



Banco Montepio

**CONSOLIDATED EARNINGS
PRESENTATION
9M2024**

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1

Executive Summary

Business performance support strong nine-month results and capital ratios



PROFITABILITY

- **Consolidated net income of €96.1Mn**, based on the:
 - ✓ increase in operating income to €372.8Mn (+2.0% YoY)
 - ✓ reduction in Impairments and provisions to €21.9Mn (-50.7% YoY)



CAPITAL

- **Capital Ratios (fully implemented) at comfortable levels**
 - ✓ **CET1 ratio 15.8%** (+0.8 p.p. YoY)
 - ✓ **Total Capital ratio 19.0%** (+1.2 p.p. YoY)



BUSINESS

- **Gross loans to Customers increased to €12.0Bn (+2.0% YtD)**, with performing loans increasing by €300Mn (+2.6%) YtD
- **Customer deposits rose to €14.6Bn, reaching an historic high through an increase of €1,191Mn (+8.9%) YtD**, with the Individuals segment accounting for 71% of the total
- **Penetration rate in the Social and Solidarity Economy Customer segment of 28%**, consolidating the strategy of continuous specialised monitoring of this segment as a differentiating pillar
- **Customers using the Montepio24 service** (internet and mobile banking) increased by 6% YoY, with the number of transactions carried out increasing by 15% YoY

Liquidity and asset quality consolidate positive trend



LIQUIDITY

- **Liquidity buffer of €6Bn**, reflecting a comfortable liquidity position
 - ✓ **LCR: 218.5%**
 - ✓ **NSFR: 136.8%**
- **No exposure to ECB funding, with a reduction of €855Mn in the 1Q2024**



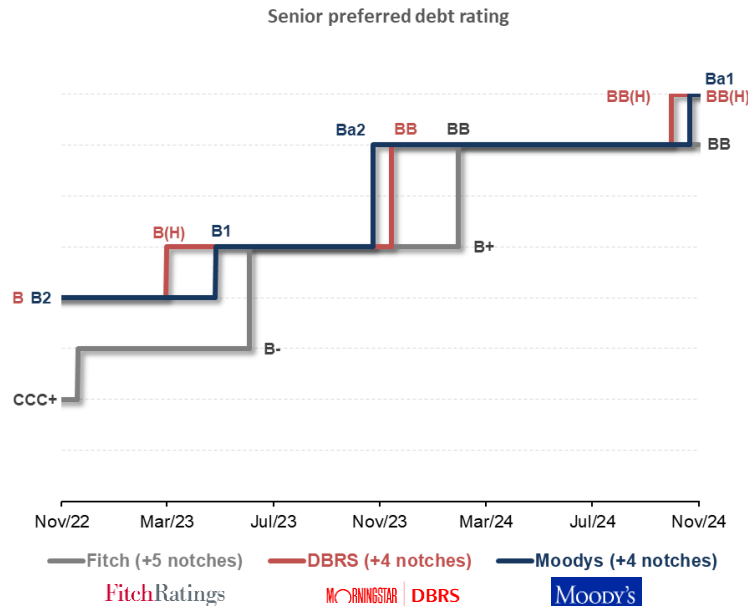
ASSET QUALITY

- **Cost of credit risk of 0.1%**, which compares favourably with 0.4% recorded in the same period of 2023
- **NPE reduced by €174Mn (-36%) YoY**, to a total of €316Mn, with a **NPE ratio of 2.6%**, compared to 4.2% recorded on 30 September 2023
- **NPE ratio, net of total impairments for credit risk, at 0.7%**
- **NPE coverage by total impairments for credit risk at 72.8%** (114.1% if related collateral and financial guarantees are considered)
- **REO exposure reduced by €88Mn (-29%) YoY** to €213Mn, representing 1.1% of net assets and 14.2% of own funds

The progress made has been recognised by the rating agencies through successive rating upgrades



RATING



- ❖ **Moody's** - The Banco Montepio's senior unsecured debt rating was upgraded to Ba1 in November/2024. This was the third consecutive upgrade since November/2022, in a total of four notches. The long-term bank deposits rating was upgraded to Baa2 (investment grade). The Covered Bond rating is Aaa, the highest level of investment grade
- ❖ **DBRS Ratings** - The Banco Montepio's Long-Term Issuer Rating was upgraded to BB (high) in October/2024, with positive trend. This was the third consecutive upgrade of Banco Montepio's rating by DBRS Morningstar since March/23, in a total of four notches
- ❖ **Fitch Ratings** - The rating on Banco Montepio's senior unsecured debt was upgraded twice in eight months by a total of four notches, most recently in February/2024 to BB. Fitch also upgraded the covered bond rating to AAA

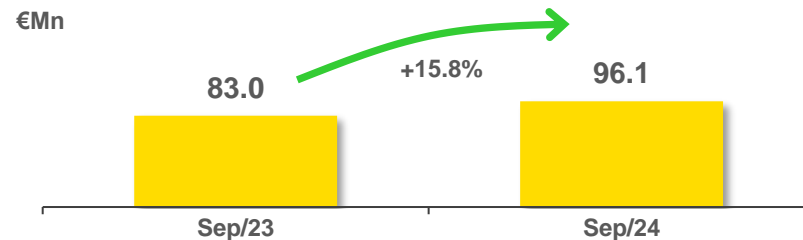
2

Profitability

Consolidated net income of €96.1Mn

(Euro million)	Sep-23	Sep-24	Change YoY	
			€Mn	%
Net interest income	301.1	296.0	(5.0)	(1.7%)
Net fee and commission income	95.5	95.6	0.1	0.1%
Results from financial operations and other results	(31.2)	(18.8)	12.4	39.8%
OPERATING INCOME	365.4	372.8	7.4	2.0%
Staff Costs	123.9	116.7	(7.2)	(5.8%)
General and administrative expenses	47.2	52.6	5.5	11.6%
Depreciation and amortization	27.8	33.1	5.3	19.0%
OPERATING COSTS	198.8	202.4	3.6	1.8%
Loan impairments	32.9	11.2	(21.7)	(65.9%)
Other impairments & provisions	11.6	10.7	(0.9)	(7.5%)
Share of profit of associates under the equity method	0.4	0.1	(0.2)	(63.6%)
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS	122.4	148.6	26.2	21.4%
Tax	39.4	52.5	13.1	33.2%
NET INCOME FROM CONTINUING OPERATIONS⁽¹⁾	83.0	96.1	13.1	15.8%
Non-controlling interests & Profit/(loss) from discontinuing operations	(104.2)	0.0	104.2	100.0%
CONSOLIDATED NET INCOME	(21.2)	96.1	117.3	>100%

Net income (on a comparable basis)⁽¹⁾

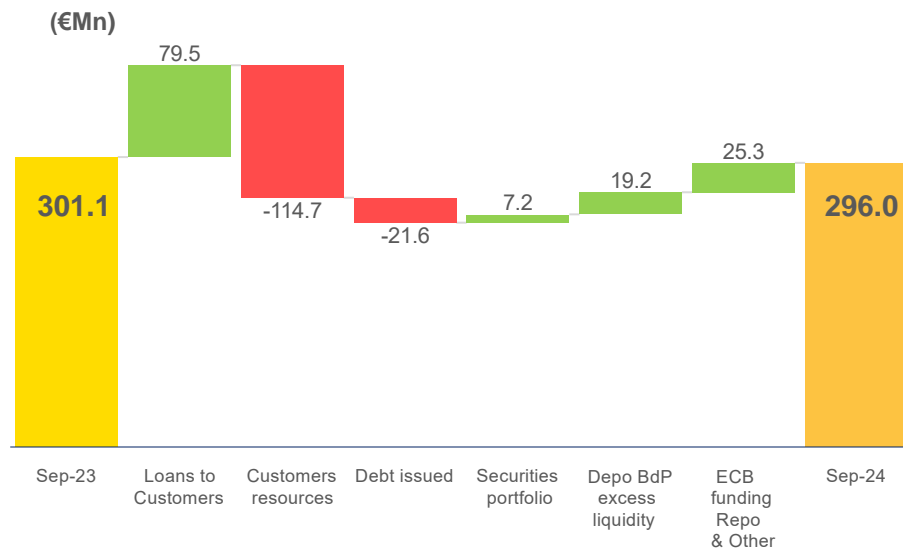


- An all-time high for a nine-month period
- The favourable performance compared to the -€21.2Mn recorded in the 9M2023 (+€117.3Mn YoY) is based on: the **increase in Operating Income (+2.0% YoY)**, the **reduction in Impairments and provisions (-50.7% YoY)** and the effect of the deconsolidation of Finibanco Angola recorded in the 2023 accounts

⁽¹⁾ Net income on a comparable basis, excluding the effect of the consolidation of Finibanco Angola recorded in 2023.

NII decreased by 1.7% YoY as the increase in interest on loans to Customers, securities and cash deposits did not offset the change in interest paid on Customer deposits and debt issued

Net interest income (Δ YoY)

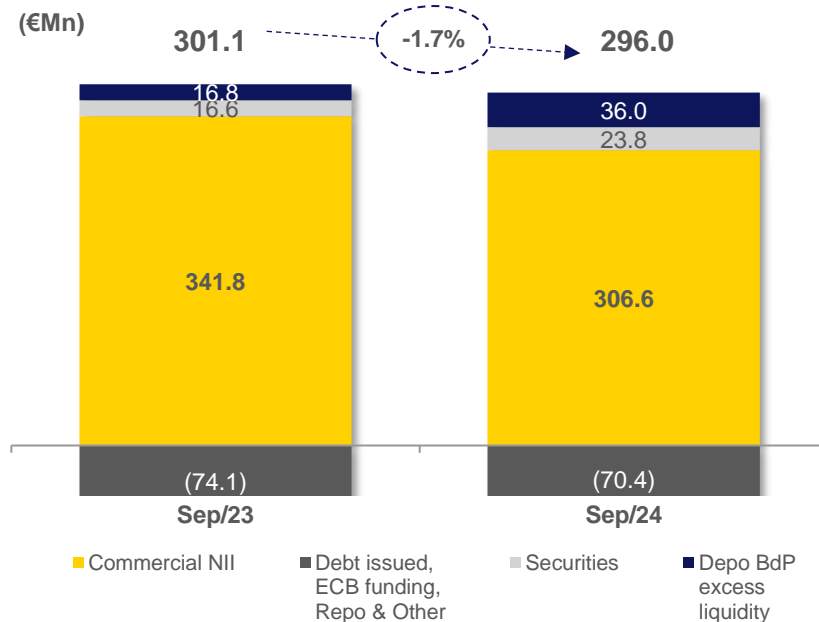


Net interest margin

2.33%

2.27%

Net interest income breakdown

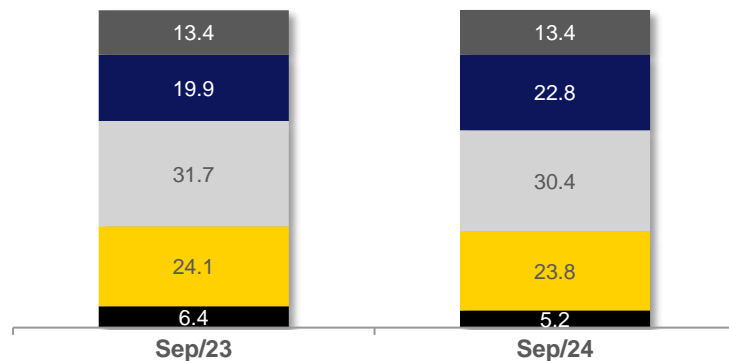


Higher income from account management fees supported the modest increase in commissions. Strong improvement of the results from financial operations

Net fees and commissions

(€Mn)

95.5 $\xrightarrow{+\text{€}0.1\text{Mn}}$ 95.6

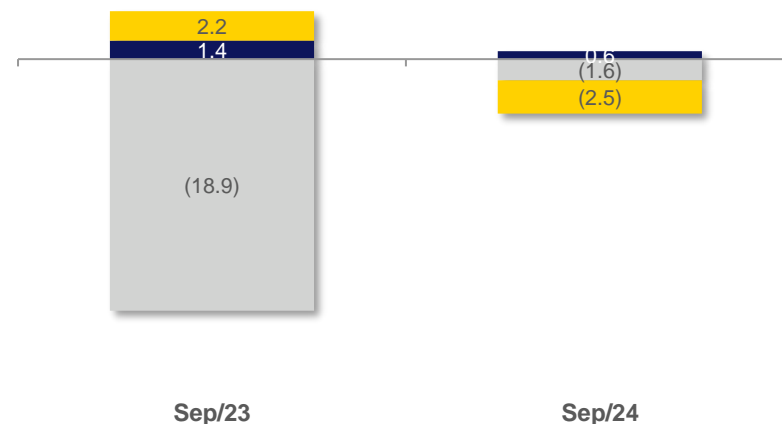


■ Market ■ Credit ■ Payment Services ■ Acct Management ■ Other

Results from financial operations

(€Mn)

-15.3 $\xrightarrow{+\text{€}11.8\text{Mn}}$ -3.5

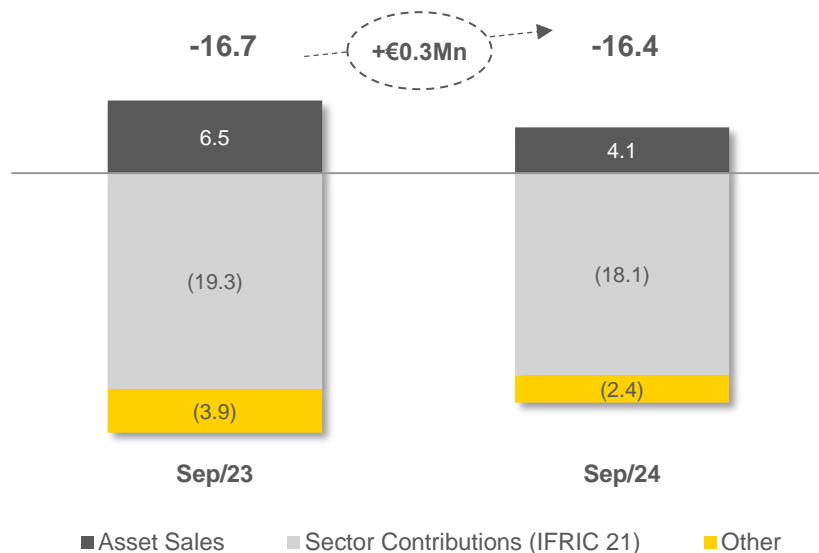


■ Securities Portfolio ■ FX Revaluation ■ Other

Other results reflect the cost of mandatory sector contributions (IFRIC21).
The reduction in the cost of credit risk was supported by the rigorous criteria in the analysis and granting of loans and the dynamism of recoveries

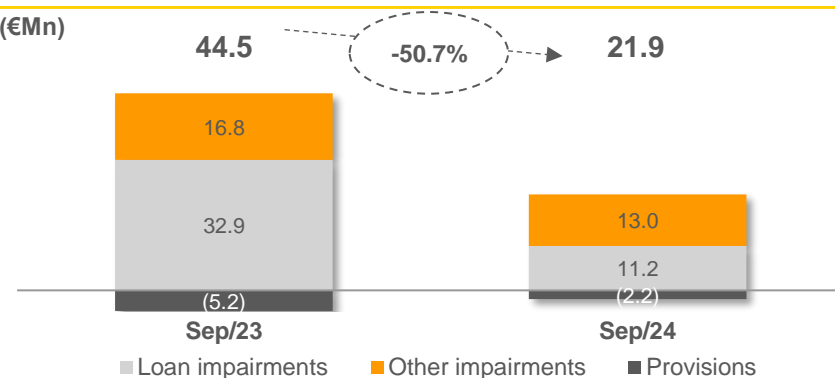
Other results

(€Mn)



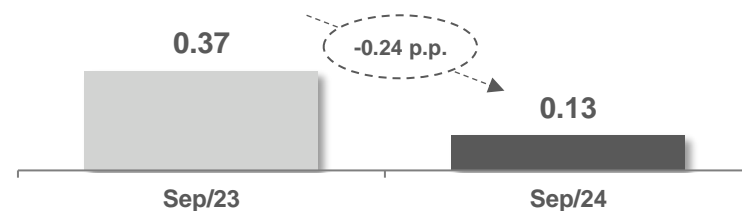
Impairments and provisions

(€Mn)



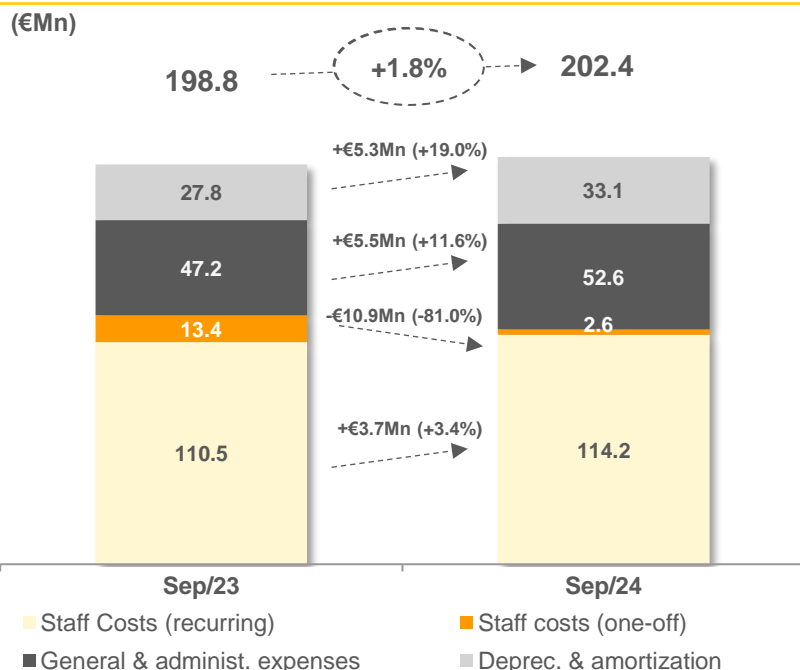
Cost of credit risk

(%)

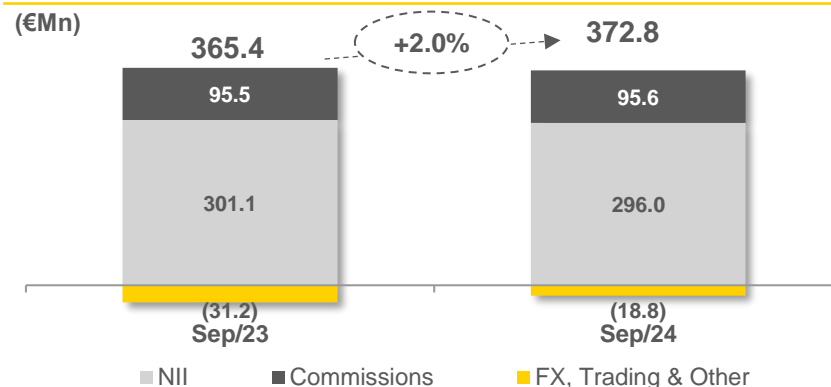


Operating costs driven by higher general and administrative expenses and continued investment in IT and digitalisation, data collection and process automation, partially mitigated by the decrease in staff costs; Cost-to-income ratio at 50.9%

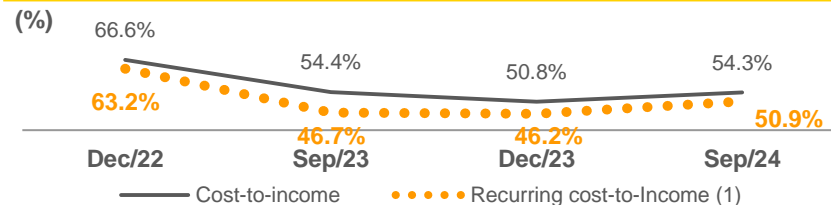
Operating costs



Operating income



Cost-to-income ratio



⁽¹⁾ Measured by the ratio between operating costs and operating income, excluding the results from financial operations, the other results and the non-recurring personnel costs.

3

Activity overview

Domestic bank focused on individuals and SME, well positioned in the current macroeconomic environment

Business segments

Retail

Individuals, Entrepreneurs, Micro-Companies and SME with a turnover of up to €4Mn

Corporate

Companies with a turnover of more than €4Mn, Institutional and central Public Administration

Social Economy & Public Sector

Third sector entities and the regional public sector



Individuals



Corporate (focus on SME)



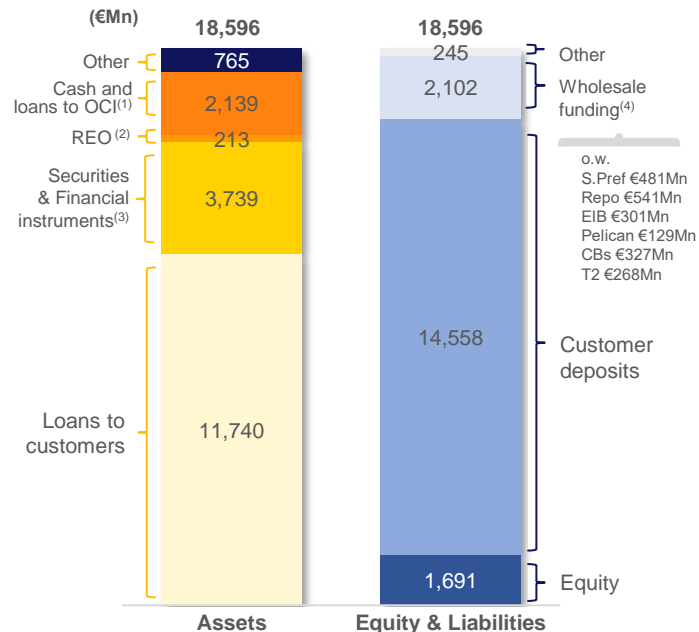
Investment Banking



Social Economy

Balance sheet overview

- Eighth largest bank in Portugal by total assets

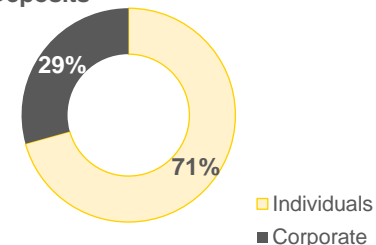


Customer deposits and loans

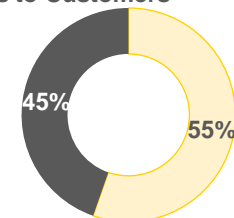
- 5.2% market share for loans and deposits supported by strong customer brand recognition

LTD⁽⁵⁾:
80.6%

Customer Deposits



Gross loans to Customers

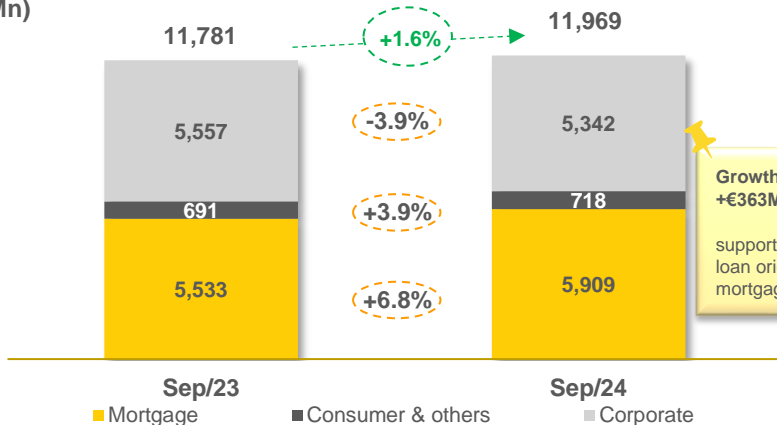


(1) Cash and loans to OCI = Cash and deposits at central banks + Loans and advances to credit institutions repayable on demand + Other loans and advances to credit institutions. (2) REO = Real Estate Owned (foreclosed assets). (3) Securities & Financial instruments = Financial assets held for trading + Financial assets at fair value through profit or loss (FVPL) + Financial assets at fair value through other comprehensive income (FVOCI) + Other financial assets at amortised cost. (4) Wholesale funding = Deposits from other financial institutions + Debt securities issued + Other subordinated debt. (5) Loans and advances to customers / Deposits from customers

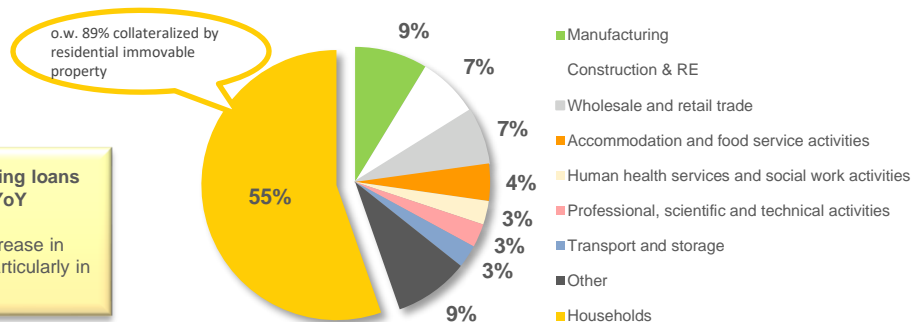
Diversified loan book with low delinquencies

Gross loans to customers by segment

(€Mn)

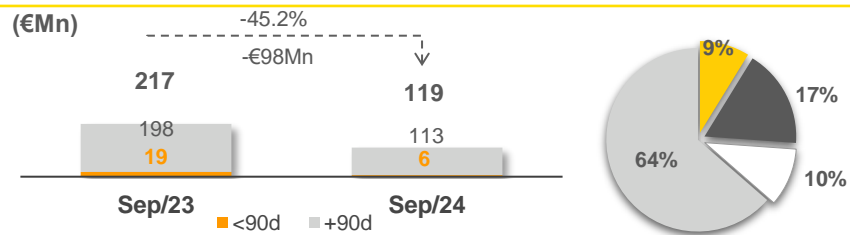


Gross loans to customers by sector (€12Bn)



Overdue credit and interest

(€Mn)



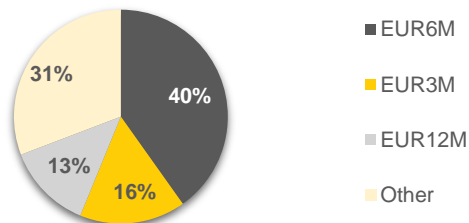
Overdue + 90d / Gross Loans

1.7%

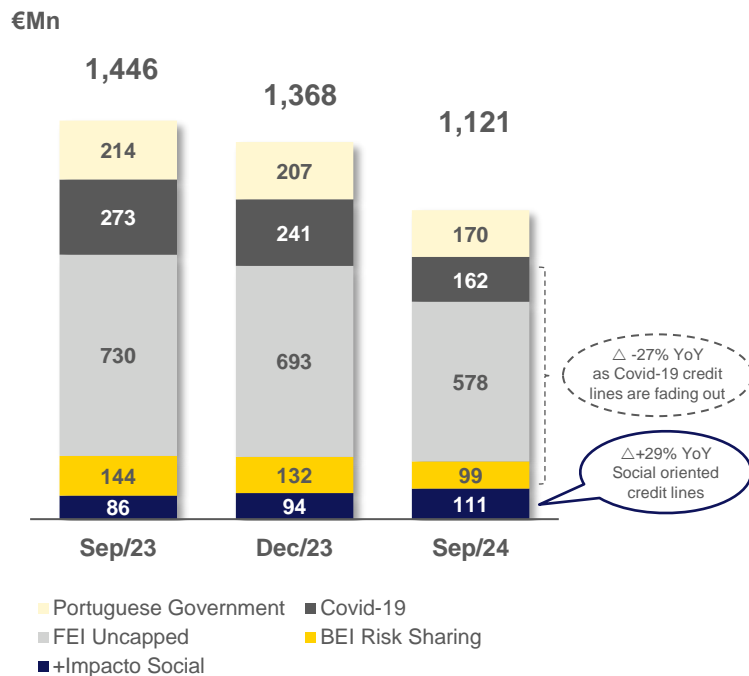
0.9%

Loan portfolio by type of interest rate

%



Loans and advances subject to public guarantee schemes represent 21% of the corporate gross loans

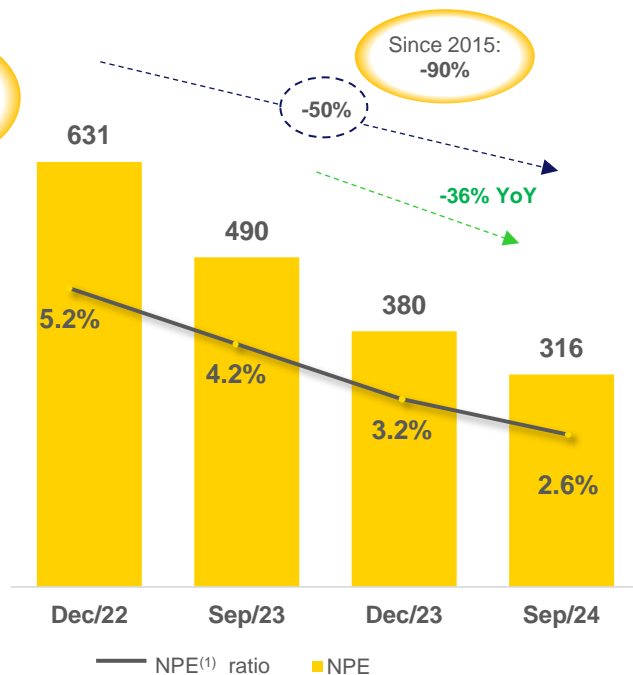


"FEI Uncapped" (EIF/EGF)	"BEI Risk Sharing" (EIB/EGF)	"+ Impacto Social" (EIF/EaSI)	PRT Govt.
Agreement signed with the European Investment Fund (EIF), supported by the Pan-European Guarantee Fund (EGF)	Risk Sharing Agreement signed by Banco Montepio and the European Investment Bank (EIB), under which the EIB provides a guarantee. This operation is supported by the Pan-European Guarantee Fund (EGF)	Banco Montepio and the European Investment Fund (EIF) signed an agreement to join the Employment and Social Innovation Programme (EaSI) . The "+ Impacto Social" credit line is a guaranteed line that allows risk sharing, between the EIF and Banco Montepio, to support financing. The line aims to support entities, that need new financing, thus promoting employment and social inclusion	Portuguese Government guaranteed
EGF was established by some EU Member States to respond to the economic impact of the pandemic outbreak of COVID-19. It was designed to support SMEs that would be deemed viable in the long term and capable of meeting the needs of a lender or other financial intermediaries for business financing, if it was not for the economic impact of the COVID-19 pandemic			
70% guarantee provided by the EIF	65% EIB guarantee	80% guarantee provided by the EIF (90% if loans originated before 30/06/2022)	70% to 80%
Micro and SMEs	Midcap and Large Corporates	Non-profit social entity or Social Economy Entities (SEE) that are Private Social Solidarity Institutions (IPSS), with Turnover or Balance Sheet less than €30M	

Continuous NPE reduction with an adequate coverage

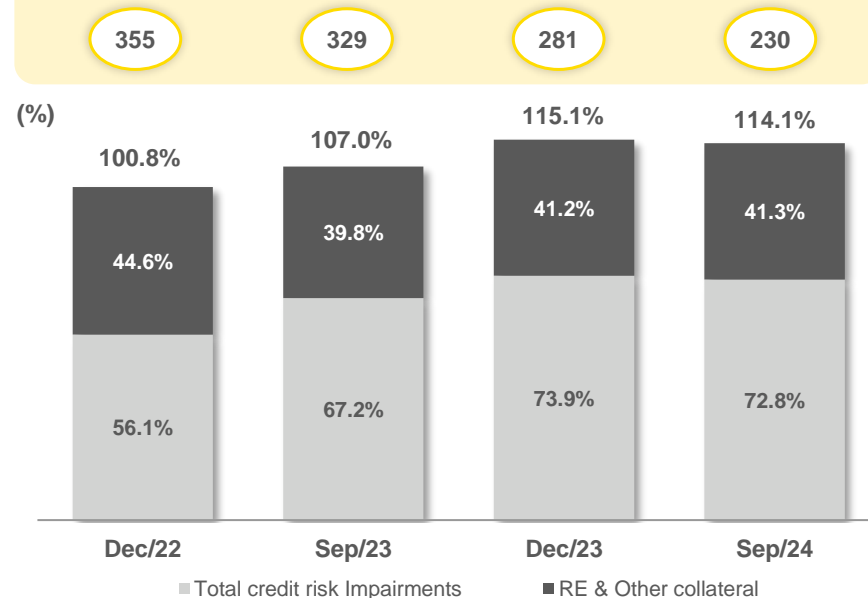
NPE deleveraging

(€Mn)

 Dec 2015:
 €3.232Mn
 20.7%


NPE coverage by total impairments and collateral

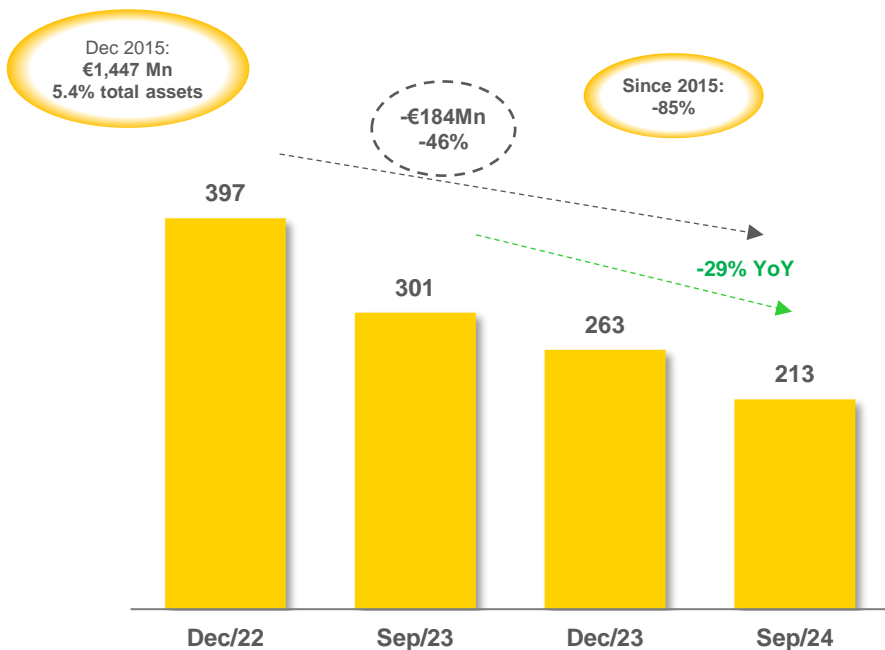
Total credit risk impairments (€Mn)



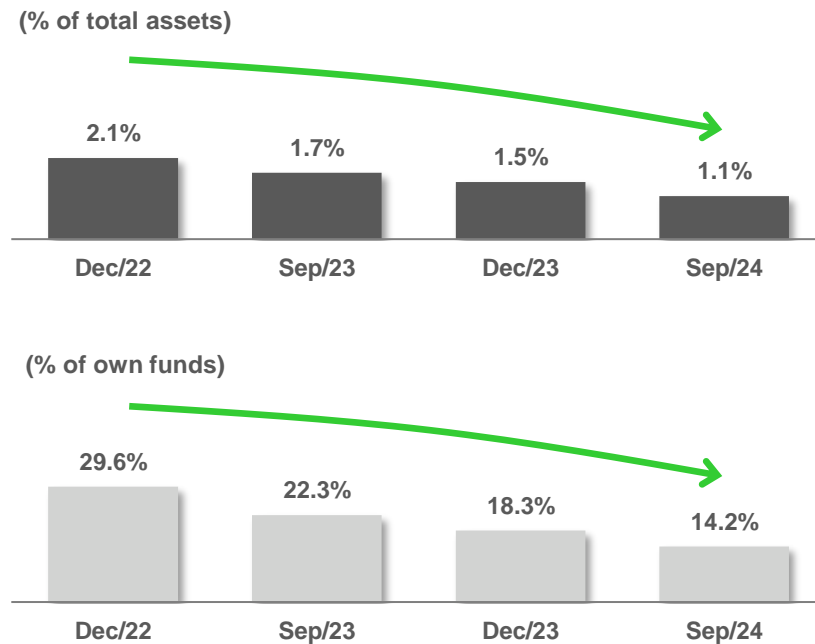
⁽¹⁾ NPE ratio = NPE (as per EBA definition) / Gross Loans

Strong reduction in foreclosed assets

Real Estate Owned (REO) (€Mn)



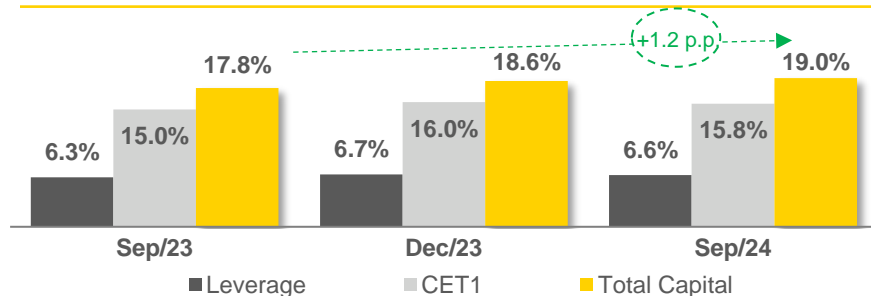
REO (% of total assets and own funds)



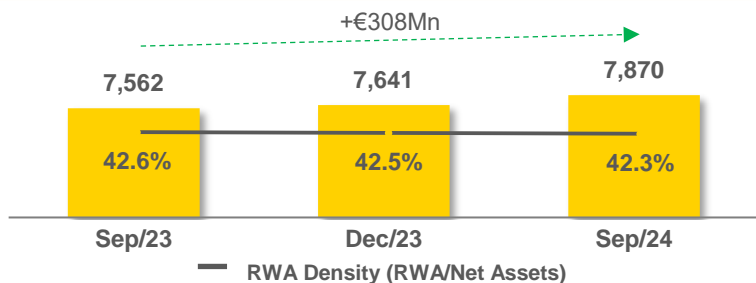
✓ **Focus on the RE sales**, increasing efforts to promote retail sales and take advantage of all wholesale market opportunities

Capital ratios maintained the increasing trend, driven by the increase in own funds and the €50Mn increase in T2 eligible instruments

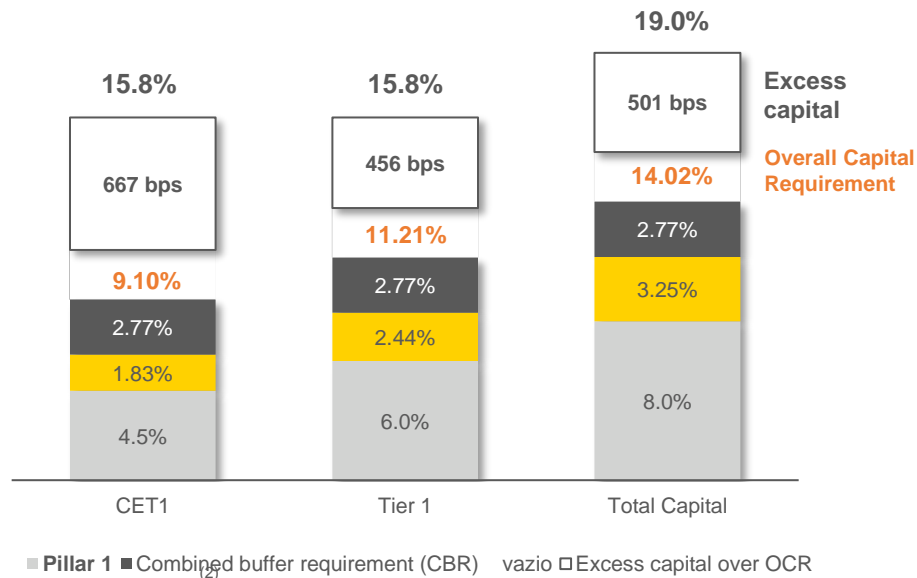
Capital ratios (fully implemented)⁽¹⁾



RWA (Risk weighted assets)



Capital ratios⁽¹⁾: requirements + excess (30 September 2024)

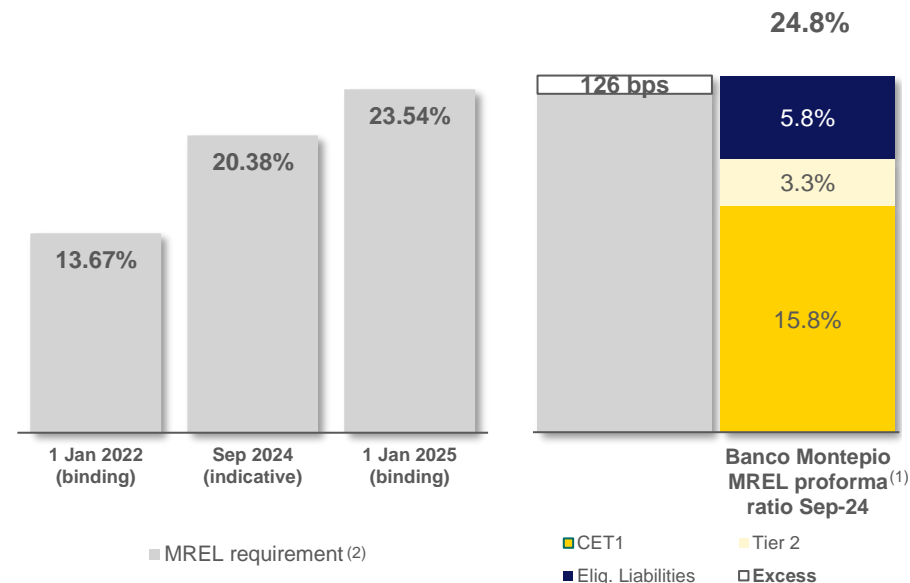


(1) Reflects the full implementation of the prudential rules laid down in the legislation in force in the European Union, which was produced based on the standards set by the Basel Committee on Banking Supervision (Basel II and Basel III). (2) Supervisory Review and Evaluation Process (The procedures followed by the Banco de Portugal in relation to the annual review and evaluation process (SREP) comply with the guidelines of the European Banking Authority (EBA) and the methodologies defined under the Single Supervisory Mechanism).

The ratios include the period's net income.

The MREL requirement has been met in excess and Banco Montepio is well positioned to maintain a surplus in line with its overall strategy and risk profile

	31-Dec-23	30-Sep-24 (proforma) ⁽¹⁾
Total Own Funds (€Mn)	1,436	1,502
Eligible Liabilities (€Mn)	200	450
Total Own Funds & Eligible Liabilities (€Mn)	1,636	1,952
Total RWA (€Mn)	7,641	7,870
MREL ratio (%RWA)	21.4%	24.8%
Minimum requirement (MREL (%RWA)) ⁽²⁾	16.4%	20.4%
MREL ratio (%LRE)	8.9%	10.4%
Minimum requirement (MREL (LRE))	5.3%	5.3%

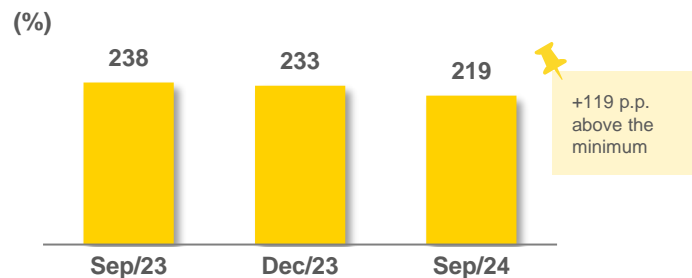


✓ **Banco Montepio is not subject to any subordination requirements**

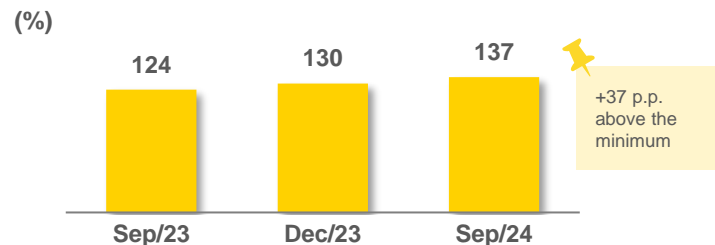
✓ Aim to maintain an adequate excess MREL consistent with overall strategy and risk profile through a sustainable combination of issuance, organic capital generation and balance sheet optimisation

Robust liquidity position, with levels well above the regulatory requirements. Customer deposits represent 86% of total liabilities

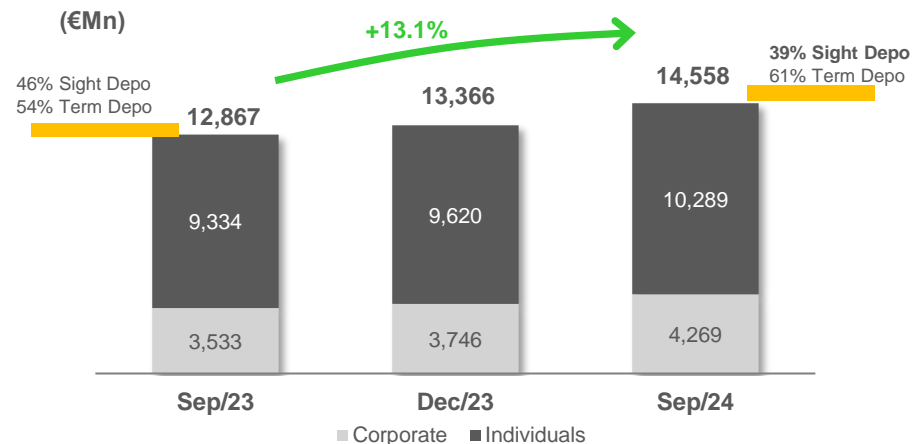
Liquidity Coverage Ratio (LCR)



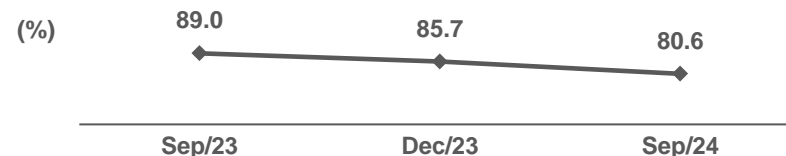
Net Stable Funding Ratio (NSFR)



Customers' Deposits



LTD¹



(1) Loans and advances to customers / Deposits from customers

Wholesale funding maturity profile is well spread over time

Outstanding wholesale debt (retained shown in grey)

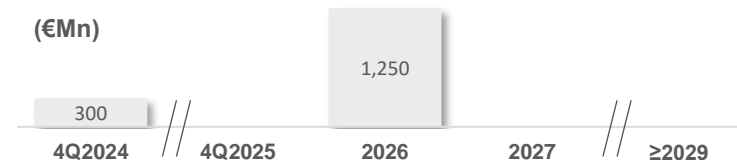
ISIN	Issue	Maturity	Amount €Mn	Coupon	Type	Stock Exchange
PTCMGEOE0034 ⁽¹⁾	9/11/2026	11/11/2024	300	Euribor 3M + 0.5%	CB	Euronext Lx
PTCMGFOE0033 ⁽¹⁾	16/12/2016	16/12/2026	500	Euribor 3M + 0.9%	CB	Euronext Lx
PTCMGFOE0033 ⁽¹⁾⁽²⁾	29/11/2022	16/12/2026	750	Euribor 3M + 0.9%	CB	Euronext Lx
PTCMGAOM0038 ⁽³⁾	14/11/2019	14/11/2024	500	0.125%	CB	ISE
PTCMGGOM0008	30/10/2023	30/10/2026 (call @30/10/2025)	200	Y1-Y2: 10.0% (Y3 Euribor 3M + 6.234%)	SP	Lux SE
PTCMKAOM0008	29/05/2024	29/05/2028 (call @29/05/2027)	250	Y1-Y3: 5.625% (Y4 Euribor 3M + 2.6%)	SP	Lux SE
PTCMG3OM0038	12/03/2024	12/06/2034 (call @12/06/2029)	250	8.5% (Swap 5Y+5.815%)	T2	Lux SE
PTFNI1OM0011	02/02/2010	Undated	6.3	Max (5% ; Euribor 6M + 2.75%)	T2	Euronext Lx
Total			2,756			
	o.w. retained		1,550			
	o.w. repurchased		171			
	o.w. held by investors		1,035			

⁽¹⁾ Retained in the Balance sheet to reinforce the ECB eligible assets.

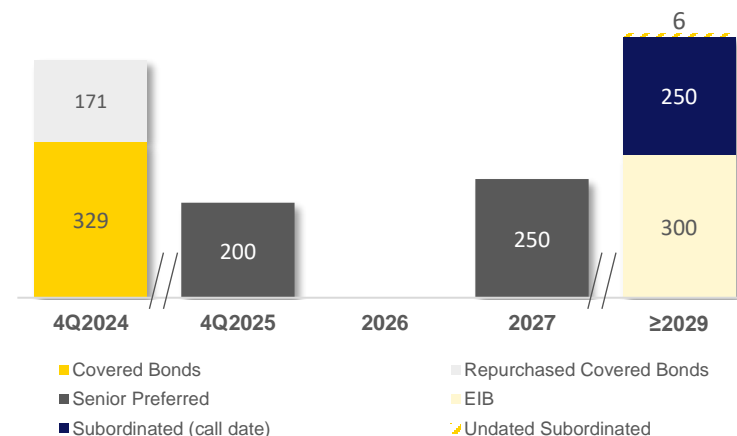
⁽²⁾ Tranche 2.

⁽³⁾ o.w. €171Mn repurchased.

Retained Covered Bonds



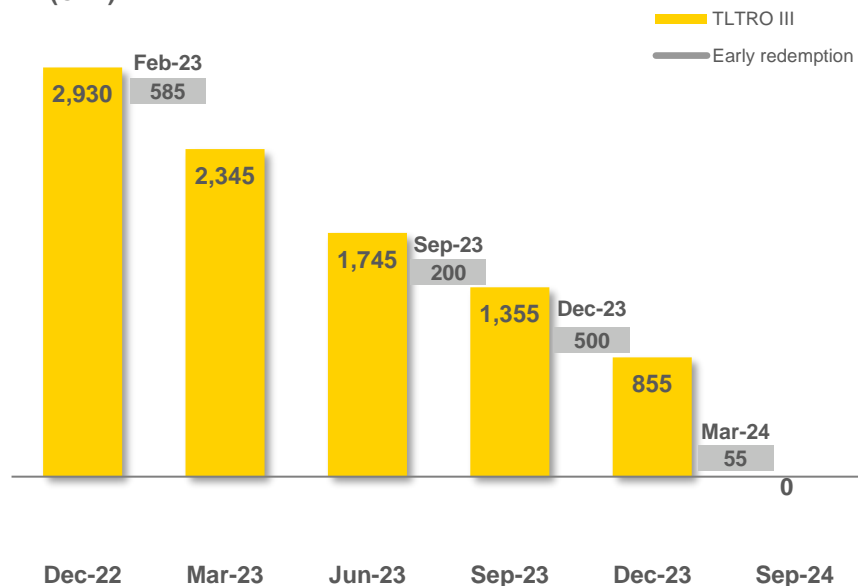
Debt Issued & EIB maturity profile



Full repayment of the ECB funding and maintenance of a comfortable liquidity position. Sound liquidity buffer in the amount of €6.0Bn

ECB funding ¹

(€Mn)

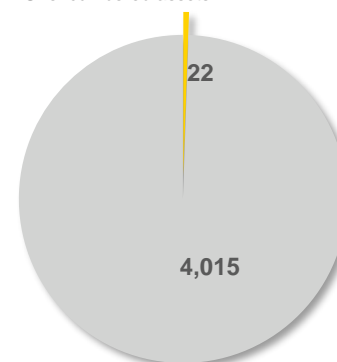


ECB eligible assets & Liquidity buffer

(€Mn)

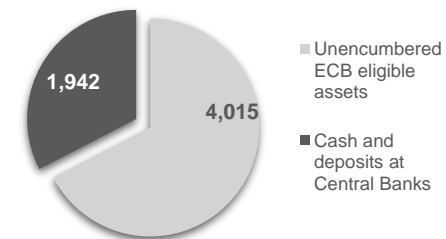
ECB eligible assets (€4Bn)

- Pledged assets
- Unencumbered assets

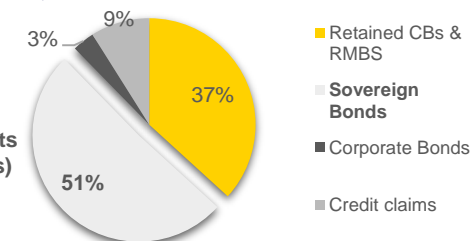


- ✓ Mainly liquid debt instruments (o.w. 51% government bonds) valued at market prices less ECB's valuation haircuts

Liquidity buffer (€6.0Bn)



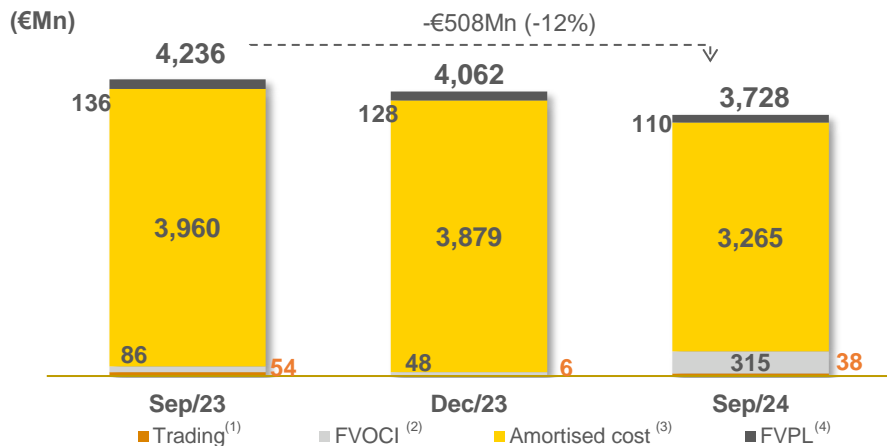
ECB eligible assets portfolio



(1) TLTRO III – Targeted longer-term refinancing operations.

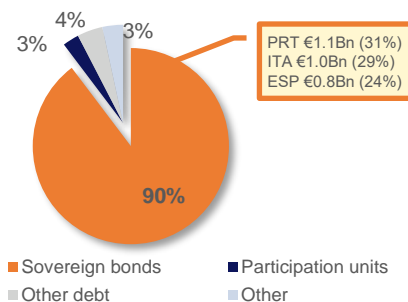
A low-risk securities portfolio consisting mainly of IG government bonds eligible for ECB monetary policy purposes

By portfolio

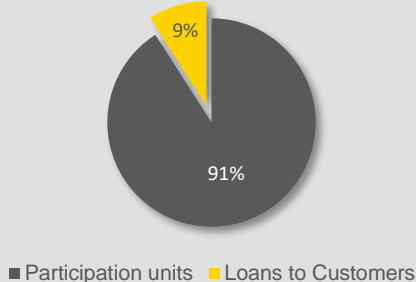


(1) Financial assets and liabilities held for trading. (2) Financial assets at fair value through other comprehensive income. (3) Other financial assets at amortised cost. (4) Financial assets at fair value through profit or loss (FVPL).

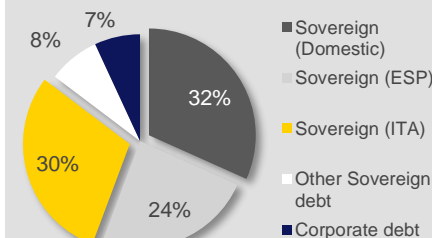
By instrument type



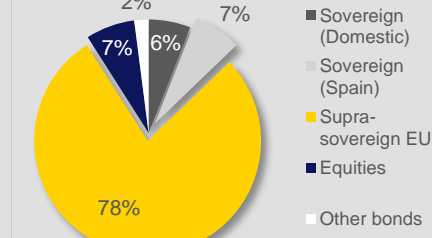
By portfolio FVPL (€110Mn)



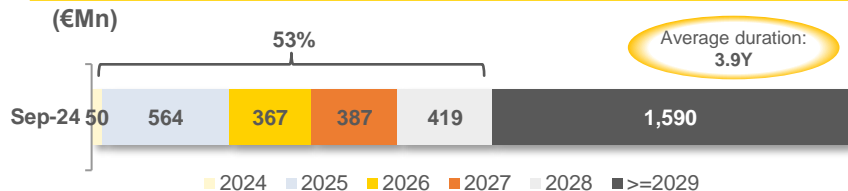
Amortised cost (€3,265Mn)



FVOCI (€315Mn)

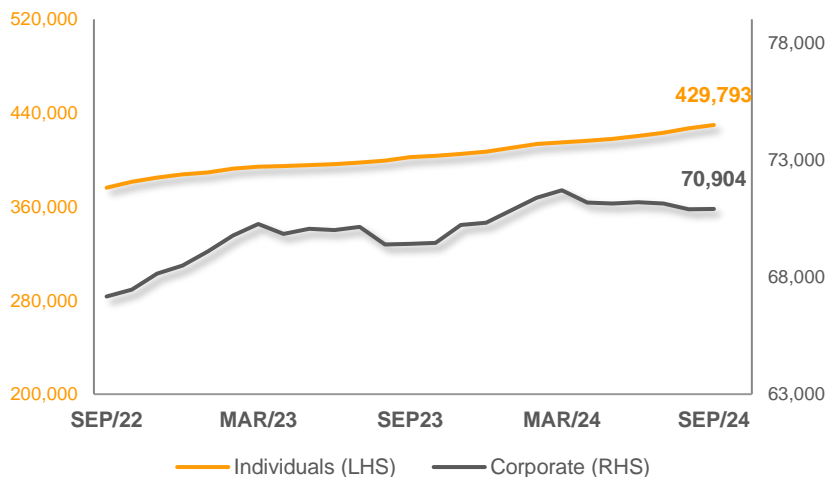


Bond portfolio maturities



Successful ongoing digital transition

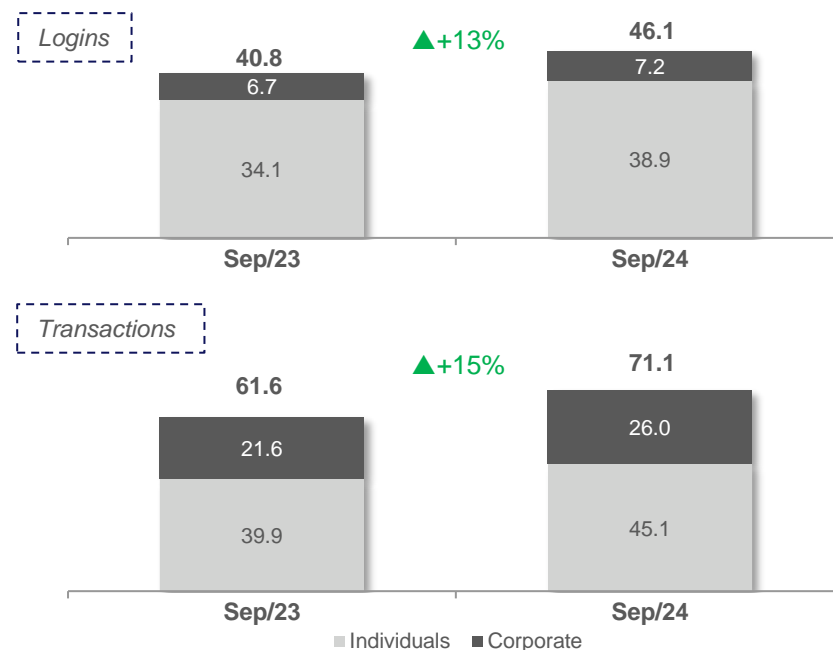
Number of Montepio24⁽¹⁾ users



- **Montepio24 Users: 500,697 (+13% since Sep2022)**

- ✓ Individuals +14.2%
- ✓ Corporate +5.6%

Logins & Transactions (#Mn)⁽²⁾



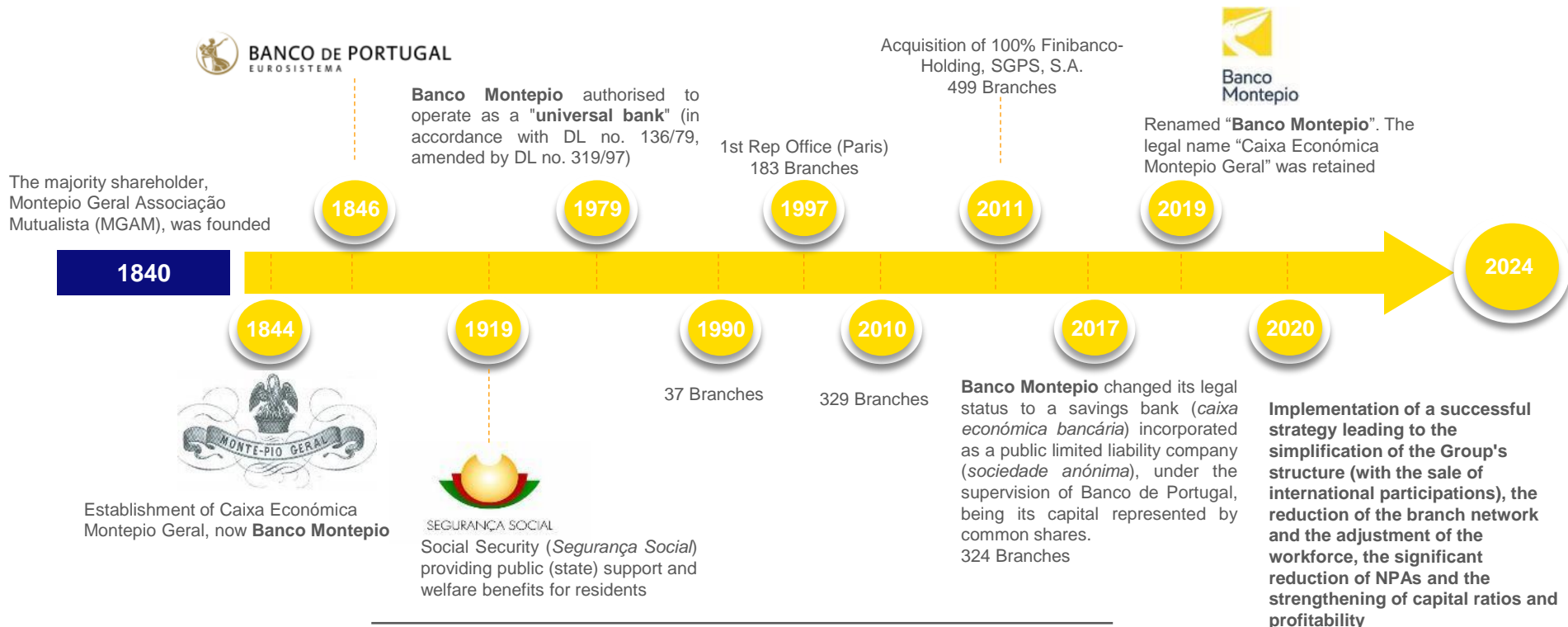
⁽¹⁾ The Montepio24 Service corresponds to a multi-channel platform that integrates the digital and remote channels.

⁽²⁾ Net24 & App M24 & Connect24.

4

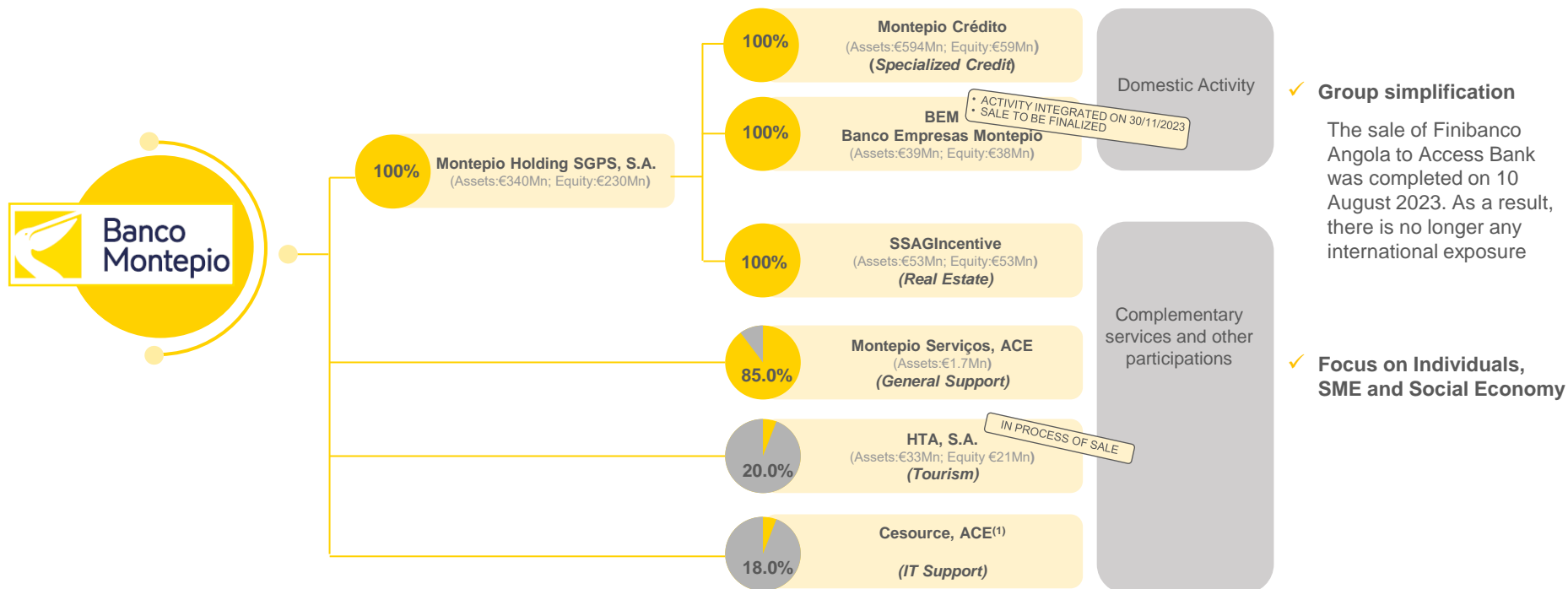
Banco Montepio Group

Banco Montepio is one of the oldest brands with a long history of trust and tradition built on principles of mutualism, solidarity and social economy



The Pelican is the symbol of altruism and mutual aid

With a simple organisational structure, Banco Montepio maintains its focus on domestic activity



Governing bodies

- The Management and Supervisory Boards **took office on 25 July 2022**. The Board of Directors was reduced from 15 to 12 members;
- As a bank majority owned by a mutual benefits association and one of the main players in the Social Economy sector, **Banco Montepio promotes gender equality: the Board is composed of 7 women and 5 men**, in full compliance with the SDG 5;
- The Board is **focused on growing the business, improving efficiency and profitability and keeping risk exposure at prudent levels**.

General Meeting Board

Chairman: António Manuel Lopes Tavares

4-year term
2022-2025

Statutory Auditor⁽¹⁾

Board of Directors

Chairperson:

Manuel Ferreira Teixeira

Chief Executive Officer:

Pedro Manuel Moreira Leitão (CEO)

Executive Members:

Ângela Isabel Sancho Barros (CRO)

Helena Catarina Gomes Soares de Moura Costa Pina (CPO)

Isabel Cristina dos Santos Pereira da Silva (CBO)

Jorge Paulo Almeida e Silva Baião (CTO)

José Carlos Sequeira Mateus (CFO)

Non-executive Members:

Clementina Maria Dâmaso de Jesus Silva Barroso (Chairperson)

Florbela dos Anjos Frescata Lima (Member)

Maria Cândida de Carvalho Peixoto (Member)

Maria Lúcia Ramos Bica (Member)

Eugénio Luis Correia Martins Baptista

Audit Committee

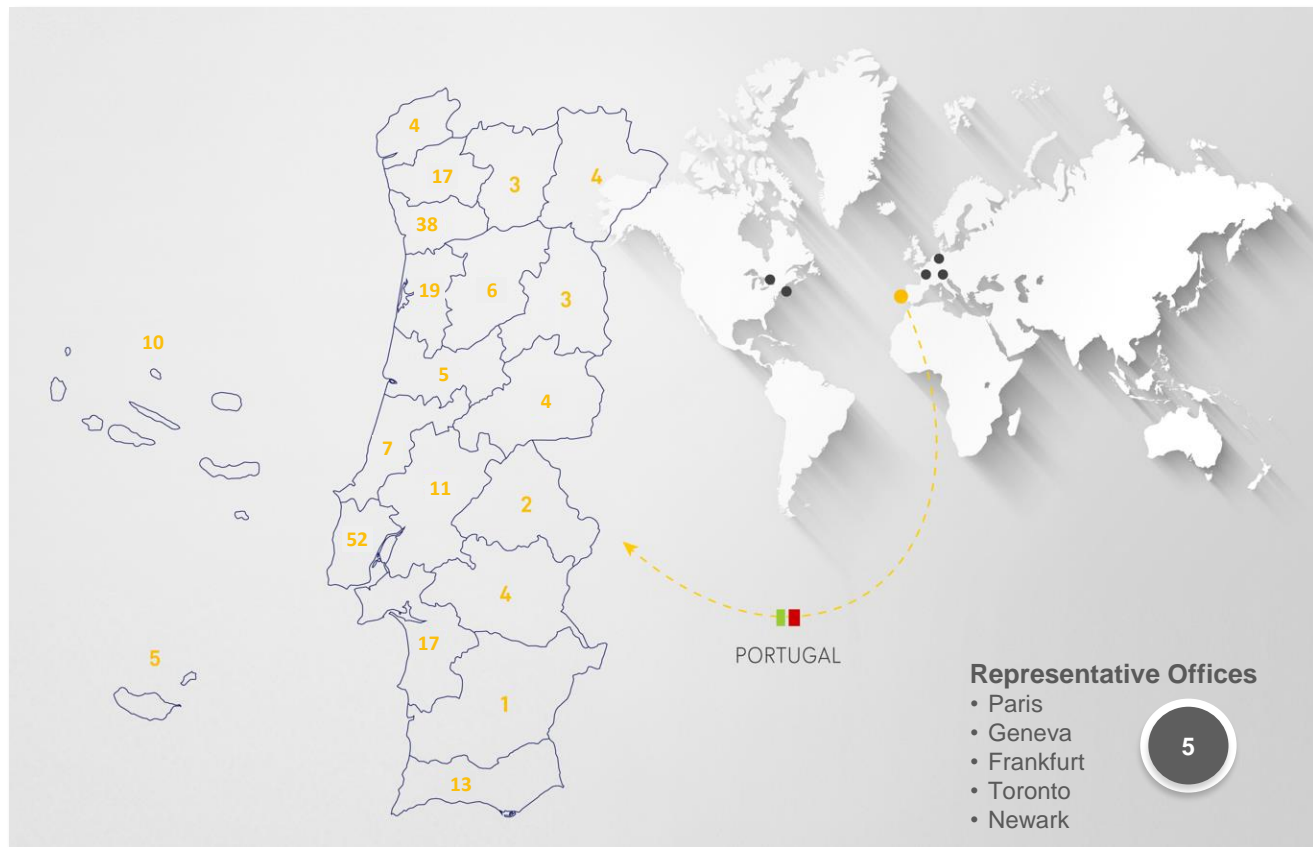
⁽¹⁾ PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda, registered at CMVM with the number 20161485, was elected for the mandate 2023-2025 in the General meeting held on 28 April 2023.

Branches in all districts and autonomous islands



As of Sep-24

225 RETAIL BRANCHES



Commitment to sustainability and alignment with the SDGs



The Portuguese Business Ethics Association (APEE) awarded Banco Montepio's 2023 Sustainability Report the "Gold Award" in the 'Communication and Reporting' category. The report (which can be accessed [here](#)) presents the first social impact measurement exercise carried out by the institution and highlights its role in fulfilling its commitment to gender equality.

Banco Montepio is aligned to the following SDGs:



- **Alignment with 8 international frameworks** of reference in the sector: GRI, WEF, TCFD, UN GC, UN SDG, WEPs, UN "Forward Faster 2030" and Capitals Coalition⁽¹⁾;
- Implementation of a **governance model and policies** exclusively dedicated to Sustainability and ESG;
- The alignment of the sustainability information with the GRI (Global Reporting initiative) for the 2023 financial year was **verified by an external party**;
- We carried out the first calculation of the **GAR***. Of the €12Bn assets considered, €62Mn are green assets.

(1) GRI: Global Reporting Initiative; WEF: World Economic Forum; TCFD: Task Force on Climate-related Financial Disclosures; UN GC: United Nations Global Compact; UN SDG: United Nations Sustainable Development Goals; WEPs: Women's Empowerment Principles; UN "Forward Faster 2030": an initiative by the UN Global Compact aimed at accelerating corporate action in five key areas to achieve the SDG by 2030; Capitals Coalition: a global collaboration that brings together initiatives to harmonize approaches to managing natural, social, and human capital, helping organizations make holistic decisions that create value for nature, people, and society.

* GAR - Green Asset Ratio, according to the European taxonomy

Commitment to sustainability and alignment with the SGDs

- Human Capital** - We strive to create a working community that reflects the diverse communities we serve, promoting equality, diversity and inclusion, on a journey of shared success with our people

Gender equality achieved on the Executive Committee and in the workforce

50%

WEPs Leader with a score of

82%

Gender Diversity Champion with a score of

80.3%

Salary ratios* (average remuneration)

0.95

Directors and managers

0.93

Technicians

1.01

Administrative

- Natural Capital** - We recognise that our operations have an impact on the environment and are progressively integrating environmental considerations into our activities, offerings and value chain

Bank fleet efficiency

A

Move+ certification from ADENE

Number of recycled cards

447,072

The equivalent to 2,682 Kg of plastic

Carbon footprint

1,194,767
tCO₂e

Emissions reduction

2.8%

Compared to 2022

Reduced emissions compared to 2022

-9%

Scope 1

-54%

Scope 2

-4%

Scope 3

- Social Capital** - We are recognised as one of the most important social economy structures and contribute to the achievement of social sustainability through employee participation and corporate volunteering

5

Appendix

- Key Indicators
- Consolidated Income Statement
- Balance Sheet
- Ratings
- Milestones
- Glossary

Key Indicators

	Sep-23	Dec-23	Sep-24	Change YoY
ACTIVITY AND RESULTS (€ million)				
Total assets	17,747	17,989	18,596	4.8%
Gross Loans to customers	11,781	11,734	11,969	1.6%
Deposits from customers	12,867	13,366	14,558	13.1%
Equity	1,564	1,566	1,691	8.1%
Net income excluding the effect of the consolidation of Finibanco Angola	83.0	132.6	96.1	15.8%
Net income	(21.2)	28.4	96.1	>100%
SOLVENCY ^(a)				
Common Equity Tier 1 ratio	15.2%	16.1%	15.8%	0.6 p.p.
Tier 1 ratio	15.2%	16.1%	15.8%	0.6 p.p.
Total Capital ratio	17.9%	18.8%	19.1%	1.2 p.p.
Leverage ratio	6.4%	6.7%	6.6%	0.2 p.p.
Risk weighted assets (€ million)	7,562	7,641	7,870	4.1%
LIQUIDITY RATIOS				
Loans to customers (net) / Customers' deposits ^(b)	89.0%	85.7%	80.6%	(8.4 p.p.)
LCR	237.8%	233.1%	218.5%	(19.3 p.p.)
NSFR	124.0%	130.4%	136.8%	12.8 p.p.
ASSET QUALITY				
Cost of credit risk	0.4%	0.4%	0.1%	(0.2 p.p.)
Non-performing exposures (NPE) ^(c) / Gross Loans to customers	4.2%	3.2%	2.6%	(1.5 p.p.)
NPE ^(c) net of credit risk impairments / Gross Loans to customers	1.4%	0.8%	0.7%	(0.6 p.p.)
NPE ^(c) coverage by specific impairments	48.0%	45.9%	40.9%	(7.1 p.p.)
NPE ^(c) coverage by credit risk impairments	67.2%	73.9%	72.8%	5.6 p.p.
NPE ^(c) coverage by credit risk impairments and associated collaterals and financial guarantees	107.0%	115.1%	114.1%	7.1 p.p.
PROFITABILITY AND EFFICIENCY				
Total operating income / Average total assets ^(b)	2.7%	2.8%	2.7%	0.1 p.p.
Net income before income tax / Average total assets ^(b)	0.9%	1.0%	1.1%	0.2 p.p.
Net income before income tax / Average total equity ^(b)	10.6%	11.8%	12.2%	1.6 p.p.
Recurring net income / Average total equity	8.2%	9.3%	7.9%	(0.3 p.p.)
Cost-to-income (Operating costs / Total operating income) ^(b)	54.4%	50.8%	54.3%	(0.1 p.p.)
Cost-to-Income, excluding specific impacts ^(d)	46.7%	46.2%	50.9%	4.2 p.p.
Staff costs / Total operating income ^(b)	33.9%	30.5%	31.3%	(2.6 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)				
Employees				
Banco Montepio Group	3,025	2,983	2,991	(1.1%)
Banco Montepio	2,875	2,860	2,875	0.0%
Branches				
Domestic network - Banco Montepio	234	232	225	(3.8%)
Representative offices - Banco Montepio	5	5	5	0.0%

(a) Pursuant to CRD IV / CRR (phasing-in). The ratios include the net income of the period.

(b) Pursuant to Banco de Portugal Instruction No. 16/2004, as amended.

(c) EBA definition.

(d) Excludes results from financial operations and other operating results (net gains arising from the sale of other financial assets and other operating income) and non-recurring operating costs driven by the operational adjustment plan.

Consolidated Income Statement

(Euro millions)	Sep-23	Sep-24	Change YoY	
			€Mn	%
Interest and similar income	422.7	528.6	105.9	25.1%
Interest and similar expense	121.6	232.5	110.9	91.2%
NET INTEREST INCOME	301.1	296.0	(5.0)	(1.7%)
Dividends from equity instruments	0.8	1.1	0.3	31.7%
Net fee and commission income	95.5	95.6	0.1	0.1%
Results from financial operations	(15.3)	(3.5)	11.8	77.0%
Other results	(16.7)	(16.4)	0.3	2.0%
OPERATING INCOME	365.4	372.8	7.4	2.0%
Staff Costs	123.9	116.7	(7.2)	(5.8%)
General and administrative expenses	47.2	52.6	5.5	11.6%
Depreciation and amortization	27.8	33.1	5.3	19.0%
OPERATING COSTS	198.8	202.4	3.6	1.8%
Loan impairments	32.9	11.2	(21.7)	(65.9%)
Other financial assets impairments	4.3	1.1	(3.2)	(75.2%)
Other assets impairments	12.5	11.9	(0.6)	(5.1%)
Provisions net of reversals and annulments	(5.2)	(2.2)	3.0	57.4%
Share of profit of associates under the equity method	0.4	0.1	(0.2)	(63.6%)
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS AND DISCONTINUING OPERATIONS	122.4	148.6	26.2	21.4%
Tax	39.4	52.5	13.1	33.2%
NET INCOME FROM CONTINUING OPERATIONS	83.0	96.1	13.1	15.8%
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	(21.2)	96.1	117.3	>100%

Balance Sheet

(Euro millions)	Sep-23	Dec-23	Sep-24	Change YoY	
				€Mn	%
Cash and deposits at central banks	673.1	1,171.4	1,941.9	1,268.8	>100%
Loans and advances to credit institutions repayable on demand	77.5	61.0	57.9	(19.6)	(25.3%)
Other loans and advances to credit institutions	177.7	178.9	139.0	(38.7)	(21.7%)
Loans and advances to customers	11,452.0	11,453.3	11,739.7	287.7	2.5%
Financial assets held for trading	69.4	19.0	49.1	(20.3)	(29.2%)
Financial assets at fair value through profit or loss (FVPL)	136.2	128.2	109.7	(26.5)	(19.5%)
Financial assets at fair value through other comprehensive income (FVOCI)	86.1	48.1	315.2	229.1	>100%
Hedging derivatives	0.0	6.2	21.4	21.4	-
Other financial assets at amortised cost	3,959.7	3,878.8	3,264.9	(694.8)	(17.5%)
Investments in associates	4.5	4.7	4.1	(0.4)	(8.8%)
Non-current assets held for sale	0.1	0.1	0.0	(0.1)	(18.7%)
Investment properties	63.5	57.7	48.9	(14.6)	(22.9%)
Property and equipment	190.4	195.4	197.9	7.5	4.0%
Intangible assets	53.3	57.7	65.0	11.7	22.1%
Current tax assets	2.0	1.6	0.9	(1.1)	(54.4%)
Deferred tax assets	372.9	381.1	328.5	(44.4)	(11.9%)
Other Assets	428.7	346.3	311.5	(117.2)	(27.3%)
TOTAL ASSETS	17,747.1	17,989.5	18,595.8	848.7	4.8%
Deposits from central banks	1,371.7	873.9	0.0	(1,371.7)	(100.0%)
Deposits from other financial institutions	872.0	909.4	898.0	26.0	3.0%
Deposits from customers	12,866.8	13,366.4	14,557.9	1,691.1	13.1%
Debt securities issued	543.1	730.0	935.9	392.8	72.3%
Financial liabilities held for trading	15.7	12.6	11.3	(4.4)	(27.8%)
Provisions	25.2	20.8	17.2	(8.0)	(31.5%)
Current tax liabilities	1.4	1.7	1.0	(0.4)	(29.1%)
Hedging derivatives	0.0	3.5	0.0	0.0	-
Other subordinated debt	216.1	217.0	268.0	51.9	24.0%
Other liabilities	271.0	287.5	215.1	(55.9)	(20.6%)
TOTAL LIABILITIES	16,182.8	16,423.0	16,904.4	721.6	4.5%
Share Capital	1,210.0	1,210.0	1,210.0	0.0	0.0%
Reserves and retained earnings	375.4	328.1	385.3	9.9	2.6%
Consolidated net income	(21.2)	28.4	96.1	117.3	>100%
TOTAL EQUITY	1,564.2	1,566.5	1,691.4	127.2	8.1%
TOTAL LIABILITIES AND EQUITY	17,747.1	17,989.5	18,595.8	848.7	4.8%

Ratings

DBRS	Last review in October 2024
Intrinsic Assessment (IA)	BB (high)
Long-Term Issuer Rating	BB (high)
Trend	Positive
Short-Term Issuer Rating	R-3
Trend	Positive
Long-Term Senior Debt	BB (high)
Trend	Positive
Short-Term Debt	R-3
Trend	Positive
Subordinated Debt	BB (low)
Trend	Positive
Long-Term Deposits	BBB (low)
Trend	Positive
Short-Term Deposits	R-2
Trend	Positive

Moody's	Last review in November 2024
Baseline Credit Assessment (BCA)	ba1
Adjusted Baseline Credit Assessment (BCA)	ba1
Senior Unsecured MTN	Ba1
Outlook	Positive
Subordinated Debt	Ba2
Long Term Bank Deposits	Baa2
Outlook	Positive
Short Term Bank Deposit Rating	P-2
Long Term Counterparty Risk	Baa1
Covered Bonds	Aaa

Fitch Ratings	Last review in March 2024
Viability Rating (VR)	bb
Long Term Issuer Default Rating (IDR)	BB
Outlook	Stable
Short Term Issuer Default Rating (IDR)	B
Government Support	No Support
Long-term Senior Preferred Debt Rating	BB
Short-term Senior Preferred Debt Rating	B
Long-Term Senior Non-Preferred Debt Rating	BB-
Subordinated Debt Rating	B+
Long-Term Deposits Rating	BB+
Short-Term Deposits Rating	B
Covered Bonds	AAA
Outlook	Stable

Banco Montepio in the Top 50 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. This ranking is based on a rigorous multi-stakeholder methodology in which 2310 respondents took part, including executives, financial analysts, 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 climate change.

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 2024 ("Escolha do Consumidor 2024") | Mortgage Loans

- ✓ Banco Montepio's Mortgage Loans is Consumer Choice 2024 for the third 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 twelve banks assessed. Banco Montepio recorded a final score of 79% and a recommendation score of 81%, leading in the following dimensions: Attributes, Benefits, Values and Emotions.
- ✓ In the evaluation of the emotional positioning of the brand, Banco Montepio leads in all attributes and stands out in 'Brand Loyalty' ("Lealdade à Marca"), which represents a relationship of optimism and satisfaction with the brand, leading the consumer to establish a long-term relationship with the brand and become its promoter, and 'Brand Love' ("Amor à Marca"), which expresses the feeling of passion, attachment and appreciation of the brand, generating positive emotions that provide the consumer with general well-being.



Five Stars 2024 Award ("Prémio Cinco Estrelas 2024") | Mortgage Loans



- ✓ Banco Montepio's Mortgage Loans were granted the Five Star award for the first time in the Mortgage Loans category, out of a total of 7 banking brands evaluated.
- ✓ Banco Montepio recorded an overall satisfaction rating of 77.2%, after evaluating the basic variables that influence consumer decisions: satisfaction through experimentation, value for money, intention to recommend, trust in the brand and innovation.
- ✓ In addition to these characteristics, 5 attributes specific to the 'Mortgage Loans' context were also assessed: service, speed of process, inclusion of other products and their cost, clarity of information and monitoring of the process. It should be emphasised that in all 5 attributes Banco Montepio obtained ratings equal to or higher than 8 on a scale of 1 to 10.

Five Stars 2024 Award ("Prémio Cinco Estrelas 2024") | Banking - Sustainability



- ✓ Banco Montepio have been granted, for the second year in a row, the "Five Stars 2024" award in the Banking - Sustainability category.
- ✓ The bank registered an overall satisfaction of 79.2%, after evaluating the following attributes: Experience Satisfaction; Value for Money; Intention to Recommend; Brand Trust and Innovation.
- ✓ An award granted by Five Stars Consulting, which implemented the Five Stars methodology and evaluated 5 banking brands, involving 1,347 consumers, between May and September 2023.

JAP Social Innovation Camp

- ✓ For the fourth consecutive year, Banco Montepio is collaborating with its partner JAP (Junior Achievement Portugal) for the JAP Social Innovation Camp by Banco Montepio.
- ✓ In this fourth edition, we encourage young people aged 15-18 to identify problems in their communities, based on the SDGs identified by Banco Montepio, and develop high-impact solutions and projects for them.
- ✓ This year's themes fall under the following SDGs: SDG 1 - Eradicate poverty; SDG 5 - Gender equality; SDG 7 - Renewable and affordable energy; SDG 16 - Peace, justice and effective institutions. Banco Montepio volunteers will work in pairs as mentors to secondary school students from across the country, sharing knowledge and experience that will strengthen work skills such as leadership, decision-making, resilience to failure, teamwork, presentation techniques and oral communication.

EPIS Social Scholarships 2024

- ✓ Banco Montepio has once again joined EPIS (Entrepreneurs for Social Inclusion) as a social investor in the EPIS Scholarships, thus supporting the response to inequality in access to and participation in higher education and rewarding young people from socio-economically disadvantaged backgrounds with high academic merit.
- ✓ For the 14th consecutive year, the programme continues to grow. This year, 227 scholarships will be awarded, an increase of 9% compared to the previous edition. In 2024, the EPIS Social Scholarships will represent an investment of 545,000 euros, a record increase of 20% compared to last year. The EPIS Social Scholarships are nationwide and cover all schools, institutions and students in Portugal (mainland, Azores and Madeira) in secondary education - scientific-humanistic courses, dual certification courses and inclusive education - post-secondary education and higher education at undergraduate and master's level.

Banco Montepio signs the APCADEEC Code of Ethics

- ✓ Banco Montepio has signed up to the APCADEEC Code of Ethics, strengthening its alignment with best practice in procurement. The aim of this Code of Ethics is to strengthen professionalism and transparency, leading to a reduction in the financial, operational and reputational risks faced by organisations.
- ✓ The document signed is fully in line with the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption, which are the founding documents of the ten principles of the United Nations Global Compact and are integrated into the institution's strategy, policies and procedures.

Banco Montepio supports the 17th CNIS Solidarity Festival

- ✓ The CNIS Solidarity Festival takes place every year and is a moment to affirm voluntary work and recognise the local communities that give their best on a daily basis.
- ✓ The protocol ceremony of the 17th CNIS Solidarity Festival marks the end of the week of celebrations and promotes a meeting place for IPSS (Private Social Solidarity Institutions), where they can socialise, exchange ideas, publicise initiatives and showcase good practices in social, cultural and recreational support.

Banco Montepio supports the 7th Meeting of IPSS in the District of Guarda (October 2024)

- ✓ Banco Montepio supported the 7th Meeting of the IPSS of the District of Guarda at the Polytechnic Institute of Guarda.
- ✓ The theme of the initiative was 'Social Sector and Interiority - Resilient Competences and Strategies in Social Intervention in the Interior of the Country', with around 250 participants and several leading organisations in the social sector.
- ✓ Various issues related to the social sector were discussed, namely the question of human resources in the IPSS, intervention strategies in inland territories and the problems of ageing and mental health.

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 Credit Impairment (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 “Income from services and commissions”.

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 administrative costs” and “Depreciation and amortisation”.

Operating income - Corresponds to the sum of the Income Statement items “Net interest income”, “Income from equity instruments”, “Income from services and commissions”, “Income from financial operations”, “Other operating income” and “Income from disposal of other assets”.

Other results - Corresponds to the sum of the Income Statement headings “Other operating results” and “Results from the sale of other assets”.

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 “Income from assets and liabilities measured at fair value through profit or loss”, “Income from financial assets at fair value through other comprehensive income” and “Income from foreign exchange revaluation”.

RWA - Risk-Weighted Assets.

Securities portfolio - Total of the balance sheet asset items “Financial assets held for trading”, “Financial assets at fair value through other comprehensive income”, “Other financial assets at amortised cost”, “Financial assets at fair value through profit or loss” and “Hedging derivatives”, 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.

YtD - Year-to-date, change compared to the end of the previous year.



Banco Montepio

Thank you

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