Consolidated Results
2019

Unaudited financial information

Investor Relations
31/01/2020

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
Highlights

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

- Consolidated net income reaches €776 M (+57% over 2018). Recurrent activity net income reaches €632 M (+27%) resulting in a ROE of 8.1%, exceeding the target for 2019.

- Fully loaded CET 1 ratio reaches 16.8%, Tier1 17.9% and Total ratio 19.3%, evidence of CGD’s robust and adequate capital position.

- Significant growth (+6.7%) in Portugal in corporate loans (excluding construction and real estate) and in new mortgage loans (+33%).

- Continued improvement in asset quality: NPL ratio net of impairments reaches 1.1%. Reduction of NPL ratio to 4.7% and increased coverage of 77.4%.

- Sales of Banco Caixa Geral (Spain) and Mercantile (South Africa) completed, continuing the execution of the Strategic Plan and de-risking the bank.

- Actuarial deviation originates extraordinary contributions to the Pension Fund of €301.1 M.

- Rating upgrade by two agencies: Fitch Ratings to BB+ and DBRS to BBB; Moody’s revises outlook upwards to Stable.
### Highlights

#### Strategic Plan – Performance meets 2019 targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019 Management Targets</th>
<th>2020 Management Targets</th>
<th>Target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on Equity (ROE)</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>8.1% (Approved)</td>
<td>&gt; 9%&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>Target 2020</td>
</tr>
<tr>
<td><strong>Recurrent Cost-to-Income</strong></td>
<td>47% (Approved)</td>
<td>&lt; 43%&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>Target 2020</td>
</tr>
<tr>
<td><strong>NPL Ratio</strong></td>
<td>4.7% (Approved)</td>
<td>&lt; 7.0%</td>
<td>Target 2020</td>
</tr>
<tr>
<td><strong>CET1 Fully loaded</strong></td>
<td>16.8% (Approved)</td>
<td>&gt; 14%</td>
<td>Target 2020</td>
</tr>
</tbody>
</table>

#### Notes:

- <sup>(1)</sup> Current activity ROE = (net income + non-recurring costs + non-controlling interests) / Shareholders' equity (average of 13 monthly observations, annualized).
- <sup>(2)</sup> Domestic activity.
Highlights

**International presence redefined**

**Execution of Strategic Plan**

- 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)

Active customers
More than 2 million users globally

<table>
<thead>
<tr>
<th></th>
<th>CGD Portugal</th>
<th>Other (CGD Group*)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q17</td>
<td>1.73</td>
<td>0.32</td>
<td>1.41</td>
</tr>
<tr>
<td>4Q17</td>
<td>1.79</td>
<td>0.34</td>
<td>1.45</td>
</tr>
<tr>
<td>2Q18</td>
<td>1.86</td>
<td>0.34</td>
<td>1.52</td>
</tr>
<tr>
<td>4Q18</td>
<td>1.93</td>
<td>0.35</td>
<td>1.58</td>
</tr>
<tr>
<td>2Q19</td>
<td>2.02</td>
<td>0.38</td>
<td>1.64</td>
</tr>
<tr>
<td>4Q19</td>
<td>2.10</td>
<td>0.39</td>
<td>1.71</td>
</tr>
</tbody>
</table>

2Q17 4Q17 2Q18 4Q18 2Q19 4Q19

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

Highlights

- More than 2 million users globally
- Customers with an active Caixadirecta contract
- Individuals and corporates customers with involvement
- Change over dec-18
- Stores Rating

APP MONTHLY LOGINS

870K Users
34%

> 1 million downloads

APP CAIXADIRECITA

4.5 ★★★★★

> 80k comments

1.71M Digital Customers

152k Corporates

1,71M

1.56M (2)

Individuals

> 48% of Total CGD customers (3)

> 80k comments

8.6M

52%

13M

(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

**Highlights**

**IMPROVED OFFER**

1st DIGITAL TRANSACTIONAL ASSISTANT IN PORTUGAL
- 90K interactions
- 45K users
- > 2K transfers and payments
(data from the first month of use) (1)

SMS TOKEN
Improved security for 1.3M customers (1)

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

**PAYMENT APPS**

51,800 DOWNLOADS

**PRIZES AND DISTINCTIONS**

2019 PORTUGAL DIGITAL AWARDS

High recommendation recognition in the Best Mobile Initiative category

Best financial services app in Portugal

Winner in the Mobile Communications & Apps category

APP DABOX

VENCE EUROPEAN EXCELLENCE AWARDS’ 2019 NA CATEGORIA “MOBILE COMMUNICATION & APPS”

*Este premio é de exclusiva responsabilidade do entitante e o cliente.

(1) Individuals and corporates as of December 2019; (2) Google Play
Launched in Dec 2018; Change over dec-18

Increased deal flow through Caixadireta and phone banking

CAIXADIRECTA

INDIVIDUALS

CONSUMER CREDIT\(^{(1)}\)

\(\uparrow 94\%^{(2)}\)

DEBIT CARDS

\(\uparrow 47\%^{(2)}\)

CORPORATES

FX TRADING

\(\uparrow 48\%^{(2)}\)

FACTORIZING & CONFIRMING

\(\uparrow 20\%^{(2)}\)

TRADE FINANCE

\(\uparrow 62\%^{(2)}\)

PHONE BANKING

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

Customers

\(\uparrow 46\%^{(2)}\)

\(\€ 9.5\) BILLION TURNOVER

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

\(\text{\(\uparrow 10\)}\)
Leadership and Distinctions

Leader in main client and product segments

- Customer deposits: 25.2%
- Individuals deposits: 29.1%
- Emigrant deposits: 51.9%
- Loans and advances to customers: 18.4%
- Individuals loans: 19.9%
- Mortgage loans: 23.8%
- General government loans: 26.6%
- Unit trust Investment funds: 34.0%
- Financial insurance: 24.5%
- Retirement savings plans: 26.9%
- Wealth management: 37.2%
- Minimum service accounts: 44.2%
- Debit cards: 27.7%

Market Shares
November 2019

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

Caixa Platina
- The best Premium card 2019

Caixa Banco de Investimento and Caixa Gestão de Ativos

- Caixa BI
  - Euronext Lisbon Nº 1
  - IPO & Seasoned Equity Offer House 2019
- CGA
  - Best Global and Bond Fund Manager in Portugal 2019

*Min.Serv.Acc. (Dec-18)*
Individuals and Corporates

**Highlights**

• 33% increase in new mortgage loans
  €514 million over 2018

**Individuals and households**

- New commercial offer for individuals:
  - 1.8 million Contas Caixa accounts, 271k more than in Dec 2018, with the possibility of having more than one account and increased benefits for university customers
  - 2 Year Structured USD Deposit
  - Retirement Saving Plan with 3 differing plans: defensive, moderate and audacious
  - Personal Accident Insurance available online
  - Fidelidade Casa Insurance: New multi-risk housing with 3 differing protection plans
  - Flexi-Mais Insurance: 4 investment options in a single contract

**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 Creative 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 decarbonization 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
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)

**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)

**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)

* United Nations
Results
2019 confirms improvement in CGD’s profitability

Results

Consolidated Net Income

-348
-171
-1,860
52
496
776


ROE

6.6%
8.1% (*)
8.1% (*)

2018-12 2019-12

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

Quarterly Net Income confirms progress of CGD’s profitability

<table>
<thead>
<tr>
<th>1Q (*)</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3</td>
<td>-11</td>
<td>-39</td>
</tr>
<tr>
<td>2018</td>
<td>68</td>
<td>126</td>
<td>175</td>
</tr>
<tr>
<td>2019</td>
<td>126</td>
<td>291</td>
<td>223</td>
</tr>
</tbody>
</table>

Quarterly Net Income

Net Income

+ 19%

1Q (*) Including regulatory costs for the year

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

M€

Quarterly Net Income

2017: 3, 68, 126, 126
2018: 99, 126, 175, 126
2019: 291, 223, 135, 126

Net Income

2018-12: 496
2019-12: 776

57%
Results

**Enhanced Net Core Operating Income before Impairments maintains positive trend**

![Bar charts showing quarterly and annual Enhanced Net Core Operating Income before Impairments for 2018 and 2019.](image)

- **Quarterly Enhanced Net Core Operating Income before Impairments**
  - 2018: 1Q: 120, 2Q: 209, 3Q: 196, 4Q: 170
  - 2019: 1Q: 128, 2Q: 217, 3Q: 201, 4Q: 154

- **Enhanced Net Core Recurrent Operating Income before Impairments**
  - 2018-12: 744
  - 2019-12: 751

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

---

**Catixa Geral de Depósitos**

---

17
Results

Net Interest Income impacted by low interest rate environment

€

<table>
<thead>
<tr>
<th></th>
<th>CGD Portugal</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>300 306 303 332</td>
<td>172 175 178 191</td>
</tr>
<tr>
<td>2018</td>
<td>291 292 287 313</td>
<td>183 184 179 185</td>
</tr>
<tr>
<td>2019</td>
<td>283 281 287 281</td>
<td>172 172 166 169</td>
</tr>
</tbody>
</table>

Quarterly Net Interest Income

Change Year on Year
2019 vs 2018

- 7.1%
- 4.3%
Net Fees and Commissions grow in 2019

Results

Change Year on Year
2019 vs 2018

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

Results

Net Fees and Commissions (Domestic Activity)

Change Year on Year 2019 vs 2018

- Securities and Asset Management: +7 M€ (+17.5%)
- Bancassurance: +9 M€ (+1.8%)
- Cards, Payments and Other: +16 M€
- Credit & Off-Balance Sheet: -10 M€
Results

Lower Operating Costs at consolidated level

<table>
<thead>
<tr>
<th></th>
<th>2018-12</th>
<th>2019-12</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs</td>
<td>564 M€</td>
<td>533 M€</td>
<td>6%</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>583 M€</td>
<td>314 M€</td>
<td>-8%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>287 M€</td>
<td>60 M€</td>
<td>57%</td>
</tr>
<tr>
<td>Total</td>
<td>936 M€</td>
<td>914 M€</td>
<td>-2%</td>
</tr>
</tbody>
</table>

(*) Non recurrent costs
Results

Current costs in CGD Portugal down 22.5% since 2017

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

-22% Employee costs
-16% IT services
-34% Communications
-48% Car fleet expenses
-36% Cleaning and security
-13% Studies and consultancy
-42% Representation expenses, travel and lodging
-19% Maintenance and repairs
-15% Transport
-28% Supplies (energy, fuel, office supplies)
-67% Sports and music festivals sponsorship
Cost-to-Income continues its downwards path

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost-to-Income (1)(2)</th>
<th>Cost-to-Core Income (2)(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-12</td>
<td>53%</td>
<td>63%</td>
</tr>
<tr>
<td>2018-12</td>
<td>52%</td>
<td>56%</td>
</tr>
<tr>
<td>2019-12</td>
<td>47%</td>
<td>56%</td>
</tr>
</tbody>
</table>

(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);
Results

Number of employees evolves according to the Strategic Plan

Employees (Domestic Activity)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016-12</th>
<th>2017-12</th>
<th>2018-12</th>
<th>2019-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-12</td>
<td>8,868</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017-12</td>
<td>8,321</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-12</td>
<td>7,675</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-12</td>
<td>7,100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 20%

vs. Dec 2018

575
## Impact of Provisions and Impairments in Net Income

### 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)
Results

**Breakdown of 2019 Net Income**

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%).
**Results**

**Contributions to Consolidated Net Income**

<table>
<thead>
<tr>
<th>Entities</th>
<th>2018-12</th>
<th>2019-12</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France Branch</td>
<td>16</td>
<td>20</td>
<td>24%</td>
</tr>
<tr>
<td>Timor Branch</td>
<td>3</td>
<td>5</td>
<td>51%</td>
</tr>
<tr>
<td>Banco Comercial e de Investimentos (Mozambique)</td>
<td>36</td>
<td>34</td>
<td>-4%</td>
</tr>
<tr>
<td>Banco Interatlântico (Cape Verde)</td>
<td>2</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Banco Nacional Ultramarino (Macao)</td>
<td>62</td>
<td>69</td>
<td>12%</td>
</tr>
<tr>
<td>Banco Internacional S. Tomé Príncipe</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Banco Caixa Geral - Angola</td>
<td>15</td>
<td>20</td>
<td>30%</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>32</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155</strong></td>
<td><strong>183</strong></td>
<td><strong>19%</strong></td>
</tr>
</tbody>
</table>

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

**Contributions from International Activity**
Balance Sheet
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€

<table>
<thead>
<tr>
<th>2018-12</th>
<th>2019-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>70,249</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,614</td>
</tr>
<tr>
<td>Bancassurance</td>
<td>733</td>
</tr>
<tr>
<td>Funds</td>
<td></td>
</tr>
<tr>
<td>Bonds and Treasury Bonds</td>
<td></td>
</tr>
<tr>
<td>General Government and Institut.</td>
<td>2,527</td>
</tr>
<tr>
<td>Individual Customers</td>
<td>43,374</td>
</tr>
<tr>
<td>Corporate</td>
<td>7,362</td>
</tr>
<tr>
<td>2018-12</td>
<td>70,249</td>
</tr>
<tr>
<td>2019-12</td>
<td>72,949</td>
</tr>
</tbody>
</table>

Total Customer Resources (Domestic Activity)

Customer Deposits (Domestic Activity)
Credit in Portugal reflects reduction in NPL and deleveraging of public sector

<table>
<thead>
<tr>
<th></th>
<th>2018-12</th>
<th>2019-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>44,629</td>
<td>40,900</td>
</tr>
<tr>
<td>Corporates</td>
<td>13,997</td>
<td>13,710</td>
</tr>
<tr>
<td>General and Others</td>
<td>5,284</td>
<td>2,767</td>
</tr>
<tr>
<td>Individual Customers (Mortgage Loans)</td>
<td>24,496</td>
<td>23,652</td>
</tr>
<tr>
<td>Individual Customers (Other Loans)</td>
<td>852</td>
<td>771</td>
</tr>
</tbody>
</table>
Balance Sheet

Loans to corporates grow in Portugal...

M€

+557 M€
Change Year on Year
2019 vs 2018

Corporate Loans

Education and healthcare 34%
Agriculture and fishing 13%
Lodging and food service 13%
Sales and Retail 9%
Energy 4%

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

2018-12 2019-12
8,276 8,833

Most dynamic sectors (Change 2018-12 vs 2019-12) (CGD Portugal)
... including new production of specialized credit – leasing and factoring
Positive evolution in new Mortgage Loans

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>283</td>
<td>429</td>
<td>397</td>
<td>449</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>449</td>
<td>521</td>
<td>525</td>
<td>578</td>
</tr>
</tbody>
</table>

Change: 2019 vs 2018

+514 M€

33%
Asset Quality
### Asset Quality

#### Reduced Cost of Credit Risk

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Credit Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.78%</td>
</tr>
<tr>
<td>2016</td>
<td>3.40%</td>
</tr>
<tr>
<td>2017</td>
<td>0.13%</td>
</tr>
<tr>
<td>2018</td>
<td>0.22%</td>
</tr>
<tr>
<td>2019</td>
<td>-0.09%</td>
</tr>
</tbody>
</table>

Cost of Credit Risk
Asset Quality

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

NPE and NPL are decreasing with higher coverage levels. NPL > 90 days is below 3%.

---

**Gross Ratios**

<table>
<thead>
<tr>
<th>Year</th>
<th>NPE</th>
<th>NPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-12</td>
<td>6.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2019-12</td>
<td>3.9%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

**Coverage by Impairments and Collateral**

<table>
<thead>
<tr>
<th>Year</th>
<th>NPE</th>
<th>Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-12</td>
<td>94.9%</td>
<td>38.2%</td>
</tr>
<tr>
<td>2019-12</td>
<td>105.0%</td>
<td>33.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>NPL</th>
<th>Impairments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-12</td>
<td>61.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2019-12</td>
<td>71.9%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

---

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

**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) NPL – Non Performing Loans – EBA definition.

(2) NPL net of impairments.

---

**NPL evolutionary chart**

(1) NPL evolution

---

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

(2) NPL net of impairments.
Foreclosed Assets (Real Estate) maintains decreasing trend and Coverage is reinforced
### Asset Quality

**Investment Properties sharply down; exposure to Corporate Restructuring Funds decreases**

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Properties</th>
<th>Corporate Restructuring Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-12</td>
<td>898 €</td>
<td>521 €</td>
</tr>
<tr>
<td>2018-12</td>
<td>810 €</td>
<td>639 €</td>
</tr>
<tr>
<td>2019-12</td>
<td>186 €</td>
<td>549 €</td>
</tr>
</tbody>
</table>

Change 2019 vs 2018:
- **Investment Properties**: 77%
- **Corporate Restructuring Funds**: 14%
Liquidity
Liquidity

CGD with ample capacity to access ECB funding

<table>
<thead>
<tr>
<th>Year</th>
<th>ECB Funding</th>
<th>Eligible Assets in ECB Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2017-12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018-12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019-12</td>
</tr>
<tr>
<td></td>
<td>Other Bonds</td>
<td>Other Sovereign Debt</td>
</tr>
<tr>
<td></td>
<td>Portuguese Sovereign Debt</td>
<td>CGD Group Issuances</td>
</tr>
<tr>
<td>2017</td>
<td>3,467</td>
<td>13,655</td>
</tr>
<tr>
<td>2018</td>
<td>471 (*)</td>
<td>11,988</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td>10,800</td>
</tr>
</tbody>
</table>

(*) Total value refers to BCG Spain, sold in October 2019
Asset pool fully covers wholesale debt maturities

Wholesale Debt maturity profile

(*) Considering the exercise date of the Call
**Stable funding structure based on retail funding**

<table>
<thead>
<tr>
<th>Liabilities Structure (1)</th>
<th>M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Banks and Credit Instit.</td>
<td>76,229</td>
</tr>
<tr>
<td>Other</td>
<td>5,144</td>
</tr>
<tr>
<td>Debt Securities and Subordinated Liabilities</td>
<td>47,974</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>62,626</td>
</tr>
<tr>
<td>86%</td>
<td>65,710</td>
</tr>
</tbody>
</table>

**Loans-to-Deposits Ratio**

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

1. Excluding non-current liabilities held for sale

(1) Stable funding structure based on retail funding

2018-12: 82%
2019-12: 73%
Robust liquidity position

**LCR (Liquidity Coverage Ratio):**
- 2016: 176%
- 2017: 209%
- 2018: 235%
- 2019: 332%

**NSFR (Net Stable Funding Ratio):**
- 2016: 134%
- 2017: 139%
- 2018: 149%
- 2019: 155%

Regulatory requirement: 100%
Capital
Capital

CGD meets SREP requirements

%  

SREP 2019 Requirements and CGD Capital Ratios in 31 December 2019

CET 1

Tier 1

Total

SREP Requirement

Fully Implemented

Min. CET1

O-SII

CCB

P2R

SREP Requirement

Fully Implemented

SREP Requirement

Fully Implemented

SREP Requirement

Fully Implemented

9.75%

16.8%

11.25%

17.9%

13.25%

19.3%

2.50%

4.50%

1.50%

4.50%

2.25%

4.50%

1.50%

4.50%

1.14%

1.42%

0.50%

4.50%

1.14%
Capital

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

% of Capital

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.

Impact on CET1

- Change in treatment of min. int.
- Actuarial changes to the Pension Fund
- IFRS 9
- Irrevocable payment commitments
- Dividends
- Other
- Fair value reserves
- Earnings
- Reduction in RWA

2017-01-01 (Proforma) 12.1% -0.27% -0.75% -0.24% -0.38% -0.45% +0.59% +0.26% +3.02% 16.8% 2019-12
## Pension Fund

### Changes to actuarial assumptions

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

### 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

**DBRS Morningstar**
BBB / R-2 (high)

**Moody’s**
Ba1 / NP

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

### DBRS Morningstar
- **Jun19**: Upgrade of long and short term debt ratings and Covered Bonds ratings

### Moody’s
- **Jul19**: Long-term senior debt rating affirmed at Ba1

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

### Graphs
- **Fitch Long Term Ratings**
- **DBRS Long Term Ratings**
- **Moody's Long Term Ratings**

(+2 notches)  (+1 notch)  (+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

<table>
<thead>
<tr>
<th>Year</th>
<th>RWAs Density</th>
<th>Texas Ratio</th>
<th>Leverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-12</td>
<td>55%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-12</td>
<td>52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>59%</td>
<td>8.2%</td>
</tr>
<tr>
<td>2018-12</td>
<td></td>
<td>31%</td>
<td>7.7%</td>
</tr>
<tr>
<td>2019-12</td>
<td></td>
<td></td>
<td>8.3%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019-11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**RWAs Density**

RWA fully implemented (2019-12): 44.7 B€

**Texas Ratio**

(1) Texas Ratio = Non Performing Exposure EBA / (Impairments + Tangible Equity).
Available Distributable Items (ADI) and Maximum Distributable Amount (MDA)

<table>
<thead>
<tr>
<th>33 x Annual Cost AT1 (1)</th>
<th>37 x Annual Cost AT1 (1)</th>
<th>42 x Annual Cost AT1 (1)</th>
<th>CET 1 2019-12</th>
<th>Requirement 2019</th>
<th>CET 1 2019-12</th>
<th>Requirement 2019 + Gaps Tier 1 and Tier 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8</td>
<td>2.0</td>
<td>2.3</td>
<td>16.8%</td>
<td>9.75%</td>
<td>16.8%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

ADI (Available Distributable Items)

MDA (Maximum Distributable Amounts)

MDA Buffer:
- 7.0% 3.4 B€
- 6.1% 3.0 B€

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

- Favourable market conditions reduced the cost of issuing subordinated debt instruments
- Potential positive impact on the rating as more cushion is built below Senior debt
- Minimum 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

- Size: €500,000,000
- Tenor: 5 years
- Maturity: Nov 25, 2024
- Coupon: 1.25%

Placement

- 220 accounts placed orders exceeding a total of €3,500,000,000
- Diversified 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 …

Summary

Business

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

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

(1) Current activity ROE = (net income + non-recurring costs + non-controlling interests) / Shareholders' equity (average of 13 monthly observations and annualized);
(2) Domestic activity;
(3) EBA Risk Dashboard – September 2019;
Summary

Solvency: CGD with favourable performance within the European Union

CET 1 Ratio (fully loaded) (1)

16.8% Including Net Income

CGD (2) 14.8%
PT 13.3%
EU 14.4%
ES 11.6%
IT 13.0%
FR 14.5%
DE 13.8%

(1) Source: EBA Risk Dashboard - September 2019, except CGD;
(2) CGD data refers to 31 December 2019.
Summary

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

Cost to Income (1)

<table>
<thead>
<tr>
<th>Country</th>
<th>CGD (2)</th>
<th>PT</th>
<th>EU</th>
<th>ES</th>
<th>IT</th>
<th>FR</th>
<th>DE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>47%</td>
<td>56%</td>
<td>63%</td>
<td>53%</td>
<td>64%</td>
<td>72%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Return on Equity (RoE) (1)

<table>
<thead>
<tr>
<th>Country</th>
<th>CGD (2)</th>
<th>PT</th>
<th>EU</th>
<th>ES</th>
<th>IT</th>
<th>FR</th>
<th>DE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.1%</td>
<td>5.4%</td>
<td>6.6%</td>
<td>7.3%</td>
<td>8.5%</td>
<td>6.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

(1) Source: EBA Risk Dashboard - September 2019, except CGD;
(2) CGD data refers to 31 December 2019. Excluding non-recurrent results
Summary

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

Non-Performing Loans ratio\(^{(1)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>CGD(^{(2)})</th>
<th>PT</th>
<th>EU</th>
<th>ES</th>
<th>IT</th>
<th>FR</th>
<th>DE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.7%</td>
<td>2.9%</td>
<td>3.4%</td>
<td>7.2%</td>
<td>2.6%</td>
<td>1.2%</td>
<td></td>
</tr>
</tbody>
</table>

Coverage ratio of Non-Performing Loans\(^{(1)}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>CGD(^{(2)})</th>
<th>PT</th>
<th>EU</th>
<th>ES</th>
<th>IT</th>
<th>FR</th>
<th>DE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>77.4%</td>
<td>52.7%</td>
<td>44.6%</td>
<td>42.9%</td>
<td>52.8%</td>
<td>50.7%</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

(1) Source: EBA Risk Dashboard - September 2019, except CGD;
(2) CGD data refers to 31 December 2019.