1H2024 CONSOLIDATED RESULTS
Unaudited information

Lisbon, 2 August 2024

BANCO MONTEPIO REPORTS CONSOLIDATED NET INCOME OF €68.7MN IN THE 1H2024

Asset quality and business activity performance support record half-year results and capital ratios

In the **first half of 2024**, Banco Montepio recorded a **consolidated net income of €68.7Mn, which represents an all-time high for a six-month period.**

The favourable evolution compared to the -€48.3Mn recorded in the same period of 2023 (+€117Mn YoY) is embodied in the **increase in Operating Income (+11.1% YoY)** and the **reduction in Impairments and provisions (-11.6% YoY)**.

Common Equity Tier 1 and Total Capital ratios (fully implemented) at 16.1% and 19.4% respectively, levels never seen before.

The net income for the first six months of 2024 shows, **on a comparable basis, an increase of €12.9Mn (+23.1%)**, compared to the €55.8Mn net income excluding the effect of the consolidation of Finibanco Angola recorded in the same period of 2023.

The evolution of the business in the first half of 2024, with particular emphasis on the **increase in customer deposits and net loans by 6.3 % and 1.6% YtD**, respectively, and the **reduction in non-performing exposures (NPE) by 13.2% YtD, placing the NPE ratio at 2.8%**, was crucial for the evolution of profitability and the strengthening of liquidity.

Highlights:

Business

- **Operating income** improved favourably to €255.1Mn, an increase of 11.1% YoY, benefiting from the performance of net interest income, which rose by 2.2%;
- **Gross loans to Customers** increased to €11.9Bn, compared to €11.7Bn at the end of 2023 (+1.2% YtD), with performing loans increasing by €193Mn (+1.7% YtD);
- **Customer deposits** totalled €14.2Bn, an increase of €846Mn (+6.3%) compared to the figure at the end of 2023, with the Individuals segment accounting for 72% of the total;
- **Penetration rate in the Social and Solidarity Economy Customer segment** of 27%, consolidating the strategy of continuous specialised monitoring of this segment as a differentiating pillar;
- **Support for Portuguese families** through the proactive implementation of various measures and the application of legislation approved by the government to mitigate the effects of the increase in reference interest rates;
- The number of active **Customers using the Montepio24 service** (internet and *mobile banking*) rose by 5.4% YoY, with the number of transactions carried out increasing by 12.8% YoY.

Asset quality

- **Cost of credit risk** of 0.1%, in line with the first half of 2023;
- **Reduction of non-performing exposures (NPE)** by €201Mn (-38%) YoY, bringing the NPE ratio to 2.8%, compared to 4.5% on 30 June 2023;
- **NPE ratio, net of total impairment for credit risks**, of 0.8%, compared to 1.8% at the end of June 2023;
- **NPE coverage** by specific impairments of 43.2% (45.9% at end-March 2024, which compares favourably with the EU Member State average of 41.8% for the same period, as published by the EBA). NPE coverage by total impairments for credit risk totalled 72.2%

(60.0% at the end of the first half of 2023) and 113.4% (106.7% at the end of June 2023) if collateral and associated financial guarantees are taken into account;

- **Reduction of exposure to real estate risk** by €102Mn (-31% YoY), to a total of €231Mn, representing 1.3% of net assets (1.8% at the end of June 2023) and 15.4% of own funds (24.9% at 30 June 2023).

Capital and liquidity

- **Common Equity Tier 1 (CET1) ratio**[1] at 16.1% in phasing-in and fully implemented, with a change of +1.6 p.p. YoY and +1.7 p.p. YoY, respectively;
- **Total Capital ratio**[1] at 19.5% (+2.3 p.p. YoY) in phasing-in and 19.4% (+2.3 p.p. YoY) fully implemented;
- **Liquidity buffer** of €5.6Bn, reflecting a comfortable liquidity position;
- **Liquidity Coverage Ratio (LCR)** at 219.3%;
- **Net Stable Funding Ratio (NSFR)** at 135.4%;
- **Banco Montepio has fully repaid the financing provided by the ECB**, having repaid on 27 March 2024 €800Mn of the line maturing on that date and having prepaid the remaining amount of €54.8Mn.

Commitment to Sustainability and ESG

- **Banco Montepio has published its "Sustainability Report 2023"**, which includes its achievements in environmental, social and governance (ESG) initiatives over the past year. The report reflects the coherence of a 180-year path of purpose, the dedication and commitment of all our people, who live and apply the fundamental values and commitments that distinguish us and unite us in this legacy for the generations of Portugal, where we have inscribed the 2024/2026 Sustainability Strategy and the objectives for the future. The document can be found here.

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

Results

Net interest income totalled €198.6Mn in the first half of 2024, up 2.2% from €194.3Mn in the same period of 2023. This performance benefited from the increase in interest on loans to Customers, due to the favourable evolution of loans and the effect of the repricing of contracts in the context of the rise in interest rates, and interest on investments in securities, which offset the increase in interest on Customer deposits and the borrowing of funds on the market.

Net commissions totalled €63.1Mn in the first six months of 2024, compared to €65.3Mn (-3.5% YoY) in the same period of 2023, reflecting the higher income from account maintenance and management, which was not enough to mitigate the reduction in market, payment services and credit commissions.

Results from financial operations were practically nil in the first six months of 2024, showing a favourable evolution of €15.5Mn compared to the same period in 2023, due to better results from FX revaluation, and lower results from (hedging) derivatives net from the fair value of financial assets and liabilities and from the securities portfolio.

Other results in the first six months of 2024 were negative by €7.1Mn, showing a favourable evolution of €8.3Mn compared to the same period in 2023, mainly due to the reduction in the cost of sector contributions (IFRIC 21) by €6.9Mn and the reduction in the cost of real estate expenses by €1.2Mn.

Operating costs totalled €133.6Mn in the first six months of 2024, compared to €126.8Mn in the same period of 2023, an increase of 5.4% YoY, mainly due to increases in general and administrative expenses and depreciation and amortisation.

General and administrative expenses in the first six months of 2024 totalled € 34.6Mn, compared to € 31.4Mn in the same period of 2023, reflecting the inflationary impact of contracted products and services.

Depreciation and amortisation rose by €3.6Mn (+20.0% YoY) in the first six months of 2024, to €21.6Mn, reflecting the continued effort to implement the global strategy of investment in information technology and digitalisation, and in data collection, processing and governance models, with a view to constant improvement in process automation and re-engineering, and with a view to continuous improvement in the service model.

Efficiency, as measured by the **Cost-to-income ratio**, excluding the Results from financial operations, the Other results and the non-recurring personnel costs, rose to 50.5% at the end of the first half of 2024, compared to 46.6% in the same period of 2023.

The **net value of the Impairments and Provisions** stood at €13.8Mn in the first six months of 2024, €1.8Mn less than in the same period in 2023.

Loan impairment in the first six months of 2024 totalled €7.3Mn, compared to €8.4Mn in the same period of 2023. The adoption of criteria based on rigour in analysing and granting credit, and the dynamism recorded in terms of credit recovery, contributed to the improvement in the quality of the credit portfolio, showing a cost of credit risk of 0.1% in the first half of 2024 compared to 0.4% at the end of the previous year.

The aggregate **Impairment of other financial assets, other assets and Other provisions** totalled €6.5Mn in the first half of 2024, compared to €7.1Mn in the same period of 2023, showing the evolution of impairments for real estate for sale as a result of the periodic process of updating the value of properties.

Balance sheet

Total assets amounted to €18,169Mn on 30 June 2024, compared to €17,989Mn at the end of 2023, essentially reflecting the changes in Cash and deposits at central banks (+€492Mn), Financial assets at fair value through other comprehensive income (+€281Mn), Loans and advances to customers (+€185Mn) and Other financial assets at amortised cost (-€706Mn).

Gross Loans and advances to Customers totalled €11,877Mn as at 30 June 2024, showing, compared to 31 December 2023, and as a result of the defined strategy and commercial dynamics, an increase in performing loans of €193Mn (+1.7% YtD) and a decrease in non-performing loans of €50Mn (-13.2% YtD). Compared to the same period in 2023, performing loans increased by €203Mn (+1.8% YoY) and non-performing loans decreased by €201Mn (-37.9% YoY).

Securities portfolio totalled €3,641Mn at 30 June 2024, €423Mn (-10.4%) lower than at the end of 2023, mainly due to the decrease in the public debt securities portfolio (-€495Mn) and the increase in debt securities from other issuers (+€75Mn). The composition of the securities portfolio at 30 June 2024 is 92% public debt compared with 95% at the end of 2023.

Liabilities at the end of June 2024 showed a slight increase of €87Mn compared with the figure recorded at 31 December 2023, mainly due to the increase in Deposits from customers (+€846Mn) and Debt securities issued (+€222Mn), which were offset by the decrease in Deposits from central banks (-€874Mn) and Deposits from other financial institutions (-€131Mn).

Customer deposits totalled € 14,212Mn at the end of June 2024, €846mn (+6.3%) more than at the end of 2023. This performance was driven by the positive evolution of individual customer deposits, which increased by € 555Mn, and corporate deposits, which increased by €291Mn. At 30 June 2024 and compared to the same period in 2023, customer deposits increased by €1,346Mn (+10.5%), supported by the positive performance of individual customer deposits of €877Mn and the corporate segment of € 469Mn. The portfolio mix of sight and time deposits increased to 39%/61% at the end of June 2024, compared with 42%/58% at the end of 2023.

Equity totalled €1,660Mn on 30 June 2024, an increase of €93Mn (+6.0%) compared to the end of 2023, resulting from the combined effects of the net income for the first six months of 2024, the positive actuarial deviations of €31Mn booked in June 2024 and the payment of dividends for 2023 in the amount of €6Mn.

Pension Fund

At the end of the first half of 2024, the liabilities for post-employment and long-term benefits, including the provisions recognised in the balance sheet, were fully funded, with a **coverage ratio of 111.6%**.

At 30 June 2024, the liability to the pension fund was €742.9Mn, a reduction of €19.4Mn compared to the value recorded at the end of 2023, due to the effect of updating the discount rate.

The value of the Pension Fund's assets rose to €823.9Mn at the end of the first half of 2024, comparing favourably with the figure of €812.7Mn recorded on 31 December 2023, incorporating the impact of the positive income generated in the first half of 2024.

Own funds and capital ratios

On 30 June 2024, the **capital ratios** evolved favourably compared to the same period last year and reached new historical highs as a result of the increase in own funds, in particular the positive evolution of net income and the €50Mn increase in Tier 2 eligible instruments carried out in March 2024.

Risk-weighted assets (RWA) fell by €78Mn at the end of the first half of 2024, compared to the figure at the end of the same period last year, as a result of the measures taken to reduce non-performing assets and the more efficient allocation of capital in investment and lending decisions.

Own funds increased by €162Mn to €1,501Mn, mainly reflecting the positive evolution of the net income generated and the impact of the new subordinated debt issue in March, amounting to €250Mn, partially mitigated by the repurchase and amortisation of two subordinated debt issues (€50,000,000 Subordinated Fixed Rate Reset Callable Notes due 2028, with ISIN PTCMGUOM0026, and €50.000,000 Fixed Rate Reset Callable Subordinated Notes due 2030, with ISIN PTCMGBOM0037) and the exercise of the call option on the subordinated debt issue with ISIN PTCMGVOM0025 (€100,000,000 Fixed Rate Reset Callable Subordinated Notes due 2029).

	Jun-23	Jun-24 (proforma) (1)	Change YoY
Common Equity Tier I Capital (CET1) (€Mn)	1,133	1,245	112
Tier I Capital (€Mn)	1,133	1,245	112
Total Own Funds (€Mn)	1,339	1,501	162
Risk-weighted assets (RWA) (€Mn)	7,793	7,715	(78)

	Jun-23	Jun-24 (proforma) [1]	Change YoY
CRD IV / CRR - Phasing-in ratios			
Common Equity Tier I ratio (CET1)	14.5%	16.1%	1.6 p.p.
Tier I ratio	14.5%	16.1%	1.6 p.p.
Total Capital ratio	17.2%	19.5%	2.3 p.p.
CRD IV / CRR - Fully implemented ratios			
Common Equity Tier I ratio (CET1)	14.4%	16.1%	1.7 p.p.
Tier I ratio	14.4%	16.1%	1.7 p.p.
Total Capital ratio	17.1%	19.4%	2.3 p.p.
Leverage ratio			
Leverage ratio - Phasing-in	6.2%	6.8%	0.6 p.p.
Leverage ratio - Fully Implemented	6.1%	6.7%	0.6 p.p.

(1) The proforma ratios include the accumulated net income for the period.

At the end of the first half of 2024, the **proforma[2] Common Equity Tier 1 ratio (CET1)**, calculated based on the phasing-in rules, totalled 16.1%, comfortably above the minimum regulatory requirement of 9.10%. This ratio recorded a positive variation of 1.6 p.p. compared to the end of the same period in 2023. Considering the fully implemented rules, the proforma CET1 stood at 16.1%, compared to a ratio of 14.4% at the end of June 2023.

The **proforma Total Capital ratio** in phasing-in reached 19.5% compared to 17.2% at the end of June 2023, also comfortably above the minimum regulatory requirement of 14.02%, and stood at 19.4% fully implemented (17.1% at the end of June 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, revealing the enhanced capacity of organic capital generation.

[2] Pro-forma ratios calculated including the accumulated net income for the period, less estimated potential profit distributions. With reference to 30 June 2024, the ratios not including the net income for the period and estimated dividends are: CET1 and Tier 1 15.4%, Total Capital 18.7% and Leverage 6.4% (*phased-in*), and CET1 and Tier 1 15.3%, Total Capital 18.7% and Leverage 6.4% (*fully implemented*).

Requirement for own funds and eligible liabilities (MREL)

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

	1 Jan-22	Jun-24 (proforma) (1)
Total Own Funds (€Mn)	1,289	1,501
MREL eligible liabilities (€Mn)	0	450
Total Own funds & eligible liabilities (€Mn)	**1,289**	**1,951**
Total RWA (€Mn)	8,763	7,715
MREL ratio (%RWA)	**14.7%**	**25.3%**
Minimum requirement (MREL (%RWA))(2)	13.67%	20.38%
MREL ratio (LRE)	**5.4%**	**10.6%**
Minimum requirement (MREL (LRE))	5.33%	5.33%

(1) The pro forma figures include the cumulative profit for the period, less estimated potential distributions.
(2) As at 30 June 2024, it includes a combined buffer requirement of 2.77 p.p.

The MREL ratio as a percentage of total RWA stood at 25.3% on 30 June 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 10.6% at 30 June 2024, also well above the minimum requirement (5.33% as of 1 January 2022).

Banco Montepio is not subject to any subordination requirements, and MREL requirements as a percentage of total leverage ratio exposure and as a percentage of total risk-weighted assets are in line with expectations. Banco Montepio is well positioned to ensure continued compliance with the requirements with an MREL reserve appropriate to the overall strategy and risk profile.

Liquidity

Banco Montepio ended the first half of 2024 without any funding from the European Central Bank (ECB)**.** The **TLTRO-III borrowings were fully amortised** in the first quarter of 2024, following the early amortisation of €54.8Mn of the 10th series and the redemption of €800Mn on the maturity date of the 7th series on 27 March 2024.

Despite the repayment of the ECB funding, Banco Montepio maintained a stable and comfortable funding and liquidity base in line with the strategic objectives of the Funding and Capital Plan. At the end of the first half of 2024, the **LCR ratio** stood at 219.3% and the **NSFR ratio** reached 135.4%, comfortably above the minimum regulatory requirement of 100%.

To this end, Banco Montepio has resorted to the usual market instruments, such as issuing debt and financing via Repurchase Agreements (Repo). In addition, redemptions and sales of debt securities in the banking portfolio and the increase in Customer Deposits have also contributed to reinforcing available liquidity.

As at 30 June 2024, **the value of the portfolio of unencumbered eligible assets for liquidity-providing operations** under the Eurosystem's monetary policy amounted to €3,949Mn, representing an increase of €183Mn (+5%) YTD and a positive change of €893Mn (+29%) YoY.

At the end of the first half of 2024, the portfolio of eligible assets included marketable assets, namely eligible debt instruments valued at market prices and net of the *haircuts* applied by the ECB, in the amount of €3,646Mn, and non-marketable assets, such as credit rights granted to non-financial companies and public sector entities, namely bank loans and credit lines drawn down that fulfil specific eligibility criteria, valued at €303Mn.

On 30 June 2024, the amount of **Debt issued** totalled €1,210Mn, compared to €947Mn at the end of 2023, essentially reflecting the €50Mn increase in total subordinated debt (due to the public offering of the new €250Mn issue in March 2024, the early redemption of the public issue in the amount of €100Mn and the early amortisation of two private placements of €50Mn each) and the €250Mn in senior preferred unsecured debt issued under the EMTN (Euro Medium Term Note) Programme through a public offer in May 2024.

ESG

Banco Montepio released its "Sustainability Report 2023" in June 2024. This document, verified for the first time by an external party, presents several innovations, including the measurement of social impact, a pioneering initiative in the sector based on the application of an impact assessment methodology.

<u>Main highlights of the "Sustainability Report 2023":</u>

✓ Diversity, Equity and Inclusion

- 58% women on the Board of Directors; 50% on the Executive Committee and 40% in the top decision-making positions - Flagship company for gender equality (*Empresa bandeira para a Igualdade de género*) in Portugal;
- Leader Women's Empowerment Principles (UN WEPS) e EU Diversity Champion.

✓ Governance and ethical practices

- Alignment with 8 international frameworks of reference in the sector: GRI, WEF, TCFD, UN GC, UN ODS, WEPs, UN "Forward Faster 2030" and Capitals Coalition;
- Implementation of a governance model and policies exclusively dedicated to Sustainability and ESG;
- 80% performance in the UN Global Compact's Transformational Governance (TG) and full contribution to 8 of the 12 SDG16 targets.

✓ Social Impact

- 30% of all mortgage loans granted to young people (under 35);
- 14% of all mortgage loans allocated to families with incomes below the national average;
- 27% market share among Social and Solidarity Economy Entities with exclusively social purposes.

✓ Climate action and environmental management
- Reduction of 2.8% in the carbon footprint, consolidated in the 3 areas of Greenhouse Gases (GHG);
- Calculation of GHG emissions in scopes 1, 2 and 3 (8 categories), being one of the most comprehensive exercises in the sector.

These results reflect a path that has been both challenging and rewarding, where there is much to realise and evolve. The historical commitment to corporate social responsibility, equity and inclusion, responsible banking principles, reducing environmental impact and creating social value, is reinforced by rigour and transparency. The pioneering measurement of social impact, the inclusive and neutral wording, the integration of the ColorADD Code, among other aspects, are all part of a voluntary and verified achievement by third parties.

Digital transition

Throughout the first half of 2024, Banco Montepio continued to carry out its digital transition process, focussed on continuously improving its Customers' experience, strengthening the reach and convenience of its service and increasing its internal efficiency.

During this period, the following initiatives were completed:

- Launch of the new account opening digital journey using the Digital Mobile Key (*Chave Móvel Digital*), which allows you to open an account 100% online 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 round-up (*"Arredondamentos"*) feature, which allows customers to round up card payments and transfer the amount to a savings account, and the registration journey for the "Bem Bom" contest (*concurso "Bem Bom"*), which allows customers with mortgage loans (main and permanent home) with Banco Montepio to register for this contest on a weekly basis;
- Launch of a new journey for the "APProva" app, which can now be signed up to using Montepio24 access credentials, further simplifying and strengthening security, both when signing up and when carrying out online operations;

- Implementation of 3D Secure's alternative authentication method (SMS + ePIN) and the *Confirmation of Payee* (CoP) feature, which makes transfers more secure by automatically identifying the name of the beneficiary of the account associated with the IBAN inserted.
- Evolution of the service at the new Chave24 machines (Banco Montepio's internal ATM network), with new banking operations being made available, such as checking credit card balances and movements, cash-advance or setting up and increasing savings;
- Implementation of the digital pricing solution and renewal of the cash recirculation equipment throughout the branch network.

In the 1st half of 2024, Banco Montepio maintained the growth in the levels of usage of its remote channels and increased the weight and relevance of its digital offer.

As at 30 June 2024, there was a 6.6% increase in the number of customers using the digital channels - Montepio24 service - and a 5.4% increase in the number of active digital customers compared to the same period last year.

The number of transactions carried out through the Montepio24 service also increased at the end of the first half of 2024, in this case by 12.8% YoY, based on the 12.9% growth in the average number of digital transactions per active Customer, which rose from 51 to 57.

Also worth noting is the growing relevance of the *mobile* channel (App M24), which increased the number of active Customers by 12.2% YoY.

Rating

In February 2024, Fitch Ratings (Fitch) upgraded the rating on Banco Montepio's senior preferred debt to BB. This was the second consecutive upgrade in eight months, totalling four notches. The following ratings were also upgraded: (i) the Long-Term Deposits to BB+; (ii) the Viability Rating (VR) to bb; (iii) the Long-term Issuer Default Rating (IDR) to BB, with a Stable Outlook; (iv) the Senior non-preferred debt to BB-; and (v) the Subordinated debt to B+. Fitch also upgraded Banco Montepio's covered bonds by one notch to AAA, the highest level in the investment category.

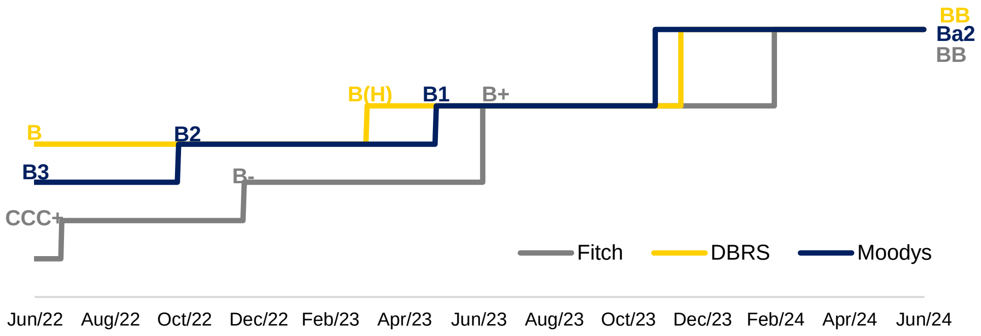
The ratings assigned to Banco Montepio with reference to 30 June 2024 and 30 June 2023 are shown in the table below:

Rating Agencies	Covered Bonds (CPT) [(1)]		Long-term [(2)]		Deposits		Outlook	
	30.Jun.23	**30.Jun.24**	30.Jun.23	**30.Jun.24**	30.Jun.23	**30.Jun.24**	30.Jun.23	**30.Jun.24**
Fitch	AA	**AAA**	B	**BB**	B+	**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.

The **rating assigned by Moody's to Banco Montepio's deposits (Long-term bank deposits) is at the investment grade level**; with regard to **senior unsecured debt**, following the recent upgrades, **the three rating agencies already assign the same rating** (BB).

Senior unsecured debt rating



The successive upgrades since June 2022 reflect external recognition of Banco Montepio's excellent track record, which has improved its profitability, reduced non-performing and non-strategic assets and strengthened its capital ratios, successfully implementing digital transition and operational optimisation measures.

Milestones

Banco Montepio's brand reputation

<u>Brand Image</u>

The Brand Score study presented the results of the Brand and Communication Barometer in the second quarter of 2024, and the Banco Montepio Brand recorded an increase in Image between the first and second quarters of 8 p.p. to 70% of promoters. This is Banco Montepio's best result ever and the second best position among the 11 banking brands evaluated, and is the result of the impact of the "Bem Bom” contest (*concurso “Bem Bom”*) that the Institution launched on the occasion of its 180th anniversary to support families with mortgage loans.

<u>Brand Equity</u>

Banco Montepio increased its Brand Equity (brand valuation) in the second quarter by 12 p.p. to 54%, recording the highest increase in Brand Equity in the banking sector. Banco Montepio's Brand Equity has been rising since 2020 and consistently over the last five years, and reached its highest valuation in 2024, presenting itself as a relevant asset in retaining current customers and attracting new ones.

<u>Effectiveness</u>

Effectiveness - the impact of Communication on Brand Equity - rose by 15 p.p. in the second quarter of 2024, with Banco Montepio recording the best effectiveness of banking campaigns in this period.

Banco Montepio in the ranking of companies with the best corporate reputation

Banco Montepio is one of the 100 companies with the best reputation in Portugal for the Corporate Reputation Monitor (*Monitor Empresarial de Reputação Corporativa*) Merco Empresas. Merco presents itself as "*the benchmark corporate monitor in Latin America that has been evaluating the reputation of companies since 2000*. *It is a reputational assessment tool launched in 2000, based on a multistakeholder methodology made up of six assessments and more than twenty sources of information*".

Banco Montepio celebrates 180 years

We are a bank inspired by mutualism, centred on people and with an economic and social role in the country. We know who we were, who we are and where we're going.

Throughout these almost two centuries of existence, we have played a vital economic and social role in our country; we have taken further our mission of making a difference in the lives of every person, every family, every company and every social economy institution. We have been at the service of the Portuguese, of the communities here and abroad.

We are a bank with a people's soul, where everyone fits: universal, intergenerational, interclassist and multicultural. We promote diversity, equity and inclusion, actively contributing to a more conscious and supportive present and co-operating in building a more sustainable future. We are a bank of causes.

We have achievements that would be impossible to list in a single message, but we have to say that we have all the ambition in the world to continue the journey, with our people, our partners, our clients, with the values that we never give up and that do justice to a history that is 180 years old this year.

"Bem Bom" contest

After having returned more than nineteen million euros to families in mortgage loans, in a campaign that began in 2020 in partnership with Worten, Banco Montepio has launched - on its 180th anniversary - another initiative that supports customers.

"Bem Bom" is the contest that brings together Banco Montepio and Rádio Comercial to support families with mortgage loans. It is aimed at customers who have a mortgage loan (main and permanent home) with Banco Montepio and will be held every week until January 2025, awarding a very good (*"Bem Bom"*) support in the form of a monthly amount of 1,500 euros per month for a year, totalling 18,000 euros.

Brand of Excellence - Superbrands 2024

It's the 15th time that Banco Montepio has been distinguished by Superbrands as a "Brand of Excellence", a distinction that annually recognises the most important brands in the Portuguese market, described as "those that remain in the minds and hearts of the Portuguese".

Three awards for Banco Montepio's mortgage loans

Banco Montepio's Mortgage Credit was recognised by three different entities with the following awards:

- "Consumer Choice 2024" (*“Escolha do Consumidor 2024”*) for the third time in a row;
- "Five Stars 2024" (*“Cinco Estrelas 2024”*);
- DECO Proteste's "Right Choice” (*“Escolha Acertada”*).

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 evaluated.
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.

Right Choice ("*Escolha Acertada*") by DECO Proteste | Mortgage Loans

Banco Montepio's Mortgage Loans was awarded two "Right Choice" seals by DECO Proteste:

- Mortgage Loans – with associated sales;
- Mortgage Loans – without associated sales.

According to DECO PROTESTE, Banco Montepio's Mortgage Loans offer is the one with the best quality/price ratio, with and without associated sales.

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.

Recommended Brand 2024 ("*Marca Recomendada 2024*")

Banco Montepio achieved the best average satisfaction rating in the "Complaint Portal" (*"Portal da Queixa"*) in the category of Banks.

This award recognises the close relationship between brands and their Customers throughout the purchase process, and reflects that Banco Montepio is a trusted brand for consumers.

The "Recommended Brand 2024" label is the sole responsibility of Portuguese consumers and is the result of their evaluation of brands and organisations over the last year on the *Portal da Queixa* platform. Twelve consecutive months in which Customer service has been a priority and has therefore generated a reputation for the brand that wins this title awarded by Consumers Trust, the global brand that owns the *Portal da Queixa* platform.

Banco Montepio successfully completed the public offering of its 2nd issue of MREL-eligible senior preferential debt

Banco Montepio set the final conditions for an issue of senior preferred debt securities in the amount of 250 million euros, under its EMTN (*Euro Medium Term Note*) Programme, eligible for compliance with the minimum requirement for own funds and eligible liabilities (MREL). Settlement took place on 29 May 2024.

The issue has a term of 4 years, with an early redemption option by Banco Montepio at the end of the third year and a fixed interest rate of 5.625% per year until the date of exercise of the early redemption option. If the issue is not redeemed early, the interest rate for the remaining period will be indexed to the 3-month Euribor plus a spread of 2.6%.

This offer received a very high level of interest from investors, with demand exceeding the amount offered by more than 6 times and the final allocation being made to more than 100 geographically diversified institutional investors: United Kingdom (40%), Iberia (27%), France (10%), Italy (8%) and Germany (5%), among others.

Following the success of the two recent debt offerings, this outcome unequivocally reinforces investor interest and confidence in Banco Montepio's current management model, as evidenced by the success achieved in the main profitability, capital and risk indicators.

This issue is one of the measures set out in the strategic plan defined by Banco Montepio, placing its MREL ratios above the regulatory requirements that will have to be met by January 2025.

Banco Montepio supports Magic Firefly (*“Pirilampo Mágico 2024”*) campaign

The Magic Firefly Campaign, promoted by FENACERCI and supported by Banco Montepio since 2017, returned from 9 May to 2 June 2024, with the motto "The Magic of Solidarity" (*"A Magia da Solidariedade"*).

The initiative aims to support children, young people and adults with intellectual disabilities and/or multi-disabilities, is one of the biggest national symbols of national solidarity and aims to raise funds for CERCIs, members of FENACERCI, and other similar organisations.

Banco Montepio supports consortium led by Amener and I-Sete in Green Bond issue

Banco Montepio advised the consortium led by Amener and I-Sete on the structuring of an issue of Green *Bonds* in the amount of 9 million euros, by private and direct offer.

The "ALENTEJO CENTRAL SMARTLIGHT 2024 - 2031" bond issue, certified as *Green Bonds*, complies 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 investor, Banco Montepio took responsibility for organising and setting up the operation and underwrote the issue.

Banco Montepio

KEY INDICATORS

	Jun-23	Dec-23	Jun-24	Change YoY
ACTIVITY AND RESULTS (€ million)				
Total assets	18,094	17,989	18,169	0.4%
Gross Loans to customers	11,875	11,734	11,877	0.0%
Deposits from customers	12,867	13,366	14,212	10.5%
Equity	1,541	1,566	1,660	7.7%
Net income excluding the effect of the consolidation of Finibanco Angola	55.8	132.6	68.7	23.1%
Net income	(48.3)	28.4	68.7	>100%
SOLVENCY (a)				
Common Equity Tier 1 ratio	14.5%	16.1%	16.1%	1.6 p.p.
Tier 1 ratio	14.5%	16.1%	16.1%	1.6 p.p.
Total Capital ratio	17.2%	18.8%	19.5%	2.3 p.p.
Leverage ratio	6.2%	6.7%	6.8%	0.6 p.p.
Risk weighted assets (€ million)	7,793	7,641	7,715	(1.0%)
LIQUIDITY RATIOS				
Loans to customers (net) / Customers' deposits (b)	89.8%	85.7%	81.9%	(7.9 p.p.)
LCR	245.2%	233.1%	219.3%	(25.9 p.p.)
NSFR	123.9%	130.0%	135.4%	11.5 p.p.
ASSET QUALITY				
Cost of credit risk	0.1%	0.4%	0.1%	(0.0 p.p.)
Non-performing exposures (NPE) (c) / Gross Loans to customers	4.5%	3.2%	2.8%	(1.7 p.p.)
NPE (c) net of impairments for credit risk / Gross Loans to customers	1.8%	0.8%	0.8%	(1.0 p.p.)
NPE (c) coverage by specific impairments	43.0%	45.9%	43.2%	0.2 p.p.
NPE (c) coverage by credit risk impairments	60.0%	73.9%	72.2%	12.2 p.p.
NPE (c) coverage by credit risk impairments and associated collaterals and financial guarantees	106.7%	115.1%	113.4%	6.7 p.p.
PROFITABILITY AND EFFICIENCY				
Total operating income / Average total assets (b)	2.5%	2.8%	2.8%	0.3 p.p.
Net income before income tax / Average total assets (b)	1.0%	1.0%	1.2%	0.2 p.p.
Net income before income tax / Average total equity (b)	11.4%	11.8%	13.4%	2.1 p.p.
Recurring net income / Average total equity	8.9%	9.3%	8.6%	(0.3 p.p.)
Cost-to-income (Operating costs / Total operating income) (b)	55.2%	50.8%	52.4%	(2.8 p.p.)
Cost-to-Income, excluding specific impacts (d)	46.6%	46.2%	50.5%	4.0 p.p.
Staff costs / Total operating income (b)	33.7%	30.5%	30.4%	(3.3 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)				
Employees				
Banco Montepio Group	3,119	2,983	2,994	(4.0%)
Banco Montepio	2,968	2,860	2,873	(3.2%)
Branches				
Domestic network - Banco Montepio	236	232	226	(4.2%)
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.

Banco Montepio

CONSOLIDATED INCOME STATEMENT

(Euro millions)	Jun-23	Jun-24	Change YoY €Mn	Change YoY %
Interest and similar income	262.8	351.3	88.5	33.7%
Interest and similar expense	68.4	152.8	84.3	>100%
NET INTEREST INCOME	**194.3**	**198.6**	**4.2**	**2.2%**
Dividends from equity instruments	0.8	0.5	(0.3)	(38.8%)
Net fee and commission income	65.3	63.1	(2.3)	(3.5%)
Results from financial operations	(15.5)	0.0	15.5	>100%
Other results	(15.3)	(7.1)	8.3	54.0%
OPERATING INCOME	**229.6**	**255.1**	**25.4**	**11.1%**
Staff Costs	77.3	77.4	0.1	0.1%
General and administrative expenses	31.4	34.6	3.2	10.1%
Depreciation and amortization	18.0	21.6	3.6	20.0%
OPERATING COSTS	**126.8**	**133.6**	**6.9**	**5.4%**
Loan impairments	8.4	7.3	(1.2)	(13.8%)
Other financial assets impairments	1.7	0.9	(0.7)	(43.7%)
Other assets impairments	9.7	7.9	(1.8)	(18.3%)
Provisions net of reversals and annulments	(4.2)	(2.4)	1.9	44.0%
Share of profit of associates under the equity method	(0.2)	(0.3)	(0.1)	(60.0%)
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS AND DISCONTINUING OPERATIONS	**87.1**	**107.3**	**20.2**	**23.2%**
Tax	31.2	38.6	7.4	23.5%
NET INCOME FROM CONTINUING OPERATIONS	**55.8**	**68.7**	**12.9**	**23.1%**
Non-controlling interests	1.7	0.0	(1.7)	(100.0%)
Profit/(loss) from discontinuing operations	(102.4)	0.0	102.4	100.0%
CONSOLIDATED NET INCOME	**(48.3)**	**68.7**	**117.0**	**>100%**

Banco Montepio

CONSOLIDATED BALANCE SHEET

(Euro millions)	Jun-23	Dec-23	Jun-24	Change YoY €Mn	Change YoY %
Cash and deposits at central banks	630.1	1,171.4	1,663.0	1,032.9	>100%
Loans and advances to credit institutions repayable on demand	127.1	61.0	46.4	(80.7)	(63.5%)
Other loans and advances to credit institutions	168.9	178.9	147.8	(21.1)	(12.5%)
Loans and advances to customers	11,556.4	11,453.3	11,638.5	82.1	0.7%
Financial assets held for trading	85.7	19.0	29.5	(56.2)	(65.6%)
Financial assets at fair value through profit or loss (FVPL)	146.4	128.2	114.9	(31.5)	(21.5%)
Financial assets at fair value through other comprehensive income (FVOCI)	85.7	48.1	328.7	243.0	>100%
Hedging derivatives	0.0	6.2	10.9	10.9	-
Other financial assets at amortised cost	4,123.4	3,878.8	3,173.2	(950.2)	(23.0%)
Investments in associates	4.0	4.7	3.7	(0.3)	(7.7%)
Non-current assets held for sale	10.1	0.1	0.1	(10.0)	(99.3%)
Investment properties	65.3	57.7	52.2	(13.1)	(20.1%)
Property and equipment	191.6	195.4	193.2	1.6	0.8%
Intangible assets	49.7	57.7	60.3	10.6	21.5%
Current tax assets	1.8	1.6	1.1	(0.7)	(38.5%)
Deferred tax assets	385.3	381.1	343.6	(41.7)	(10.8%)
Other Assets	462.2	346.3	362.2	(100.0)	(21.6%)
TOTAL ASSETS	**18,093.7**	**17,989.5**	**18,169.4**	**75.7**	**0.4%**
Deposits from central banks	1,749.7	873.9	0.0	(1,749.7)	(100.0%)
Deposits from other financial institutions	859.9	909.4	778.0	(81.9)	(9.5%)
Deposits from customers	12,866.5	13,366.4	14,212.2	1,345.7	10.5%
Debt securities issued	562.6	730.0	952.3	389.7	69.3%
Financial liabilities held for trading	13.6	12.6	12.9	(0.7)	(5.1%)
Provisions	26.1	20.8	17.2	(8.9)	(34.3%)
Current tax liabilities	1.0	1.7	1.8	0.8	84.2%
Hedging derivatives	0.0	3.5	2.4	2.4	-
Other subordinated debt	211.3	217.0	257.5	46.2	21.9%
Other liabilities	262.1	287.5	275.3	13.2	5.0%
TOTAL LIABILITIES	**16,552.9**	**16,423.0**	**16,509.6**	**(43.3)**	**(0.3%)**
Share Capital	1,210.0	1,210.0	1,210.0	0.0	0.0%
Reserves and retained earnings	379.1	328.1	381.1	2.0	0.5%
Consolidated net income	(48.3)	28.4	68.7	117.0	>100%
TOTAL EQUITY	**1,540.9**	**1,566.5**	**1,659.8**	**118.9**	**7.7%**
TOTAL LIABILITIES AND EQUITY	**18,093.7**	**17,989.5**	**18,169.4**	**75.7**	**0.4%**

Additional information:

Investor Relations Office
Fernando Teixeira
Phone: (+351) 210 416 144
investors@bancomontepio.pt

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

GLOSSARY

CET1 - Common Equity Tier 1.

Core operating income - Corresponds to the sum of the Income Statement items “Net interest income” and “Income from services and commissions”.

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.

QoQ - Quarter-on-quarter, change compared to the same period in the previous quarter.

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”.

Spread - Margin calculated according to the Customers' profile, the characteristics of the loan and the guarantees presented in the loan proposal, which is generally added to the reference rate (Euribor) to obtain the loan rate, known as the Nominal Annual Rate.

TLTRO - Targeted Longer Term Refinancing Operations.

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.