1Q2024 CONSOLIDATED RESULTS
Unaudited information

Lisbon, 29 April 2024

BANCO MONTEPIO REPORTS CONSOLIDATED NET INCOME OF €32.1MN IN THE 1Q2024

Profitability supported by the expansion of the commercial business with good asset quality and solid capital and liquidity ratios

Banco Montepio reached the end of the **first quarter of 2024** with a **consolidated net income of €32.1Mn**, maintaining an adequate operating efficiency embodied in the increase in Operating income to €121.4Mn (+€8.0Mn YoY) and in the decrease of the Operating costs to €64.3Mn (-€1.6Mn YoY).

This result compares with €35.3Mn in the first quarter of 2023, which had benefited from the extraordinary recovery of impairments following the non-recurring liquidation of significant exposures.

The evolution of the business in the first quarter of 2024, with emphasis on the **growth of net loans and of deposits by 1.3% and 2.2% YtD**, respectively, was decisive for maintaining capital ratios at levels comfortably above regulatory requirements, as well as for the low NPE ratio and the current strong liquidity position.

Highlights:

Business

- **Core operating income** amounted to €129.5Mn, reflecting a growth of 5.4% YoY, benefitting from the good performance of net interest income by 9.9%;

- **Gross loans to Customers** stood at €11.9Bn, which compares with €11.7Bn at the end of 2023;
- **Customer deposits** reached €13.7Bn, a year-on-year increase of €977Mn (+7.7%), with the Individuals segment accounting for 72% of the total;
- **Penetration rate in the Social and Solidarity Economy Customer segment** of 27%, as a result of the strategy adopted, which consolidates Banco Montepio's unique positioning with the different Stakeholders, incorporating ESG (Environmental, Social and Governance) principles in an innate way in the social component;
- **Supporting Portuguese families** proactively through the adoption of several measures and the application of legislation approved by the Government to mitigate the impact of the increase in reference interest rates on more than 12 thousand loans;
- The number of active **Customers using the Montepio24 service** (internet and mobile banking) increased by 4.8% YoY, and the number of transactions carried out increased by 8.7% YoY.

Asset quality

- **Cost of credit risk** of 0.1%, compared with 0.4% at the end of 2023;
- **Decrease of the non-performing exposures (NPE)** by €172Mn (-31% YoY), with the NPE ratio standing at 3.2%, comparing favourably with the 4.8% recorded at the end of March 2023;
- **NPE ratio, net of impairments** for credit risks, standing at 0.9%;
- **Reinforcement of NPE coverage levels** by impairments to 73.0% (58.6% at the end of March 2023) and to 114.4% (106.5% at the end of March 2023) when considering collateral and related financial guarantees;
- **Reduction of exposure to real estate** by €112Mn (-31% YoY), to a total of €250Mn, representing 1.4% of net assets (1.99% at the end of March 2023) and 17.0% of own funds (27.3% at the end of March 2023).

Banco Montepio

Capital and liquidity

- **Common Equity Tier 1 (CET1) ratio**[1] at 15.6% (+2.0 p.p. YoY) under phasing-in and at 15.5% (+2.0 p.p. YoY) fully implemented;
- **Total capital ratio**[1] at 18.9% (+2.8 p.p. YoY) under phasing-in and at 18.8% (+2.8 p.p. YoY) fully implemented;
- **Liquidity buffer** of €5.2Bn, reflecting a comfortable liquidity position;
- **Liquidity Coverage Ratio (LCR)** at 178.4%;
- **Net Stable Funding Ratio (NSFR)** at 130.7%;
- **Banco Montepio no longer has any ECB funding with the repayment of all the credit facilities obtained**, following the payment of €800Mn of the line maturing on 27 March 2024 and the early repayment of the remaining €54.8Mn.

Efficiency

- **Improvement of the efficiency ratio**[2] to 49.7% (50.2% on 31 March 2023).

Commitment to Sustainability and ESG

- Banco Montepio was granted, **for the second year in a row**, the Five Stars ("*Cinco Estrelas*") award in the **Banking - Sustainability category**;
- Banco Montepio was awarded Diversity Champion, **with a score of 80%, in the EU Diversity Self-Assessment Tool**, confirming the success of the measures implemented to promote equality, diversity and inclusion;
- **Integration of Banco Montepio into the New Champions Community of the World Economic Forum (WEF)**, a community focused on a sense of mission, purpose and

[1] Ratios calculated including the accumulated net income for the period.

[2] Measured by the ratio between operating costs and operating income, excluding the results from financial operations, the other results and costs related to the adjustment programme.

resilience, consistent with its performance as a “Social Economy Bank”, as well as with its ambition to be a benchmark in sustainability in Portugal.

Results

Net interest income reached €99.2Mn in the first quarter of 2024, an increase of 9.9% compared to €90.2Mn recorded in the same period of 2023. This evolution was driven by the performance of commercial net interest income that increased €8.5Mn, as a result of the €50.5Mn increase in interest on loans and advances to Customers, partially offset by the €42.0Mn increase in interest on Customer resources.

Net commissions totalled €30.3Mn in the first quarter of 2024, which compares with €32.7Mn recorded in the same period of 2023, reflecting the decrease in commissions for the management, administration and custody of assets and securities transactions and those related to credit operations, resulting, in particular, from the entry into force of Law 24/2023 of 29 May, which stipulates the exemption of loan processing fees for individual Customers.

Results from financial operations recorded in the first quarter of 2024 were marginally negative by €0.1Mn but recorded a positive change of €0.2Mn compared to the same period of 2023, due to the increase in foreign exchange income, which was partially mitigated by the reduction in income from the securities portfolio and from derivative instruments net of the fair value of financial assets and liabilities.

Other results were negative by €8.0Mn in the first quarter of 2024, mainly reflecting the accounting of the cost of mandatory banking sector extraordinary contributions, in the amount of €9.9Mn. The decrease of these contributions by €1.3Mn YoY contributed to the favourable evolution of other results when comparing to the same period of 2023.

Operating costs totalled €64.3Mn in the first quarter of 2024, a decrease of €1.6Mn (-2.4%) when compared to €65.9Mn recorded in the same period of 2023, reflecting the €3.9Mn decrease in staff costs (materialising the effect of the operational adjustment), and the increases in general administrative expenses by €0.5Mn and in depreciation and amortisation by €1.8Mn.

General administrative expenses amounted to €15.9Mn in the first quarter of 2024 and represented an increase of 3.4% compared to the same period of 2023, reflecting the impact of inflation in service contracts.

Depreciation and amortisation reached €10.6Mn in the first quarter of 2024, which compares with €8.8Mn in the same period of 2023, reflecting the efforts made to implement the global strategy of investment in information technology and digitalisation, and in data collection, processing and governance models, with a view to continuous improvement in automation and process reengineering.

Efficiency, measured by the **Cost-to-income ratio**, and excluding the non-recurring contributions of the Results from financial operations, the Other results and the costs related to the adjustment programme, performed favourably to 49.7% in the first quarter of 2024, compared to the 50.2% recorded in the same period of 2023.

The aggregate of **Impairments and Provisions** reached a net amount of €4.4Mn in the first quarter of 2024, reflecting an increase of €14.9Mn when compared to the amount recorded in the same period of 2023, which had been extraordinarily influenced by the reversal of impairments following the non-recurring settlement of significant exposures.

Loan impairment in the first quarter of 2024 totalled a net amount of €1.7Mn, compared to an amount of -€14.4Mn recorded in the same period of 2023. Despite the year-on-year evolution, the adoption of conservative criteria for assessing and granting loans and the dynamism of loan recovery have contributed to improving the credit quality of the portfolio, which reflected a cost of credit risk of 0.1% in the first quarter of 2024 compared to 0.4% recorded at the end of the previous year.

Impairment of other financial assets, other assets and Other provisions totalled €2.8Mn in the first quarter of 2024, compared to €3.9Mn in the same period of 2023, reflecting the evolution of impairments for real estate held for sale as a result of the standard process of updating the value of properties.

Balance sheet

Total assets amounted to €17,683Mn at the end of March 2024, compared to €17,989Mn recorded at the end of March 2023, mainly reflecting the evolution in the headings Cash and deposits at central banks (-€380Mn), Other financial assets at amortised cost (-€220Mn), Financial assets at fair value through other comprehensive income (+€178Mn), and Loans and advances to Customers (+€144Mn).

Gross Loans and advances to Customers totalled €11,878Mn at the end of the first quarter of 2024, with performing loans increasing by €139Mn when compared to the end of 2023, standing at €11,493Mn. Compared to the same period of 2023, performing loans increased by €79Mn and non-performing loans decreased by €172Mn.

Securities portfolio totalled €4,037Mn on 31 March 2024, a decrease of €27Mn (-0.7%) compared to the end of 2023, mainly as a result of the decrease in sovereign debt by €111Mn and the increase in debt from other issuers by €95Mn. The structure of the securities portfolio on 31 March 2024 consisted of 93% sovereign debt securities compared to 95% at the end of 2023.

Liabilities decreased by €339Mn (-2.1%) compared to the end of 2023, mainly reflecting the decrease in Deposits from central banks (-€874Mn), partially offset by the increases in Deposits from customers (+€288Mn), in Deposits from other financial institutions (+€157Mn) and in Other subordinated debt (+€151Mn).

Customer deposits totalled €13,654Mn at the end of the first quarter of 2024, an increase of €288Mn (+2.2%) when compared the end of 2023. This evolution was supported by the €228Mn increase in deposits from Individual Customers and the €60Mn increase in deposits from Corporate Customers. Compared to the same period of 2023, Customer deposits rose by €977Mn (+7.7%), due to the €595Mn increase in Individual Customers and the €382Mn increase in Corporate Customers. The sight and term deposits' mix evolved to 40%/60% at the end of March 2024, compared to 42%/58% at the end of 2023 and to 49%/51% at the end of March 2023.

Equity totalled €1,599Mn on 31 March 2024, an increase of €33Mn (+2.1%) compared to the end of 2023, mainly reflecting the positive effect of the €32.1Mn of net income recorded in the first quarter of 2024.

Own funds and capital ratios

As at 31 March 2024, the **capital ratios** evolved favourably compared to the same period of previous year, as a result of the reduction in risk-weighted assets (RWA) and the increase in own funds, with emphasis on the positive evolution of net income, as well as on the €50Mn increase in instruments eligible for tier 2 in March 2024.

RWA decreased by €454Mn at the end of the first quarter of 2024 compared to the end of the same period last year, as a result of the measures taken to reduce non-performing assets and towards a more efficient allocation of capital in investment and lending decisions.

Own funds increased by €143Mn to €1,470Mn, mainly reflecting the positive evolution of the net income generated and the impact of the new subordinated debt issuance carried out in March, in the amount of €250Mn, which was partially offset 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 by the exercise of the call option for the full amount of a subordinated debt issue (€100,000,000 Fixed Rate Reset Callable Subordinated Notes due 2029 with ISIN PTCMGVOM0025), for which the financial settlement of the early repayment only took place on 3 April 2024, although the impact on own funds has been recognised from the date of the announcement to the market on 13 March 2024.

	Mar-23	Mar-24 (proforma) (1)	Change YoY
Common Equity Tier I Capital (CET1) (€Mn)	1,120	1,214	94
Tier I Capital (€Mn)	1,121	1,214	93
Total Own Funds (€Mn)	1,327	1,470	143
Risk-weighted assets (RWA) (€Mn)	8,234	7,780	(454)

	Mar-23	Mar-24 (proforma) [(1)]	Change YoY
CRD IV / CRR - *Phasing-in ratios*			
Common Equity Tier I ratio (CET1)	13.6%	15.6%	2.0 p.p.
Tier I ratio	13.6%	15.6%	2.0 p.p.
Total Capital ratio	16.1%	18.9%	2.8 p.p.
CRD IV / CRR - *Fully implemented ratios*			
Common Equity Tier I ratio (CET1)	13.5%	15.5%	2.0 p.p.
Tier I ratio	13.5%	15.5%	2.0 p.p.
Total Capital ratio	16.0%	18.8%	2.8 p.p.
Leverage ratio			
Leverage ratio - Phasing-in	6.1%	6.8%	0.7 p.p.
Leverage ratio - Fully Implemented	6.0%	6.7%	0.7 p.p.

[(1)] The proforma ratios include the period's accumulated net income.

At the end of the first quarter of 2024, the **proforma[3] Common Equity Tier 1 ratio (CET1)**, based on the phasing-in rules stood at 15.6%, comfortably above the regulatory minimum requirement of 9.10%. This ratio recorded a positive change of 2.0 p.p. compared to the one reported at the end of the same period of 2023. Taking into account the fully implemented rules, the CET1 proforma stood at 15.5%, compared with a ratio of 13.5% at the end of the same period of 2023.

The **proforma Total Capital ratio** in phasing-in reached 18.9%, compared to 16.1% at the end of the first quarter of 2023, also comfortably above the regulatory minimum requirement of 14.02%, and stood at 18.8% fully implemented (16.0% at the end of the first quarter of 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 balance sheet optimisation, revealing the enhanced capacity of organic capital generation.

[3] Pro-forma ratios calculated including the accumulated net results for the period. Ratios not including net income, with reference to 31 March 2024 are: CET1 15.2%, Tier 1 15.2%, Total Capital 18.5% and Leverage 6.6% (phasing-in) and CET1 15.1%, Tier 1 15.1%, Total Capital 18.4% and Leverage 6.6% (fully implemented).

Requirement for own funds and eligible liabilities (MREL)

Banco Montepio complies with the applicable requirement, both as a percentage of RWA and as a percentage of LRE:

	1 Jan-22	Mar-24 (proforma) [1]
Total Own Funds (€Mn)	1,289	1,470
MREL eligible liabilities (€Mn)	0	200
Total eligible liabilities (€Mn)	**1,289**	**1,670**
Total RWA (€Mn)	8,763	7,780
MREL ratio (%RWA)	**14.7%**	**21.5%**
Minimum requirement (MREL (%RWA))[2]	13.67%	20.38%
MREL ratio (LRE)	**5.4%**	**9.3%**
Minimum requirement (MREL (LRE))	5.33%	5.33%

(1) The proforma ratios include the period's accumulated net income.
(2) As of 31 March 2024, includes the Combined Buffer Requirement (CBR) of 2.77 p.p,

The MREL ratio determined as a percentage of total RWA stood at 21.5% on 31 March 2024, which is above the requirement in force on 31 March 2024 as established by Banco de Portugal including the applicable combined buffer requirement.

The MREL ratio determined as a percentage of total LRE stood at 9.3% on 31 March 2024, also comfortably above the minimum requirement.

Banco Montepio is not subject to any subordination requirement and must comply with the Minimum Requirement for own funds and Eligible Liabilities (MREL) based on the consolidated financial position in the following terms:

a) MREL requirement of 5.33% of the total leverage ratio exposure (LRE), to be met permanently from 1 January 2022;
b) MREL requirement determined as a percentage of total risk-weighted assets (RWA), of 13.67% on 1 January 2022, and 20.77% (plus the applicable combined buffer requirement) to be met permanently from 1 January 2025.

The requirement is in line with Banco Montepio's expectations, which is well positioned to meet the requirement in January 2025, with a MREL buffer appropriate to the overall strategy and risk profile, through a sustainable combination of debt issuance, organic capital generation and balance sheet optimisation.

Liquidity

Banco Montepio ended the first quarter of 2024 without any funding from the European Central Bank (ECB). **The funding through TLTRO-III was fully amortised**, materialising a reduction of €854.8Mn since the end of 2023 following the early amortisation of €54.8Mn of the 10th series and the repayment of €800Mn on the maturity date of the 7th series maturing on 27 March 2024.

Despite no longer having any funding from the ECB, Banco Montepio maintained a stable and comfortable funding and liquidity base in line with the strategic goals of the Funding and Capital Plan. At the end of the first quarter of 2024, the **LCR ratio** stood at 178.4% and the **NSFR ratio** reached 130.7%, 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 funding via Repurchase Agreements (Repo). In addition, the redemption of debt in the securities portfolio on their maturity dates and the increase in Customer resources have contributed to strengthening available liquidity.

On 31 March 2024, **the value of the portfolio of unencumbered eligible assets for liquidity-providing operations** under the monetary policy of the Eurosystem, amounted to €4,402Mn, an increase of €635Mn (+17%) compared to that recorded at the end of 2023 and an increase of €1,570Mn (+55%) YoY.

At the end of the first quarter 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 €4,197Mn, 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 meet specific eligibility criteria, valued at €231Mn.

On 31 March 2024, the amount of **Debt issued** stood at €1,083Mn, compared to €947Mn at the end of 2023, mainly reflecting the positive change of €150Mn in subordinated debt, explained by the public offering of the new issuance of €250Mn and the early amortisation of two private placements of €50Mn each.

ESG

As part of the EU's European Diversity Month, Banco Montepio was awarded Diversity Champion in the EU Diversity Self-Assessment Tool, thus reinforcing its efforts to promote equality, diversity and inclusion.

This path of ethics, responsibility and purpose also made a strong contribution to Banco Montepio's good performance in the UNGC Transformational Governance (TG) Corporate Toolkit, with a rating of 88%.

Banco Montepio recognises the importance that the four pillars - Principles of Governance, People, Planet and Prosperity - represent for the development of strategies and action plans that are consistent with (and complementary to) the 2030 Agenda, the 17 SDGs and the other commitments to which it subscribes, anchoring its strategic vision for Sustainability, as well as its subsequent actions, in these vectors of action.

In this sense, Banco Montepio has joined the World Economic Forum (WEF) and is part of the New Champions community, a community focused on a sense of mission, purpose and resilience, consistent with Banco Montepio's performance as a "Social Economy Bank", as well as its ambition to be a benchmark in sustainability in Portugal.

The 3rd edition of ESG WEEK | Environmental, Social, Governance, an initiative organised by the Portuguese Business Ethics Association (APEE - *Associação Portuguesa de Ética Empresarial*), had Banco Montepio as Pioneer Main Sponsor and Host of the 1st Forum, which took place on 16 and 17 April at Atmosfera M in Lisbon. The event was marked by learning and sharing about the main challenges, but also opportunities, facing organisations today and was an opportunity to discuss the major issues of Sustainability, framed within the ESG domains.

With a focus on transparency and on disclosing Banco Montepio's purpose in the field of ESG and sustainability, a dedicated page has been created on the institutional website to publicise the goals we have set and the successes we have achieved:
https://www.bancomontepio.pt/en/institutional/sustainability

In this webpage visitors can find, for example, the Sustainability Report and the commitments undertaken through the signing of agreements and joining international organisations and initiatives.

Digital transition

Throughout the 1st quarter of 2024, Banco Montepio continued to carry out its digital transition, 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 new operations and functionalities on Montepio24 (web and app), in particular the round-up feature, which allows customers to round up card payments and transfer the amount to a savings account;
- 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 quarter 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.

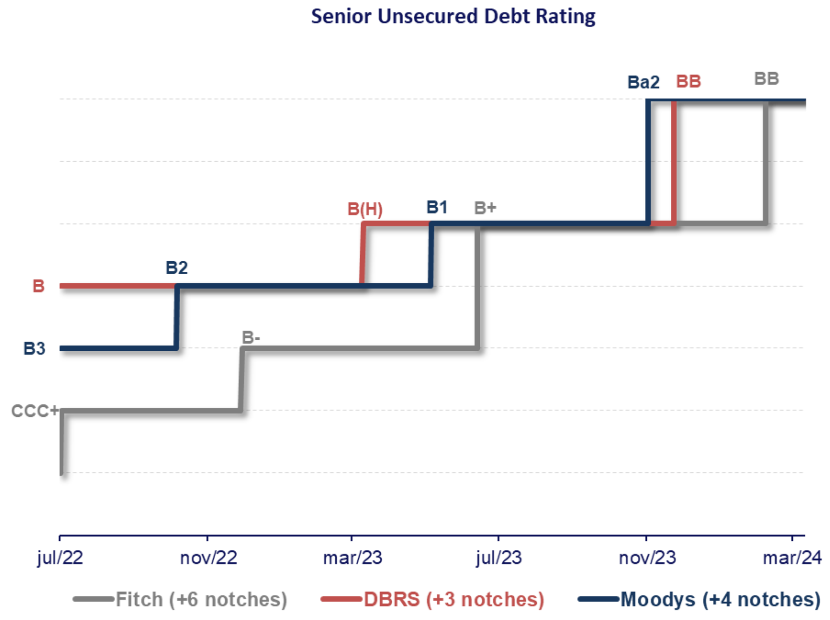
On 31 March 2024, the Montepio24 service recorded an increase of 4.8% in the number of active Customers compared to the same period last year, supported by growth of 5.3% in the Individual Customers segment and 2.0% in the Corporate segment.

At the end of the 1st quarter, the number of transactions carried out through the Montepio24 service rose by 8.7% year-on-year.

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.

Currently, all three rating agencies have assigned the same level of rating to Banco Montepio's senior unsecured debt.



The successive upgrades since July 2022 reflect the profitability improvement; the significant reduction in non-performing and/or non-strategic assets; the strengthening of capital ratios to levels well above regulatory requirements; the successful implementation of the operational adjustment plan, notably in terms of optimising the branch network, digitalisation and staff reduction, which have led to a reduction in balance sheet risk and an increase in productivity levels.

The ratings assigned to Banco Montepio, as of 31 March 2024 and 31 December 2023, are presented in the table below:

Rating Agency	Covered Bonds (CPT) [1]		Long Term[2]		Deposits		Outlook	
	31.Dec.23	**31.Mar.24**	31.Dec.23	**31.Mar.24**	31.Dec.23	**31.Mar.24**	31.Dec.23	**31.Mar.24**
Fitch	AA+	**AAA**	B+	**BB**	BB-	**BB+**	Positive	**Stable**
Moody's	Aaa	**Aaa**	Ba2	**Ba2**	Baa3	**Baa3**	Stable	**Stable**
DBRS	**--**	**--**	**BB**	**BB**	**BB (high)**	**BB (high)**	Stable	**Stable**

(1) Conditional Pass-through Covered Bond Programme.
(2) Fitch's Long-term Senior Preferred Debt rating, Moody's Senior Unsecured Debt rating and DBRS Long-term Senior Debt rating.

Milestones

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" ward 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.

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.

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.

Banco Montepio

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

In the 1st quarter of 2024, Banco Montepio was awarded by DECO PROTESTE with two Right Choice seals: Mortgage Loans - with associated sales; and 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. To this end, DECO PROTESTE assessed the offer of 13 banks for a loan of 200,000 euros, over 30 years, at a variable rate, with a financing/guarantee ratio of 80%, and concluded that Banco Montepio's offer allows families to save money.

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 issues a public offer of subordinated debt

The issuance of subordinated debt under the EMTN (Euro Medium Term Note) Programme in the amount of €250Mn matures in 10 years and three months, with an option for early repayment at Banco Montepio’s discretion within the three months following the 5th year and pays an annual fixed coupon of 8.5% until the date of exercise of the early repayment option. If not redeemed, the interest rate for the remaining period will be indexed to the 5-year swap rate plus a spread of 5.815%.

Settlement took place on 12 March 2023 at a price of 100%, with the placement recording a high demand from investors; demand exceeded the amount offered by 4 times and the final allocation was made to 80 geographically diversified institutional investors: Iberia (33%), United Kingdom (30%), France (13%), Italy (5%), among others.

This issue is among the measures set out in the strategy defined by Banco Montepio for strengthening and consolidating capital ratios and maintaining an adequate funding plan.

Good Choice Seal 2024 (“*Selo Boa Escolha 2024*”)

Montepio Crédito has been awarded the 'Good Choice' label in the category of consumer loan companies.

Montepio Crédito's consumer loan is recognised as a quality choice in the sector, highlighting ‘Transparency in information and rates’ as its main attribute. When it comes to the emotional relationship with consumers, Montepio Crédito has the highest level of relationship in the evaluation carried out, with the highest scores in the Recognition, Loyalty, Ties, Experience, Attention, Energy, Trust and Brand Love dimensions.

This award, which refers to the year 2023, is the sole responsibility of ConsumerChoice - the Consumer Satisfaction Assessment Centre - and is the result of a study carried out between June and December 2023 involving 1,485 consumers.

Consumer Choice 2024 (“*Escolha do Consumidor 2024*”) - Professionals' Choice

For the sixth year in a row, Montepio Crédito won the 'Professionals' Choice' award in the Consumer Credit Companies category, awarded by Consumer Choice.

The award, which refers to the year 2023, is the result of the evaluation of factors identified by professionals as the most important for their activity, and was awarded to Montepio Crédito with a final evaluation of 80.3%.

Availability, ease of communication, proximity to the client or type of loans were some of the attributes that influenced the decision of the professionals surveyed by ConsumerChoice, which is currently a benchmark in several world markets.

KEY INDICATORS

	Mar-23	Dec-23	Mar-24	Change YoY
ACTIVITY AND RESULTS (€ million)				
Total assets	18,181	17,989	17,683	(2.7%)
Gross Loans to customers	11,971	11,734	11,878	(0.8%)
Deposits from customers	12,678	13,366	13,654	7.7%
Equity	1,553	1,566	1,599	3.0%
Net income	35.3	28.4	32.1	(9.1%)
SOLVENCY (a)				
Common Equity Tier 1 ratio	13.6%	16.1%	15.6%	2.0 p.p.
Tier 1 ratio	13.6%	16.1%	15.6%	2.0 p.p.
Total Capital ratio	16.1%	18.8%	18.9%	2.8 p.p.
Leverage ratio	6.1%	6.7%	6.8%	0.7 p.p.
Risk weighted assets (€ million)	8,234	7,641	7,780	(5.5%)
LIQUIDITY RATIOS				
Loans to customers (net) / Customers' deposits (b)	91.9%	85.7%	84.9%	(7.0 p.p.)
LCR	219.0%	233.1%	178.4%	(40.6 p.p.)
NSFR	121.3%	130.0%	130.7%	9.4 p.p.
ASSET QUALITY				
Cost of credit risk	(0.5%)	0.4%	0.1%	0.6 p.p.
Non-performing exposures (NPE) (c) / Gross Loans to customers	4.8%	3.2%	3.2%	(1.6 p.p.)
NPE (c) coverage by credit risk impairments	58.6%	73.9%	73.0%	14.4 p.p.
NPE (c) coverage by credit risk impairments and associated collaterals and financial guarantees	106.5%	115.1%	114.4%	7.9 p.p.
PROFITABILITY AND EFFICIENCY				
Total operating income / Average total assets (b)	2.5%	2.8%	2.7%	0.2 p.p.
Net income before income tax / Average total assets (b)	1.3%	1.0%	1.2%	(0.1 p.p.)
Net income before income tax / Average total equity (b)	15.7%	11.8%	13.3%	(2.4 p.p.)
Cost-to-income (Operating costs / Total operating income) (b)	54.5%	50.8%	53.0%	(1.5 p.p.)
Cost-to-Income, excluding specific impacts (d)	50.2%	46.2%	49.7%	(0.5 p.p.)
Staff costs / Total operating income (b)	36.8%	30.5%	31.2%	(5.6 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)				
Employees				
Banco Montepio Group	3,409	2,983	2,991	(12.3%)
Banco Montepio	3,040	2,860	2,868	(5.7%)
Branches				
Domestic network - Banco Montepio	239	232	229	(4.2%)
International Network (e)	20	0	0	(100.0%)
Representation Offices - Banco Montepio	5	5	5	0.0%

(a) Pursuant to CRD IV / CRR (phasing-in). The ratios include the net income of the period.
(b) Pursuant to Banco de Portugal Instruction No. 16/2004, as amended.
(c) EBA definition.
(d) Excludes results from financial operations and other operating results (net gains arising from the sale of other financial assets and other operating income) and non recurring operating costs driven by the operational adjustment plan.
(e) Includes corporate centres.

Banco Montepio

CONSOLIDATED INCOME STATEMENT

(Euro million)	Mar-23	Mar-24	Change YoY	
			€Mn	%
Interest and similar income	118.0	176.5	58.5	49.6%
Interest and similar expense	27.8	77.3	49.6	>100%
NET INTEREST INCOME	**90.2**	**99.2**	**9.0**	**9.9%**
Dividends from equity instruments	0.0	0.0	(0.0)	(14.8%)
Net fee and commission income	32.7	30.3	(2.4)	(7.2%)
Results from financial operations	(0.3)	(0.1)	0.2	53.0%
Other results	(9.3)	(8.0)	1.3	13.5%
OPERATING INCOME	**113.4**	**121.4**	**8.0**	**7.1%**
Staff Costs	41.8	37.9	(3.9)	(9.4%)
General and administrative expenses	15.4	15.9	0.5	3.4%
Depreciation and amortization	8.8	10.6	1.8	20.7%
OPERATING COSTS	**65.9**	**64.3**	**(1.6)**	**(2.4%)**
Loan impairments	(14.4)	1.7	16.1	>100%
Other financial assets impairments	0.3	0.5	0.2	86.8%
Other assets impairments	5.8	6.0	0.2	4.2%
Provisions net of reversals and annulments	(2.1)	(3.8)	(1.7)	(79.3%)
Share of profit of associates under the equity method	(0.1)	(0.3)	(0.2)	<(100%)
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS	**57.9**	**52.3**	**(5.5)**	**(9.6%)**
Tax	24.1	20.3	(3.9)	(16.0%)
EARNINGS BEFORE PROFIT/(LOSS) FROM DISCONT. OP. AND NON-CONTROLLING INTERESTS	**33.7**	**32.1**	**(1.7)**	**(4.9%)**
Non-controlling interests	0.1	0.0	(0.1)	(100.0%)
Profit/(loss) from discontinuing operations	1.7	0.0	(1.7)	(100.0%)
NET INCOME	**35.3**	**32.1**	**(3.2)**	**(9.1%)**

CONSOLIDATED BALANCE SHEET

(Euro million)	Mar-23	Dec-23	Mar-24	Change YoY	
				€Mn	%
Cash and deposits at central banks	518.0	1,171.4	791.3	273.3	52.8%
Loans and advances to credit institutions repayable on demand	34.6	61.0	49.0	14.4	41.6%
Other loans and advances to credit institutions	122.4	178.9	195.6	73.2	59.8%
Loans and advances to customers	11,645.5	11,453.3	11,597.1	(48.4)	(0.4%)
Financial assets held for trading	66.2	19.0	50.3	(15.9)	(24.0%)
Financial assets at fair value through profit or loss (FVPL)	147.4	128.2	114.9	(32.5)	(22.0%)
Financial assets at fair value through other comprehensive income (FVOCI)	87.1	48.1	226.2	139.1	>100%
Hedging derivatives	0.0	6.2	0.8	0.8	-
Other financial assets at amortised cost	4,127.7	3,878.8	3,658.6	(469.1)	(11.4%)
Investments in associates	4.1	4.7	4.4	0.3	7.1%
Non-current assets held for sale	0.0	0.1	0.1	0.1	>100%
Non-current assets held for sale - Discontinued operations	205.4	0.0	0.0	(205.4)	(100.0%)
Investment properties	70.0	57.7	55.9	(14.1)	(20.1%)
Property and equipment	191.6	195.4	192.7	1.1	0.6%
Intangible assets	47.0	57.7	60.7	13.7	29.1%
Current tax assets	6.1	1.6	0.7	(5.4)	(88.8%)
Deferred tax assets	389.8	381.1	361.1	(28.7)	(7.4%)
Other Assets	517.7	346.3	323.9	(193.8)	(37.4%)
TOTAL NET ASSETS	**18,180.7**	**17,989.5**	**17,683.4**	**(497.3)**	**(2.7%)**
Deposits from central banks	2,328.7	873.9	0.0	(2,328.7)	(100.0%)
Deposits from other financial institutions	387.4	909.4	1,065.9	678.5	>100%
Deposits from customers	12,677.9	13,366.4	13,654.5	976.6	7.7%
Debt securities issued	585.3	730.0	715.4	130.1	22.2%
Financial liabilities held for trading	15.5	12.6	13.5	(2.0)	(12.7%)
Non-current liabilities held for sale – Discontinued operations	99.6	0.0	0.0	(99.6)	(100.0%)
Provisions	28.4	20.8	16.9	(11.5)	(40.7%)
Current tax liabilities	4.8	1.7	1.5	(3.3)	(67.7%)
Hedging derivatives	0.0	3.5	0.0	0.0	-
Other subordinated debt	221.7	217.0	367.9	146.2	65.9%
Other liabilities	278.1	287.5	248.5	(29.6)	(10.7%)
TOTAL LIABILITIES	**16,627.4**	**16,423.0**	**16,084.0**	**(543.4)**	**(3.3%)**
Share Capital	1,210.0	1,210.0	1,210.0	0.0	0.0%
Other reserves and retained earnings	296.8	328.1	357.3	60.5	20.4%
Consolidated net profit/ (loss) for the period attributable to the shareholders	35.3	28.4	32.1	(3.2)	(9.1%)
Total equity attributable to the shareholders	1,542.1	1,566.5	1,599.3	57.2	3.7%
Non-controlling interests	11.3	0.0	0.0	(11.3)	(100.0%)
TOTAL EQUITY	**1,553.4**	**1,566.5**	**1,599.3**	**45.9**	**3.0%**
TOTAL LIABILITIES AND EQUITY	**18,180.7**	**17,989.5**	**17,683.4**	**(497.3)**	**(2.7%)**

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

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 Loans to Customers (gross).

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, Non-performing exposures according to the EBA definition.

NPE ratio - Ratio given by the division of NPE calculated in accordance with the EBA definition by loans and advances to Customers (gross).

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.

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 items "Financial assets held for trading", "Financial assets at fair value through other comprehensive income", "Other financial assets at amortised cost" and "Financial assets at fair value through profit or loss" less "Financial liabilities held for trading".

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.