Banco Montepio

CONSOLIDATED RESULTS 2024
Unaudited information

Lisbon, 3 February 2025

BANCO MONTEPIO REPORTS HISTORIC RESULTS OF €109.9 MN IN 2024

A year marked by strong dynamism in commercial activity and progress in improving asset quality while maintaining the prudent risk management

In the year in which it celebrated its 180th anniversary, Portugal's oldest bank achieved historic records in net income, customer deposits, solvency and liquidity. As a result of its exceptional performance, Banco Montepio's net income in the domestic market exceeded €100Mn for the second year in a row, consolidating its growth path and its ability to generate organic income.

In 2024 the financial performance was driven by Operating income of €499.1Mn, mainly supported by Net interest income and by Net commissions, which amounted to €384.4Mn and €127.8Mn, respectively. Including the operating costs, impairments and other provisions, and taxes, which totalled €389.8Mn, the **consolidated net income amounted to €109.9Mn, an increase of €81.5Mn compared to 2023**.

Furthermore, at the end of 2024, the **Customer resources also reached a new historic high of €14,959Mn, reflecting a growth of €1,592Mn (+11.9%) YoY**.

Performing Loans to Customers also recorded a significant increase of €547Mn (+4.8%) YoY to €11,902Mn, driven by the positive evolution of Gross Loans to Customers within the context of the ongoing prudent credit granting profile. This evolution occurred alongside a **decrease of €120Mn (-32%) YoY in non-performing exposures (NPE)**, which reduced the **NPE ratio to 2.1%** (down from 3.2% at the end of 2023).

CAIXA ECONÓMICA MONTEPIO GERAL, caixa económica bancária, S.A., referred to as Banco Montepio, registered with the Banco de Portugal under no. 36. | Head Office: Rua Castilho, 5, 1250-066 Lisboa |
Share Capital: €1.210.000.000 | Registered with the Lisbon Commercial Registry Office under the sole commercial registration and taxpayer number 500792615

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HIGHLIGHTS:

Business

- **Gross loans to Customers** increased to €12.2Bn, compared to €11.7Bn at the end of 2023 (+3.6%), with performing loans increasing by €547Mn (+4.8%) YoY;
- **Customer deposits** amounted to €15.0Bn, an increase of €1,592Mn (+11.9%) compared to the end of 2023, with the Individuals segment accounting for 70% of the total;
- **Penetration rate in the Social and Solidarity Economy Customer segment** (with a social purpose) of 28%, consolidating the strategy of continuous specialised monitoring of this segment as a differentiating pillar;
- As part of the **strategy to support job creation and fight social exclusion**, Banco Montepio financed more than 90 projects through the Microcredit and Entrepreneurship and Self-Employment Support credit lines, amounting to over €2Mn;
- The number of active **Customers using the Montepio24 service** (internet and mobile banking) increased by 7% YoY, and the number of transactions carried out increased by 18% YoY;
- **Awards and distinctions**: Consumer Choice 2025 (“*Escolha do Consumidor 2025*”) in Mortgage Loans; Five Stars 2025 Award ("*Prémio Cinco Estrelas 2025*") in Banking - Sustainability; Brand of Excellence - Superbrands 2024; Merco Top 100 companies with the best corporate reputation; Award of Excellence in “Diversity as a Strategic Asset” at the World Economic Forum's New Champions Awards 2024;
- In December 2024, **Fitch Ratings once again raised Banco Montepio's Long-Term Deposits Rating and Long-Term Senior Preferred Debt Rating, this time to BBB- and to BB+**, respectively. **Throughout 2024, Banco Montepio's progress was independently recognised by the three rating agencies that monitor its activity, with an investment grade rating on deposits and a BB+**

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rating on senior preferred debt, with a positive outlook from Moodys and DBRS.

Asset quality

- **Cost of credit risk** of 0.2%, which compares favourably with 0.4% recorded at the end of 2023;
- **Reduction of non-performing exposures (NPE)** by €120Mn (-32%) YoY, bringing the NPE ratio to 2.1%, compared to 3.2% recorded on 31 December 2023;
- **NPE ratio, net of impairment for credit risks**, of 0.4%, compared to 0.8% recorded at the end of 2023;
- **NPE Coverage** by specific impairments of 44.0% (which compares to the EU Member State average of 41.6% in September 2024, according to the latest data available from EBA). Coverage of NPE by total impairments for credit risk amounted to 83.3% (73.9% at the end of 2023) and 122.5% (115.1% at the end of 2023) considering collateral and related financial guarantees;
- **Reduction of exposure to real estate risk** by €74Mn (-28%) YoY, to a total of €189Mn, representing only 1.0% of net assets (1.5% at the end of 2023) and 12.3% of own funds (18.3% on 31 December 2023).

Capital and liquidity

- **Common Equity Tier 1 (CET1) ratio**[1] at 16.0% fully implemented, in line with the ratio recorded at the end of 2023;
- **Total Capital ratio**[1] at 19.2% (+0.6 p.p. YoY) fully implemented;
- **MREL ratio**, determined as a percentage of total RWA, stood at 24.9% (+3.5 p.p. YoY);
- **Liquidity Coverage Ratio (LCR)** at 201.1%;

[1] Ratios calculated including the accumulated net income for the period, less estimated potential profit distributions.

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- **Net Stable Funding Ratio (NSFR)** at 141.1%;
- **Banco Montepio fully repaid the funding from the ECB** in the first quarter of 2024;
- **Liquidity buffer** of €5.6Bn (+13% YoY), reflecting the strengthening of the liquidity position.

Commitment to Sustainability and ESG

- **Banco Montepio engaged in the Corporate Sustainability Assessment (CSA) promoted by S&P Global, obtaining a score of 45/100 in the "S&P Global ESG Score" and 42/100 in the "S&P Global CSA Score" in 2024**. In this assessment, Banco Montepio stood out by standing above the sector average in sustainability practices, especially in the "Governance & Economic" and "Social" dimensions. These results reflect the bank's ongoing commitment to aligning its operations and strategy with the highest standards of sustainability, corporate governance, and environmental impact.
- **The World Economic Forum recognised Banco Montepio for Excellence in "Diversity as a Strategic Asset" at the New Champions Awards 2024**. This award is promoted by the World Economic Forum's New Champions Community, with the aim of recognising the exceptional contributions of innovative companies that are transforming business operating models on a global scale. In the case of Banco Montepio, the institution's commitment to promoting gender equality and diversity and inclusion in the financial sector was highlighted;
- **Five Stars 2025 Award ("*Prémio Cinco Estrelas 2025*") | Banking – Sustainability.** Banco Montepio has been awarded, for the third year in a row, the "Five Stars" award in the Banking - Sustainability category. An award granted by Five Stars Consulting, which implemented the Five Stars methodology and evaluated 6 banking brands.

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RESULTS

The **consolidated net income** presented a favourable evolution to €109.9Mn in 2024.

Net interest income amounted to €384.4Mn in 2024, compared to €408.1Mn recorded in 2023. The evolution of the net interest income was determined by the higher funding costs due to the increase in interest paid on deposits from Customers and to the debt issued, which in both cases include higher funding levels, despite the growth in interest and similar income related to loans to Customers (driven by the favourable evolution of loans and the effect of refixing of the interest rate on contracts), the excess liquidity deposited with the Banco de Portugal, and investments in securities.

Net commissions totalled €127.8Mn in 2024 (+0.7% YoY) roughly the same level as in 2023.

Results from financial operations were positive by €2.5Mn in 2024, showing a favourable evolution of €29.0Mn compared to the amount recorded in the same period of 2023, due to better results from FX revaluation, the results from the securities portfolio and (hedging) derivatives net from the fair value of financial assets and liabilities.

Other results in 2024 stood at -€16.8Mn, a reduction of €11.2Mn compared to 2023, mainly reflecting the increase in the cost of mandatory sector contributions (IFRIC 21) by €4.5Mn and the reduction in other net operating income.

Operating costs totalled €281.5Mn in 2024, compared to €255.8Mn recorded in 2023, reflecting the increase in staff costs by €8.6Mn, in general and administrative expenses by €9.6Mn and in depreciation and amortisation by €7.6Mn.

Staff costs reached €162.3Mn, reflecting an increase of 5.6% compared to the €153.7Mn recorded in 2023. Excluding the impact of non-recurring costs related to the adjustment of the headcount, staff costs increased by €7.7Mn (+5.3%), mainly reflecting the impact of salary updates.

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General and administrative expenses amounted to €73.7Mn in 2024, reflecting an increase of 14.9% compared to 2023 (€64.2Mn), due to the impact of inflation on the signing and the renewal of contracts related to the provision of services, with a focus on IT costs (+€3.5Mn) as part of Banco Montepio's digital transformation process and the development of information systems.

Depreciation and amortisation reached €45.5Mn in 2024 (+20.0% YoY), reflecting the continued effort to implement the global investment strategy in information technology and digitalisation, and in data collection, processing and governance models, aiming for constant improvement in process automation and re-engineering to continuously improve the service model.

Efficiency, as measured by the recurring **Cost-to-income ratio** which is the portion of the Operating income absorbed by the Operating costs, excluding the Results from financial operations, the Other results and the one-off costs related to staff reduction, increased to 53.1% in 2024, compared to 46.2% recorded in 2023.

The net value of **impairments and provisions** was €52.1Mn in 2024, representing a lower allocation by €13.6Mn (-20.7%) compared to 2023.

Loan impairments in 2024 totalled €21.8Mn, compared with €49.6Mn in 2023. The credit risk management criteria, based on rigour in the analysis and granting of loans, reinforced by the dynamic loan recovery, contributed to the significant improvement in the quality of the loan portfolio, showing a cost of credit risk of 0.2% in 2024 compared to 0.4% in 2023.

The aggregate **Other financial assets impairments, Other assets impairments** and **Other provisions** amounted to €30.4Mn in 2024, compared to €16.1Mn recorded in 2023, substantiating the evolution of impairments for properties held for sale as a result of the periodic process of updating the value of real estate, as well as the provision for other risks and charges.

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BALANCE SHEET

Total assets amounted to €18,415Mn on 31 December 2024, compared to €17,989Mn at the end of 2023 (+2.4%), essentially reflecting the changes in Loans and advances to Customers (+€492Mn), Cash and deposits at central banks (+€303Mn), Financial assets at fair value through other comprehensive income (+€256Mn), and Other financial assets at amortised cost (-€405Mn).

Gross Loans and advances to Customers totalled €12,162Mn on 31 December 2024, showing an increase of € 547Mn (+4.8%) in performing loans and a reduction of € 120Mn (-31.5%) in non-performing loans compared with 31 December 2023, as a result of the strategy adopted and the commercial dynamics.

Securities portfolio totalled €3,900Mn on 31 December 2024, a reduction of €164Mn (-4.0%) compared to the amount at the end of 2023, mainly due to the decrease in the sovereign debt securities portfolio (-€295Mn) and in participation units (-€26Mn), and in the increase in debt securities from other issuers (+€151Mn). The structure of the securities portfolio on 31 December 2024 was comprised of 91% of sovereign debt compared to 95% at the end of 2023.

Liabilities at the end of 2024 showed an increase of €317Mn (+1.9%) compared to the amount recorded on 31 December 2023, mainly reflecting the increases in Deposits from Customers (+€1,592Mn), partially mitigated by the reduction in Deposits from central banks (-€874Mn), in Deposits from other financial institutions (-€302Mn) and in Debt securities issued (-€142Mn).

Customer deposits reached €14,959Mn at the end of 2024, reflecting an increase of €1,592Mn (+11.9%) compared to the amount recorded at the end of 2023. This performance was driven by the positive development of deposits from individual customers, which increased by € 882Mn (+9.2%), and from corporate customers, which increased by € 710Mn (+19.0%). The portfolio mix of sight and time deposits moved from 42%/58% at the end of 2023 to 39%/61% at the end of 2024.

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Equity totalled €1,674Mn on 31 December 2024, an increase of €108Mn (+6.9%) compared to the end of 2023, due to the positive impact of 2024 net income of €109.9Mn and the positive change in the fair value reserve of €5.1Mn, partially mitigated by the payment of dividends related to 2023 in the amount of €6Mn and by the impact of negative actuarial deviations of €2.4Mn.

PENSION FUND

As at 31 December 2024, the liabilities for post-employment and long-term benefits, including the provisions recognised in the balance sheet, were fully funded, with a coverage ratio of 106%.

At the end of 2024, liabilities with the Pension Fund amounted to €781.5Mn, reflecting an increase of €19.2Mn compared to the amount recorded at the end of 2023, mainly due to the impact of actuarial losses resulting from changes in assumptions, namely the discount rate adjustment to 3.55% (3.60% at the end of 2023).

The Pension Fund's assets at 31 December 2024 amounted to €823.4Mn, which compares favourably with the €812.7Mn recorded at the end of 2023, this evolution being determined by the impact of the positive return of 5.5% generated in 2024, although it was partially offset by the payment of pensions.

OWN FUNDS AND CAPITAL RATIOS

Risk-weighted assets (RWA) increased by €336Mn at the end of 2024, compared to the end of previous year, as a result of the growth in the loan portfolio. However, efficient management of investment and lending decisions is evidenced by the RWA density (measured by the ratio of RWA to net assets), which stood at 43.3% at the end of 2024, compared to 42.5% at the end of previous year.

Own funds increased by €101Mn YoY to €1,537Mn, mainly reflecting the positive development of the net income generated and the refinancing of subordinated debt in March, which added €50Mn.

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	Dec-23	Dec-24 [1]	Change YoY
Common Equity Tier I Capital (CET1) (€Mn)	1,229	1,280	51
Tier I Capital (€Mn)	1,229	1,280	51
Total Own Funds (€Mn)	1,436	1,537	101
Risk-weighted assets (RWA) (€Mn)	7,641	7,977	336
CRD IV / CRR - Phasing-in ratios			
Common Equity Tier I ratio (CET1)	16.1%	16.1%	0.0 p.p.
Tier I ratio	16.1%	16.1%	0.0 p.p.
Total Capital ratio	18.8%	19.3%	0.5 p.p.
CRD IV / CRR - Fully implemented ratios			
Common Equity Tier I ratio (CET1)	16.0%	16.0%	0.0 p.p.
Tier I ratio	16.0%	16.0%	0.0 p.p.
Total Capital ratio	18.6%	19.2%	0.6 p.p.
Leverage ratio			
Leverage ratio - Phasing-in	6.7%	6.8%	0.1 p.p.
Leverage ratio - Fully Implemented	6.7%	6.8%	0.2 p.p.

(1) Proforma ratios that include the accumulated net income for the period, less estimated potential profit distributions.

At the end of 2024, the **Common Equity Tier 1 ratio (CET1)** [2], calculated according to the phasing-in rules was 16.1%, comfortably above the regulatory minimum requirement of 9.11%. Taking into account the fully implemented rules, the CET1 was 16.0%.

The **Total Capital ratio** [2] in phasing-in reached 19.3% compared to 18.8% at the end of 2023, also comfortably above the minimum regulatory requirement of 14.03%, and stood at 19.2% fully implemented (18.6% at the end of 2023).

The evolution of Banco Montepio's capital ratios was driven by improved profitability, underpinned by the implementation of management measures that promoted efficiency gains in the operating structure and by the optimization of balance sheet risk, demonstrating the ability for organic capital generation.

[2] Proforma ratios calculated including accumulated net income for the period, less estimated potential profit distributions. With reference to 31 December 2024, the ratios not including net income for the period and estimated dividends are: CET1 and Tier 1 15.1%, Total Capital 18.3% and Leverage 6.4% (phasing-*in*), and CET1 and Tier 1 15.0%, Total Capital 18.2% and Leverage 6.4% (*fully implemented*).

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REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL)

Banco Montepio complies with the applicable minimum requirement for own funds and eligible liabilities (MREL), both as a percentage of RWA and as a percentage of total leverage ratio exposure (LRE):

	31 Dec-23	Dec-24 [1]
Total Own Funds (€Mn)	1,436	1,537
MREL eligible liabilities (€Mn)	200	450
Total Own funds & eligible liabilities (€Mn)	**1,636**	**1,987**
Total RWA (€Mn)	7,641	7,977
MREL ratio (%RWA)	**21.4%**	**24.9%**
Minimum requirement (MREL (%RWA))[2]	16.4%	20.4%
MREL ratio (LRE)	**8.9%**	**10.6%**
Minimum requirement (MREL (LRE))	5.3%	5.3%

[1] Proforma ratios that include the cumulative net income for the period, less estimated potential distributions.
[2] As at 31 December 2024, it includes a combined buffer requirement of 2.78 p.p.

The MREL ratio as a percentage of total RWA stood at 24.9% as at 31 December 2024, which is above the requirement applied from 1 January 2025 (23.54%, including the combined buffer requirement, as communicated by the Banco de Portugal).

The MREL ratio as a percentage of total LRE stood at 10.6% as at 31 December 2024, also well above the minimum requirement (5.33% since 1 January 2022).

Banco Montepio is not subject to any subordination requirements and is well positioned to ensure compliance with the minimum MREL requirement with a reserve appropriate to the overall strategy and risk profile.

LIQUIDITY

In the first quarter of 2024, Banco Montepio fully repaid the funding from the European Central Bank (ECB) in the amount of €882Mn, while strengthening its liquidity position throughout 2024.

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As of 31 December 2024, the amount of **Cash and deposits at central banks** reached €1,475Mn, compared to €1,171Mn at the end of 2023, representing an increase of 25.9% YoY.

As a result, Banco Montepio presented a stable funding and liquidity base, aligned with the strategic objectives defined in the Funding and Capital Plan. Liquidity was reinforced through debt issuance, the reimbursement and sale of debt securities from its own portfolio, and the increase in Customer Resources.

Debt issued debt stood at €860Mn at the end of 2024, representing a decrease of €87Mn compared to the amount recorded on 31 December 2023. This reduction was mainly influenced by the repayment of the 11th series of Covered Bonds in November 2024, which was partially offset by a new successful public issuance of €250Mn subordinated debt to refinance the early repayment of three issues totaling €200Mn, and a new public issuance of €250Mn in senior preferred debt.

On 31 December 2024, **the value of the portfolio of unencumbered eligible assets for liquidity-providing operations** under the Eurosystem's monetary policy amounted to €4,103Mn, representing an increase of €337Mn (+9%) YoY. At the end of 2024, the portfolio of eligible assets comprised marketable assets, namely eligible debt instruments valued at market prices and net of the haircuts applied by the ECB, amounting to €3,770Mn, and non-marketable assets, such as credit rights granted to non-financial companies and public sector entities, namely bank loans and drawn credit lines that fulfil specific eligibility criteria, amounting to €333Mn.

RATING

Banco Montepio ended 2024 with its long-term debt rated at the same level by the three financial agencies that rate the institution.

In fact, in October 2024, DBRS Ratings GmbH (Morningstar DBRS) upgraded Banco Montepio's Long-Term Deposits rating to BBB (low), placing it in the investment grade category. In this rating action, the agency also upgraded the Long-Term Issuer Rating

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and Long-Term Senior Debt to BB (high), as well as the Subordinated Debt rating to BB (low), improving the Trend of all ratings to Positive. In a context where the Intrinsic Assessment Range is already in the investment grade level and the ratings benefit from a positive trend, the agency considered that maintaining asset quality and improving profitability over time could lead to a new positive momentum resulting in further rating upgrades, thus achieving investment grade.

In November 2024, Moody's Investors Service (Moody's) upgraded the rating of Senior Unsecured Debt to Ba1 and Long-Term Bank Deposits to Baa2, improving the Outlook to Positive. Additionally, the following long-term ratings were also upgraded: Long-Term Counterparty Risk and Long-Term Counterparty Risk Assessment to Baa1; Baseline Credit Assessment to ba1; Senior Unsecured Debt under the EMTN Program to (P)Ba1; and Subordinated Debt to Ba2. The positive outlook for the Senior Unsecured Debt rating reflected Moody's opinion that the continued improvement in Banco Montepio's credit profile could result in further upgrades, thus achieving investment grade.

In December 2024, Fitch also upgraded Banco Montepio's Long-Term Deposits Rating to investment grade (BBB-) and the Long-Term Senior Preferred Debt Rating to BB+, maintaining the Outlook Stable. Additionally, the following long-term ratings were upgraded: Viability Rating to bb+; Long-Term Issuer Default Rating to BB+; and Long-Term Senior Non-Preferred Debt Rating to BB.

The ratings assigned to Banco Montepio with reference to 31 December 2024 and 31 December 2023 are shown in the table below:

Rating Agencies	Covered Bonds (CPT) (1)		Long-term (2)		Deposits		Outlook	
	31.Dec.23	**31.Dec.24**	31.Dec.23	**31.Dec.24**	31.Dec.23	**31.Dec.24**	31.Dec.23	**31.Dec.24**
Fitch	AA+	**AAA**	B+	**BB+**	BB-	**BBB-**	Positive	**Stable**
Moody's	Aaa	**Aaa**	Ba2	**Ba1**	Baa3	**Baa2**	Stable	**Positive**
DBRS	--	**--**	BB	**BB (high)**	BB (high)	**BBB (low)**	Stable	**Positive**

(1) Issued under the *Conditional Pass-through Covered Bond Programme*.
(2) *Long-term Senior Preferred Debt rating* by Fitch, *Senior Unsecured Debt rating* by Moody's e *Long-term Senior Debt rating* by DBRS.

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The successive rating upgrades reflect the external recognition of Banco Montepio's excellent performance. The bank has increased its profitability, reduced non-performing and non-strategic assets, sustainably improved its risk profile, and strengthened its capital ratios, notably through organic generation, having successfully implemented digital transition and operational optimisation measures.

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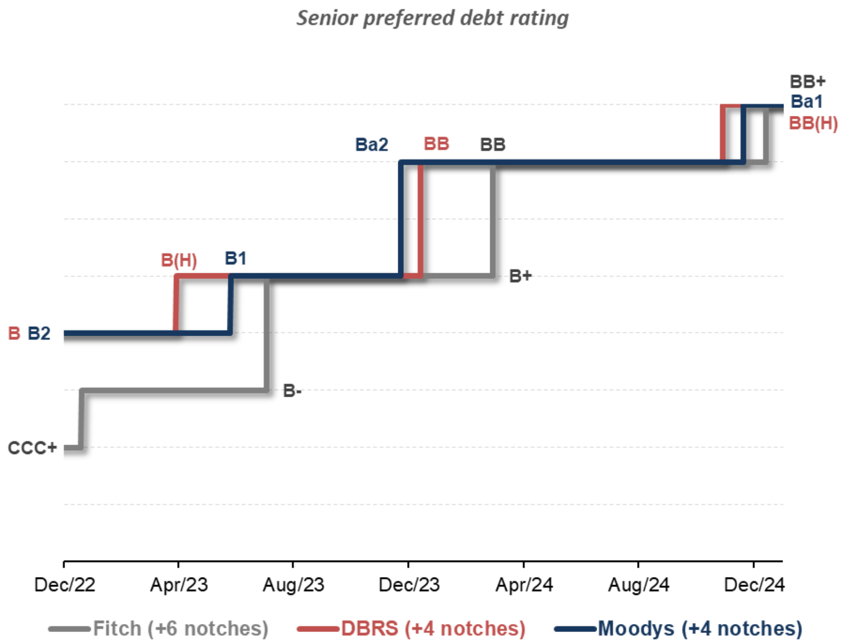

ESG

The Portuguese Association for Business Ethics (APEE - Associação Portuguesa de Ética Empresarial) awarded Banco Montepio's 2023 Sustainability Report the "Gold Award" in the 'Communication and Reporting' category. The report (which can be accessed here) includes the first social impact measurement exercise carried out by the institution and highlights its role in fulfilling its commitment to gender equality. The pioneering measurement of social impact, the inclusive and neutral language, the integration of the ColorADD Code, and the voluntary third-party verification are among the highlights.

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Banco Montepio is an investor in the Impact Innovation Fund, the first impact investment fund in Portugal managed exclusively by women (Women Led Fund), under the responsibility of 3XP Global, a Portuguese venture capital company. The Impact Innovation Fund, with a total capital of €25Mn, aims to invest in projects that demonstrate clear and measurable positive impacts, both socially and environmentally. At least 70% of the investments will be directed towards initiatives within the national territory, highlighting Banco Montepio's commitment to supporting the development of sustainable solutions in Portugal.

The fund is partially financed by 70% from Banco Português de Fomento, under the Venture Capital program, and is supported by private institutional investors from Europe, besides Banco Montepio.

The investment made by Banco Montepio represents a significant step forward in its commitment to the UN Sustainable Development Goals. This alignment is particularly relevant to SDGs 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production), and 14 (Life Below Water), promoting sustainability in the communities it supports and among its stakeholders.

Banco Montepio has joined the European Coalition for Energy Efficiency, promoted by the European Commission, a platform that will allow countries and financial institutions to collaborate through dialogue, actions, and tangible initiatives in financing energy efficiency in the coming years. In this way, Banco Montepio reinforces its commitment, positioning itself as a qualified partner on the path to energy transition and decarbonisation.

The 100th World Savings Day and the Centenary of the WSBI – ESBG (World Savings and Retail Banking Institute - European Savings and Retail Banking Group) were celebrated in Rome from 28 to 31 October. Banco Montepio participated in the 100th World Savings Day campaign with communication alluding to the history of the Banco Montepio piggy bank, and attended the event as the sole Portuguese financial institution member of this international network.

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Banco Montepio joined the Official Portuguese Delegation at COP 29 - the 29th United Nations Framework Convention on Climate Change for the second consecutive year, held from 11 to 22 November in Baku, Azerbaijan. A total of 198 countries and around 66,000 participants attended the event. Banco Montepio participated in two discussion panels, dedicated to the themes "The Green Game: Winning with Sustainable Financial Strategies" and "The ESG Reporting Revolution: A New Tune for Sustainability". Participation in COP 29 was an opportunity to reaffirm its commitment to environmental responsibility and climate action, present its sustainability initiatives, actively engage in collaborative dialogues and workshops to explore innovative solutions, share best practices, and establish strategic partnerships. Additionally, it aimed to develop and promote the harmonization of green finance taxonomies and advocate for responsible banking practices by integrating ESG criteria into its decision-making processes.

Banco Montepio joined the conference "Sustainability Starts Small: The Role of SMEs and Savings Banks in Facilitating the Transition" and in the **7th meeting of the Sustainable Finance Committee**, both initiatives promoted by ESBG, which took place in Brussels on 3 and 4 December, respectively.

Banco Montepio advised the consortium led by I-Sete and Amener on the structuring of two Green Bond issues in the amounts of €2.8Mn in February 2024 and €9Mn in April 2024, both by private and direct offer. The bond issues 'I-VINTE SEIS 2024 - 2033' and 'ALENTEJO CENTRAL SMARTLIGHT 2024 - 2031', certified as Green Bonds, comply with the conditions set out in the 'Green Bond Principles' published by the International Capital Market Association, in accordance with the Second Party Opinion issued by an independent external entity which considered that this project contributes to SDG 7 (Renewable and Accessible Energy) and SDG 9 (Industry, Innovation and Infrastructure). Acting as global coordinator and as an investor, the Banco Montepio took responsibility for organising and setting up the operations and underwrote the issues.

Banco Montepio advised TMG Automotive on the structuring of its first issue of Sustainability-Linked Bonds in May 2024, in the amount of €6Mn, through a

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private and direct offer. The sustainability objectives were defined by TMG Automotive in its Sustainability-Linked Financing Framework under which the 'SUSTAINABILITY-LINKED BONDS TMG AUTOMOTIVE 2024-2028' issue was carried out, meeting the conditions set out in the 'Sustainability-Linked Bond Principles' published by the International Capital Market Association, in accordance with the opinion issued by an independent external entity. Banco Montepio, as global coordinator and Investor, was responsible for the organisation and execution of the operation and underwrote the issue.

DIGITAL TRANSITION

Throughout 2024, Banco Montepio continued its digital transition process, focusing on continuously improving the Customer experience, increasing the reach and convenience of its services and improving internal efficiency.

The following initiatives were completed during this period:

- Launch of a new online account opening journey using the Digital Mobile Key (*Chave Móvel Digital*), which allows to open a bank account 100% digitally and in 5 minutes, without the need to manually submit supporting documents;
- Launch of a new online journey for joining and recovering access to Montepio24, also using the Digital Mobile Key (*Chave Móvel Digital*);
- Launch of new operations and functionalities on Montepio24 (web and app), in particular the SPIN service, which allows Customers to settle transfers by providing a mobile phone number - if the beneficiary is a natural person - or the corporate identification number (NIPC) - if the beneficiary is a legal entity, and the "Bem Bom" contest registration journey, which allows Customers with permanent home loans at Banco Montepio to register for this weekly contest;
- Implementation of the 3D Secure alternative authentication method (SMS + ePIN) and the Beneficiary Confirmation feature, which makes transfers more secure by automatically identifying the name of the beneficiary of the account associated with the IBAN entered;

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- Development of the service at the new Chave24 ATMs (Banco Montepio's internal ATM network), with the provision of new banking operations, such as checking credit card balances and movements, cash advances or the creation and reinforcement of savings accounts;
- Implementation of the digital pricing solution and renewal of cash recirculation equipment in the whole branch network.

Throughout 2024, Banco Montepio maintained a steady growth in the use of its digital channels, in line with its ambitions.

At 31 December 2024, the number of customers subscribing to the digital channels - Montepio24 service - increased by 3% YoY and the number of active digital Customers increased by 7% YoY.

During this period, the number of active digital Customers using the mobile channel (Montepio24 app) also increased by 9% YoY.

As at 31 December, the number of transactions carried out through the Montepio24 service also increased by 18% YoY.

MILESTONES

Banco Montepio in the Top 100 companies with the best corporate reputation

In the 5th edition of Merco Empresas' ranking of companies with the best corporate reputation, Banco Montepio climbed 28 places compared to the previous year's study and now stands in 40th place in the Top 100 Companies with the Best Corporate Reputation, having also achieved 5th place in the "Banking" sector ranking. This ranking is based on a rigorous multi-stakeholder methodology in which 2,310 respondents took part, including executives, financial analysts,

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journalists, members of government, NGO leaders, union leaders, consumer associations and university professors. In the experts' ranking, Banco Montepio was ranked first by the NGOs, reflecting their assessment of the bank's contribution to the community, its ethical behaviour and its commitment to the environment and to climate change.

Banco Montepio in the Merco Talento Universitário Portugal 2024 Ranking

According to the Merco Talento Universitário Portugal 2024 study, Banco Montepio is ranked among the Top 5 best banks to work for.

Brand of Excellence - Superbrands 2024

This is the 15th time that Banco Montepio has been recognised as a "Brand of Excellence" by Superbrands, an annual award that recognises the most relevant brands in the Portuguese market, described as "*those that remain in the hearts and minds of the Portuguese*".

In the year of Banco Montepio's 180th anniversary, the Superbrands cover commemorates history and changes shape, metaphorically speaking, to become the "country's first public piggy bank". In 1928, in keeping with its mission and the nature of the institution, Banco Montepio launched the "country's first public piggy bank". It was a strong, all-weather safe that lasted for generations and became a symbol of savings and trust.

Consumer Choice 2025 ("*Escolha do Consumidor 2025*") | Mortgage Loans

Banco Montepio's Mortgage Loans is Consumer Choice 2025 for the fourth time in a row. Portuguese consumers evaluated and rewarded Banco Montepio as the 'No. 1 Consumer Choice Brand' in the Mortgage Loans category, out of a total of nine banks assessed.

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"*Bem Bom*" Contest – Extraordinary Prize of €180,000

In December, Banco Montepio held the Extraordinary "*Bem Bom*" Draw, awarding a prize of €1,500 per month for 10 years, equivalent to €180,000. The "*Bem Bom*" Contest was created to celebrate Banco Montepio's 180th anniversary. Over 9 months (37 weeks), it awarded €1.5Mn in prizes to support families with mortgage loans.

Opening of a branch in Aveiro

In October, Banco Montepio opened a new branch in Aveiro, the second of a new generation of more inclusive branches where pets are also welcome. Alongside the Benfica (Fonte Nova) branch, this is a pet-friendly branch, suitable for people with disabilities, offering personalized service by appointment, more digital features (self-service with the latest generation Chave24), and a more Portuguese and sustainable approach. Designed with the aim of humanizing and providing the best possible experience for Customers, the new Banco Montepio branches are spaces to be lived in, catering to the uniqueness and well-being of each person. They reflect the institution's values of proximity, trust, strength, transparency, tradition, innovation, and inclusion, embodying the path to sustainability.

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Banco Montepio

CONSOLIDATED RESULTS 2024
Unaudited information

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KEY INDICATORS

	Dec-23	Dec-24	Change YoY
ACTIVITY AND RESULTS (€ million)			
Total assets	17,989	18,415	2.4%
Gross Loans to customers	11,734	12,162	3.6%
Deposits from customers	13,366	14,959	11.9%
Equity	1,566	1,674	6.9%
Net income	28.4	109.9	>100%
SOLVENCY [(a)]			
Common Equity Tier 1 ratio	16.1%	16.1%	0.0 p.p.
Tier 1 ratio	16.1%	16.1%	0.0 p.p.
Total Capital ratio	18.8%	19.3%	0.5 p.p.
Leverage ratio	6.7%	6.8%	0.1 p.p.
Risk weighted assets (€ million)	7.641	7.977	4.4%
LIQUIDITY RATIOS			
Loans to customers (net) / Customers' deposits [(b)]	85.7%	79.9%	(5.8 p.p.)
LCR	233.1%	201.1%	(32.0 p.p.)
NSFR	130.4%	141.1%	10.7 p.p.
ASSET QUALITY			
Cost of credit risk	0.4%	0.2%	(0.2 p.p.)
Non-performing exposures (NPE) [(c)] / Gross Loans to customers	3.2%	2.1%	(1.1 p.p.)
NPE [(c)] net of impairments for credit risk / Gross Loans to customers	0.8%	0.4%	(0.4 p.p.)
NPE [(C)] coverage by specific impairments	45.9%	44.0%	(1.9 p.p.)
NPE [(c)] coverage by credit risk impairments	73.9%	83.3%	9.4 p.p.
NPE [(c)] coverage by credit risk impairments and associated collaterals and financial guarantees	115.1%	122.5%	7.4 p.p.
PROFITABILITY AND EFFICIENCY			
Total operating income / Average total assets [(b)]	2.8%	2.7%	(0.1 p.p.)
Net income before income tax / Average total assets [(b)]	1.0%	0.9%	(0.1 p.p.)
Net income before income tax / Average total equity [(b)]	11.8%	10.1%	(1.7 p.p.)
Recurring net income / Average total equity	9.3%	6.7%	(2.6 p.p.)
Cost-to-income (Operating costs / Total operating income) [(b)]	50.8%	56.4%	5.6 p.p.
Cost-to-Income. excluding specific impacts [(d)]	46.2%	53.1%	6.9 p.p.
Staff costs / Total operating income [(b)]	30.5%	32.5%	2.0 p.p.
EMPLOYEES AND DISTRIBUTION NETWORK (Number)			
Employees			
Banco Montepio Group	2,983	2,984	0.0%
Banco Montepio	2,860	2,864	0.1%
Branches			
Domestic network - Banco Montepio	232	225	3.0%
Representative offices - Banco Montepio	5	5	0.0%

(a) In accordance with CRD IV / CRR (phasing-in). The ratios include net income for the period.
(b) In accordance with Banco de Portugal Instruction 16/2004. as amended.
(c) EBA definition.
(d) Excludes Results from financial operations and Other results (“Net gains/(losses) arising from sale of other financial assets” and “Other operating income/(expense)”) and non-recurring costs related to the implementation of the operational adjustment plan.

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CONSOLIDATED INCOME STATEMENT

(Euro millions)	Dec-23	Dec-24	Change YoY €Mn	Change YoY %
Interest and similar income	598.5	694.6	96.2	16.1%
Interest and similar expense	190.4	310.2	119.9	63.0%
NET INTEREST INCOME	**408.1**	**384.4**	**(23.7)**	**(5.8%)**
Dividends from equity instruments	0.9	1.2	0.3	31.8%
Net fee and commission income	127.0	127.8	0.8	0.7%
Results from financial operations	(26.5)	2.5	29.0	>100%
Other results	(5.6)	(16.8)	(11.2)	<(100%)
OPERATING INCOME	**503.9**	**499.1**	**(4.8)**	**(0.9%)**
Staff Costs	153.7	162.3	8.6	5.6%
General and administrative expenses	64.2	73.7	9.6	14.9%
Depreciation and amortization	37.9	45.5	7.6	20.0%
OPERATING COSTS	**255.8**	**281.5**	**25.7**	**10.1%**
Loan impairments	49.6	21.8	(27.8)	(56.1%)
Other financial assets impairments	1.2	1.2	0.0	4.1%
Other assets impairments	24.0	17.7	(6.3)	(26.4%)
Provisions net of reversals and annulments	(9.1)	11.5	20.5	>100%
Share of profit of associates under the equity method	0.6	0.6	0.0	3.6%
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS AND DISCONTINUING OPERATIONS	**182.9**	**166.0**	**(16.8)**	**(9.2%)**
Tax	50.3	56.2	5.8	11.6%
NET INCOME FROM CONTINUING OPERATIONS	**132.6**	**109.9**	**(22.7)**	**(17.1%)**
Non-controlling interests	1.7	0.0	(1.7)	(100.0%)
Profit/(loss) from discontinuing operations	(102.5)	0.0	102.5	100.0%
CONSOLIDATED NET INCOME	**28.4**	**109.9**	**81.5**	**>100%**

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CONSOLIDATED BALANCE SHEET

(Euro millions)	Dec-23	Dec-24	Change YoY €Mn	Change YoY %
Cash and deposits at central banks	1,171.4	1,474.5	303.1	25.9%
Loans and advances to credit institutions repayable on demand	61.0	49.8	(11.2)	(18.5%)
Other loans and advances to credit institutions	178.9	138.2	(40.7)	(22.7%)
Loans and advances to customers	11,453.3	11,945.0	491.7	4.3%
Financial assets held for trading	19.0	26.8	7.8	41.5%
Financial assets at fair value through profit or loss (FVPL)	128.2	102.7	(25.5)	(19.9%)
Financial assets at fair value through other comprehensive income (FVOCI)	48.1	304.5	256.4	>100%
Hedging derivatives	6.2	30.3	24.1	>100%
Other financial assets at amortised cost	3,878.8	3,473.7	(405.1)	(10.4%)
Investments in associates	4.7	4.5	(0.2)	(3.6%)
Non-current assets held for sale	0.1	0.0	(0.1)	(53.8%)
Investment properties	57.7	44.8	(12.9)	(22.4%)
Property and equipment	195.4	196.0	0.6	0.3%
Intangible assets	57.7	64.6	6.9	11.9%
Current tax assets	1.6	1.3	(0.3)	(15.6%)
Deferred tax assets	381.1	323.7	(57.4)	(15.1%)
Other Assets	346.3	234.2	(112.1)	(32.4%)
TOTAL ASSETS	**17,989.5**	**18,414.8**	**425.3**	**2.4%**
Deposits from central banks	873.9	0.0	(873.9)	(100.0%)
Deposits from other financial institutions	909.4	607.3	(302.1)	(33.2%)
Deposits from customers	13,366.4	14,958.8	1,592.4	11.9%
Debt securities issued	730.0	588.4	(141.6)	(19.4%)
Financial liabilities held for trading	12.6	11.2	(1.4)	(11.3%)
Provisions	20.8	30.5	9.7	46.4%
Current tax liabilities	1.7	1.5	(0.2)	(10.8%)
Hedging derivatives	3.5	27.0	23.5	>100%
Other subordinated debt	217.0	271.8	54.8	25.3%
Other liabilities	287.5	243.9	(43.6)	(15.2%)
TOTAL LIABILITIES	**16,423.0**	**16,740.4**	**317.4**	**1.9%**
Share Capital	1,210.0	1,210.0	0.0	0.0%
Reserves and retained earnings	328.1	354.5	26.4	8.0%
Consolidated net income	28.4	109.9	81.5	>100%
TOTAL EQUITY	**1,566.5**	**1,674.4**	**107.9**	**6.9%**
TOTAL LIABILITIES AND EQUITY	**17,989.5**	**18,414.8**	**425.3**	**2.4%**

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Disclaimer - The financial information contained in this document was prepared in accordance with International Financial Reporting Standards ("IFRS") for Banco Montepio Group within the scope of the preparation of consolidated financial statements. in accordance with Regulation (EC) 1606/2002. Certain amounts and percentages in this document may be subject to rounding and may not add up some totals/changes presented.

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GLOSSARY

CET1 - Common Equity Tier 1.

Cost of Credit Risk - Indicator that measures the cost recognized in the period and recorded as credit impairment in the income statement to cover the risk of default in the loans and advances to Customer's portfolio. It results from dividing the Loan impairments (annualized) by the average balance of Gross Loans to Customers.

Cost-to-income ratio - Ratio of operating efficiency measured through the portion of operating income that is absorbed by operating costs. given by dividing operating costs by operating income.

Debt issued - Sum of balance sheet items 'Debt securities issued' and 'Other subordinated debt'.

EBA - European Banking Authority. European Banking Authority.

Fully implemented - It refers to the full implementation of the prudential rules set out in the legislation in force in the European Union. which was produced based on the standards defined by the Basel Committee on Banking Supervision in the agreements known as Basel II and Basel III.

LCR - Liquidity Coverage Ratio.

Liquidity buffer – Sum of the aggregate amount of the balance sheet item "Cash and deposits at central banks" and the market value. net of haircuts applied by the ECB. of eligible and uncommitted assets for liquidity-providing operations under the Eurosystem's monetary policy.

Net commissions - Corresponds to the item in the income statement "Net fee and commission income".

NPE - Non-Performing Exposures according to the EBA definition.

NPE coverage by specific impairments - ratio that measures the proportion of impairment for credit risks of non-performing exposures. in relation to the balance of non-performing exposures.

NPE coverage by total impairments for credit risk - ratio that measures the proportion of impairment for credit risks accumulated on the balance sheet in relation to the balance of non-performing exposures.

NPE coverage by total impairments for credit risk. collateral and associated financial guarantees - ratio that measures the proportion of the sum of the impairment for credit risks accumulated on the balance sheet and the value of the associated collateral and financial guarantees. in relation to the balance of non-performing exposures.

NPE ratio - Ratio given by the division of NPE calculated in accordance with the EBA definition by Gross Loans to Customers.

NSFR - Net Stable Funding Ratio

Operating costs - Sum of the Income Statement headings "Staff costs". "General and administrative expenses" and "Depreciation and amortisation".

Operating income - Corresponds to the sum of the Income Statement items "Net interest income". "Dividends from equity instruments". "Net fee and commission income". "Results from financial operations" and "Other results".

Other results - Corresponds to the sum of the Income Statement headings "Net gains/(losses) arising from sale of other financial assets" and "Other operating income/(expense)".

Phasing-in - It refers to the phased implementation of prudential rules in accordance with the legislation in force in the European Union.

Proforma ratios (Common Equity Tier 1 (CET1). Tier I Capital. Total Capital) - calculated including accumulated net income for the period. less estimated potential profit distributions.

Results from financial operations - Sum of the headings in the income statement "Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss". "Net gains/(losses) arising from financial assets at fair value through other comprehensive income" and "Net gains/(losses) arising from exchange differences".

RWA - Risk-Weighted Assets.

Securities portfolio - Total of the balance sheet asset items "Financial assets held for trading". "Financial assets at fair value through profit or loss". "Financial assets at fair value through other comprehensive income". "Hedging derivatives". "Other financial assets at amortized cost". less the balance sheet liability items "Financial liabilities held for trading" and "Hedging derivatives".

YoY - Year-on-year. change compared to the same period in the previous year.

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