CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2024

Unaudited information

Lisbon, 4 November 2024

BANCO MONTEPIO REPORTS NET INCOME OF €96.1 MN IN THE FIRST NINE MONTHS OF 2024

Strong results reflect the successful strategy of business performance, asset quality, risk management and organic growth

Banco Montepio achieved a consolidated net income of €96.1Mn, an increase of €117.3Mn compared to the first nine months of 2023.

The positive evolution of results was driven by the **increase in Operating income (+2.0% YoY)**, by the **reduction in Impairments and provisions (-50.7% YoY)** and by the **effect of the deconsolidation of Finibanco Angola recorded in the 2023 accounts**.

At the end of September 2024, the **Customer resources reached a historic high of €14,558Mn, reflecting a notable growth of €1,191Mn (+8.9%) YtD**. Time deposits increased by €1,076Mn (+13.8%) YtD, as a result of increased demand for safer investment decisions with guaranteed returns.

Net **Loans to Customers** also grew by **€286Mn (+2.5%) YtD**, a performance achieved by maintaining a prudent credit granting profile, along with a **reduction of €65Mn (-17%) YtD in non-performing exposures (NPE)**, to €316Mn as of 30 September 2024, placing the **NPE ratio at 2.6%**.

HIGHLIGHTS:

Business

- **Operating income** evolved favourably to €372.8Mn, reflecting an increase of €7.4Mn (+2.0%) YoY;
- **Gross loans to Customers** increased to €12.0Bn, compared to €11.7Bn at the end of 2023 (+2.0% YtD), with performing loans increasing by €300Mn (+2.6% YtD);
- **Customer deposits** amounted to €14.6Bn, an increase of €1,191Mn (+8.9%) compared to the end of 2023, 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;
- The number of active **Customers using the Montepio24 service** (internet and mobile banking) increased by 6.1% YoY, and the number of transactions carried out increased by 15.5% YoY;
- Banco Montepio's progress has once again been recognised, with the **upgrade of the ratings assigned by Morningstar DBRS for the third consecutive time since March 2023, further improving the trend of all ratings to positive (Trend Positive)**. Long-term deposits are now at investment grade (BBB (low)), and the senior unsecured debt rating has been upgraded to BB (high).

Asset quality

- **Cost of credit risk** of 0.1%, which compares favourably with 0.4% recorded in the same period of 2023;
- **Reduction of non-performing exposures (NPE)** by €174Mn (-36%) YoY, bringing the NPE ratio to 2.6%, compared to 4.2% recorded on 30 September 2023;
- **NPE ratio, net of impairment for credit risks**, of 0.7%, compared to 1.4% recorded at the end of September 2023;

- **NPE Coverage** by specific impairments of 40.9% (which compares to the EU Member State average of 42.0% in June 2024, according to the latest data available from EBA). Coverage of NPE by total impairments for credit risk amounted to 72.8% (67.2% at the end of September 2023) and 114.1% (107.0% at the end of September 2023) considering collateral and related financial guarantees;
- **Reduction of exposure to real estate** risk by €88Mn (-29%) YoY, to a total of €213Mn, representing 1.1% of net assets (1.7% at the end of September 2023) and 14.2% of own funds (22.3% on 30 September 2023).

Capital and liquidity

- **Common Equity Tier 1 (CET1) ratio**[1] at 15.8% in phasing-in and fully implemented, with a change of +0.6 p.p. YoY and +0.8 p.p. YoY, respectively;
- **Total Capital ratio**[1] at 19.1% (+1.2 p.p. YoY) in phasing-in and 19.0% (+1.2 p.p. YoY) fully implemented;
- **Liquidity buffer** of €6.0Bn, reflecting a comfortable liquidity position;
- **Liquidity Coverage Ratio (LCR)** at 218.5%;
- **Net Stable Funding Ratio (NSFR)** at 136.8%;
- **Banco Montepio fully repaid the funding from the ECB** in the first quarter of 2024, amounting to €855Mn.

Commitment to Sustainability and ESG

- **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.

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

In addition, the pioneering measurement of social impact, the inclusive and neutral language, the integration of the ColorADD Code, among other features of the report, are all part of a voluntary achievement and verified by a third party.

RESULTS

Net interest income amounted to €296.0Mn in the first nine months of 2024, compared to €301.1Mn recorded in the same period of 2023. In fact, despite the evolution of interest on loans to Customers, induced by the favourable performance of loans and by the effect of contracts' repricing, and of interest resulting from investments in securities and the excess liquidity deposited with the Banco de Portugal, it was not possible to offset the increase in interest on deposits paid to Customers and the cost of funding through capital markets.

Net commissions totalled €95.6Mn in the first nine months of 2024, in line with €95.5Mn recorded in the same period of 2023.

Results from financial operations were negative by €3.5Mn in the first nine months of 2024, showing a favourable evolution of €11.8Mn compared to the amount recorded in the same period of 2023, due to better results from FX revaluation that offset lower results from the securities portfolio and (hedging) derivatives net from the fair value of financial assets and liabilities.

Other results in the first nine months of 2024 were negative by €16.4Mn, reflecting the cost of mandatory sector contributions (IFRIC 21) amounting to €18.1Mn. Compared to the same period of 2023, they showed a favourable evolution of €0.3Mn.

Operating costs totalled €202.4Mn in the first nine months of 2024, compared to €198.8Mn recorded in the same period of 2023, an increase of 1.8% YoY, reflecting the increase in general and administrative expenses by €5.5Mn and depreciation and amortisation by €5.3Mn, partially mitigated by the decrease in **staff costs** by €7.2Mn.

General and administrative expenses amounted to €52.6Mn in the first nine months of 2024, compared to €47.2Mn recorded in the same period of 2023, reflecting the impact of inflation on the signing and renewal of contracts related to the provision of services.

Depreciation and amortisation reached €33.1Mn in the first nine months of 2024, compared to €27.8Mn recorded in the same period of 2023, 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, measured by the recurring **Cost-to-income ratio** through the portion of the Operating income that is absorbed by the Operating costs, excluding the Results from financial operations, the Other results and the non-recurring costs related to the staff reduction programme, evolved to 50.9% at the end of the first nine months of 2024, compared to 46.7% recorded in the same period of 2023.

The net value of **impairments and provisions** in the first nine months of 2024 was €21.9Mn, representing a lower allocation of €22.5Mn compared to the same period in 2023.

Loan impairments totalled €11.2Mn in the first nine months of 2024, compared to €32.9Mn in the same period of 2023. The rigorous criteria applied in the analysis and granting of loans and the dynamism of recoveries contributed to an improvement in the quality of the loan portfolio, showing a cost of credit risk of 0.1% in the first nine months of 2024 compared to 0.4% at the end of the previous year.

The aggregate **Other financial assets impairments, Other assets impairments** and **Other provisions** amounted to €10.7Mn in the first nine months of 2024, compared to €11.6Mn recorded in the same period of 2023, showing the evolution of other financial assets impairments (-€3.2Mn YoY), reflecting the lower allocation to Other financial assets at amortised cost, and other assets impairments (-€0.6Mn YoY), as a result of the periodic process of updating the value of real estate, partially mitigated by the lower reversal of net provisions for guarantees and commitments assumed and for other risks and charges.

BALANCE SHEET

Total assets amounted to €18,596Mn on 30 September 2024, compared to €17,989Mn at the end of 2023, essentially reflecting the changes in Cash and deposits at central banks (+€770Mn), Loans and advances to customers (+€286Mn), Financial assets at fair value through other comprehensive income (+€267Mn), and Other financial assets at amortised cost (-€614Mn).

Gross Loans and advances to customers totalled €11,969Mn on 30 September 2024, reflecting, compared to 31 December 2023 and as a result of the defined strategy and commercial dynamics, an increase in performing loans of €300Mn (+2.6%) and a decrease in non-performing loans of €65Mn (-17.0%). Compared to the same period in 2023, performing loans increased by €363Mn (+3.2%) and non-performing loans decreased by €174Mn (-35.6%).

Securities portfolio totalled €3,749Mn on 30 September 2024, a reduction of €315Mn (-7.8%) compared to the amount at the end of 2023, mainly due to the decrease in the sovereign debt securities portfolio (-€513Mn) partially offset by the increase in debt securities from other issuers (+€196Mn). The structure of the securities portfolio on 30 September 2024 was comprised of 89% of sovereign debt compared to 95% at the end of 2023.

Liabilities at the end of September 2024 showed an increase of €481Mn compared to the amount recorded on 31 December 2023, mainly due to the increases in Deposits from Customers (+€1,191Mn) and Debt securities issued (+€206Mn), and the decreases in Deposits from central banks (-€874Mn) and in Deposits from other financial institutions (-€11Mn).

Customer deposits reached €14,558Mn at the end of September 2024, reflecting an increase of €1,191Mn (+8.9%) compared to the value recorded at the end of 2023. This performance was driven by the positive evolution of individual Customers deposits by €669Mn (+7.0%), and corporate deposits by €522Mn (+13.9%). On 30 September 2024 and compared to the same period in 2023, customer deposits increased by €1,691Mn (+13.1%), supported by the positive performance of individual customers by €955Mn (+10.2%) and corporate segment by €736Mn (+20.8%). The portfolio mix of sight deposits and time deposits evolved to 39%/61% at the end of September 2024, compared to 42%/58% at the end of 2023.

Equity totalled €1,691Mn on 30 September 2024, an increase of €125Mn (+8.0%) compared to the end of 2023, mainly reflecting the positive impact of the net income for the first nine months of 2024 of €96.1Mn and the positive actuarial deviations of €31.3Mn recorded in the first nine months of 2024, partially mitigated by the payment of dividends related to 2023 in the amount of €6Mn.

OWN FUNDS AND CAPITAL RATIOS

At the end of September 2024, the **capital ratios** maintained their favourable trend compared to the same period of the previous year, by benefiting from the increase in own funds, mainly supported by the positive evolution of the net income and the increase of €50Mn in Tier 2 eligible instruments that occurred in March 2024.

Risk-weighted assets (RWA) increased by €308Mn at the end of the first nine months of 2024, compared to the end of the same period last year, as a result of the growth in the loan portfolio and the measures taken to reduce non-performing assets. Efficient management of investment and lending decisions is evidenced by the RWA density (measured by the ratio of RWA to net assets), which fell to 42.3% at the end of September 2024, compared to 42.6% at the end of the same period last year.

Own funds increased by €150Mn YoY to €1,502Mn, mainly reflecting the positive evolution of the net income generated and the impact of the new subordinated debt of €250Mn issued in March, partially mitigated by the repurchase and amortisation of two subordinated debt issuances (private placements) and by the exercise of the call option on the subordinated debt placed on the market, totalling €200Mn.

	Sep-23	Sep-24 (proforma) (1)	Change YoY
Common Equity Tier I Capital (CET1) (€Mn)	1,146	1,245	99
Tier I Capital (€Mn)	1,146	1,245	99
Total Own Funds (€Mn)	1,352	1,502	150
Risk-weighted assets (RWA) (€Mn)	7,562	7,870	308
CRD IV / CRR - Phasing-in ratios			
Common Equity Tier I ratio (CET1)	15.2%	15.8%	0.6 p.p.
Tier I ratio	15.2%	15.8%	0.6 p.p.
Total Capital ratio	17.9%	19.1%	1.2 p.p.

	Sep-23	Sep-24 (proforma) [1]	Change YoY
CRD IV / CRR - Fully implemented ratios			
Common Equity Tier I ratio (CET1)	15.0%	15.8%	0.8 p.p.
Tier I ratio	15.0%	15.8%	0.8 p.p.
Total Capital ratio	17.8%	19.0%	1.2 p.p.
Leverage ratio			
Leverage ratio - Phasing-in	6.4%	6.6%	0.2 p.p.
Leverage ratio - Fully Implemented	6.3%	6.6%	0.3 p.p.

[1] The proforma ratios include the accumulated net income for the period.

At the end of the first nine months of 2024, the **proforma[2] Common Equity Tier 1 ratio (CET1)**, calculated according to the phasing-in rules was 15.8%, comfortably above the regulatory minimum requirement of 9.10%. This ratio showed a positive change of 0.6 p.p. compared with the end of the same period in 2023. Taking into account the fully implemented rules, the proforma CET1 was 15.8%, compared to 15.0% at the end of September 2023.

The **proforma Total Capital ratio** in phasing-in reached 19.1% compared to 17.9% at the end of September 2023, also comfortably above the minimum regulatory requirement of 14.02%, and stood at 19.0% fully implemented (17.8% at the end of September 2023).

The positive YoY evolution of Banco Montepio's capital ratios benefited from the implementation of management measures that have promoted efficiency gains in the operating structure and the optimisation of balance sheet risk, showing the strengthening of organic capital generation capacity.

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):

[2] Proforma ratios calculated including accumulated net income for the period, less estimated potential profit distributions. With reference to 30 September 2024, the ratios not including net income for the period and estimated dividends are: CET1 and Tier 1 14.8%, Total Capital 18.0% and Leverage 6.2% (phasing-*in*), and CET1 and Tier 1 14.7%, Total Capital 18.0% and Leverage 6.2% (*fully implemented*).

Banco Montepio

	31 Dec-23	Sep-24 (proforma) [1]
Total Own Funds (€Mn)	1,436	1,502
MREL 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%

[1] The proforma figures include the cumulative net income for the period, less estimated potential distributions.
[2] As at 30 September 2024, it includes a combined buffer requirement of 2.77 p.p.

The MREL ratio as a percentage of total RWA stood at 24.8% as at 30 September 2024, which is already higher than the requirement that will apply 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 10.4% as at 30 September 2024, also well above the minimum requirement (5.33% as at 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 its €855Mn funding from the European Central Bank (ECB). Nevertheless, at the end of the first nine months of 2024, Banco Montepio presented a stable funding and liquidity base, in line with the strategic objectives of its Funding and Capital Plan, with liquidity having been strengthened through the issuance of debt, repurchase agreements (repo), repayments and sales of debt securities and the increase in customer resources.

On 30 September 2024, **the value of the portfolio of unencumbered eligible assets for liquidity-providing operations** under the Eurosystem's monetary policy amounted to €4,015Mn, representing an increase of €249Mn (+7%) YTD and a positive change of €816Mn (+26%) YoY.

At the end of the first nine months 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 €3,676Mn, 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 €361Mn.

At 30 September 2024, **Debt issued** totalled €1,204Mn, compared with €947Mn at the end of 2023, mainly reflecting the positive change of €50Mn in subordinated debt (following the public offering of the €250Mn new issue in March 2024, the exercise of the call option of the €100Mn public issue and the early repayment of two private placements of €50Mn each) and of €250Mn in senior preferred debt following the public offering in May 2024.

RATING

In February 2024, Fitch Ratings (Fitch) upgraded Banco Montepio's senior unsecured debt to BB, the second consecutive upgrade in eight months, in a total of four notches. The rating on long-term deposits was also raised to BB+, subordinated debt to B+ and Banco Montepio's covered bonds to AAA, the highest level in the investment grade category.

The ratings assigned to Banco Montepio with reference to 30 September 2024 and 30 September 2023 are shown in the table below:

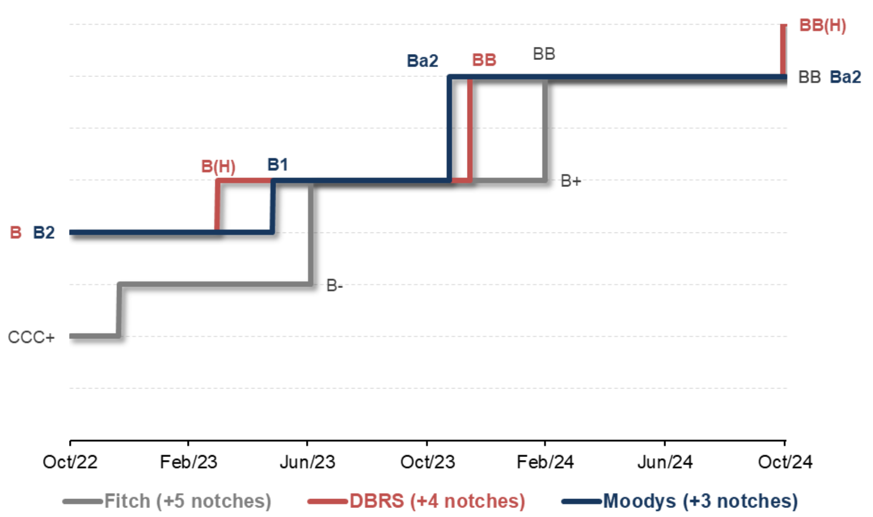
Rating Agencies	Covered Bonds (CPT) (1)		Long-term (2)		Deposits		Outlook	
	30.Sep.23	**30.Sep.24**	30.Sep.23	**30.Sep.24**	30.Sep.23	**30.Sep.24**	30.Sep.23	**30.Sep.24**
Fitch	AA+	**AAA**	B+	**BB**	BB-	**BB+**	Positive	**Stable**
Moody's	Aa2	**Aaa**	B1	**Ba2**	Ba2	**Baa3**	Positive	**Stable**
DBRS	--	**--**	B (high)	**BB**	BB (low)	**BB (high)**	Stable	**Stable**

(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.

On **29 October 2024**, DBRS Ratings GmbH **(Morningstar DBRS) announced the third consecutive upgrade of Banco Montepio's ratings** since March 2023, **in a total of 4 levels**. Banco Montepio's Long-Term Deposit rating was upgraded to BBB (low), its Long-Term Issuer and Long-Term Senior Debt ratings to BB (high) and its Subordinated Debt rating to BB (low), improving the trend of all ratings to positive (Trend Positive).

The **rating assigned to Banco Montepio's long-term bank deposits by Moody's and Morningstar DBRS is at the investment grade level**. The **senior unsecured debt rating** has been upgraded several times, with **Fitch and Moody's assigning it a BB rating** and **Morningstar DBRS assigning it a BB (high) rating**.

Senior preferred debt rating



The successive upward revisions of the ratings by the three rating agencies since October 2022 clearly demonstrate the external recognition of the steady and remarkable progress made by Banco Montepio, supported by the sustained improvement in the risk profile, capitalisation and profitability, as well as the significant reduction in the stock of non-performing assets and the strengthening of the capital position achieved through organic generation.

ESG

The 1st anniversary of Nova SBE's VOICE Leadership Initiative programme was celebrated on 27 September. The results of the first year of the programme, which has already impacted 2,500 SMEs through a combination of training and mentoring, were shared at an event held at the Carcavelos Campus. More than 400 mentors and Professional Educators who support the participating companies and are an essential part of the programme's success were recognised. At the closing ceremony, the initiative's founding and new partners were invited to sign the Voice Leadership Initiative commitment document.

Banco Montepio participated in the UN Global Compact Leaders Summit held in New York on 24 and 25 September, as a signatory of the UN Global Compact and a signatory of Forward Faster 2030. The summit approved the Pact for the Future, signed by 193 countries, which includes a Global Digital Pact and a Declaration on Future Generations. This pact is the result of the World Economic Forum's Sustainable Development Impact Meetings (SDIM24), which are driving action towards the United Nations' Sustainable Development Goals (SDGs). After nine months of negotiations, world leaders agreed on a historic pact for the future at the United Nations General Assembly's Future Summit in New York. Banco Montepio also attended the PCAF - Partnership for Carbon Accounting Financials meeting, organised by Deutsche Bank, and the SBTi - Science Based Target Initiative workshop.

Banco Montepio has joined the 5th edition of Negócios Sustentabilidade 20|30, the largest editorial initiative in the field of Sustainability, organised by Negócios newspaper, Medialivre group. This initiative has the high patronage of the Presidency of the Republic and was awarded the Sustainable Finance Prize at the Euronext Lisbon Awards. This partnership includes the exclusive sponsorship of the Equality and Diversity category, reinforcing Banco Montepio's role as a reference and commitment in this area.

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 Group 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 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 the first nine months of 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, which allows you to open a bank account 100% digitally and in 5 minutes, without the need to manually submit supporting documents;
- Launch of new operations and functionalities on Montepio24 (web and app), in particular the SPIN service, which allows customers to initiate transfers by providing their mobile phone number - if the beneficiary is a natural person - or their 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;
- 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 the first nine months of 2024, Banco Montepio maintained a steady growth in the use of its digital channels.

At 30 September 2014, the number of customers subscribing to the digital channels - Montepio24 service - increased by 5% and the number of active digital customers increased by 6% compared to the same period last year.

During this period, the number of active digital customers using the mobile channel (Montepio24 app) also increased by 12% YoY.

As at 30 September, the number of transactions carried out through the Montepio24 service also increased by 15% YoY, based on a 15% increase in the average number of digital transactions per active customer, which rose from 77 to 89.

MILESTONES

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.

Banco Montepio signs the APCADEC Code of Ethics

Banco Montepio has signed up to the APCADEC 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.

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 supports ‘Being an IPSS Manager - Challenges’ Forum

The forum organised by UDIPSS Porto on 'Being an IPSS Manager - Challenges' was held at the Dr. António Cupertino de Miranda Foundation in Porto and was well attended.

Banco Montepio supported the initiative and participated in the conference panels, discussing the challenges of being a board member and presenting solutions to these challenges, such as the proposal to create the "Statute of the Voluntary Board Member of IPSS".

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.

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 impairments for credit risk / 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) 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 (Results from the sale of other assets and Other operating results) and non-recurring costs related to the implementation of the operational adjustment plan.

CONSOLIDATED INCOME STATEMENT

(Euro millions)	Sep-23	Sep-24	Change YoY €Mn	Change YoY %
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%**

CONSOLIDATED BALANCE SHEET

(Euro millions)	Sep-23	Dec-23	Sep-24	Change YoY €Mn	Change YoY %
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%**

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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 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.