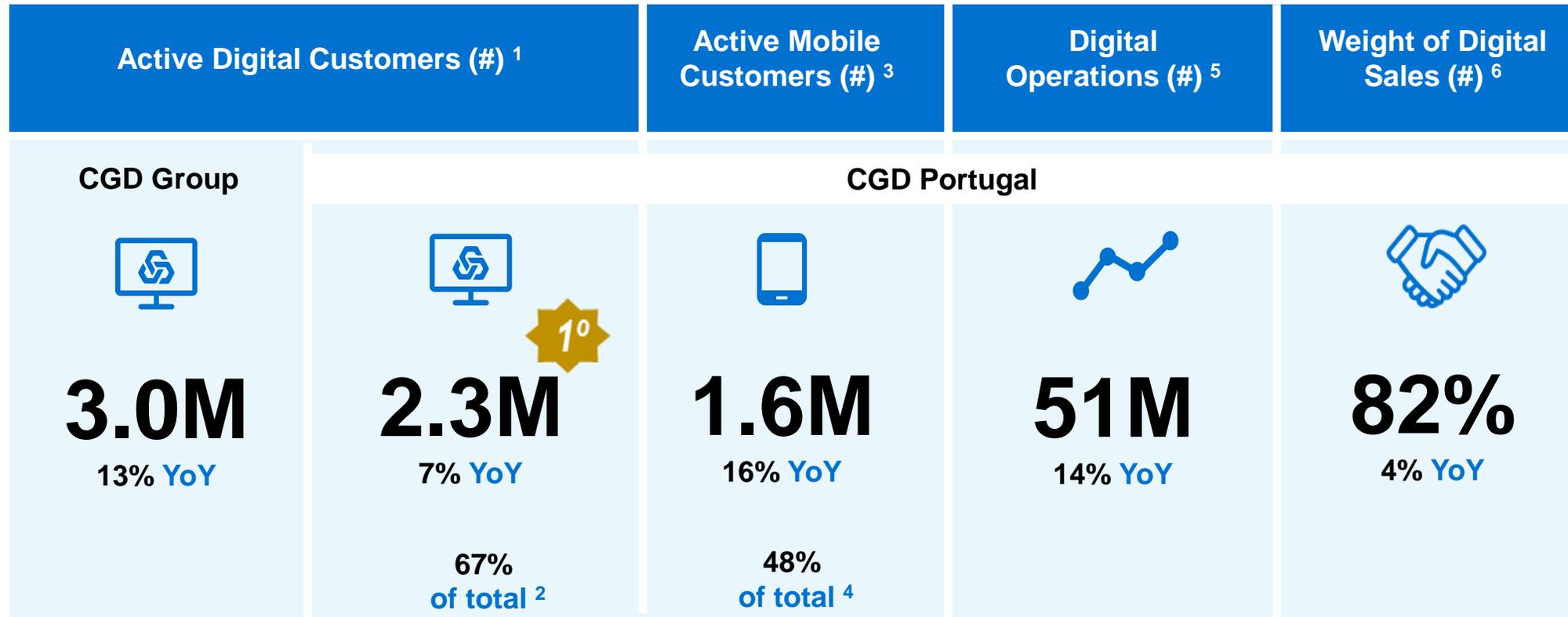
Depósito Estruturado Caixa
Energias Renováveis July 2025

TANB⁽¹⁾ min.0.750% and
TANB⁽¹⁾ max.4.049%⁽²⁾



(1) Gross interest rate; (2) To the remuneration of 1.522% on the amount deposited is added 67% of the average return of the "Basket" of shares, RWE AG, Engie, Iberdrola and Enel, with min. 0% and max. 6.7%

Digital business growing strongly, with sales up more than 80%



1 - Private customers and corporate (domestic perimeter); 2 - Digital customers/total eligible private customers and corporate; 3 - Private mobile customers; 4 - Private mobile customers/total eligible private customers; 5 - Financial operations; 6 - Individuals: Includes deposits (may 2023).

Customer experience improved by new digital offer



RETAIL



New offer:

- **Deposits** with exclusive conditions
- **Health Insurance**
- **Personal loans** - Auto
- **Services through the Digital CAIXA Assistant**

BUSINESS



New offer :

- **Trade Finance**
- **Reduction of Matrix Card usage** through app loyalty
- **SWIFT transfers** covering new countries

Availability of **ESG Rating**

Data update through Chave Móvel Digital

CGD actively contributes to sustainable development



Sustainable Finance



Publication of the Allocation and Impact Report¹ concerning the two “green” debt issuances performed in 2022.



€1,176 million financed amount



6,742 energy-efficient housing financed



11,347 people covered



2,064 tCO₂e estimated avoided emissions per year

Social Responsibility



Launch of the 5th edition of the Caixa Social Awards, amounting to a total of €500,000.

Caixa received 777 applications in four areas of intervention:

- 1) Social Inclusion and Solidarity;
- 2) Prevention and Healthcare Services;
- 3) Employment Creation and/or Promotion;
- 4) Education, Training and Skill Development.

Governance Model

Approval of relevant ESG corporate policies, namely:

- 1) Sustainability Policy (revision);
- 2) Sustainable Finance and Energy Transition Policy.

¹ For more Information, please refer to: https://www.cgd.pt/English/Investor-Relations/Debt-Issuances/Prospectus/Documents/CGD_Green_Bond_and_Allocation_Report_2023-06.pdf

Ratings upgraded in a context of recognized improvement in the Portuguese banking system



Moody's

- **BCA (Baseline Credit Assessment) upgraded to baa2**
- Senior Debt placed on **"Positive" outlook**
- Non-Preferred Senior Debt confirmed at Baa3
- Tier 2 debt upgraded to **investment grade (Baa3)**

DBRS

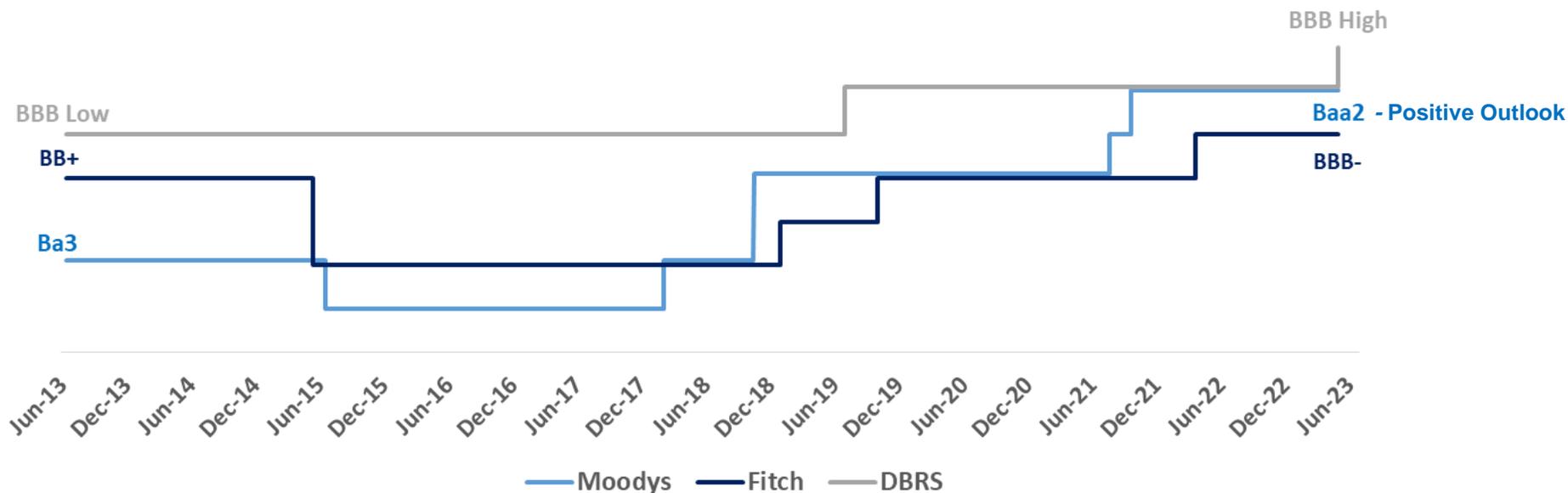
- **Senior debt upgraded to BBB (high)**
- Mortgage bonds upgraded to AA (high)

Moody's

Macro Profile
upgraded to
Strong-

Fitch

Operating Environment
upgraded to
bbb





2

Results and Balance Sheet

Stable loan portfolio in a scenario of decreasing demand

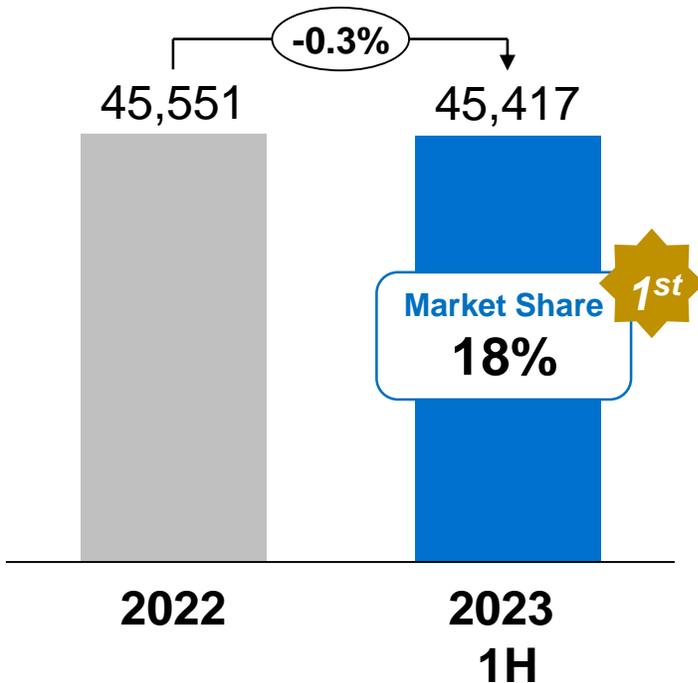


PORTUGAL

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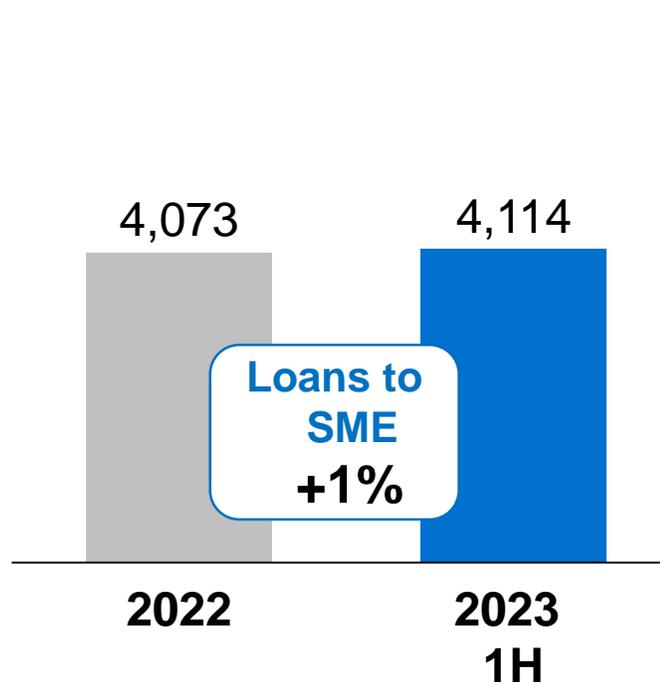
M€

Loans and Advances to Customers (Domestic)

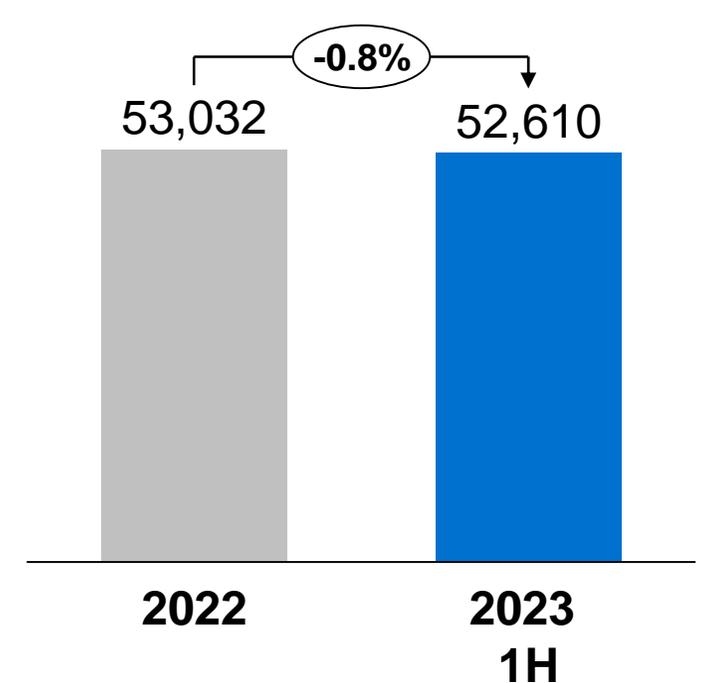


Market share as of May 2023

Loans and Advances to SME (Domestic)



Loans and Advances to Customers (Consolidated)

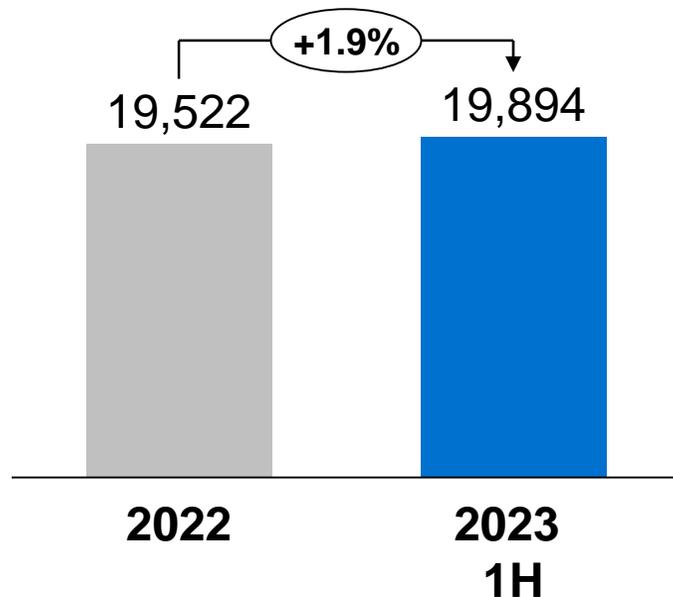


Loans and Advances to Corporates and to General Government grows in Portugal



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M€ **Loans and Advances to Corporates and General Government**
(Domestic)



Equipment Leasing

New contracts **+53%**
Share **24%**⁽¹⁾



Factoring e Confirming

New contracts **+19%**
Market Share **14%**⁽²⁾

Trade Finance

+17% in the volume of credit transactions and documentary remittances

Non-financial insurance

27% production growth

Digital Business

+52% of turnover on Flexcash payment management platform

ESG Business

~€1.3 billions of "green" issues structured by CaixaBI

(1) May 2023

(2) March 2023 (latest available information)

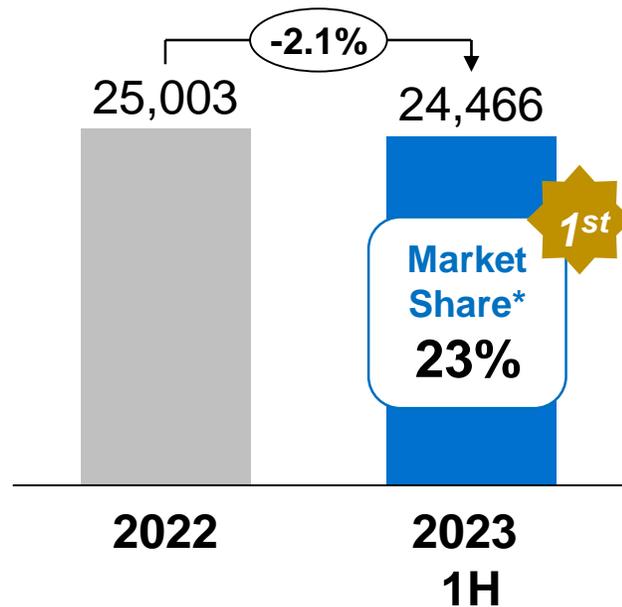
CGD preserves leadership in market share in a context of restrictive monetary policy



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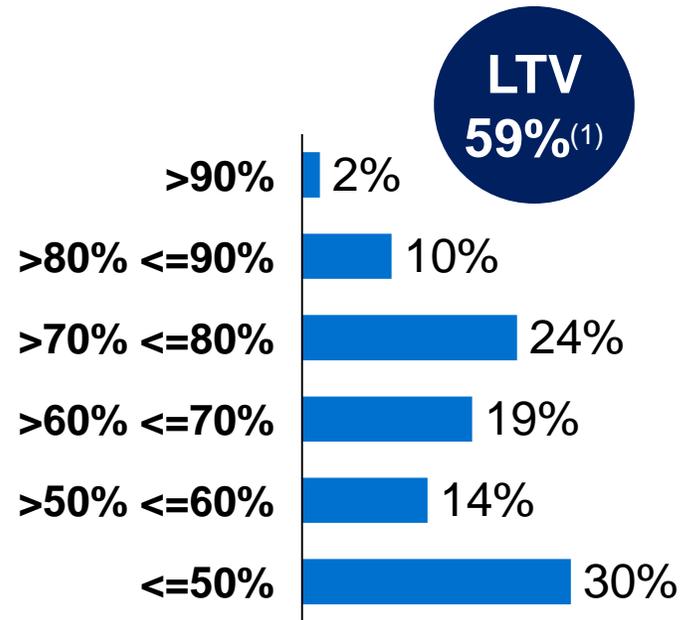
M€

Mortgage loans (Portfolio)



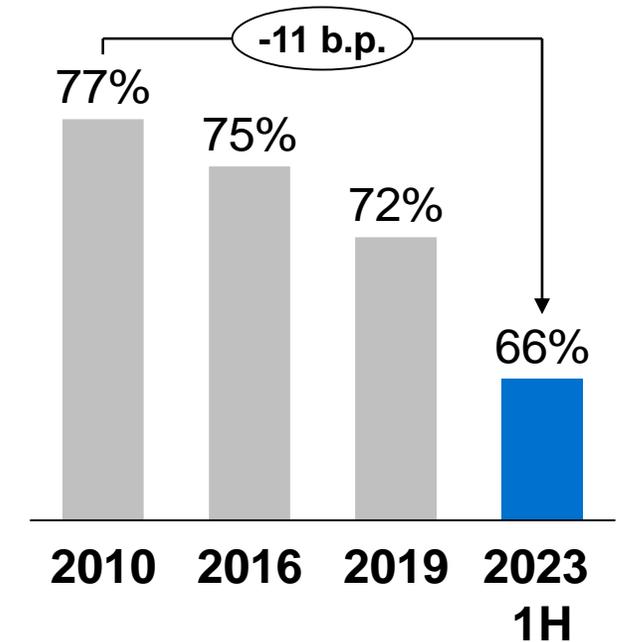
* May 2023

Loan to Value (LTV) Mortgage loans Portfolio



(1) Weighted average

Loan to Value (LTV) Mortgage loans new contracts

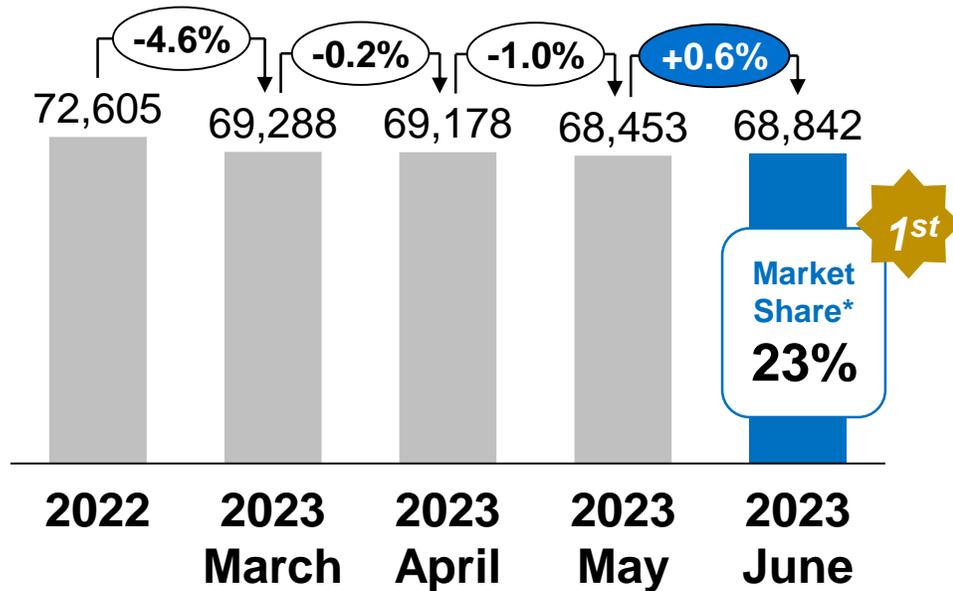


Deposits resume growth in June; granular and stable depositor base



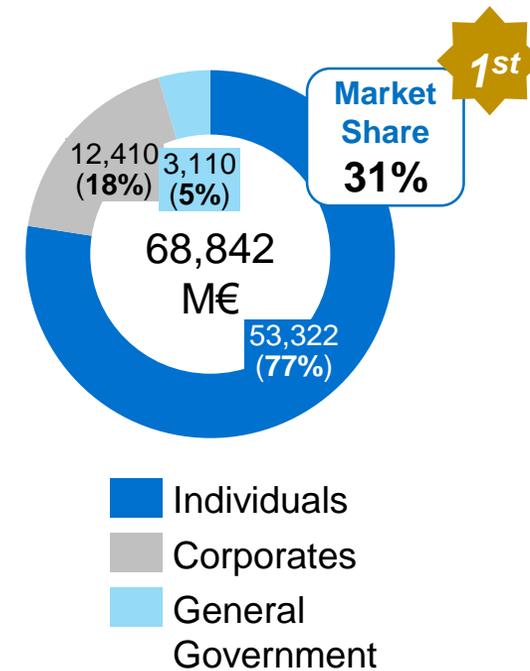
PORTUGAL

M€ **Customer Deposits**
(Domestic)



* May 2023

Customer Deposits
(Segments – 2023 1H)



Commissions decrease with a downward trend until the end of the year

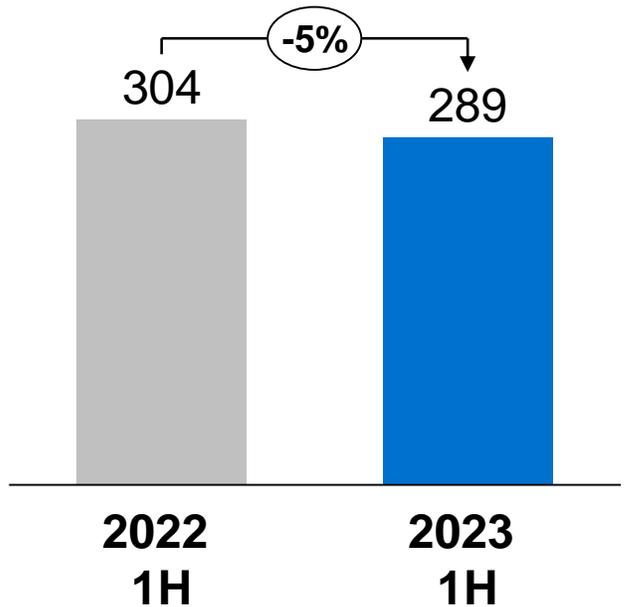


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Fees and Commissions (Consolidated)

M€



%

CGD Portugal

Credit and Other

-8%

Payments

3%

Funds

-3%

Insurance

4%

-3%

Reduction of commissions due to the decrease in demand

Purchases with CGD cards grew 14% vs. 2022 and 45% vs. 2021

Markets evolution impacts amount of fees and commissions

Positive evolution of the non-financial insurance portfolio

CGD Portugal

€240 M

-3%

€232 M

Operating costs influenced by inflation and continued investment

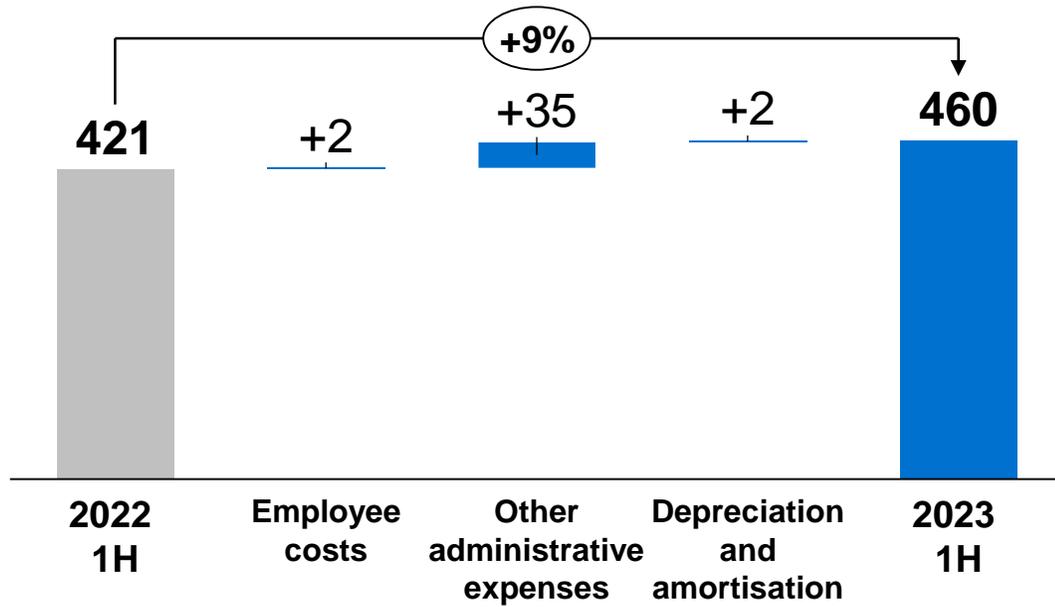


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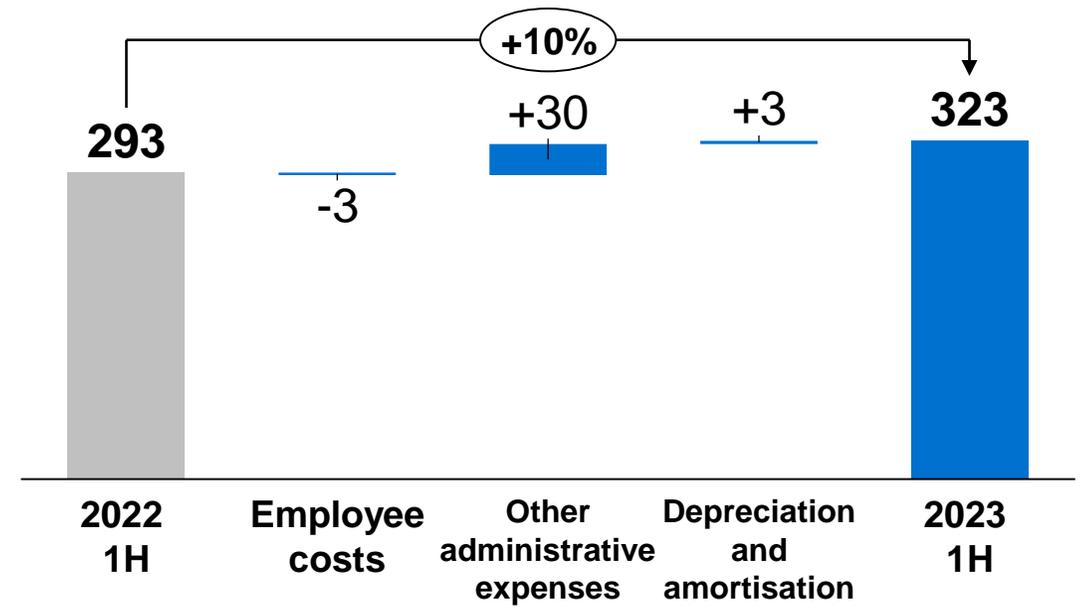
M€

Recurrent Operating Costs (Consolidated)



M€

Recurrent Operating Costs (Domestic Activity Contribution)



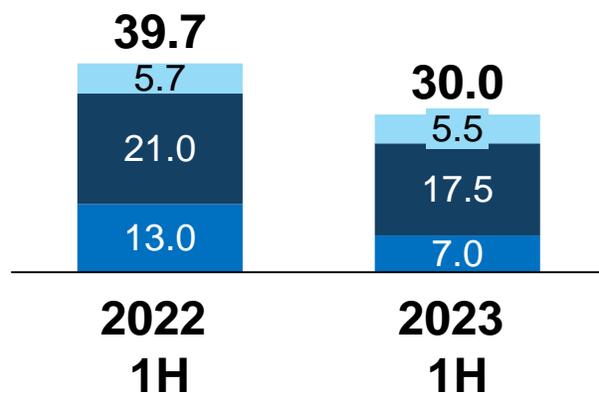
Regulatory costs total €69M



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M€

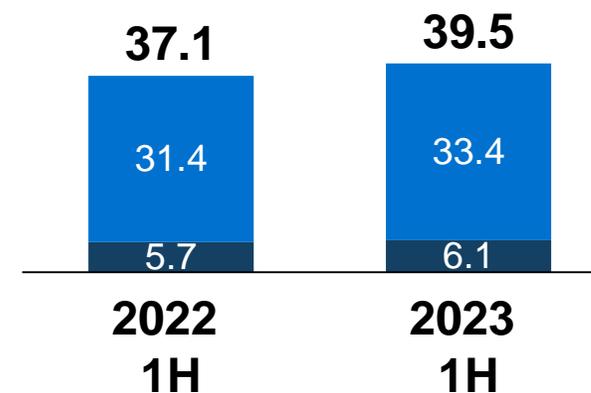
Supervision and Resolution Costs



- Other
- Single Resolution Fund
- National Resolution Fund

M€

Extraordinary Contributions



- Contribution on the banking sector (established in 2011)
- Additional solidarity on the banking sector (established in 2020)

Cost-to-Income down with improved efficiency and increased income



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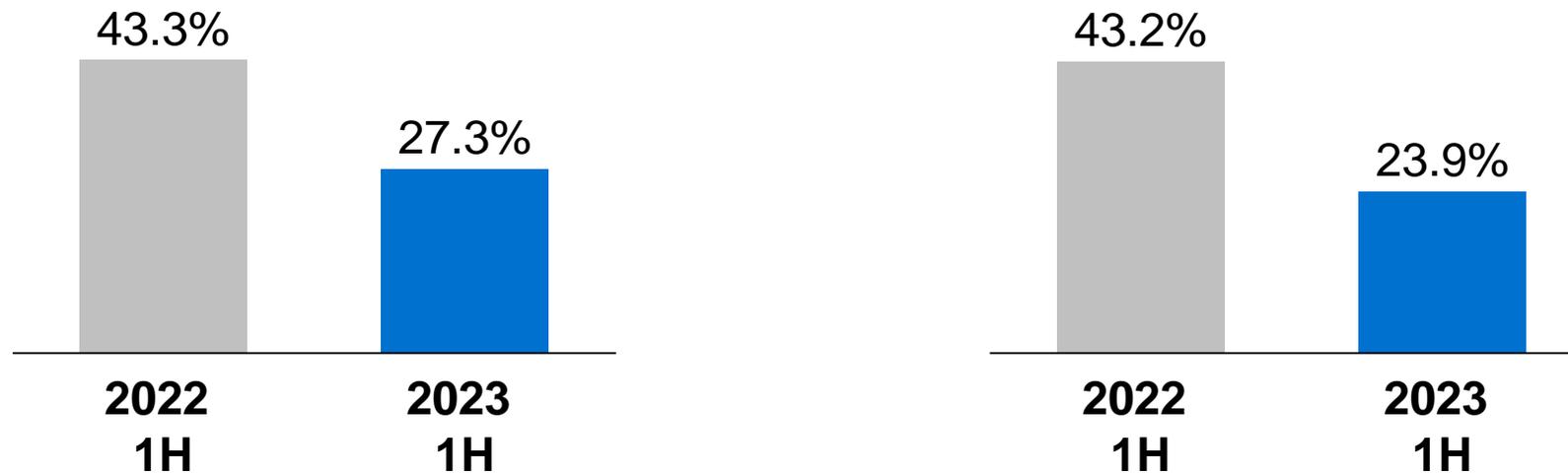
PORTUGAL

%

Recurrent Cost-to-Income ⁽¹⁾

(Consolidated)

(Domestic)



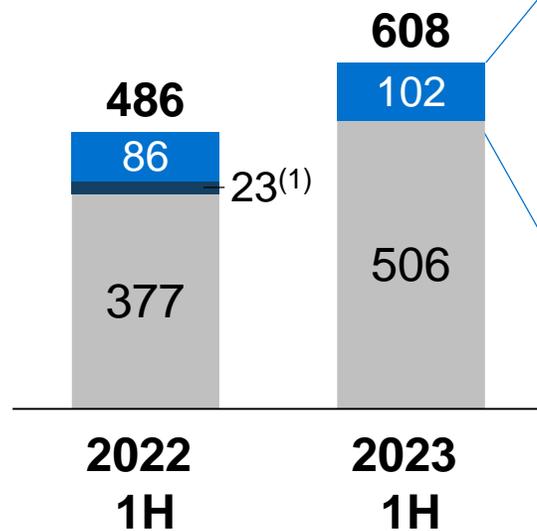
(1) Ratio defined by the Bank of Portugal Instruction 6/2018 [Operating Costs / (Total Operating Income + Income From Associated Companies)]. Excludes non-recurring effects

Recurrent Net Income of the international area improves compared to the same period in 2022



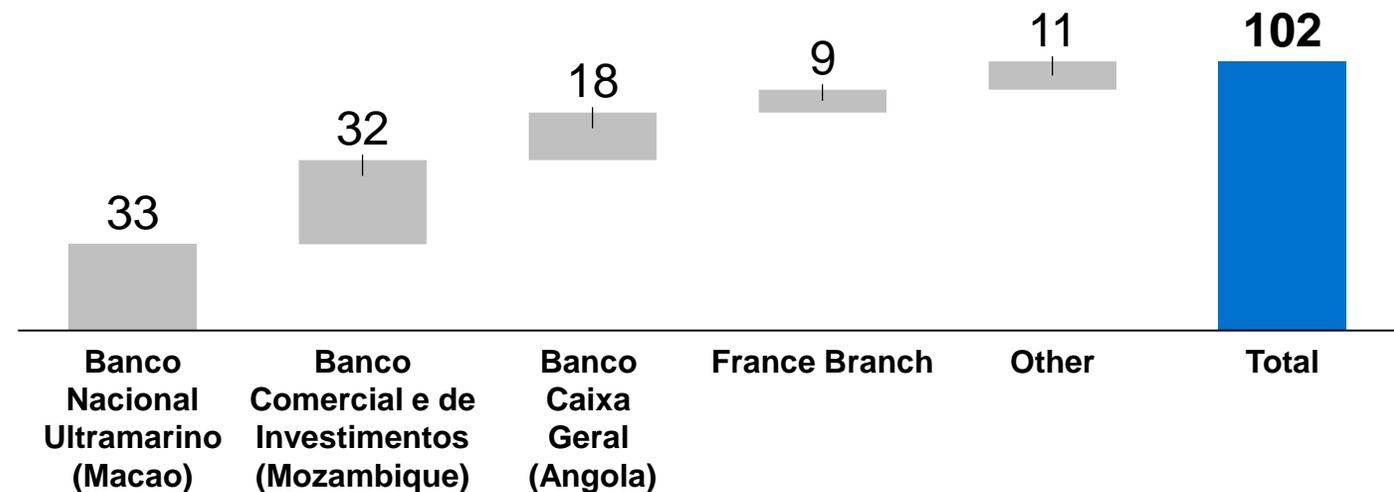
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M€ Net Income



■ International Activity
■ Domestic Activity

Contribution⁽²⁾ to Consolidated Net Income (International Activity)



(1) Non-recurring result from the sale of the head office building of the France branch

(2) Value of the entity's Net Income, appropriated by CGD

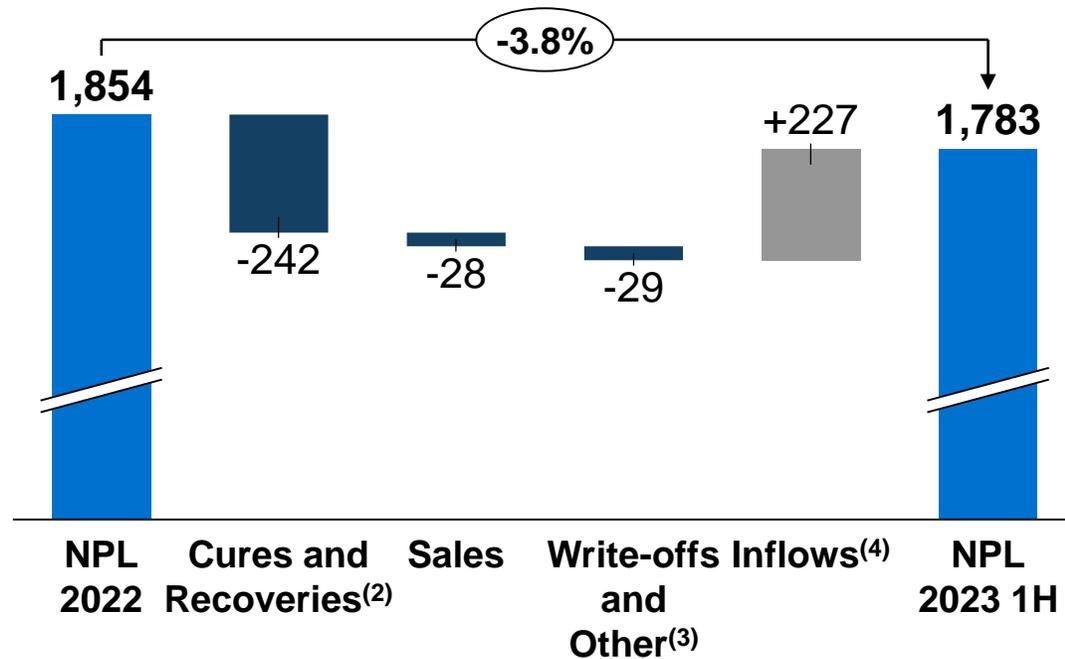
NPL volume decreases



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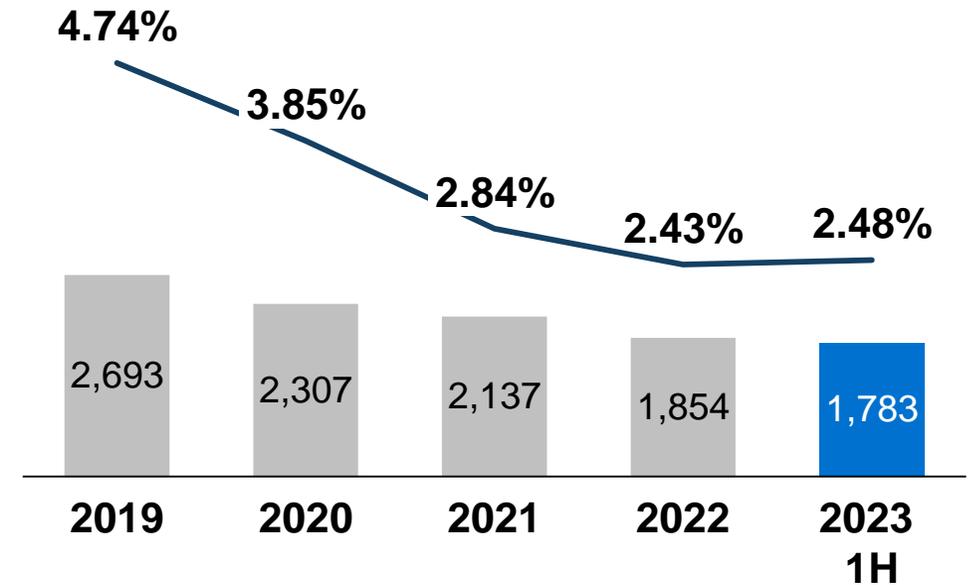
M€

Gross NPL Evolution (1)



%

Evolution of NPL ratio (1)



(1) NPL –Non Performing Loans: Ratios according to EBA Risk Dashboard; (2) Recovery value of the set of credits classified as NPL-Non Performing Loans; (3) Includes impact of exchange rate variations; (4) The value for the same period of 2022 was €177M

Stage 1 loans continue to represent more than 88% of the loan portfolio

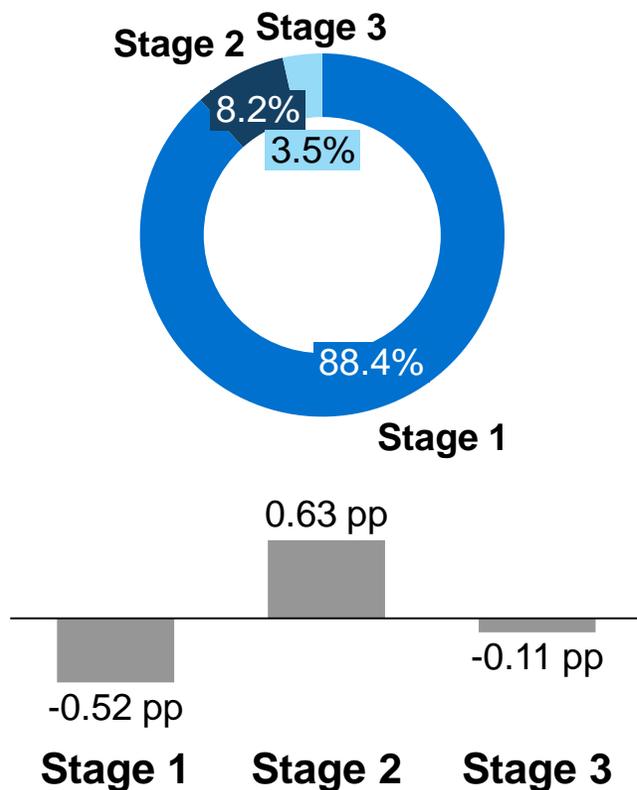


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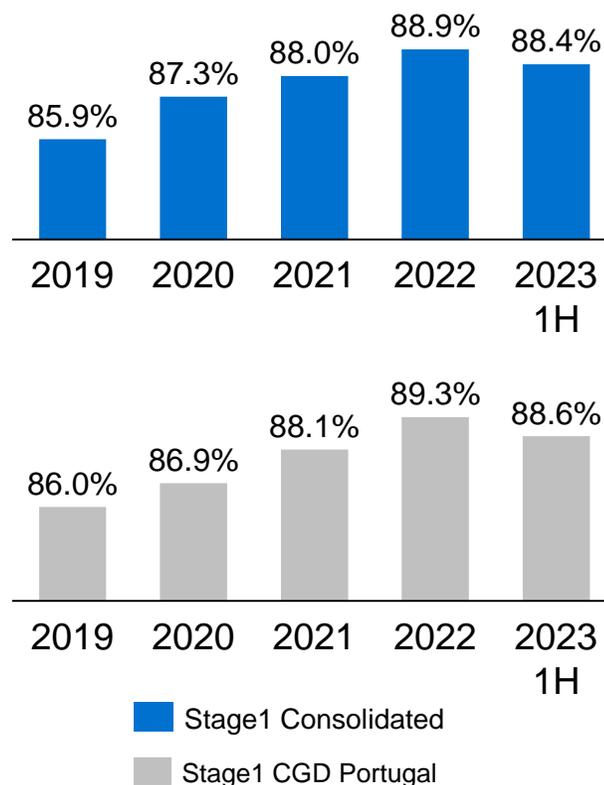
Breakdown and evolution by stages (YTD)

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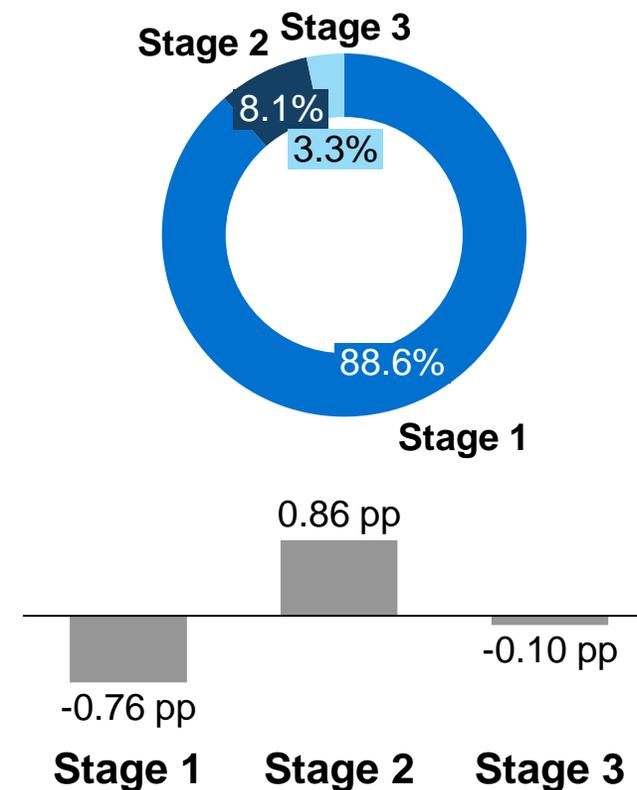
Consolidated



Stage1 evolution



CGD Portugal



Note: IFRS9: Stage 1 - Credit in compliance; Stage 2 - Non-default credit, but with credit risk; Stage 3 - Default credit

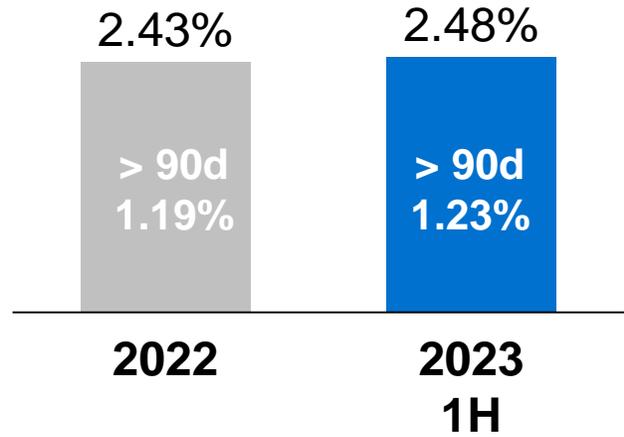
NPL net of impairments remains at zero



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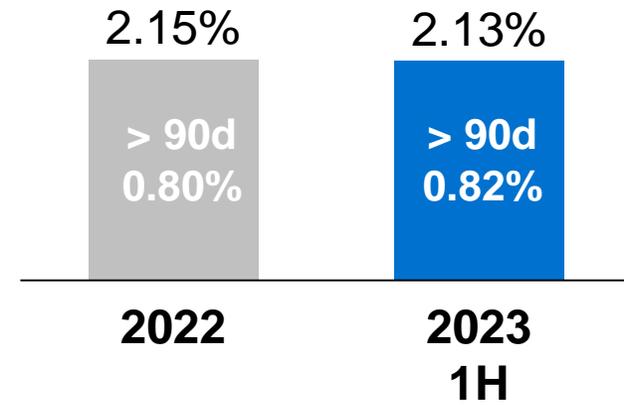
%

NPL (1) (Gross Ratio)



%

NPE (1) (Gross Ratio)



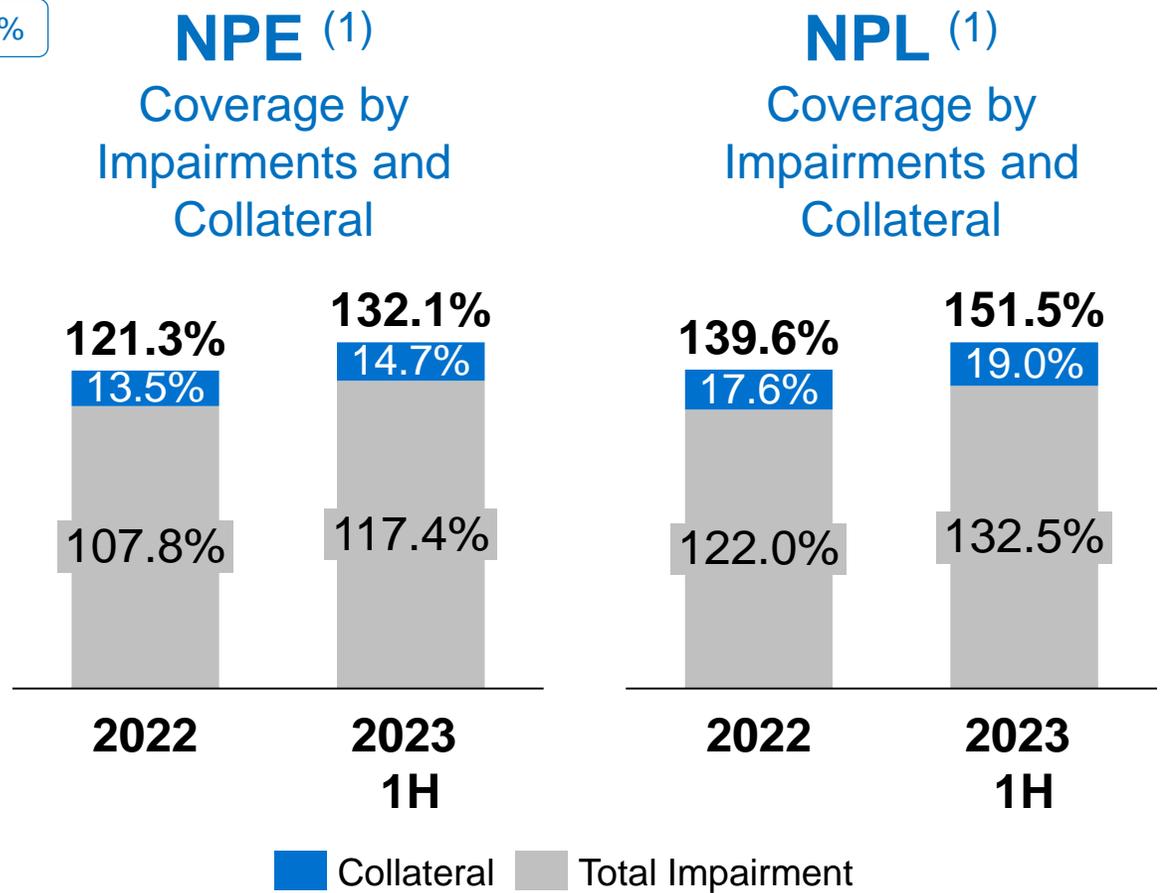
(1) NPE – Non Performing Exposure and NPL – Non Performing Loans; Ratios according to EBA Risk Dashboard

NPL with reinforced coverage and better than European average

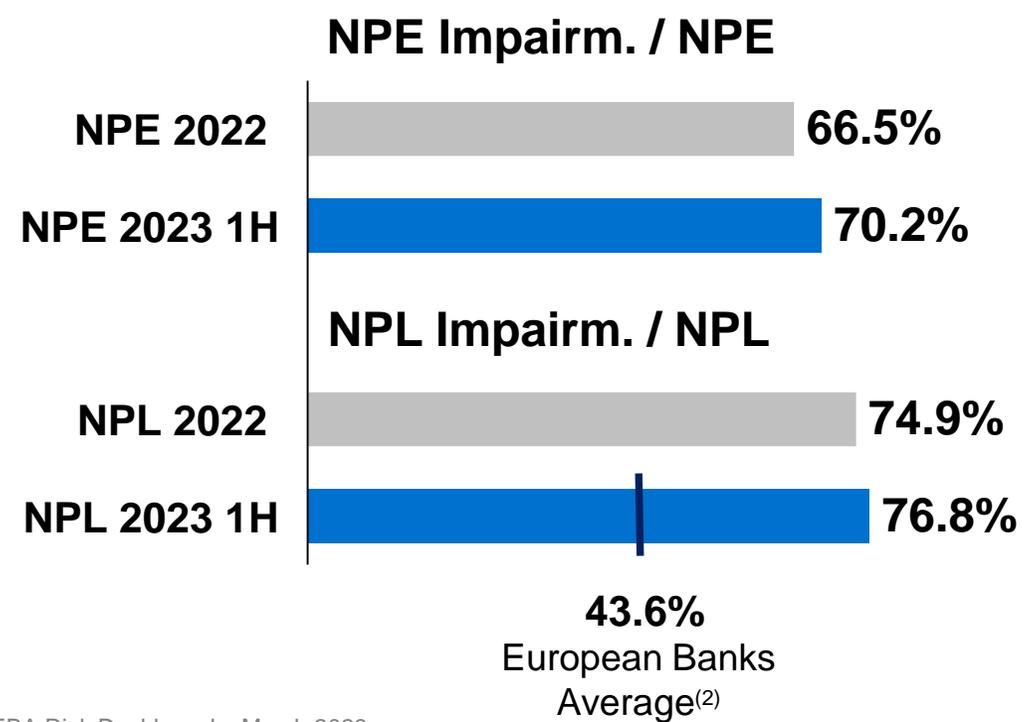


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%



Specific Impairment



(1) NPE –Non Performing Exposure and NPL –Non Performing Loans; Ratios according to EBA Risk Dashboard; (2) EBA Risk Dashboard – March 2023

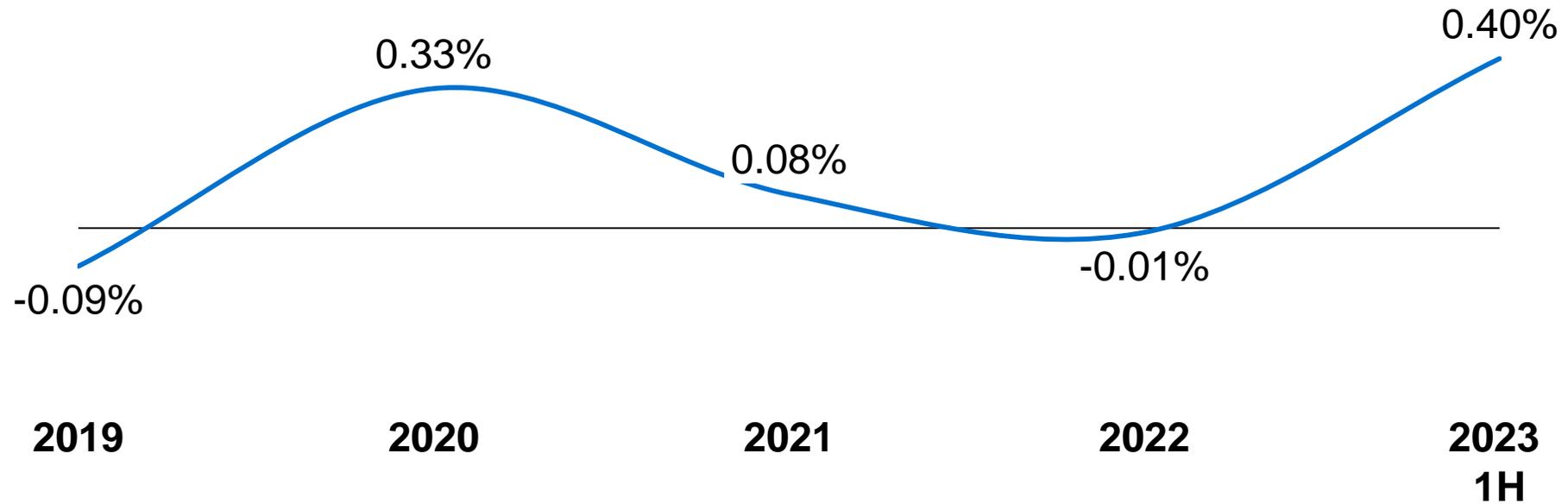
Cost of credit risk reflects a conservative and preventive approach



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%

Cost of Credit Risk



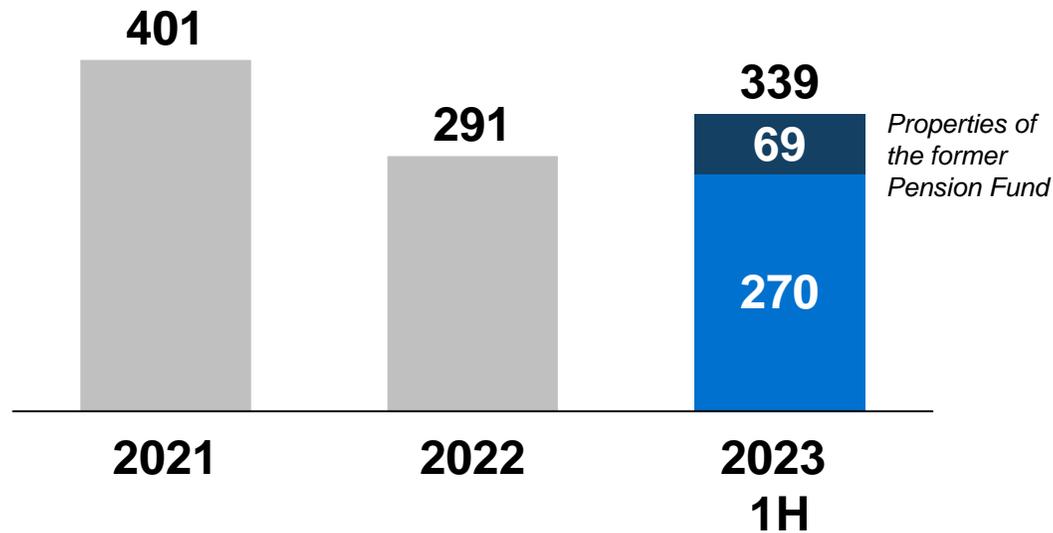
Non core assets reflect the transfer of Pension Fund's real estate assets



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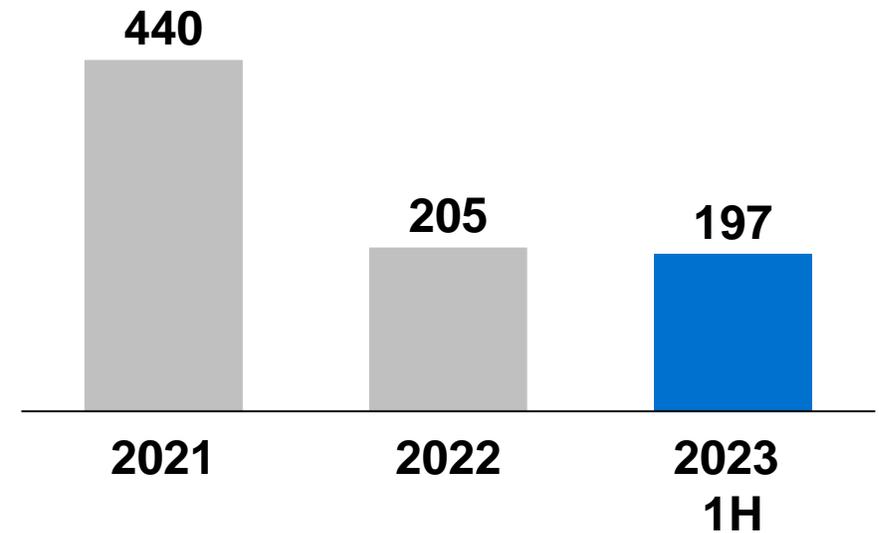
M€

Foreclosed assets (1)

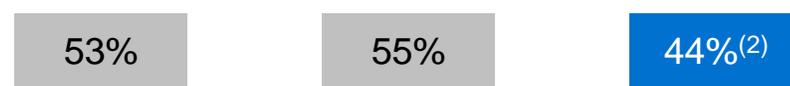


M€

Corporate Restructuring Funds



Impairment Coverage



(1) Figures for 2023 1H take into account the incorporation of assets held by the former CGD staff pension fund; (2) Impairment cover of 55% if the properties of the former CGD staff pension fund evaluated in the integration process are excluded

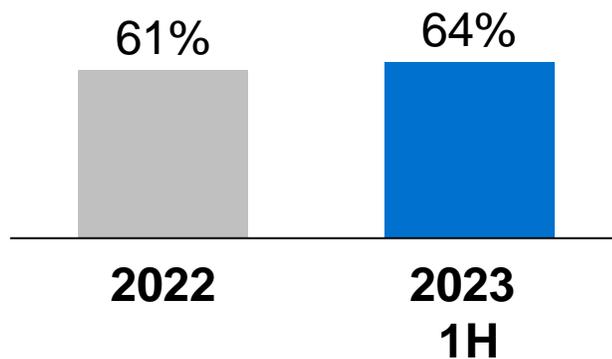
Funding structure retail based. Liquidity position remains robust and sustainable



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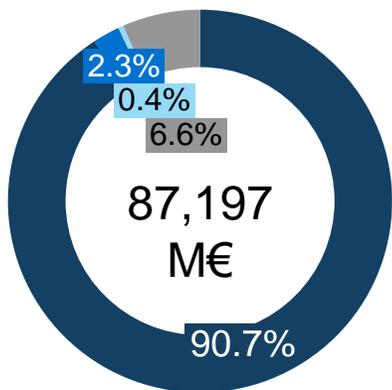
%

Loan-to-Deposit Ratio



%

Liabilities Structure (1)

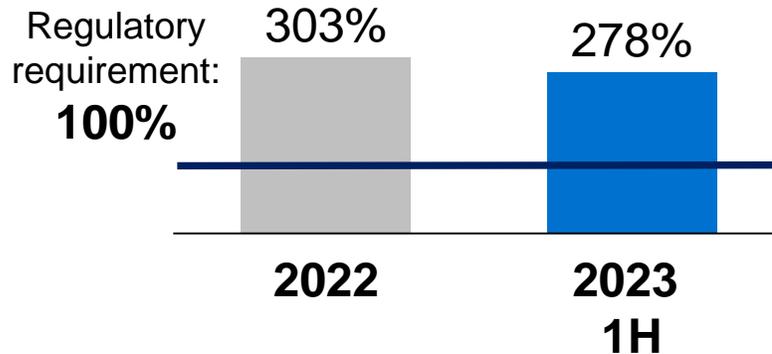


- Customer Deposits
- Debt Securities and Subordinated Liabilities
- Central Banks and Credit Instit.
- Other

(1) Excluding non-current liabilities held for sale

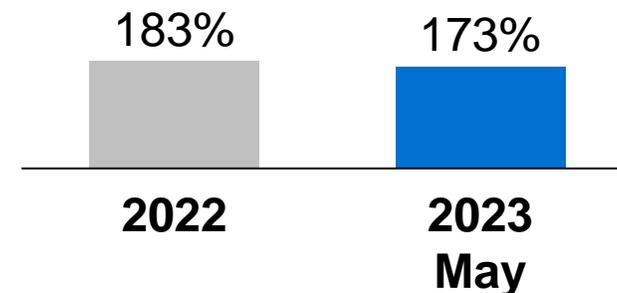
LCR

(Liquidity Coverage Ratio)



NSFR

(Net Stable Funding Ratio)



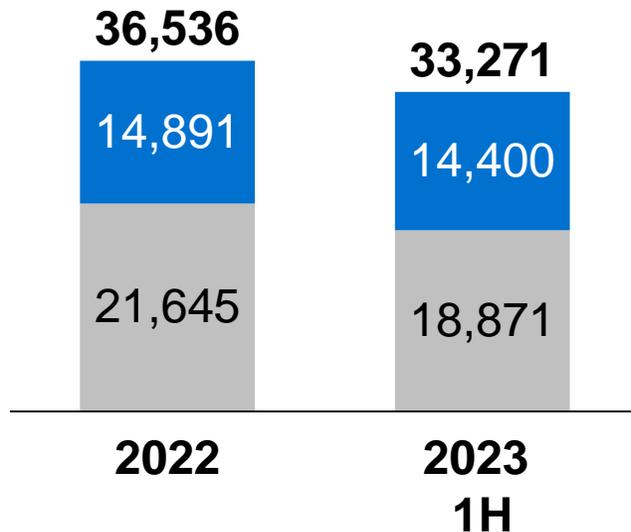
CGD with ample capacity to access funding



PORTUGAL

M€

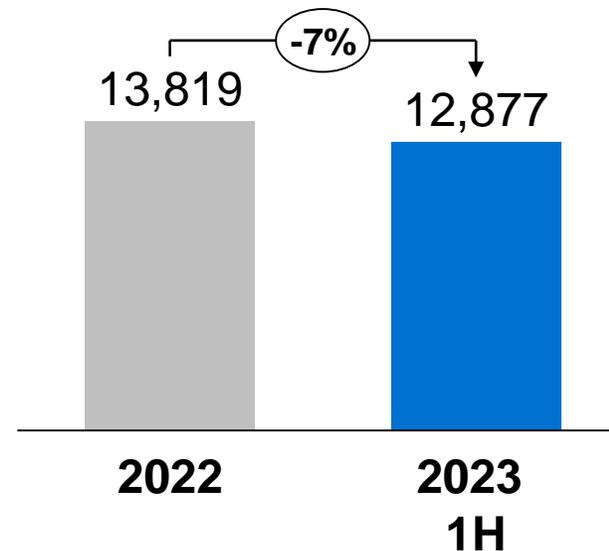
Balances at Central Banks⁽¹⁾ and Eligible Assets for ECB Funding



- Eligible Assets for ECB Funding
- Cash and equivalents at Central Banks, and Loans and Advances to Credit Instit.

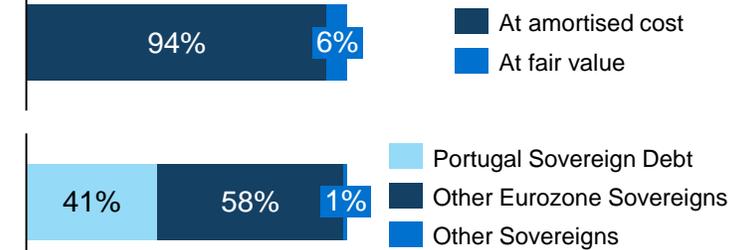
M€

Sovereign Debt (CGD Portugal)

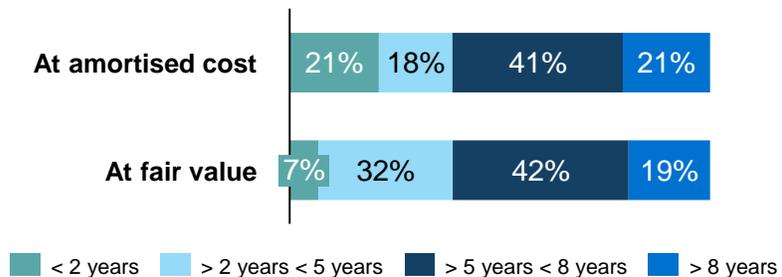


Sovereign and Supranational debt accounts for 96% of total debt securities

By Type



By Maturity



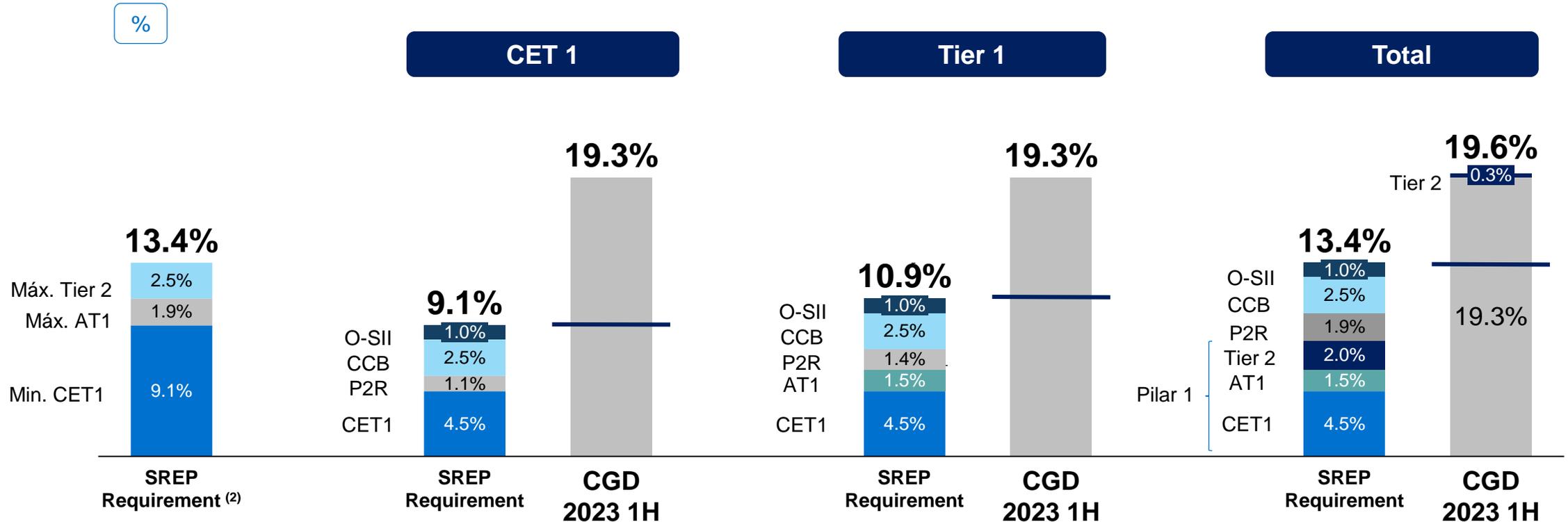
SREP requirements met with ample margin after call of Tier 2 issue



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SREP 2023 Requirements and CGD Capital Ratios ⁽¹⁾

%



(1) Excluding from net income the maximum distributable amount according to dividend policy, and the payment of dividends in kind, both subject to the authorization of the European Central Bank

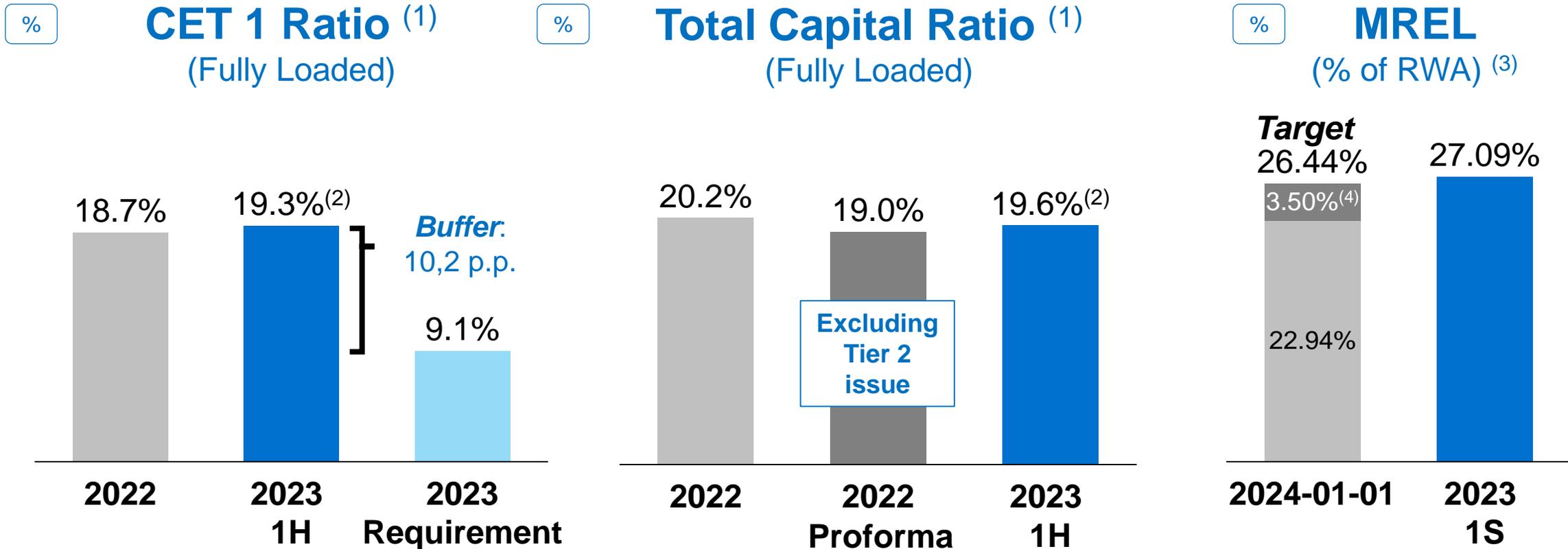
(2) P2R composition: 56.25% CET1, 18.75% AT1 and 25% Tier 2; O-SII buffer: 1% in 2023

- O-SII: Other Systemically Important Institutions buffer
- CCB: Capital Conservation buffer
- P2R: Pillar 2

Capital position remains robust



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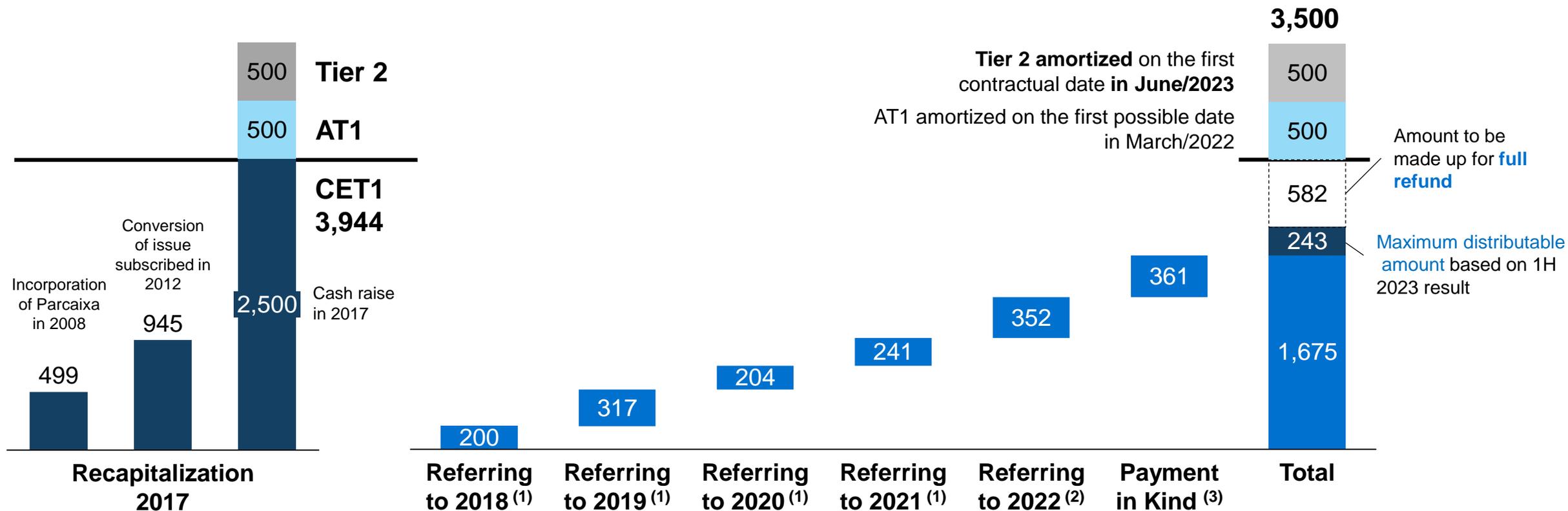
(1) Excluding from net income the maximum distributable amount according to dividend policy, and the payment of dividends in kind, both subject to the authorization of the European Central Bank;
 (2) Considering the Tier 2 issue call in June 2023
 (3) RWA – Risk Weighted Assets
 (4) CBR – Combined Buffer Requirement

Distribution of €713M in 2023 accelerates the repayment of the public recapitalization to 2/3 of the total



M€

Distribution of dividends and repayments



(1) Dividends distributed; (2) Approved dividend; (3) Relating to the CGD Headquarters Building, subject to the authorization of the European Central Bank.

Risk Weighted Assets density, Texas and Leverage Ratios

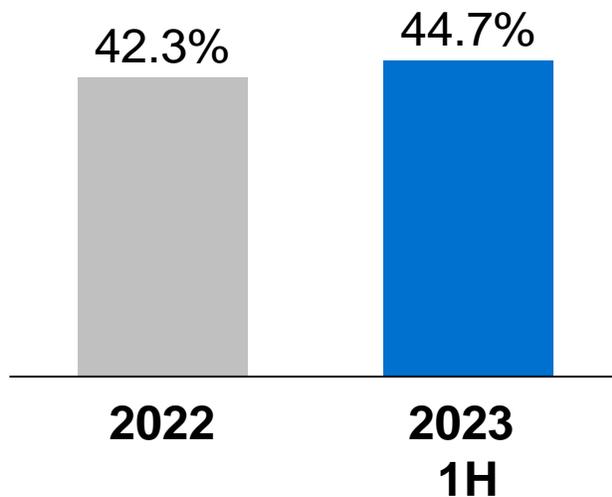


CONSOLIDATED

%

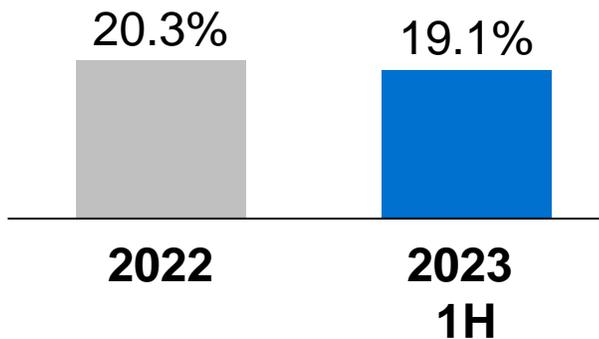
RWA Density

RWA fully implemented (2023-06): €43.7 B



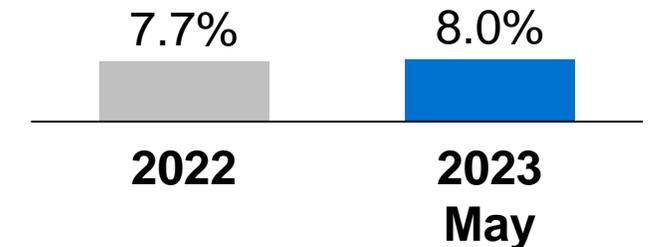
%

Texas Ratio ⁽¹⁾



%

Leverage Ratio ⁽²⁾



(1) Texas Ratio = Non Performing Exposure EBA / (Impairment + Tangible Equity);

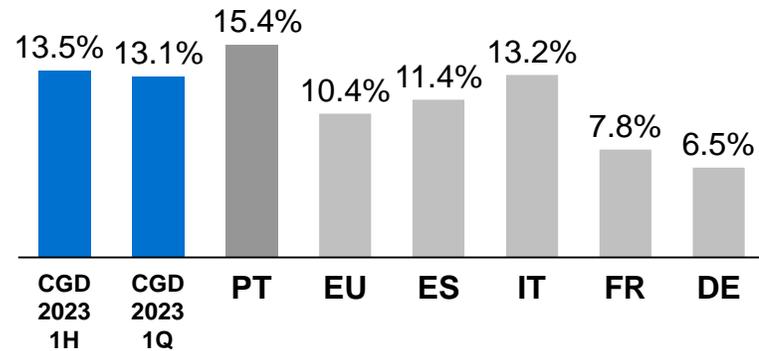
(2) Leverage Ratio = Tier 1 Capital (including net income deducted from the maximum distributable amount in accordance with the dividend policy) / Total Exposure .

CGD compares favourably with the Portuguese and European average

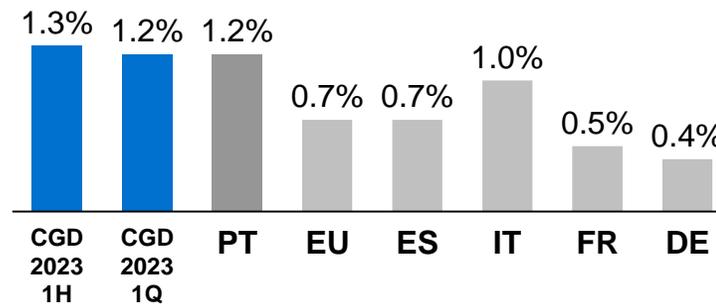


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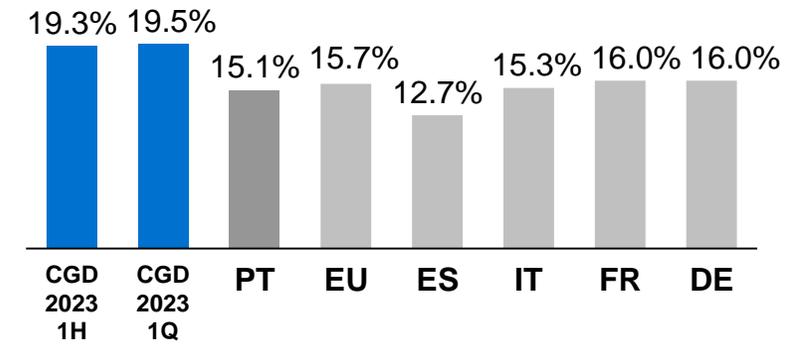
Return on Equity (RoE) (%)



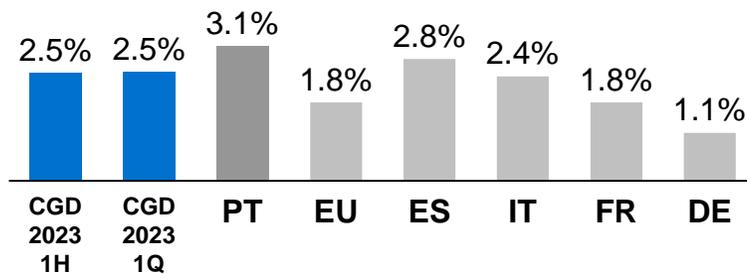
Return on Assets (RoA) (%)



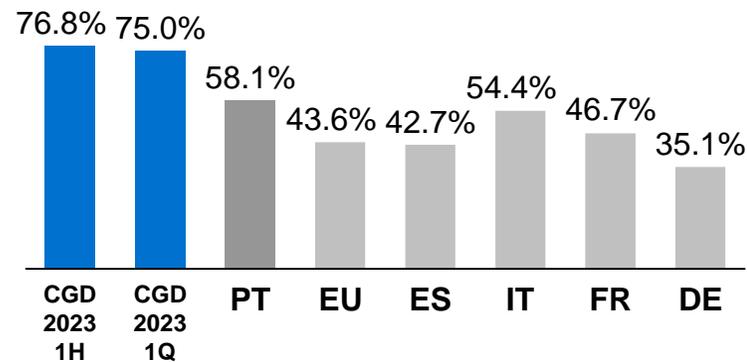
CET 1 (Fully Implemented) (%)



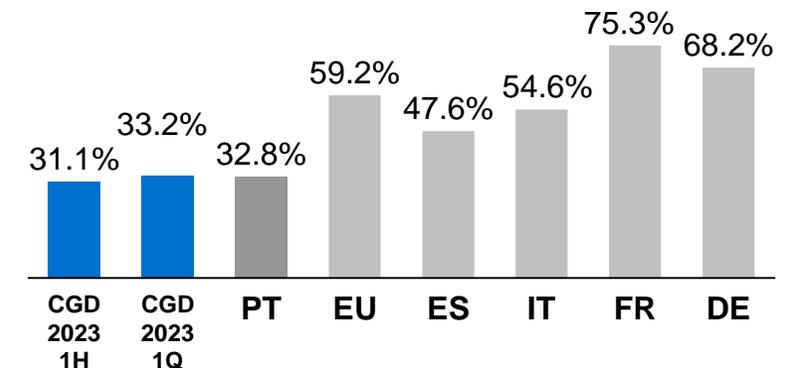
Non-Performing Loans (%)



Non-Performing Loans Coverage Ratio (%)



Cost-to-income (%)



Source: EBA Risk Dashboard – March 2023



Financial Statements

Income Statement



(EUR Thousand)

INCOME STATEMENT	Consolidated Activity				Separate Activity			
	Restated		Change				Change	
	2022-06	2023-06	Total	(%)	2022-06	2023-06	Total	(%)
Interest and similar income	831,179	1,590,397	759,217	91.3%	567,728	1,279,026	711,298	125.3%
Interest and similar costs	253,044	274,208	21,164	8.4%	189,737	184,284	-5,453	-2.9%
Net interest income	578,135	1,316,189	738,054	127.7%	377,991	1,094,742	716,751	189.6%
Income from equity instruments	9,521	4,168	-5,352	-56.2%	70,825	108,668	37,843	53.4%
Net interest inc. incl. inc. from eq. investm.	587,656	1,320,357	732,701	124.7%	448,816	1,203,410	754,594	168.1%
Fees and commissions income	373,369	362,099	-11,269	-3.0%	305,749	300,016	-5,733	-1.9%
Fees and commissions expenses	69,256	72,923	3,668	5.3%	53,132	54,875	1,743	3.3%
Net fees and commissions	304,113	289,176	-14,937	-4.9%	252,616	245,140	-7,476	-3.0%
Net trading income	74,981	152,297	77,316	103.1%	56,072	113,257	57,185	102.0%
Other operating income	43,460	13,175	-30,285	-69.7%	12,949	2,761	-10,188	-78.7%
Non-interest income	422,554	454,648	32,094	7.6%	321,638	361,158	39,521	12.3%
Total operating income	1,010,209	1,775,005	764,796	75.7%	770,454	1,564,568	794,114	103.1%
Employee costs	322,718	351,195	28,476	8.8%	249,590	273,976	24,386	9.8%
Administrative expenses	104,112	138,643	34,530	33.2%	75,425	102,989	27,564	36.5%
Depreciation and amortisation	64,212	66,304	2,092	3.3%	50,042	54,375	4,333	8.7%
Operating costs	491,043	556,141	65,098	13.3%	375,057	431,339	56,282	15.0%
Net operating income before impairments	519,167	1,218,864	699,697	134.8%	395,397	1,133,229	737,832	186.6%
Credit impairment	-109,471	169,784	279,254	-	-118,407	146,276	264,682	-
Credit recoveries	-40,646	-63,284	-22,638	-	-39,264	-59,904	-20,640	-
Provisions for reduction of employees	-58,660	72,585	131,245	-	-58,484	72,585	131,069	-
Provisions for guarantees and other commitments	-18,358	22,668	41,026	-	-15,858	20,397	36,255	-
Other provisions and impairments	-3,225	64,076	67,301	-	-49,402	45,567	94,969	-
Provisions and impairments	-230,359	265,829	496,188	-	-281,415	224,921	506,336	-
Net operating income	749,526	953,035	203,509	27.2%	676,812	908,308	231,496	34.2%
Income Tax	251,598	328,516	76,918	30.6%	218,241	298,717	80,475	36.9%
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.	497,928	624,519	126,591	25.4%	n.a.	n.a.	n.a.	n.a.
Non-controlling interests	41,765	39,723	-2,043	-4.9%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	22,546	12,384	-10,162	-45.1%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	6,990	10,679	3,689	52.8%	n.a.	n.a.	n.a.	n.a.
Net income	485,698	607,859	122,161	25.2%	458,571	609,592	151,021	32.9%

The June 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.

Balance Sheet



(EUR Million)

	Consolidated Activity			Separate Activity		
BALANCE SHEET	Restated 2022-12	2023-06	Change	2022-12	2023-06	Change
ASSETS			(%)			(%)
Cash and cash equiv. with central banks	21,812	19,269	-11.7%	20,781	17,787	-14.4%
Loans and advances to credit instit.	3,990	3,217	-19.4%	2,197	2,274	3.5%
Securities investments	18,689	17,644	-5.6%	16,363	15,742	-3.8%
Loans and advances to customers	50,778	50,253	-1.0%	46,180	46,048	-0.3%
Non-current assets held for sale	1,271	1,380	8.6%	127	185	45.6%
Investment properties	17	613	3,528.7%	6	5	-13.2%
Intangible and tangible assets	780	1,007	29.0%	599	825	37.8%
Invest. in subsid. and assoc. companies	476	488	2.6%	1,249	1,256	0.5%
Current and deferred tax assets	1,029	805	-21.7%	988	758	-23.2%
Other assets	3,669	3,189	-13.1%	2,266	1,839	-18.8%
Total assets	102,511	97,866	-4.5%	90,756	86,720	-4.4%
LIABILITIES						
Central banks' and cred. instit. resources	338	384	13.6%	809	756	-6.5%
Customer resources	83,972	79,297	-5.6%	75,938	72,303	-4.8%
Debt securities	1,368	1,374	0.4%	1,368	1,374	0.4%
Financial liabilities	221	189	-14.4%	221	189	-14.4%
Non-current liabilities held for sale	999	1,062	6.3%	0	0	-
Provisions	906	1,082	19.4%	856	1,021	19.2%
Subordinated liabilities	1,118	605	-45.9%	1,118	605	-45.9%
Other liabilities	4,106	4,265	3.9%	2,307	2,106	-8.7%
Sub-total	93,029	88,258	-5.1%	82,618	78,354	-5.2%
Shareholders' equity	9,483	9,607	1.3%	8,139	8,366	2.8%
Total	102,511	97,866	-4.5%	90,756	86,720	-4.4%

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.

Results Presentations 1H 2023

Consolidated Results
Unaudited financial information
Investor Relations | 21.07.2023

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