



CAIXA GERAL DE DEPÓSITOS

CONSOLIDATED RESULTS

9M2020

Unaudited financial information

Investor Relations | 05/11/2020



Disclaimer



- The financial statements have been prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted in the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Council and of the Parliament of July 19 and provisions of Decree-Law No. 35/2005 of February 17. The financial information reported is unaudited.
- The financial metrics in this presentation refer to September 30, 2020, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period.
- The year 2020 has been marked by the COVID-19 pandemic. As a consequence of the spread of the disease, with confirmed cases in more than 200 countries and territories, exceptional measures have been taken to contain it, including the restrictions on mobility of the population, the closure of national borders and conditioning in a wide range of economic activities. Several countries lifted their lockdown restrictions in the second part of the half year, enabling a resumption of economic activity albeit subject to the application of limitations on different sectors. Consequently diverse economic indicators have confirmed a sharp deceleration of worldwide economic activity, making a global recessionary scenario a certainty and the only doubts regard its levels of depth and duration as well as future recovery scenarios.

Impacts, albeit uncertain, are naturally expected on the group's activity. Their extent will be contingent upon a multiplicity of factors such as the depth of the economic crisis, its length, the economic sectors most affected and the type and impact of the monetary and fiscal policy measures adopted and to be adopted by the diverse European Union central banks in the future.

In light of these uncertainties, and based on the information available at this time, CGD estimated and recognized in its financial statements for the period ending on September 30, 2020 its best estimate of the financial effects of this pandemic, including the valuation of financial assets and the measurement of expected losses in the loan portfolio, which will be subject to continuous monitoring and reassessment.

- This document is intended for general information only and does not constitute investment recommendation or professional guidance and may not be construed as such.
- This document is an English translation of the Portuguese language document “Resultados Consolidados 9M 2020”. In the event of any inconsistency, the original version prevails.

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Summary



AQUINA CAIXA

Vila Galvão Porto
Rua Dom Henrique








HIGHLIGHTS



Response to the COVID-19 pandemic impacts results of the first 9M 2020

Highlights



-  Consolidated net income reaches €392M (-38.8% over 9M2019) resulting in a ROE of 6.6%
-  Current net income was €342M, a 28.9% reduction over the same period in 2019 (excluding extraordinary gains in both years) and corresponding to a ROE of 5.8%
-  In the first nine months, and in anticipation of the expected effects of the economic crisis, there was an additional charge in credit impairments and provisions for bank guarantees of €220M
-  Fully loaded CET 1 ratio reaches 17.2%, Tier 1 18.4% and Total ratio 19.8%, above the Portuguese and European banking average, evidence of CGD's robust and adequate capital position
-  Significant growth (+9.8%) in Portugal in corporate and business loans (excluding construction and real estate) and in new mortgage loans production with a market share of 23.9% in August
-  Improvement in asset quality: NPL ratio net of total impairments of 0.5%. NPL ratio drops to 4.2% and specific coverage level increases to 62.3% vs 45.3% average for European banks
-  Recurrent operating costs down 6% over 9M 2019, reflecting the continued improvement in efficiency levels

(1) EBA Risk Dashboard – June 2020

Execution of the first 9M 2020 prepares conclusion of the Strategic Plan

Highlights



(1) Current activity ROE = (net income + non-recurring costs + non-controlling interests) / Shareholders' equity (average of 13 monthly observations, annualized);

(2) Domestic activity.

(3) EBA Risk Dashboard – June 2020.



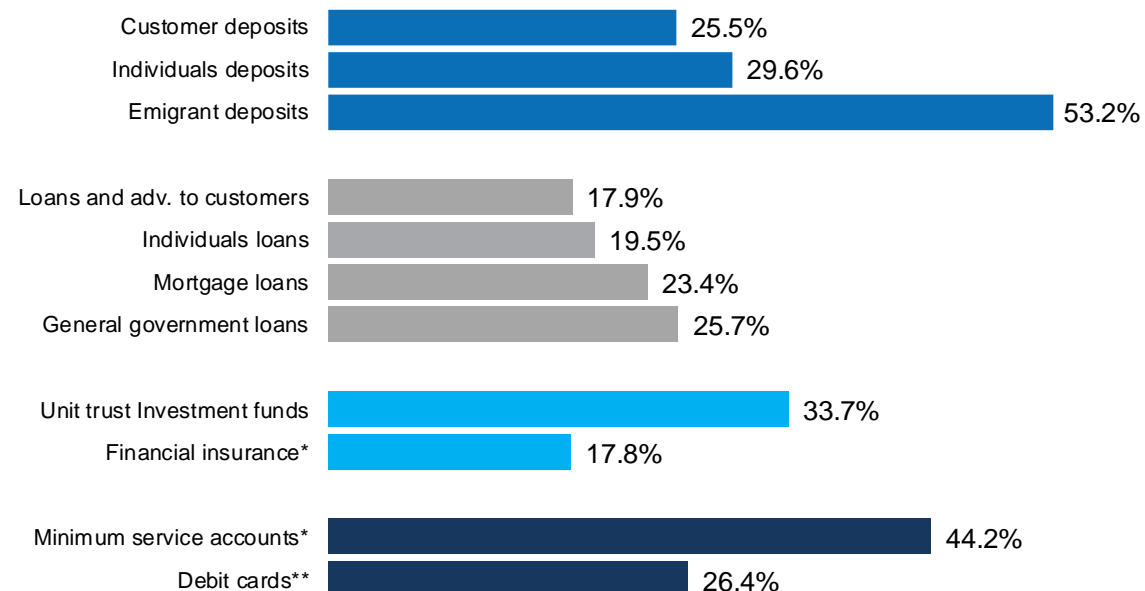
BUSINESS ACTIVITY



Leadership and Distinctions

Business Activity

Leader in main client and product segments



Market Shares

August 2020

(*) June 2020; (**) September 2020; ¹ Portuguese Investment Funds, Pensions and Wealth Management Association

Prizes and distinctions

BNU Macau

Chinese authorities renewed BNU's issuing bank status in Macau, along with Bank of China, until 2030



Caixa Geral de Depósitos



Active Aging and Retirement Preparation

Human Resources



Most attractive company to work (financial sector) in Portugal

Randstad Employer Brand Research 2020



Best Bank 2019 in Portugal

EMEA Finance



Brands Reputation Portugal 2020 Awards

Reputation Knowledge Centre



Most Reputed Brand 2020 Banking

Marktest Reputation Index



1st Portuguese bank in the world ranking for the 3rd consecutive year

The Banker

Caixa Gestão de Ativos



Sustainable Finance 2020 Award

Euronext Lisbon



Best Global and Bond Fund Manager in Portugal 2020

Morningstar



Best Funds

Jornal de Negócios and APFIPP ¹

CGD with proactive response to the effects of the pandemic on families and businesses

Business Activity



What we did for households...



Provided protection for mortgage loans and student loans

(Legal moratorium to ease household's burden)



Provided protection for Non-Mortgage Loans, Specialized Credit and Leasing

(Moratoria for vehicle and real estate finance excluded from the legal moratoria now able to convert)



Offered unlimited transfers, exempted commissions, flexibility in insurance and free Retirement Savings Plan refund

(under certain conditions)



Accelerated the digitalization process of the products

Including 100% digital first-time Caixadirecta access

What we did for corporates...



Accelerated the placement of credit support lines

(Mutual Guarantee and EIF COVID Lines)



Promoted access to the Legal Moratorium

Contacting corporates and presenting them with benefits as a means of preserving their treasury



Exempted Small businesses from monthly POS equipment charges

Cash refund by May 31 of the monthly fee for all POS with billing below € 7,500 per month



Provided fully digital solutions

Including the first 100% digital Trade Finance operations and the offer of the Flexcash electronic invoicing platform

CGD promotes moratoriums and support credit lines for families and companies

Business Activity



M€

CREDIT MORATORIUM	28-07-2020		30-10-2020		Change	
	No Oper	Amount	No Oper	Amount	No Oper	Amount
Retail	54,100	3,063	40,927	2,302	-13,173	-761
Corporate	24,084	3,919	21,460	3,349	-2,624	-570
Total	78,184	6,982	62,387	5,651	-15,797	-1,331

30-10-2020	
✓	9.6% of the retail loan portfolio
✓	21.2% of the corporate loan portfolio
✓	13% of total credit portfolio

CREDIT LINES COMPANIES AND BUSINESS	30-10-2020	
	No Oper	Amount
COVID Credit lines approved		
Public guarantee	6,238	1,024
FEI guarantee	3,918	341
Total	10,156	1,365
Other credit lines		
Credit granted (YtD)		4,328
Pre-approved credit		2,935
Current accounts available		5,098
Total		12,361

Business Transformation - Expansion of the new branch model

Business Activity



A new approach to customer management and to transaction execution, with renovated service spaces and a more intense use of digital channels



- Digital screens for access to pricing and deal simulators
- Opening of new accounts with only the Citizenship Card (<20 mins)
- Automatic retrieval of client data from Citizenship Card
- Confirmation of operations by email



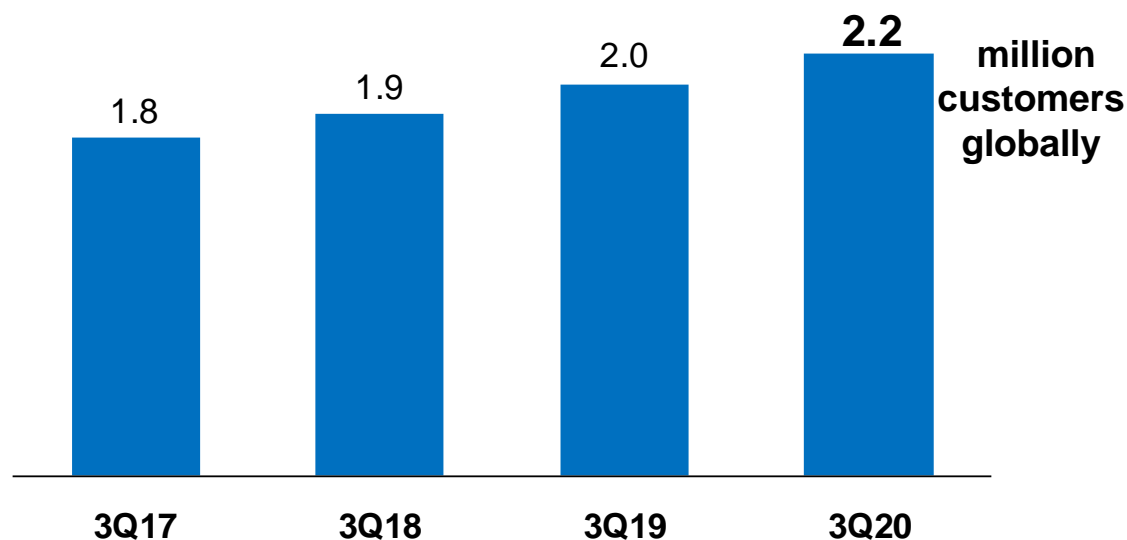
- Simplified confirmations of client requests and transactions with digital signatures
- New treasury equipments that expedite deposits and withdrawals
- Free access to wi-fi

Customers maintain digital profile after lockdown, increasing the use of remote channels¹

Business Activity



Number of Active Customers (M)



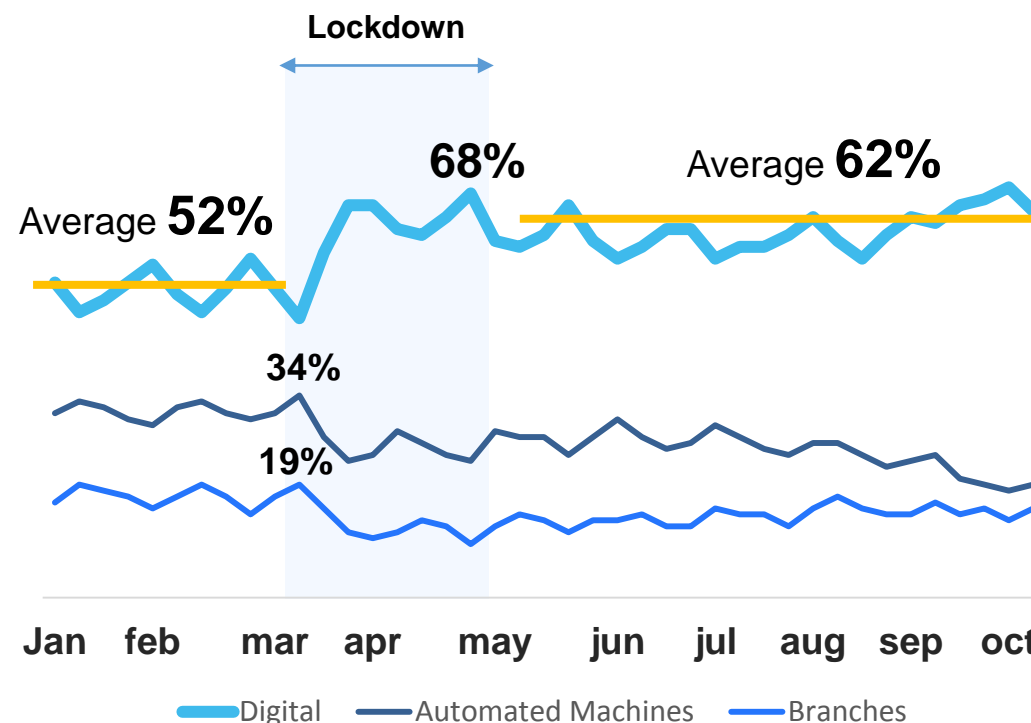
1.8M ⁽²⁾
DIGITAL CUSTOMERS
in Portugal

52% ⁽²⁾ of Caixa customers



Including more than
155,000 ⁽²⁾
Portuguese
Companies

Increased customer flow in digital channels



More than 560,000
Customers Accesses in one day

⁽¹⁾ BrandScore Study Q3 2020; ⁽²⁾ Customers with active Caixadirecta contract – sep 20; ⁽³⁾ Active CGD customers eligible for Caixadirecta – sep 20; ⁽⁴⁾ October 1, 2020

CGD remains committed to mobile solutions that simplify customers' daily lives

Business Activity



75% of customers
access Caixadirecta via App
↑ 22%⁽¹⁾

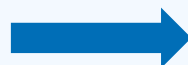
- Cancel MBWay
- Activate card
- Increase offer of non-financial insurance
- Negotiate in 5 new markets
- Contactless (NFC) payments
- More operations via Digital Assistant
- Caixa Break Card details available to non-clients

new

4.5⁽²⁾
★★★★★
> 101,450
comments



>1M⁽³⁾
Active customers
+100% over 2018



80%⁽³⁾
Frequent
customers



Open Banking Leadership
70% market share⁽⁴⁾



Launch of the new
communication
campaign
(September)

Creativity
Media and Advertising
Award

1st national
app
Transfers from any
other bank

4.2⁽²⁾
★★★★★
Ratings app
stores

>100k⁽³⁾
Downloads
to the Service

50%⁽³⁾
Of aggregate banks*
are not CGD

40%⁽³⁾
Transfers are
started from
other banks

(1) Year on year variation; (2) AppStore+ GooglePlay+ AppGallery; (3) Sep 2020; (4) SIBS AP Market; * Per customer.

Caixa maintains the highest growth in the sector in the ‘Best Digital Bank’ ¹ recognition indicator as a result of its adaptation to the market

Business Activity



Caixa's customers in the **Youth segment (16-24)** are those that give CGD the highest recognition as ‘**Best Digital Bank**’ **(65%)** followed by **Young Adults (57%)**¹.



Caixa rises in branding indices, especially in **BRAND EXPERIENCE** (+5 points)¹.

Attributes of the “Brand Experience” indicator

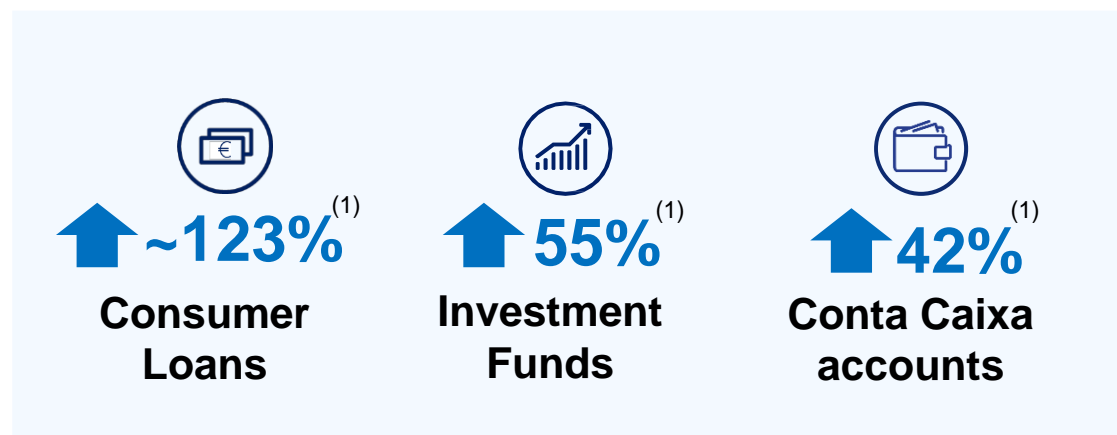
Bank that gives me confidence;
Makes life easier / more simple;
Benefits to customers;
Bank that gives an **innovative / digital experience to customers**

⁽¹⁾ BrandScore Study Q3 2020

Digital channels and Remote Management: greater usage increases business flow

Business Activity

CAIXADIRECTA

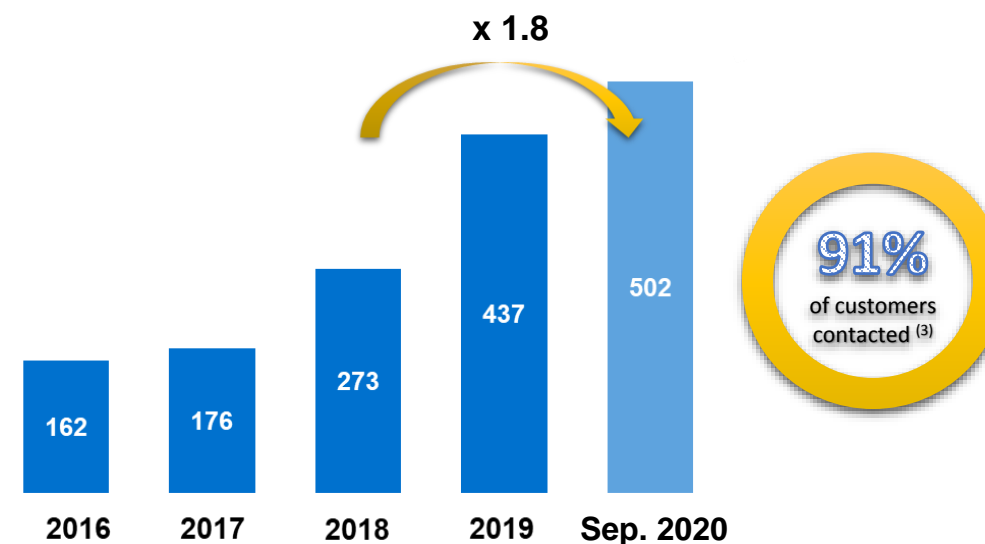


Significant increase in user rate⁽²⁾

⁽¹⁾ Year on year variation; ⁽²⁾ BrandScore Study Q3 2020 vs Q3 2019; ⁽³⁾ Excluding university students

REMOTE MANAGEMENT

Number of customers managed remotely



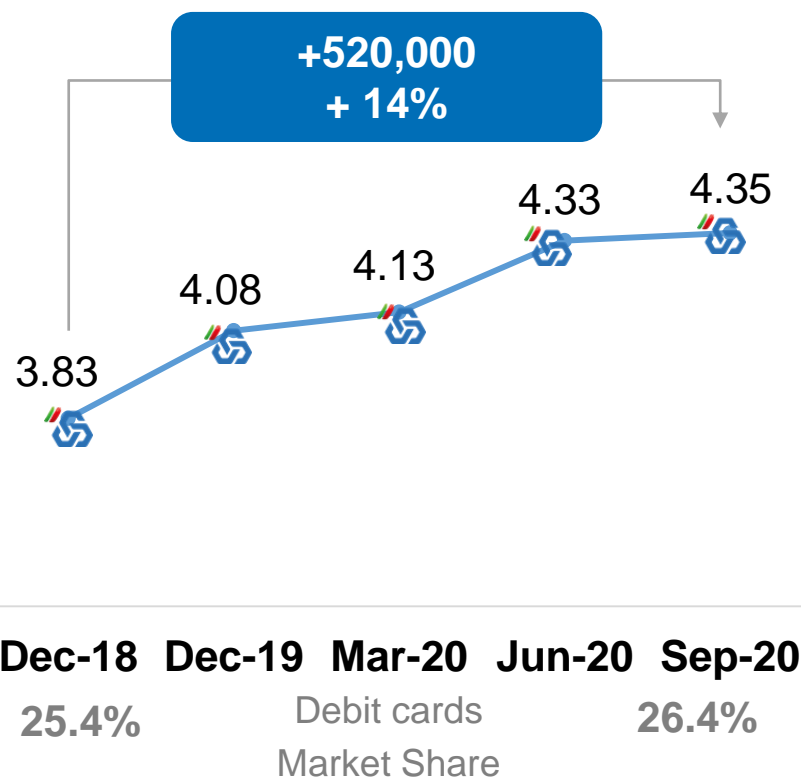
Contact options:

- Telephone
- Caixadirect secure message via Browser and App
- Contact scheduling
- Chat channel **new**

Caixa leads payment system

Business Activity

Million of
Cards



Cards Evolution – Individual Customers

Source: CGD / SIBS (debit and credit cards)

- **Leadership in payments**

CGD is the largest card issuer in banking in Portugal, having increased its market share in September 2020

- **Awarded CGD Credit Cards**

- ✓ Caixa IN card with the award "Best Credit Card with Discounts in 2020"
- ✓ Miles & More Classic card with the award "Best Credit Card with Miles in 2020"



- **Buying quota strengthened during pandemic**

- **Permanent innovation at the service of the customer:**

- ✓ Card application process 100% digital through Caixadirecta
- ✓ “Descobrir o que é nosso com os cartões da Caixa” Campaign provides discounts on hotels, one of the economic sectors most affected by the pandemic



Sustainability – Contribution to sustainable development

Business Activity



Caixa Mais Mundo Awards



For the second consecutive year, CGD presented the *Caixa Mais Mundo Awards*, recognizing the academic merit of the 100 top newly admitted students, (National competition 2019/2020, among Higher Education Institutions with a protocol with CGD).

Support for victims affected by Cyclone Idai

The CGD Group, through its subsidiary in Mozambique, supported the efforts of the NGOD Health4Moz, contributing with 100,000 euros to the acquisition and installation of neonatology equipment for Hospital Central da Beira, in Mozambique.

Support for the Portuguese League Against Cancer



The card campaign, with the motto "Advantages for you, helping those who need you" raised 20,000 euros in favor of the *Portuguese League Against Cancer*.

Plan for gender equality



Recognizing that the principles of equality and non-discrimination between Women and Men are structural vectors of society, CGD defined its 2021 Plan for Gender Equality.

Responsible Banking Principles



Pursuant to the 1st anniversary of the United Nations Responsible Banking Principles, a testimony was presented by the CGD's CEO of the main measures implemented.

Environmental Management System

Environmental Management System implemented at the CGD Headquarters building received a recommendation for renewal of the ISO certification by APCER



UN PRI evaluation of CGD's asset management unit



Caixa Gestão de Ativos awarded an "A" in "Strategy/Governance" and in "Equity-Incorporation of ESG criteria" and a "B" in "Fixed Income"

Card Recycling Program



In 2020 and through the Card Recycling Program, developed in partnership with Extruplás, three Social Solidarity Institutions were supported with pieces of urban furniture in 100% recycled plastic.

Restructuring of the cgd.pt Sustainability area

Aware of the importance of disseminating updated information on sustainability to the general public, customers and investors, a complete restructuring of the sustainability area on CGD's corporate website was carried out. Sustainability now appears autonomously in the main menu, highlighting its strategic importance for the institution.



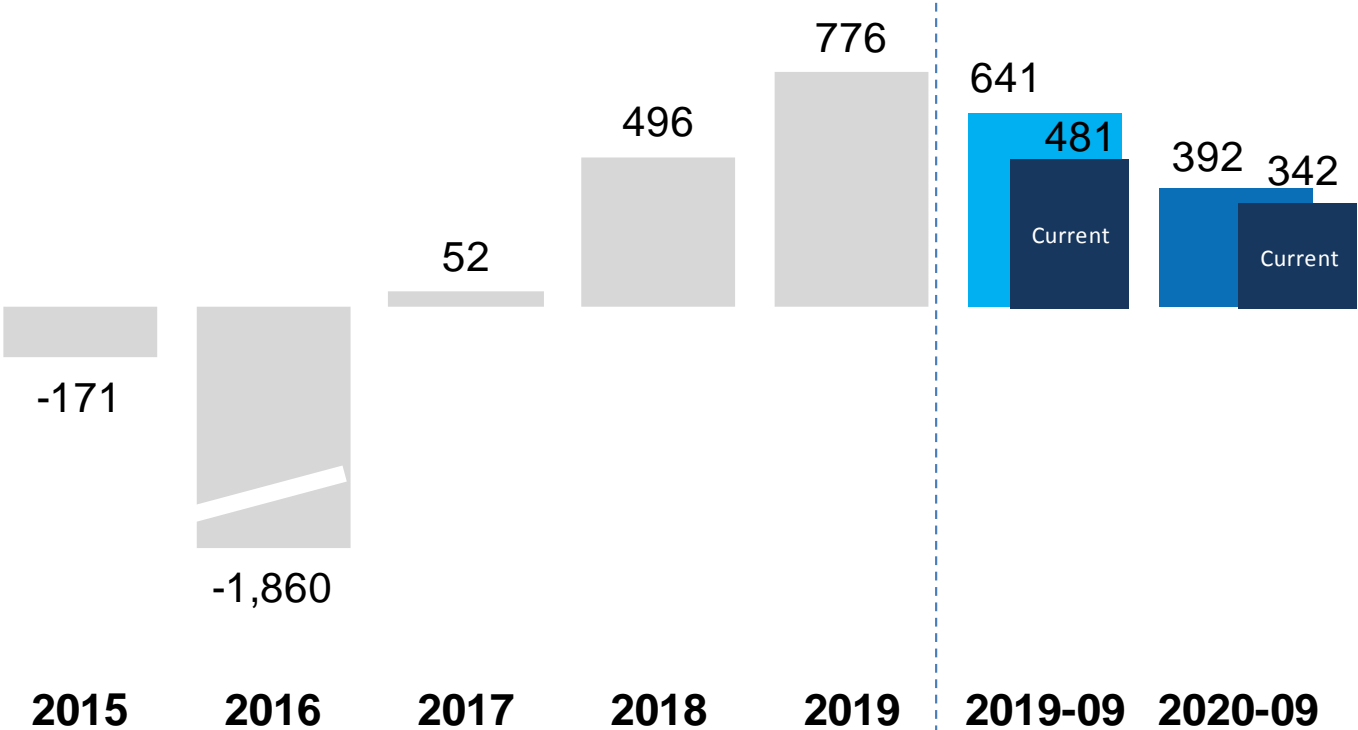
RESULTS



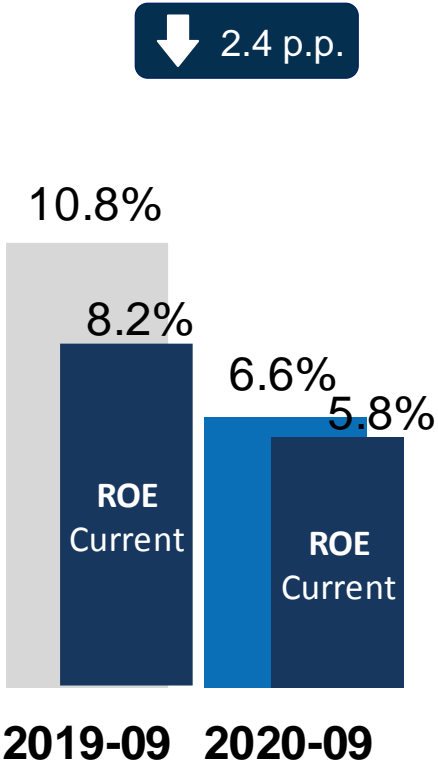
First 9M with profitability affected by the increase in provisions and impairments

Results

M€



Consolidated Net Income

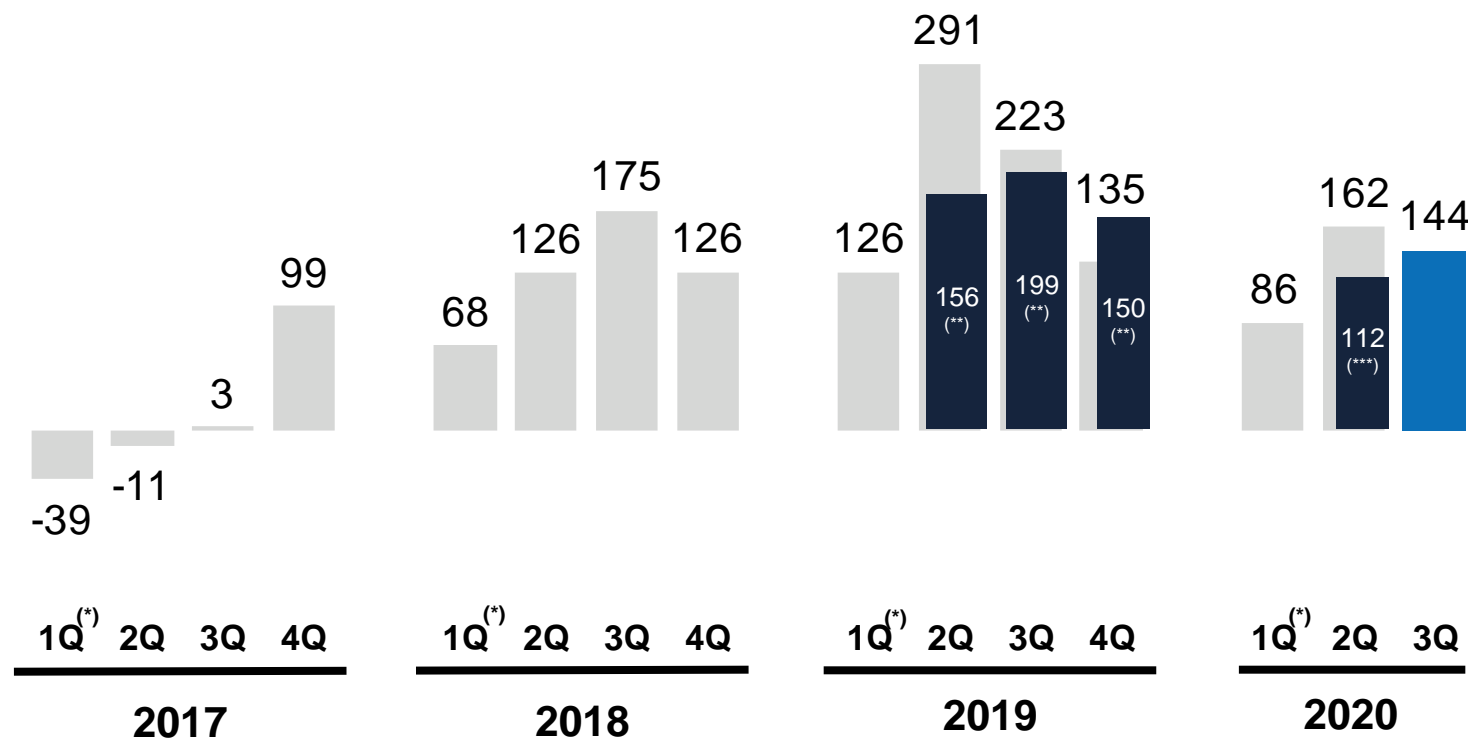


ROE

Year on year reduction of Quarterly Net Income due to the increase of impairments and provisions

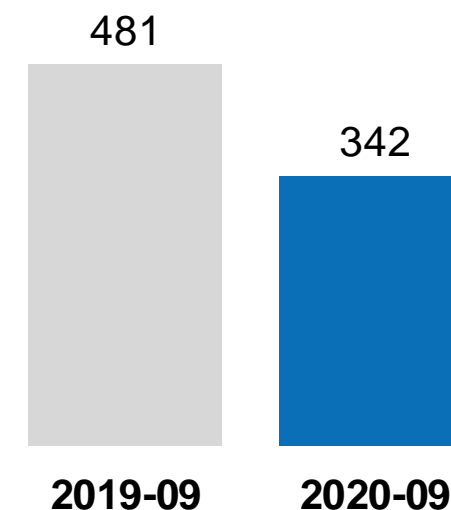
Results

M€



Quarterly Net Income

↓ 29%



Current Activity Net Income

(*) Including regulatory costs for the year

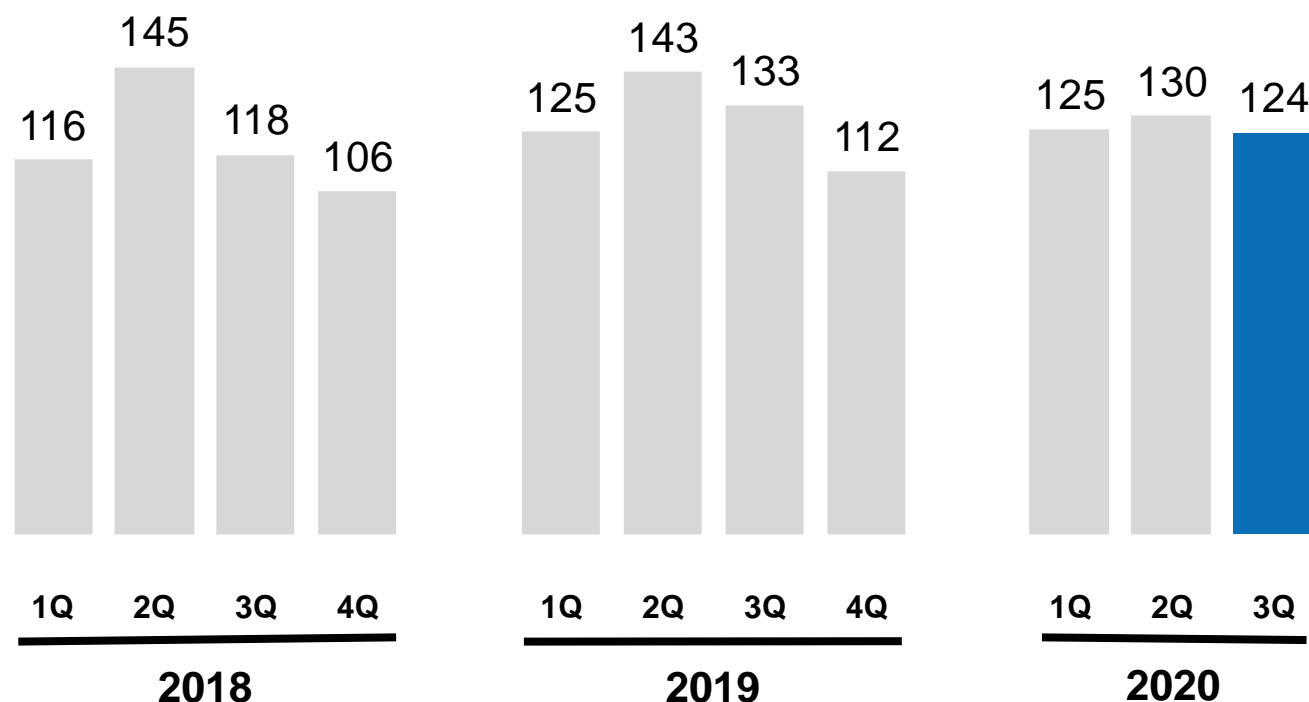
(**) Excluding the extraordinary impacts of the sale of international assets, or in the process of being sold

(***) Excluding extraordinary impacts arising from the actuarial valuation of liabilities with post-employment benefits

Resilient domestic Net Core Operating Income before Impairments

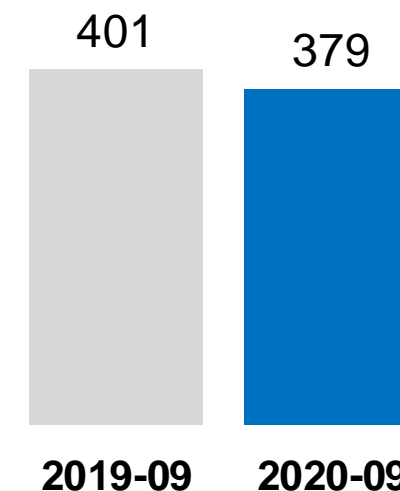
Results

M€



**Quarterly Net Core Recurrent Operating Income before Impairments ^{(1) (2)}
(Domestic Activity)**

↓ 5.4%



**Net Core Recurrent Operating Income before Impairments ^{(1) (2)}
(Domestic Activity)**

(1) Net core operating before Impairments = Net interest income incl. inc. from eq. invest. + Net Fees and Commissions – Operating costs (2) Excluding non recurrent effects

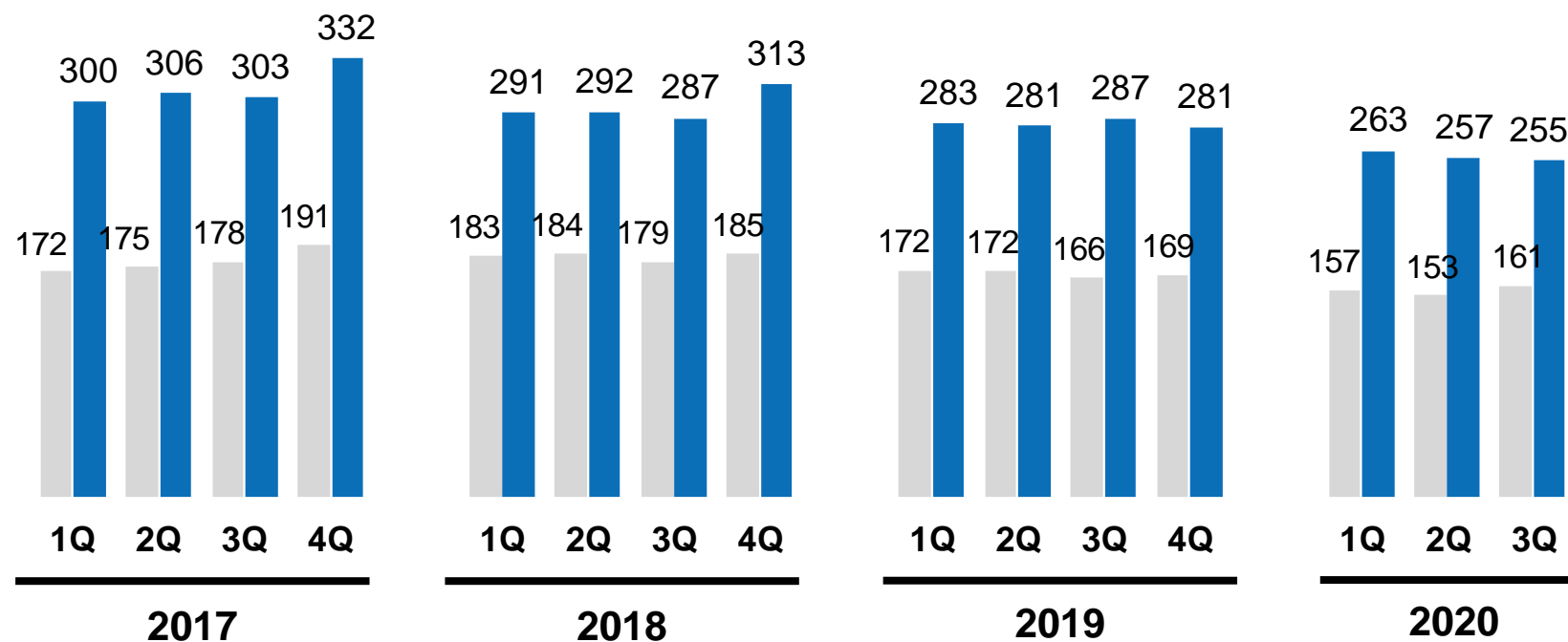
Net Interest Income impacted by loan stock evolution and interest rate level

Results



M€

- CGD Portugal
- Consolidated



↓ 7.7%

Change Year on Year
9M2020 vs 9M2019

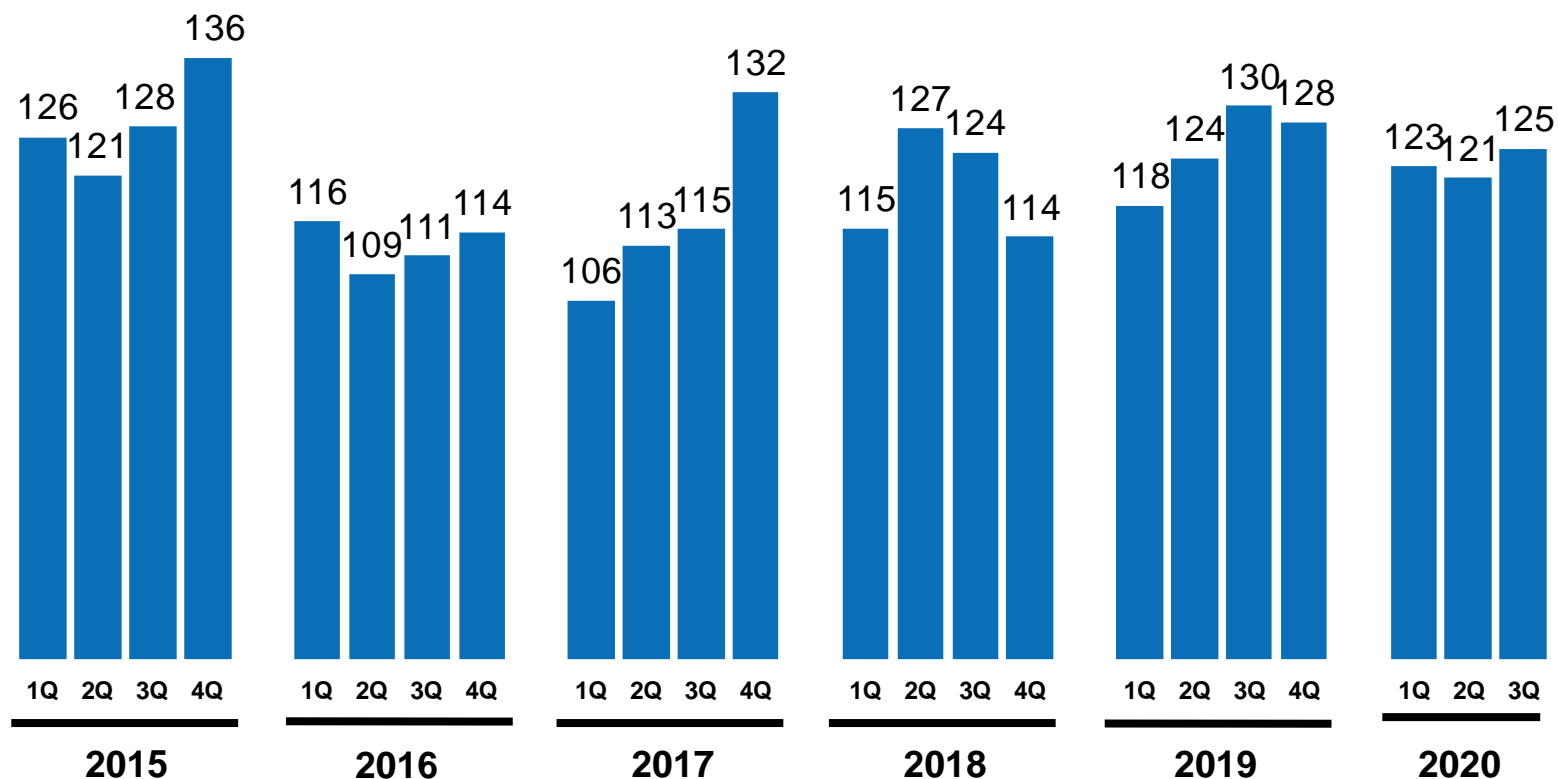
↓ 9.0%

Quarterly Net Interest Income

Net Fees and Commissions stabilize over the same period of 2019, with the increase in fees from sales of insurance and investment funds (+17.8%) offsetting the decrease in banking fees (-2.2%)

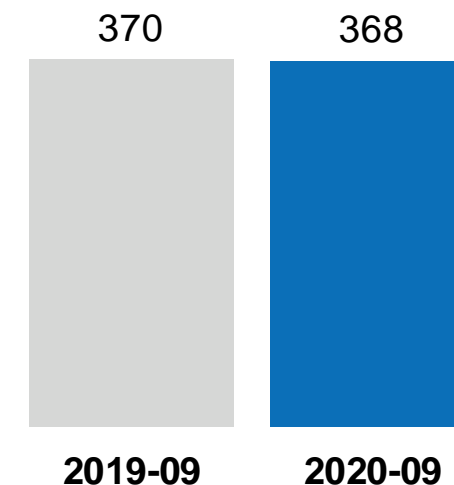
Results

M€



↓ 0.3%

Change Year on Year
9M2020 vs 9M2019



Net Fees and Commissions

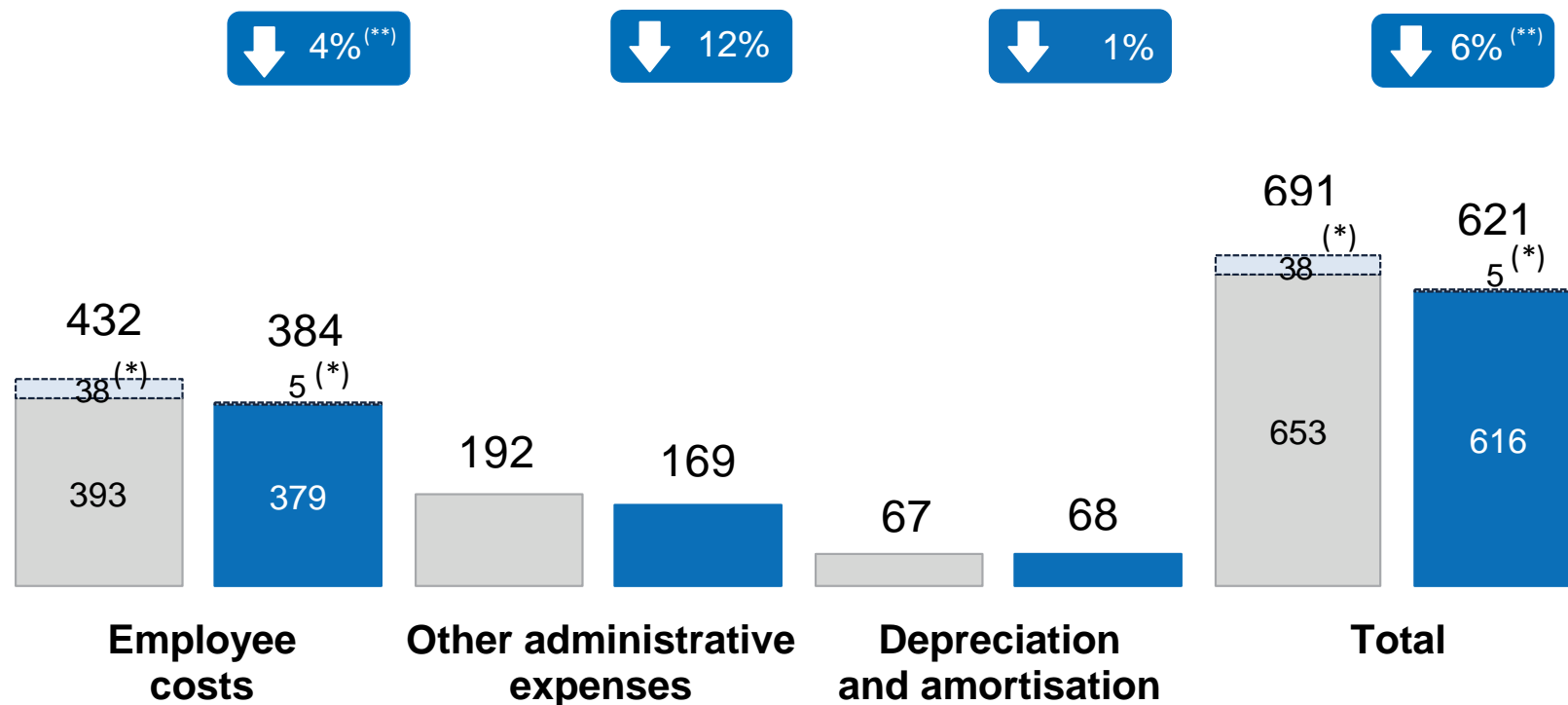
Lower consolidated operating costs

Results

M€

■ 2019-09

■ 2020-09



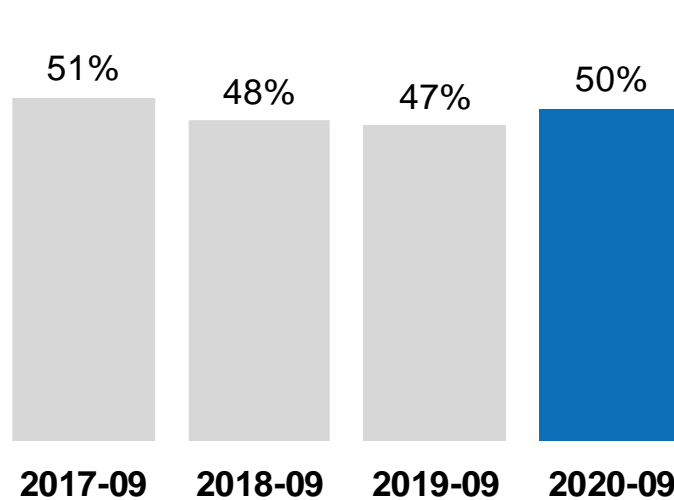
(*) Non recurrent effects (**) Excluding Non recurrent effects

Cost-to-Income stable, better in domestic activity

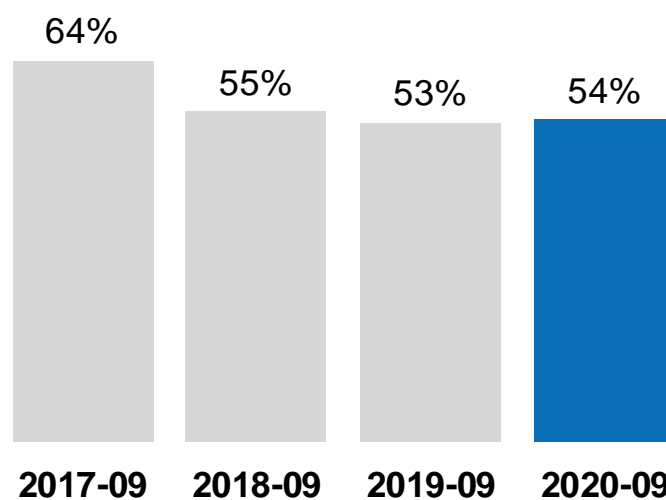
Results



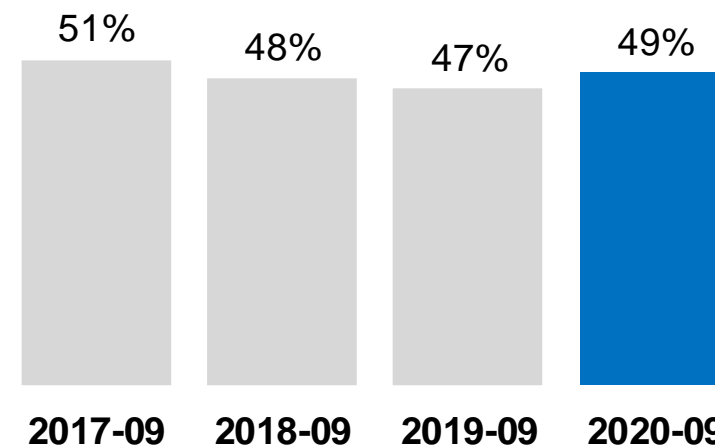
%



Cost-to-Income ⁽¹⁾⁽²⁾



Cost-to-Core Income ⁽²⁾⁽³⁾



Cost-to-Income of Domestic activity ⁽¹⁾⁽²⁾

(1) Ratio defined by the Bank of Portugal Instruction 6/2018 [Operating Costs / (Total Operating Income + Income From Associated Companies)];

(2) Excluding non recurrent effects;

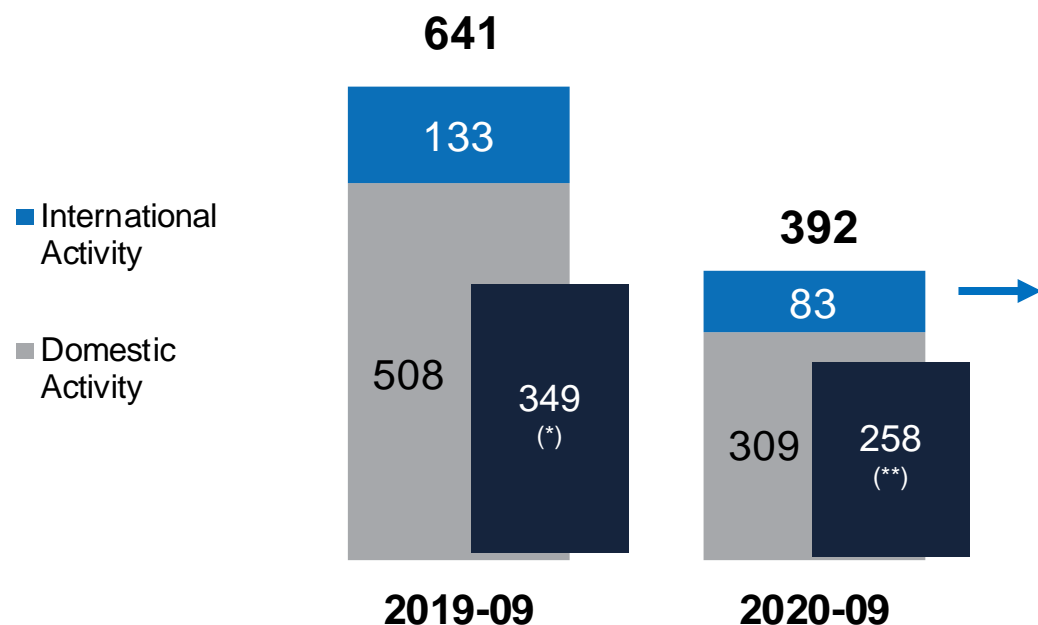
(3) Operating Costs / (Net Interest Income + Net Fees and Commissions);

Contributions to Consolidated Net Income affected by the reinforcement of preemptive impairments and change in the scope of international presence

Results



M€



Entities	2019-09	2020-09
Banco Nacional Ultramarino (Macao)	51	43
Banco Comercial e de Investimentos (Mozambique)	28	14
Banco Caixa Geral - Angola	11	14
France Branch	16	10
Timor Branch	3	2
Banco Interatlântico (Cape Verde)	2	2
Other	23	-2
Total	133	83

↓ 37%

Contributions from International Activity

(*) Excluding extraordinary impacts of international assets sold or in the process of being sold

(**) Excluding extraordinary impacts arising from the actuarial valuation of liabilities with post-employment benefits



BALANCE SHEET

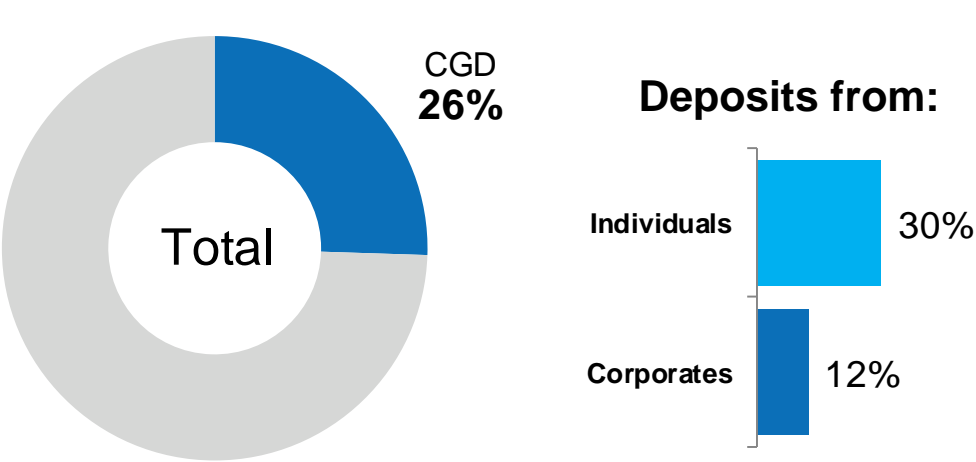


Market Shares: CGD leader in Portugal

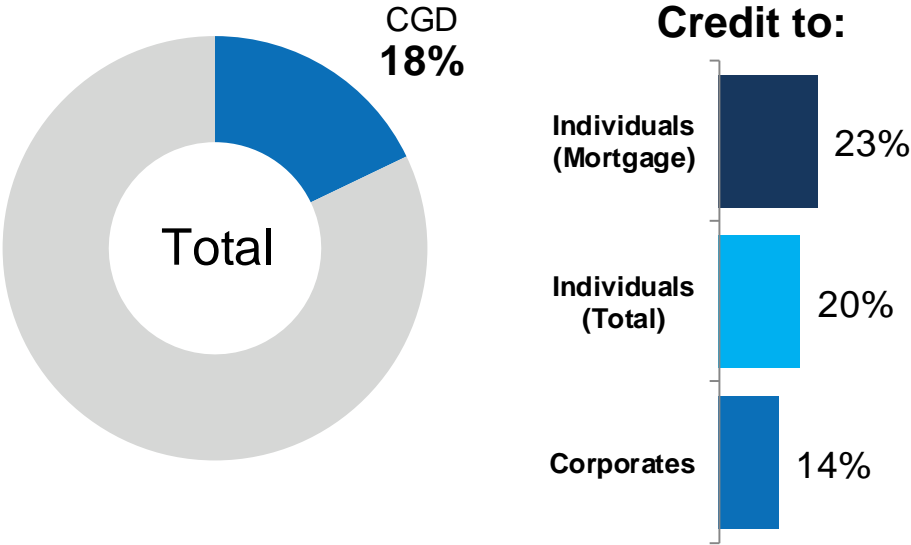
Balance Sheet



%



Customer Deposits – Portugal
August 2020



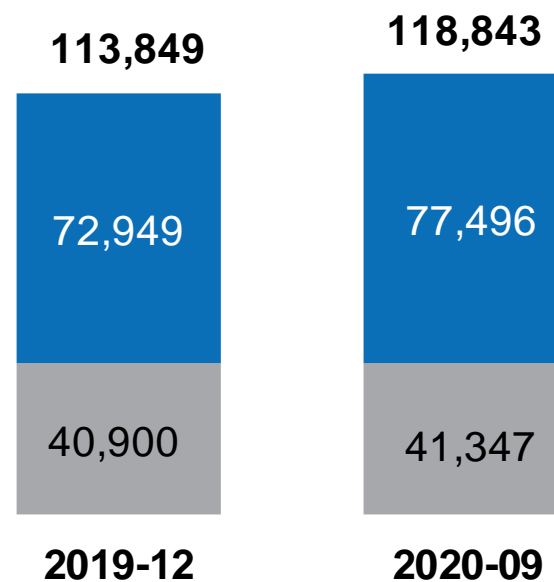
Loans and Adv. to Customers – Portugal
August 2020

Business Volume evolves favourably in both areas

Balance Sheet

M€

- Customer Resources - Domestic Activ.
- Loans and Adv. To Customers - CGD Portugal



**Business Volume
(Domestic Activity)**

↑ 4.4%

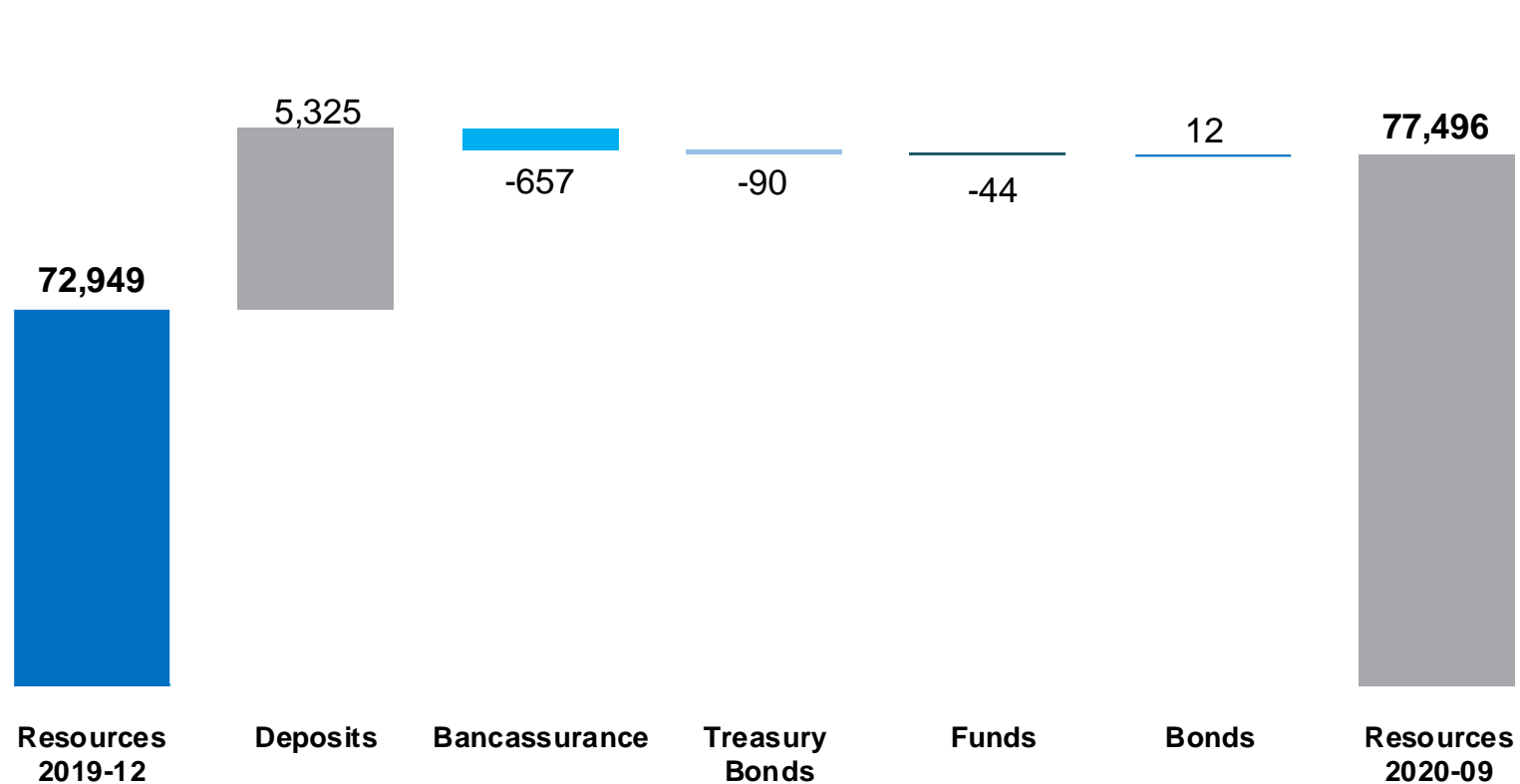
+4,994 M€

Change
9M2020 vs 2019

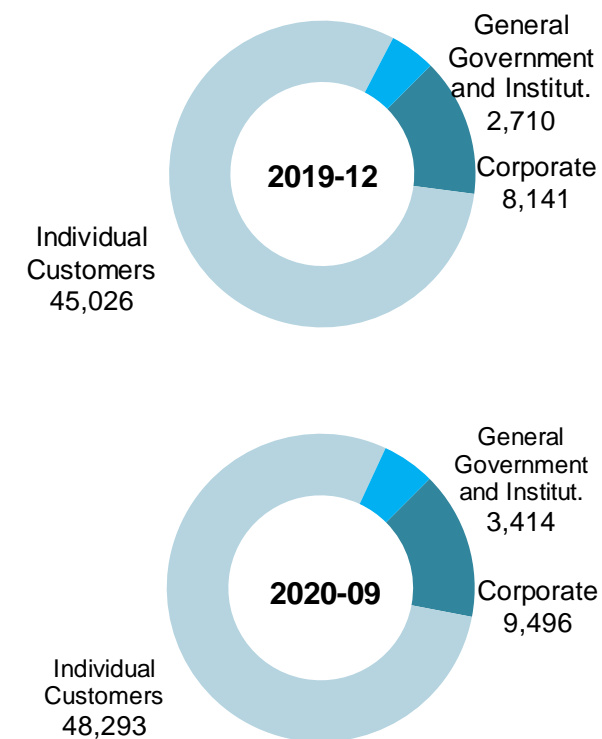
Customer Deposits in Portugal increase in all segments

Balance Sheet

M€



**Total Customer Resources
(Domestic Activity)**



**Customer Deposits
(Domestic Activity)**

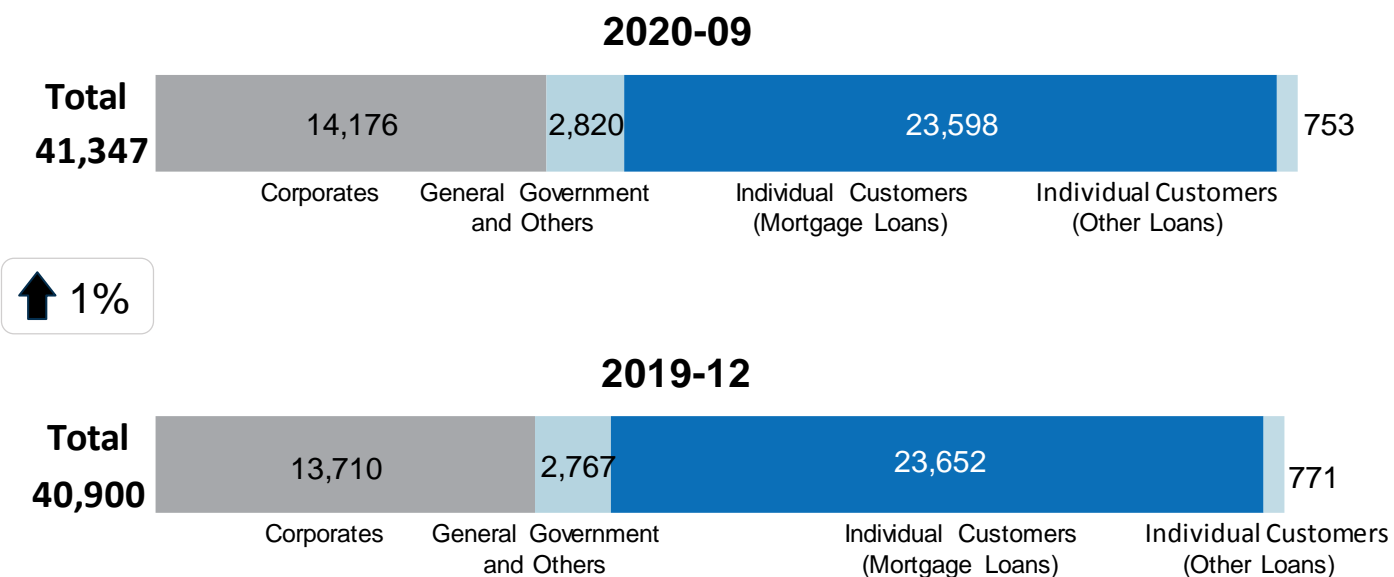
Credit to customers in Portugal with higher growth rate in the corporate segment

Balance Sheet



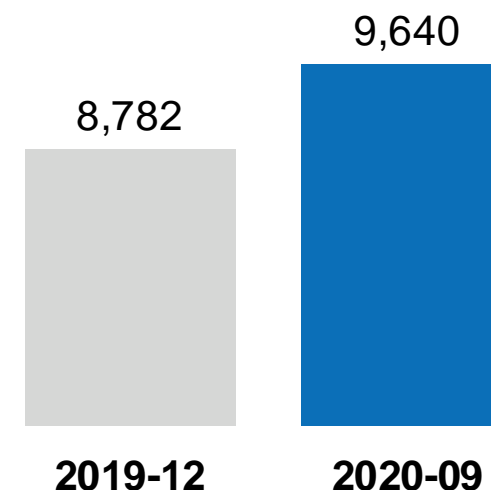
M€

Loans and Advances to Customers (Gross) (CGD Portugal)



↑ 9.8%

+858 M€
Change
9M2020 vs Dec 2019

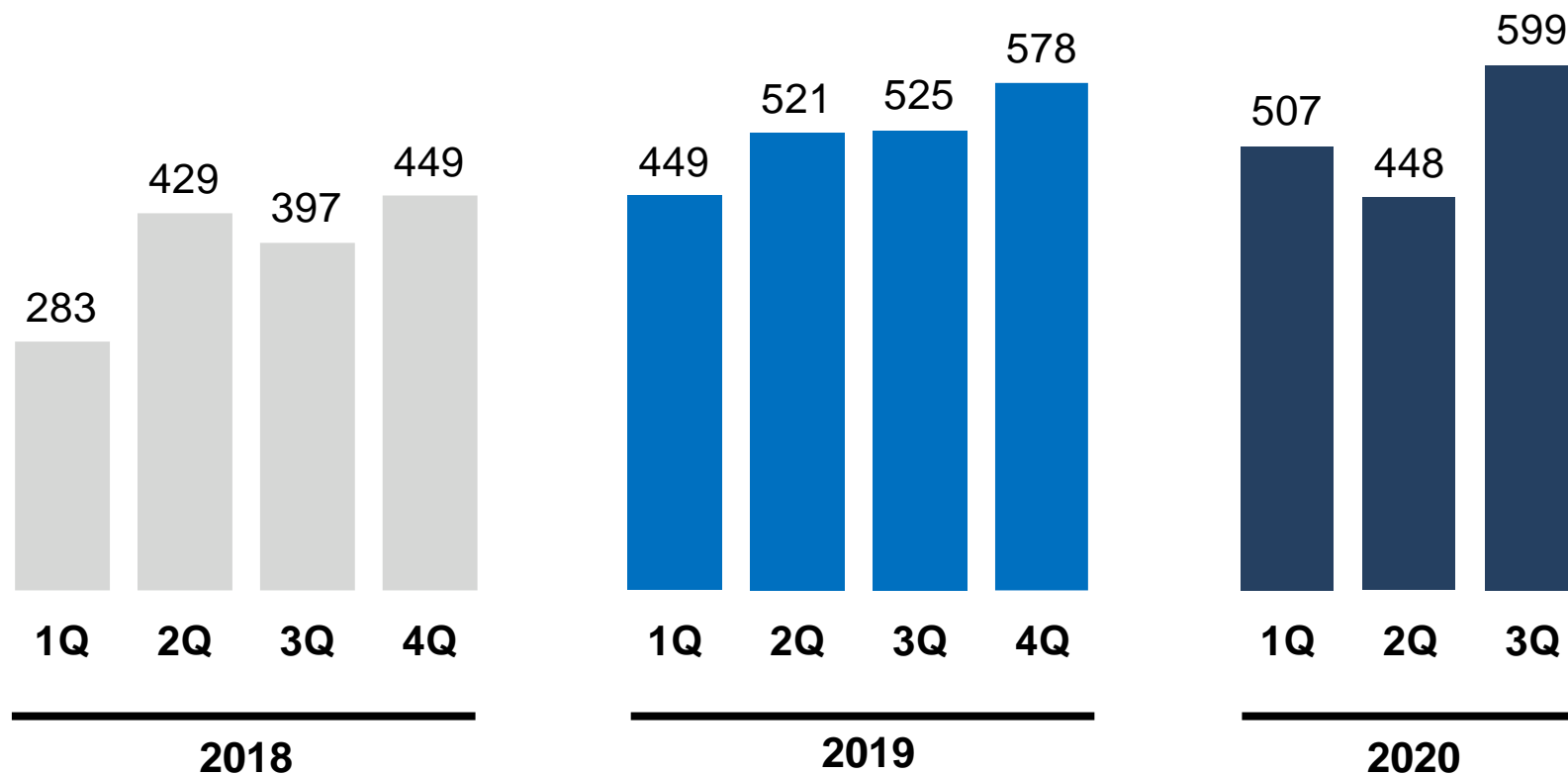


Gross loans to corporates
excluding construction and real estate sectors
CGD Portugal

New mortgage loans with strong improvement and rise in market share

Balance Sheet

M€



↑ 4%
Change year on year
9M2020 vs 9M2019
+59 M€

Market
Share
(new loans)

2018: 15%

2019: 19%

2020: 21% (*)

(*) YTD August 2020

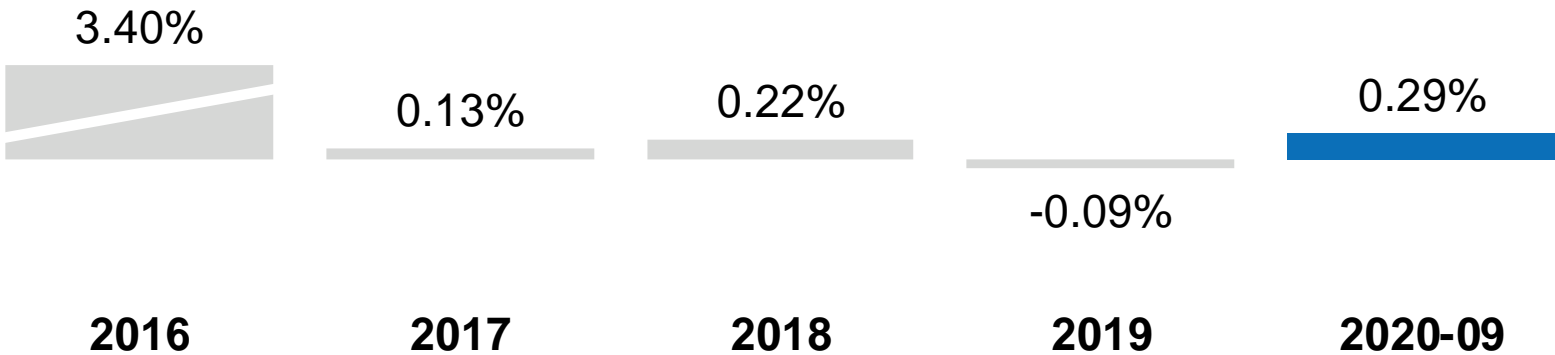
ASSET QUALITY



Cost of credit risk impacted by the review of the macroeconomic scenario and preventive measures

Asset Quality

%



Cost of Credit Risk

CGD adopted as the [central macroeconomic scenario for 2020](#) the projections released by Bank of Portugal in June which consist of:

	2020	2021
GDP (change,%)	-9.5%	+5.2%
Unemployment Rate (active population,%)	10.1%	8.9%

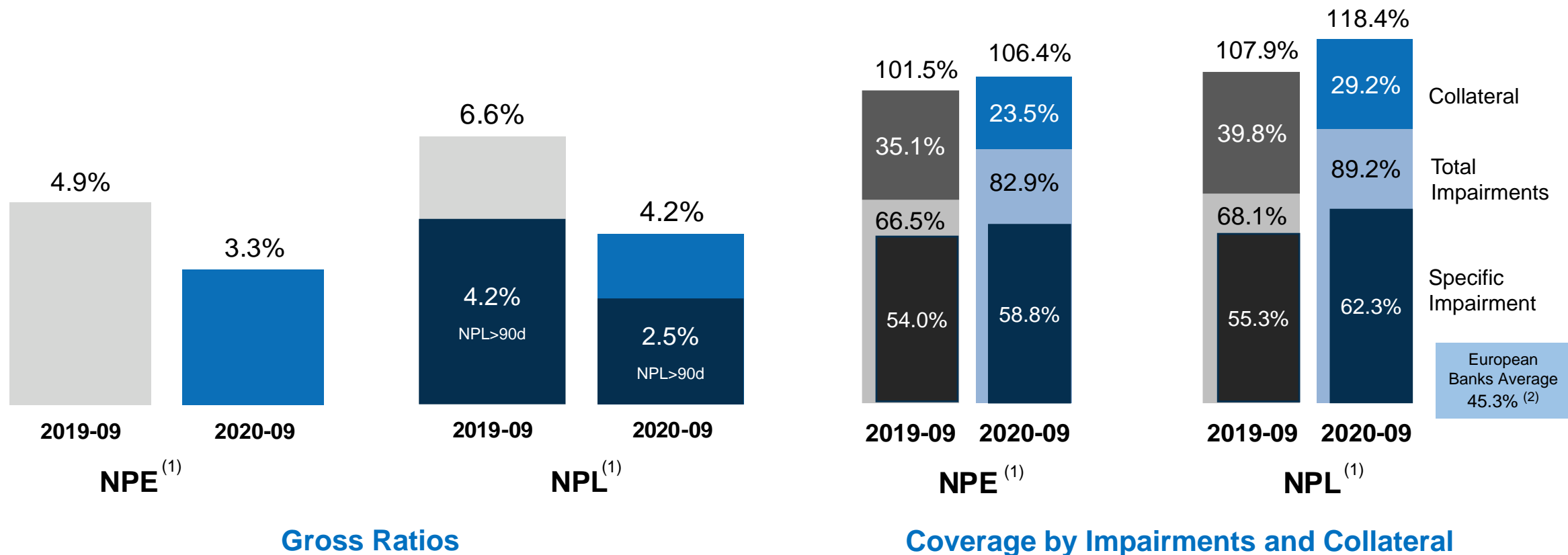
This resulted in a global reinforcement of credit impairments and provisions for bank guarantees of 220 M€ and a cost of credit risk of 29 b.p..

NPE and NPL decreasing with higher coverage level. NPL > 90 days below 3%

Asset Quality



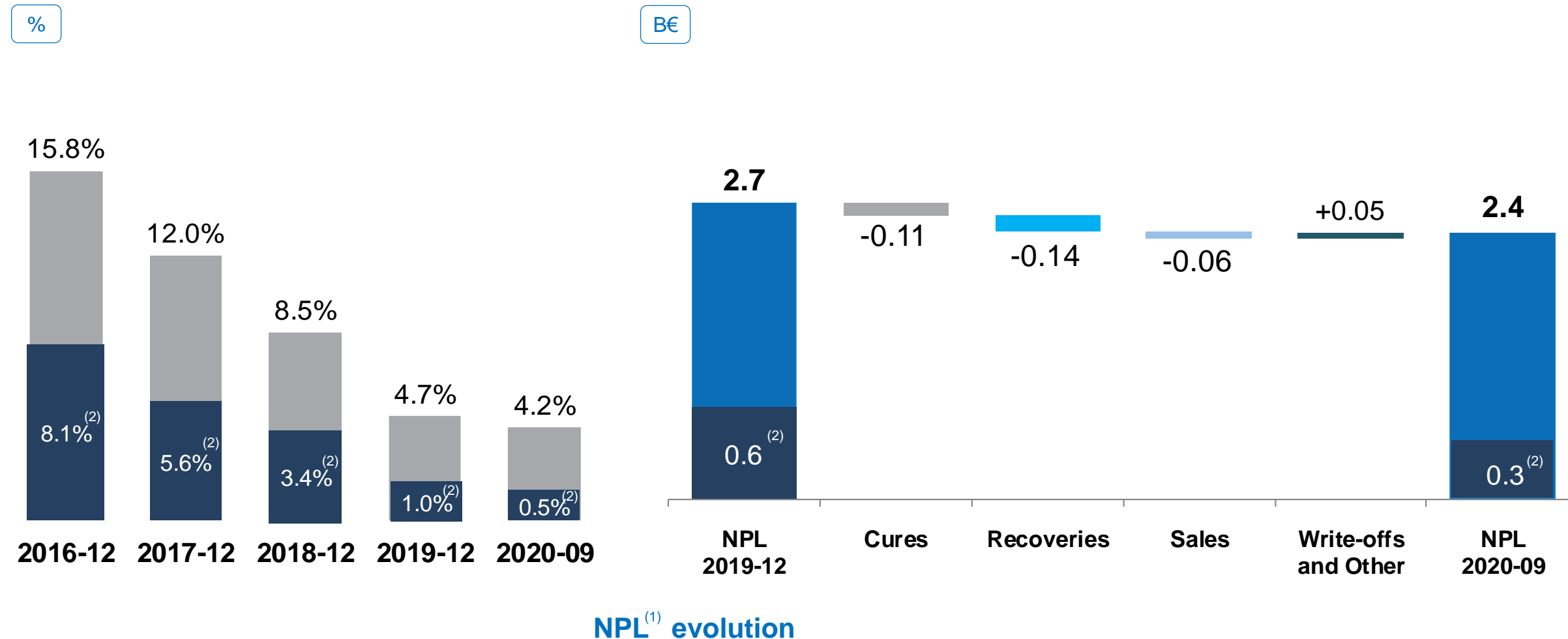
%



(1) NPE – Non Performing Exposure and NPL – Non Performing Loans – EBA definitions; (2) EBA Risk Dashboards – June 2020

NPL reduction continues in 2020, down 8.1 B€ (-77%) since December 2016. NPL ratio at 4.2%. Ratio net of impairments at 0.5%.

Asset Quality



(1) NPL – Non Performing Loans – EBA definition.

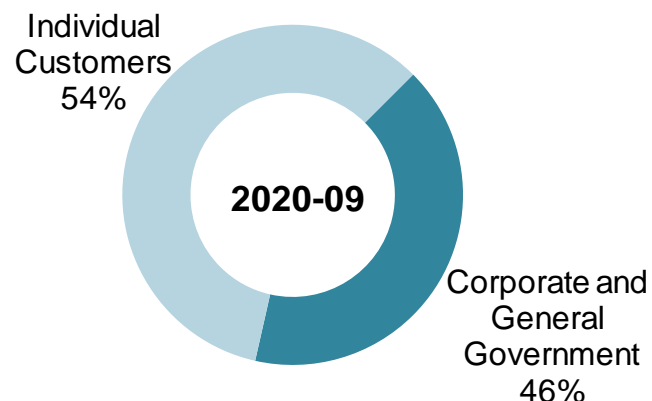
(2) NPL net of total impairments.

Domestic Activity Loan portfolio is changing and with a high level of collateral

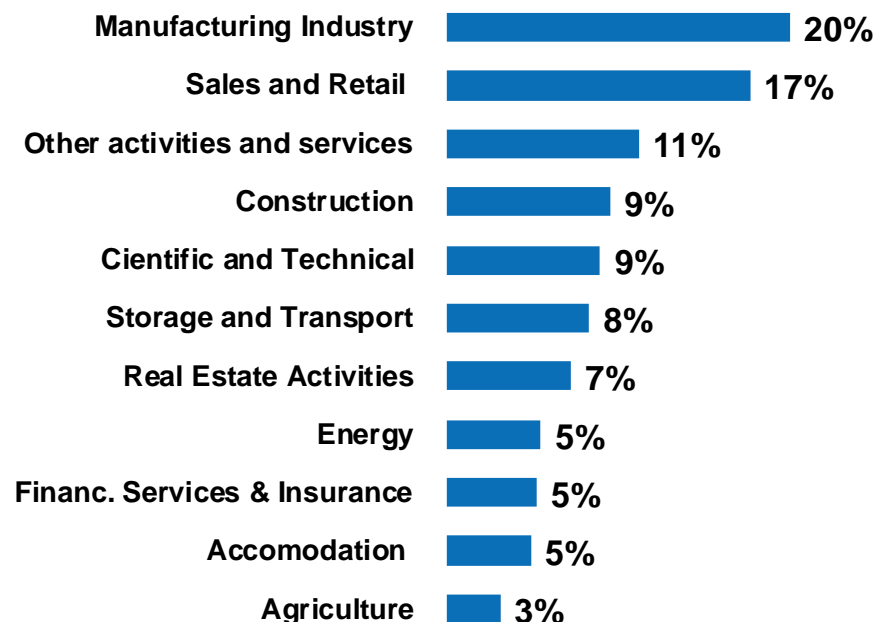
Asset Quality



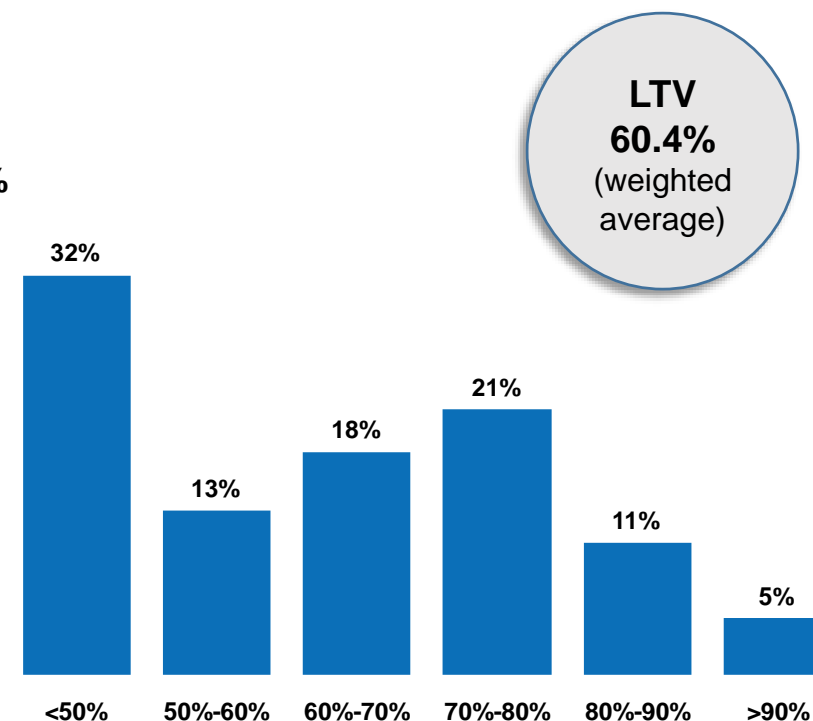
%



Loans and Advances to Customers
Customer Segment Exposure



Corporate Loans
Industry Exposure



LTV
Mortgage Loan Portfolio

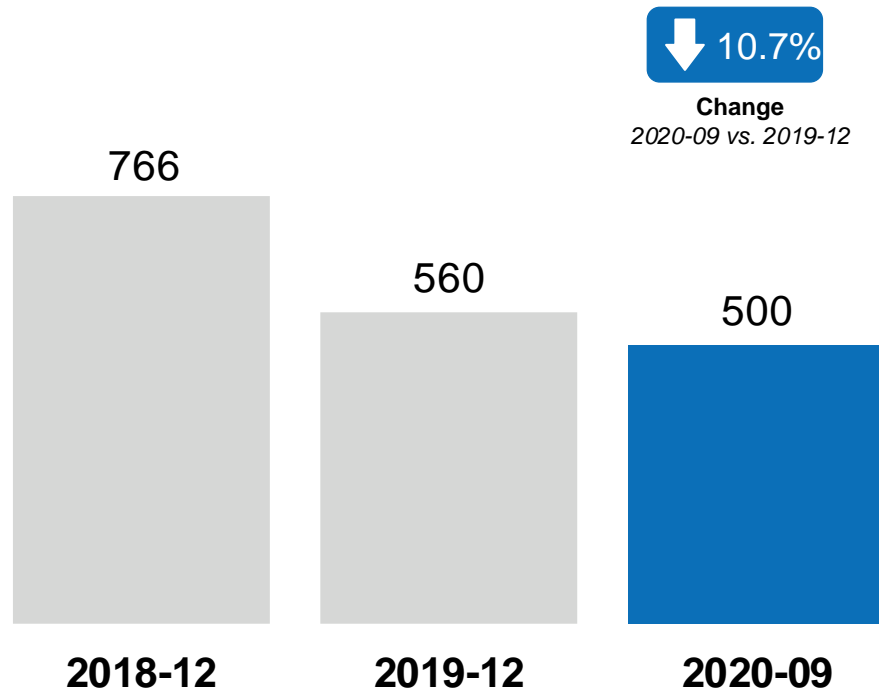
Foreclosed Assets (Real Estate) maintains decreasing trend and Coverage is reinforced

Asset Quality

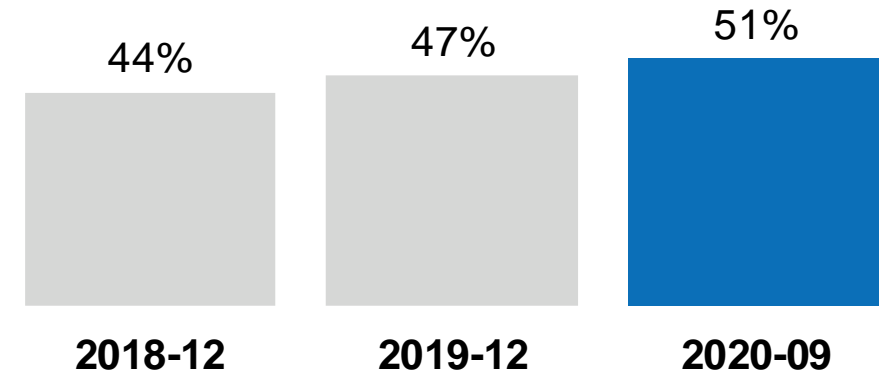


M€

%



Foreclosed Assets



Coverage by Impairments

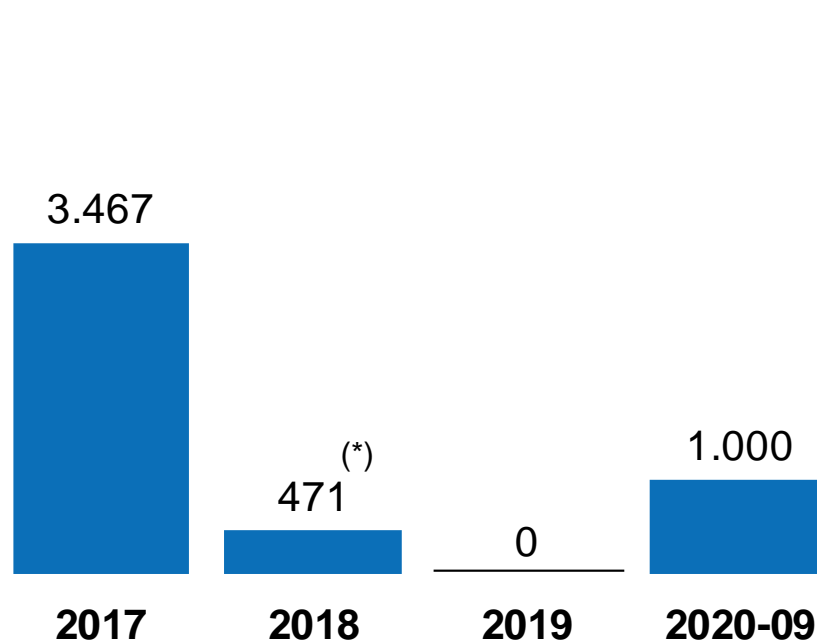
LIQUIDITY



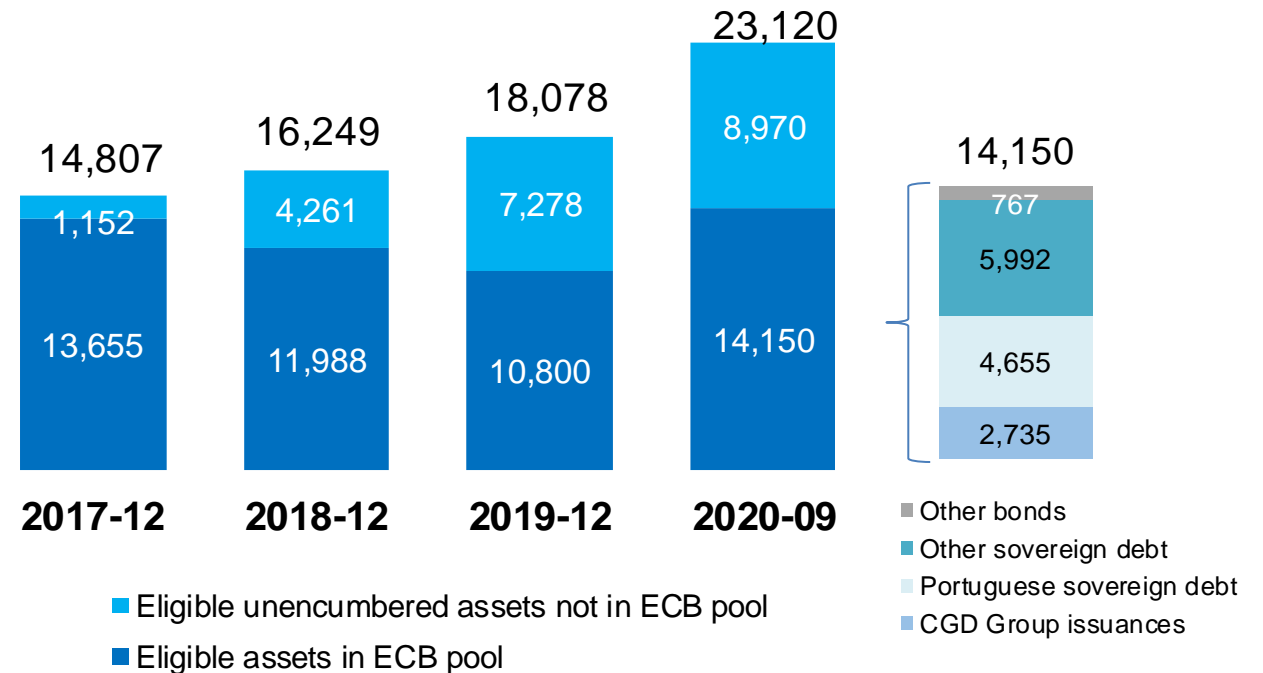
CGD with ample capacity to access funding; TLTRO operation of 1B €

Liquidity

M€



ECB Funding



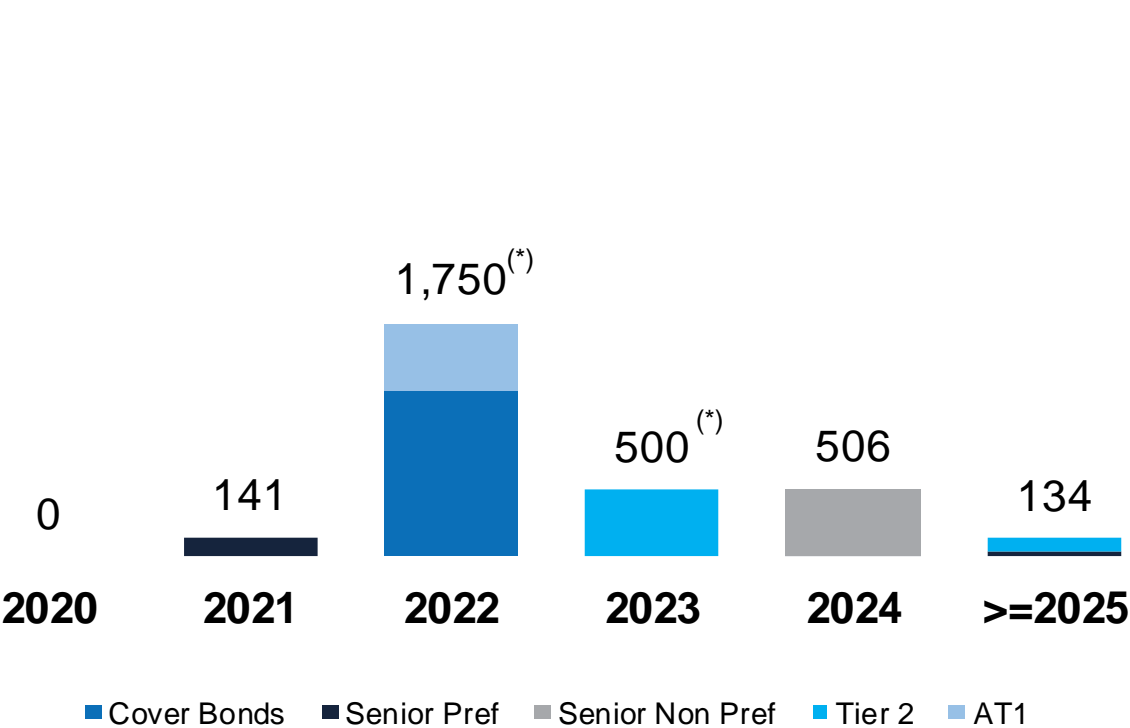
Assets in ECB Pool and Other Eligible Assets

(*) Total value refers to BCG Spain, sold in October 2019

Asset pool fully covers wholesale debt maturities

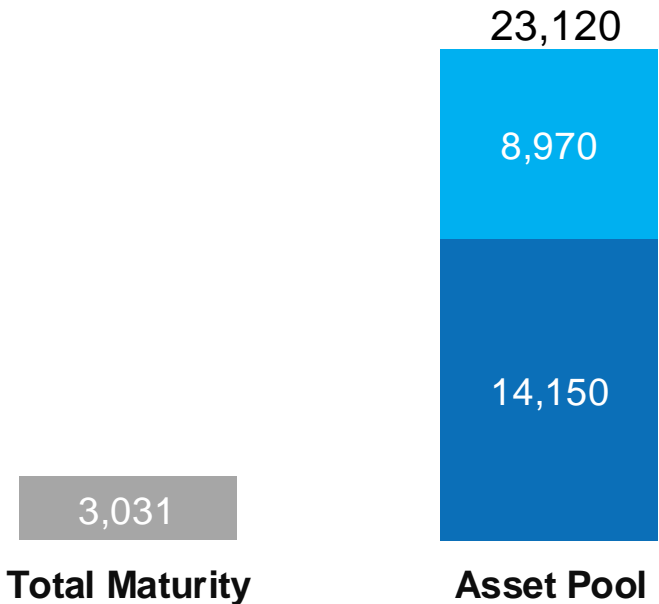
Liquidity

M€



Wholesale Debt maturity profile

(*) Considering the exercise date of the Call



- Total maturity
- Eligible unencumbered assets not in ECB pool
- Eligible assets in ECB pool

Total vs Eligible Assets in ECB Pool and Eligible Unencumbered Assets

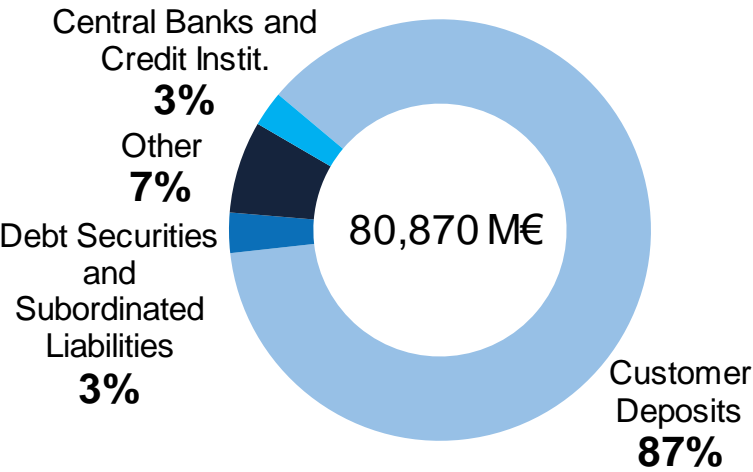
Stable funding structure based on retail funding

Liquidity



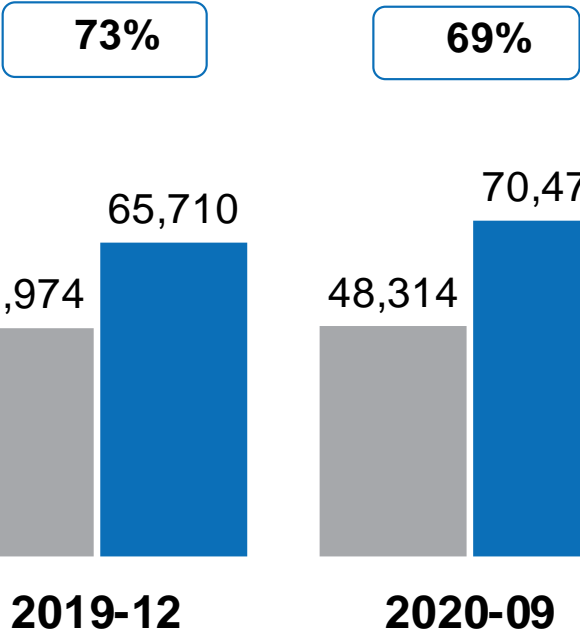
%

M€



Liabilities Structure⁽¹⁾

(1) Excluding non-current liabilities held for sale



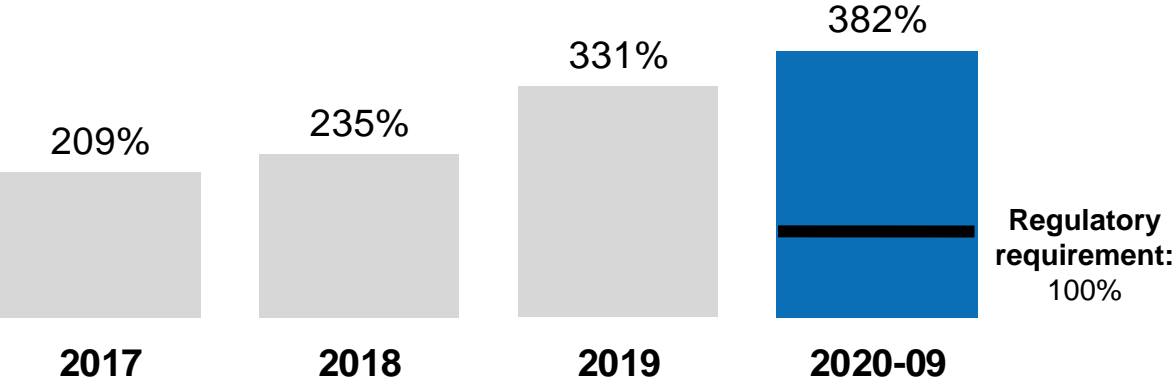
Loans-to-Deposits Ratio

- Loans and Adv. to Customers (net)
- Customer Deposits

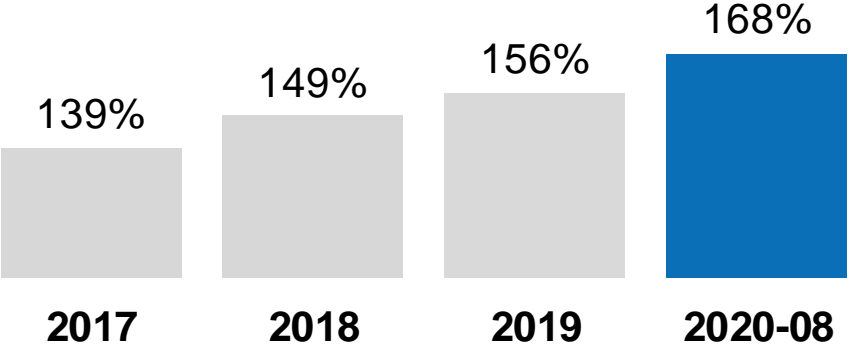
Robust and sustainable liquidity position

Liquidity

%



LCR (*Liquidity Coverage Ratio*)



NSFR (*Net Stable Funding Ratio*)



CAPITAL



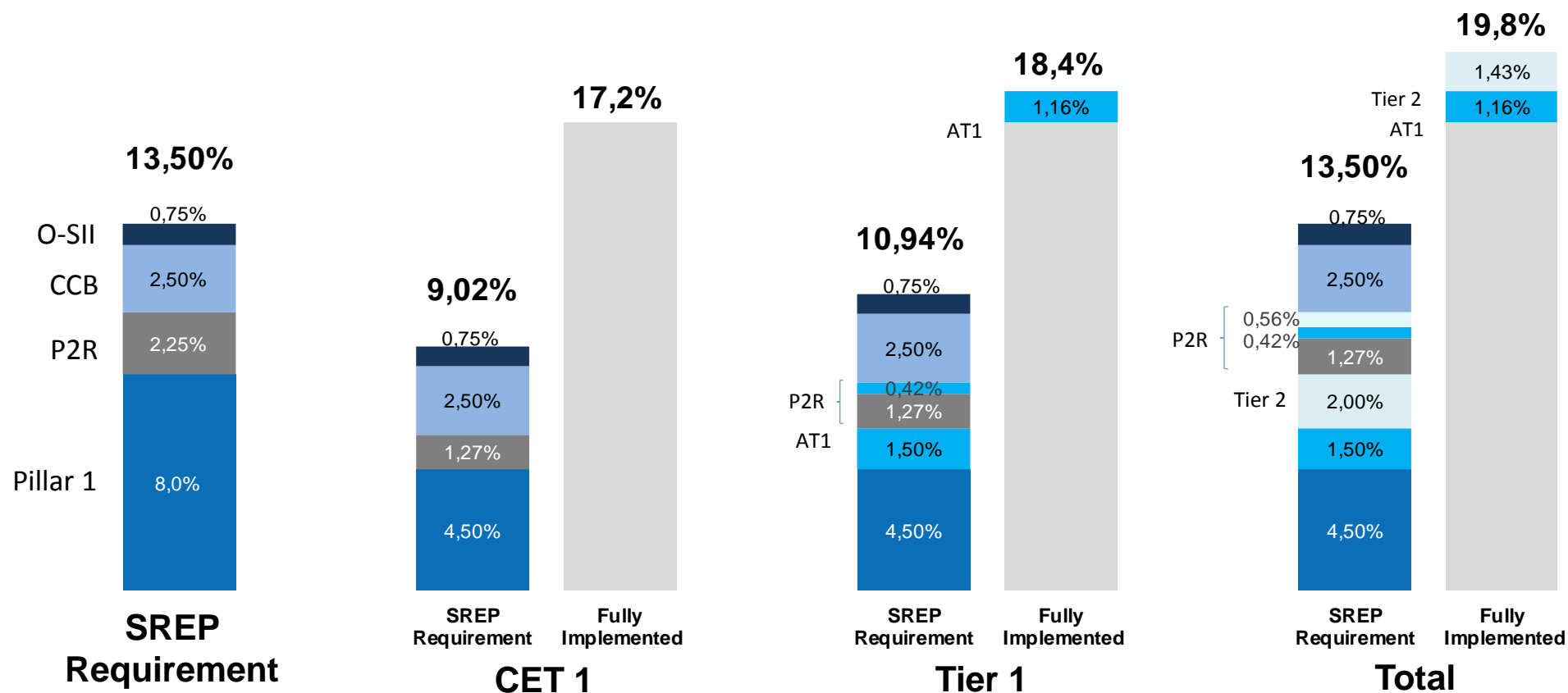
CGD fulfils with ample margin capital requirements

Capital



%

SREP 2020 Requirements and CGD Capital Ratios in 30 September 2020



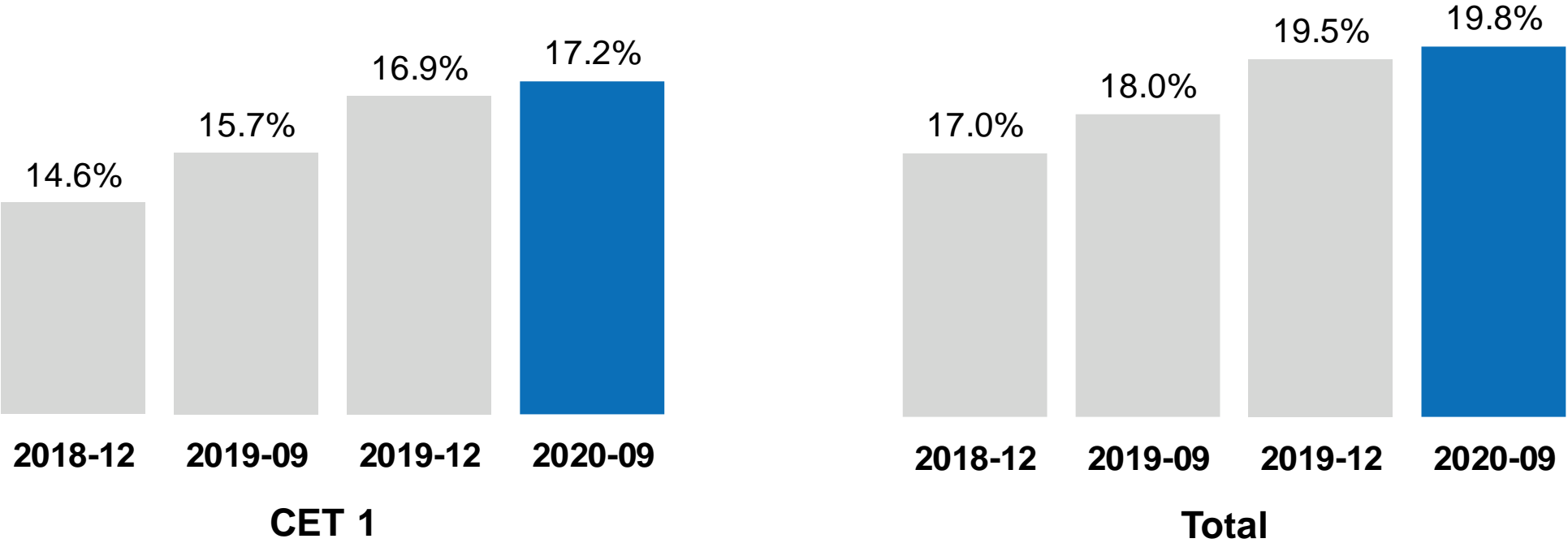
- On April 8th, the ECB communicated that P2R of 2.25%, which initially should have been composed exclusively of CET 1, would now be covered in 56.25% by CET 1, 18.75% by AT 1 instruments and 25% by Tier 2 instruments, as of March 2020;
- On May 8th, the Bank of Portugal informed that it had delayed by one year the O-SII phasing-in. The requirement for CGD in 2020 and 2021 will be 0.75% and in 2022 and 2023 it will be 1.00%

Resilient Capital Ratios

Capital



%



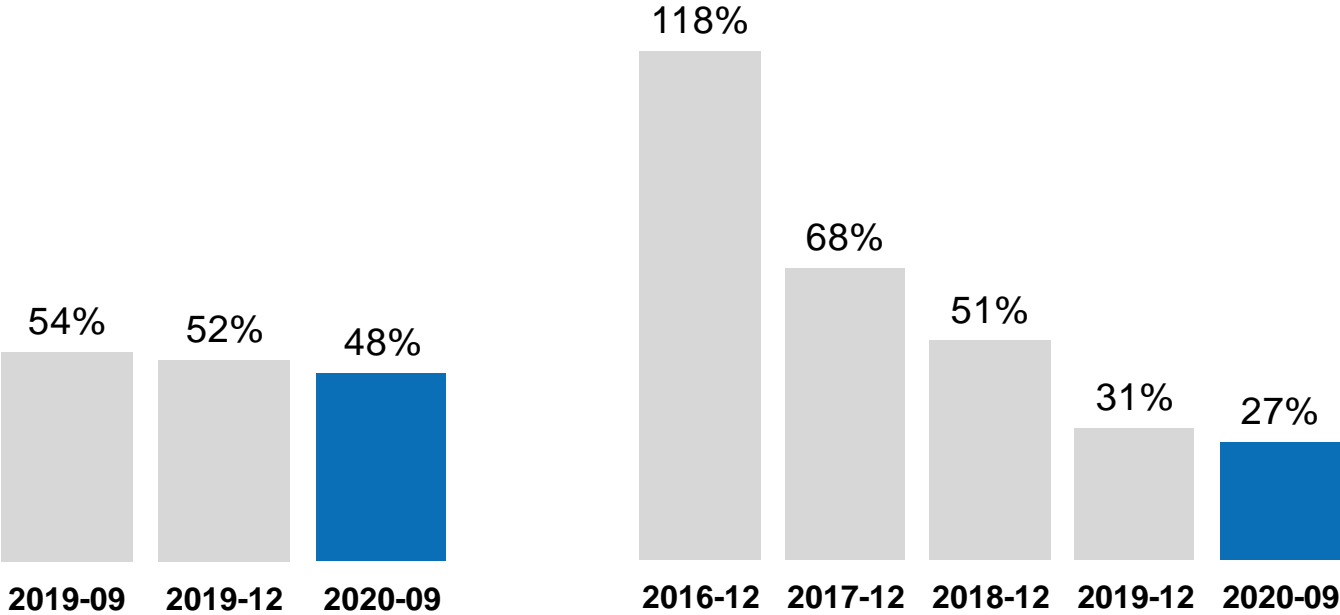
Capital Ratios Evolution (Fully Loaded)

Risk Weighted Assets (RWA) density, Texas and Leverage Ratios

Capital



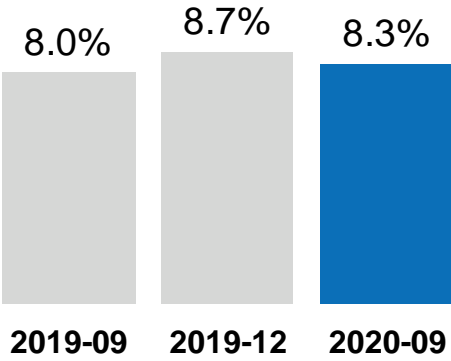
%



RWA Density

RWA fully implemented (2020-09): 43.5 B€

Texas Ratio⁽¹⁾



Leverage Ratio

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

Available Distributable Items (ADI) and Maximum Distributable Amount (MDA)

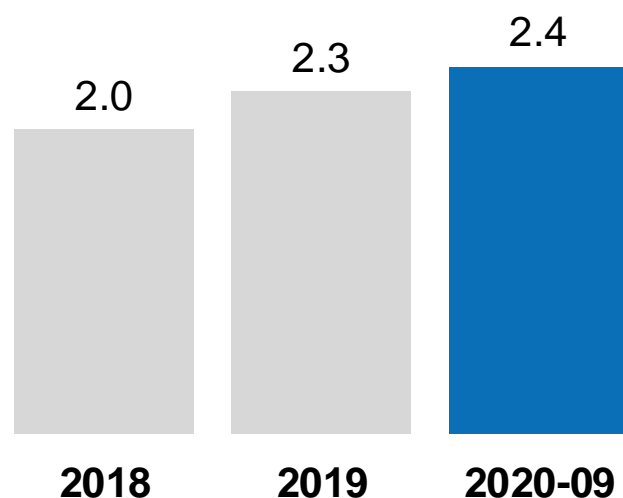
Capital



B€

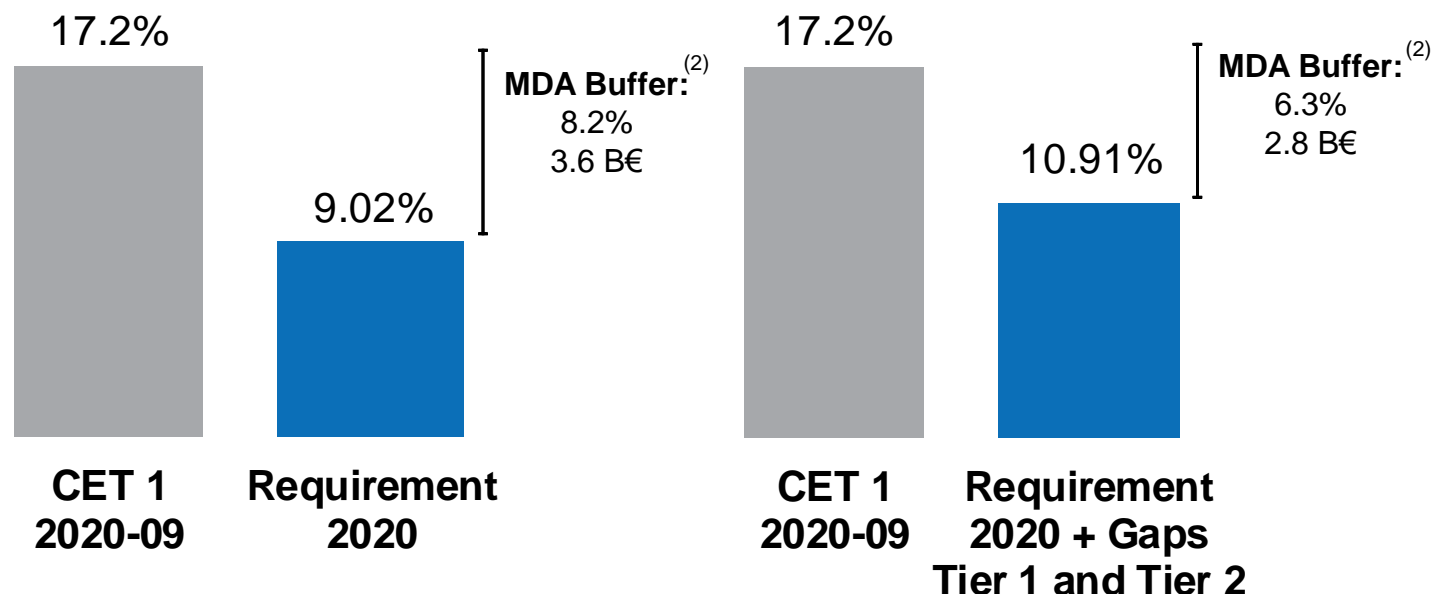
%

37 x Annual
Cost AT1 ⁽¹⁾ 42 x Annual
Cost AT1 ⁽¹⁾ 45 x Annual
Cost AT1 ⁽¹⁾



ADI

(Available Distributable Items)



MDA

(Maximum Distributable Amounts)

(1) 10.75% coupon for current 500 M€ AT1 issuance; (2) Considering fulfilment of buckets of 1.92% in AT1 and 2.56% in T2.











SUMMARY



Activity in the first 9M 2020 marked by the growth of new credit, and by the reinforcement in credit impairment and provisions

Summary



-  **Profitability** affected by the reinforcement of impairments (ROE 5.8%), but above the average for banks in the Euro zone
-  Significant growth in **new credit operations**, reinforcing support to companies and households
-  Improved **efficiency levels** with a 6% reduction in operating costs
-  **Net Core Operating Income before Impairments** stabilized in domestic activity
-  Increase in market shares in financial resources is evidence of CGD's **reputational and trust levels**
-  Strengthening of **asset quality** with a reduction in the NPL ratio to 4.2% and strengthening of total impairment coverage to 89%
-  Strong **liquidity** position with no market funding requirements for the coming years
-  Robust **capital** position, at adequate levels to cope with the current economic situation, higher than the average of banks in the Euro zone

CAIXA GERAL DE DEPÓSITOS

CONSOLIDATED RESULTS | 9M2020

Unaudited financial information

Investor Relations | 05/11/2020



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