

# Results Presentation 1Q 2023



Consolidated Results  
Unaudited financial information  
*Investor Relations* | 11.05.2023



- 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, in December 2022, classified under “Non-current assets held for sale”, therefore, and for comparative purposes only, figures from the consolidated balance sheet as of March 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 March 31, 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.
- The forecast for world trade and economic activity improved for the period 2023-25, compared to December 2022 expectations, but growth remains lower than the pre-pandemic period. After signs of weakness that resurfaced at the end of 2022, the world economy regained momentum in the short term, the effects of the decrease in price of raw materials in energy, the reopening of China, fewer disruptions in supply and production chains, and increased confidence among economic agents are felt. GDP and world trade growth at the end of the period is around 3%, a low figure in historical terms. Inflation in the euro area has been declining in recent months, with the fading of pressures on the prices of raw materials, especially energy. However, there are still pressures on production chains and the effects of reopening the economy. Total inflation dropped to 8.5% in February, but excluding food and energy goods continued to rise, reaching 5.6%. The expectation of a tighter monetary policy is reflected in higher short-term interest rates in 2023–25. The ECB's recent decisions have heightened the expectation that key interest rates will have to reach restrictive levels for inflation to converge to the medium-term target of 2%. The rise in ECB interest rates has been passed on to rates on new loans and, to a lesser extent, on term deposits of households and companies.
- 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 1T 2023”. In the event of any inconsistency, the original version prevails.



# Agenda

**1**\_Activity Highlights

**2**\_Results and Balance Sheet

**3**\_Financial Statements





1

Activity  
Highlights



# 1st quarter 2023 - Main highlights



## Profitability

- Net income of €285M in the first quarter continues trend of improved profitability and confirms dividend distribution from 2022 net income of €352M, the highest ever; to be complemented, predictably, with a dividend in kind
- Net income from international activity up 41%
- Operating costs show a moderate increase; efficiency ratio improves



## Business activity

- Loans and advances to SME and general government up in Portugal
- CGD maintains leadership in deposits and other customer resources
- Despite slowing demand, CGD is market leader in mortgage loans



## Capital and MREL

- Supervisor reduces capital requirements for 2023
- Capital ratios met with ample margin
- Share capital increase of €682m by incorporation of reserves
- MREL ratio exceeds the requirement applicable from January 1, 2024



## Asset quality

- Credit quality remains stable despite environment
- NPL ratio net of impairments remains at 0% (zero)
- Cost of credit risk at 30 b.p. reflects a conservative and preventive approach

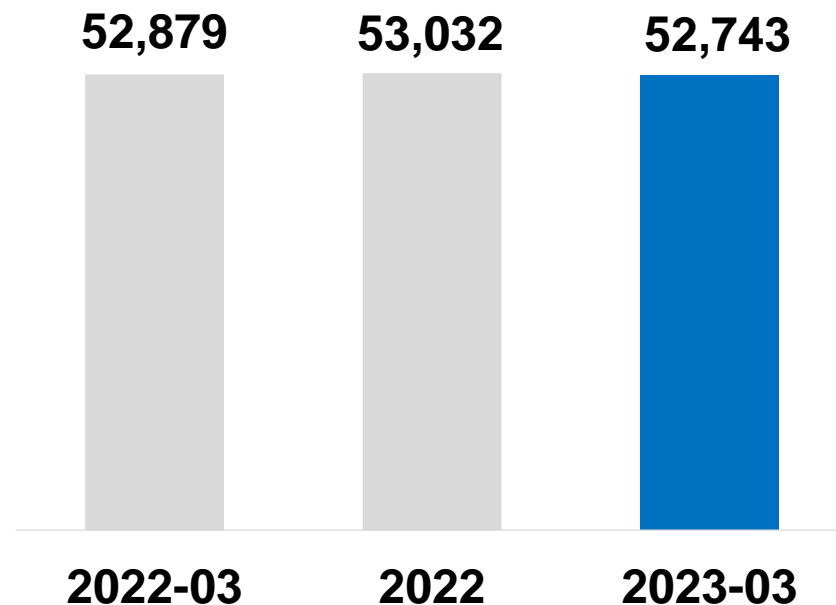
# Loan portfolio remains stable



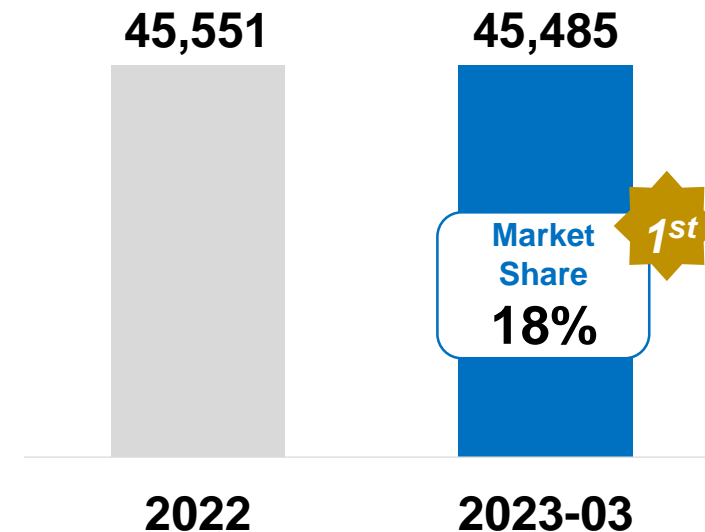
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PORTUGAL

M€ **Loans and Advances to customers**  
(Consolidated)



M€ **Loans and Advances to customers**  
(Domestic)



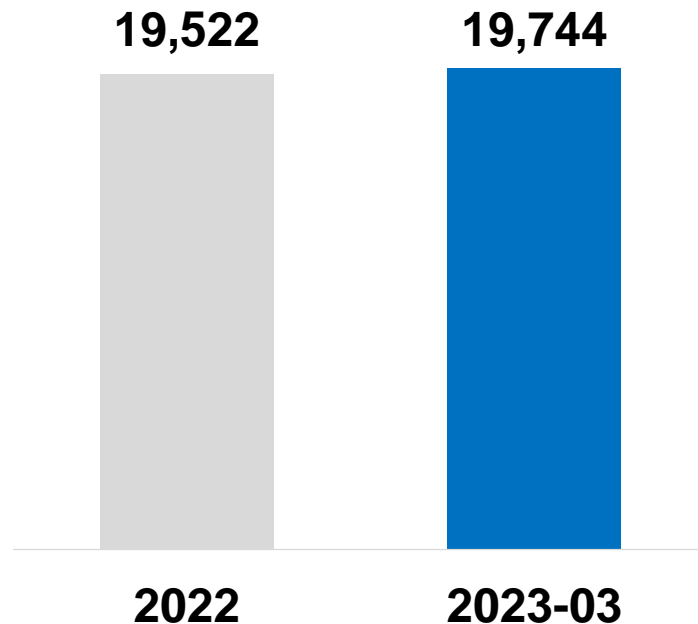
# Loans and Advances to Corporates and General Government grows in Portugal



## PORTUGAL

M€

### Loans and Advances to Corporates and General Government (Domestic)



### Equipment Leasing

New contracts  
YoY

**+54%**

Market  
Share

**1<sup>st</sup>**

**24%**

#### Loans to SME

Loan book grows 4.4% year-on-year  
vs. market contraction

#### Digital Business

+49% of turnover on Flexcash  
payment management platform

#### ESG Business

1.2B€ of "green" issues structured by  
CaixaBI

50% of the loan portfolio to companies  
with ESG rating of "Good" or "Strong"

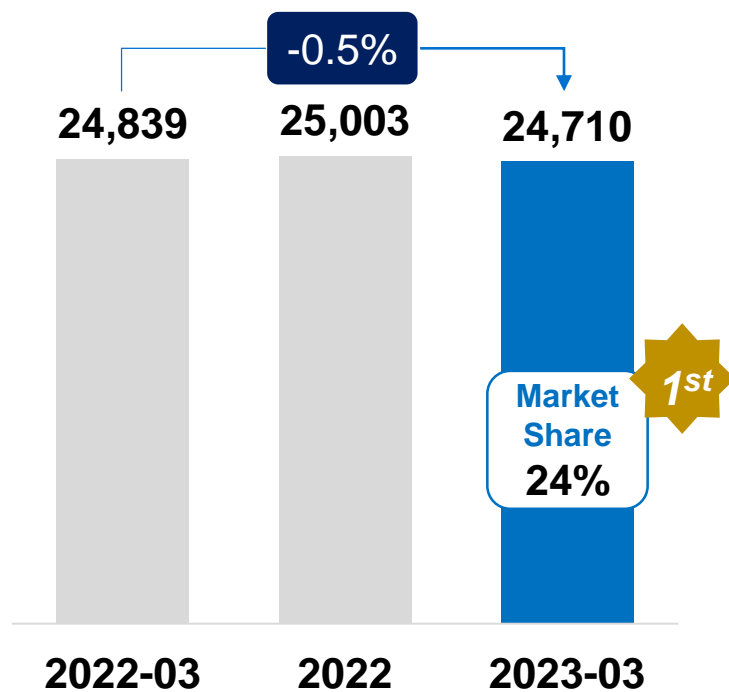
# CGD is market leader in mortgage loans



## PORTUGAL

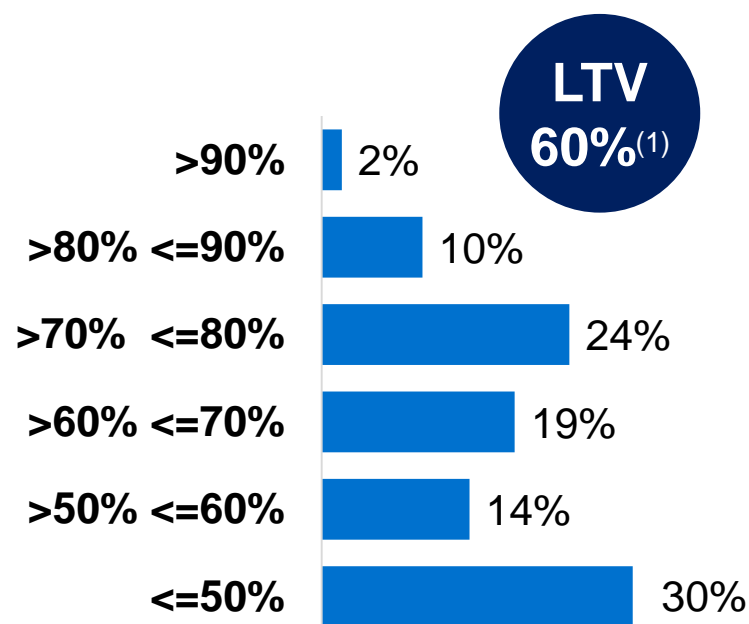
M€

### Mortgage loans (Portfolio)



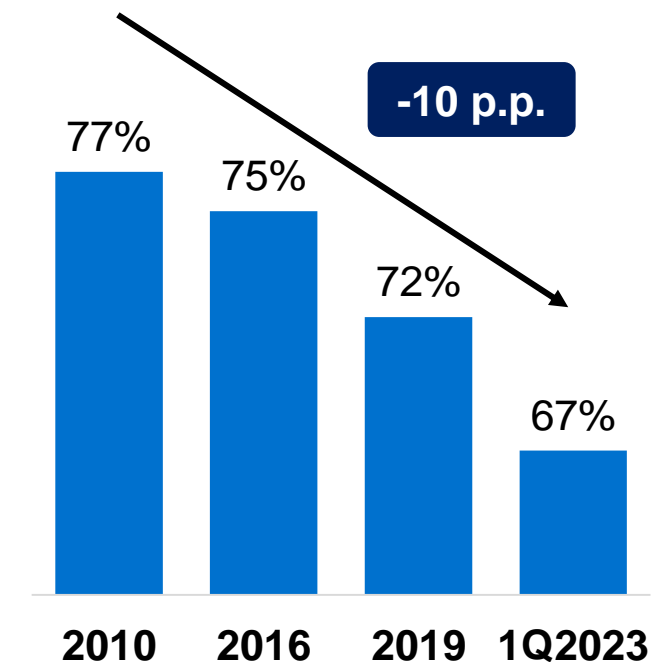
%

### Loan to Value (LTV) Mortgage loans portfolio



(1) Weighted average

### Loan to Value (LTV) Mortgage loans new contracts

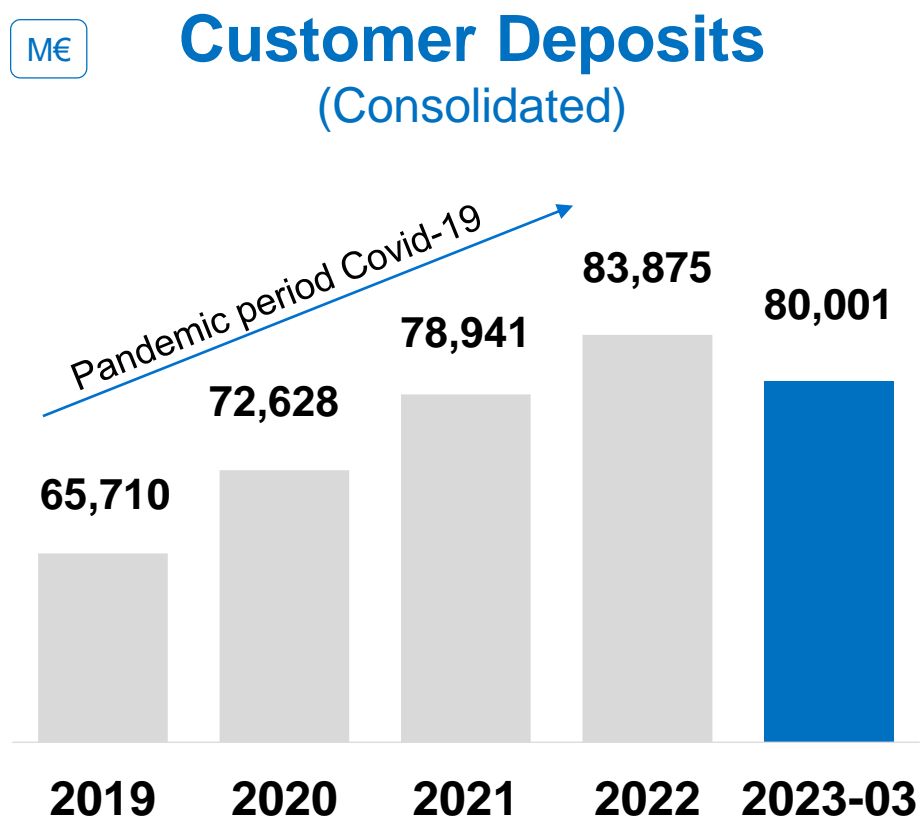




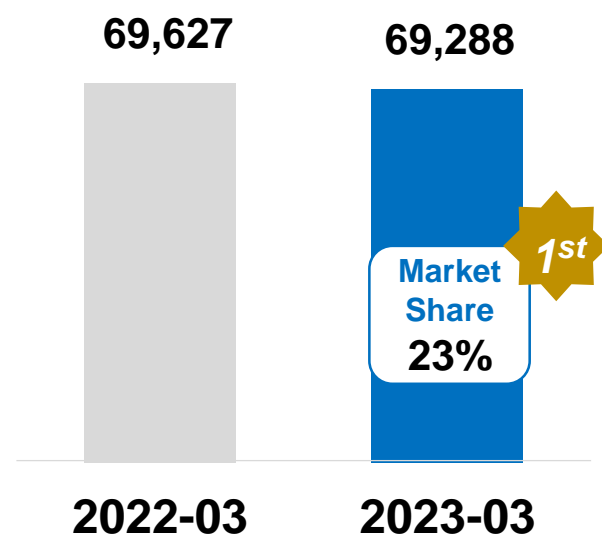
# CGD maintains leadership in deposits



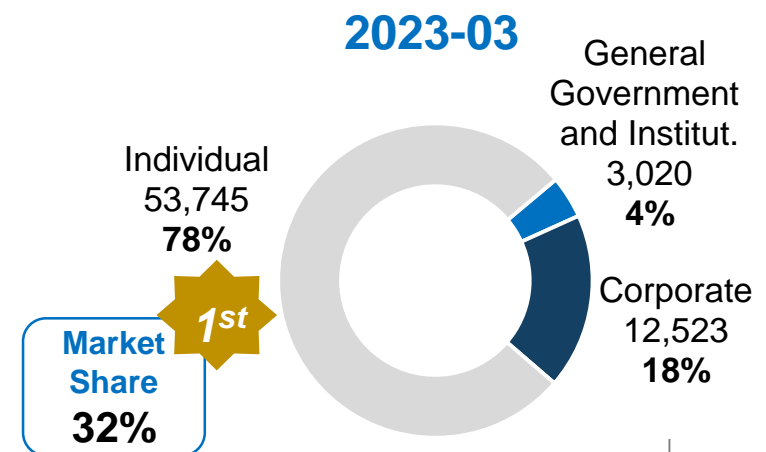
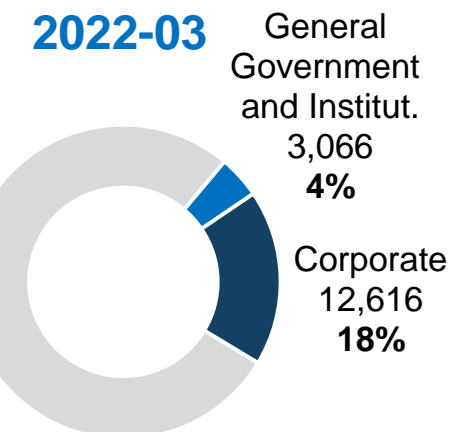
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### Customer Deposits (Domestic)



## PORTUGAL

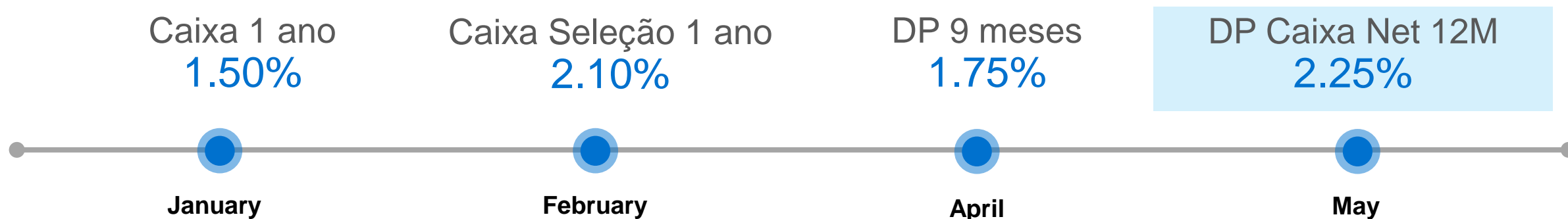


# New Term deposits launched

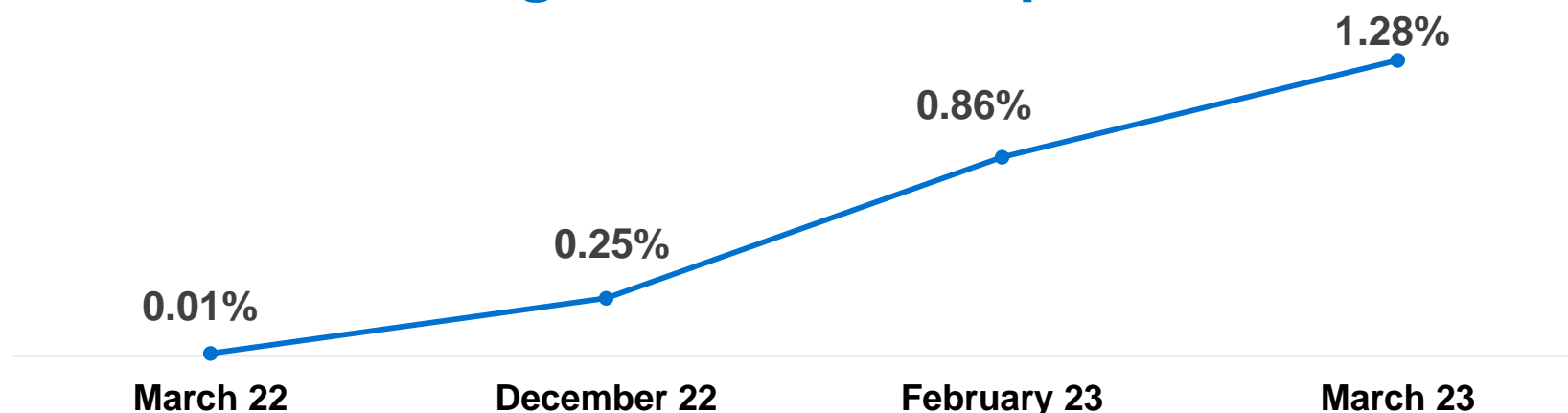


PORTUGAL

## New non-callable term deposits



## Average rate of new deposits <sup>(1)</sup>



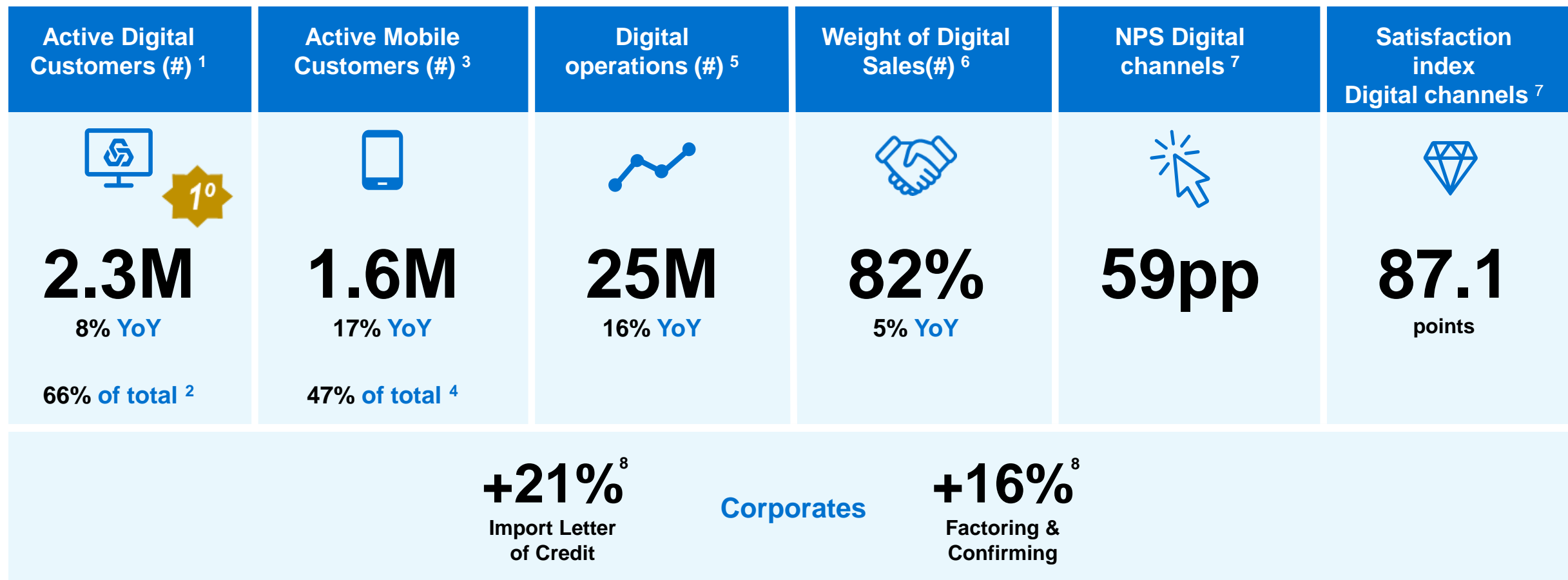
(1) Average monthly rate in new term deposits in euro (households)



# Digital mobile and digital operations with double-digit growth



PORTUGAL



<sup>1</sup> Private customers and corporate (domestic perimeter); <sup>2</sup> - Digital customers/total eligible private customers and corporate; <sup>3</sup> - Private mobile customers; <sup>4</sup> - Private mobile customers/total eligible private customers; <sup>5</sup> - Financial operations; <sup>6</sup> – Individuals: Includes deposits; <sup>7</sup> - Scopen Study 1st Quarter 2023; <sup>8</sup> – Year on Year

# Strategic partnerships and new digital features lead to nacional and international recognition



## PROGRAMA PORTUGAL FINTECH INNOVATION LAB



## RETAIL



- Insurance – new feature
- Personal loans with decision in real time
- CAIXA Digital Assistan

## BUSINESS



- Leasing auto
- CaixaBusiness account subscription

## DIGITAL ASSISTANT

Banking - Virtual Assistant



Jan 2023

## BUSINESS PLATFORM

Commercial support platform



Jan 2023

## DIGITAL TRANSFORMATION

Best Digital Banking Brand, Portugal 2023



Mar 2023



# CGD actively contributes to sustainable development



## Sustainable Finance

**648 M€** of green bonds in stock originated by CaixaBI

**+13%**  
YDT

## Climate risks



Disclosure of financial climate information in line with TCFD guidance.

## Europe's Climate Leaders

Caixa was recognized as **one of the 500 companies at European level** leading the fight against climate change according to Europe's Climate Leaders 2023.

## Caixa Mais Mundo Awards 2023



**300,000 €** of investment  
**300 students** awarded

## Caixa's Volunteering Program



Caixa has developed a set of voluntary initiatives at national level with the aim of supporting the surrounding communities.

**596 volunteers** **24 initiatives**

## ESG training and communication

**94% of employees** with sustainability training  
**Launch of the podcast "Por Conta da Caixa"** with an episode dedicated to ESG topics

## Major ESG initiatives and commitments

Founding Signatory of:



PRINCIPLES FOR RESPONSIBLE BANKING

In support of

**WOMEN'S EMPOWERMENT PRINCIPLES**

Established by UN Women and the UN Global Compact Office

WE SUPPORT



Signatory of:

**PR** Principles for Responsible Investment

MEMBER OF THE  
INDUSTRY-LED, U.N.-CONVENED  
**NET-ZERO BANKING ALLIANCE**



## Results and Balance Sheet



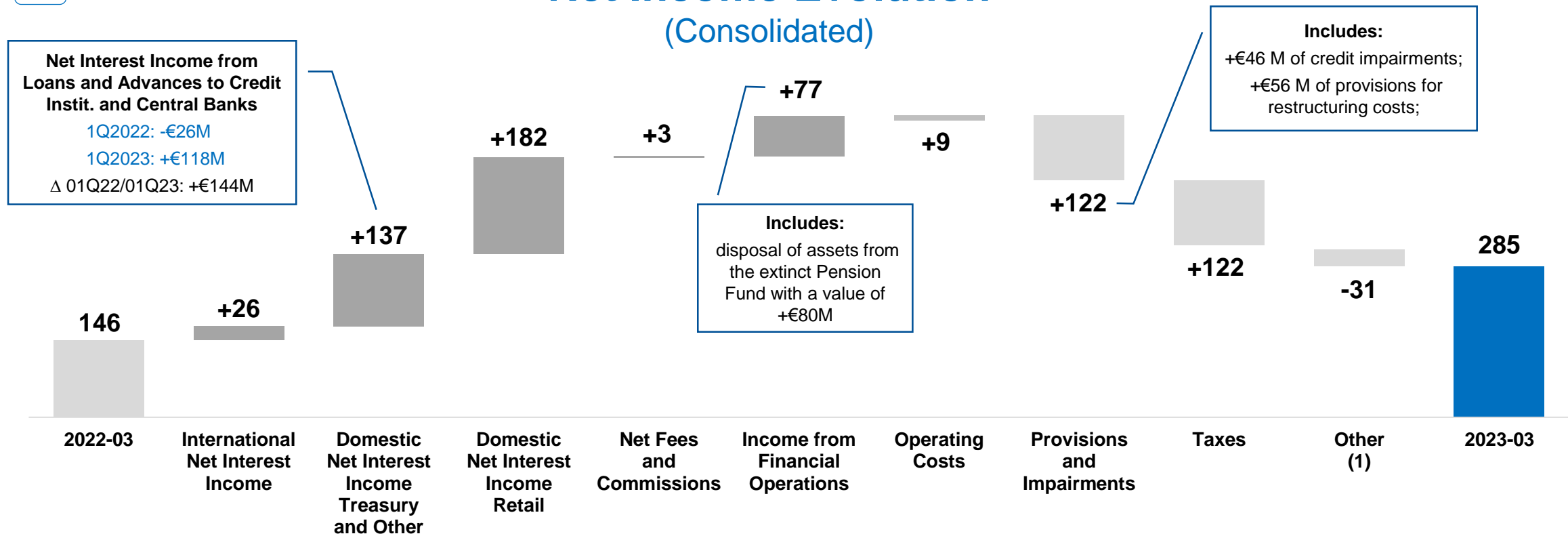
# Net income reaches €285M in the 1<sup>st</sup> quarter of 2023



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M€

## Net Income Evolution (Consolidated)



(1) Includes: Income from equity instruments (-€6M), Other operating income (-€18M), Non-controlling interests (+€3M), Results of associated companies (-€6M) and Results of subsidiaries held for sale (+€2M)

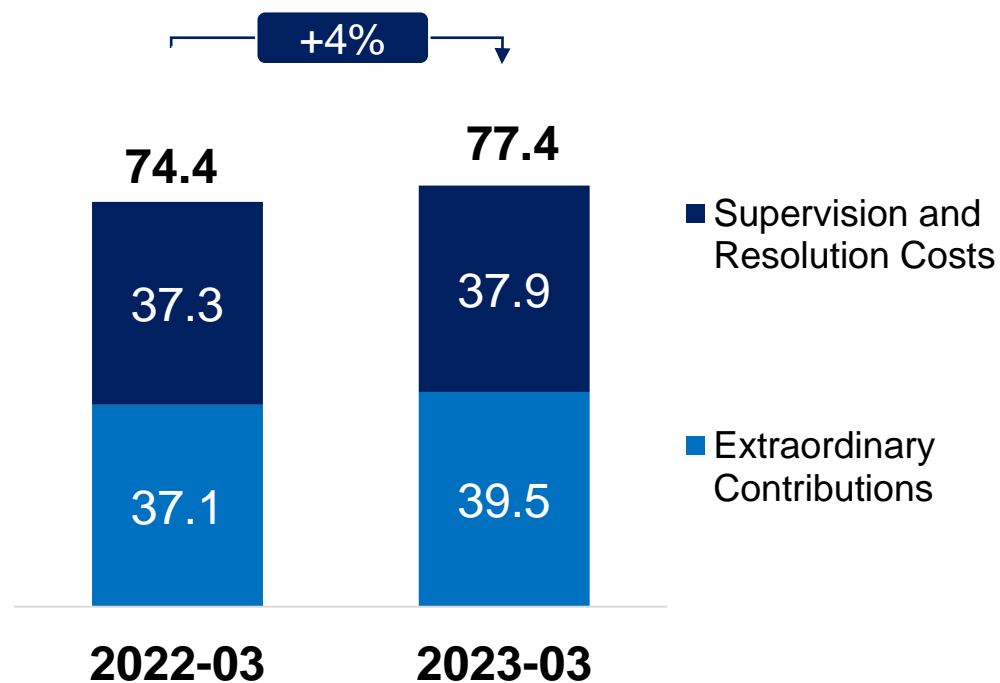
# Regulatory costs continue to grow



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## Regulatory Costs <sup>(1)</sup>

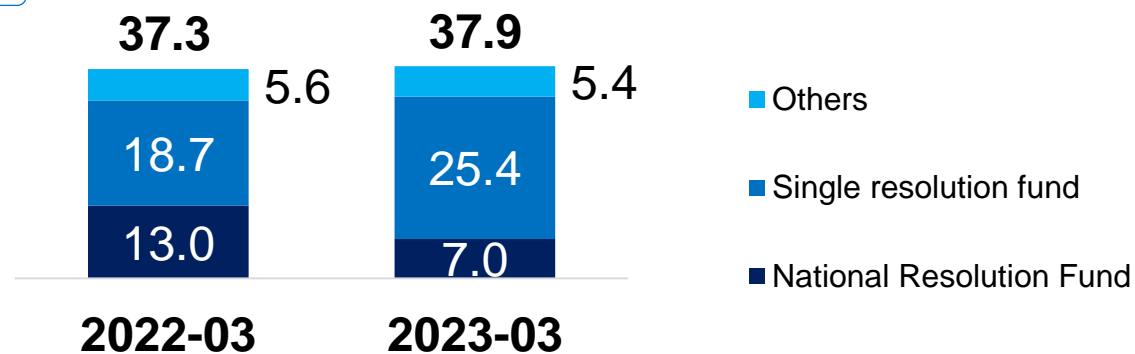
M€



(1) Interim values

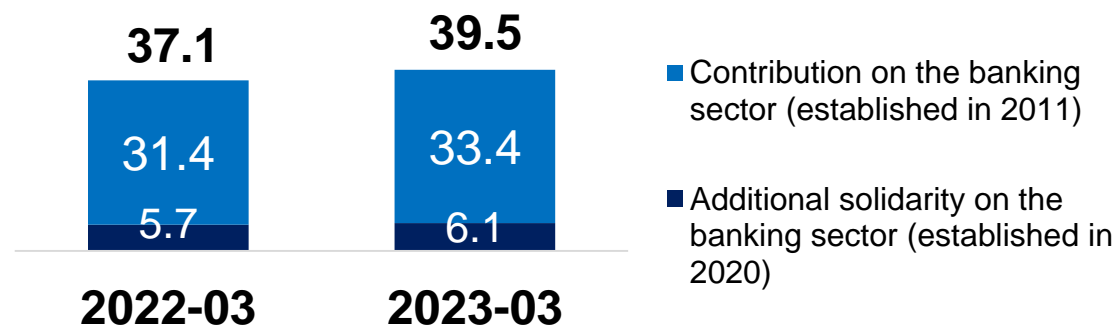
## Supervision and Resolution Costs

M€



## Extraordinary Contributions

M€

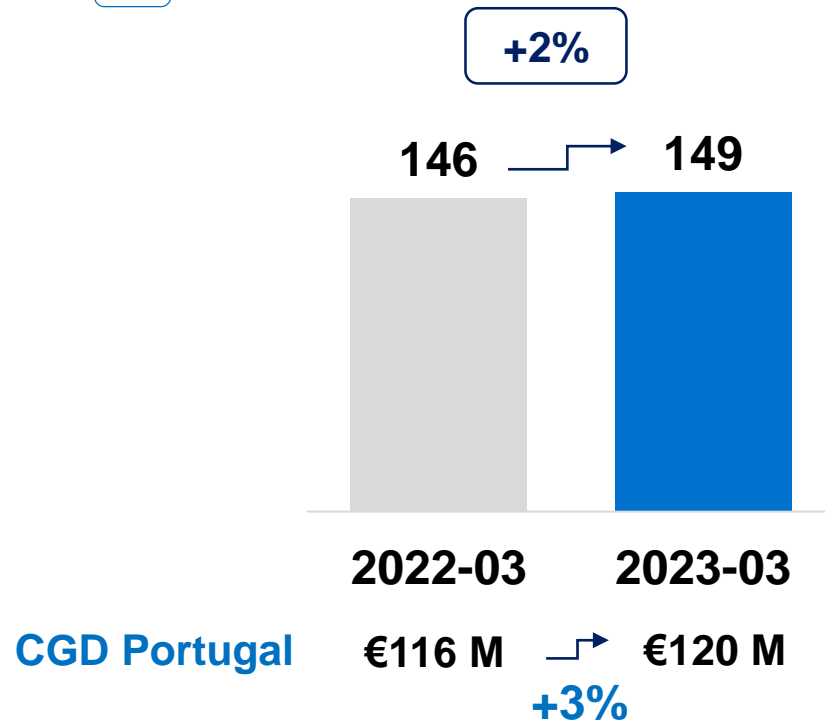




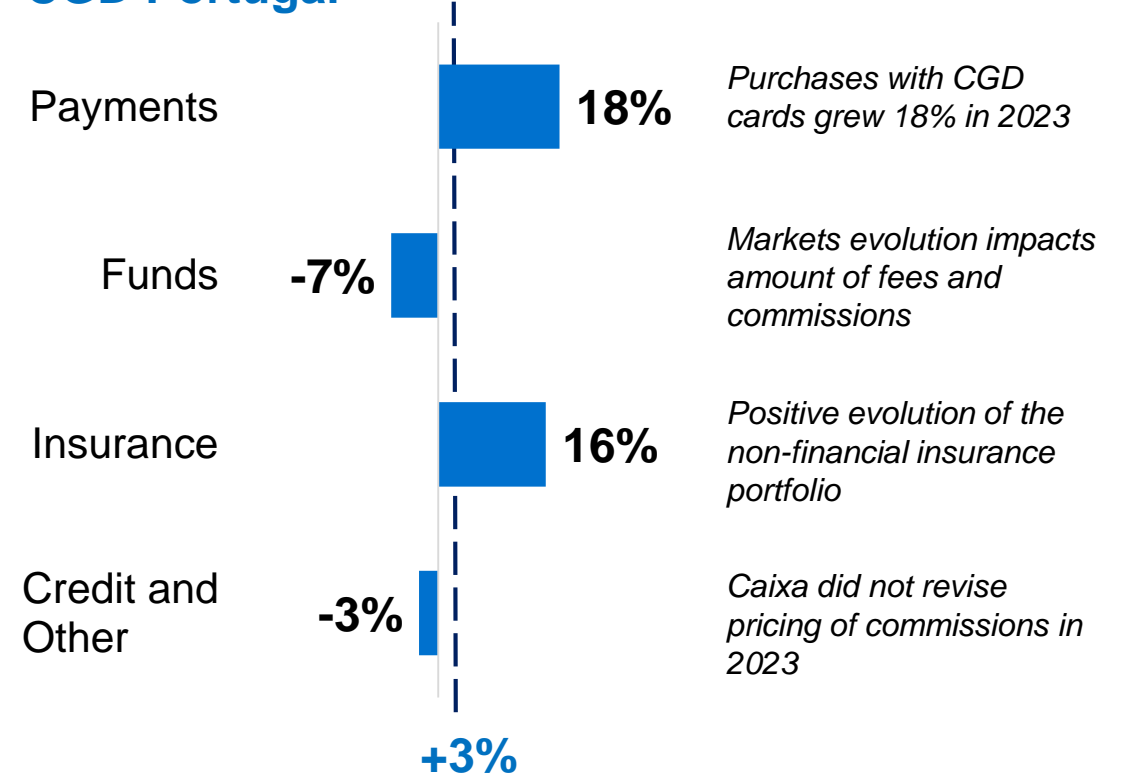
## Fees and Commissions (Consolidated)

# PORTUGAL

%



## CGD Portugal



# Operating costs show a slight increase

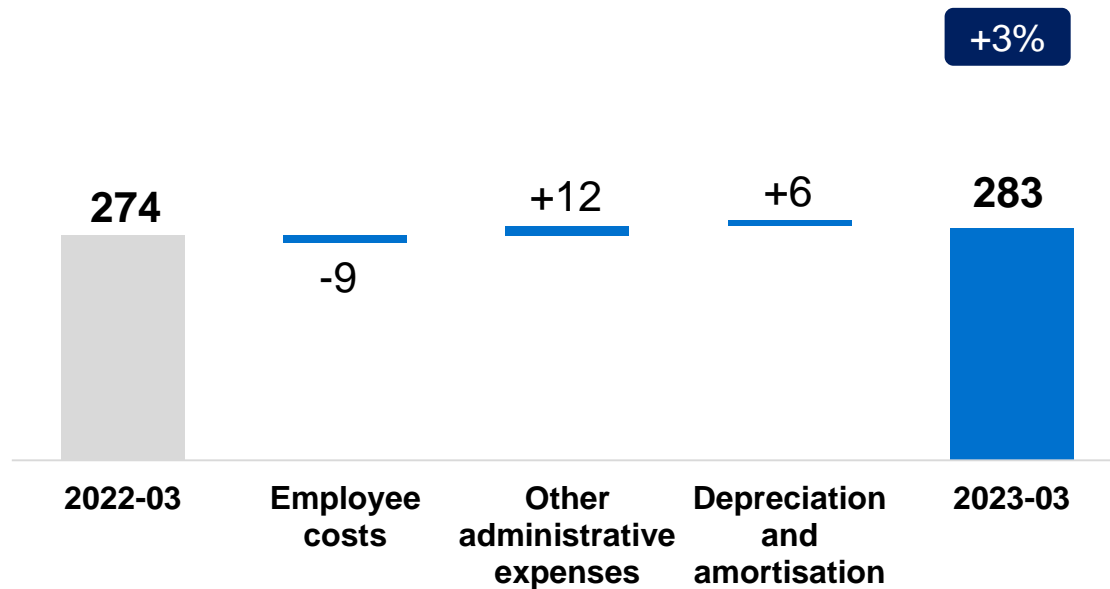


## CONSOLIDATED

## PORTUGAL

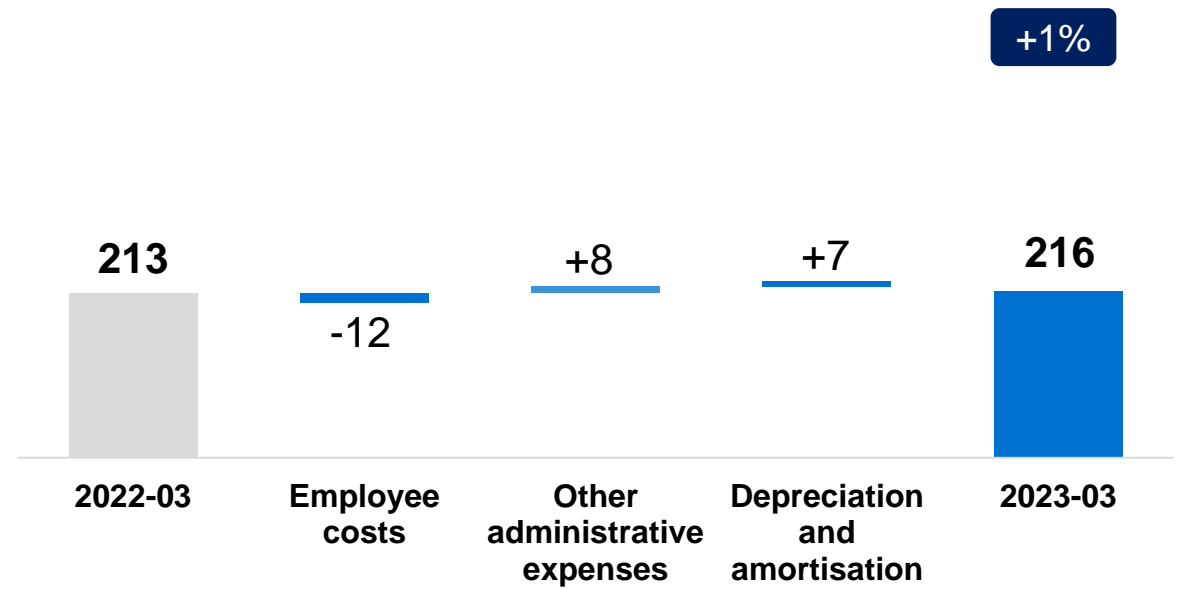
M€

### Operating Costs (Consolidated)



M€

### Operating Costs (Domestic)



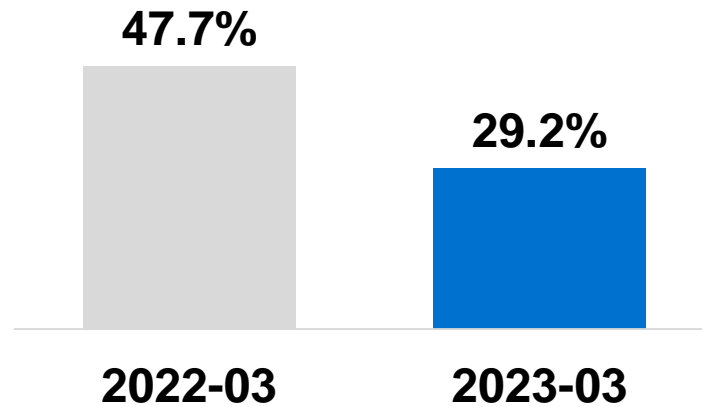
# Cost-to-Income decreases with improved efficiency and higher income



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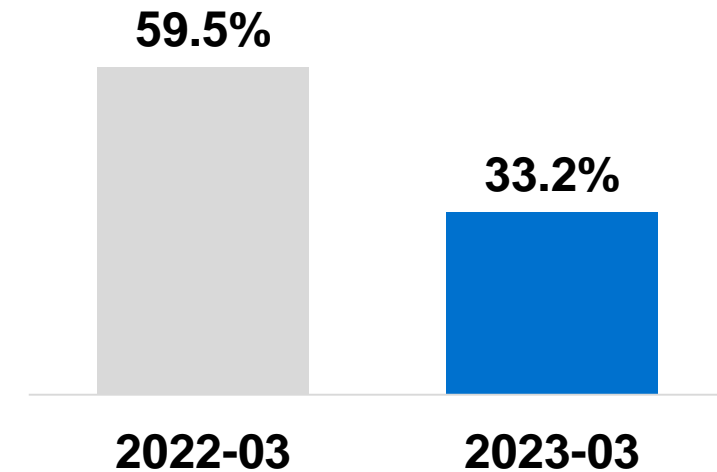
%

## Recurrent Cost-to-income <sup>(1)</sup> (Consolidated)



%

## Cost-to-income <sup>(1)</sup> (Consolidated)



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

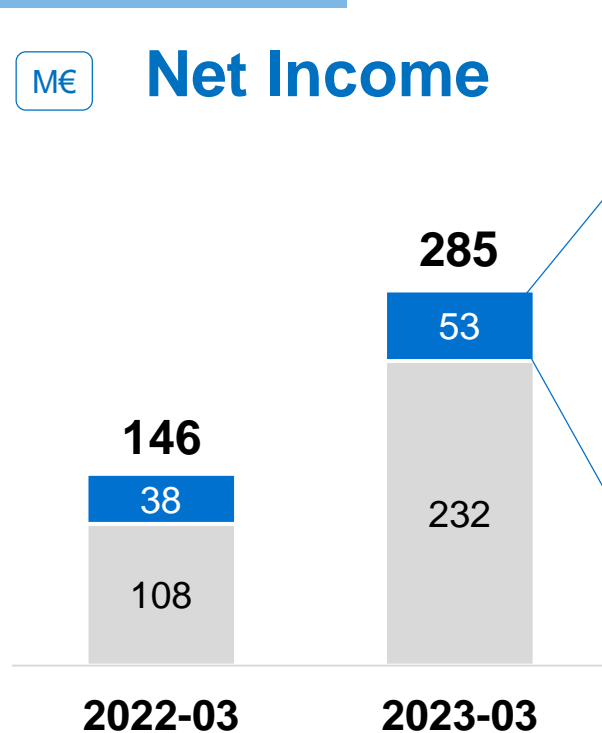


# International activity net income up 41%



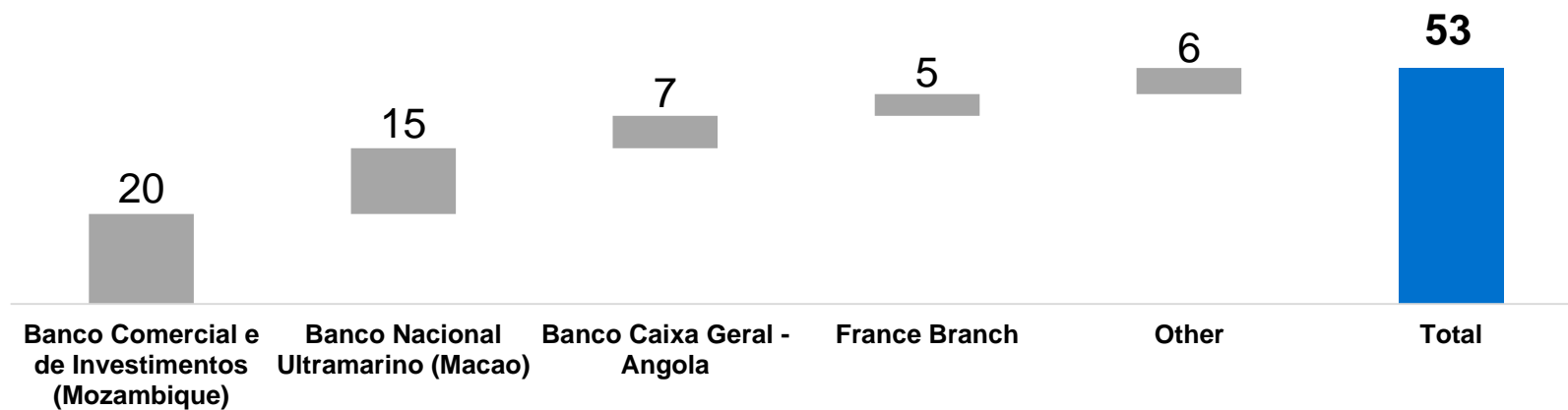
## CONSOLIDATED

### M€ Net Income



- International Activity
- Domestic Activity

### Contribution<sup>(1)</sup> to Consolidated Net Income (International Activity)



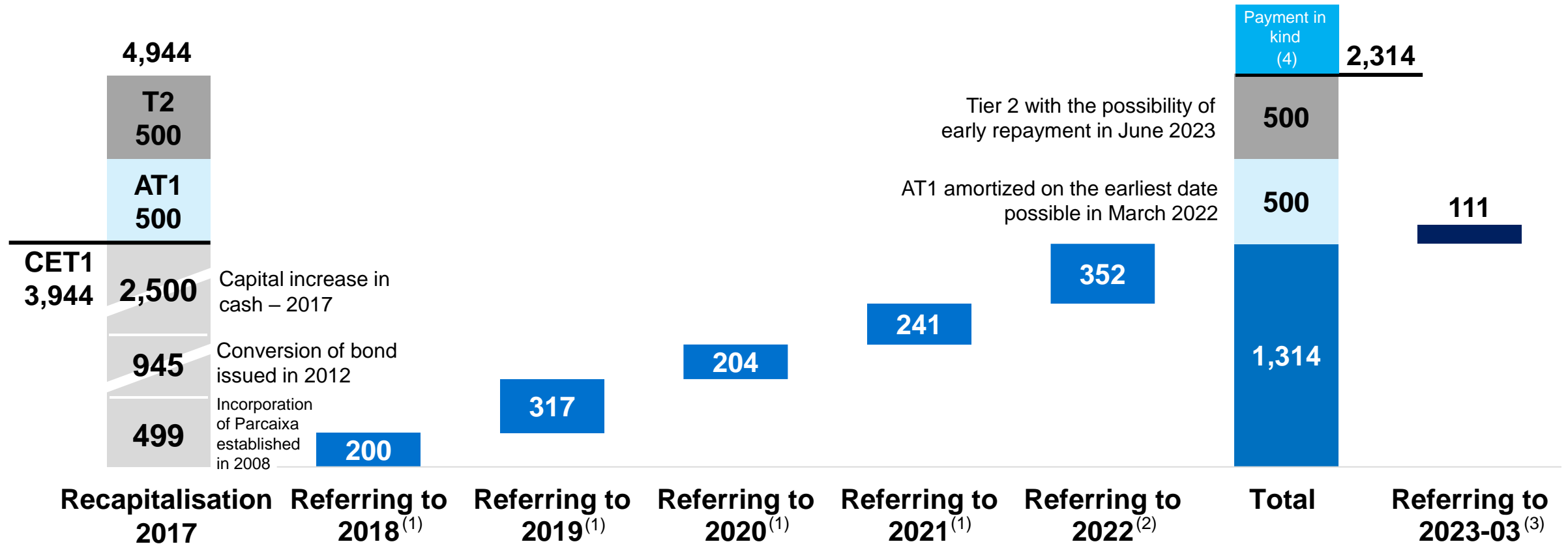
(1) Value of the entity's Net Income, appropriated by CGD

# Results point to continued repayment of recapitalization to the shareholder



M€

## Distribution of dividends and repayments



(1) Dividends distributed; (2) Dividend distribution proposal; (3) Maximum amount distributable in accordance with the Dividend Policy; (4) Value pending appraisals, relating to the CGD Headquarters Building

# Slight deterioration of NPL ratio, volume remains stable



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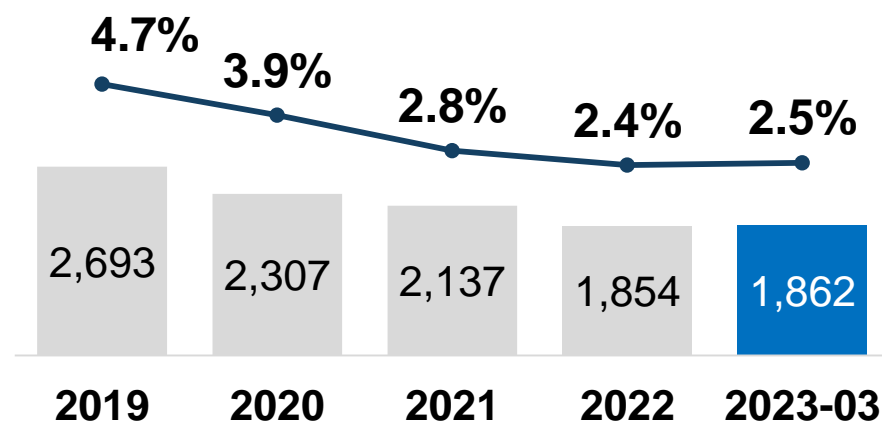
M€

## Gross NPL Evolution <sup>(1)</sup>



%

## Evolution of NPL ratio <sup>(1)</sup>



(1) NPL –Non Performing Loans: EBA definitions; (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 €72M



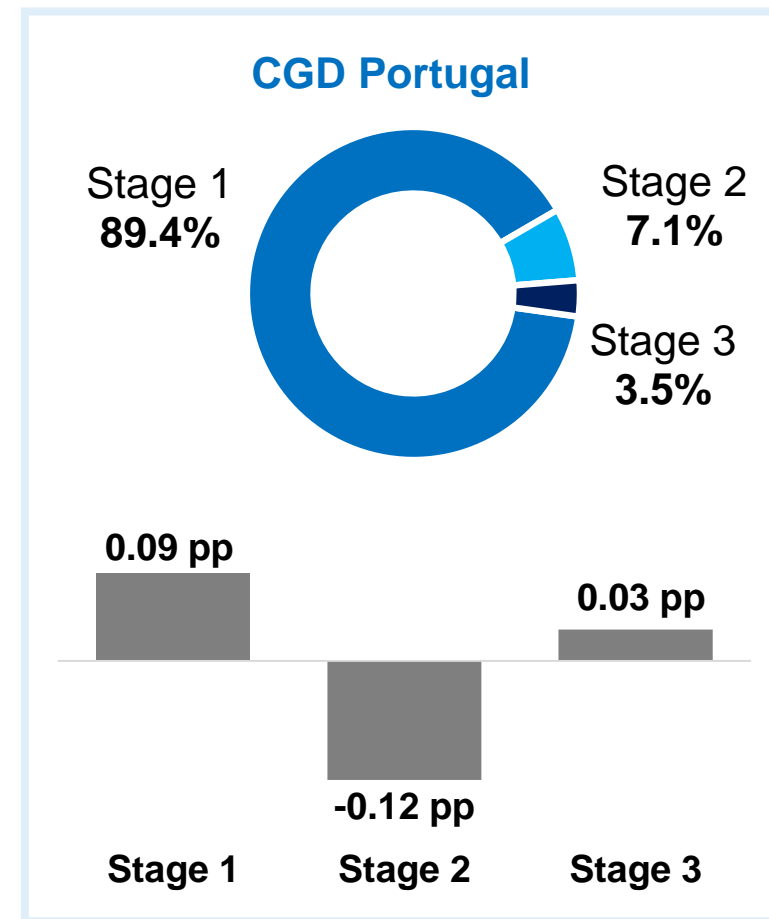
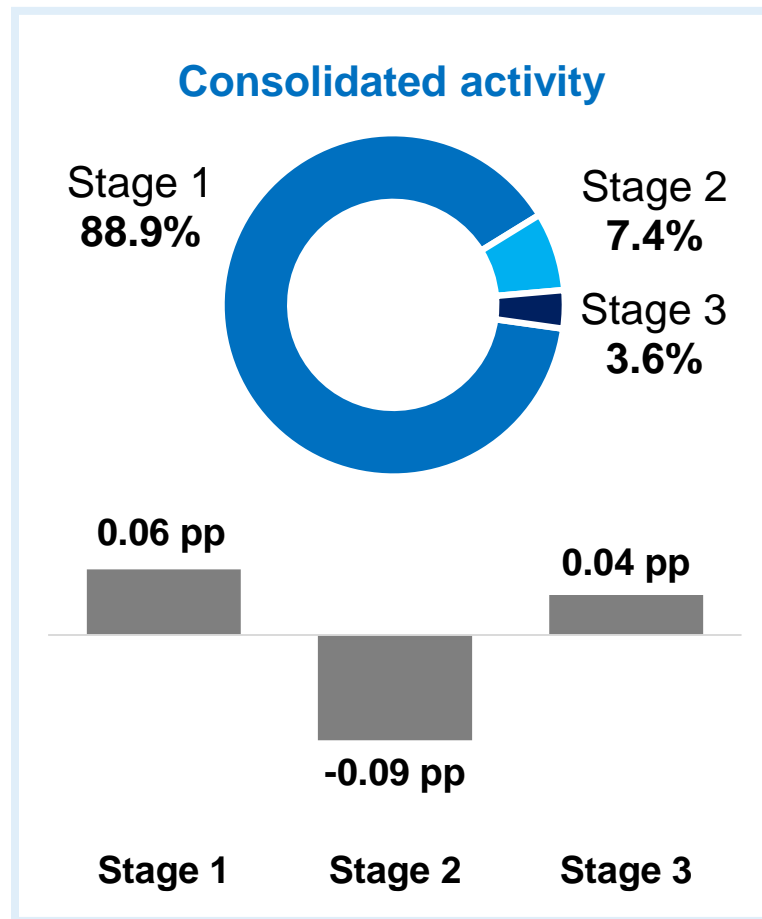
# Credit quality maintains stability compared to December 2022



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## Breakdown and evolution by stages (YTD)

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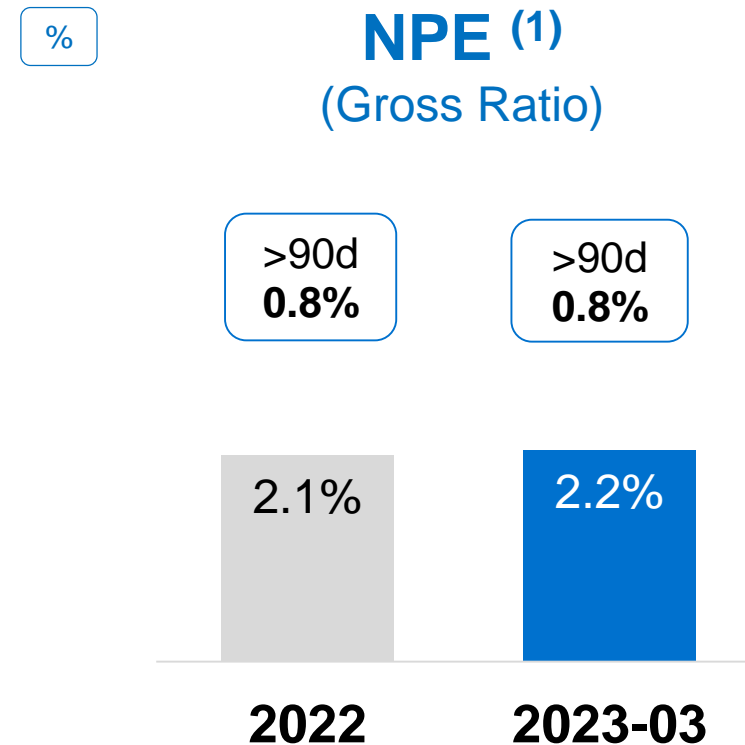
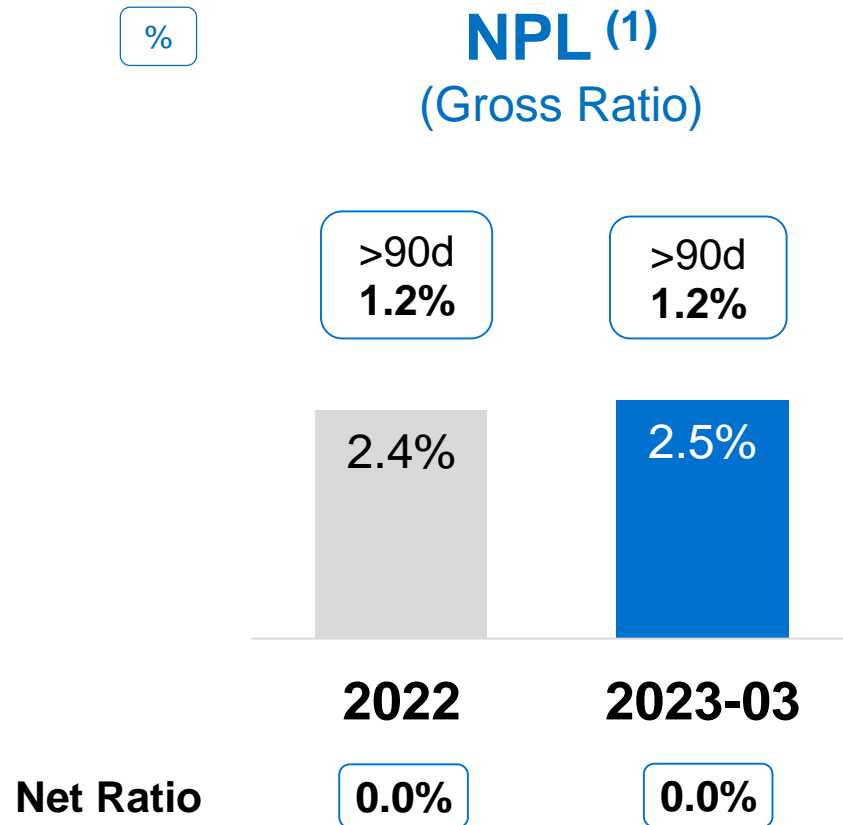


Note: IFRS9: Stage 1 - Credit in compliance; Stage 2 - Non-default credit, but with credit risk; Stage 3 - Default credit.

# NPE and NPL up slightly, ratios >90 days remain stable



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(1) NPE –Non Performing Exposure and NPL –Non Performing Loans: EBA definitions

# NPL with reinforced coverage and above European average

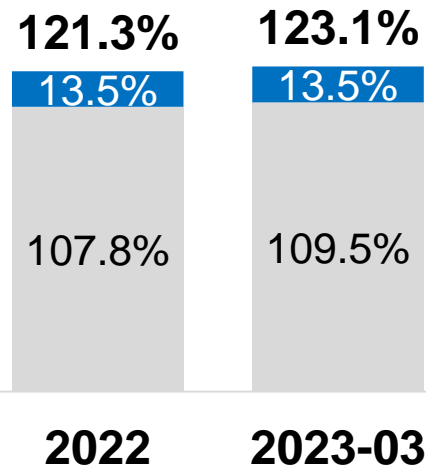


## CONSOLIDATED

%

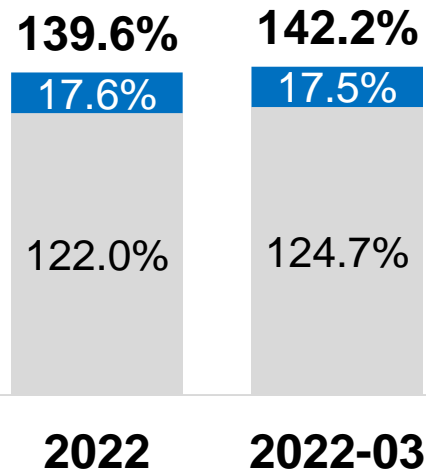
### NPE (1)

Coverage by  
Impairments and  
Collateral



### NPL (1)

Coverage by  
Impairments and  
Collateral



### Specific Impairment

NPE  
2023-03



NPL  
2023-03



43.4%  
European  
Banks  
Average (2)

■ Total Impairment ■ Collateral

(1) NPE –Non Performing Exposure and NPL –Non Performing Loans: EBA definitions; (2) EBA Risk Dashboard – December 2022



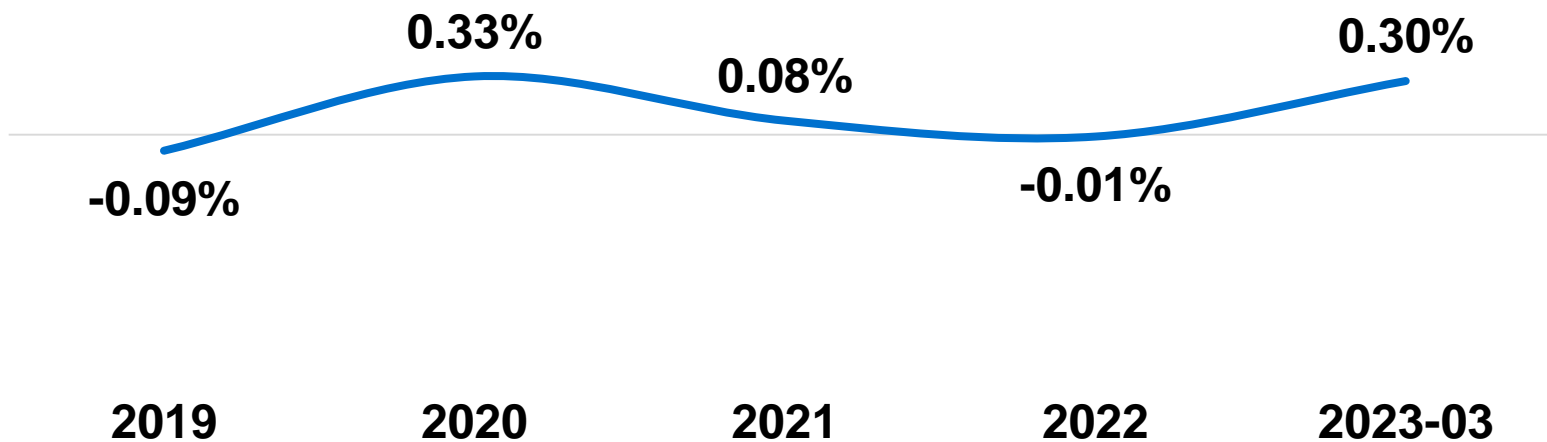
# Cost of credit risk reflects conservative and preventive approach



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%

## Cost of Credit Risk



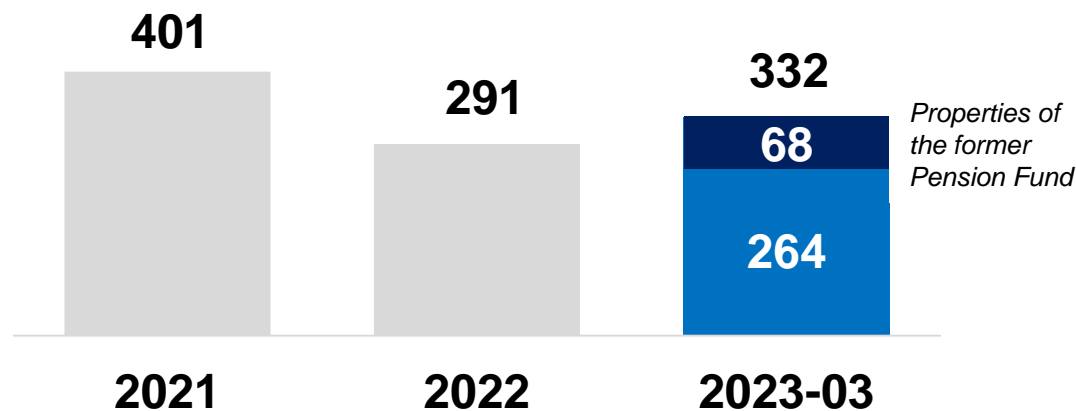
# Non-productive assets reflect the transfer of Pension Fund's real estate assets and funds



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M€

## Foreclosed assets <sup>(1)</sup>



Impairment Coverage

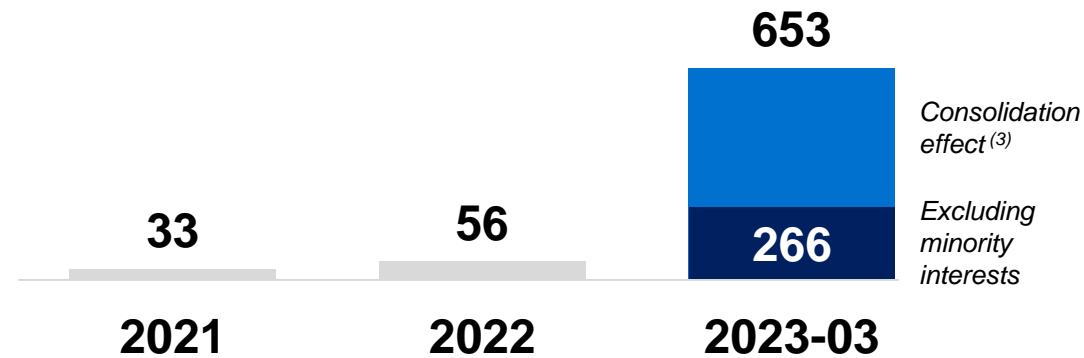
53%

55%

45% <sup>(2)</sup>

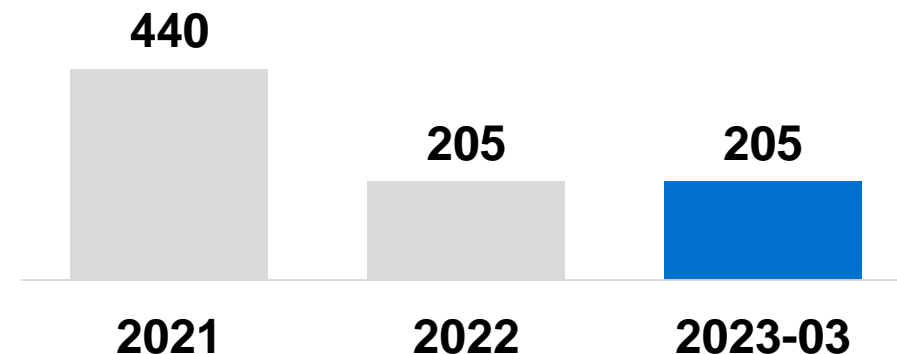
M€

## Investment Properties <sup>(1)</sup>



M€

## Corporate Restructuring Funds



(1) Figures for 2023-03 take into account the incorporation of assets held by the former CGD staff pension fund; (2) Impairment cover of 57% if the properties of the former CGD staff pension fund evaluated in the integration process are excluded; (3) Effect of the consolidation of the real estate investment fund Fundimo, managed by Caixa Gestão de Ativos.

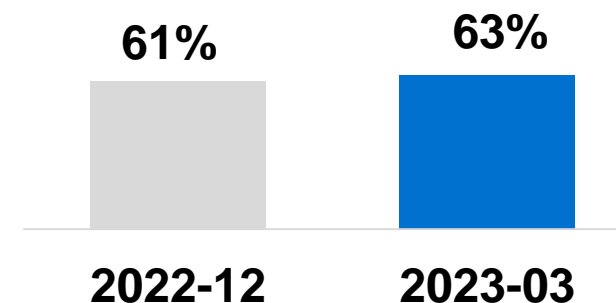
# Funding structure retail based. Liquidity position remains robust and sustainable



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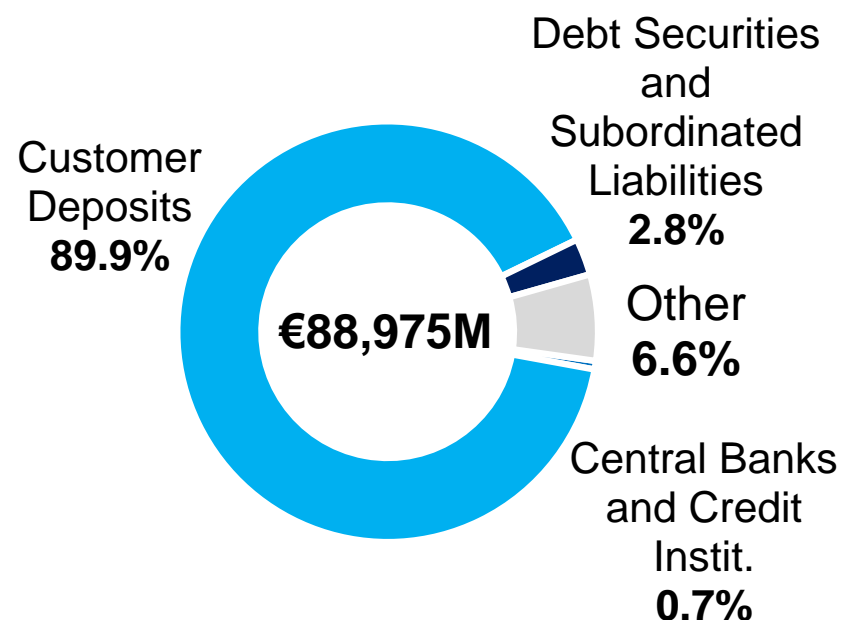
%

## Loan-to-Deposit Ratio



%

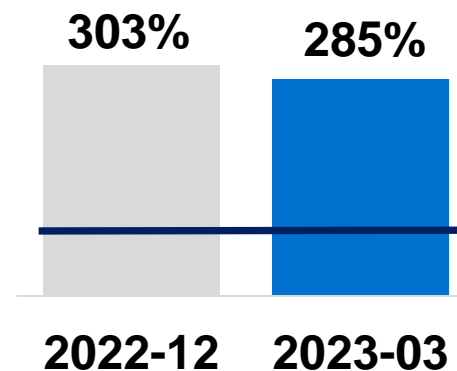
## Liabilities Structure <sup>(1)</sup>



(1) Excluding non-current liabilities held for sale

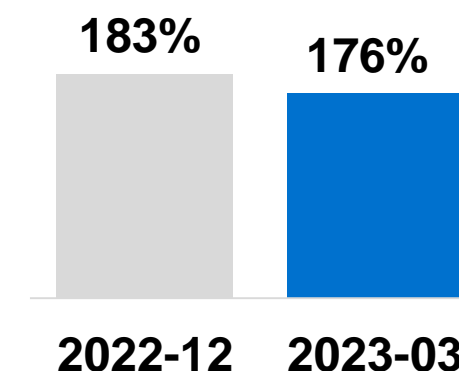
## LCR

(Liquidity Coverage Ratio)



## NSFR

(Net Stable Funding Ratio)



Regulatory requirement:  
**100%**



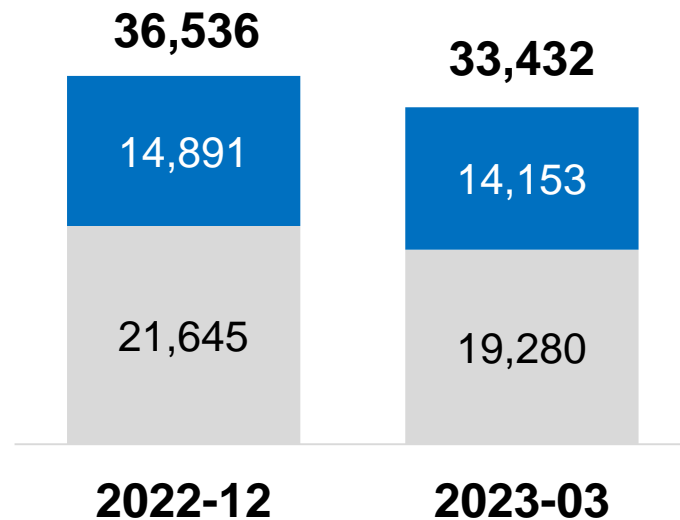
# CGD with ample capacity to access funding



PORTUGAL

M€

## Balances at Central Banks<sup>(1)</sup> and Eligible Assets for ECB Funding



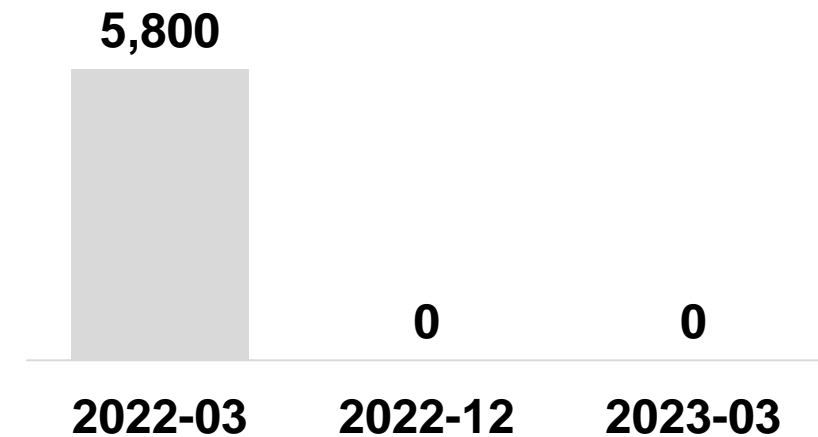
■ Eligible Assets to ECB Funding

■ Cash and equivalents at Central Banks, and Loans and Advances to Credit Instit.

(1) Domestic Activity, excluding minimum reserves

M€

## ECB Funding (TLTRO)



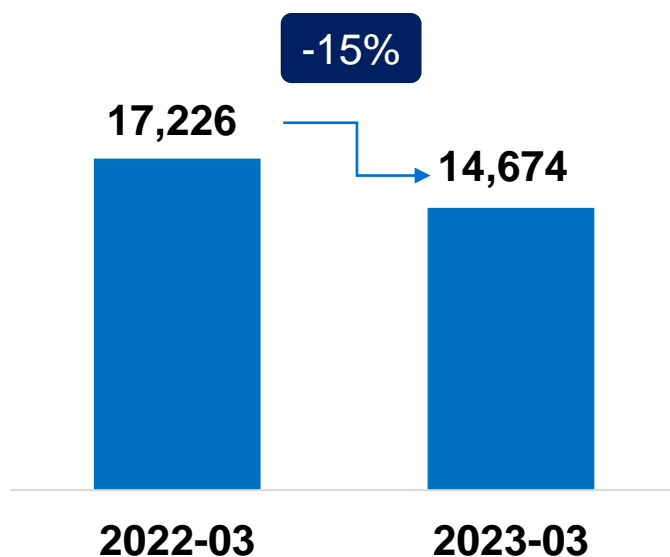
# Smaller securities portfolio with measures to mitigate market volatility



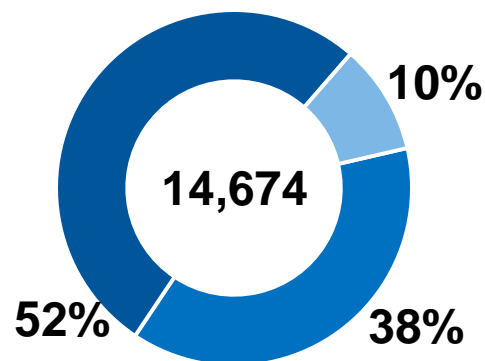
## CONSOLIDATED

M€

### Sovereign debt



Sovereign and Supranational debt accounts for **92%** of total debt securities



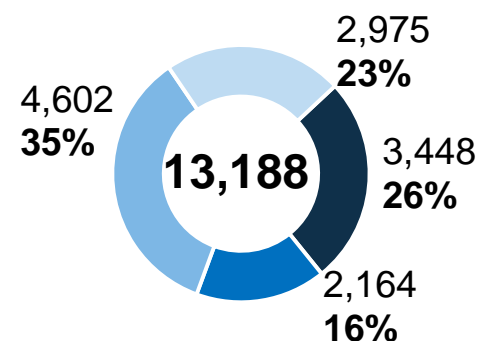
- Portugal sovereign debt
- Other eurozone sovereigns<sup>(1)</sup>
- Other sovereigns

(1) Includes Germany, Netherlands, Belgium, Spain, France, Ireland and Italy

M€

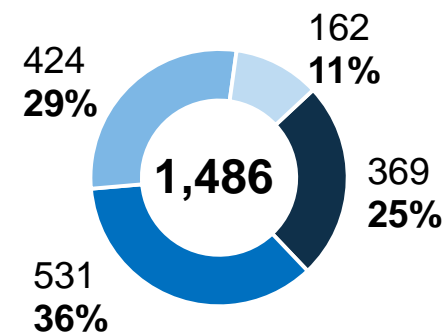
### Sovereign debt by tenor

(2023-03)



At amortised cost

- < 2 years
- > 2 years < 5 years
- > 5 years < 8 years
- > 8 years



Fair value

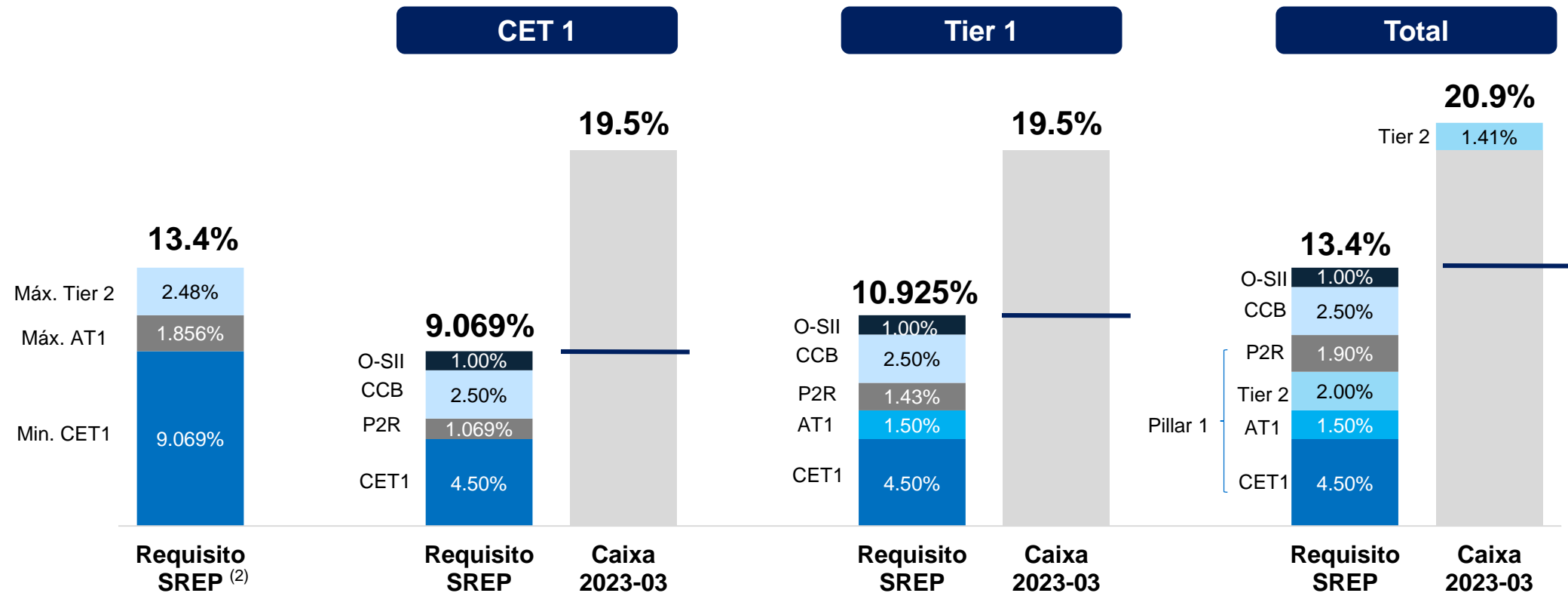
# SREP requirements lower than 2022 and met with ample margin



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%

## SREP 2023 Requirements and CGD Capital Ratios <sup>(1)</sup>



(1) Excluding from net income the maximum distributable amount according to dividend policy

(2) P2R composition: 56.25% CET1, 18.75% AT1 and 25% Tier 2; O-SII buffer: 1% in 2022 and 2023

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

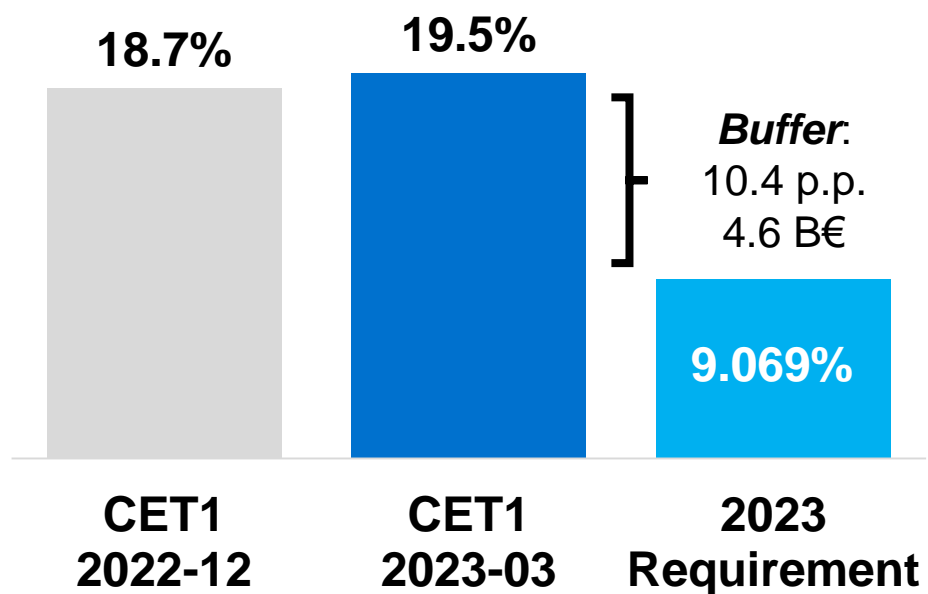
# Strengthened capital position



## CONSOLIDATED

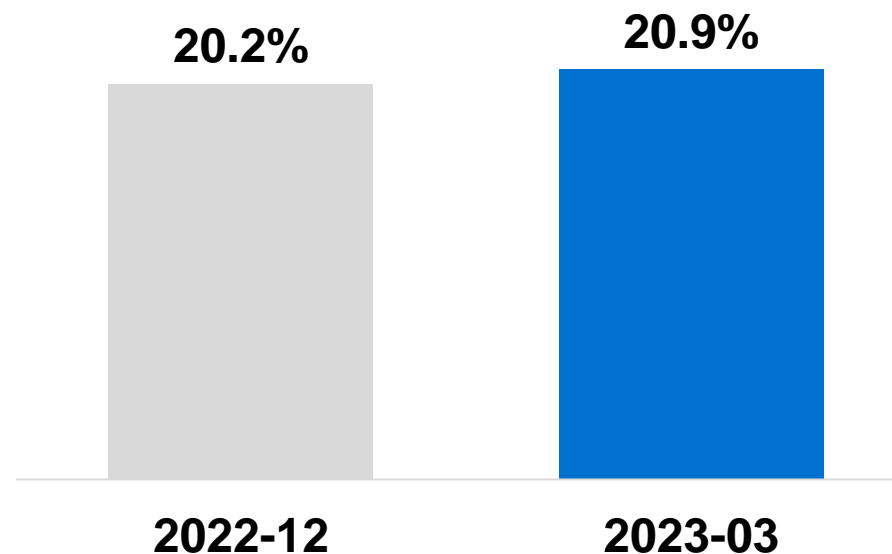
%

### CET 1 Ratio (Fully Loaded)



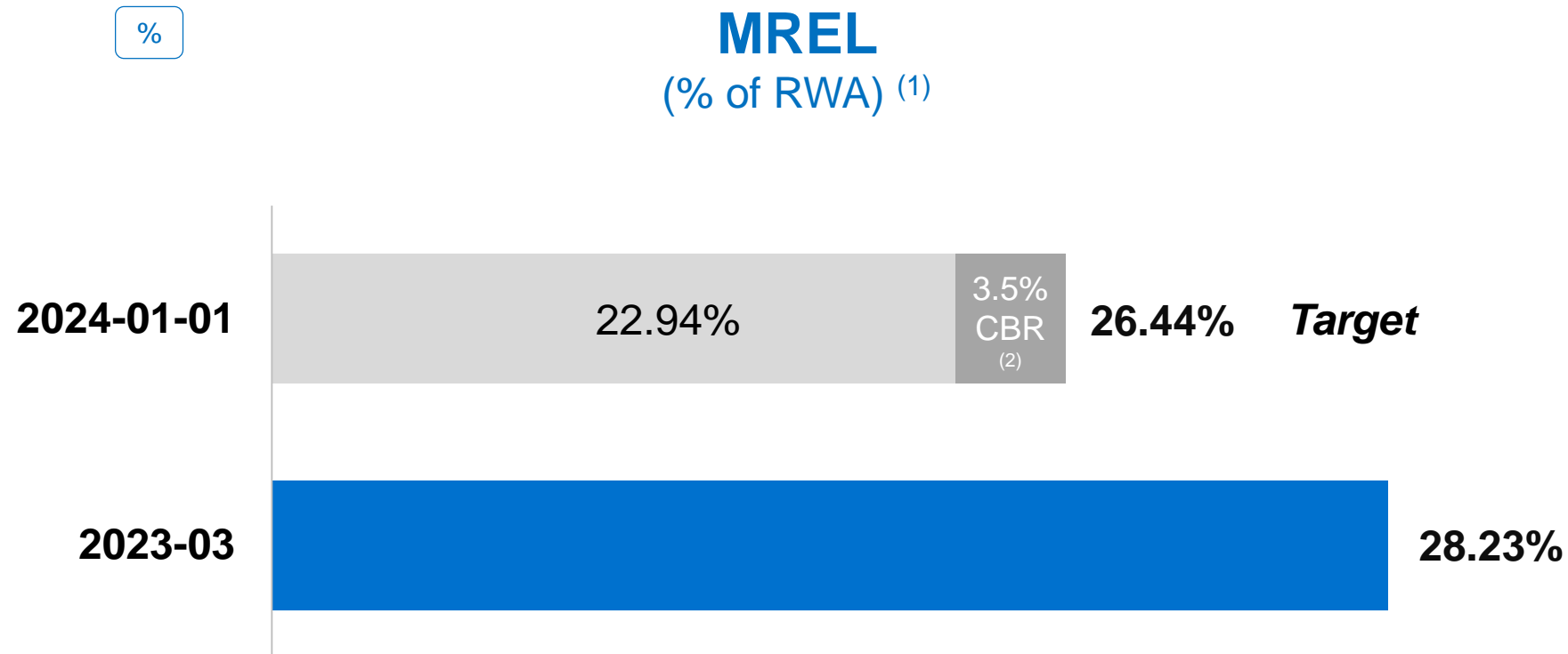
%

### Total Capital Ratio (Fully Loaded)





# MREL ratio exceeds the 1<sup>ST</sup> of January 2024 target



(1) (1) RWA – Risk Weighted Assets; (2) CBR – Combined Buffer Requirement – O-SII + CCB

# Risk Weighted Assets density, Texas and Leverage Ratios



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%

## RWA Density

RWA fully implemented (2023-03): €44,3 B

42%

44%

2022-12

2023-03

%

## Texas Ratio <sup>(1)</sup>

20.3%

19.8%

2022-12

2023-03

%

## Leverage Ratio <sup>(2)</sup>

7.7%

8.2%

2022-12

2023-03

(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 .

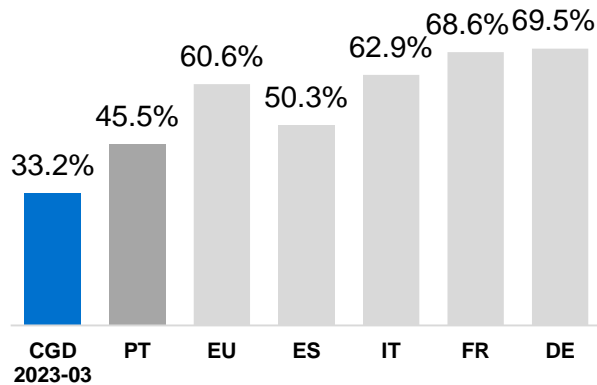
# CGD compares favourably with the Portuguese and European average



CONSOLIDATED

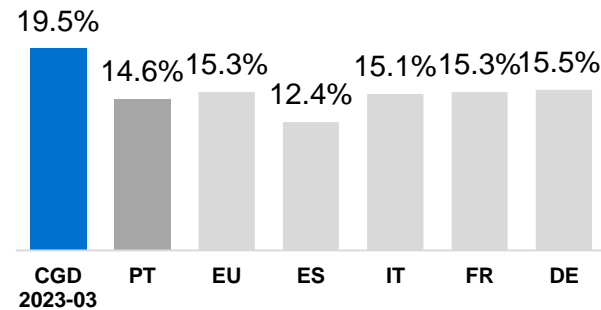
%

## Cost-to-Income



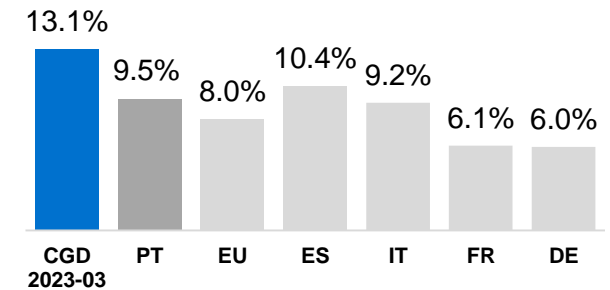
%

## CET 1 (Fully Loaded)



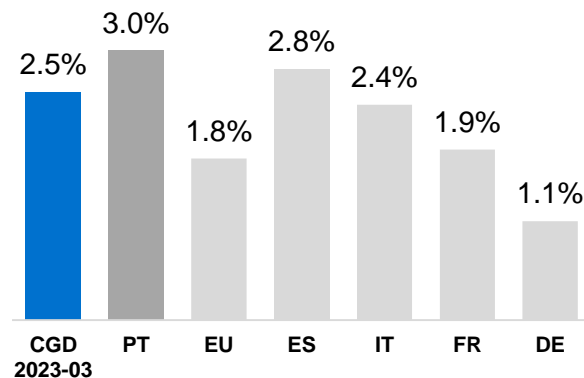
%

## Return on Equity (RoE)



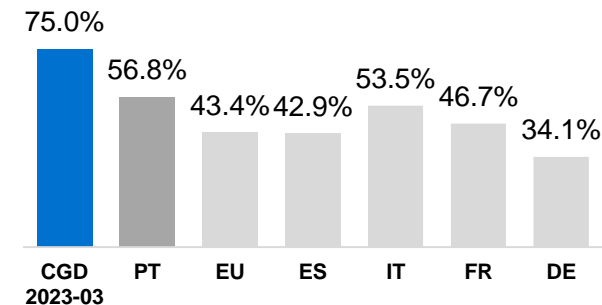
%

## Non-Performing Loans



%

## Coverage ratio of Non-Performing Loans







3

Financial  
Statements



# Income Statement



(EUR Thousand)

	Consolidated Activity				Separate Activity			
INCOME STATEMENT	Restated							
	2022-03	2023-03	Change		2022-03	2023-03	Change	
			Total	(%)			Total	(%)
Net interest income	266,444	611,253	344,809	129.4%	167,525	496,029	328,504	196.1%
Income from equity instruments	7,742	1,645	-6,098	-78.8%	33,234	79,062	45,828	137.9%
<b>Net interest inc. incl. inc. from eq. investm.</b>	<b>274,186</b>	<b>612,898</b>	<b>338,711</b>	<b>123.5%</b>	<b>200,759</b>	<b>575,092</b>	<b>374,332</b>	<b>186.5%</b>
Net fees and commissions	146,075	148,969	2,894	2.0%	122,683	125,707	3,024	2.5%
Net trading income	28,627	105,133	76,506	267.3%	24,848	99,182	74,333	299.1%
Other operating income	1,132	-17,270	-18,402	-	-25,673	-23,195	2,478	-
<b>Non-interest income</b>	<b>175,834</b>	<b>236,832</b>	<b>60,998</b>	<b>34.7%</b>	<b>121,858</b>	<b>201,694</b>	<b>79,836</b>	<b>65.5%</b>
<b>Total operating income</b>	<b>450,020</b>	<b>849,729</b>	<b>399,709</b>	<b>88.8%</b>	<b>322,617</b>	<b>776,785</b>	<b>454,168</b>	<b>140.8%</b>
Employee costs	191,760	182,950	-8,810	-4.6%	156,387	144,692	-11,695	-7.5%
Administrative expenses	54,545	66,211	11,665	21.4%	42,032	49,374	7,342	17.5%
Depreciation and amortisation	27,808	34,239	6,431	23.1%	20,793	28,068	7,275	35.0%
<b>Operating costs</b>	<b>274,113</b>	<b>283,399</b>	<b>9,286</b>	<b>3.4%</b>	<b>219,212</b>	<b>222,134</b>	<b>2,922</b>	<b>1.3%</b>
<b>Net operating income before impairments</b>	<b>175,907</b>	<b>566,330</b>	<b>390,423</b>	<b>221.9%</b>	<b>103,405</b>	<b>554,651</b>	<b>451,246</b>	<b>436.4%</b>
Credit impairment	22,884	48,962	26,079	114.0%	17,671	45,323	27,653	156.5%
Credit recoveries	-21,099	-8,885	12,214	-	-20,703	-7,390	13,313	-
Other provisions and impairments	-73,836	9,883	83,718	-	-97,062	124	97,186	-
<b>Provisions and impairments</b>	<b>-72,051</b>	<b>49,960</b>	<b>122,011</b>	<b>-</b>	<b>-100,094</b>	<b>38,057</b>	<b>138,151</b>	<b>-</b>
<b>Net operating income</b>	<b>247,959</b>	<b>516,370</b>	<b>268,412</b>	<b>108.2%</b>	<b>203,499</b>	<b>516,594</b>	<b>313,095</b>	<b>153.9%</b>
<b>Income Tax</b>	<b>98,063</b>	<b>220,427</b>	<b>122,364</b>	<b>124.8%</b>	<b>82,144</b>	<b>206,618</b>	<b>124,474</b>	<b>151.5%</b>
Non-controlling interests	18,193	20,837	2,644	14.5%	n.a.	n.a.	n.a.	n.a.
Results of associated companies	10,703	4,981	-5,721	-53.5%	n.a.	n.a.	n.a.	n.a.
Results of subsidiaries held for sale	3,183	4,868	1,684	52.9%	n.a.	n.a.	n.a.	n.a.
<b>Net income</b>	<b>145,588</b>	<b>284,955</b>	<b>139,367</b>	<b>95.7%</b>	<b>121,355</b>	<b>309,976</b>	<b>188,621</b>	<b>155.4%</b>

The March 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	2023-03	Change	2022-12	2023-03	Change
ASSETS	(%)			(%)		
Cash and cash equiv. with central banks	21,812	19,603	-10.1%	20,781	18,436	-11.3%
Loans and advances to credit instit.	3,992	3,606	-9.7%	2,197	2,095	-4.7%
Securities investments	18,689	17,837	-4.6%	16,363	15,932	-2.6%
Loans and advances to customers	50,778	50,447	-0.7%	46,180	46,122	-0.1%
Assets with repurchase agreement	0	280	-	0	280	-
Non-current assets held for sale	1,220	1,305	7.0%	127	188	47.9%
Investment properties	56	653	-	6	6	-1.6%
Intangible and tangible assets	780	1,014	29.9%	599	825	37.8%
Invest. in subsid. and assoc. companies	476	486	2.0%	1,249	1,249	0.0%
Current and deferred tax assets	1,029	860	-16.4%	988	815	-17.5%
Other assets	3,670	3,627	-1.2%	2,266	2,255	-0.5%
<b>Total assets</b>	<b>102,503</b>	<b>99,718</b>	<b>-2.7%</b>	<b>90,756</b>	<b>88,202</b>	<b>-2.8%</b>
LIABILITIES						
Central banks' and cred. instit. resources	338	582	72.2%	809	1,023	26.5%
Customer resources	83,972	80,115	-4.6%	75,938	72,676	-4.3%
Debt securities	1,368	1,377	0.6%	1,368	1,377	0.6%
Financial liabilities	221	174	-21.2%	221	174	-21.3%
Non-current liabilities held for sale	990	1,018	2.9%	0	0	-
Provisions	906	946	4.3%	856	885	3.3%
Subordinated liabilities	1,118	1,124	0.5%	1,118	1,124	0.5%
Other liabilities	4,107	4,658	13.4%	2,307	2,495	8.1%
<b>Sub-total</b>	<b>93,020</b>	<b>89,993</b>	<b>-3.3%</b>	<b>82,618</b>	<b>79,753</b>	<b>-3.5%</b>
<b>Shareholders' equity</b>	<b>9,483</b>	<b>9,725</b>	<b>2.6%</b>	<b>8,139</b>	<b>8,449</b>	<b>3.8%</b>
<b>Total</b>	<b>102,503</b>	<b>99,718</b>	<b>-2.7%</b>	<b>90,756</b>	<b>88,202</b>	<b>-2.8%</b>

# Results Presentations 1Q 2023

Consolidated Results  
Unaudited financial information  
Investor Relations | 11.05.2023

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