

**Long-Term Issuer Rating:** BBB  
Outlook: positive

Short-Term Rating: L3

Preferred Sen. Unsec. Debt: BBB  
Non-Preferred Sen. Unsec. Debt: BBB-  
Tier 2 Capital: BB  
AT1 Capital: n.r.

**20 December 2022**

## Rating Action:

### Creditreform Rating affirms Caixa Geral de Depósitos S.A. (Group) long-term issuer rating at 'BBB' (Outlook: positive)

Creditreform Rating (CRA) has affirmed the long-term issuer rating of Caixa Geral de Depósitos S.A. at 'BBB' and the short-term rating at 'L3'. The rating outlook is revised to positive. At the same time, we affirm Caixa Geral de Depósitos S.A.'s 'preferred senior unsecured' at 'BBB' the non-preferred senior unsecured debt at 'BBB-'. Since CGD has called all but a fraction (issued by subsidiaries) of its AT1-capital, we withdraw CGD's AT1-ratings ('n.r.'). Due to a lower buffer following the AT1 redemption, we downgrade the Tier 2 capital from 'BB+' to 'BB' in accordance with our methodology.

Please find a complete list of rating actions regarding the bank at the end of this rating update. In addition, we refer to the more detailed report of the Group from 17.12.2021 on our homepage.

## Key Rating Driver

CRA has affirmed the rating of Caixa Geral de Depósitos S.A. and its bank capital and debt instruments as a result of its periodic monitoring process for the following reasons:

- Government-related bank with high probability of support by the Portuguese State; ratings are capped at the level of the Portuguese Republic (CRA rating: BBB/positive of 09.09.2022)
- Sound capitalization and liquidity metrics with large buffers above regulatory requirements
- Sustained improvement in asset quality through the reduction of its non-performing loans, lower asset writedowns and and conservative stage 3 coverage ratio
- Recovering profitability and and cost-efficient operations following the successful reduction of operating costs under the Strategic Plan 2017-2020

## Analysts

Johannes Kühner  
j.kuehner@creditreform-rating.de  
Lead-Analyst

Philipp J. Beckmann  
p.beckmann@creditreform-rating.de  
Senior Analyst

Christian Konieczny  
c.konieczny@creditreform-rating.de  
Person Approving Credit Ratings

Neuss, Germany

## Company Overview

Caixa Geral de Depósitos, S.A. (Group) - in the following: CGD, the Group or the Bank is a wholly state-owned public liability limited company and the largest bank by assets in Portugal. CGD operates as a universal bank with a network of 515 branch offices (as of Q3-22) in Portugal and, on a smaller scale, with some branches and subsidiaries abroad. With 11,273 employees, the Group serves approximately 3.6 million customers in Portugal and had total assets of €107.1 bn in Q3-22.

## Rating Considerations and Rationale

The affirmation of the long-term issuer rating of CGD is primarily explained by the bank's comfortable capital and liquidity buffers, as well as by its robust profitability and improving asset quality metrics. The ratings remain limited by the sovereign rating of CGD's sole and ultimate owner – the Portuguese Republic.

## Profitability

CGD's operating income grew by a solid 6.7% in 2021. Together, higher net fee and trading income, as well as an improving participation result more than compensated for declining net interest and other income.

Net fee and commission posted double-digit growth, mainly driven by sales of investment funds and insurance policies in Portugal. Commissions also benefitted from an increasing volume of payment transactions following the gradual post-pandemic reopening of the Portuguese economy.

CGD's net trading income more than tripled in 2021, reaching a total of € 175.7mn. Alongside a strong result from currency derivatives, which came in at € 53.3mn (2020: € -35mn), the bank particularly benefitted from fair value gains on financial instruments, with the FV-result improving from € -11.9mn to € 137.3mn.

Apart from that, CGD saw its participation result rising to € 57mn (2020: € 44.3mn). Generally, CGD receives most of its equity accounted result from only two associated enterprises, namely the insurer Fidelidade – Companhia de Seguros, S.A. and payment processor SIBS, S.A. CGD has a pro-rata earnings claim of 15 and 22.97%, respectively. With regard to last year, both companies achieved substantially higher net income than in 2020, explaining the increase in CGD's participation result.

Contrarily, net interest income remained on a downward trajectory, amounting to € 1bn (-4.3% y-o-y). Despite some support from TLTRO (€ 26.6mn), CGD struggled with the low interest rate environment in 2021, which continued to put pressure on the bank's main income source. CGD was thereby only partially able to counteract falling asset yields by lower interest expenses. In addition, other income slumped to € 108mn (2020: € 138.7mn) as gains from assets-held-for sale and from investment property turned out lower than in the previous year.

Turning to last year's development of operating costs, we observed a modest increase over the previous year (3.8% y-o-y). While D&A and IT-expenses edged up, reflecting CGD's continuing investment in digital platforms, staff expense experienced a steep decline of € 78.7mn, equivalent to a 15% y-o-y reduction. However, this was almost entirely explained by a non-recurring impact (€ 77.6mn) owing to provisions adjustments associated with post employment benefits and costs foreseen with the pre-retirement programme. Partially offsetting the aforementioned adjustments, other provisions were up significantly in 2021. Meanwhile other expenses, which include among others CGD's contribution to the national and single resolution fund, as well as banking sector levy, came in lower than in 2020.

With operating income growth outpacing operating costs and lower loan impairments, CGD's net profit climbed to € 633.7mn in 2021 (2020: € 523.1mn), translating into improving profitability metrics. We consider the bank's RoA of 0.61% to be good, while we regard its risk-adjusted profitability (RoRWA) as well as its RoE as satisfactory. Furthermore, with a cost-income ratio approaching 50%, CGD is a rather cost-efficient operator both by European but also by national industry standards. Also, CGD's cost-income ratio compares favorably with Portuguese peers such as Banco Comercial Portugues, Novo Banco, Banco Santander Tota and Banco BPI.

Favorable earnings dynamics carried over into 2022, underpinned by sustained growth in operating income. Fee and commission income as well as net interest income displayed double-digit y-o-y growth rates, thanks to sustained demand for insurance products and investment funds. Significant impairment releases amounting to € -179.4mn (9M2021: € +157.0mn) provided another tailwind to earnings. As a result, net profits clocked in at € 692.3mn (+61.3%). Against this

background, we believe that in CGD will likely deliver further improving earnings metrics with its final 2022 results. The bank's 9M2022 RoE and RoA of 9.6% and 0.86% indicates that CGD's intrinsic profitability is on track to recover towards pre-covid levels.

## Asset Situation and Asset Quality

Having stalled in the previous year, net loans to customers were up 4.7% in 2021 with solid credit demand across all customer groups (individuals, corporates, government). In its Portuguese home market, loan growth was primarily driven by strong household demand for mortgages. Last year, CGD extended close to € 3.4bn (+45% y-o-y) of new mortgage loans, lifting its market share in in the mortgage lending market to 23.8%. From geographical point of view, we note that loan growth in CGD's African markets was particularly strong.

Overall credit demand, however, was not strong enough to prevent the build-up of significant excess liquidity on the balance sheet. Over the course of the year, CGD's liquidity buffer more than doubled. CGD accumulated a total of € 12.7bn in cash and equivalents, reflecting the lender's challenge to find appropriate investment opportunities for its vividly growing deposit base (see also "Refinancing, Capital Quality and Liquidity").

Meanwhile, the value of CGD's total securities portfolio, which mainly consists of public debt securities, fell to € 20.6bn (2020: € 22.4bn). In particular, CGD scaled back largest sovereign exposure namely Portuguese public debt (CRA Rating: BBB/positive) from € 7.9bn to € 6.8bn. The bank also reduced its holdings of Spanish (A-/stable) and Italian (BBB-/stable) sovereign debt.

The balance sheet item of non-current assets & discontinued operations in 2021 represents primarily CGD's subsidiaries, which the bank plans to dispose. This balance sheet position decreased by €800mn in 2021. As CGD failed to conclude the sale of Banco Comercial do Atlântico (BCA), IFRS 5 conditions for retaining BCA as non-current asset held-for-sale asset were no longer satisfied.

Notwithstanding the run expiration of Covid-related loan moratoria, CGD continued to make inroads on improving asset quality in 2021. After the bank had brought down its NPL-ratio (own calculation: stage 3 loans over net loans to customers) from almost 10% in 2018 to 4.8% between 2018-20 through a combination of write-offs and NPL-portfolio sales, the NPL-ratio fell to 4.3% last year. More recently, the bank benefitted from favorable trends in credit recoveries and cures, which resulted in a further decline of the NPL-ratio to 3.9% at the end of June 2022. Also, the potential problem loan ratio (own calculation: stage 2 loans over net loans to customer), which was broadly 2021 fell from 8.3 to 7.7% over the first half of 2022. While both, the potential problem loan and the NPL-ratio have further room to improve, we acknowledge that CGD is conservatively reserved for its bad loans. Although this is not our baseline scenario, CGD's stage 3 coverage ratio, which stood at 107% at the end of June 2022, provides some cushion in the event worsening asset quality trends in 2023.

## Refinancing, Capital Quality and Liquidity

Customer deposits are by far the Group's most important funding source, representing 86% of financial liabilities. Since the onset of the Covid-19 pandemic in 2020, CGD has faced a massive influx of deposits, as households ramped-up their savings rate. The momentum of deposit inflows remained strong throughout 2021, indicated by another 10.7% y-o-y increase of the lenders deposit base. Covid-19 restrictions were lifted in 2022, consumers were provided with a broader array of spending opportunities and deposit inflows slowed to +4.9% y-o-y (Sep-22).

Since it provides the bank with a source of low cost funding, we generally view CGD's leading deposit franchise in Portugal (deposit market share: 26.2% in 2021) as positive.

Deposits from banks more than tripled to € 6.7bn in 2021, mirroring in particular CGD's expanded use of central bank funding. Making use of the very favorable rates (up to -1%), CGD took another € 4.8 bn TLTRO III funds in 2021, bringing its total funds obtained under the programme to € 5.8bn.

Turning to capital market refinancing, we observed a slight increase last year driven by higher levels of outstanding senior debt. CFD issued € 500mn in sustainable senior preferred debt in September 2021 – the first ever issuance of this type by a Portuguese bank. Meanwhile, the outstanding volume of Covered Bonds and subordinated debt securities was virtually unchanged.

After significant improvements over the past few years due to recapitalization efforts, earnings retention and balance sheet derisiking, CGD's regulatory capital ratios decreased in 2021. While the CET1-ratio remained stable, the bank's Tier1- and Total capital ratios came in slightly lower than the year before. Apart from higher RWAs (+2% y-o-y), the announced redemption of € 500mn AT1-capital, which took place in March 2022, but had already been authorized by the ECB at the time of reporting, contributed to this development. Three quarters into 2022, CGD's fully loaded CET1- and Tier1-ratio both stood at 18.7%, its Total Capital ratio posted at 20.1%, benefitting from profit retention and the positive impact of exchange rate variations.

Thanks to lowered P2R of 2.0% in 2022 (2021: 2.25%), the positive gap between the bank's capital position and its regulatory capital requirements (CET1: 9.125%, Tier 1: 11.0% and Total Capital: 13.5%) has continued to grow. From both a European and Portuguese industry perspective, CGD's is a rather strongly capitalized lender and we expect the bank to maintain sound levels of capitalization going forward.

Despite the decline in CGD's leverage ratio from 8.7% (2020) to 7.3% in 2021 and 7.1% in Q3-22, reflecting both the bank's call of AT1-capital as well as growing leverage exposure, the overall level signals a sufficient loss absorption capacity.

CGD's liquidity situation remains excellent. As of Q3-22, the Group reported an LCR of 339% (2021: 357%) its NSFR stood at 173% (Aug-22). Both ratios compare well with other large European banks and comfortably exceed regulatory minimum requirements of 100% each.

## Environmental, Social and Governance (ESG) Score Card

**Creditreform Bank Rating**  
**Environmental, Social and Governance (ESG) Bank Score**  
 Caixa Geral de Depositos SA (Av. Joao XXI 63, 1000-300 Lisbon)

**Creditreform Rating**

CGD has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive due to CGS's increasing ESG related financing activities in addition to the implemented diverse ESG related policies. Moreover, the bank overcome the difficult years of the past and successfully implemented its strategy 2017-2020, while CGD achieved a sustainable and solid performance level.

- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral due to the still relatively low amount of green bond emissions, Corporate Behaviour is rated positive due the bank's business activities in accordance with the ideas and beliefs of the society.

**ESG Bank Score**

3,7 / 5

Score Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
( - )	Negative
( - - )	Strong negativ

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

## Outlook

The outlook of the Long-Term Issuer Rating of CGD is 'positive', in line with the long-term sovereign rating of the Portuguese Republic. For details, please refer to the rating report of the Portuguese Republic from 9 September 2022, which can be found on our website.

## Scenario Analysis

Best-case scenario: BBB+

Worst-case scenario: BBB-

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

In a scenario analysis, CGD is able to achieve a long-term issuer rating of 'BBB+' in the best-case scenario and a rating of 'BBB-' in the worst-case scenario. The ratings of bank capital and senior unsecured debt would behave similarly based on our rating mechanism. All of the mentioned ratings are particularly sensitive to changes of the rating of the Portuguese Republic, next to changes to changes in the bank's total equity and to the bank capital and debt structure in general.

An upgrade of the long-term issuer rating and the bank capital and debt instruments is contingent on an upgrade of the rating of the Portuguese Republic (currently BBB/positive) – the ultimate owner of CGD. Apart from that, broader geographical credit diversification while maintaining the current levels of profitability, asset quality and capital might lead to an upgrade as well.

By contrast, a downgrade of the Group's long-term issuer credit rating and its bank capital and debt instruments is likely in the event of a credit rating downgrade of the Portuguese Republic. In addition, a sharp and lasting decline CGD's profitability might lead to a downgrade as well. In the same vein, worsening asset quality and/or declining capital ratios could put pressure on CGD's ratings.

### **CRA's rating actions at a glance**

Caixa Geral de Depósitos S.A. (Group):

- Long-Term Issuer Rating affirmed at 'BBB', positive outlook
- Short-Term Rating affirmed at 'L3'
- Preferred Senior Unsecured Debt affirmed at 'BBB'
- Non-Preferred Senior Unsecured Debt affirmed at 'BBB-'
- Tier 2 Capital downgraded to 'BB' from 'BB+'
- AT1 Capital withdrawn 'n.r.' from 'BB'

## Ratings Detail

### Bank ratings

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **BBB / positive / L3**

### Bank Capital and Debt Instruments Ratings

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured Debt (PSU): **BBB**  
 Non-Preferred Senior Unsecured Debt (NPS): **BBB-**  
 Tier 2 (T2): **BB**  
 Additional Tier 1 (AT1): **n.r.**

### Rating History

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initialrating	29.11.2019	BBB / stable / L3
Monitoring	29.05.2020	BBB / watch unknown / L3
Rating Update	20.11.2020	BBB / stable / L3
Rating Update	17.12.2021	BBB / stable / L3
Rating Update	20.12.2022	BBB / positive / L3
Bank Capital and Debt Instruments	Rating Date	Result
PSU / NPS / T2 / AT1 (Initial)	29.11.2019	BBB / BBB- / BB / BB-
PSU / NPS / T2 / AT1 (watch unknown)	29.05.2020	BBB / BBB- / BB / BB-
PSU / NPS / T2 / AT1	20.11.2020	BBB / BBB- / BB+ / BB
PSU / NPS / T2 / AT1	17.12.2021	BBB / BBB- / BB+ / BB
PSU / NPS / T2 / AT1	20.12.2022	BBB / BBB- / BB / n.r.



## Appendix

Figure 2: Group income statement<sup>1</sup> | Source: eValueRate / CRA

Income Statement (EUR m)	2021	%	2020	%	2019	%	2018
<b>Income</b>							
Net Interest Income	1.006	-4,3	1.051	-9,6	1.164	-3,0	1.200
Net Fee & Commission Income	565	+12,9	500	+0,7	497	+3,4	480
Net Insurance Income	-	-	-	-	-	-	-
Net Trading & Fair Value Income	176	> +100	51	-57,5	119	+31,6	91
Equity Accounted Results	57	+28,9	44	+2,8	43	-17,5	52
Dividends from Equity Instruments	13	-29,6	19	-	-	-	-
Other Income	108	-22,1	139	-49,2	273	+7,4	254
<b>Operating Income</b>	<b>1.924</b>	<b>+6,7</b>	<b>1.804</b>	<b>-13,9</b>	<b>2.096</b>	<b>+0,9</b>	<b>2.077</b>
<b>Expense</b>							
Depreciation and Amortisation	109	+11,6	98	+3,5	94	+57,3	60
Personnel Expense	432	-15,4	511	-12,4	583	-4,3	610
Tech & Communications Expense	87	+4,8	83	-0,8	83	+5,0	79
Marketing and Promotion Expense	10	-15,2	12	-21,5	15	-4,6	16
Other Provisions	94	< -100	-27	+18,4	-22	-80,2	-114
Other Expense	232	-7,8	252	-29,4	357	-26,5	486
<b>Operating Expense</b>	<b>964</b>	<b>+3,8</b>	<b>929</b>	<b>-16,4</b>	<b>1.111</b>	<b>-2,3</b>	<b>1.137</b>
<b>Operating Profit &amp; Impairment</b>							
<b>Operating Profit</b>	<b>960</b>	<b>+9,7</b>	<b>875</b>	<b>-11,1</b>	<b>985</b>	<b>+4,8</b>	<b>940</b>
Cost of Risk / Impairment	52	-70,9	178	< -100	-150	< -100	146
<b>Net Income</b>							
Non-Recurring Income	-	-	-	-	-	-	-
Non-Recurring Expense	-	-	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>909</b>	<b>+30,3</b>	<b>698</b>	<b>-38,5</b>	<b>1.135</b>	<b>+43,0</b>	<b>794</b>
Income Tax Expense	274	+59,1	172	-48,2	332	+8,2	307
Discontinued Operations	-2	-39,9	-3	< -100	23	-56,4	53
<b>Net Profit</b>	<b>634</b>	<b>+21,1</b>	<b>523</b>	<b>-36,7</b>	<b>826</b>	<b>+53,1</b>	<b>540</b>
Attributable to minority interest (non-controlling interest)	50	+59,7	32	-36,9	50	+14,0	44
Attributable to owners of the parent	583	+18,7	492	-36,6	776	+56,5	496

Figure 3: Group key earnings figures | Source: eValueRate / CRA

Income Ratios (%)	2021	%	2020	%	2019	%	2018
Cost Income Ratio (CIR)	50,10	-1,38	51,48	-1,53	53,00	-1,74	54,75
Cost Income Ratio ex. Trading (CIRex)	55,13	+2,16	52,97	-3,24	56,21	-1,04	57,25
Return on Assets (ROA)	0,61	+0,04	0,57	-0,39	0,96	+0,36	0,61
Return on Equity (ROE)	6,82	+0,81	6,01	-3,63	9,64	+3,13	6,51
Return on Assets before Taxes (ROAbT)	0,87	+0,11	0,76	-0,56	1,32	+0,43	0,89
Return on Equity before Taxes (ROEbT)	9,79	+1,77	8,02	-5,23	13,25	+3,67	9,58
Return on Risk-Weighted Assets (RORWA)	1,49	+0,24	1,25	-0,62	1,87	+0,75	1,11
Return on Risk-Weighted Assets before Taxes (RORWAbT)	2,13	+0,46	1,67	-0,90	2,57	+0,93	1,64
Net Financial Margin (NFM)	1,20	-0,09	1,30	-0,33	1,62	-0,05	1,68
Pre-Impairment Operating Profit / Assets	0,92	-0,03	0,96	-0,19	1,15	+0,09	1,06
Cost of Funds (COF)	0,49	-0,09	0,58	-0,36	0,94	-0,24	1,18
Customer Interest Spread (CIS)	2,33	-0,18	2,51	-0,30	2,81	+0,18	2,63
Basic EPS	0,76	+0,12	0,64	-0,37	1,01	+0,37	0,64
Dividend Payout Ratio	60,54	-	-	-	-	-	-
Dividends declared per ordinary Share	-	-	-	-	-	-	-

Change in %-Points

<sup>1</sup> Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2021	%	2020	%	2019	%	2018
Cash and Balances with Central Banks	23.677	>+100	10.972	+40,4	7.817	+18,1	6.621
Net Loans to Banks	3.025	+29,8	2.329	-6,0	2.479	+25,2	1.981
Net Loans to Customers	50.283	+4,7	48.017	-0,2	48.108	-6,9	51.674
thereof: Gross Loans to Customers	-	-	-	-	-	-	-
thereof: Reserve on Loans to Customers	-	-	-	-	-	-	-
Total Securities	20.635	-8,1	22.445	+21,7	18.449	+27,8	14.438
thereof: Total Debt Instruments	19.235	-9,1	21.151	+17,3	18.026	+29,3	13.940
thereof: Total Equity Instruments	1.400	+8,2	1.294	>+100	423	-15,2	498
Total Derivative Assets	423	-52,6	894	+3,5	863	+23,6	698
Other Financial Assets	230	-23,9	302	-75,8	1.249	-16,4	1.494
<b>Financial Assets</b>	<b>98.273</b>	<b>+15,7</b>	<b>84.959</b>	<b>+7,6</b>	<b>78.966</b>	<b>+2,7</b>	<b>76.906</b>
Equity Accounted Investments	530	+4,9	505	+9,4	462	+18,8	389
Other Investments	1.272	+1,0	1.259	>+100	186	-77,1	810
Insurance Assets	-	-	-	-	-	-	-
Non-current Assets & Discontinued Ops	336	-71,0	1.159	-13,1	1.333	-78,5	6.213
Tangible and Intangible Assets	746	+9,7	681	+3,3	659	+29,4	509
Tax Assets	1.575	-10,0	1.751	-6,4	1.870	-13,1	2.152
Total Other Assets	1.277	+20,3	1.062	-53,8	2.300	+8,9	2.112
<b>Total Assets</b>	<b>104.010</b>	<b>+13,8</b>	<b>91.375</b>	<b>+6,5</b>	<b>85.776</b>	<b>-3,7</b>	<b>89.091</b>

Figure 5: Development of asset quality | Source: eValueRate / CRA

Asset Ratios (%)	2021	%	2020	%	2019	%	2018
Net Loans/ Assets	48,34	-4,21	52,55	-3,54	56,09	-1,92	58,00
Risk-weighted Assets/ Assets	40,99	-4,77	45,77	-5,75	51,51	-2,83	54,35
NPLs*/ Net Loans to Customers	4,32	-0,47	4,79	-0,81	5,60	-4,28	9,88
NPLs*/ Risk-weighted Assets	5,09	-0,41	5,50	-0,60	6,10	-4,45	10,54
Potential Problem Loans**/ Net Loans to Customers	8,33	-0,02	8,36	-0,62	8,98	-0,17	9,15
Reserves/ NPLs*	106,66	+8,96	97,69	+17,94	79,76	+14,39	65,36
Reserves/ Net Loans	4,60	-0,07	4,68	+0,21	4,47	-1,99	6,46
Cost of Risk/ Net Loans	0,10	-0,27	0,37	+0,68	-0,31	-0,60	0,28
Cost of Risk/ Risk-weighted Assets	0,12	-0,30	0,42	+0,76	-0,34	-0,64	0,30
Cost of Risk/ Total Assets	0,05	-0,14	0,19	-	-0,17	-	0,16
Change in %-Points							

\* NPLs are represented by Stage 3 Loans where available.  
 \*\* Potential Problem Loans are Stage 2 Loans where available.

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2021	%	2020	%	2019	%	2018
Total Deposits from Banks	6.745	>+100	2.040	+89,3	1.078	-36,7	1.703
Total Deposits from Customers	79.748	+10,7	72.019	+9,5	65.792	+3,7	63.423
Total Debt	4.212	+17,8	3.576	-23,4	4.669	-13,9	5.421
thereof: Senior Debt	-	-	-	-	-	-	-
thereof: Subordinated Debt	1.118	+0,1	1.117	+0,1	1.116	-3,7	1.160
Derivative Liabilities	417	-57,3	978	+7,2	912	+23,0	742
Securities Sold, not yet Purchased	-	-	-	-	-	-	-
Other Financial Liabilities	1.591	+17,7	1.351	-11,9	1.533	-2,5	1.573
<b>Total Financial Liabilities</b>	<b>92.713</b>	<b>+15,9</b>	<b>79.965</b>	<b>+8,1</b>	<b>73.984</b>	<b>+1,5</b>	<b>72.862</b>
Insurance Liabilities	-	-	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	148	-82,9	864	-11,9	981	-81,8	5.396
Tax Liabilities	144	+3,4	139	-13,2	160	-29,6	228
Provisions	977	-5,8	1.037	-0,7	1.044	-6,4	1.116
Total Other Liabilities	741	+10,7	669	-35,7	1.041	-13,5	1.204
<b>Total Liabilities</b>	<b>94.723</b>	<b>+14,6</b>	<b>82.675</b>	<b>+7,1</b>	<b>77.210</b>	<b>-4,5</b>	<b>80.806</b>
<b>Total Equity</b>	<b>9.287</b>	<b>+6,7</b>	<b>8.701</b>	<b>+1,6</b>	<b>8.566</b>	<b>+3,4</b>	<b>8.285</b>
<b>Total Liabilities and Equity</b>	<b>104.010</b>	<b>+13,8</b>	<b>91.375</b>	<b>+6,5</b>	<b>85.776</b>	<b>-3,7</b>	<b>89.091</b>

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2021	%	2020	%	2019	%	2018
Total Equity/ Total Assets	8,93	-0,59	9,52	-0,46	9,99	+0,69	9,30
Leverage Ratio	7,50	-1,20	8,70	+0,00	8,70	+1,00	7,70
Common Equity Tier 1 Ratio (CET1)*	18,20	+0,00	18,20	+2,10	16,10	+2,60	13,50
Tier 1 Ratio (CET1 + AT1)*	18,20	-1,20	19,40	+2,10	17,30	+2,80	14,50
Total Capital Ratio (CET1 + AT1 + T2)*	19,70	-1,20	20,90	+2,20	18,70	+2,90	15,80
SREP/ CET1 Minimum Capital Requirements	9,00	+0,00	9,00	-0,75	9,75	+0,87	8,88
MREL / TLAC Ratio	-	-	-	-	-	-	-
Net Loans/ Deposits (LTD)	63,05	-3,62	66,67	-6,45	73,12	-8,35	81,48
Net Stable Funding Ratio (NSFR)	165,00	-8,00	173,00	+17,00	156,00	+7,10	148,90
Liquidity Coverage Ratio (LCR)	357,00	-92,00	449,00	+117,90	331,10	+96,50	234,60

Change in %-Points  
\* Fully-loaded where available

## Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following scheme clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website [www.creditreform-rating.de](http://www.creditreform-rating.de). The rating was carried out on the basis of the rating methodology for [bank ratings \(v3.1\)](#), the methodology for the [rating of bank capital and unsecured debt instruments \(v2.1\)](#), the methodology for the rating of [Government-Related Banks \(v2.0\)](#) as well as the rating methodology for [Environmental, Social and Governance Score for Banks \(v1.0\)](#) in conjunction with Creditreform's basic document [Rating Criteria and Definitions \(v1.3\)](#).

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions (v1.3) are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 20 December 2022, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Caixa Geral de Depósitos S.A. (Group), and the preliminary rating report was made available to the bank. There was no change in the rating score.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation. Rating Endorsement Status:

The rating of Caixa Geral de Depósitos S.A. (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

## Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

#### **Rules on the Presentation of Credit Ratings and Rating Outlooks**

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

### **Disclaimer**

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report's overall assessment. Excerpts may only be used with the express consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

**Contact information**

Creditreform Rating AG  
Europadamm 2-6  
D-41460 Neuss

Phone +49 (0) 2131 / 109-626

Fax +49 (0) 2131 / 109-627

E-Mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
[www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch

Chairman of the Board: Michael Bruns  
HR Neuss B 10522