



Consolidated Results 2019

Unaudited financial information

Investor Relations

31/01/2020



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 December 31, 2019, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period.
- In 2019, the equity stake in Banco Comercial do Atlântico (BCA) was reclassified as a “Non-current assets held for sale”. The 2018 accounts were restated for comparison purposes. The balance sheet restatement does not result from the application of IFRS-5.
- Financial statements reflect the implementation of IFRS 16 – Leases as of January 1, 2019; CGD made use of the approach that does not require the restatement of comparative information.
- This document is intended for general information only and does not constitute investment recommendation or professional guidance and may not be construed as such.

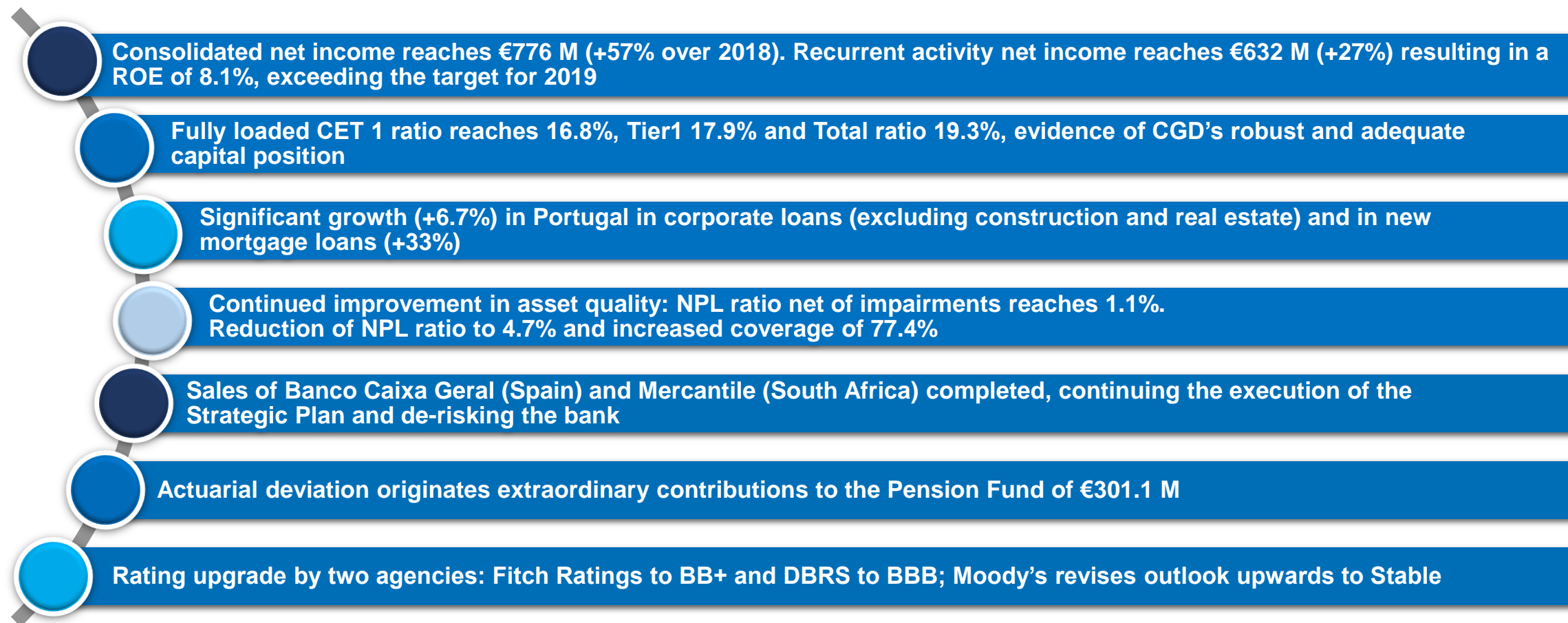
Agenda

- 1 Highlights
- 2 Results
- 3 Balance Sheet
- 4 Asset Quality
- 5 Liquidity
- 6 Capital
- 7 MREL



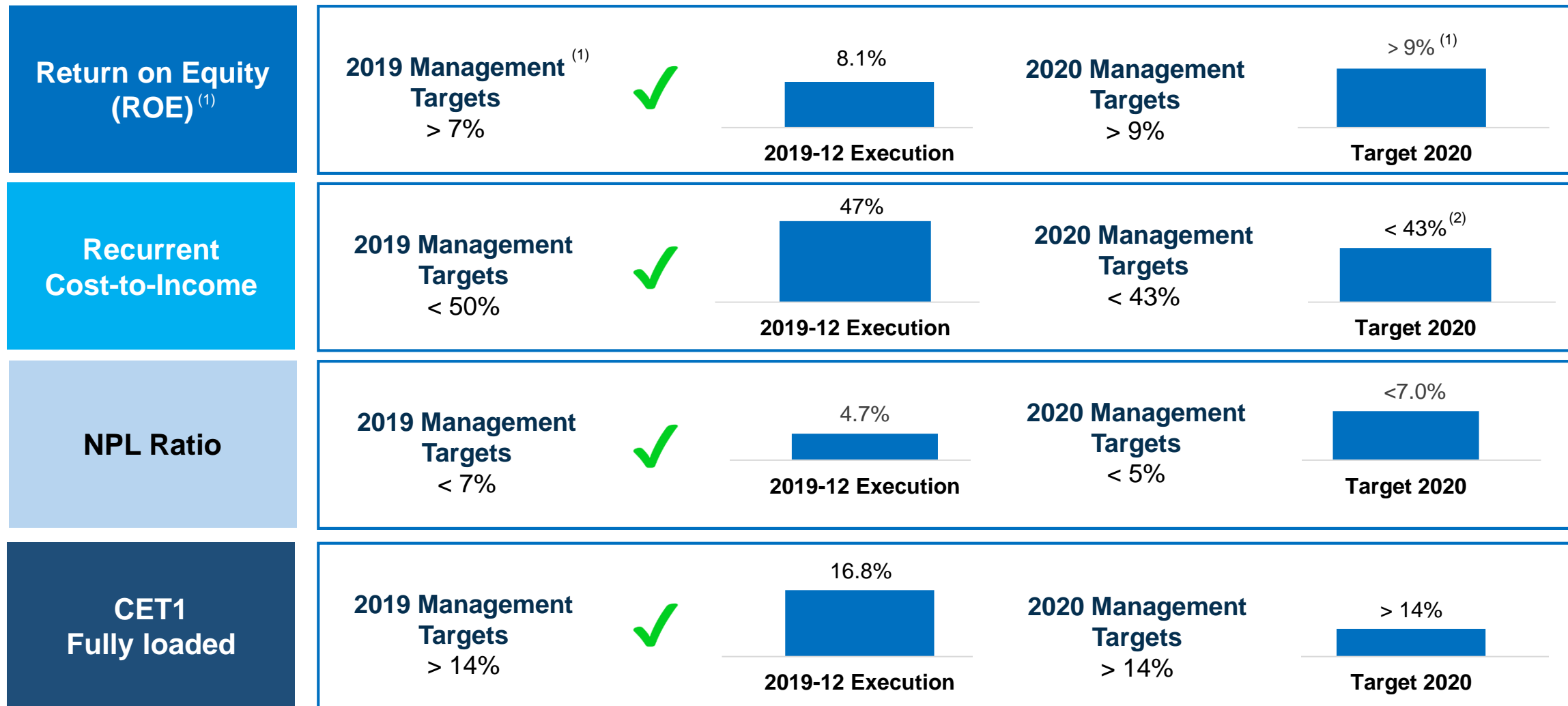
Highlights

CGD improves profitability and asset quality while achieving significant progress in meeting the objectives of the Strategic Plan for international assets



Strategic Plan – Performance meets 2019 targets

Strategic Plan Targets

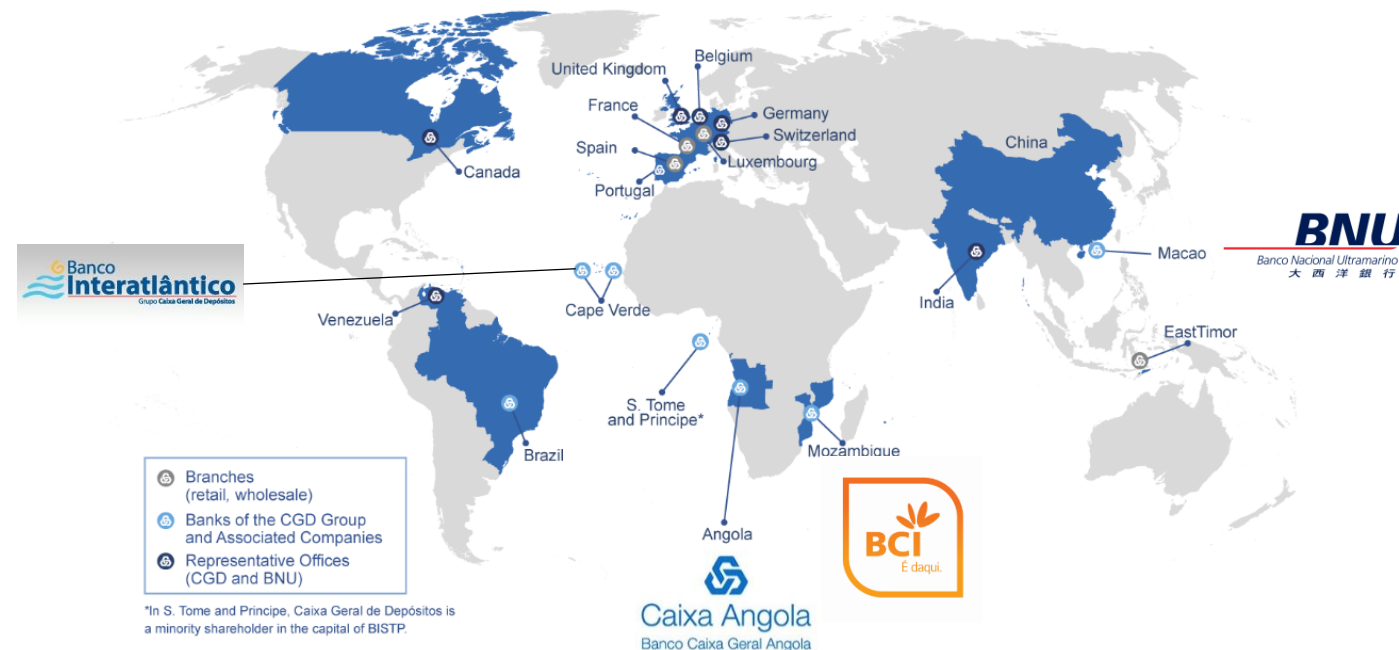


International presence redefined

Execution of Strategic Plan

- Branches closed (2017-2018): London, Cayman, Macao Offshore, Zhuhai and New York, winding down all offshore branches
- Banco Caixa Geral (Spain) – sale concluded in October 2019
- Mercantile Bank Holdings Limited (South Africa) – sale concluded in November 2019
- Banco Caixa Geral - Brasil, S.A. and Banco Comercial do Atlântico (Cape Verde) - sale processes are ongoing
- Wind down of Spain and Luxembourg branches near completion

Presences in Strategic Markets

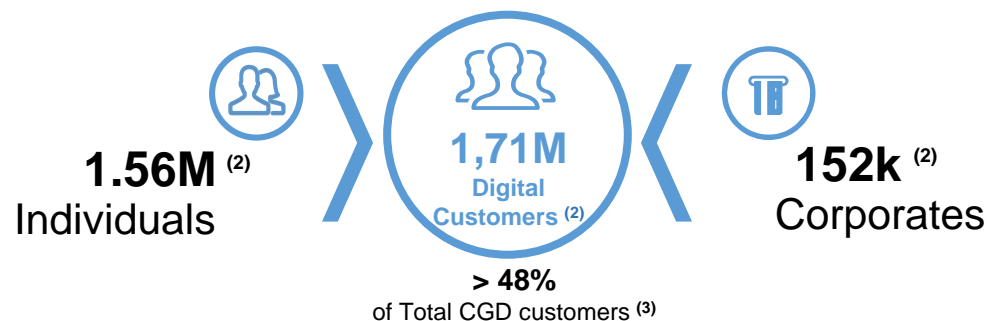
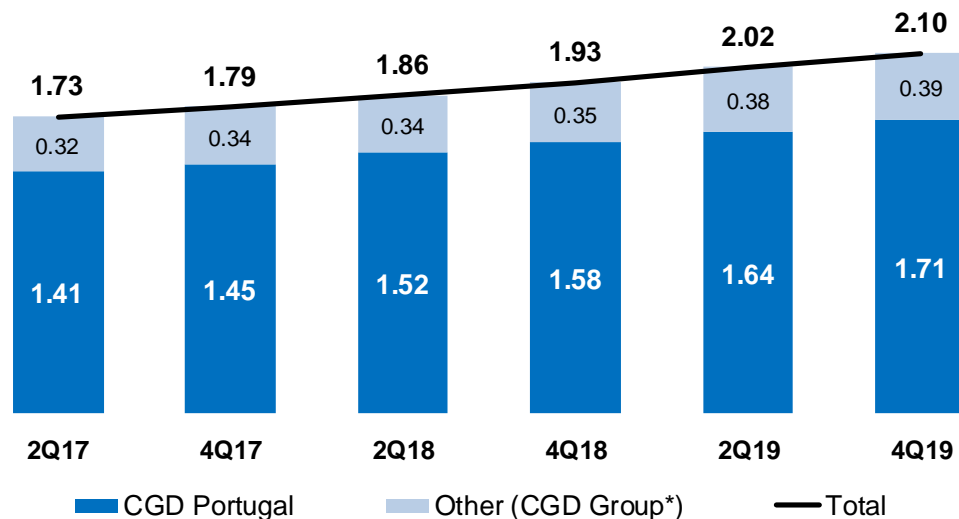


Digital Banking: CGD maintains leadership in number of Internet Banking users ⁽¹⁾

M

Active customers

More than 2 million users globally



870K

Users

↑ **34%** ⁽⁴⁾

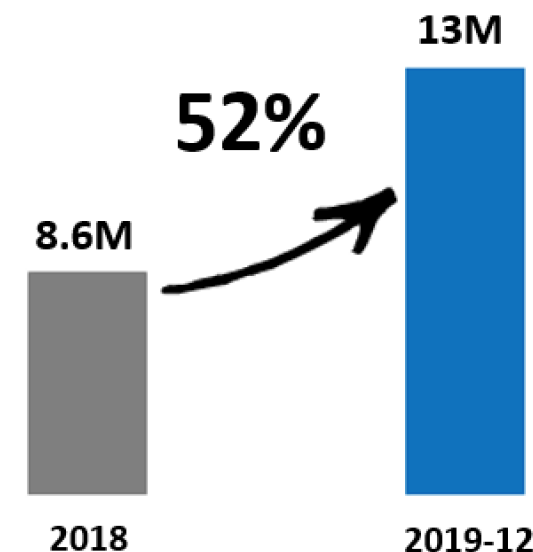
> 1 million
downloads

APP MONTHLY LOGINS



APP
CAIXADIRECTA

4.5 ⁽⁵⁾
★★★★★
> 80k
comments



⁽¹⁾ Basef study by Marktest (December 2019); ⁽²⁾ Customers with an active Caixadirecta contract; ⁽³⁾ Individuals and corporates customers with involvement; ⁽⁴⁾ Change over dec-18; ⁽⁵⁾ Stores Rating

Digital Banking: Caixa continues to grow in innovation and recognition

IMPROVED OFFER



1st DIGITAL TRANSACTIONAL ASSISTANT IN PORTUGAL

- 90K interactions
 - 45K users
 - > 2K transfers and payments
- (data from the first month of use) ⁽¹⁾



51,800
DOWNLOADS

APP DABOX

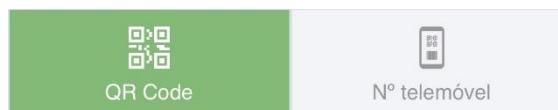
- App No1 in the trends of financial apps in Portugal ⁽²⁾
- ~20% of active customers are not CGD customers



SMS TOKEN

Improved security
for 1.3M
customers ⁽¹⁾

PAYMENT APPS



PRIZES AND DISTINCTIONS



High recommendation
recognition in the
Best Mobile Initiative
category



Best financial
services app
in Portugal



Honorable mention in
Best Digital Product &
Customer
Experience



Honorable
mention
Best Digital
Platform



Winner in the
Mobile Communications
& Apps category



⁽¹⁾ Individuals and corporates as of December 2019; ⁽²⁾ Google Play

Increased deal flow through Caixadireta and phone banking

CAIXADIRECTA



INDIVIDUALS

CONSUMER CREDIT⁽¹⁾

↑94%⁽²⁾

DEBIT CARDS

↑47%⁽²⁾



CORPORATES

FX TRADING

↑48%⁽²⁾

FACTORING & CONFIRMING

↑20%⁽²⁾

TRADE FINANCE

↑62%⁽²⁾



PHONE BANKING

Greater number of customers who recognize **added value in remote service**, with Dedicated Manager, translating into **higher turnover**



Customers

K



2016

2017

2018

2019

502 K
Jan 2020



€ 9.5 BILLION TURNOVER

↑46%⁽²⁾

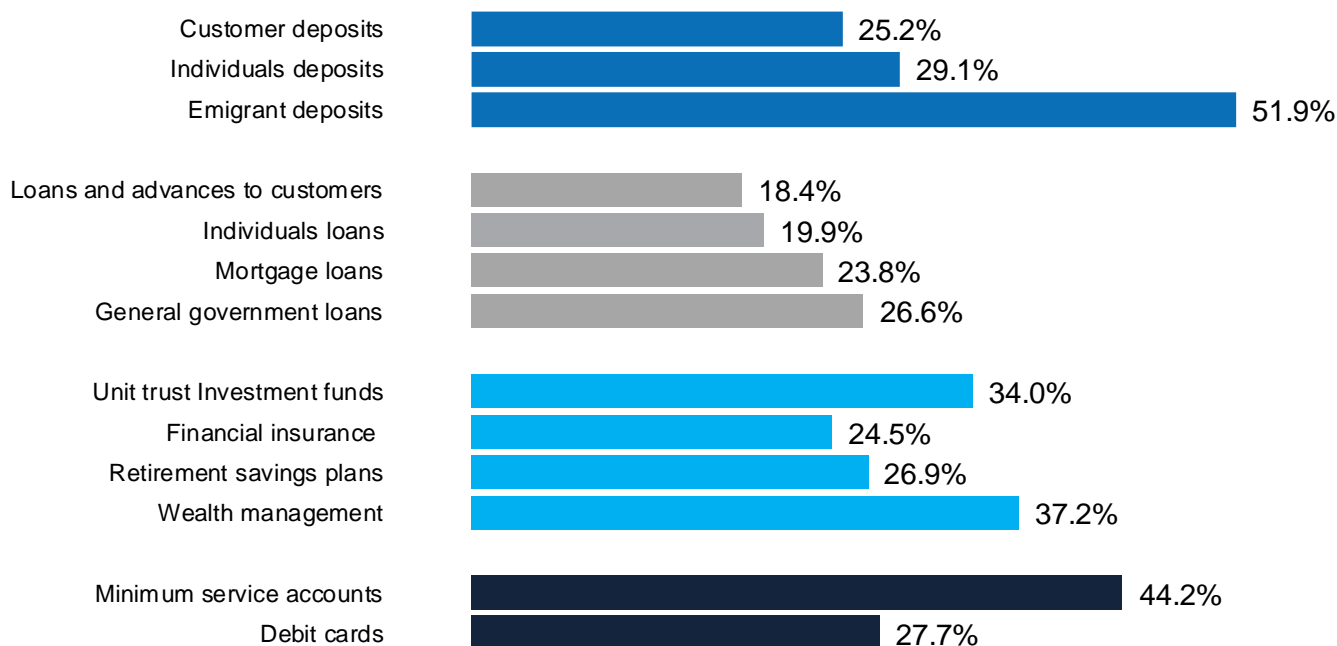
1 IN 10 INDIVIDUAL CUSTOMERS ALREADY ENJOY THIS SERVICE, WITH HIGH LEVELS OF SATISFACTION

⁽¹⁾ Launched in Dec 2018; ⁽²⁾ Change over dec-18

Highlights

Leadership and Distinctions

Leader in main client and product segments



Market Shares

November 2019

* Min.Serv.Acc. (Dec-18)

Prizes and distinctions

Caixa Geral de Depósitos



The most valuable Portuguese bank brand

Most valuable and strongest Portuguese banking brand
4th most valuable and 2nd strongest amongst Portuguese brands

BrandFinance



1st Portuguese bank in the world ranking for the 2nd consecutive year



Caixa Platina
The best Premium card 2019

Compara.Já.pt

Caixa Banco de Investimento and Caixa Gestão de Ativos



Caixa BI
Euronext Lisbon N° 1
IPO & Seasoned Equity
Offer House 2019

Euronext Lisbon



CGA
Best Global and Bond Fund
Manager in Portugal 2019

Morningstar



CGA
Best Fund
Manager in
Portugal

Rankia

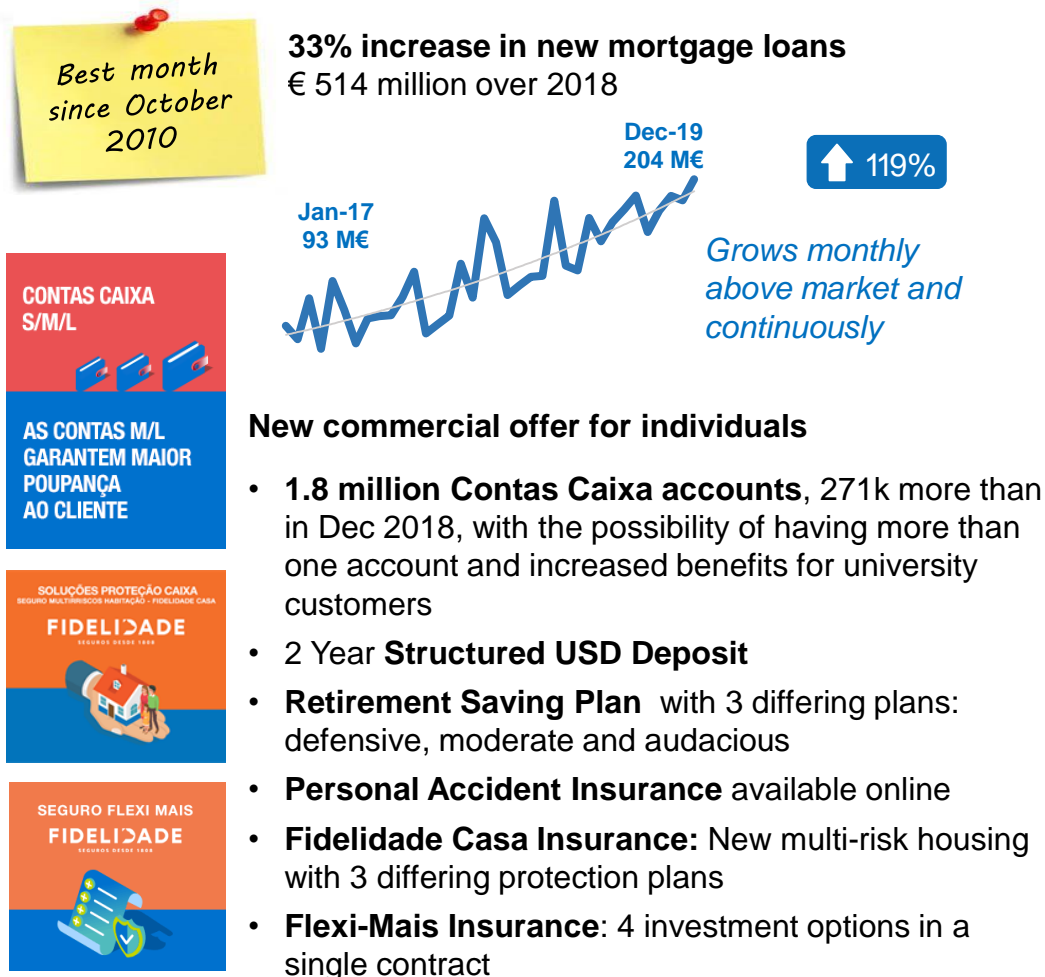


CGA
Sustainable Finance 2020 Award

Euronext Lisbon

Individuals and Corporates

Individuals and households



Corporate business

Significant growth* across new loans and above the Portuguese Banking Sector (BS):

- + 63% on MLT Loans
- + 18% in Property Leasing (BS = -16%)
- + 25% in Trade Finance (Market = -15%)
- + 21% in Confirming (BS = 12%)
- + 15% in Corporate lending (BS = 4%)

New commercial offer for corporates

- **Caixa Business and Business+** accounts
- **Online Short Term Credit**
- Credit lines **Caixa Invest** Innovation, Start, Social Project and Criative Cultural (FEI)
- Credit lines to support **Tourism Development** and **IT Innovation**
- **FLEXCASH** and **CAIXA FAST** (digital confirming and factoring)
- **Forfait extended to letters of credit** (EUR and USD)
- **Fixed rate MLT loans and leasing** - new tenors: up to 20 years
- Credit Line for **decarburation and circular economy** (FITEC)
- Support Credit Line for **Companies Exposed to Brexit**
- New **insurance lines with state guarantee** – COSEC/SCGE
- Direct access to **iAPEX Platform** through cgd.pt

In 2019, 11 “**Fora da Caixa**” conferences were held involving circa **2,035 CGD corporate customers** and more than **169 thousand streaming views**

* Nov-19 figures over Dec-18

Sustainability

In 2019 a high number of initiatives under Caixa's Sustainability Strategy 2018/2020 was executed, contributing for CGD's Sustainable Development

RESPONSIBLE BUSINESS

- **Signature of the Letter of Commitment for Sustainable Financing in Portugal** (speed up the Sustainable Financing in Portugal)
- **Adherence to the Principles of Responsible Banking (PRB)*** (business models + Development of Sustainable Targets (ODS) + Paris Climate Agreement)
- **Adherence by Caixa Gestão de Activos to the Principles for Responsible Investment (PRI)*** (social + environmental criteria + good governance → investment decisions)



Development of Sustainable Products

SOCIAL RESPONSABILITY

- **2nd Edition of the Caixa Social Awards** (finance + develop → social projects + innovative + replicable + poverty mitigant + inclusive)
- **2nd Edition of Caixa Mais Mundo Awards** (distinguished the best national students from the Higher and Professional Academic Institutions, partners of CGD)
- **Caixa Volunteer Day** (32 simultaneous volunteer initiatives in PT + 1.000 staff, family and friends)



Ação de Voluntariado - Limpeza de Praia do Quilão

ENVIRONMENTAL RESPONSABILITY

- **Achieved Leader status (A-) on 2019 Climate Change Questionnaire by Carbon Disclosure Project** (reduction of Greenhouse Gas → Low Carbon Economy)
- **Environment Management System certified according to ISO 14001** (reduction of environmental impact associated with CGD's activities)
- **Launch of e-Learning "SGA - Mudar para Melhorar"** (internal dissemination of environmental best practices to be used on day-to-day activities)



Carbon Disclosure Project

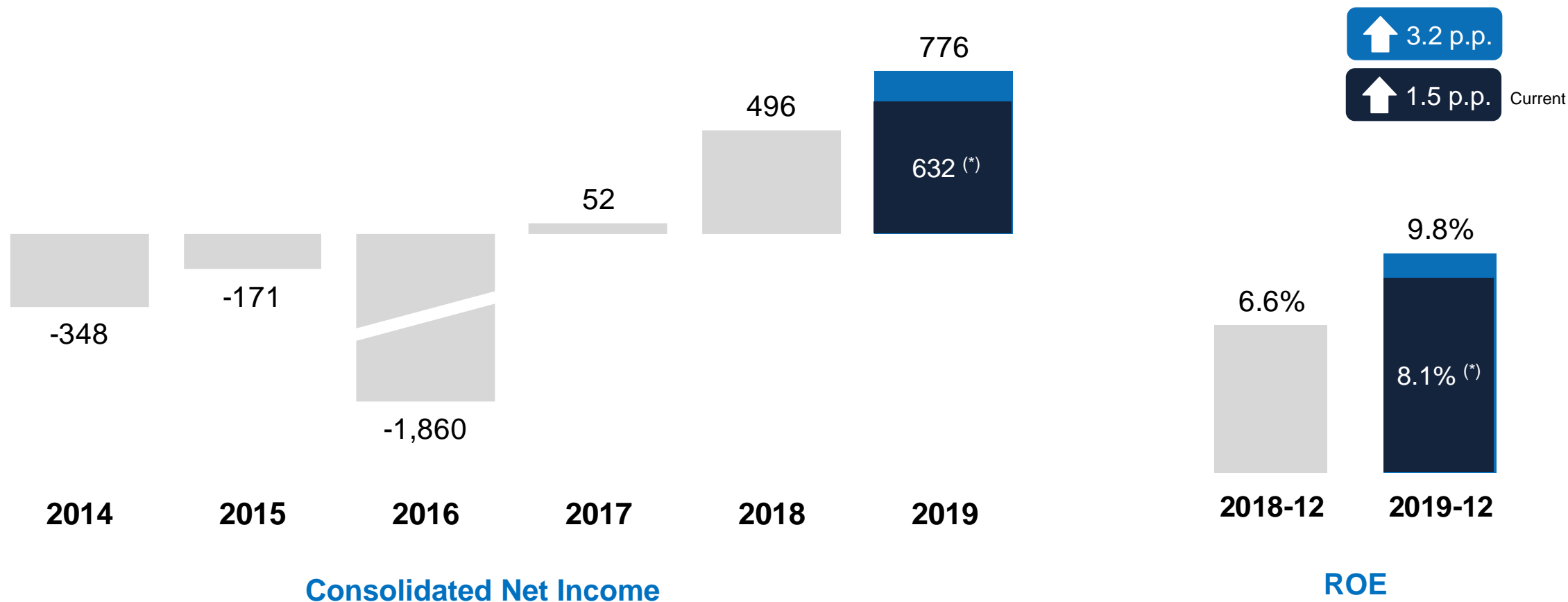
* United Nations



Results

2019 confirms improvement in CGD's profitability

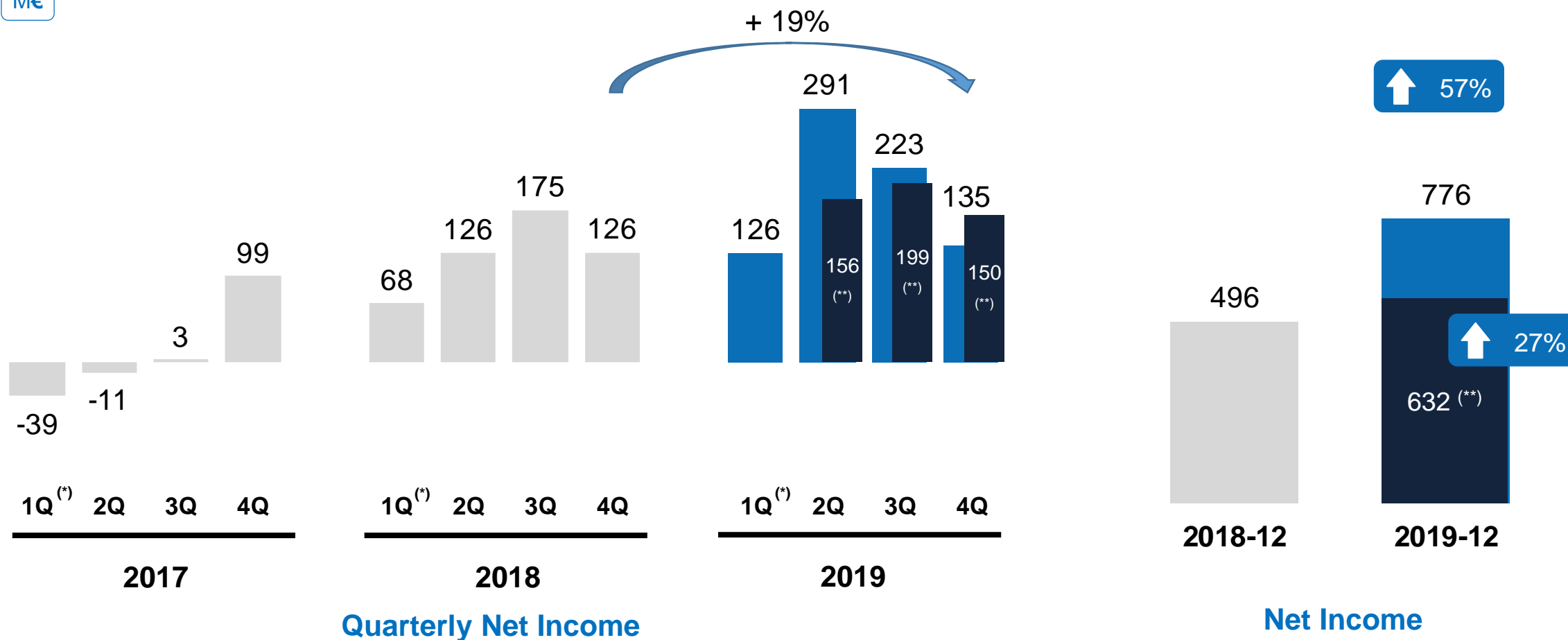
M€



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

Quarterly Net Income confirms progress of CGD's profitability

M€

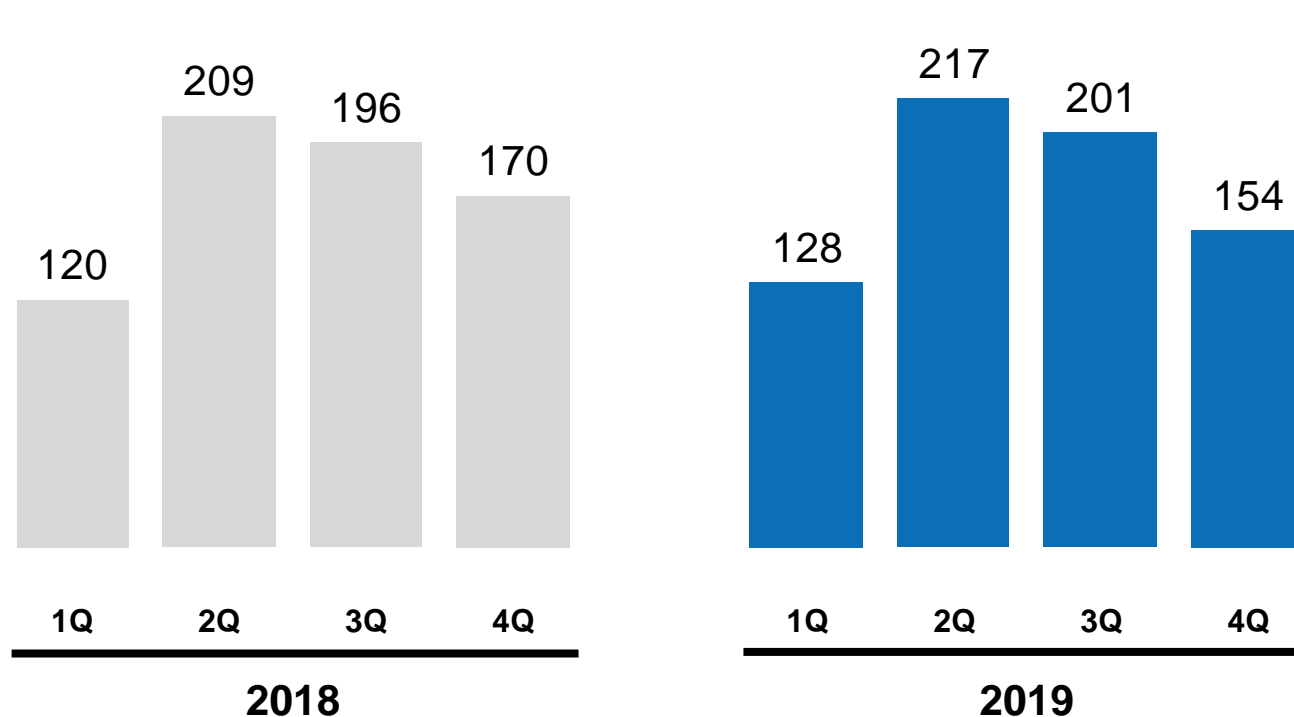


(*) Including regulatory costs for the year

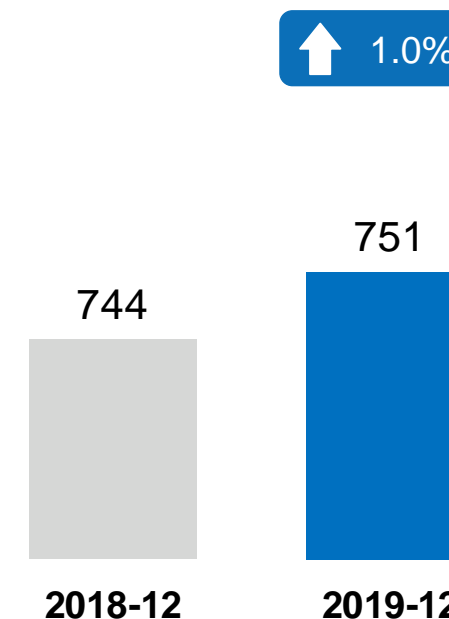
(**) Excluding the extraordinary impacts of the sale of international assets, or in the process of being sold

Enhanced Net Core Operating Income before Impairments maintains positive trend

M€



Quarterly Enhanced Net Core Operating Income before Impairments ⁽¹⁾



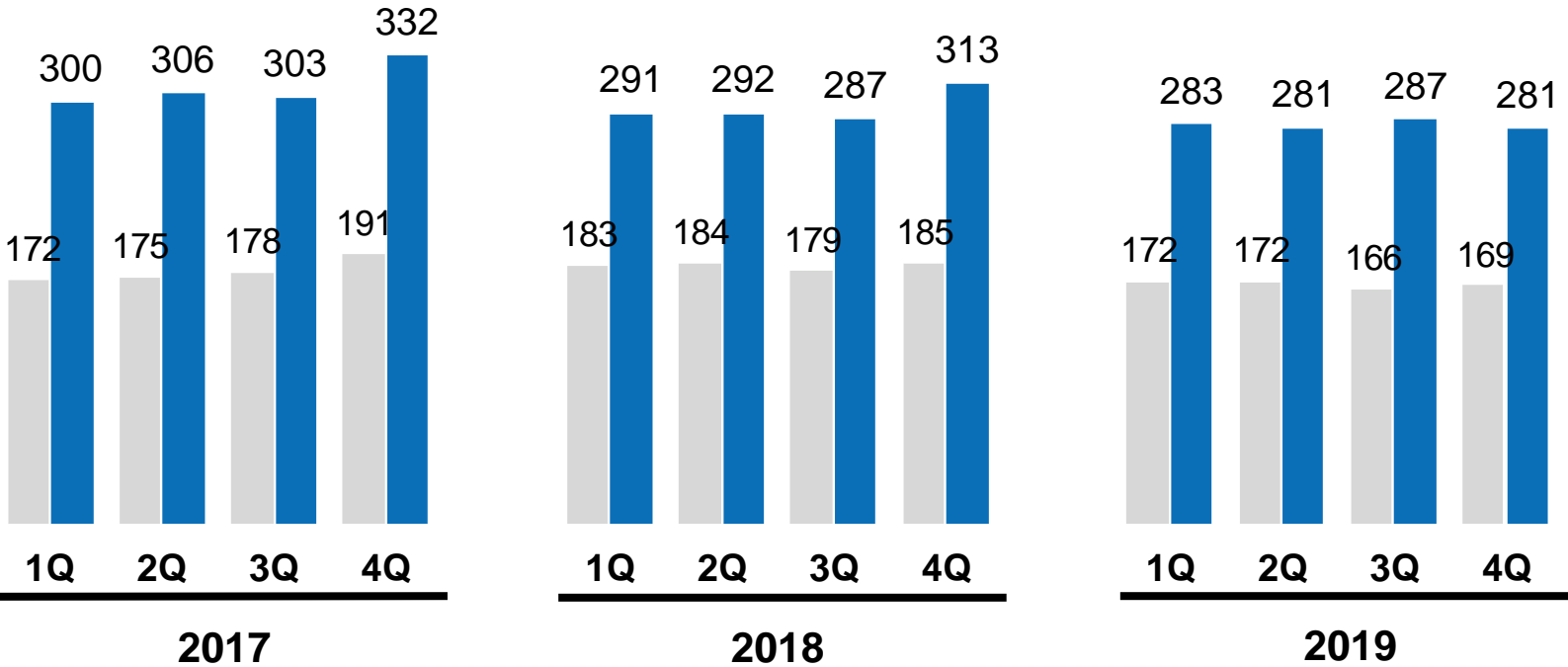
Enhanced Net Core Recurrent Operating Income before Impairments ^{(1) (2)}

(1) Enhanced Net Core Operating Income before Impairments = Net Interest Income incl. inc. from eq. investm. + Net Fees and Commissions - Operating Costs; (2) Excluding non recurrent costs

Net Interest Income impacted by low interest rate environment

M€

- CGD Portugal
- Consolidated



↓ 7.1%

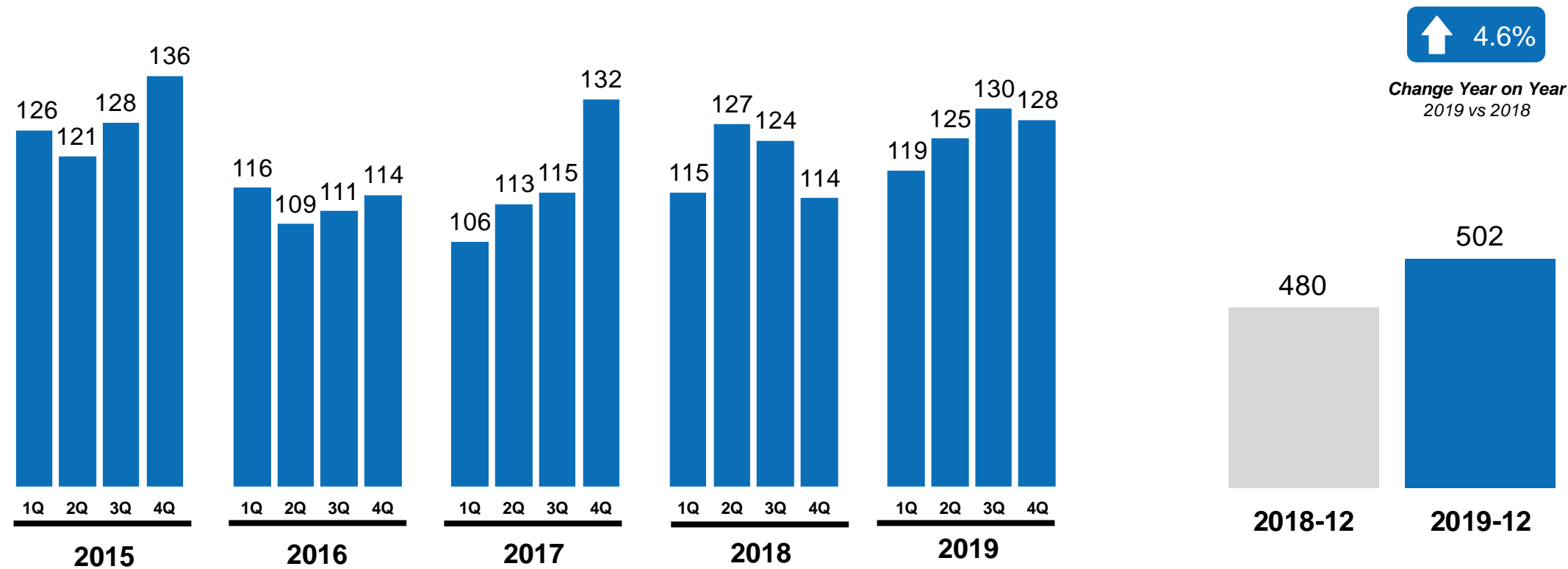
Change Year on Year
2019 vs 2018

↓ 4.3%

Quarterly Net Interest Income

Net Fees and Commissions grow in 2019

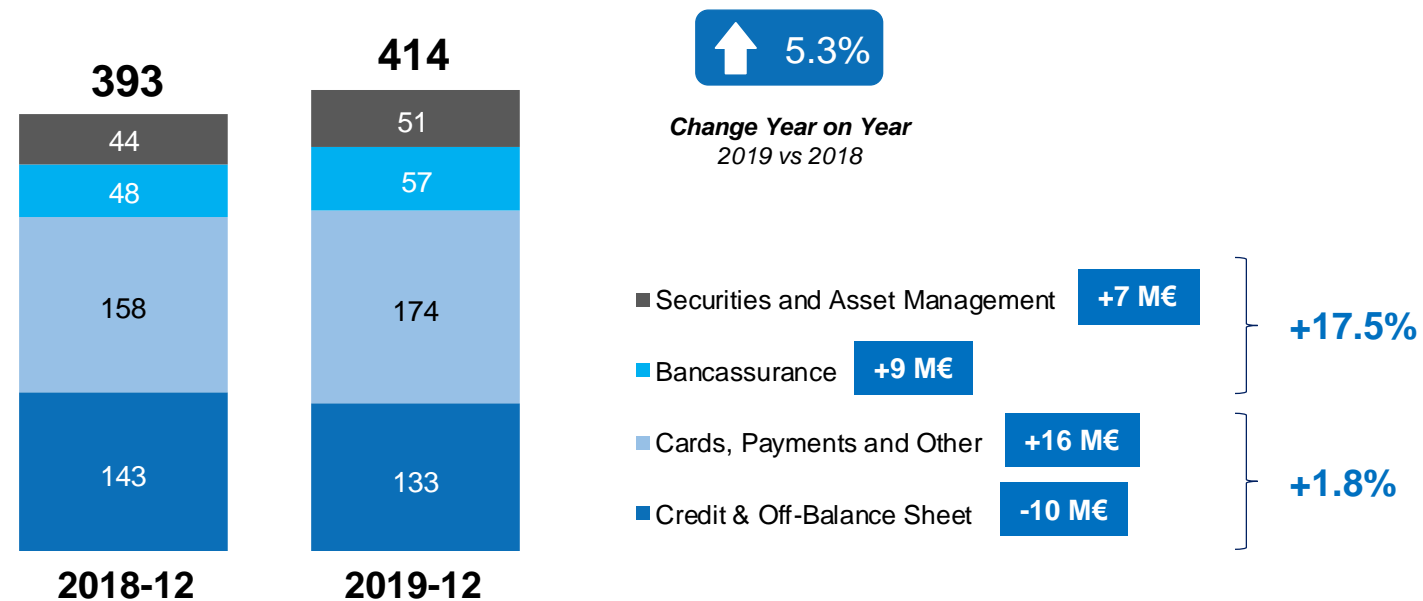
M€



Net Fees and Commissions

Net Fees and Commissions grew in 2019, supported by bancassurance and securities

M€



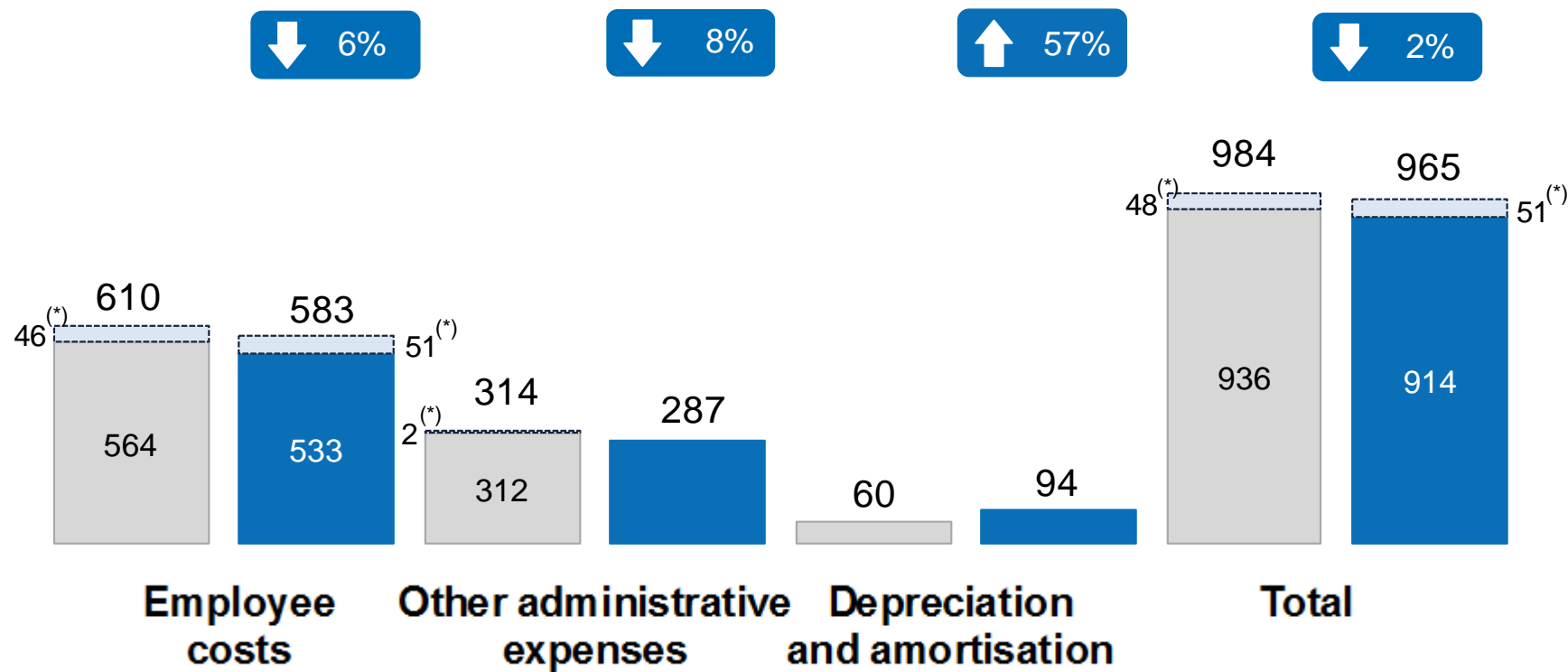
Net Fees and Commissions (Domestic Activity)

Lower Operating Costs at consolidated level

M€

■ 2018-12

■ 2019-12



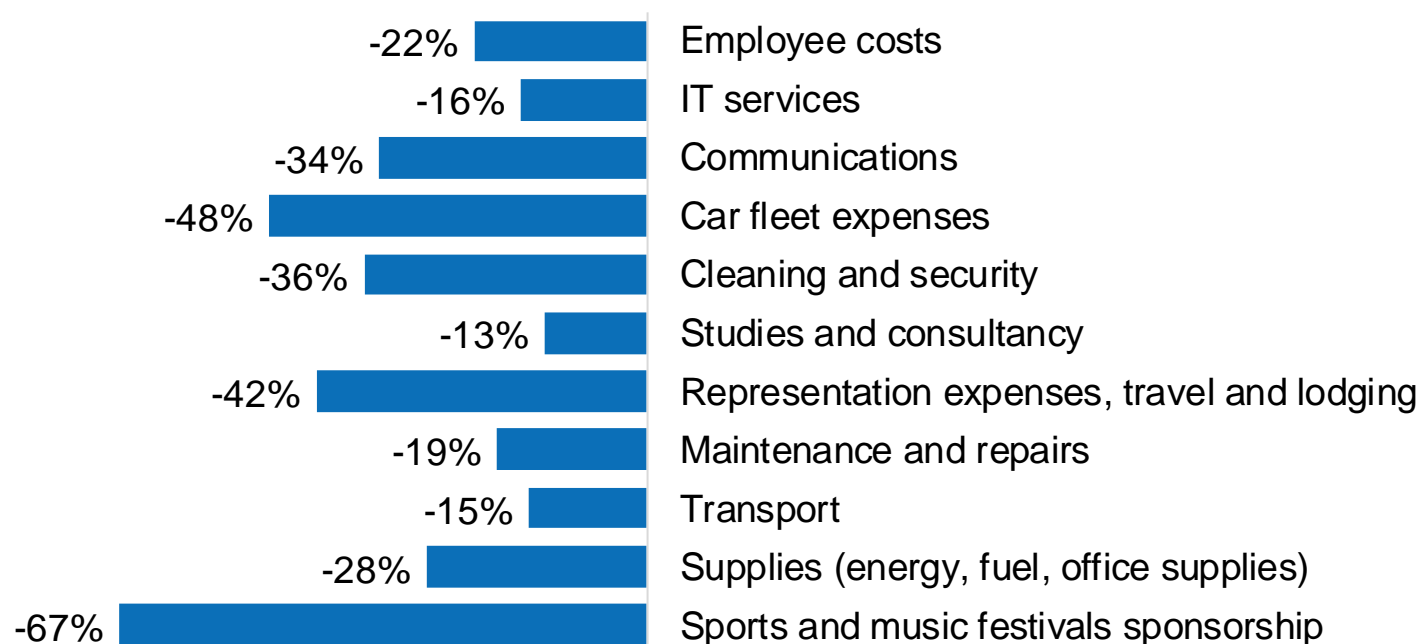
(*) Non recurrent costs

Current costs in CGD Portugal down 22.5% since 2017

M€

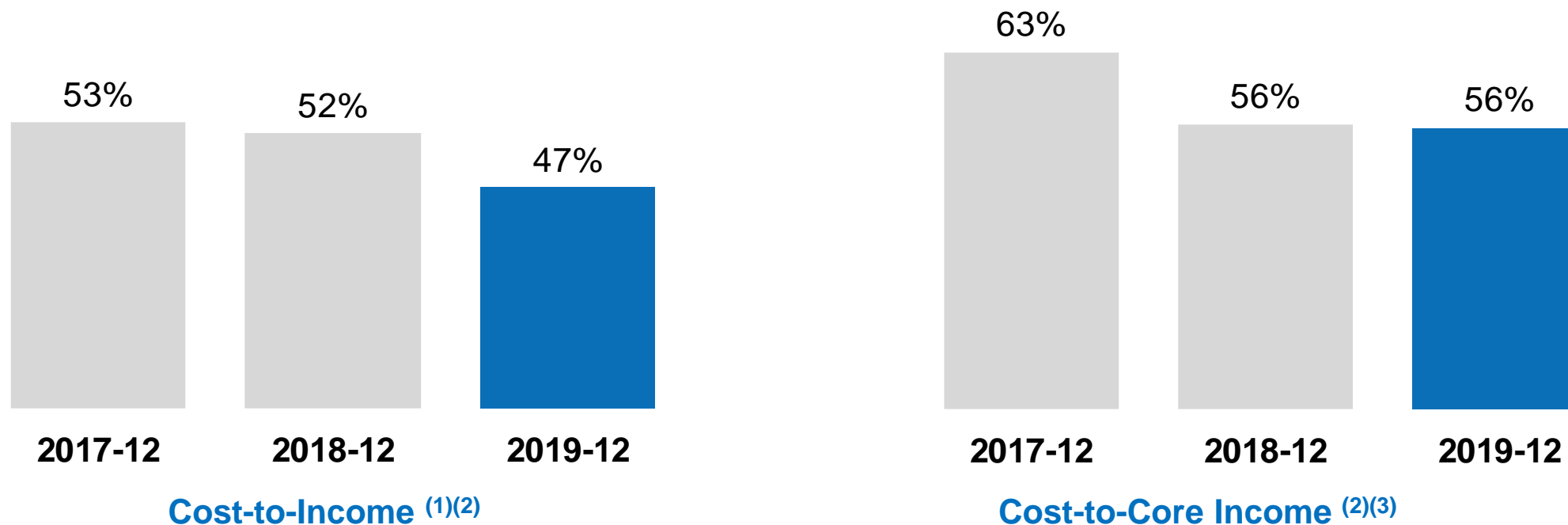
Current Costs Evolution – Annual Basis

Overall reduction of 180 M€ (-22.5%) since the beginning of 2017, highlighting:



Cost-to-Income continues its downwards path

%

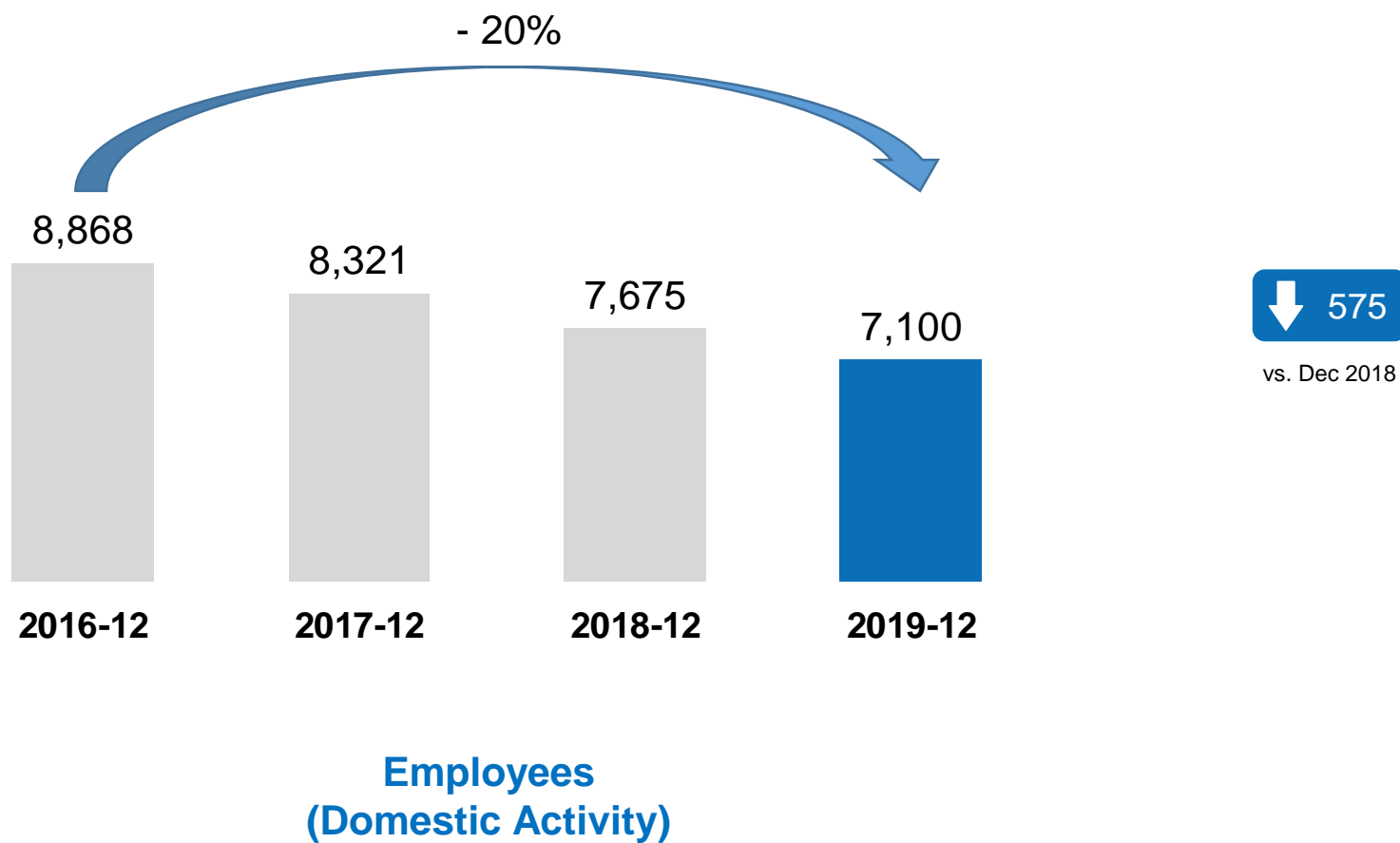


(1) Ratio defined by the Bank of Portugal Instruction 6/2018 [Operating Costs / (Total Operating Income + Income From Associated Companies)];

(2) Excluding non-recurrent costs;

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

Number of employees evolves according to the Strategic Plan



Impact of Provisions and Impairments in Net Income

M€

Provisions and Impairments charged in 2019

- In the current result, provisions increased by € 27M with the following breakdown:

– Credit Impairment	-48 M€	(reflected in Cost of Credit Risk)
– Provisions for guarantees	-10 M€	
– Provisions for Financial Assets	+49 M€	
– Other Provisions	+36 M€	
- Provisions and impairments are impacted by the reversal considered as an extraordinary result and by the reversal of € 40M associated with the pre-retirement programme:

– Provisions for sale of international subsidiaries	-160 M€	(one-off event)
– Provision for staff reduction offset in Costs	-40 M€	(no impact in net income)

Breakdown of 2019 Net Income

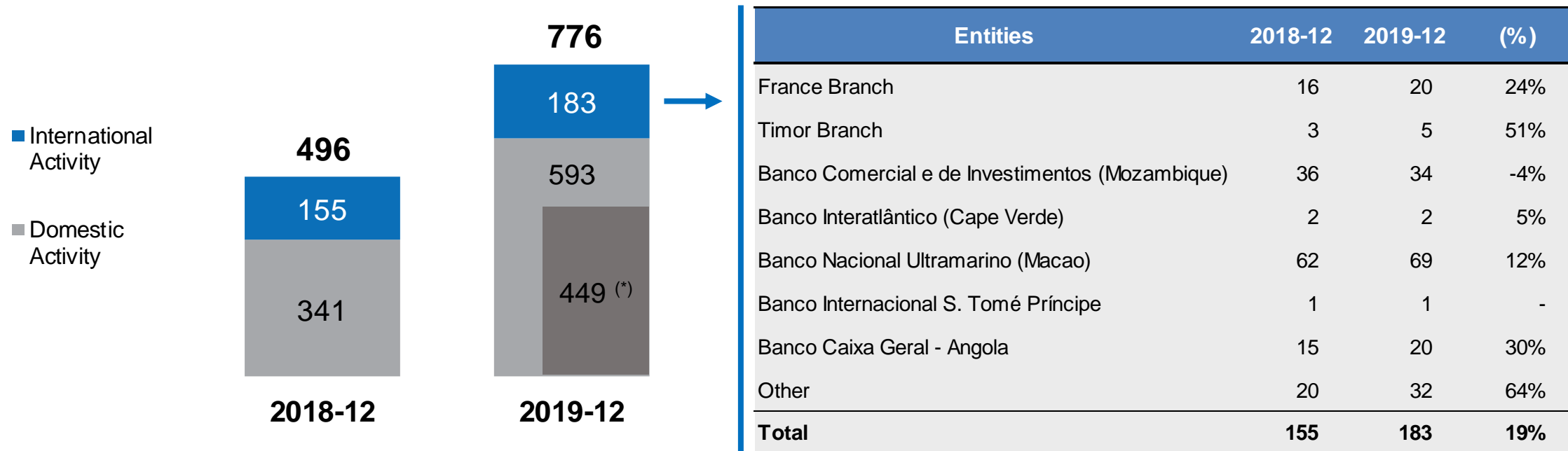
M€

In summary:

- Consolidated Net Income of € 776 million which includes a non-recurrent result of € 144 million;
- Current Net Income of € 632 million, an increase of 27%;
- Total operating income increases € 126 million (+7%);
- Net operating income before impairments up € 145 million (+19%);
- Core operating income rises 1% despite reduction in net interest income, supported by reduction in costs and increase in commissions, especially related with the sale of insurance and asset management products;
- Net provisions and impairments with limited expression (27 million), supported by low cost of credit risk;
- Results from international activity increase 19%, representing 29% of current net income;
- Current net income from domestic activity reaches € 449 million (+ 32%).

Contributions to Consolidated Net Income

M€



Contributions from International Activity

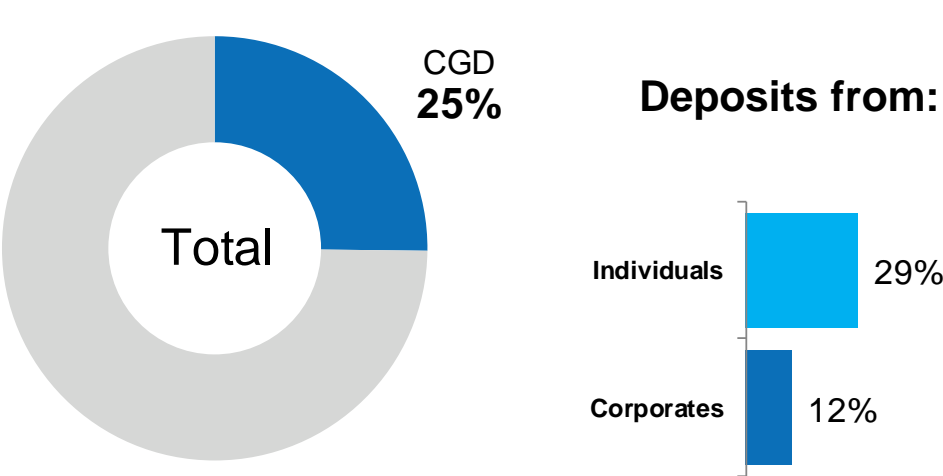
(*) Excluding the extraordinary impacts of the sale of international assets, or in the process of being sold



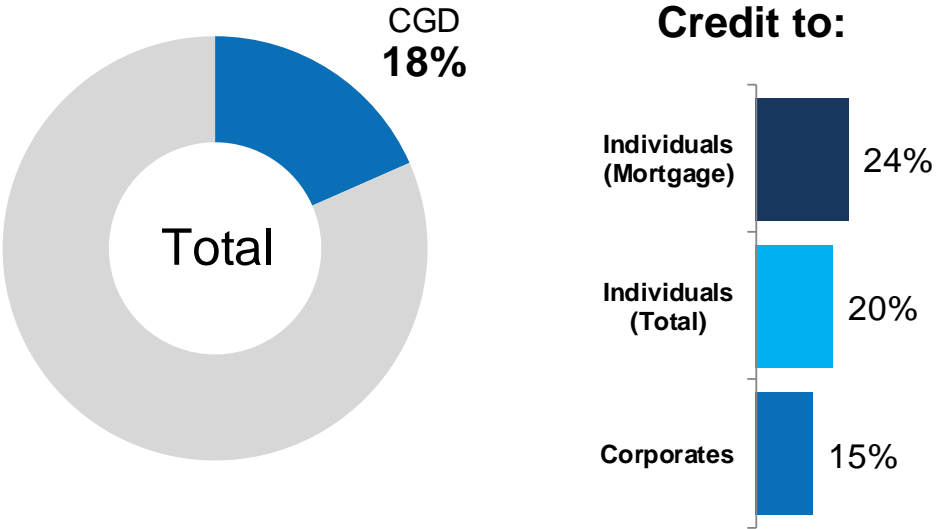
Balance Sheet

Market Shares: CGD leader in Portugal

%



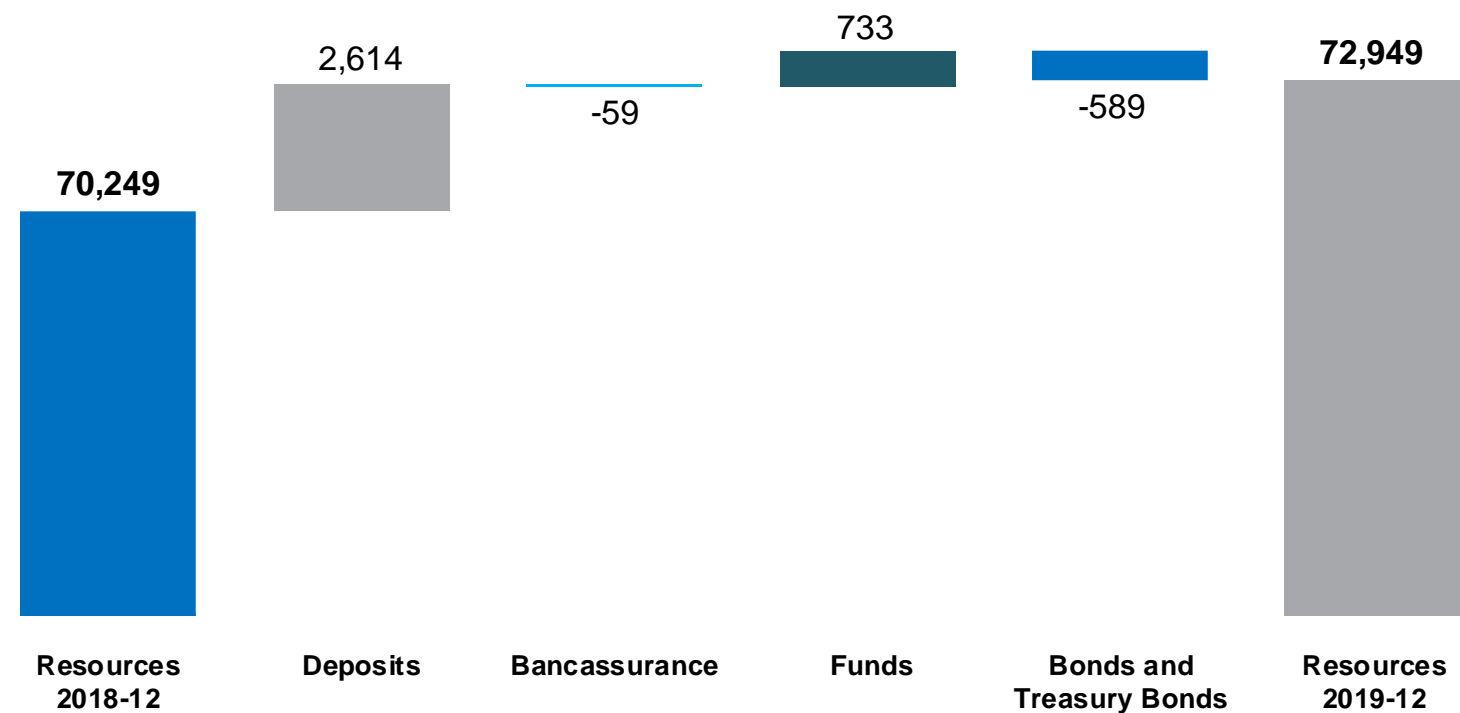
Customer Deposits – Portugal
November 2019



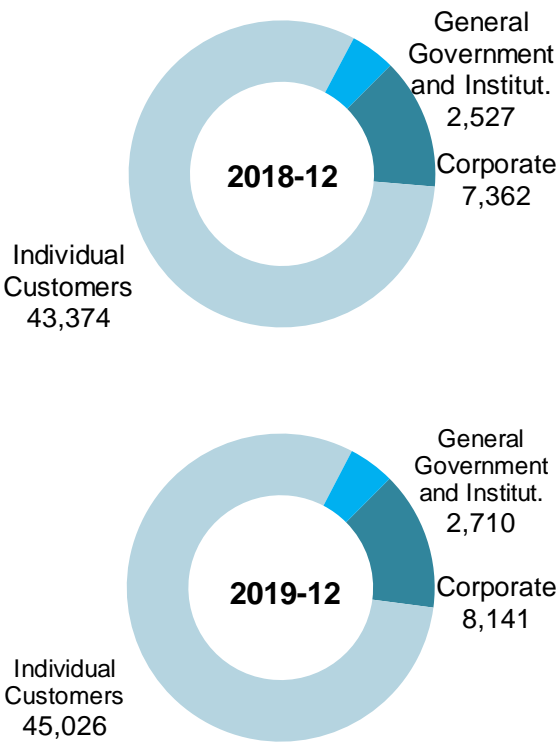
Loans and Adv. to Customers – Portugal
November 2019

Total Customer Resources in Portugal increase

M€



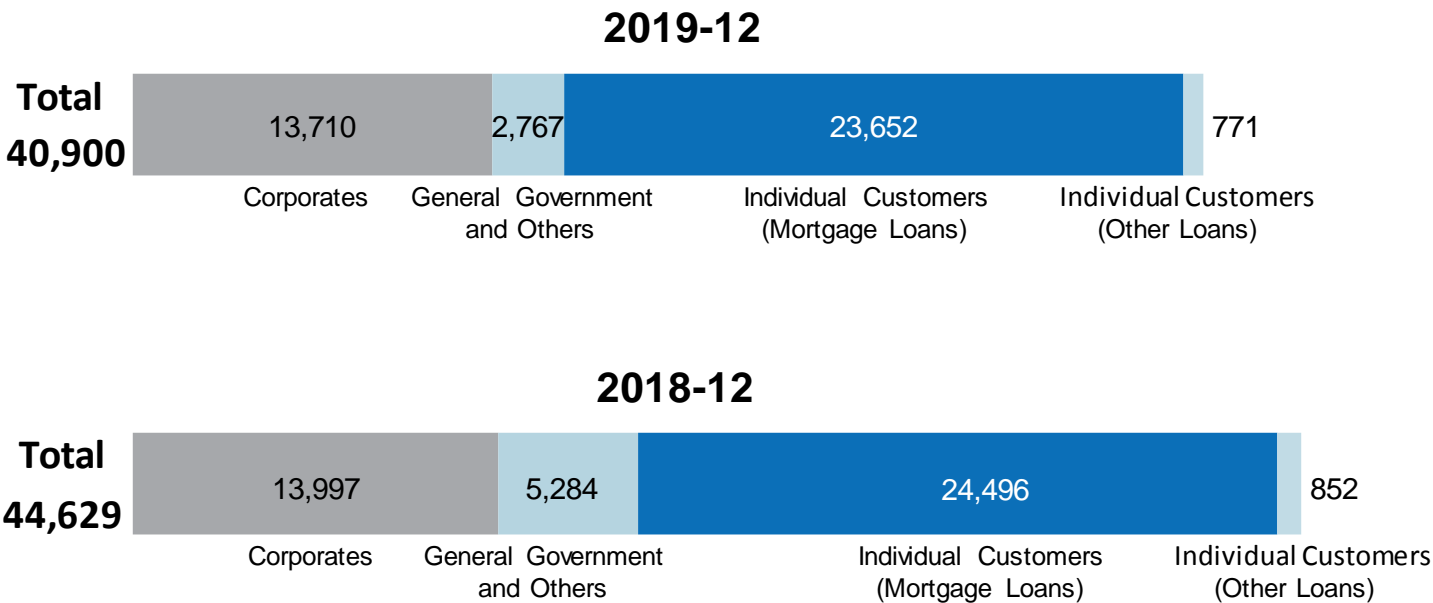
Total Customer Resources
(Domestic Activity)



Customer Deposits
(Domestic Activity)

Credit in Portugal reflects reduction in NPL and deleveraging of public sector

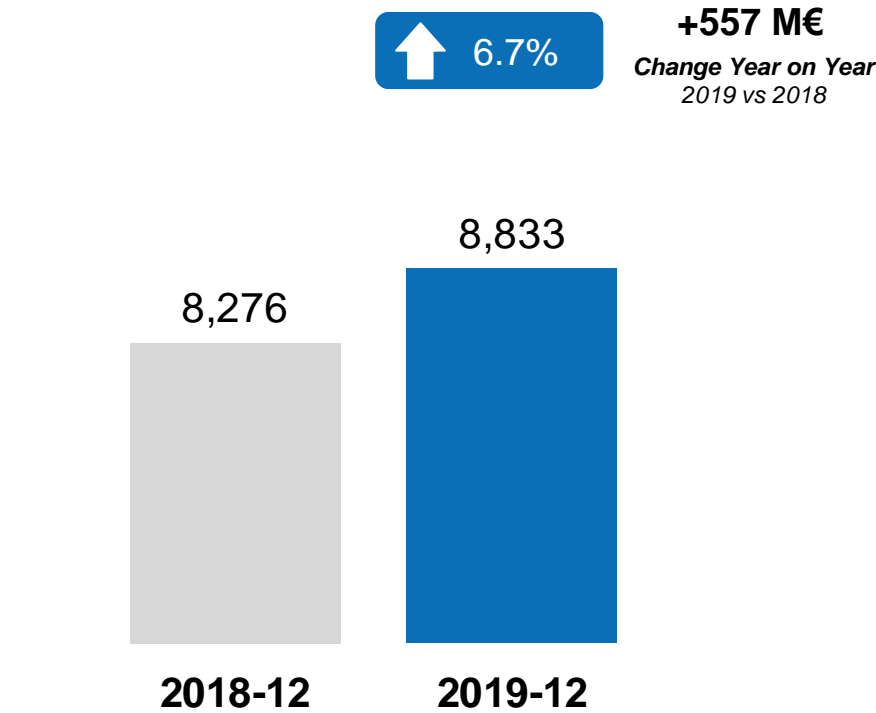
M€



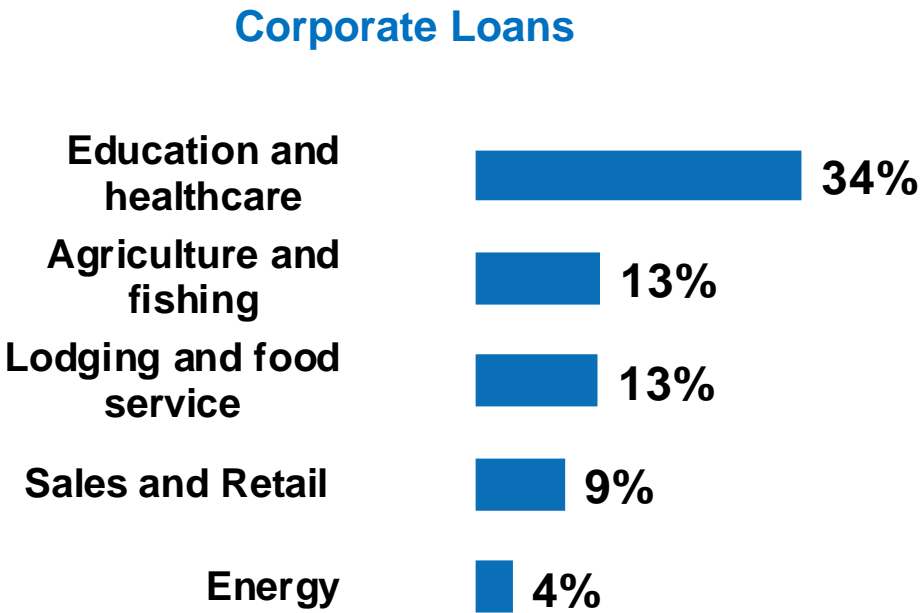
Loans and Advances to Customers (Gross)
(CGD Portugal)

Loans to corporates grow in Portugal...

M€



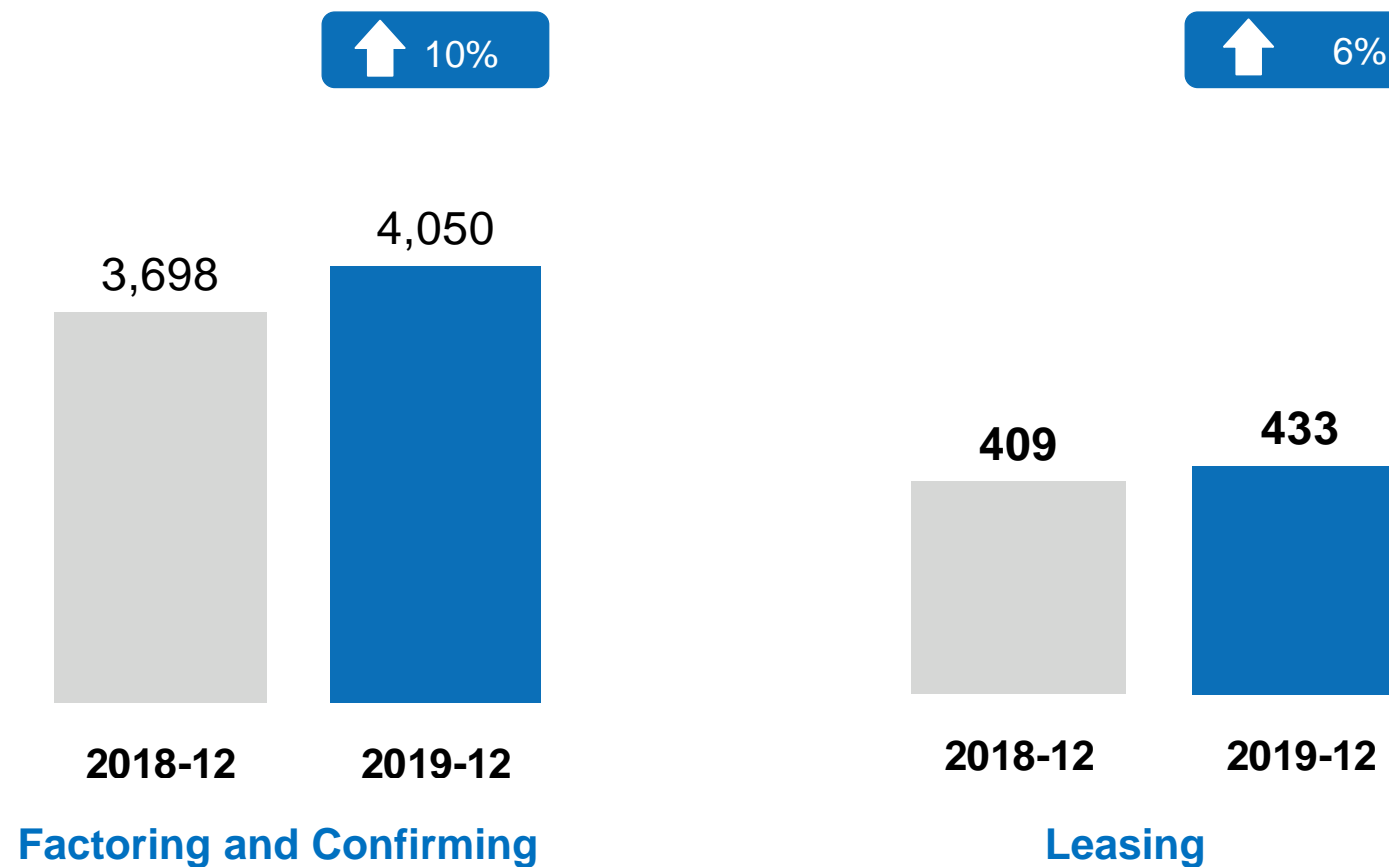
Gross loans to corporates
excluding construction and real estate sectors
(CGD Portugal)



Most dynamic sectors
(Change 2018-12 vs 2019-12)
(CGD Portugal)

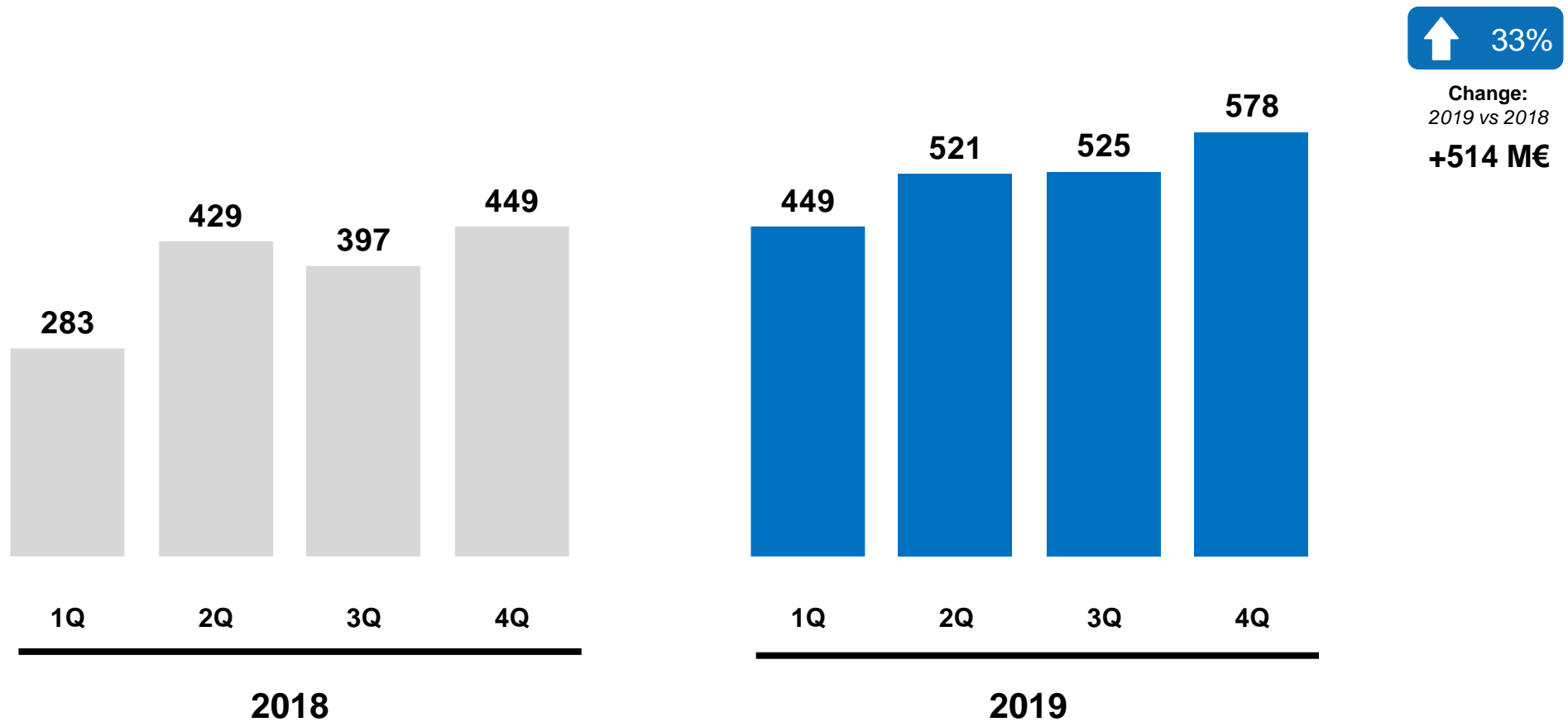
... including new production of specialized credit – leasing and factoring

M€



Positive evolution in new Mortgage Loans

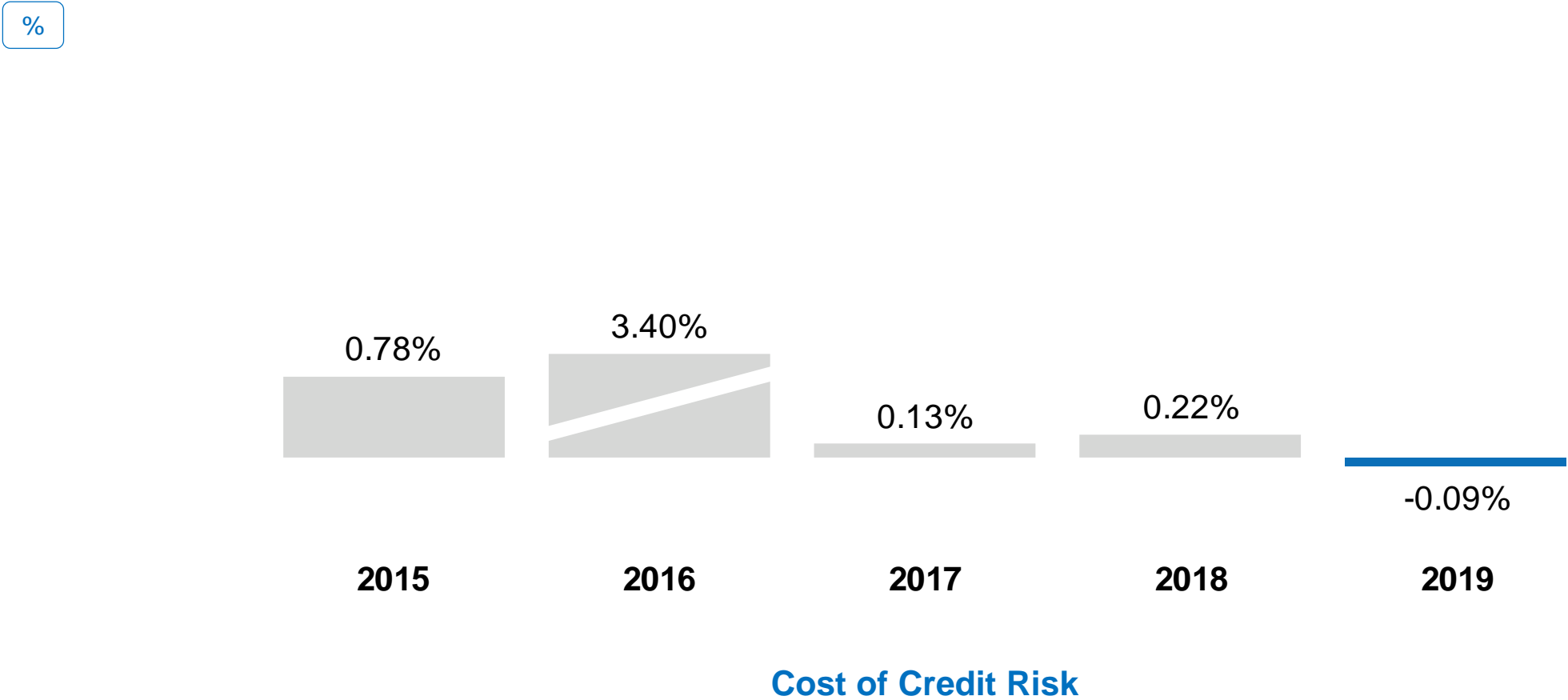
M€





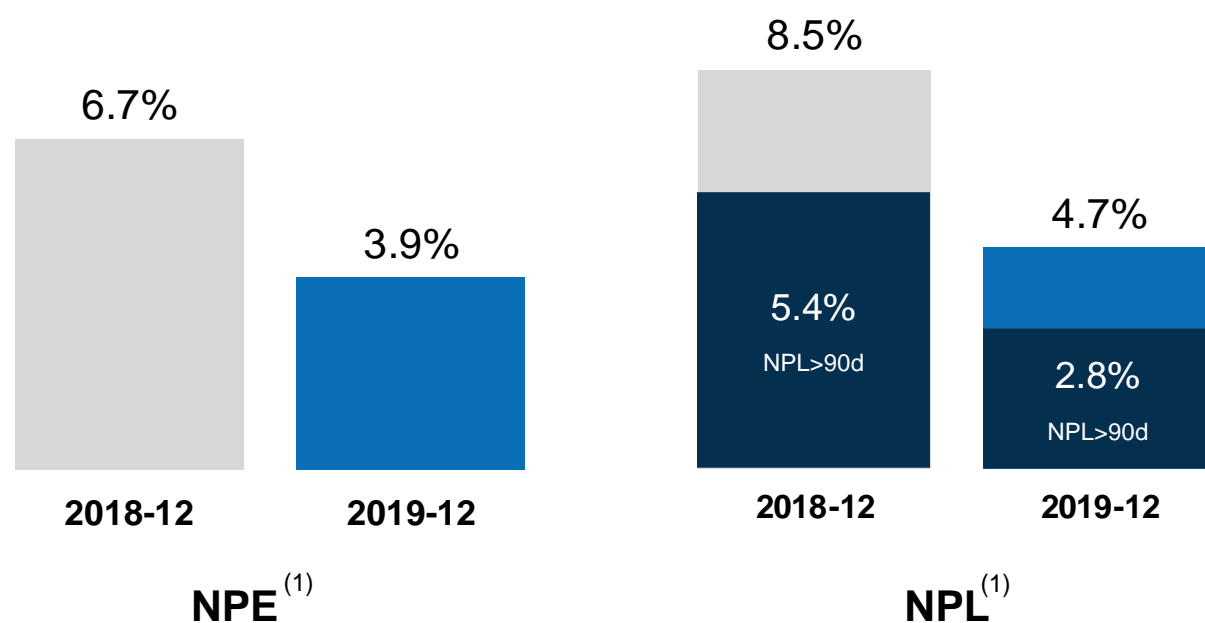
Asset Quality

Reduced Cost of Credit Risk

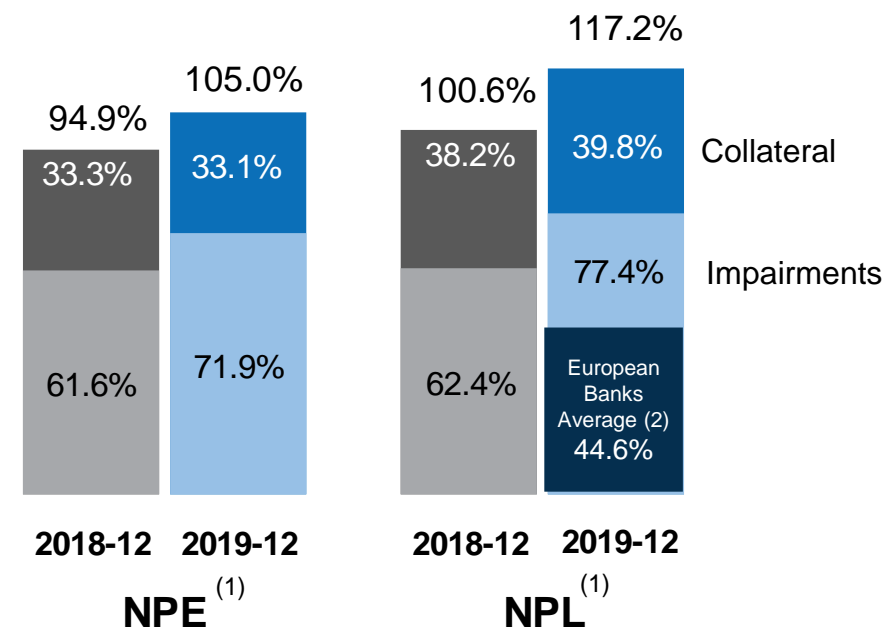


NPE and NPL decreasing with higher coverage level. NPL > 90 days below 3%

%



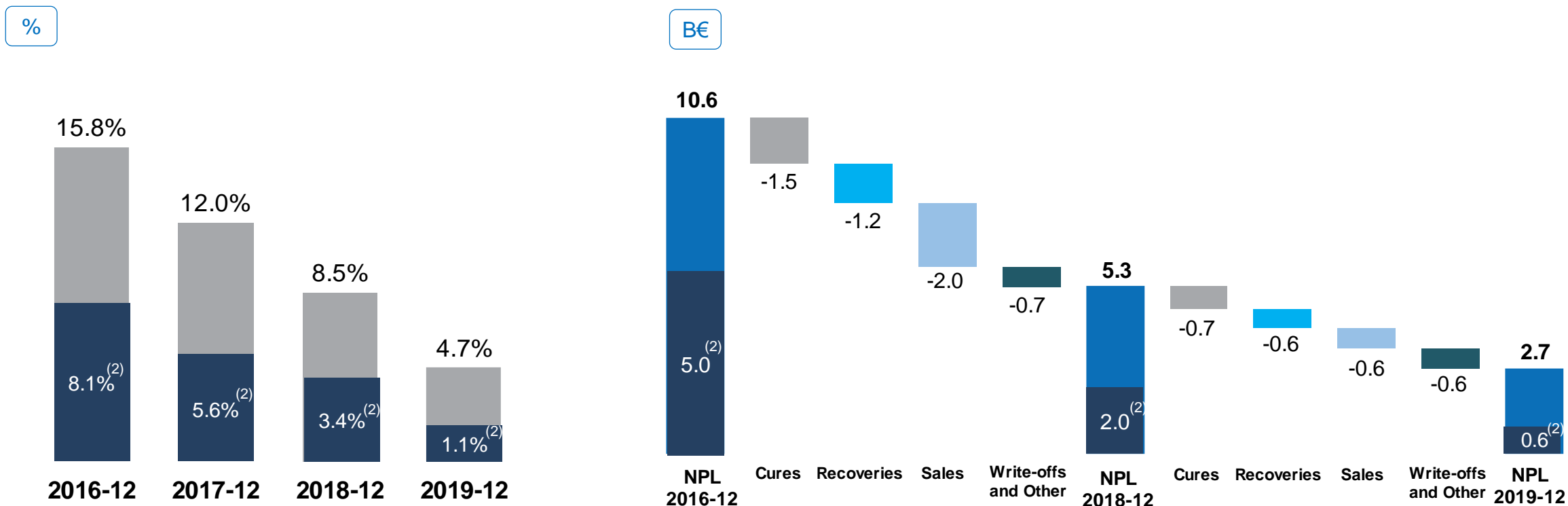
Gross Ratios



Coverage by Impairments and Collateral

(1) NPE – Non Performing Exposure and NPL – Non Performing Loans – EBA definitions; (2) EBA Risk Dashboards – September 2019

**NPL reduction continues in 2019, down 7.9 B€ (-75%) since December 2016.
NPL ratio at 4.7%. Ratio net of impairments at 1.1%.**



NPL⁽¹⁾ evolution

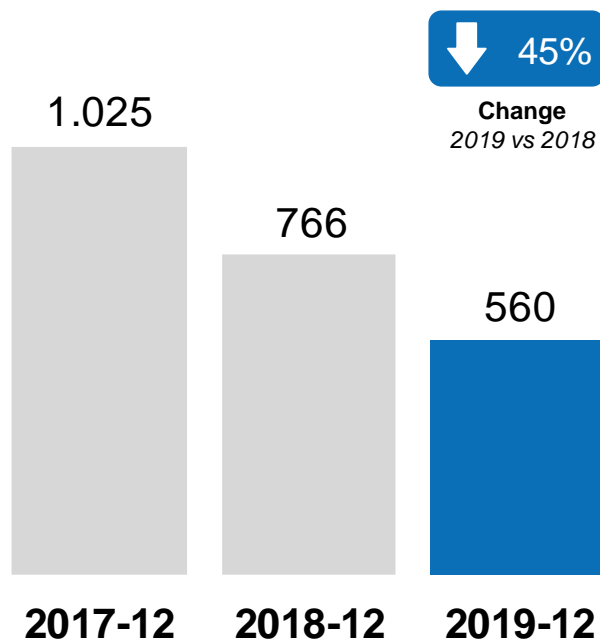
(1) NPL – Non Performing Loans – EBA definition.

(2) NPL net of impairments.

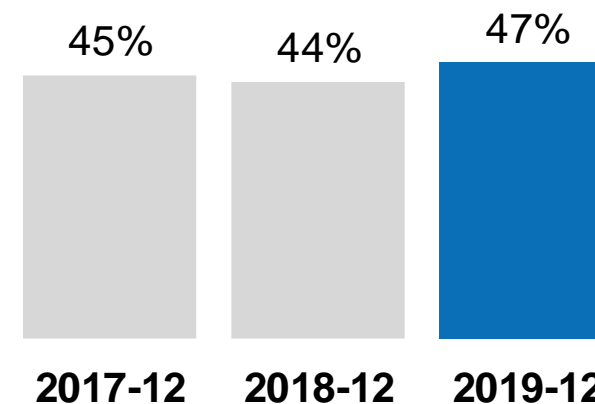
Foreclosed Assets (Real Estate) maintains decreasing trend and Coverage is reinforced

M€

%



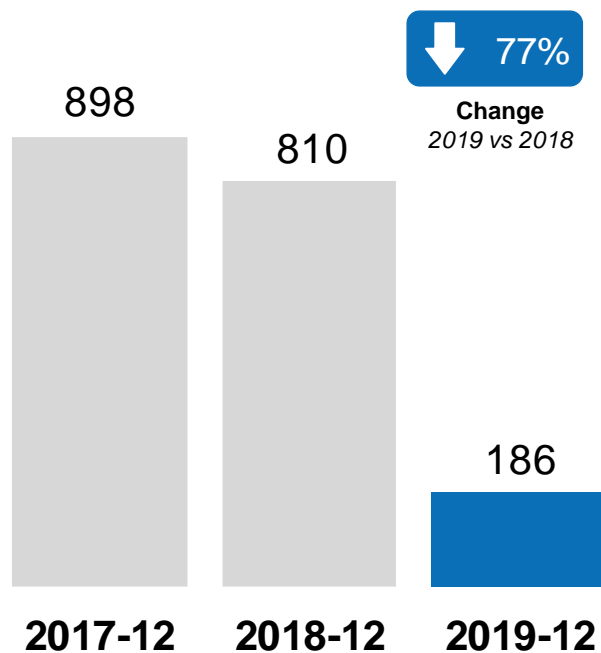
Foreclosed Assets



Coverage by Impairments

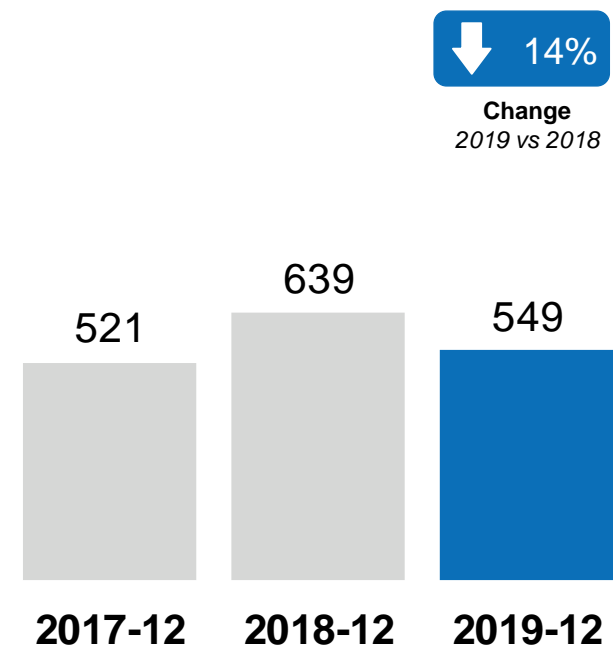
Investment Properties sharply down; exposure to Corporate Restructuring Funds decreases

M€



Investment Properties

M€



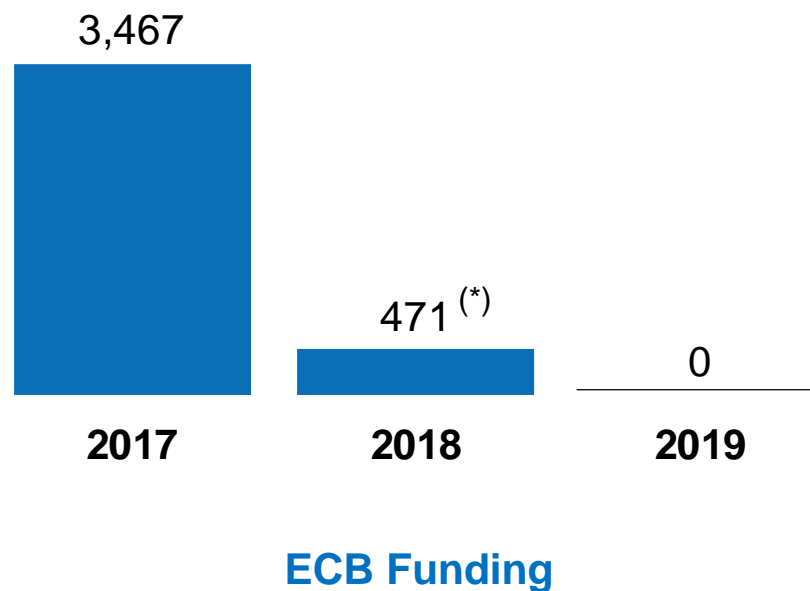
Corporate Restructuring Funds



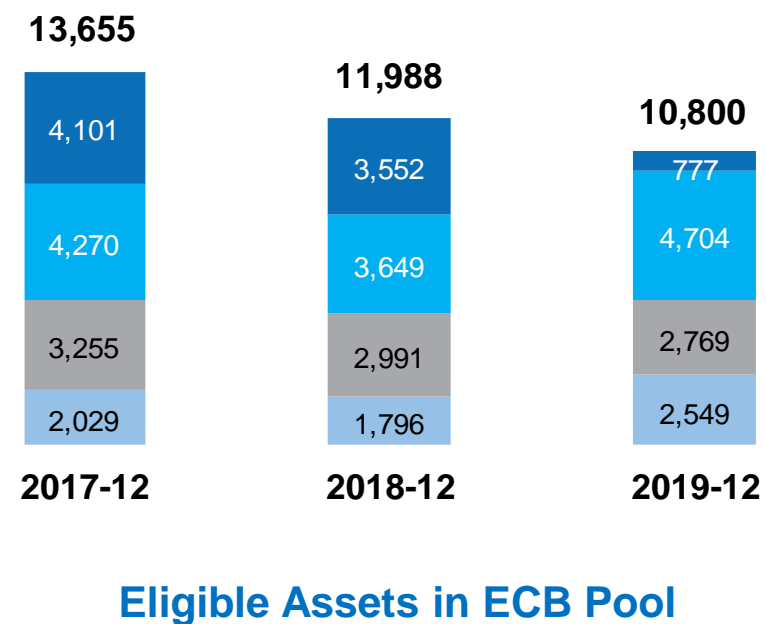
Liquidity

CGD with ample capacity to access ECB funding

M€



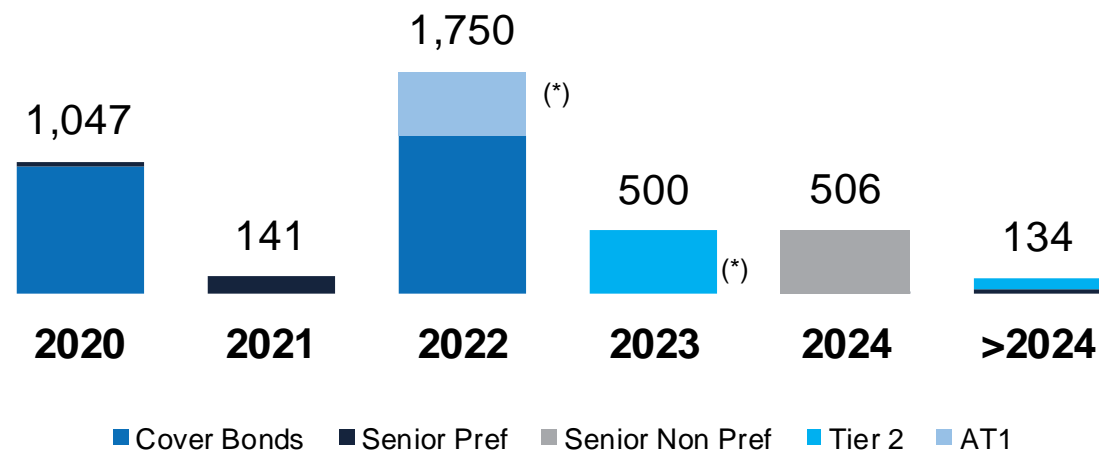
■ Other Bonds ■ Other Sovereign Debt
■ Portuguese Sovereign Debt ■ CGD Group Issuances



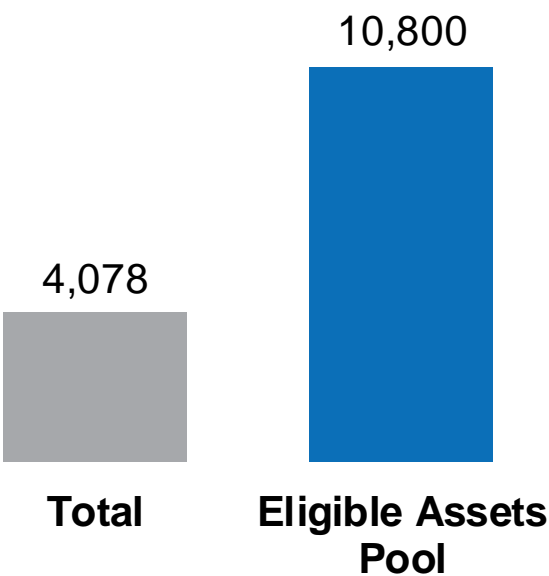
(*) Total value refers to BCG Spain, sold in October 2019

Asset pool fully covers wholesale debt maturities

M€



Wholesale Debt maturity profile



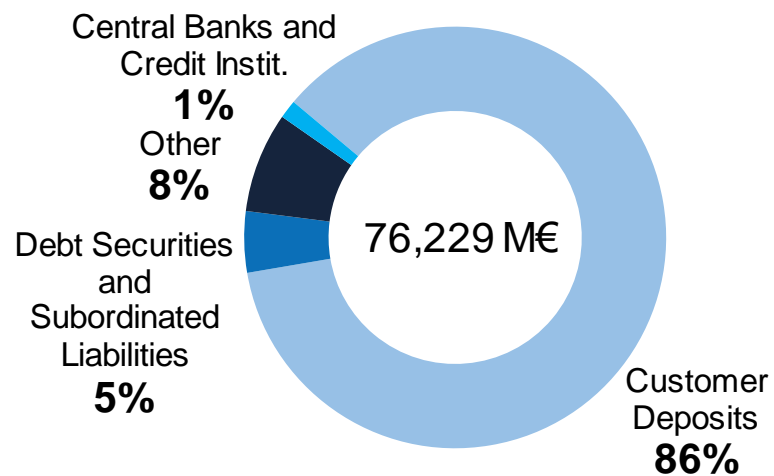
Total vs Eligible Assets Pool

(*) Considering the exercise date of the Call

Stable funding structure based on retail funding

%

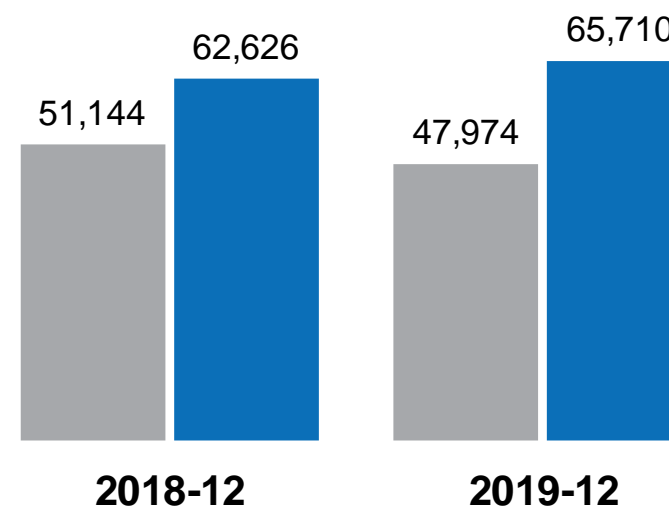
M€



Liabilities Structure⁽¹⁾

82%

73%



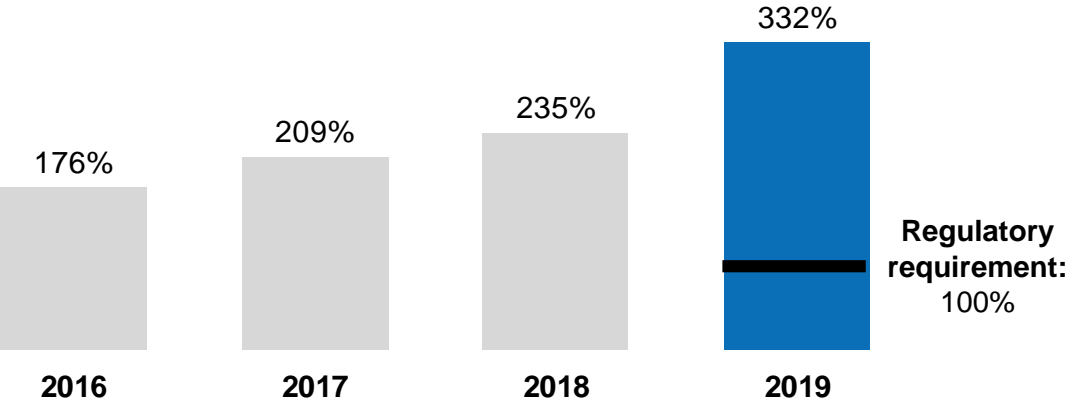
Loans-to-Deposits Ratio

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

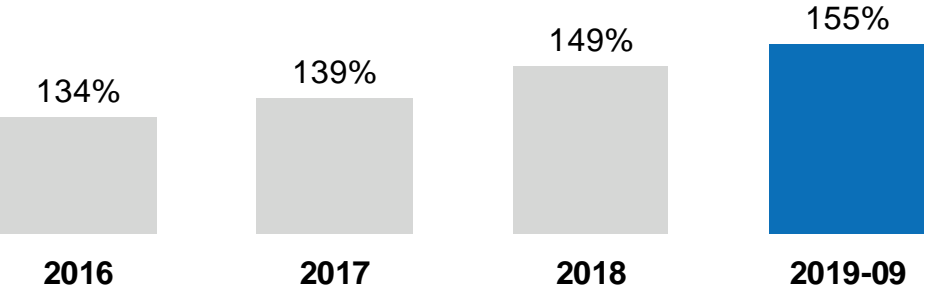
(1) Excluding non-current liabilities held for sale

Robust liquidity position

%



LCR (*Liquidity Coverage Ratio*)



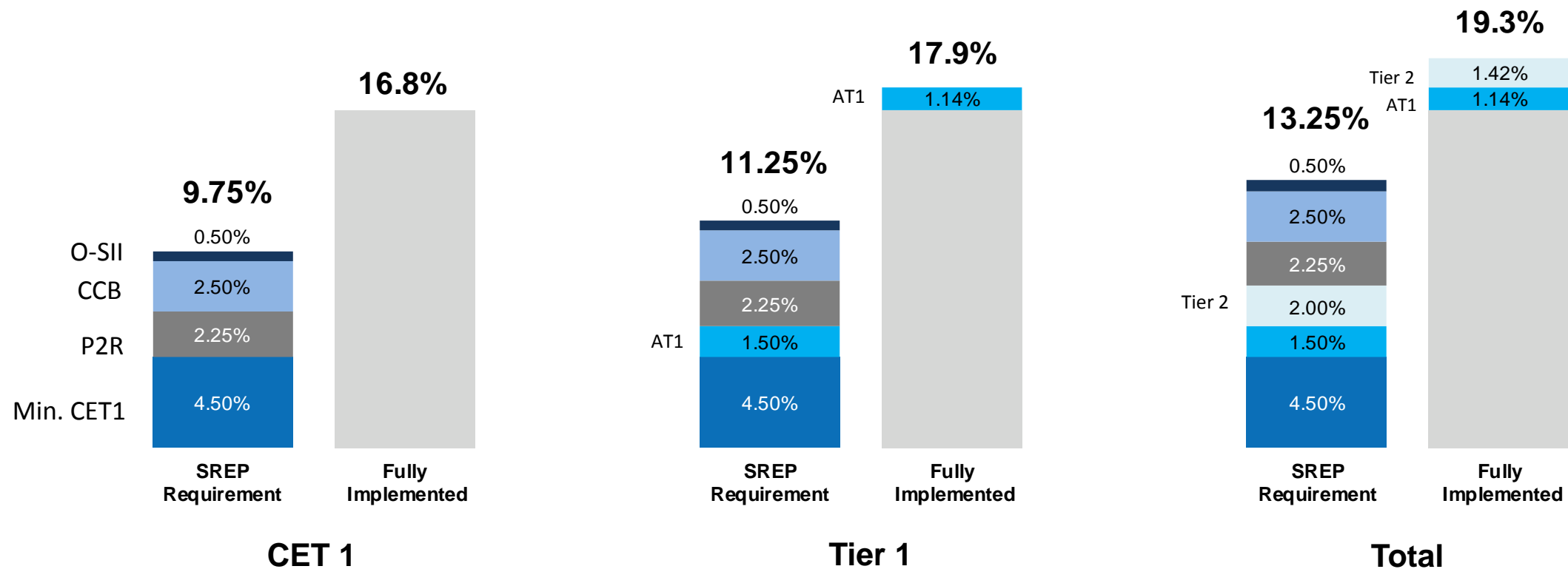
NSFR (*Net Stable Funding Ratio*)



Capital

CGD meets SREP requirements

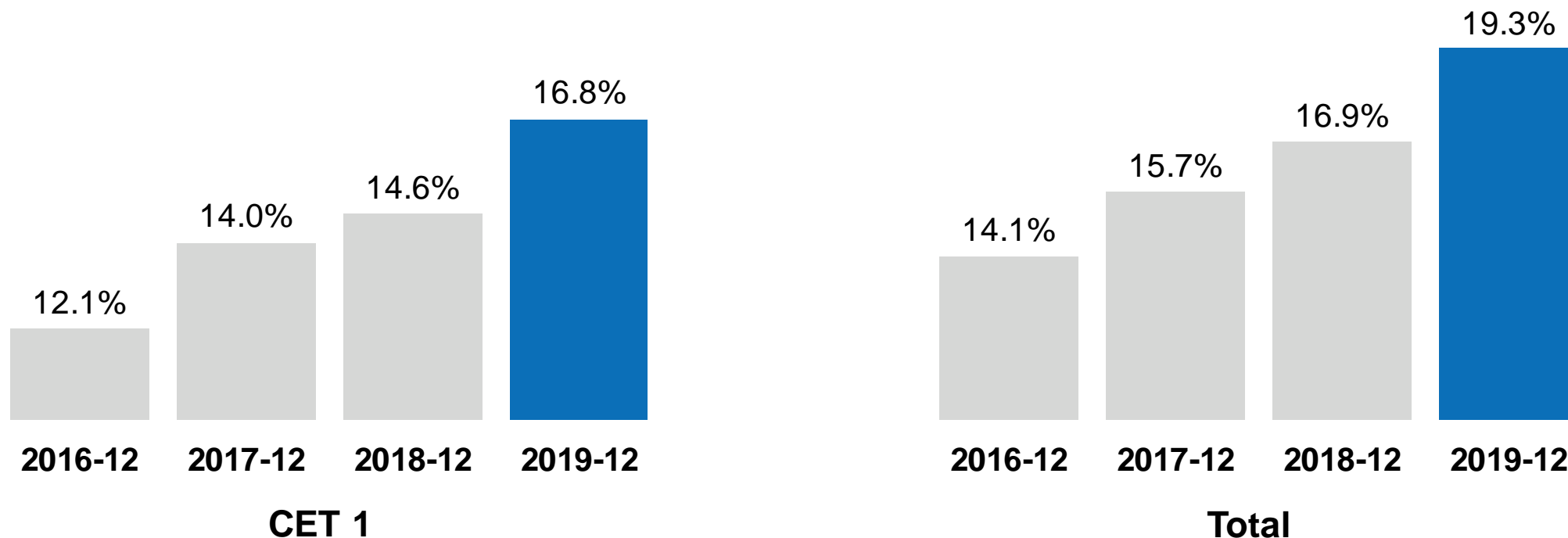
%



SREP 2019 Requirements and CGD Capital Ratios in 31 December 2019

Sustained improvement of capital position after dividend payment and adjustment in the pension fund actuarial assumptions

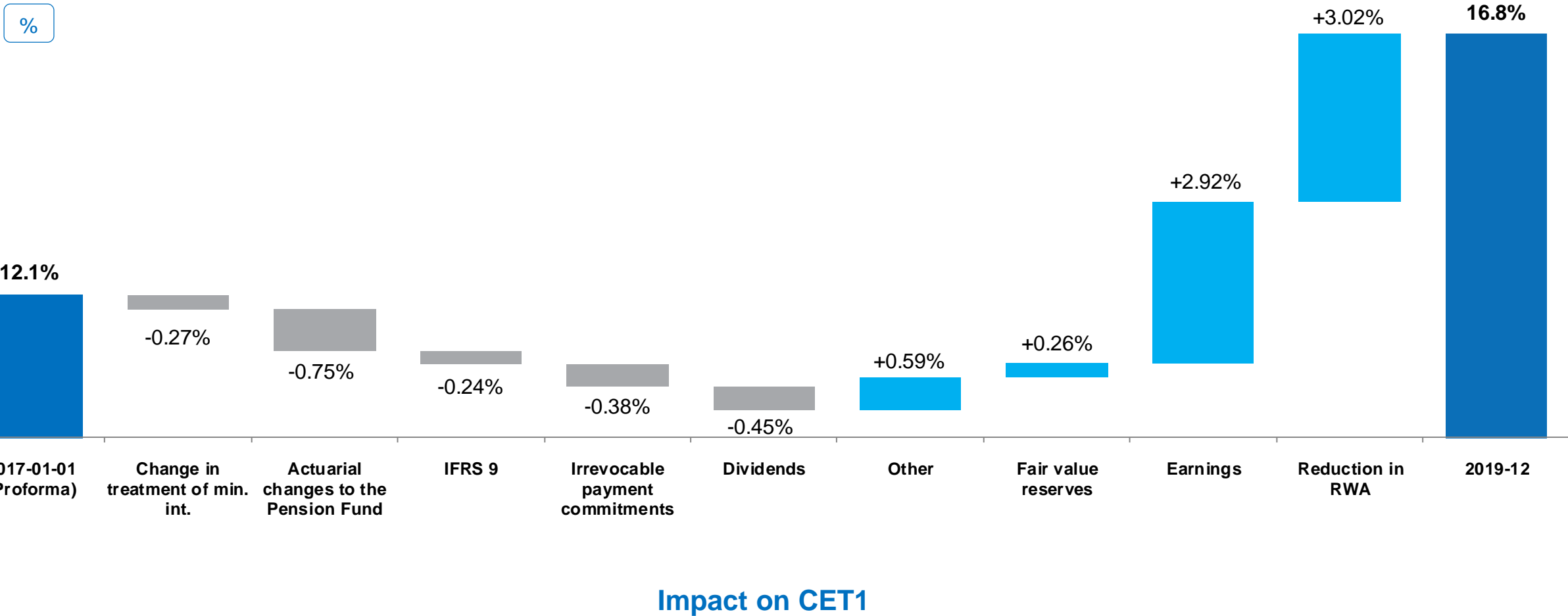
%



Capital Ratios Evolution (Fully Loaded)

Capital ratios reflect an adequate buffer – considering the shareholding structure of CGD – to meet additional capital requirements (MREL, Pension Fund, regulatory demands, etc.)

Deconsolidation and improved net profit accomodate deductions resulting from regulatory requirements and market conditions



Pension Fund

Changes to actuarial assumptions

	2018-12	2019-12
Discount rate	2.075%	1.40%
Salaries growth rate	1.0%	0.75% after 2020
Pensions growth rate	0.5%	0.4% after 2020
Mortality tables:		
Men	TV 73/77	TV 88/90
Women	TV 88/90 (-2 years)	TV 88/90 (-3 years)

Financial impact

- Negative actuarial deviation originates extraordinary contributions to the Pension Fund of 301.1 million euros (partially registered in June 2019)
- Liabilities funded at 100%
- Extraordinary contributions reduced by the Fund's return in 2019

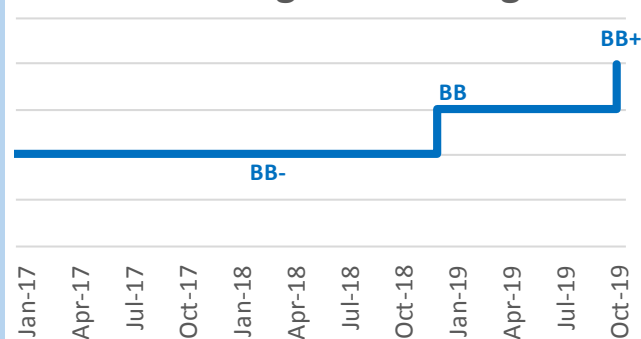
Rating agencies continue to take notice: 5th upgrade of senior debt rating since the start of Strategic Plan

Fitch Ratings

BB+ / B

Oct19: Upgrade of long term Issuer Default Rating (IDR) to BB+ with outlook stable and *Viability Rating* (VR) to bb+

Fitch Long Term Ratings



(+2 notches)

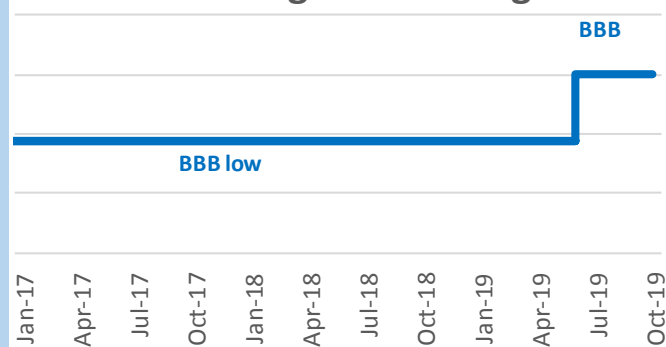
DBRS Morningstar

BBB / R-2 (high)

Jun19: Upgrade of long and short term debt ratings and Covered Bonds ratings

Oct19: Upgrade of long and short term deposits ratings to BBB (high) and R-1 (Low) with outlook stable

DBRS Long Term Ratings



(+1 notch)

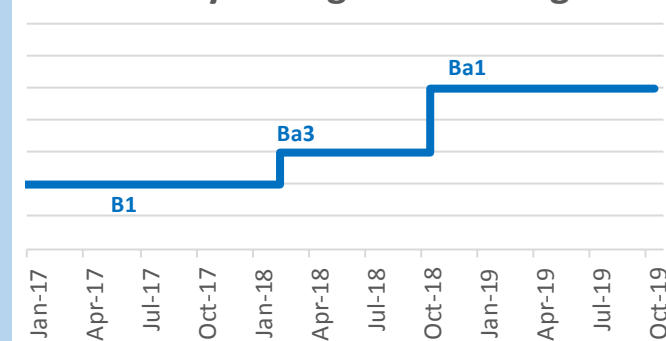
Moody's

Ba1 / NP

Jul19: Long-term senior debt rating affirmed at Ba1

Outlook revised from negative to stable
Upgrade of long and short term deposits ratings

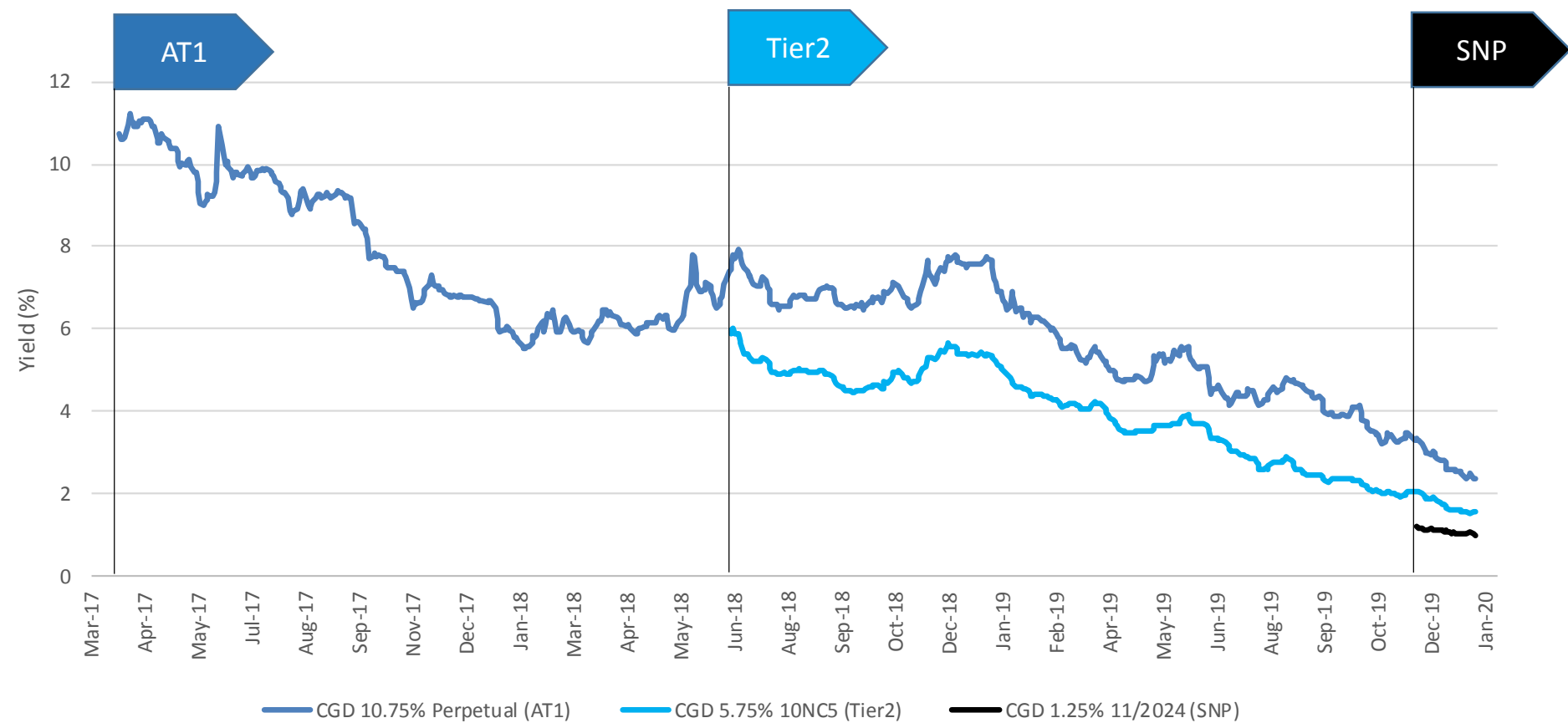
Moody's Long Term Ratings



(+3 notches)

Yield reduction reflects progress in the market's risk perception of CGD

%

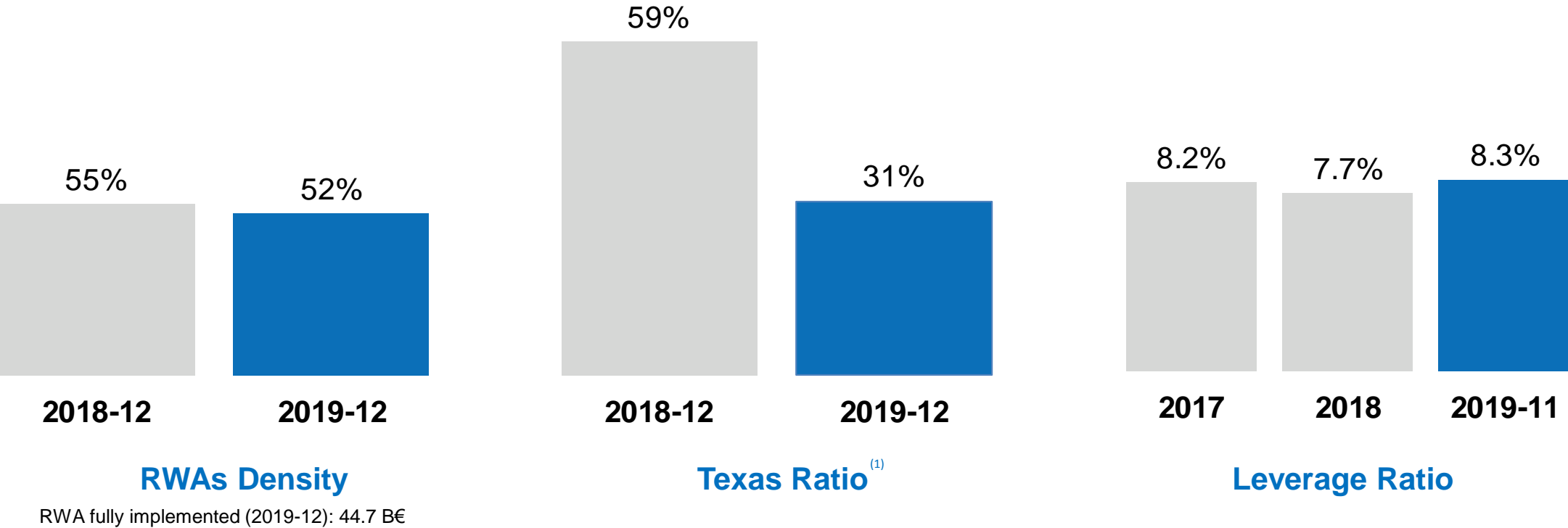


Issuance of subordinated debt reinforces protection of customer deposits

Source: Bloomberg

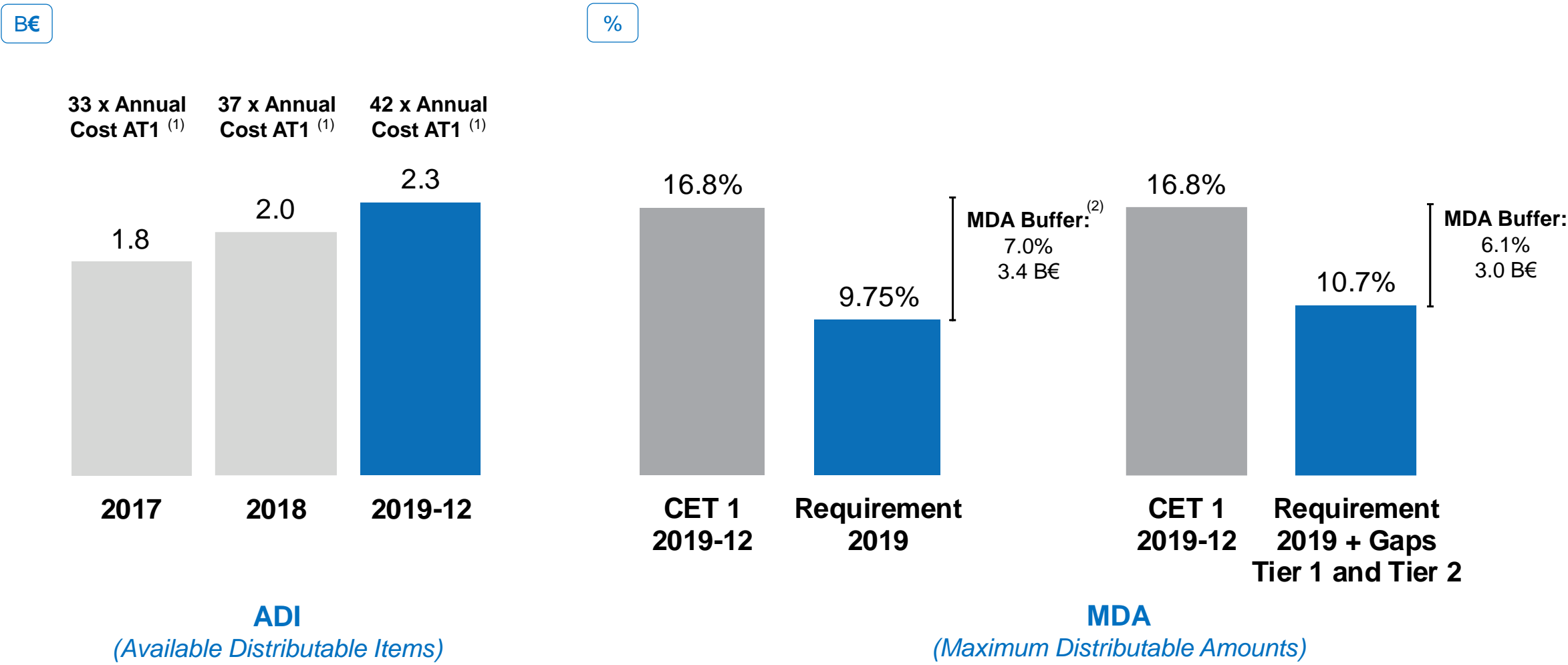
Risk Weighted Assets (RWA) density, Texas and Leverage Ratios

%



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

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



(1) 10.75% coupon for current 500 M€ AT1 issuance; (2) Considering fulfilment of buckets of 1.5% in AT1 and 2% in T2.



MREL

Launch of the first issue to meet MREL requirements (*Minimum Requirement for own funds and Eligible Liabilities*)

Requirement

Reference date: 31/12/2017

- 13.27% of TLOF of CGD Resolution Group^(*) corresponding to:
 - 24.65% of TREA
 - TLOF (Total Liabilities and Own Funds): €86,300M
 - TREA (Total Risk Exposure Amount): €46,467M
 - Amount: €11,453M
- Binding date: 1/1/2023

Funding Plan

- Funding Plan: Issuance estimated around €2,000M between 2019 and the end of 2022 through a combination of Senior Preferred and Senior Non-Preferred debt
- First issue, in the amount of €500 M, to fulfill the requirements completed in November 2019**
- Format, size and timing adjustable to evolution of MREL requirements, namely minimum subordination

(*) CGD in Banking Union + BNU Macao

First Senior Non Preferred issue by CGD and of the Portuguese market

Rationale	<ul style="list-style-type: none">Favourable market conditions reduced the cost of issuing subordinated debt instrumentsPotential positive impact on the rating as more cushion is built below Senior debtMinimum subordination requirement (17% under BRRD1 and entirely met just with capital base) expected to be revised higher under BRRD2. Starting MREL funding plan with SNP allows CGD to build-up subordinated debt to fulfill a future requirement.	
Key features	<ul style="list-style-type: none">Size: € 500,000,000Tenor: 5 yearsMaturity: Nov 25, 2024Coupon: 1.25%	Placement <ul style="list-style-type: none">220 accounts placed orders exceeding a total of € 3,500,000,000Diversified geographical distribution: United Kingdom (28%), France (16%), Portugal, (16%), Netherlands (8%), Spain (8%) and Italy (7%)Over 70% of the issue placed with asset managers

Order book 7 times oversubscribed



Summary

2019 confirms progress in profitability and asset quality, while achieving sound liquidity and capital positions despite the low interest rate environment ...

Business⁽¹⁾

Positive evolution of core operating income...

2019 vs. 2018:

- ✓ Commissions:
 - ✓ Securities and Bancassurance: +17.5%;
 - ✓ Cards and Credit: + 1.8%
- ✓ Operating costs: -2.3%
- ✓ Recurrent cost-to-inc.: -4.3 pp
- ✓ Net core Ope. Inc.: +1%
- ✓ New mortgage loans PT: +33%
- ✓ Corporate loans PT: +6.7% (without CRE)

Asset Quality

...a significant reduction of the NPL ratio...

2019:

- ✓ Cost of credit risk: -0.09%
- ✓ NPL: 4.7%
- ✓ NPL Coverage by impairments: 77.4%
- ✓ NPL net of impairments: 1.1%

Liquidity

...benefiting from a wide base of funding available...

- ✓ Deposits: 86% of liabilities⁽³⁾
- ✓ Pool of collateral: 10.8 B€
- ✓ LCR: 332%
- ✓ Loans-to-deposits: 73%

Capital

...and maintaining a strong and adequate capital position.

Capital ratios (fully loaded)

2019 vs. 2018:

- ✓ CET1: 16.8% (+2.2 pp)
- ✓ Tier 1: 17.9% (+2.2 pp)
- ✓ Total: 19.3% (+2.4 pp)



2019

ROE⁽²⁾ = 8.1%

(1) Considering non-recurring costs of €46 million in Dec 2018 and €51 million in Dec 2019, relating to employee reduction programmes and other administrative expenses

(2) ROE = (net income + non-controlling interests) / Shareholders' equity (average of 13 monthly observations and annualized) and including BCG SA. provision adjustment

(3) Excluding non-current liabilities held for sale

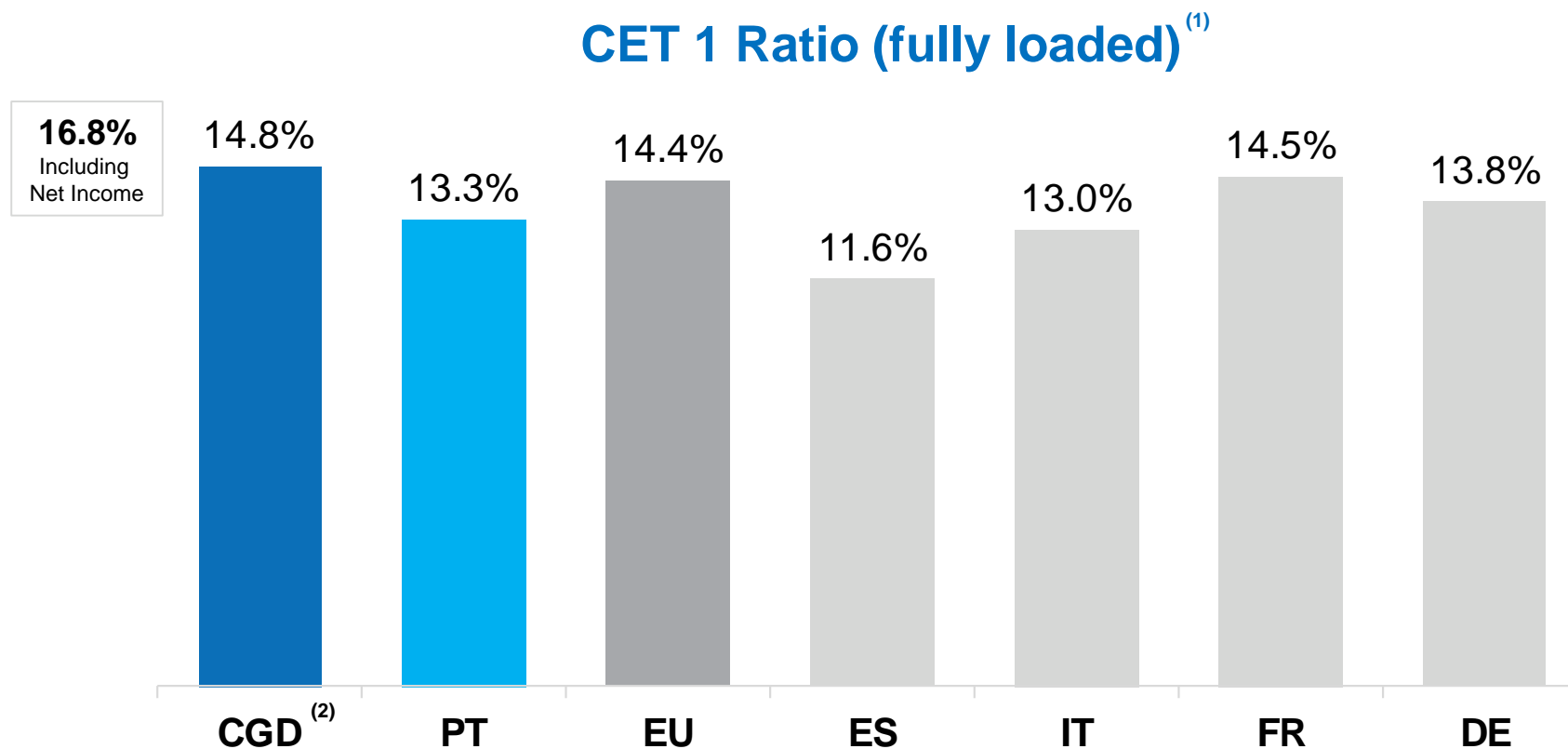
Summary

... creating the right conditions to achieve the main targets of the Strategic Plan 2017 - 2020

	2019 Execution	2020 Strategic Plan Targets	European Banking Average ⁽³⁾
Return on Equity (ROE) ⁽¹⁾	8.1%	> 9%	6.6%
Recurrent Cost-to-Income	47%	< 43% ⁽²⁾	63.2%
NPL Ratio	4.7% <i>(Imp. Cov. 77.4%)</i> 1.1% <i>(Net)</i>	< 7%	2.9% <i>(Imp. Cov. 44.6%)</i> 1.6% <i>(Net)</i>
CET1 Fully loaded	16.8% <i>(including Net Inc)</i> 14.8% <i>(excluding Net Inc)</i>	> 14% <i>(including Net Income)</i>	14.4% <i>(excluding Net Income)</i>

Solvency: CGD with favourable performance within the European Union

%



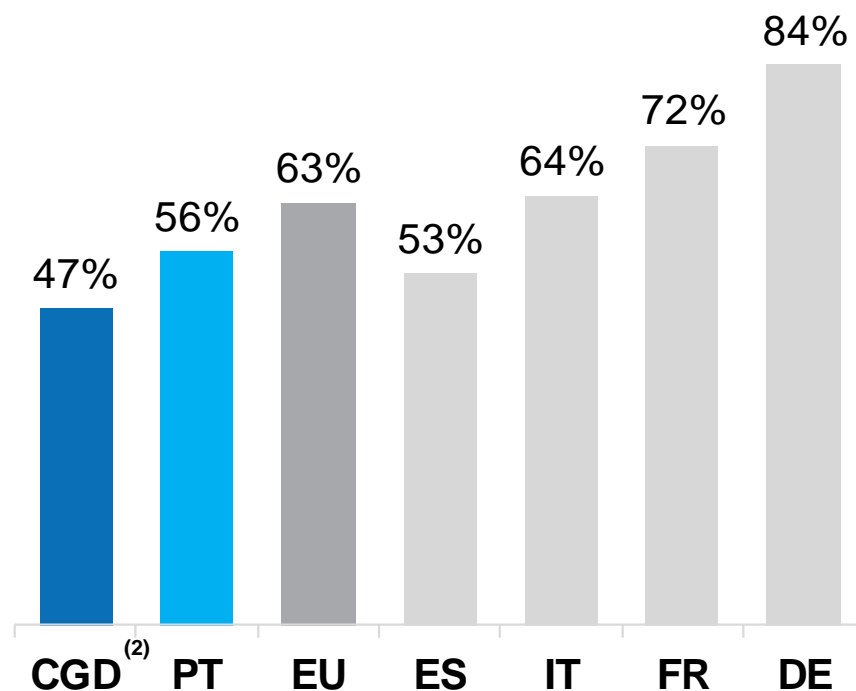
(1) Source: EBA Risk Dashboard - September 2019, except CGD;

(2) CGD data refers to 31 December 2019.

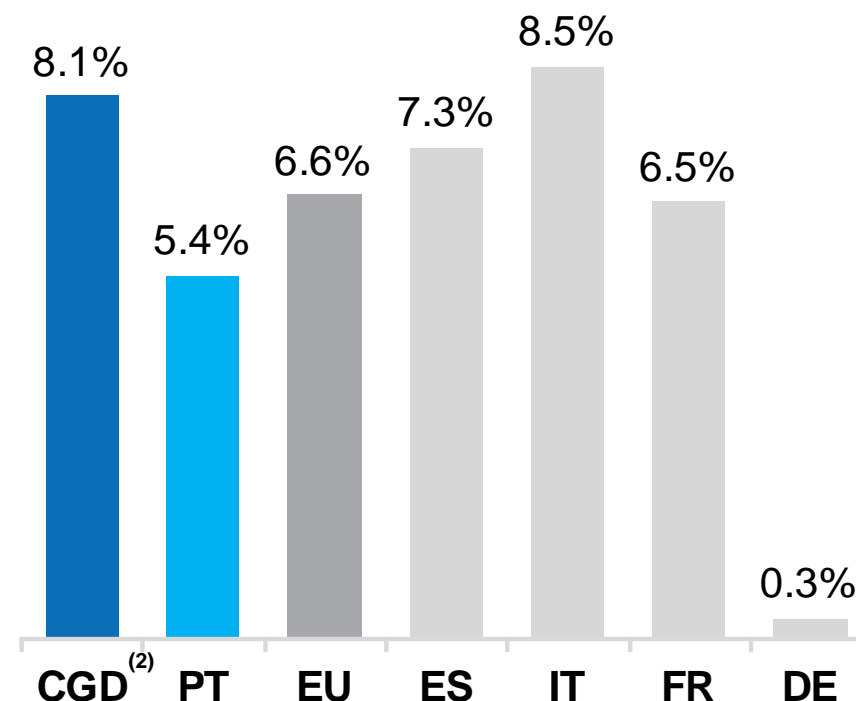
Efficiency and Profitability: CGD with favourable performance within the European Union

%

Cost to Income ⁽¹⁾



Return on Equity (RoE) ⁽¹⁾



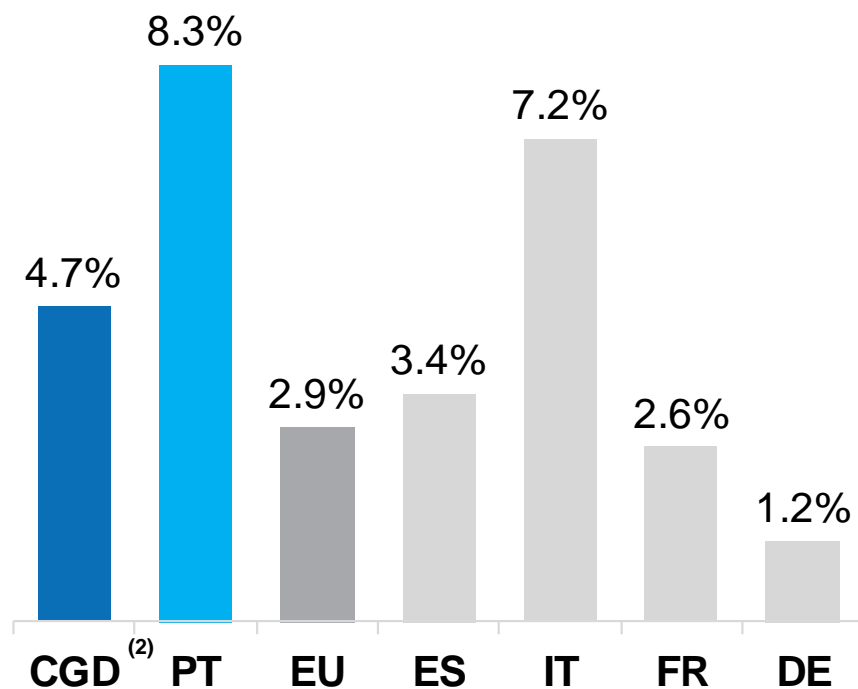
(1) Source: EBA Risk Dashboard - September 2019, except CGD;

(2) CGD data refers to 31 December 2019. Excluding non-recurrent results

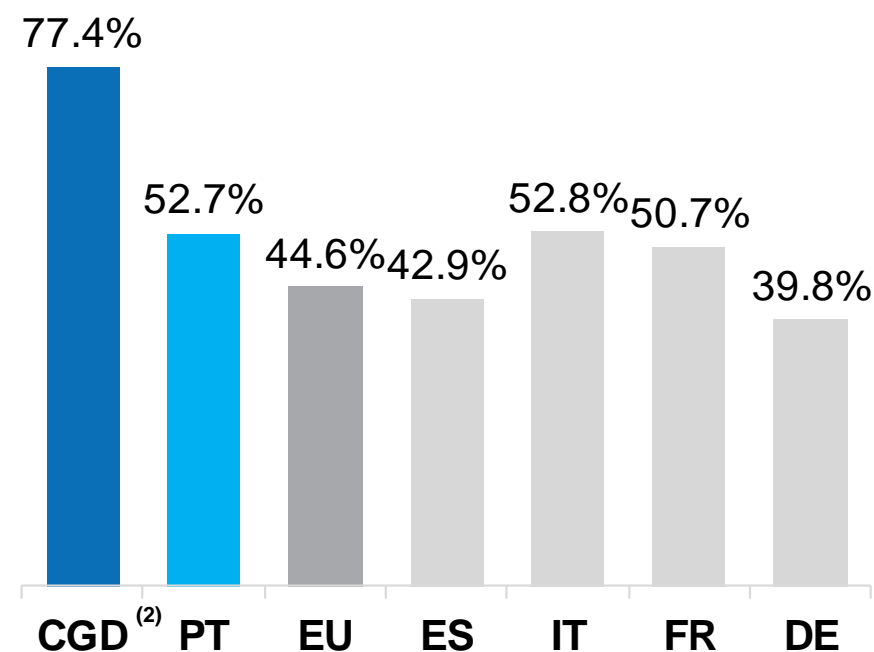
Asset Quality: CGD converging to European levels; coverage level exceeds standards

%

Non-Performing Loans ratio⁽¹⁾



Coverage ratio of Non-Performing Loans⁽¹⁾



(1) Source: EBA Risk Dashboard - September 2019, except CGD;

(2) CGD data refers to 31 December 2019.

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