

CAIXA GERAL DE DEPÓSITOS

CONSOLIDATED RESULTS 2020

Unaudited financial information



Investor Relations | 11.02.2021

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, 2020, unless otherwise stated. These may be estimates subject to revision. Solvency ratios include net income for the period, unless where otherwise noted.
- In 2020, economic activity in Portugal and worldwide was significantly affected by the Covid 19 pandemic and by the imposed containment efforts, in particular mobility restrictions, closing of national borders and limitations of a series of economic activities. Despite the fact that the third quarter witnessed a gradual lifting of restrictions and a rapid and pronounced economic recovery over the first half, that trend changed in the last quarter of 2020 with the need for renewed containment measures in Portugal and in most countries.
 - Economic perspectives are thus surrounded by a high level of uncertainty and are dependent on the progression of the virus and the speed at which large scale vaccination can be achieved. Projections by the Bank of Portugal assume that restrictions are gradually lifted from the first quarter of 2021 with economic activity conditioned until the start of 2022 when an effective medical response is expected to be fully implemented.
 - 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 December 31, 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 2020". In the event of any inconsistency, the original version prevails.

Response to the COVID-19 pandemic impacts global results of 2020







Consolidated net income reaches €492M (-36.6% over 2019) resulting in a ROE of 6.1%



Current net income was €450M, a 28.8% reduction over 2019 (excluding extraordinary results in both years) and corresponding to a ROE of 5.6%



Throughout 2020, 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 €309M



Fully loaded CET 1 ratio reaches 18.3%, Tier 1 19.5% and Total ratio 20.9%, above the Portuguese and European banking average, evidence of CGD's robust and adequate capital position



Significant growth (+2.7%) in Portugal in corporate and business loans (excluding construction and real estate) and in new mortgage loans production with a 24.5% market share in the 4th quarter 2020



Improvement in asset quality: NPL ratio net of total impairments of 0.1%. NPL ratio drops to 3.9% and specific coverage level increases to 63.1% vs 45.5% average for European banks⁽¹⁾



Recurrent operating costs down 8% over 2019, reflecting the continued improvement in efficiency levels

(1) EBA Risk Dashboard – September 2020



1	Response to the Pandemic	6	Asset Quality
2	Commercial and Digital Banking	7	Liquidity
3	Sustainability	8	Capital
4	Results	9	Summary 2020
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99% of branches open and 100% of corporate offices remain open assuring the continuity of all business lines in person



Response to the Pandemic

Operational response (1)

6.6k employees working at 100%

99% of branches open

100% of corporate offices open

> 500K customers with remote dedicated manager



44%
of employees are
working remotely
(~ 3,200 remote acesses)

~ 11% of
branches

~ 87% of
central services

Electronic payments (1)

> 3,500 automatic equipment

4.2 M of cards issued

1.2 M of contactless cards

(1) In Portugal

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

Response to the Pandemic



What we did for households...



Provided protection for mortgage loans and consumer 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 and later 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 and immediate debit card subscription



Provided Health
Insurance and an
Online Health
Symptom Assessor

Benefits in screening tests, hospitalizations and online medical service



Informed of the advantages of Caixadirecta, new digital assistant of the app, contactless debit card* and "Conta Caixa" account

* with payments up to €150

4

%5

Offered secure, simple and intuitive payments without contact with cash or cards

Through Apple Pay and Swatch Pay watches



Offered more
transactions on ATM
machines* and transfers
between accounts on
the DABOX APP

* Subscription and recovery of access to Caixadirecta, SMS
Token activation and checks
ordering

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

Response to the Pandemic



What we did for corporates...



Accelerated the placement of of credit lines with state guarantee

Focus on COVID-19 Economy
Support Lines



Promoted access to the Legal Moratorium

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



Exempted Small businesses from monthly POS equipment charges

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



Provided fully digital solutions

Including the first 100% digital
Trade Finance operations and
Flexcash electronic invoicing
platform and Caixa Pay MB-Way
- online payments



Intensified credit
activity in customers
not served by the
Economic Support Lines

Promoting the new Lines
FEI Covid and Sector Support
Caixa lines (Fishing, Agriculture,
Tourism and Social)



Segmented and monitored customers most likely to be in financial distress

Minimizing the risk of default



Offered leasing solutions

Fixed Rate Leasing Companies with extension of deadlines and Leasing of CGD Group and other partnership properties



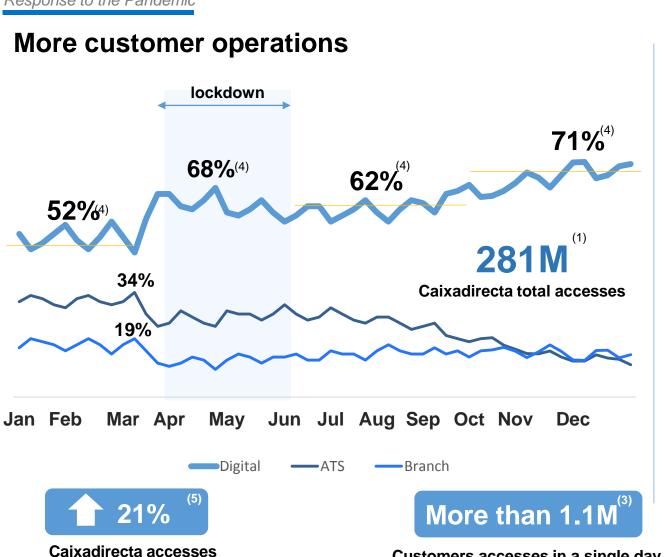
Offered new features in Caixadirecta Empresas

Simultaneous authorization of operations by different companies, registration of foreign TINs, applying for PME Líder status, SwiftNet - optimization of the statement, contracted limits and TPA movements visualization

The pandemic accelerated the digitalization of banking activity and made the digital business grow



Response to the Pandemic



More business



Consumer Loans

93%



Mutual **Funds**

76%



Term deposits & savings



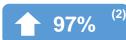


cards

61%



"Conta Caixa" accounts





Opening an account





Factoring & Confirming

Customers accesses in a single day

CGD promotes moratoriums and support credit lines for families and companies

Response to the Pandemic





CGD Portugal

CREDIT MORATORIUM	28-07-2020		31-01-2021		Change	
	# Loans	Amount	# Loans	Amount	# Loans	Amount
Individuals	54,100	3,063	46,056	2,646	-8,044	-417
Companies	24,084	3,919	21,014	3,346	-3,070	-573
Total	78,184	6,982	67,070	5,992	-11,114	-990

	31-01-2021
✓	10.7% of the retail loan portfolio
✓	21.1% of the corporate loan portfolio
✓	13.7% of total credit portfolio

CREDIT LINES COMPANIES AND BUSINESS	31-01-2021		
	# Loans	Amount	
COVID Credit lines			
Public guarantee	7,403	1,270	
EIF guarantee	3,970	352	
Total	11,373	1,621	
Other credit lines			
Credit granted (YtD)		5,058	
Pre-approved credit		2,679	
Current accounts available		5,498	
Total		13,235	

- Legal moratoriums in force until the end of September 2021
- Request of new moratoriums until the end of March 2021

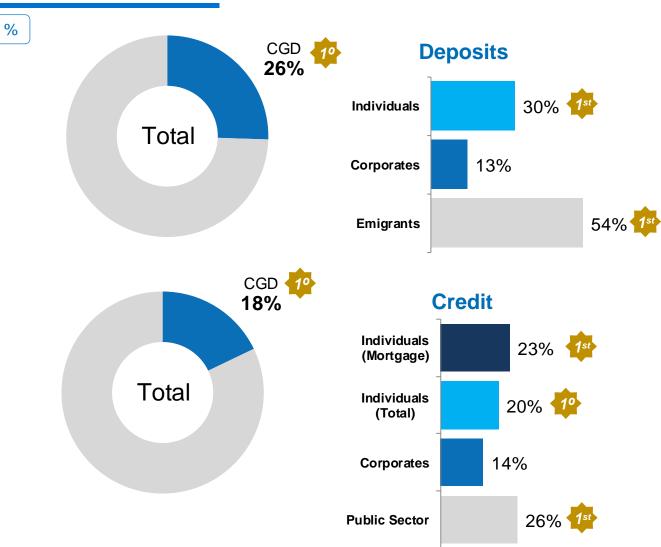


Market Shares⁽¹⁾: CGD leader in Portugal⁽²⁾

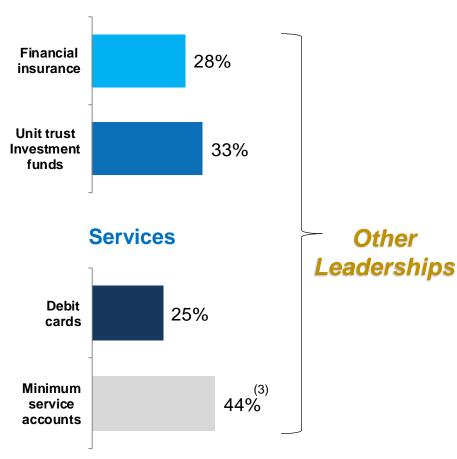
Commercial and Digital Banking



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Savings and Investment



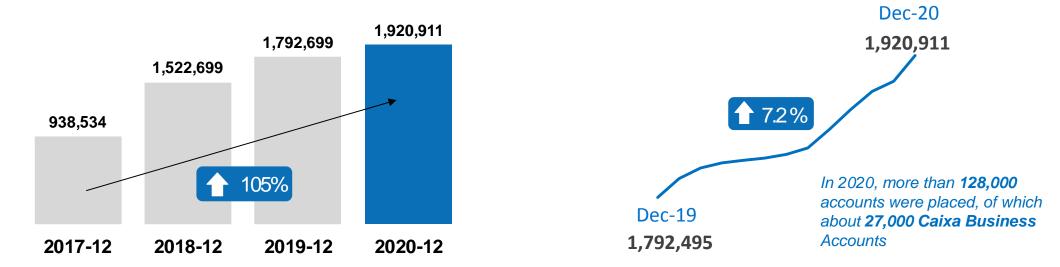
(1) December 2020; (2) CGD source for September 30, 2020; (3) June 2020

"Contas Caixa" accounts establish a new way of providing services to customers

Commercial and Digital Banking







Accumulated Production

Caixa innovates and leads the payment system

Commercial and Digital Banking



SwatchPAY!



In a partnership with Swatch,

Caixa was the exclusive

launcher in Portugal of

SwatchPAY!, an innovative way

to make payments that attaches

Caixa card data to the watch,

promoting simplicity, speed

and convenience when

making payments, by simply

leaning the watch against Visa or

Mastercard contactless terminals.

APPLE PAY



Caixa launched Apple Pay for clients with Visa debit, credit or prepaid cards enabling purchases worldwide with Apple smartphones at point of sale terminals with contactless technology worldwide

Leadership & Awards



Leadership in payments

- ✓ CGD is the biggest card Issuer in Portugal with 25,4% market share
- √ + 1.2 million contactless debit cards issued in 2020

Caixa Credit Cards win recognition

- ✓ Caixa IN "Best Credit Card with discounts in 2020"
- ✓ Miles&More Classic "Best Credit Card with Miles in 2020"

Market share of purchases increased during pandemic

Support Campaigns



✓ Campaign to Support domestic tourism launched in partnership with six hotel chains offering a 15% discount..



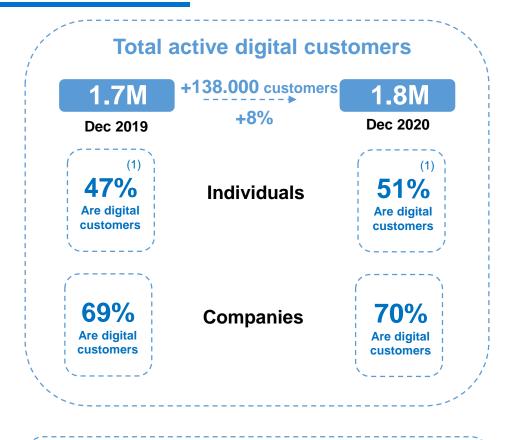
✓ Campaign to Support social causes launched in partnership with the Portuguese Anti-Cancer League, resulting in a donation of €20,000 in June and €100,000 in December

Increase in the number of digital customers - 53% of the total - and brand perception as "Best Digital Bank"



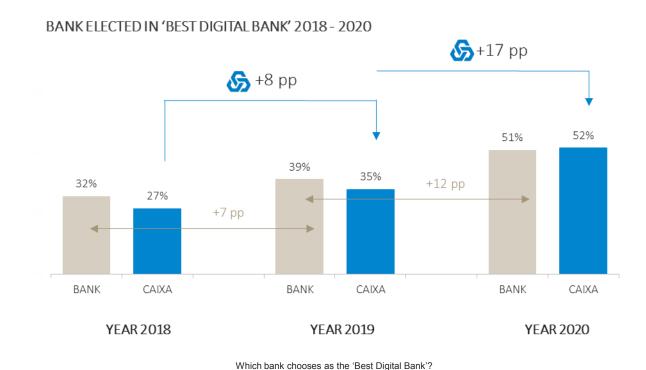
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Commercial and Digital Banking





Recognition by Caixa customers as 'Best Digital Bank' increases significantly between 2019 and 2020



(Spontaneous response)(2)

(1) Base of eligible active customers (over 18 years old); (2) BrandScore Study 4Q2020

New solutions that guarantee customers' needs and make their daily lives easier

Commercial and Digital Banking



CaixaDirecta



- ✓ Subscription 100% digital, via app with biometric identity validation and immediate 1st account availability
- ✓ 100% online moratorium request
- √ 100% digital short-term financing for companies
- ✓ Caixadirecta management at ATM
- Trading in new markets and new types of financial assets
- ✓ Digital subscription of Retirement Savings Plans (PPR)

Caixadirecta app



- SwatchPAY, non-bank product financing solution
- ✓ Payments using ApplePay
- Conta Caixa account subscription
- ✓ PPR subscription
- ✓ Opening of financial assets account
- Unlocking accesses and requesting a moratorium via the 1st Digital Assistant in Portugal
- √ Subscription of non-financial insurance

Dabox app



- ✓ 1st national APP that allows transfers from other banks (149.000 downloads in Dec-20)
- √ Offer of meal cards
- Revolut and Moey aggregation!
- DABOX Challenge Fintech Day promoted by Caixa and Portugal Fintech
- Activation of the Influencers campaign and launch of the Carteira Indiscreta
- Sending automatic insights via push notification

Indicators & distinctions



Caixadirecta app

- √ > 730.000 unique users served by the Caixa digital assistant
- √ 75% of customers access
 Caixadirecta via App (+40%¹)
- √ 4.5 rating app stores², more than
 107.000 comments
- √ 80% frequent customers

Dabox app

- ✓ Open Banking leadership³, 75% MS
- Media and Advertising campaign win 2020 Sapo Awards⁴
- ✓ "High recommendation" in 2020
 Banking Tech Awards
- √ 4.2 rating app stores²
- √ 35% of users and 50% of aggregated banks are not CGD, and 40% of transfers are initiated from other banks

(1) Dec 2019 vs Dec 2020; (2) AppStore+ GooglePlay+ AppGallery; (3) SIBS API Market | Oct. 2020); (4) Banking and Financial Services Category

Remote Relationship Management: a personal contact even if from a distance

Commercial and Digital Banking



30% of digital customers already have a Dedicated Manager

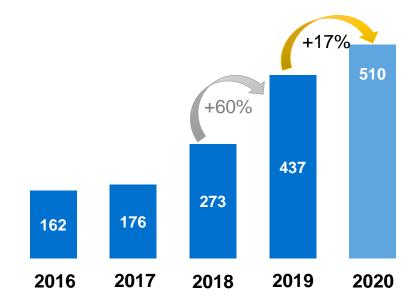


Telephone
Secure
message

DEDICATED MANAGER **Contact** scheduling

Chat

Number of customers* managed remotely



* Thousand of customers

Weight of Remote Relationship

Management in the retail business
reached 9% in December 2020

Prizes and distinctions

Commercial and Digital Banking



Caixa Geral de Depósitos



Most attractive company to work (financial sector) in Portugal

Randstad Employer Brand Research 2020

BNU Macao



Bank status Issuer in Macau was renewed, along with Bank of China, until 2030

BNU Timor



The Central
Bank of TimorLeste
distinguishes
BNU Timor with
an Excellence
Award



Active Aging and Retirement Preparation

Human Resources



Brands Reputation
Portugal 2020 Awards
Reputation Knowledge
Center

Caixa Gestão de Ativos



Sustainable Finance 2020 Award

Euronext Lisbon



Best Global and Bond **Fund Manager** in Portugal 2020

Morningstar

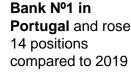


Best Bank 2019 in Portugal

EMEA Filinance



Most Reputed Brand 2020 Banking Marktest Reputation Index



Most valuable Portuguese bank brand (AA+)

The Banker



1st Portuguese bank in CET1 and 62nd european position

The Banker









2020 Best Funds

Jornal de Negócios and APFIPP ¹

18

¹ Portuguese Investment Funds, Pensions and Wealth Management Association



Caixa's Sustainability Strategy for Sustainable Financing and commitment to responsible business



Sustainability

Promotion of environmentally linked products

- ✓ Hybrid and electric vehicles leasing: €11.1 millions granted.
- ✓ Assets under management with ESG criteria: €7.5 millions (through Caixa Gestão de Ativos).
- ✓ Launch of the Decarbonisation and Circular Economy credit line.



CDP Climate Change 2020 Score B*

CDP Supplier Engagement Rating 2020 Score A-*

* Scoring above the financial sector average



Involving stakeholders

In order to address stakeholders' expectations, a survey was carried out focusing on the 17 Sustainable Development Objectives

3,000 > replies from CGD stakeholders

Environmental Performance

- ✓ Renewable energy produced: 4,966 GJ (72% is produced from the Solar Thermal Power Plant at the headquarters building and 28% from photovoltaic panels of CGD branches).
- ✓ Preservation of Natural Capital: planting of 30,000 trees in the region of Pedrogão Grande.

Environmental responsibility



Commitments

- ✓ Lisbon Capital Verde 2020 commitment signed -Climate Action 2030.
- Subscription to the Companies for Sustainability Manifesto "Taking advantage of the crisis to launch a new sustainable development paradigm" of the BCSD.

Caixa's Sustainability Strategy in contributing to investment and creating social value

'S

21

Sustainability

CGD provided more than € 1,250,000 to support social projects, such as:

- Anticipation of Caixa Social 2021
- Financial support for Portugal's contribution to the international fund to support the fight against the pandemic is intended to support research, production and distribution of Vaccines, Therapeutics and Diagnostics
- Donation of 100 ventilators to the National Health Service through the Portuguese Association of Banks
- Fund created by the Portuguese Red Cross to finance health and humanitarian support projects
- SOS Coronavirus of the Portuguese Business Association (AEP) in conjunction with the Medical Association
- SIBS Offer of visors

Asset Donation Program

Donation of **120 computer equipment** to various educational institutions, supporting students who, without a computer at home, were confronted with the reality of distance learning

Social and economic inclusion



Caixa and CASES established a **partnership towards promoting microcredit** and financial sustainability of families and the economy.



Gender equality



CGD published its **Plan for gender equality 2021**, a document recognizing that a balanced number of men and women in the entire structure represents an important contribution towards achieving SDG.



Caixa Volunteer Day



To actively respond to current social challenges, Caixa held on October 17 its Volunteer Day.

SUSTAINABLE GOALS

37 actions ≈ **250** nationally CGD

≈ 250 > 10 tons
CGD of foodstuffs
volunteers obtained

Christmas 2020 solidarity



20 institutions supported were the beneficiaries

SUSTAINABLE GOALS

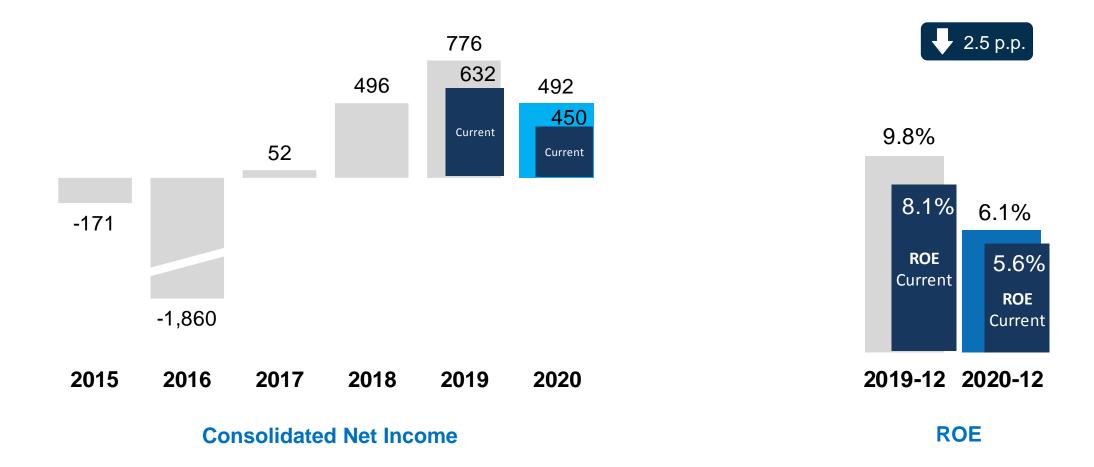


2020 with profitability affected by the increase in provisions and impairments

%

Results

M€

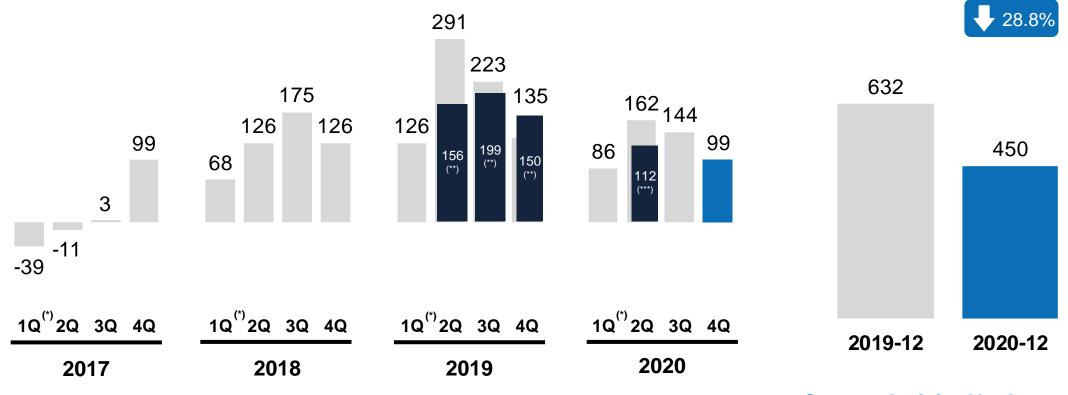


Year on year reduction of Quarterly Net Income due to the increase of impairments and provisions



Results

M€



Quarterly Net Income

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

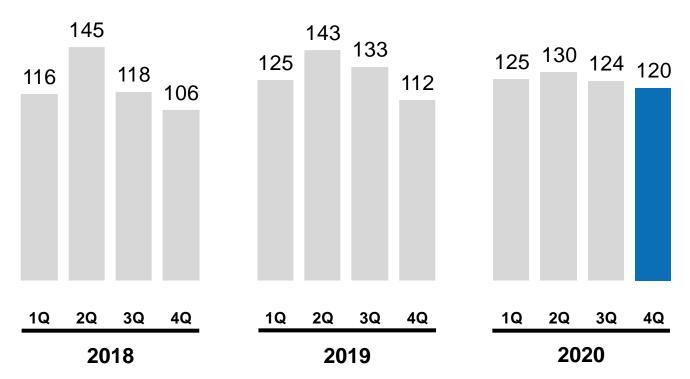
^(***) Excluding extraordinary impacts arising from the actuarial valuation of liabilities with post-employment benefits

Resilient domestic Net Core Operating Income before Impairments

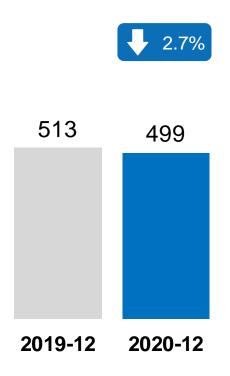
Results



M€



Quarterly Net Core Recurrent Operating Income before Impairments (1) (2) (Domestic Activity)



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 Ioan stock evolution and interest rate level...

%

26

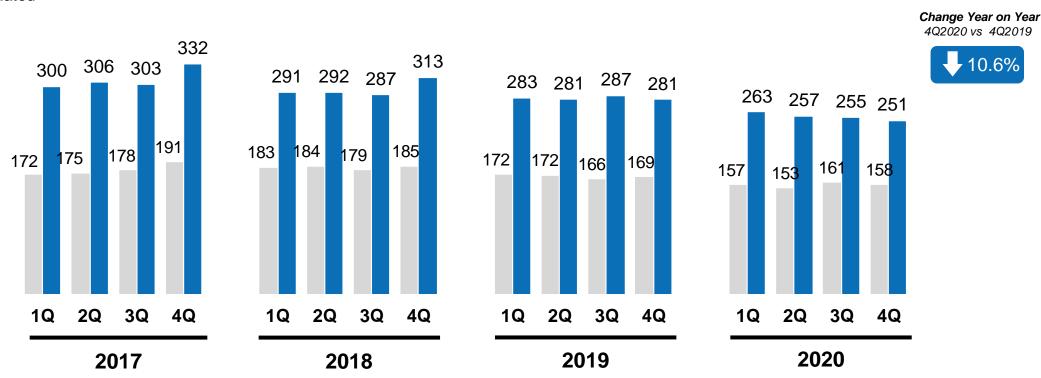
6.6%

M€

Results

■CGD Portugal

Consolidated



Quarterly Net Interest Income

... reflected in the Retail Net Interest Margin

Results

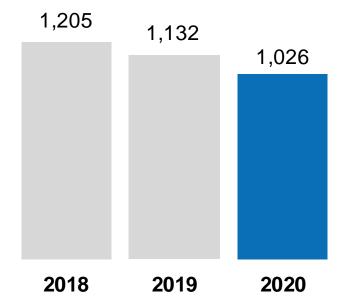


Consolidated Activity – Retail Net Interest Margin (%)

1.87%

1.95%

1.83%



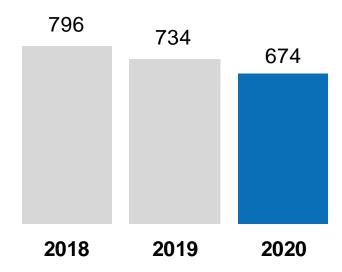
Total Net Interest Income Consolidated Activity

Domestic Activity - Retail Net Interest Margin (%)

1.62%

1.61%

1.51%



Total Net Interest Income Domestic Activity

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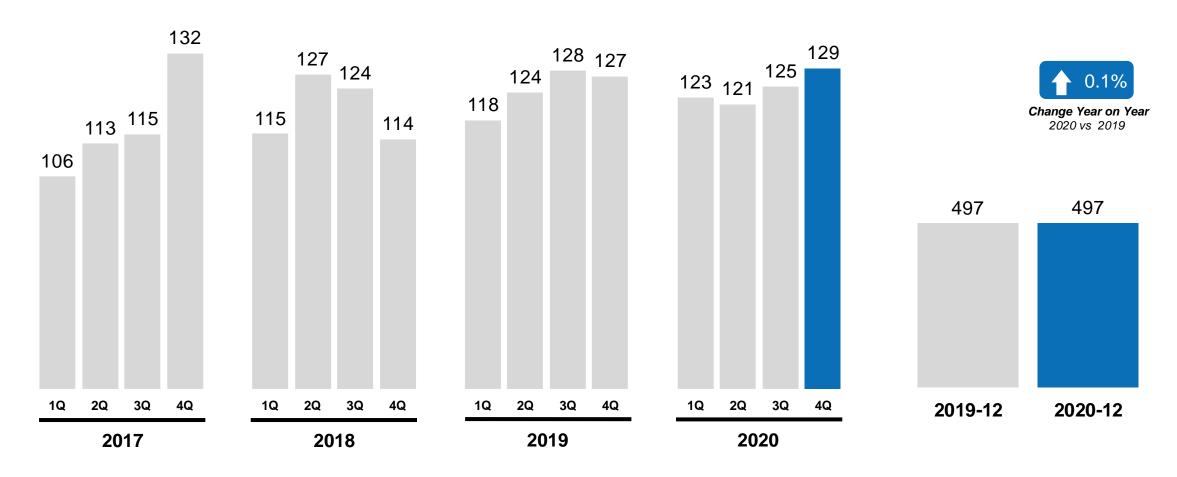
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Net Fees and Commissions stabilize over 2019

Resultados







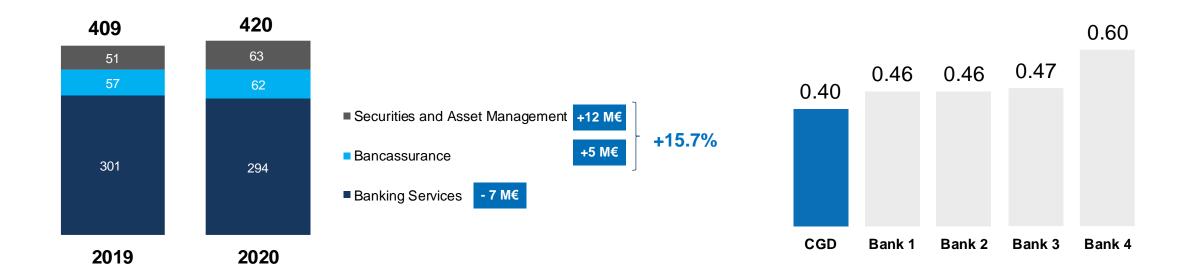
Net Fees and Commissions

Fees and commissions from banking services diminish 2,3% in Portugal while sale of insurance products and funds grows



Results

M€



Net Fees and Commissions (Domestic Activity)

Commissions / Business Volume Ratio (September 2020)

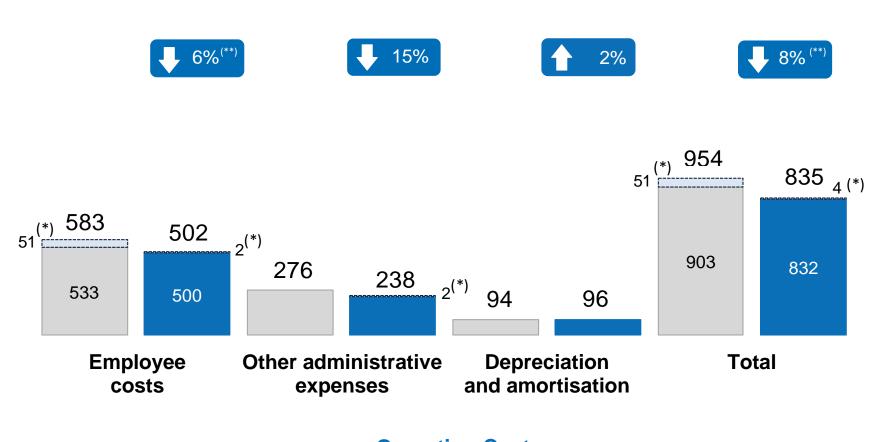
Lower consolidated operating costs

Results





- **2019-12**
- 2020-12



Operating Costs

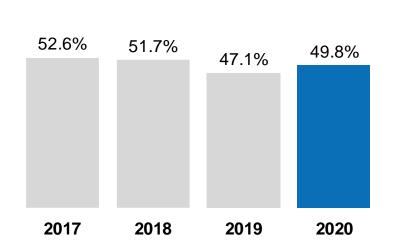
(*) Net non recurrent effects (**) Excluding net non recurrent effects

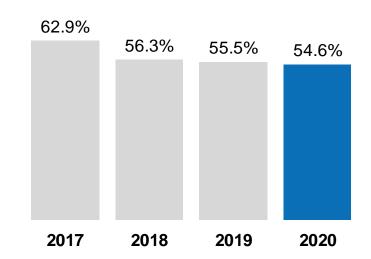
Cost-to-Income stable

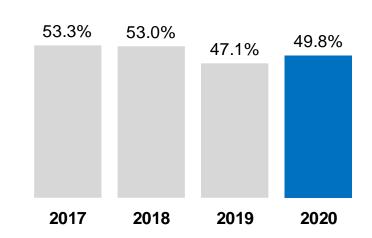
Results

%









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;

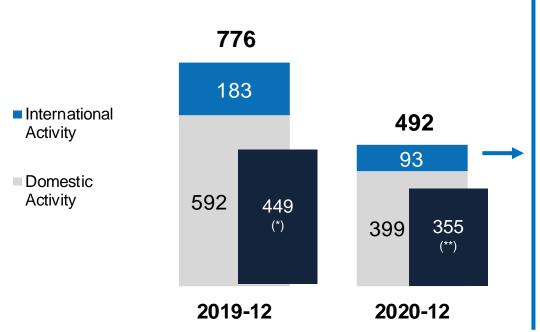
⁽³⁾ Operating Costs / (Net Interest Income + Net Fees and Commissions);

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



Results

M€



Entities	2019-12	2020-12
Banco Nacional Ultramarino (Macao)	69	46
Banco Comercial e de Investimentos (Mozambique)	34	17
Banco Caixa Geral - Angola	20	11
France Branch	20	16
Timor Branch	5	3
Banco Interatlântico (Cape Verde)	2	2
Subtotal	150	95
Other	33	-2
Total	183	93





Contributions from International Activity

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^(*) 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

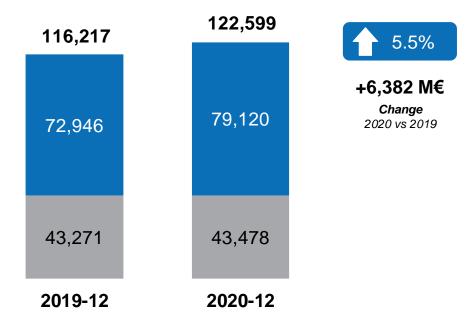


Increasing Business Volume and Net Assets

Balance Sheet



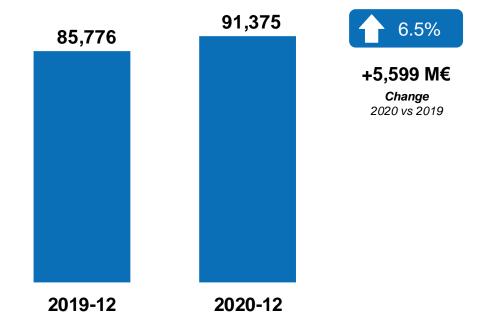




- Customer Resources Domestic Activ.
- Loans and Adv. To Customers CGD Portugal

Business Volume* (Domestic Activity)

(*) Includes CLF following the merger process carried out in 2020



Net Assets (Consolidated Activity)

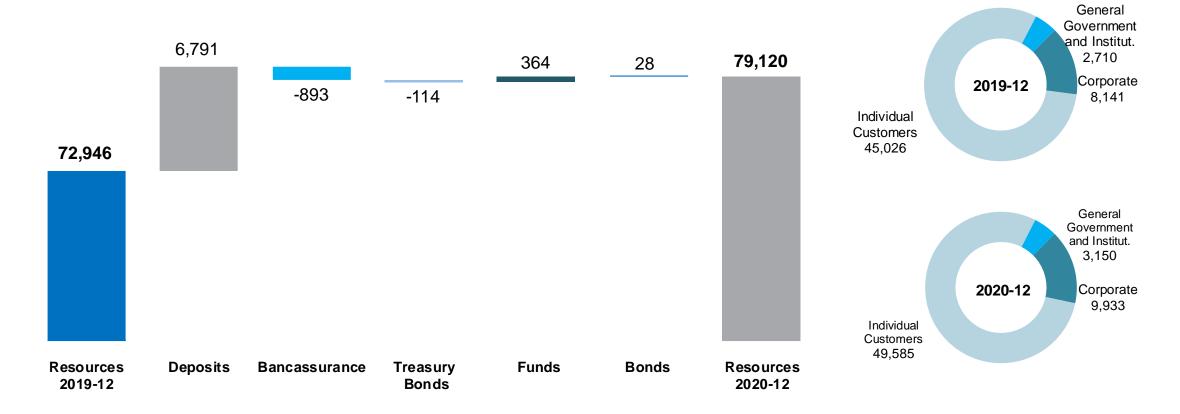
Customer Deposits in Portugal increase in all segments

Balance Sheet



35

M€



Total Customer Resources (Domestic Activity)

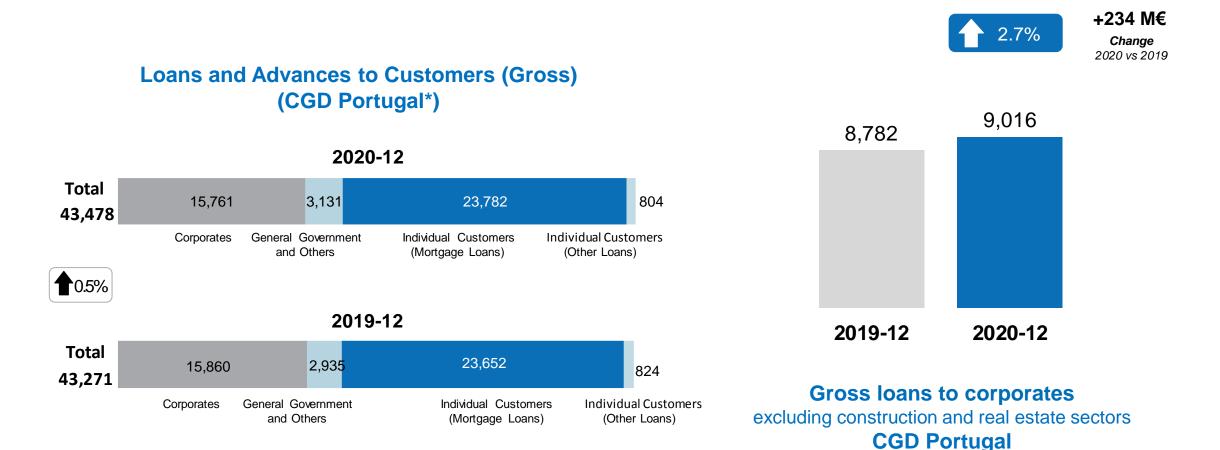
Customer Deposits (Domestic Activity)

Credit to customers in Portugal with a significant growth rate in the corporate segment

Balance Sheet



M€



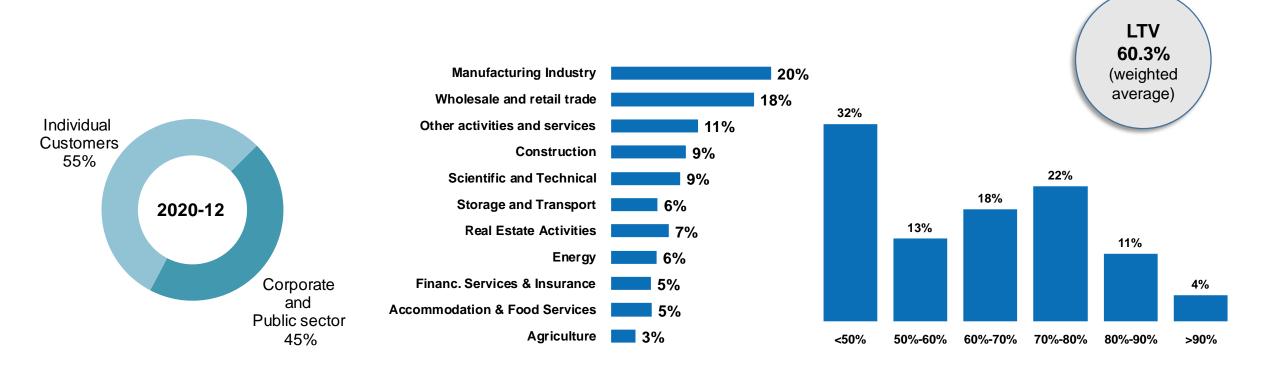
(*) Includes CLF following the merger process carried out in 2020

Diversified Domestic Activity Loan portfolio and with a high level of collateral

S

Balance Sheet





Loans and Advances to Customers

Customer Segment Exposure

Corporate Loans
Industry Exposure

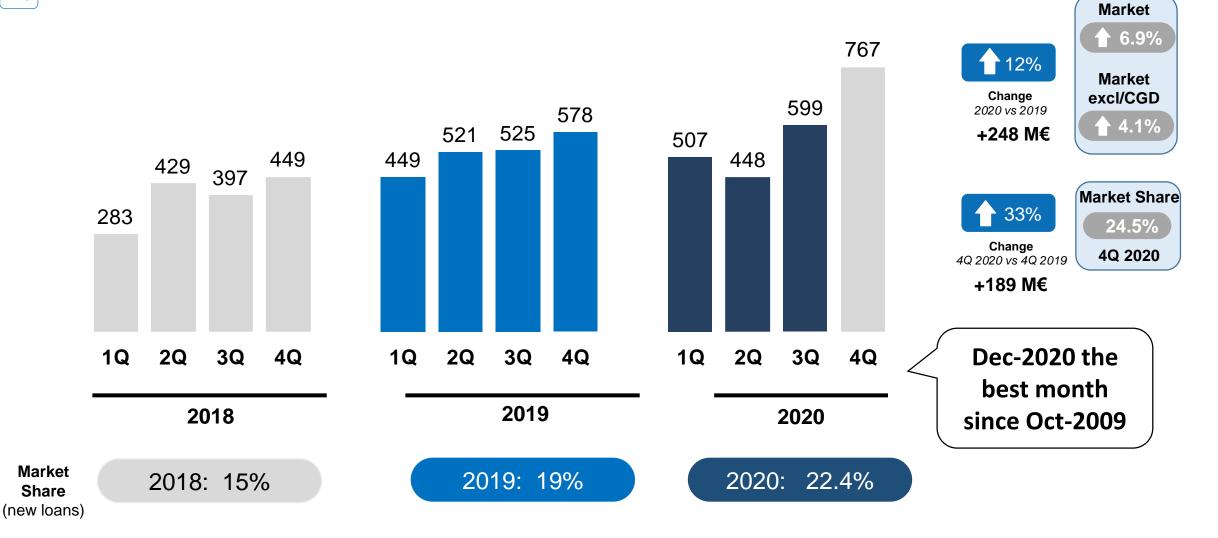
LTVMortgage Loan Portfolio

New mortgage loans with an above sector increase and growth in market share

S

Balance Sheet

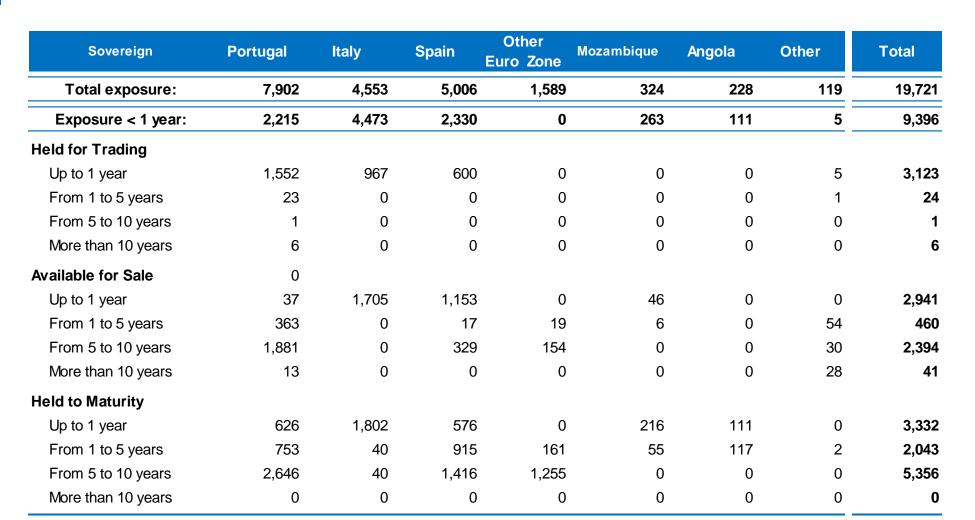




Sovereign debt portfolio

Balance Sheet





Breakdown of sovereign debt portfolio

Exposure net of impairments - December 2020

Available for Sale contains financial assets at fair value through other comprehensive income and Held to Maturity includes financial assets at amortized cost

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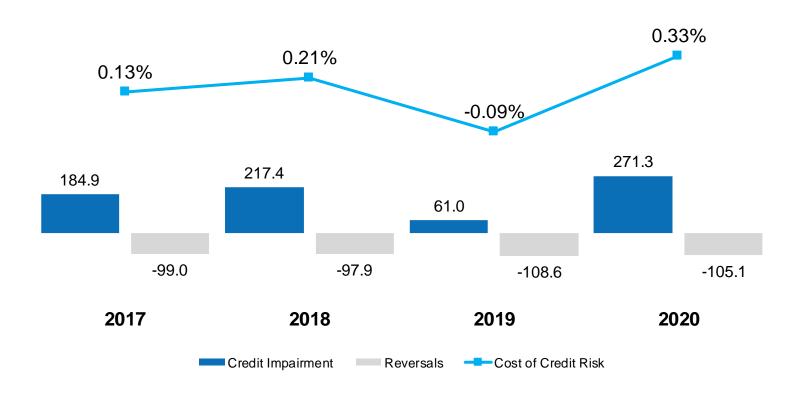


Cost of credit risk impacted by the review of the macroeconomic scenario and preventive measures



Asset Quality

%



Cost of Credit Risk

CGD adopted as the central macroeconomic scenario for 2020 the projections released by the IMF in November which consist of:

	2020	2021
GDP (change,%)	-10.0%	+6.5%
Unemployment Rate (active population,%)	8.1%	7.7%

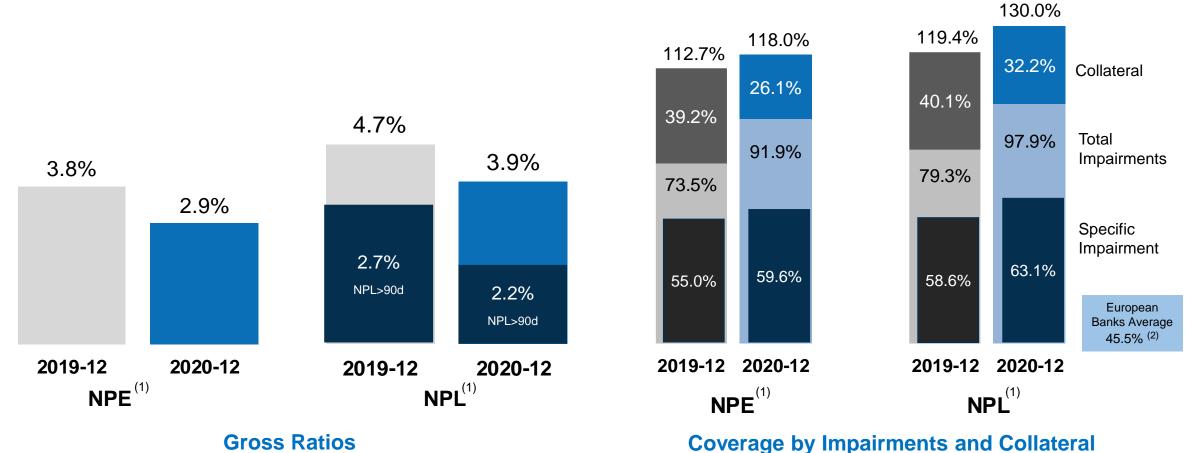
This resulted in a global reinforcement of credit impairments and provisions for bank guarantees of 309 M€ and a cost of credit risk of 33 b.p..

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

Asset Quality





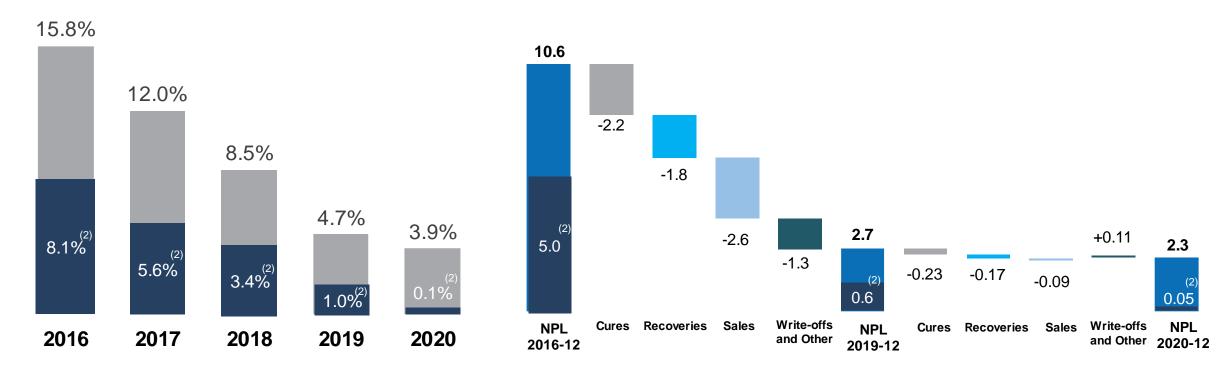
(1) NPE – Non Performing Exposure and NPL – Non Performing Loans – EBA definitions; (2) EBA Risk Dashboards – September 2020

NPL reduction continues in 2020, down 8.3 B€ (-78%) since December 2016. NPL ratio at 3.9%. Ratio net of impairments at 0.1%.



Asset Quality





NPL⁽¹⁾ evolution

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

⁽²⁾ NPL net of total impairments.

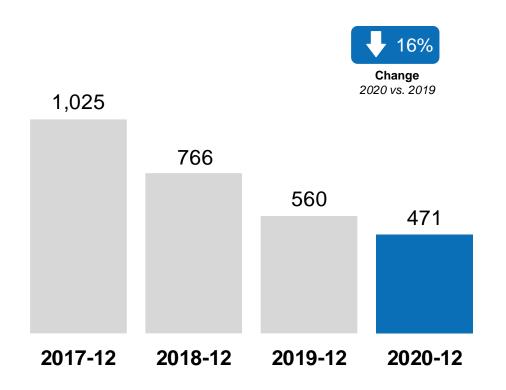
Foreclosed Assets (Real Estate) maintains decreasing trend and Coverage is reinforced

S

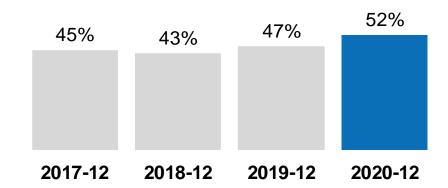
Asset Quality

M€

%







Coverage by Impairments

Investment Properties stabilize and exposure to Corporate Restructuring Funds decreases

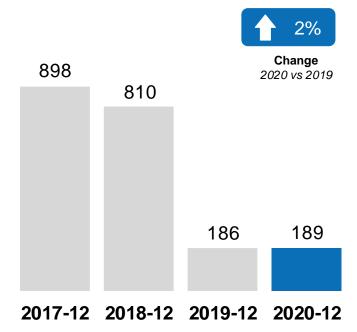
M€



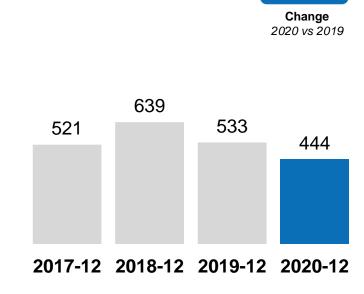
Asset Quality







Investment Properties



Corporate Restructuring Funds

Assets in Stage 2 and 3 stabilized, impairments reinforced



Asset Quality

Credit and other exposures



CGD Portugal*

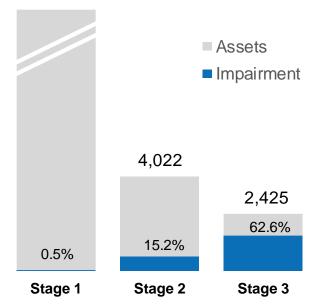
	2020-12				
	Assets % Impairment Cove				
Stage 1	37,897	86.9%	178	0.5%	
Stage 2	3,643	8.3%	572	15.7%	
Stage 3	2,093	4.8%	1,356	64.8%	

37,897 Assets Impairment 3,643 2,093 64.8% 15.7% Stage 1 Stage 2 Stage 3

Consolidated

	2020-12					
	Assets	%	Impairment	Coverage		
Stage 1	44,342	87.3%	210	0.5%		
Stage 2	4,022	7.9%	613	15.2%		
Stage 3	2,425	4.8%	1,517	62.6%		





(*) Includes CLF following the merger process carried out in 2020

Moratoriums for families and companies

Asset Quality

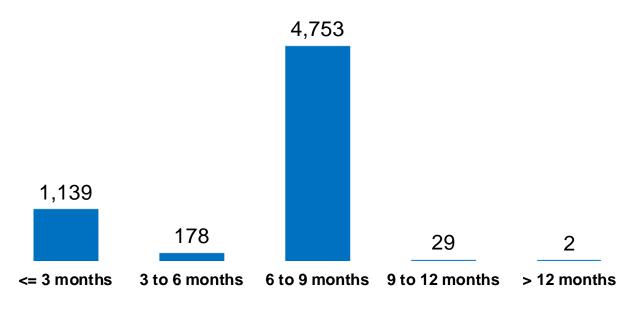


M€

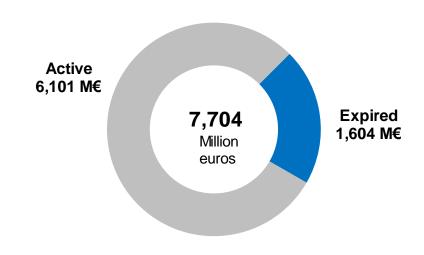
CGD Consolidated

	2020-12					
	Assets	Assets % Impairment Cover				
Stage 1	4,197	68.8%	50	1.2%		
Stage 2	1,448	23.7%	149	10.3%		
Stage 3	455	7.5%	254	55.8%		

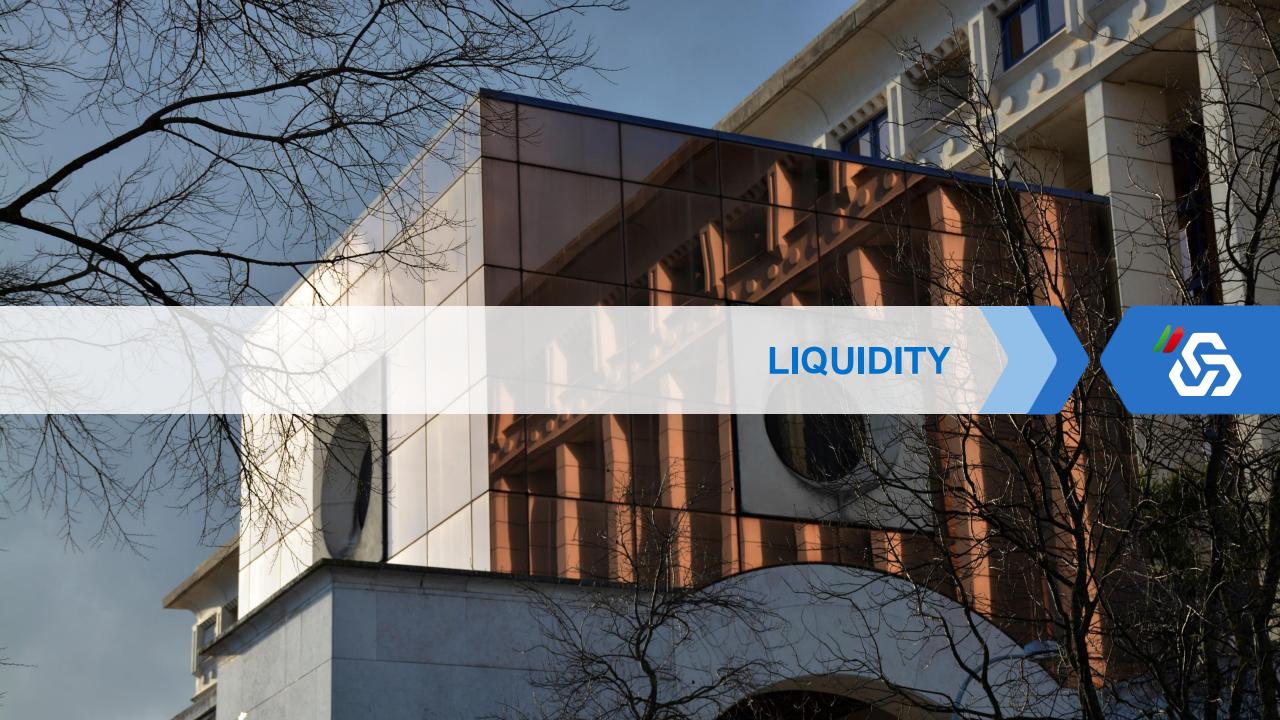
- 42% collateralized with residential mortgage
- 18% collateralized with commercial property



Residual term



Evolution of moratoriums granted

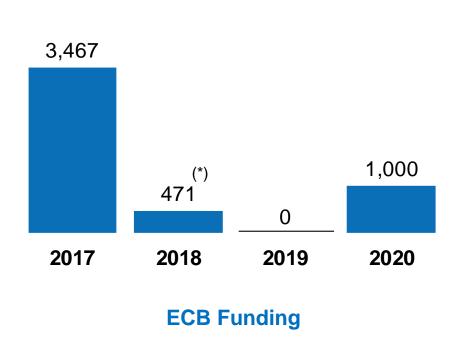


CGD with ample capacity to access funding; TLTRO operation of 1B €

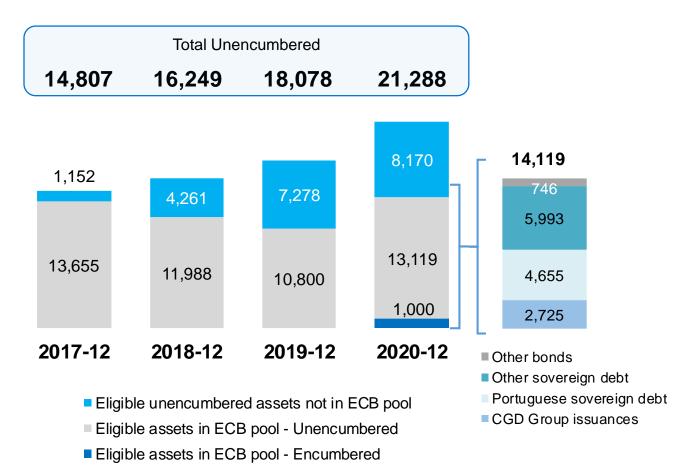
Liquidity



M€



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

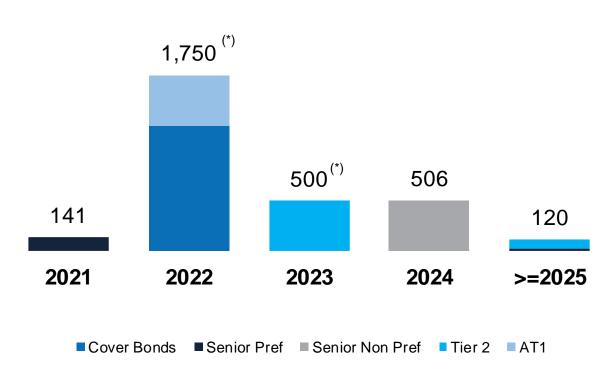


Assets in ECB Pool and Other Eligible Assets

Asset pool fully covers wholesale debt maturities

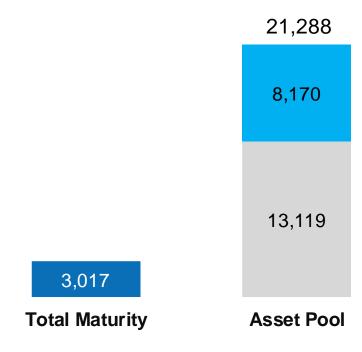
Liquidity







(*) Considering the exercise date of the Call



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

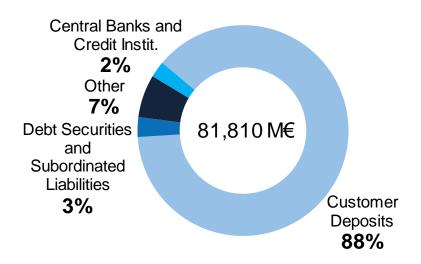
Total vs Eligible Assets in ECB Pool and Eligible Unencumbered Assets

Stable funding structure based on retail funding

Liquidity

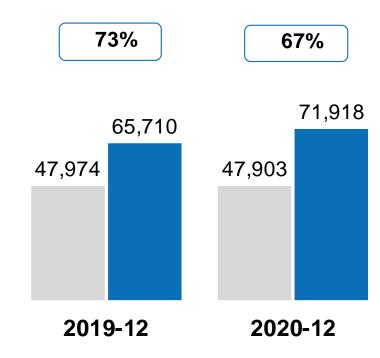












Loans-to-Deposits Ratio

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

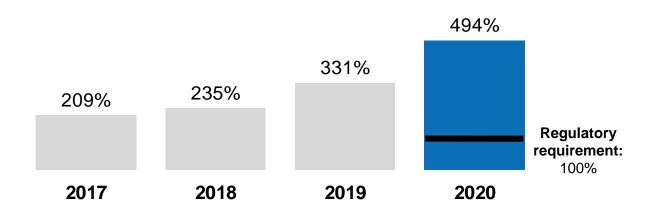
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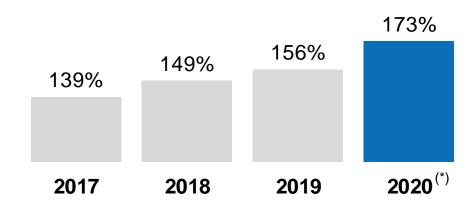
51

Robust and sustainable liquidity position









LCR (Liquidity Coverage Ratio)

NSFR (Net Stable Funding Ratio)

(*) November 2020

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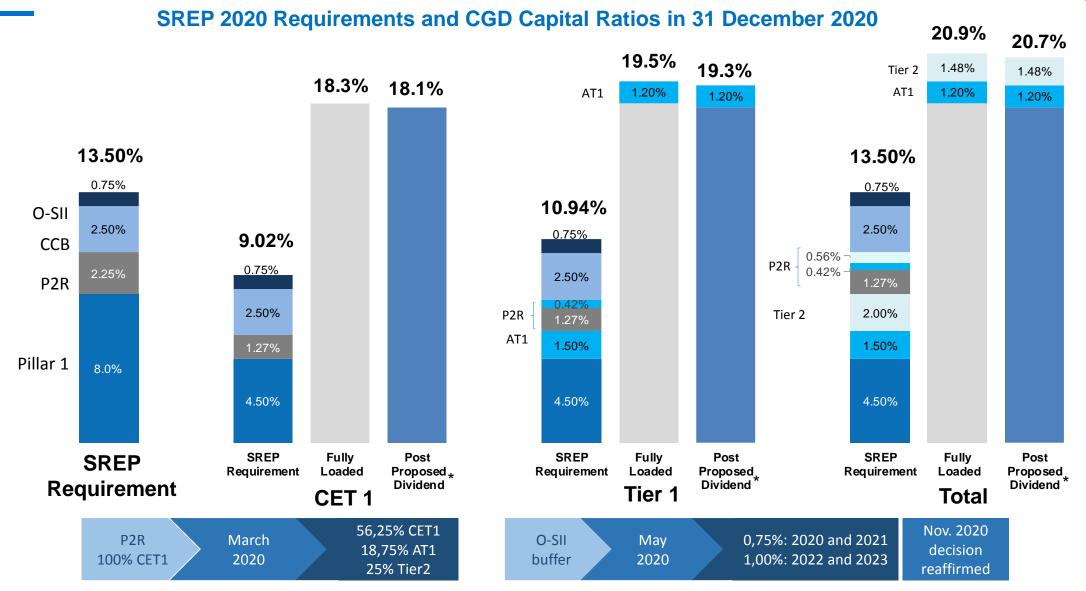


CGD fulfils with ample margin capital requirements

S

Capital

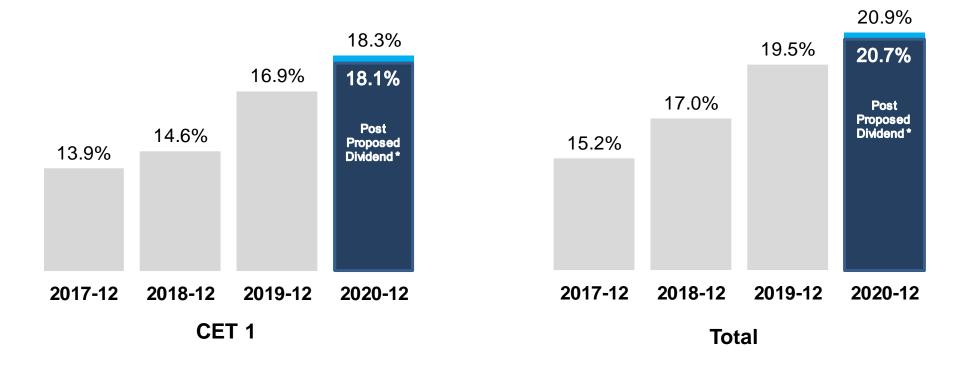




Resilient Capital Ratios

Capital





Capital Ratios Evolution (Fully Loaded)

(*) Post proposed dividend: dividend reduction of approximately €85 million, which corresponds to an impact of 20bps according to ECB recommendation

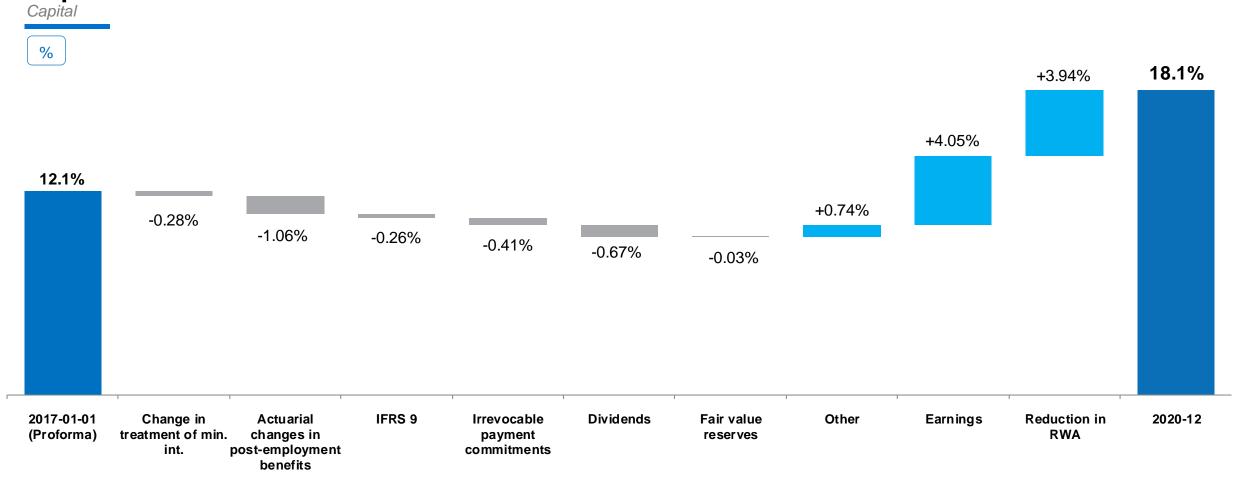
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55

Deleveraging and improved profitability accommodate deductions from regulatory requirements and market conditions





Impact on CET1 (*)

(*) Post proposed dividend: dividend reduction of approximately €85 million, which corresponds to an impact of 20bps according to ECB recommendation

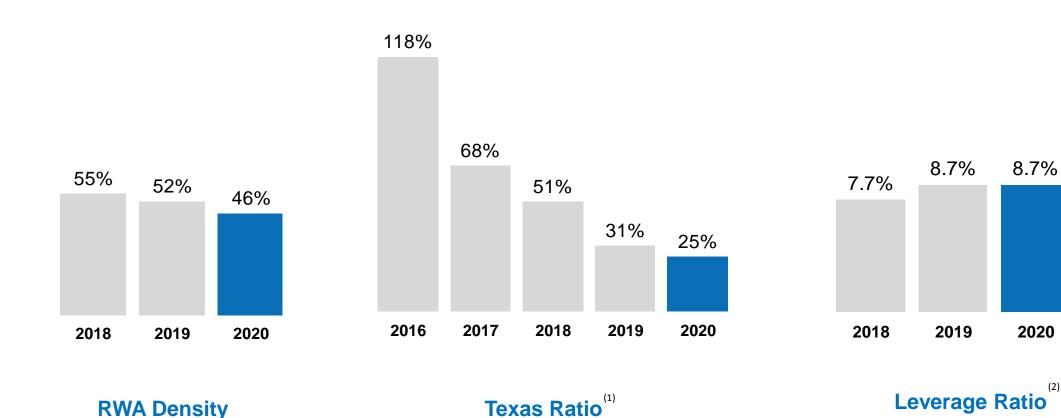
Risk Weighted Assets (RWA) density, Texas and Leverage Ratios

Capital

%

RWA fully implemented (2020-12): 42.2 B€





(1) Texas Ratio = Non Performing Exposure EBA / (Impairments + Tangible Equity); (2) Post proposed dividend: dividend reduction of approximately €85 million, which corresponds to an impact of 20bps according to ECB recommendation

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

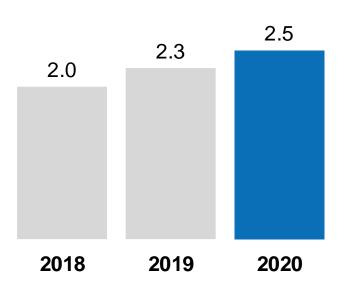
S

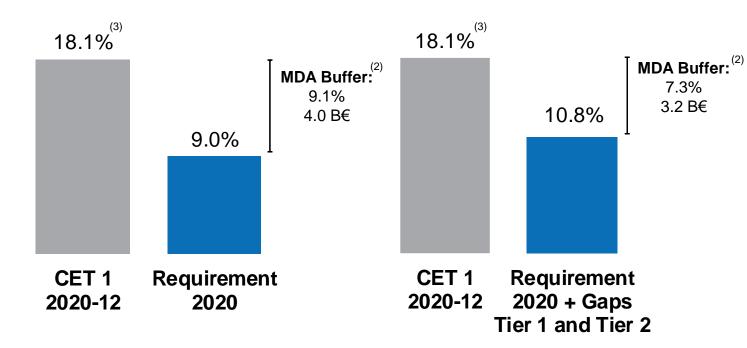
Capital

B€

%







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; (3) Post proposed dividend



Changes to actuarial assumptions

	2019-12	2020-12	
Discount rate	1.40%	1.05%	
Salaries growth rate	0.75% after 2020	0.60%	
Pensions growth rate	0.4% after 2020	0.3%	
Mortality tables:			
Men	TV 88/90	TV 88/90	
Women	TV 88/90 (-3 years)	TV 88/90 (-3 years)	

Financial impact

- Changes reflect interest rate market evolution and negative inflation in 2020
- Fund's return rate of 4.3% in 2020 outperforms the benchmark and discount rate
- Liabilities are 98.5% covered meeting regulatory requirements



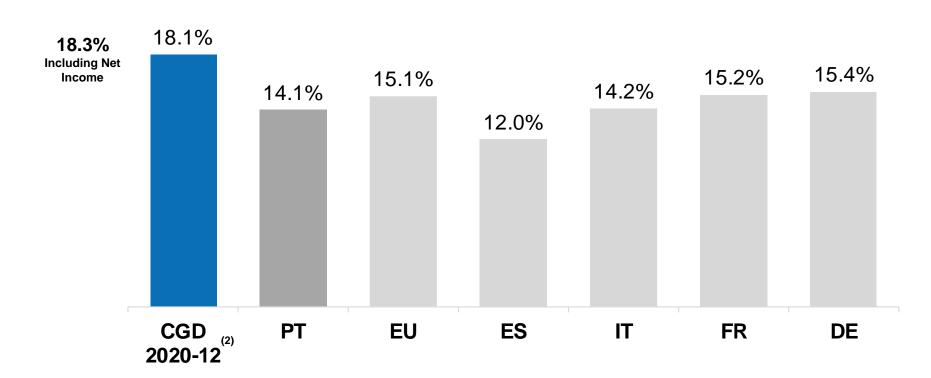
Strenght: CGD with favorable performance at European level

Summary 2020





CET 1 (fully loaded) 10



⁽¹⁾ Source: EBA Risk Dashboard – September 2020, excluding CGD

⁽²⁾ Post proposed dividend: dividend reduction of approximately €85 million, which corresponds to an impact of 20bps according to ECB recommendation

Efficiency and Profitability: CGD with favorable performance at European level

Summary 2020



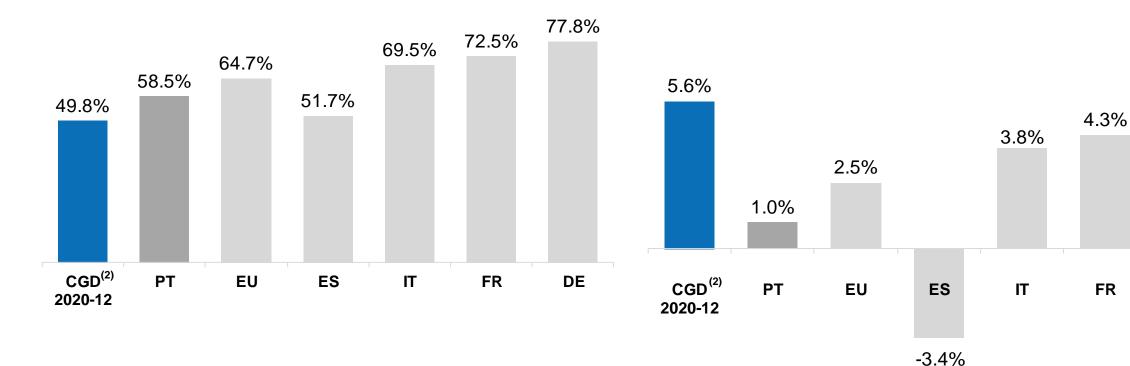
1.4%

DE

%



Return on Equity (RoE)⁽¹⁾



(1) Source: EBA Risk Dashboard - September 2020, excluding CGD

(2) Excluding non recurrent effects

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Asset quality: NPL ratio converging to the European level, coverage level exceeds



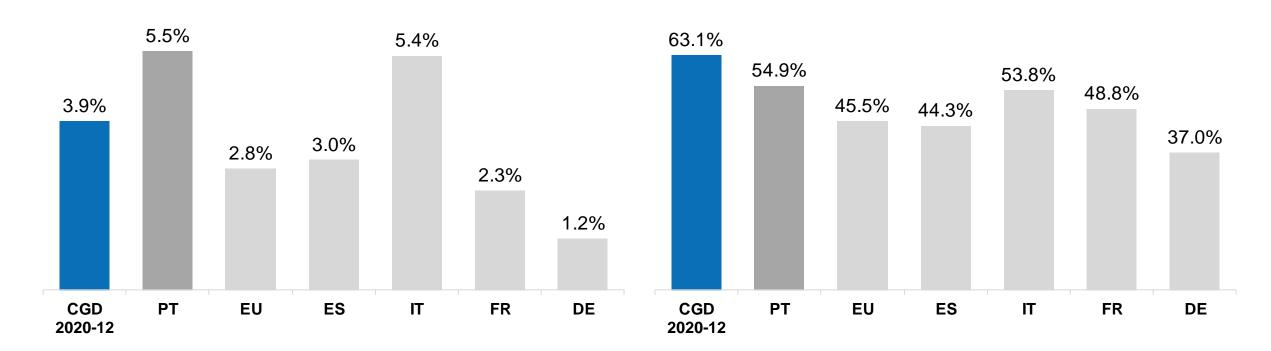
63

Summary 2020

%

Non-Performing Loans (1)

Coverage of Non-Performing Loans (1)



⁽¹⁾ Source: EBA Risk Dashboard – September 2020, excluding CGD

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



Summary 2020

- **Profitability** affected by the reinforcement of impairments (ROE 5.6%), but above the average for banks in the Euro zone
- Significant growth in **new credit operations**, reinforcing support to companies and households
- 5 Improved efficiency levels with a 8% 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 3.9% and strengthening of total impairment coverage to 98%
- 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
- Compliance with most of the commitments included in the **Strategic Plan 2017-2020**, despite the pandemic crisis



Execution throughout 2020 in line for the conclusion of the Strategic Plan

Strategic Plan 2017-2020





Strategic Plan

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

Domestic activity.

³⁾ EBA Risk Dashboard – September 2020.

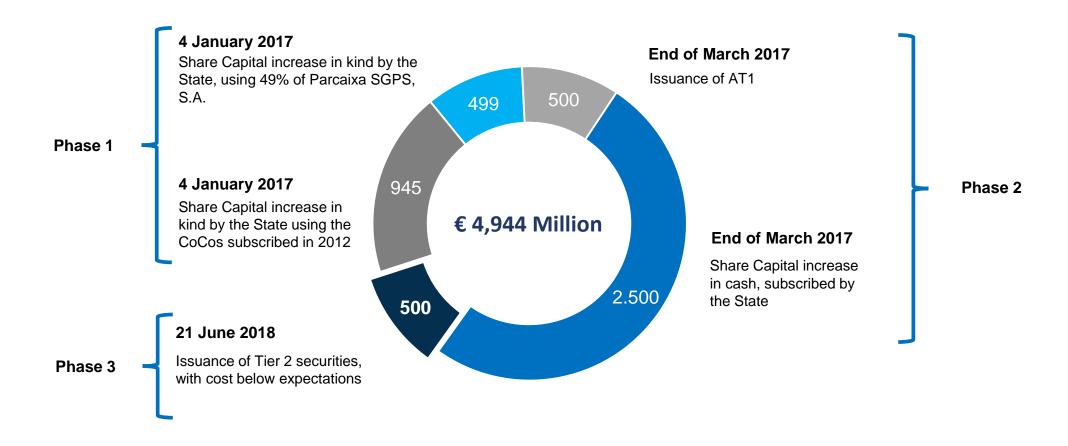
⁽³⁾ EBA RISK Dashiboard – September 2020.(4) ROE in 2020 if considered minimum regulatory capital levels (including P2G) of 10,0%

Recapitalization Plan was an essential element of the Strategic Plan 2017-2020

Strategic Plan 2017-2020







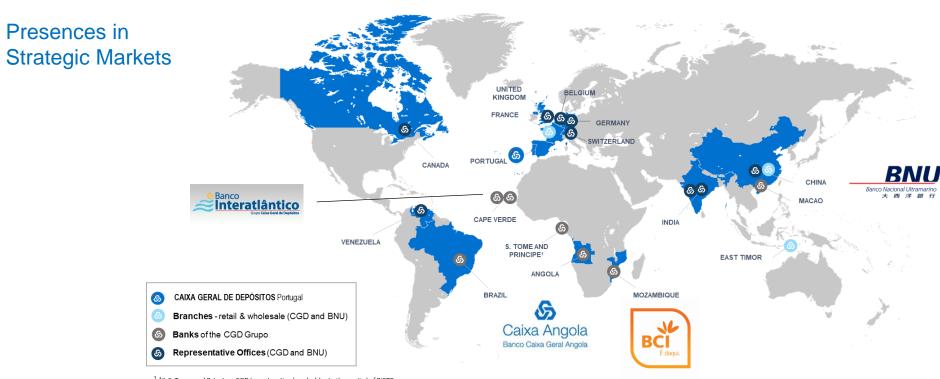
Internacional portfolio simplified

Strategic Plan 2017-2020



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
- Spain and Luxembourg branches closed in 2020



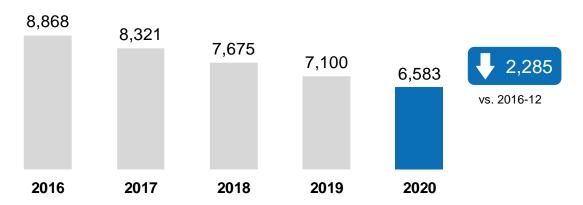
 $^{^{\}rm 1}$ In S. Tome and Principe, CGD is a minority shareholder in the capital of BISTP

Number of employees and branches evolve in line with the Strategic Plan

Strategic Plan 2017-2020

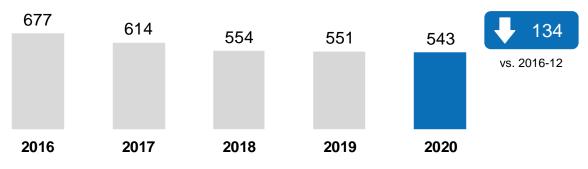






Number of Employees (*)

(Domestic Activity)



Banking presence

(CGD Portugal)

Other elements in human resource management

Salary Mass Evolution

	2017	2018	2019	2020
Variation in Salary Mass				
Considers updates and promotions in the universe of employees in office at the end of each year	2.19%	2.84%	2.41%	2.35%

Change in training expenses

+49% in 2020 compared to 2016

Evolution in Absentee Rate

(excluding parenting)



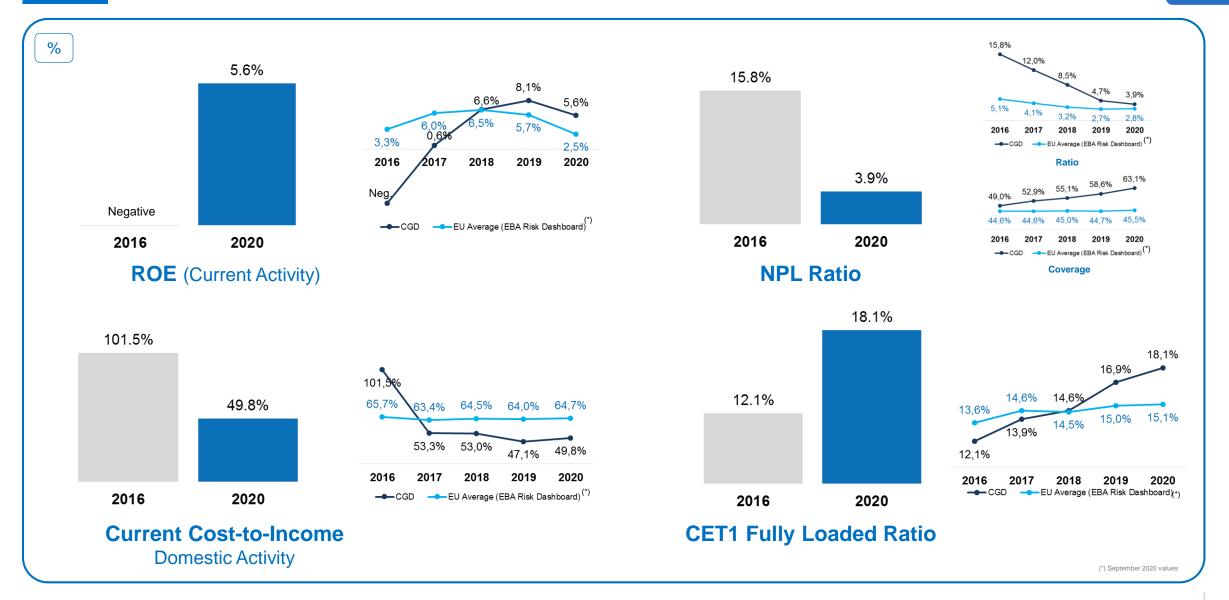
2017 2018 2019 2020

Summary of the implementation of the Strategic Plan 2017-2020 - Main Indicators

Strategic Plan 2017-2020



70

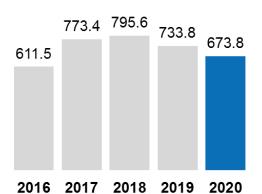


Summary of the implementation of the Strategic Plan 2017-2020 - Results

Strategic Plan 2017-2020



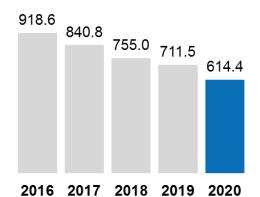




Net Interest Income

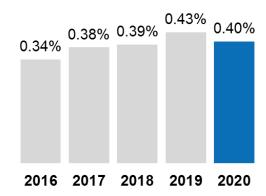
Domestic Activity





Operating Costs
Domestic Activity

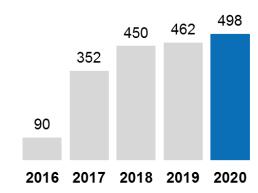




Commissions / Business Volume

Domestic Activity





Core Operating Income

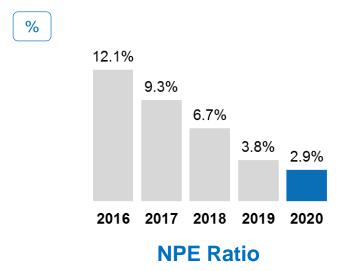
Domestic Activity

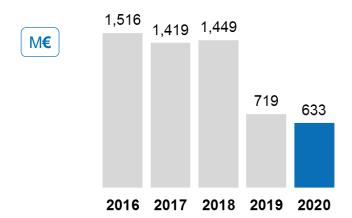
Summary of the implementation of the Strategic Plan 2017-2020 - Asset Quality

M€

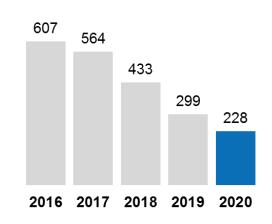
Strategic Plan 2017-2020



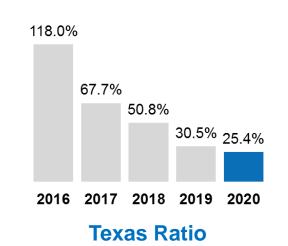




Investment Properties and Restructuring Funds



Foreclosed Assets
(Real Estate) – Net of Impairments



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M€

Summary of the implementation of the Strategic Plan 2017-2020 - Group Structure

Strategic Plan 2017-2020





Total Assets
International Activity

Number of Entities
Consolidated Activity

Balance sheet risk reduction

Strategic Plan 2017-2020



- Texas Ratio reduction
- NPL and NPE reduction
- Increase in impairment coverage
- Decrease of real estate assets, investment properties and restructuring funds
- Increased sectoral dispersal in the corporate loan portfolio
- Reduction of exposure and concentration in single names
- Cost of credit risk reduction
- Reduction of leveraged credit operations
- Global LTV reduction in the mortgage loan portfolio

Economic impact of the pandemic dampens expectations of a rating upgrade after a successful implementation of the Strategic Plan (5 upgrades since 2017)



Strategic Plan 2017-2020

Fitch Ratings

BB+/B

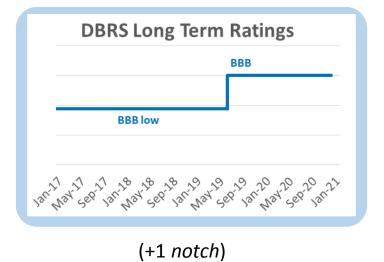
Oct20: IDR rating affirmed at BB+ with negative Outlook, deposits rated BBB-

Fitch Long Term Ratings BB+ BB BB C+2 notches)

DBRS Morningstar

BBB / R-2 (high)

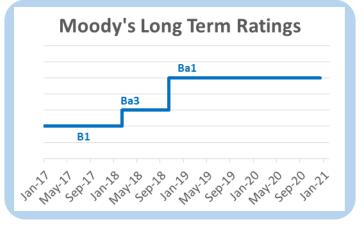
Jul20: rating confirme at BBB/R-2 (high) with negative trend, deposits rated BBB (high)/R-1 (Low)



Moody's

Ba1/NP

Dec20: Long-term senior debt rating reafirmed at Ba1 with stable Outlook, Long term deposits rated *Baaa3*



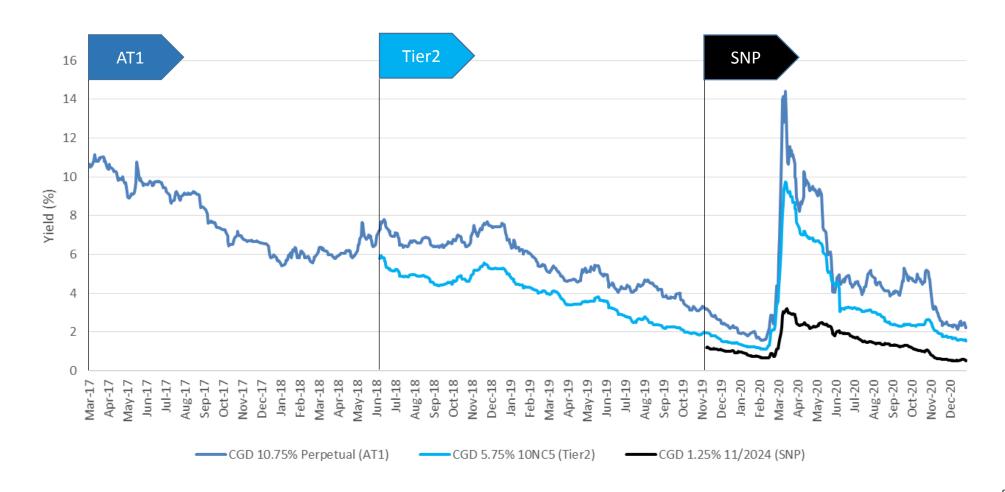
(+3 notches)

Yields of CGD issues return to pre-pandemic levels

Strategic Plan 2017-2020







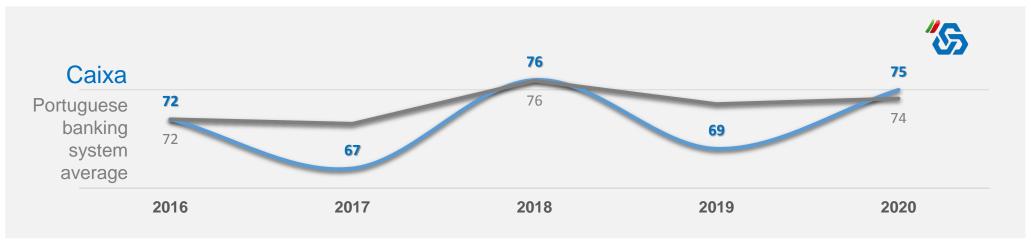
Source: Bloomberg

Reputational Index returns to historical levels

Strategic Plan 2017-2020



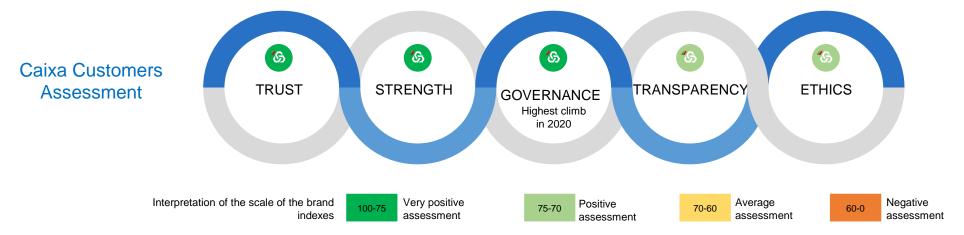
The reputational index rises to a very positive assessment, increasing 6 points compared to 2019



Source: BrandScore 4Q2020

The Reputational Index is made up of the indicators considered fundamental to the sustainability of a Bank:

Trust, Strength, Transparency, Ethics and Governance



Sustainability – environmental indicators Strategic Plan 2017-2020



Environmental indicators

Year	2016	2017	2018	2019	2020 ¹	Change over 2016-2020
Consumption of electricity (GJ)	259.833	234.272	216.522	193.075	167.056	-36%
Consumption of water – Head Office (m³)	124.422	120.819	100.657	97.084	75.898	-39%
Consumption – paper (tons)	677	519	377	431	67	-90%
Emissions (level 2 (market-based)) - (tCO ² e)	27.541	25.289	14.133	13.834	9.593	-65%

¹⁻ Unaudited figures

CONSOLIDATED RESULTS 2020 CAIXA GERAL DE DEPÓSITOS, S.A.



In summary, the successful implementation of the Strategic Plan 2017-2020 allowed to:

- Ensure adequate levels of **profitability**, even in the adverse scenario of the pandemic crisis (average annual P&L in this period of 454 million);
- Improve CGD's solvency ratios in a sustained manner (CET1 ratio went from 8.1% to 18.1%);
- Increase efficiency levels (33% reduction in operating costs of domestic activity);
- Improve the **asset quality** on balance sheet, with a reduction of non-core assets (-59%), a reduction in NPL (NPL net of impairments of 0.1%, converging to the European average) and an improvement in the overall quality of the loan portfolio and associated guarantees;
- Maintain adequate liquidity levels without any dependence on the markets (Deposits represent 88% of liabilities);
- Modernize the physical (branches) and technological (digital) **customer service** platforms, improving the experience and strengthening the link (leader in digital banking in Portugal);
- Simplify the Group's **structure**, with efficiency gains and cost reduction (-44 entities in the consolidation perimeter);
- Maintain leadership in the domestic banking market, strengthened in some segments (assets have grown 10.8% in domestic activity since 2016);
- Focus on **international presence** in strategic markets and geographies (banking presence maintained in 7 countries);
- Reinforce the Group's **Governance** in line with the best practices (Stable corporate bodies. 4 dedicated commissions operating within the scope of the Board of Directors):
- Develop and improve the **risk management** function and risk culture at the corporate level across the Group (7 corporate risk management policies. 3 autonomous central structures);
- Resume the payment of **dividends** to the shareholder, returning the taxpayers' effort (Dividend paid in 2019 and projected new dividend in 2021. In 2020, no dividend was distributed according to the supervisor's recommendation);
- Improve the rating levels assigned to CGD by the different agencies (5 upgrades since 2017);
- Improve CGD's **reputational indexes** and image (CGD's reputational index is once again above the market average).

Allowing today to meet all the conditions to reinforce its mission in supporting the economy, economic agents and society as a whole, especially important in the current circumstances of the pandemic crisis.

CAIXA GERAL DE DEPÓSITOS

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Unaudited financial information

Investor Relations | 11/02/2021



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