ANNUAL REPORT

2024

BPI

Grupo CaixaBank

CONTENTS

MANAGEMENT REPORT

INTRODUCTION

About this Report

The Management Report is an integral part of the Annual Report and aims to present the financial and sustainability performance of Banco BPI (hereinafter "BPI" or "the Bank"), as well as the Bank's commitments for the future, achieved through the Strategic Plan 2022-2024 and the Strategic Plan 2025-2027, defined for the next three years.

BPI prepares the Management Report in accordance with the international Integrated Report structure with the aim of aggregating relevant information for stakeholders in a single document and guaranteeing an integrated view of its financial and non-financial performance.

Reporting period and scope

This report presents information on Banco BPI, S.A. and refers to the period between 1 January 2024 and 31 December 2024.

Regulation

This report fulfils:

- Article 66 of the Companies Act on the Management Report.
- Disclosure requirements under EU Regulation 2020/852 (Taxonomy Regulation).

In addition, on a voluntary basis, this report also provides response to:

- Decree-Law no. 89 / 2017 of 28 July on the disclosure of non-financial information and information on diversity by large companies and groups - The Bank is exempt from publishing disclosure.
- Disclosure requirements under EU Regulation 2023/2772 (European Sustainability Reporting Standards) - The Bank responds on a voluntary basis due to the non-transposition of Directive 2022/2464.

Standards and voluntary commitments

The report was also drawn up in accordance with the following principles and voluntary reporting *standards* of international reference:

- Principles for Responsible Banking (PRB);
- Principles of the UN Global Compact.

A reference index has been drawn up for each of the aforementioned standards, presented in the chapter Additional Information.

Disclaimer Inclusive Language: Banco BPI believes that its concerns with gender equality and opportunities are widely reflected in its organisational values and principles and in the scope of its management practices, and therefore chooses to waive the gender breakdown references.

This document is a translation from the Portuguese original "Relatório e Contas Banco BPI 2024".

Message from the Presidents of the Board of Directors and Executive Committee

Fernando Ulrich and João Pedro Oliveira e Costa

BRING CLOSER, TRANSFORM, GROW

BPI once again achieved its best result ever in 2024, with a net profit of 588 million euros, 12% more than the previous year, with the operation in Portugal contributing 87% of the total. Despite being a repeated success, it would probably be odd not to kick off with this brief presentation of a financial year that confirmed the Bank's capacity for organic growth and the structural quality of its balance sheet and results, in a scenario that ended up contradicting the worst forecasts.

In fact, despite the uncertainty generated by the wars in Ukraine and Palestine, European anaemia and tension in the United States, the confirmed normalisation of the ECB's monetary policy, after a decade of zero or negative interest rates, and the good relative performance of the Portuguese economy, also above the most discouraging forecasts, ended up generating a favourable scenario for the evolution of the banking sector's activity, which continued on its recent path of adjustment and modernisation.

The year 2025, marked by a radical change in the position of the USA, both domestically and in its international relations, particularly with China, by the foreseeable destabilisation of political balances in the European Union, by the crisis of the German economic model and by the vertiginous technological innovation and competition, particularly in the brave new world of Artificial Intelligence, promises anything but calm and normality, requiring us to be even more capable of preventing, anticipating and planning for uncertainty, however paradoxical this expression may seem.

In 2024, BPI recorded year-on-year growth of 12% in net profit and in operating income, which grew in all components, with an increase of 3% in loans and 5 per cent in customer funds, while recurring costs remained stable and the cost of risk returned to historic lows, which allowed it to achieve a return on equity of 18.2%, up from 16% in 2023. Worth highlighting, not least because of its public visibility, is the evolution of mortgage loans, which reached a market share of 16% in new loan production and 15% in the portfolio, with very low risk levels.

Careful management of the pricing policy in all segments has in turn created the conditions for net interest income to grow by 4%, already in a context of lower interest rates throughout 2024, after the sharp rises of the previous year. In turn, the efficiency ratio improved again, standing at 37%, almost half the level of 10 years ago.

In short, 2024 left us with an increasingly solid bank, ready to innovate and grow, adapted to the new paradigms of financial services: BPI's digital channels had around 1 million users at the end of the year and more than 750 thousand regular customers on the BPI app, second in the banking sector as a whole in terms of the number of retail customers on digital channels. The magazine *Euromoney* also recognised BPI as the best digital bank in Portugal and in this field the Bank was distinguished by *Global Finance* in four categories: best digital bank for companies and institutions, best in innovation, best platform for small businesses and best treasury *on line* service for companies. In terms of recognition and reputation, the last financial year has once again left a pleasant memory: for the second time in the last three years, *Euromoney* considered BPI the best bank in Portugal and, in 2024, the best for SMEs and the best domestic *private bank*, a category in which it won four more specific awards, one of which in the field of digital solutions.

Domestically, BPI was voted a trustworthy brand for the 11th year in-a-row and won the 5-star award for mortgage loans and prestige banking products.

The Bank continued to deepen its commitment to *People*, *Society* and the Environment. Internally, through a policy of renewal and rejuvenation of its staff, geared towards valuing young talent, with the hiring and retention of qualified professionals under 30, which enabled 225 new employees to be hired by 2024. One of the pillars of this policy are the BPI academies, which have a 75% retention rate and prepare young people who want to start a career in the commercial, risk management and artificial intelligence areas, by offering paid internships to finalists and recent graduates in different academic backgrounds. BPI was also recognised in 2024 as the second best employer in the financial sector by the specialist consultancy *OnStrategy*. More than 2,000 employees took part in social initiatives provided by the BPI Voluntariado platform, which reached more than 17 thousand people last year and around 90 thousand since it began in March 2021.

The commitment to *People* and *Society* continued to be based on collaboration with the "la Caixa" Foundation, which invested in 2024 around 50 million euros in dozens of projects in its main areas of intervention: Social, Science, Education and Culture, covering practically the entire national territory, directly benefiting more than 110 thousand people.

Finally, in the field of environmental responsibility, in 2024 alone, BPI provided around 1.5 billion euros in "green" and social financing to companies and 0.4 billion to individuals, namely through operations aimed at energy efficiency and mobility.

Sustainability and decarbonisation, where the aim is to reach a target of 4.4 billion in financing by 2027, are precisely one of the focus points of the financing policy in the next three-year strategic cycle, which began in 2025, under the motto *Get closer*, *Transform*, *Grow*:

- *Get closer*, always focusing on the Client, with the inherent consequences of enhancing the quality of service; *get closer*, with the aim of creating stimulating working conditions and attracting talent; *get closer*, with the ability to listen and contribute to improving society, in close collaboration with "la Caixa" Foundation;

- *Transform*, establishing the technological foundations of the future, with a view to flexibility and permanent adaptation, both in data architecture and in Client relations, to enable maximum efficiency in processes and operations;

- *Grow*, or rather, continue to grow, strengthening what is already very strong, such as Private Banking, Large Companies and Mortgage Loans, whilst simultaneously opening up a new priority for the development of untapped potential within the scope of SMEs and Individuals.

It seems simple, it's certainly clear, it's certainly not easy, but the history of other successes, supported by the commitment and quality of great teams of professionals, whose work is hereby highlighted and recognised, reassures us that it is possible.

Executive Committee: Ana Rosas Oliveira, Diogo Sousa Louro, Francisco Artur Matos, João Pedro Oliveira e Costa (CEO), Susana Trigo Cabral, Afonso Fuzeta Eça.

Key Indicators 2024

41.1 Bn. €	31.1 Bn. €	40.0 Bn. €	1.8 Million	4 234	303
Total assets	Loans	Customer Resources	Clients	Employees	Commercial Units

Commercial Dynamism and Profitability

+5.5% **Customer resources** (yoy)

3.3% **Loan portfolio** (yoy)

Market shares

14.6% mortgage loans (+0.2 p.p. yoy)

12.4% corporate loans, includes securitised loans (0.0 p.p. yoy)

511 M.€ **Net profit** in Portugal

588 M.€ **Net profit** Banco BPI

18.2% **Recurring ROTE** in Portugal

Low Risk Profile and High Capitalisation

1.4% **NPE ratio**

151% **NPE coverage** (by impairments and collaterals)

17.9% **Total capital**

14.3% **CET1**

27.7% **MREL ratio** (as % RWA)

Commitment to Sustainability

2 119 **Sustainable Business (M.€)**

112 785 **Number of beneficiaries supported**

45% **Women in management positions**

-5% **Emission reduction** At operational carbon footprint level 1, 2 and 3 (categories 3.1, 3.2, 3.3, 3.5, 3.6 and 3.7)

(Amounts in M.€, except where otherwise stated)

	2020	2021	2022 [1]	2023	2024
Net profit	104.8	306.8	368.9	524.0	588.2
Activity in Portugal	66.2	178.6	238.5	443.7	511.2
Equity holdings in BFA and BCI	38.6	128.2	130.4	80.3	77.1
Return on tangible equity (ROTE)[2]	3.0 %	9.2 %	10.1 %	14.6 %	16.4 %
Recurring ROTE in the activity in Portugal[2]	2.7 %	6.8 %	8.1 %	16.0 %	18.2 %
Cost-to-income ratio in the activity in Portugal[3]	61.1 %	56.9 %	51.7 %	39.9 %	36.6 %
Return on assets (ROA)	0.3 %	0.8 %	0.9 %	1.3 %	1.5 %
Total assets (net)	37 786	41 378	38 914	38 628	41 072
Loans to Customers (gross)	25 695	27 529	29 161	30 073	31 074
Total Customer resources	36 989	40 305	40 045	37 905	39 984
Loan to deposit ratio	93 %	91 %	92 %	99 %	97 %
NPE ratio (Non performing exposures; EBA criteria)	1.7 %	1.6 %	1.6 %	1.5 %	1.4 %
NPE coverage by impairments and collaterals	140 %	149 %	155 %	154 %	151 %
Cost of credit risk[4]	0.57 %	0.17 %	0.20 %	0.16 %	0.09 %
Shareholders' equity attributable to BPI shareholders[5]	2 981	3 393	3 599	3 700	3 736
Common Equity Tier 1 ratio[6]	14.1 %	14.2 %	14.8 %	14.1 %	14.3 %
Total capital ratio[6]	17.3 %	17.4 %	18.9 %	17.9 %	17.9 %
Leverage ratio[6]	7.3 %	6.8 %	7.1 %	7.4 %	7.4 %
Distribution network (number)[7]	425	349	325	316	303
BPI employees (number)	4 622	4 478	4 404	4 263	4 234

Note: consolidated accounts until 2023. In 2024, Banco BPI no longer presents consolidated accounts as it has no participated companies that are consolidated using the full integration method. In accordance with IAS 28 and IAS 27, associated companies in which Banco BPI has significant influence (Allianz and BCI) are recognised by the equity method in Banco BPI's accounts from 2024 onwards, inclusive (previously, in Banco BPI's separate accounts these participations were recorded at acquisition value).

[1] 2022 restated to reflect the impacts on equity holdings in insurance companies of the adoption of IFRS17, effective from 2023.
[2] The average shareholders' equity considered in the calculation of ROTE is deducted from the average balance of AT1 instruments, intangible assets and goodwill of equity holdings.
[3] Operating expenses as % of gross income. Excludes non-recurrent.
[4] Impairment losses and provisions for loans and guarantees, net of loan recoveries previously written off against assets / Average value of gross loans and guarantees portfolio.
[5] Excludes AT1 capital instruments.
[6] Phasing-in capital ratios for the impact of implementing IFRS9. In 2023, adoption of IRB (mortgage loans).
[7] Retail branches, mobile branch, Premier centres, Private Banking centres and Corporate and Institutional centres.

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

Main Events

2024

- **5 Feb.** BPI presents 2023 results
- **15 Feb.** Issuance of 500 M.€ of Covered Bonds (*Premium*) placed with institutional investors
- **19 Feb.** BPI organises BPI Forum: The Future of Water
- **20 Feb.** BPI launches the BPI and the "la Caixa" Foundation Awards 2024: 15 years Helping Those Who Help
- **5 Mar.** Environmental Management System Certification extended to the Monumental Building
- **11 Mar.** Approval of BPI's Annual Report and 2023 dividend by its Shareholder
- **12 Mar.** Issuance of 700 M.€ of non-preferred senior debt
- **14 Mar.** BPI and NOS release new Pulsoo App for small businesses
- **22 Mar.** BPI wins five awards at the *Global Private Banking Awards*, from *Euromoney*
- **24 Apr.** BPI discloses MREL requirements for 2024
- **30 Apr.** Presentation of BPI results from 1st quarter 2024
- **16-22 May.** BPI puts in place the 4th BPI Volunteering Week
- **23 May.** BPI and Expresso release 3rd edition of "Sustainability Accelerator"
- **5 Jun.** BPI wins international award for excellence in Sustainable Banking
- **19 Jul.** BPI "Best Bank in Portugal", "Best Bank for SMEs" and "Best Digital Bank" by *Euromoney*
- **31 Jul.** BPI's 2024 1st half results presentation
- **3 Sep.** Issuance of 275 M.€ of perpetual subordinated debt (AT1) and early repayment of a similar issuance
- **17 Sep.** Disclosure of BPI Annual Report 1st half 2024
- **20 Sep.** 1st instance decision by the Competition, Regulation and Supervision Court on the SA's fine against a number of banks, including BPI
- **2 Oct.** *AI Innovation Garden* Exhibition at BPI All in One
- **31 Oct.** Presentation of BPI results for the first nine months of 2024
- **15 Nov.** S&P Global Ratings upgrades BPI's long-term rating to "A-"
- **19 Nov.** Moody's upgrades BPI and long-term senior debt to A2 and long-term deposits to A1
- **2 Dec.** BPI launches new Quatru portal, a "home ecosystem" and 550 M.€ non-preferred senior debt issue
- **13 Dec.** Fitch upgrades BPI's long-term ratings to 'A-' and senior ordinary debt and long-term deposits to 'A'. BPI informs on minimum capital requirements and leverage ratio for 2025

2025

- **28 Jan.** BPI discloses MREL requirements for 2025
- **30 Jan.** BPI presents 2024 results
- **10 Feb.** The Lisbon Court of Appeal declared the SA's fine against a number of banks to be time-barred

Recognition

Best Bank – Portugal

Euromoney

Best for SME - Portugal

Euromoney

Best for Digital - Portugal

Euromoney

Portugal's Best Corporate/ Institutional Digital Bank

Brand of Excellence

Superbrands

Trusted Brand 11 years

Seleções *Reader's Digest*

Prestige Products

Five Stars

Best User/Consumer Experience Initiative in Business Payments

Fintech Futures

Excellence in Sustainable Banking Initiative

CFI.co

Best for Digital Education

PWN

Best Domestic Private Bank - Portugal 2024

Euromoney

Best for Sustainability - Portugal 2024

Euromoney

Best for High Net Worth - Portugal 2024

Euromoney

Best for Digital Solutions – Portugal 2024

Euromoney

Best for Next-Gen – Portugal 2024

Euromoney

WHO WE ARE

Identity

Mission, Vision and Values

BPI's mission is to contribute to the financial well-being of its customers and to the sustainable progress of the entire society by offering diversified and innovative financial products and services and by increasingly integrating sustainability principles.

To pursue its mission and vision, BPI develops its activity with values:

- Quality in order to improve the customer experience in an increasingly agile way and respond to their needs at all times;
- Trust is built on a day-to-day basis and translates into honest and responsible behaviour, transparent communication, safeguarding the safety of depositors, protecting customer data, offering a high quality service and financial solidity;
- BPI's social commitment to Families, Companies and Society has been a hallmark of BPI since its inception, and is now also materialised in its joint work with the "la Caixa" Foundation.

Banco BPI, 100% owned by the CaixaBank Group since 2018, is mainly engaged in providing financial services in the corporate and retail banking sectors. BPI serves the Corporate and Institutional, Retail, Entrepreneurs and Business and Private and Wealth segments.

Mission

Contributing to the financial well-being of its customers and the sustainable progress of society as a whole

Vision

Leading financial group and innovative, with the best customer service and reference in banking
Sustainable

Values

Quality

Trust

Social commitment

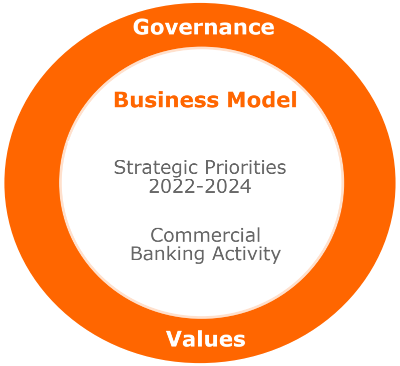
Value Creation Model

This Management Report follows the international structure of *Integrated Reporting*, incorporating the impact of BPI's activity on Capital[8] and the relevant information for stakeholders.

Capital	*Inputs*	Value Created
Financial Capital	**Costumer deposits**: 30.5 Bn.€ **Mortgage Covered debt**: 1.8 Bn.€ **Collateralised senior non-preferred bonds**: 2.4 Bn.€ **Shareholders' equity, AT1 and subordinated debt**: 4.4 Bn.€	**Gross income:** 1.3 Bn.€ **Net profit:** 511.2 M.€ **Profitability:** 18.2% **Loans to Customers:** 31.1 Bn.€ **Mutual Funds and Capitalisation Insurance:** 9.5 Bn.€ **Contribution to GDP:** 0.6%
Intellectual Capital	Recognition as ***"Portugal's Best Corporate/ Institutional Digital Bank"***	**Total Digital Clients:** 959 thousand **Regular users of BPI App:** 763 thousand
Human Capital	**Total of employees:** 4 234 **Gender distribution:** 57%Women,43% Men **Capacities in focus:** Prevention of Money Laundering and Terrorism Financing, Risk Management, Ethics, *Compliance*, Sustainability, Digital.	**Employee Benefits** **Average hours of training:** 52h/employee **4th Health and Wellness Week**
Social Capital	**Total Clients:** 1.8 M **Social investment BPI | "la Caixa" Foundation:** 48.4 M.€ in 2024	**Financing with social impact:** 45 M.€ **Total Social Action Beneficiaries:** 112 785 **ESG screened companies:** 2 383 **Women in management positions:** 45%
Natural Capital	**Commitment to decarbonisation** (NZBA) **Offer for sustainable transition** **Environmental Monitoring Plan** with a focus on eco-efficiency in the use of natural resources	**Financing for companies and individuals for the sustainable transition (environmental dimension):** 1 688 M.€ **Operational Carbon Footprint** (vs. 2023): -5% **Operational Footprint Compensation** (scopes 1 and cat. 3.6): 100% **Electricity consumption:** 100% renewable

BPI's Mission

Contributing to the financial well-being of its customers and to the sustainable progress of the entire society.



[8] With regard to Manufactured Capital, please refer to the description on Distribution Network and Customer Segmentation.

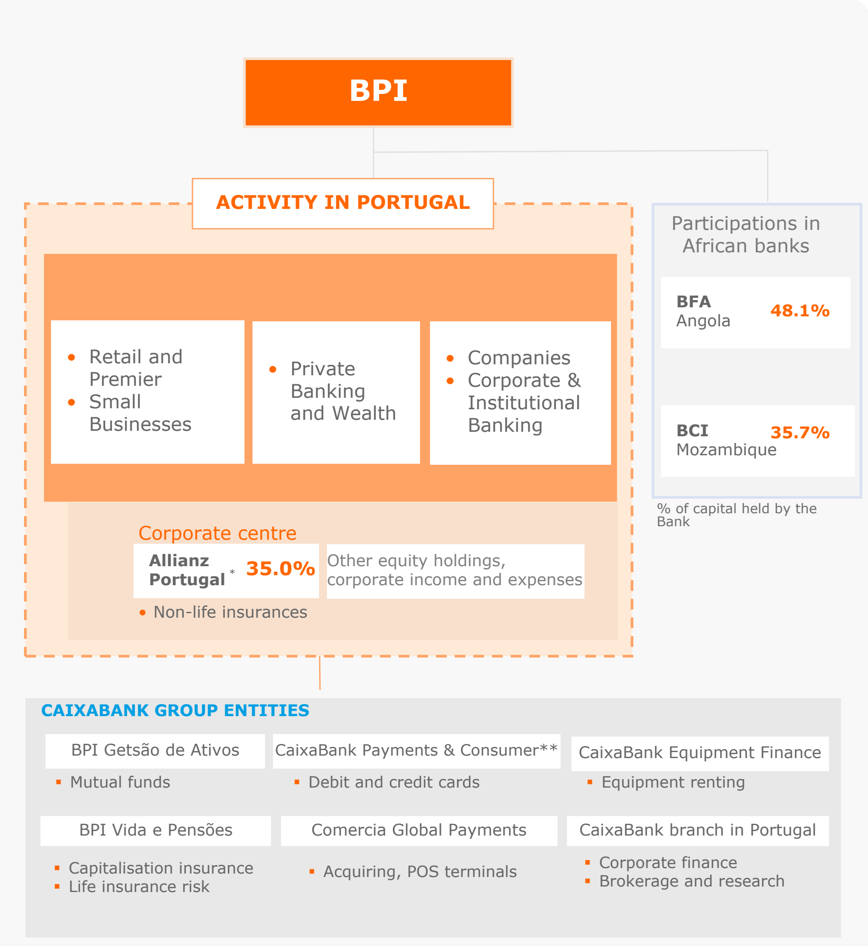
Business Model

BPI, 100% owned by CaixaBank, focuses on commercial banking in Portugal and is the fourth largest financial institution operating in this market in terms of business volume (loans, guarantees and total customer resources). In December 2024, its market shares[9] were 12.1% in loans (including corporate debt securities)[10] and 10.9% in customer resources, with a 14.6% share in mortgage loans.

The Bank's business model is based on a specialised, omnichannel and integrated distribution network and on providing a complete range of financial products and services, structured to meet the specific needs of the segments.

Part of this offer is based on products and services provided by subsidiaries in Portugal and CaixaBank Group companies.

BPI structure and business model



* - In partnership with Allianz, which holds 65% of the capital.
** - Spanish market leader.

[9] Sources: BPI, BdP (Bank of Portugal), APFIPP (Portuguese Association of Investment and Pension Funds and Asset Management Firms), APS (Portuguese Association of Insurers) and BPI Vida e Pensões.
[10] The value of the loan market is complemented by securitised credit and debt securities of resident companies (corporate bonds and commercial paper), according to BdP's source.

BPI Clients' Segmentation

Retail, Businesses, Premier and InContact Banking

This area is aimed at individuals, entrepreneurs and small business Clients. Its multichannel distribution network includes:

- **Traditional branches** (mass-market Clients, entrepreneurs and small businesses);
- **Premier Centres** (higher net worth Clients or those with potential for wealth accumulation);
- **InTouch Centres** (Individual Clients with access to a dedicated manager via telephone or digital channels, during extended hours);
- **AGE Centre** (young Clients aged between 18 and 25 served remotely);
- **Connect Centre** (Clients with low commercial potential and involvement, served remotely);
- **Citizen Centre** (foreign Clients).

Corporate and Institutional Banking

In its close relationship with companies, BPI has a network tailored to the needs of its Clients:

- 6 **Corporate and Institutional Banking Centres** that meet the needs of the largest national corporate groups and institutional Customers
- 22 **Corporate Centres**, for medium-sized companies
- 1 **Real Estate Business Centre**.

Corporate and Institutional Banking also includes teams specialised in structuring operations and contracting more complex products, and responds to sector specificities with teams dedicated to the agricultural, tourism and real estate sectors, accompanying Clients throughout the country.

Private Banking and Wealth

Private Banking provides discretionary management and financial counselling services to high net worth individuals. This area continues to be a benchmark in Portugal, relying on teams of specialised professionals with vast experience, continuous innovation in the offer of products and services and a commitment to the customer experience.

With a differentiated value proposition and independent financial advice, the new **BPI Wealth** service caters to Clients with greater business potential and greater financial sophistication.

Distribution network and Client segmentation

To make products and services available to all its Clients, BPI relies on a varied network that includes commercial units in the physical network and remote commercial team centres/areas and an overreaching Digital Banking service (BPI Net, BPI Net Empresas, BPIApp, App BPI AGE, APP BPI Empresas, BPI Broker and BPI Direto).

In addition to these channels, BPI continues to innovate by exploring new ways of engaging with Customers.

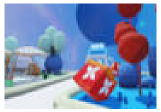
New Client relationship channels

Quatru
Home ecosystem, with a 100% digital mortgage process.

Pulsoo APP
Ecosystem for small businesses, brings a financial and regulatory vision.

BPI VR in the Metaverse
1st virtual reality informative branch in Portugal.

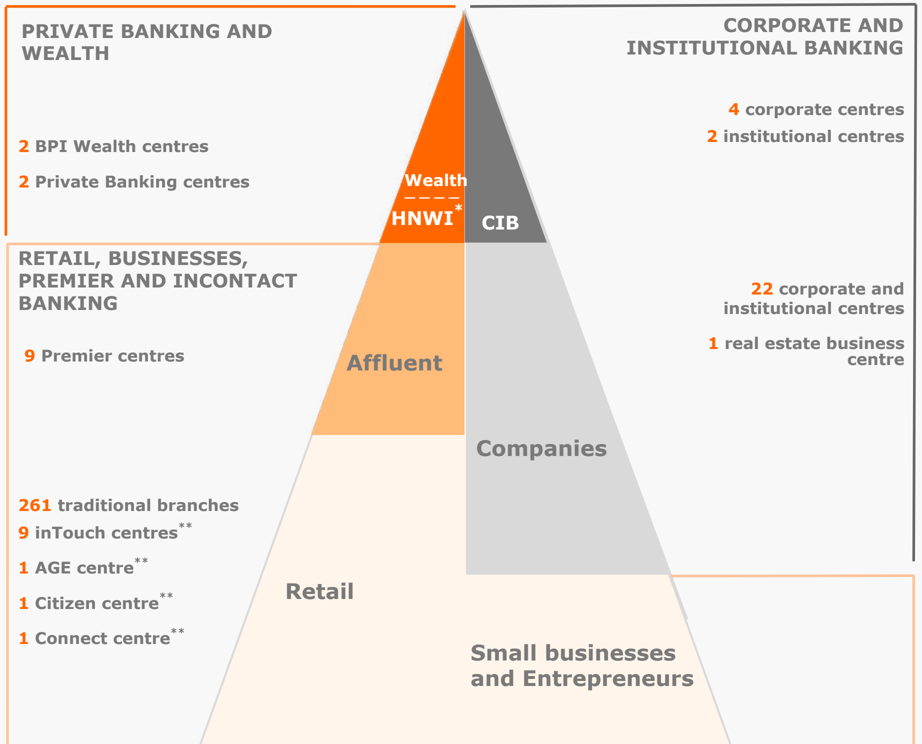
D-Verse
Platform for buying and selling digital collectibles.



Planet AGE Craft Tycoon
1st bank on Roblox promotes financial education.

1.8 M **Clients** | **303** **Commercial units in physical network** | **959 thousand** Regular users of **Digital Banking**

Distribution network by BPI offer segmentation



* High net worth Retail.
** No in-person customer service.

Product and service offer

BPI offers a range of products and services geared to the specific needs of its Clients, commercialised in a transparent and responsible manner. The sales teams' model of attention and action is centred on Client needs and the presentation of the most appropriate offer.

The correct design of banking and financial products and services and their correct commercialisation (including products whose producer is not BPI) is a priority for BPI, which considers the suitability of its offer to the interests, aims and characteristics of Clients.

BPI regularly carries out surveys and market studies, such as the Global Client Experience Evaluation Surveys, in order to gain a better understanding of the customer profile and to outline actions aimed at increasing the quality of service and the suitability of the offer.

In execution of the Product Governance Policy, in 2024 the Product Validation Committee analysed, discussed and voted on 206 products, services, follow-up reports and advertising campaigns. In 2024, BPI presented no cases of non-compliance in relation to product and service information and labelling and communications from marketing that have resulted in a penalty.

BPI undertakes to advertise and publicise its products and services in an ethical and responsible manner, and is a member of the Advertising Self-Regulation Association. The Bank also has a Commercial Communications Policy which aims to ensure that the content and format of advertising considers the legitimate interests of Clients as well as the characteristics of the target market.

> BPI Value Proposition

- Offer adapted to customer needs
- Clear communication and transparent marketing
- Accessibility and inclusion

Retail customers

To meet the needs of Retail Clients, BPI's offer is organised around five experiences that reflect the main needs of Clients and mark the relationship with the Bank:

Day to day

Solutions that make day-to-day management easier

- Contas Valor (includes a set of products and services for a single monthly price);
- Conta AGE Junior (up to 12 years old) and Jovem (13-25 years old);
- Minimum Banking Services Account;
- Easy remote contact with the manager.

Sleeping soundly

Safety and security solutions

- Wide range of life and non-life insurance (BPI Vida e Pensões and Allianz partnership);
- Alarms (Securitas Direct partnership).

Thinking about the future

Investment and retirement solutions

- Investment solutions (Investment Funds, Capitalisation Insurance, RSS, Savings Accounts, Term Deposits)
- Consolidated advised sales service (branches) and investment advice (BPI Premier Centres).

My house

Housing solutions

- Solutions for buying, building, renovating, equipping or transferring mortgage loans. Fixed, variable or mixed rates.

Enjoying life

Solutions for carrying out projects

- Instant credit and credit cards;
- Credit for personal projects, health expenses, training, building work, among others;
- Car finance and *renting*;
- Catalogue of non-financial products.

Digital Banking Services for Retail

- BPI App: The simplest, fastest and safest way to consult and manage your accounts, cards, savings and investments, including the "Contact Manager" feature that enables direct communication between the Account Manager and the BPI Client
- BPI Net: Homebanking service that allows you to access, manage your accounts and carry out banking operations in a safe and convenient way.

Corporate and Institutional Clients

BPI has more than 40 years of experience in supporting companies and the development of the national economy, with a range of products and services designed to meet companies' needs.

Welcome and day to day

Opening and maintaining accounts, automatic channels and payment and receiving solutions.

Financing growth

Solutions for financing investment and business development needs.

Protecting the business

Credit insurance, non-life insurance and life insurance.

Managing the treasury

Solutions for financing the cash cycle and investing excess liquidity.

Supporting internationalisation

International trade and currency hedging risk solutions.

A digital bank

BPI offers a range of services that allow you to carry out a wide range of banking operations. All this in a simple, fast and secure way, 24 hours a day, 7 days a week. **BPI Net Empresas** is a service from *Corporate Internet Banking* that allows integrated account management and the carrying out of several national and international operations.

The **BPI App Empresas** offers functionalities for the daily management of companies, while the **Multi-banking channel** facilitates the direct exchange of financial information between the companies' computer systems and BPI. The **SWIFT Net Channel**, managed by SWIFT, enables the secure and effective exchange of standard messages and files between companies and banks, guaranteeing integrity, authentication and confidentiality.

Private and Wealth Customers

Private and Wealth's business model is based on personalised customer support, excellence in wealth management and continuous technological innovation to ensure customer satisfaction. In this context, three types of specialised service are offered: Execution only, Investment Advisory and Discretionary management.

This segment has a team of specialists with vast experience in wealth management. Each Client is served by a Private Banker/Wealth Manager, who ensures all the relation the Client has with the Bank, both in terms of the day-to-day management of their account and investment decisions.

Clients have a wide range of financial products and services for different asset classes at their disposal.

In addition, at Private and Wealth we seek to create Exclusive products, that meet the needs and financial goals of this Clients' segment.

BPI Wealth, a new advisory concept

Created in July 2023, BPI Wealth offers personalised advice and access to exclusive investment opportunities designed specifically for high net worth customers.

In order to meet this segment's demands for sophistication, in 2024 BPI Wealth took the first step in offering Private Equity funds, a sub-class of assets that offers investors a number of advantages.

This exclusivity is also present in the dynamic and proactive service of the Advisory Desk, launched in 2024, which offers access to direct investment in shares, bonds and exchange-traded funds (ETFs) through an exclusively dedicated team with in-depth experience in financial markets.

The Private and Wealth segments provide discretionary management and financial advisory services to high net worth individuals.

With a long tradition in the high-net worth segment, and a privileged position in the Private Banking sector in Portugal, the Private and Wealth culture is based on a strong commitment to preserving customers' wealth across these segments:

BPI Private

BPI Private has a team of specialists with vast experience in managing big fortunes, who look for investment solutions that best suit customers' needs and financial goals.

BPI Wealth

With a differentiated value proposition and independent financial advice, BPI Wealth serves customers with greater business potential and greater financial sophistication.

Sustainable Value

BPI's goal is to support society's sustainable progress and, based on its vast market knowledge, it has been increasingly expanding and improving its financial services. The Bank recognises its relevant role in the sustainable transition of its Retail and Corporate Clients by providing extensive support, advice and innovative financing solutions, increasingly seeking to advance in its sustainability journey, recognising and assessing the risks and opportunities that emerge from this new paradigm.

The Bank is committed to improving and integrating the highest environmental standards, taking on the commitment to achieve carbon neutrality by 2050, in line with the CaixaBank Group's membership of the *Net Zero Banking Alliance* (see ESRS E1-4). BPI's sustainability concerns also cover its operations, including the value chain where a Code of Conduct for Suppliers is in force, committing to the adoption of strict conduct, especially with regard to issues related to the environment, working conditions and ethics[11].

More generally, and in the context of defining its strategy, BPI approaches environmental, social and governance factors from a perspective of double materiality. On the one hand, it recognises the importance of seizing opportunities and managing the risks associated with its financial profitability and operational continuity that result from these issues. On the other hand, the Bank is committed to reducing its negative impacts and maximising its positive impacts on society and the environment. As such, the Strategic Plan incorporates sustainability objectives implemented through the Sustainability Master Plan 22-24 and the Sustainable Banking Plan 25-27. BPI has also defined Sustainable Development Goals (SDGs) for the Bank's sustainability activities and regularly monitors its commitments to these SDGs.

The Bank also assumes the importance of its actions in promoting financial inclusion, and has the ambition to ensure that people are at the centre of the decision-making process.

BPI also considers it important to be transparent on sustainability issues and, in this context, took the decision to prepare the Sustainability Statements even though they are not yet required due to the fact that the Directive has not been transposed by 2024.

Highlights 2024

NZBA	VOLUME OF SUSTAINABLE FINANCING	OPERATIONAL CARBON FOOTPRINT
Approval of decarbonisation objectives under the NZBA scope: 9 sectors	Financing for companies and individuals for the sustainable transition: 1 917 M.€	5% of GHG emission reductions in the reported areas and categories (*location based*)
NATURE DECLARATION	**LAUNCH OF CASA + INITIATIVE**	**INVESTMENT PRODUCTS**
Approval and publication of the Nature Declaration and accession to Act4Nature commitments	Provision of energy efficiency solutions for 35 th. BPI customers with the launch of the CASA+ initiative	278 M.€ of investment products converted into Art. 8 and Art. 9
CARBONIC OFFSETTING	**CLEARED CONTAS AGE + VALOR (CLEARED ACCOUNTS)**	**PRINCIPLES FOR RESPONSIBLE BANKING (PRB)**
Offseting of 3 863 $tCO_2$and emissions for scopes 1 and 3.6 through high quality reforestation projects in terms of biodiversity	Calculation, verification and carbon offsetting of the life cycle of Contas AGE and VALOR	Publication of the first PRB report.

[11] For more information on energy consumption see ESRS G1-2.

Double Materiality

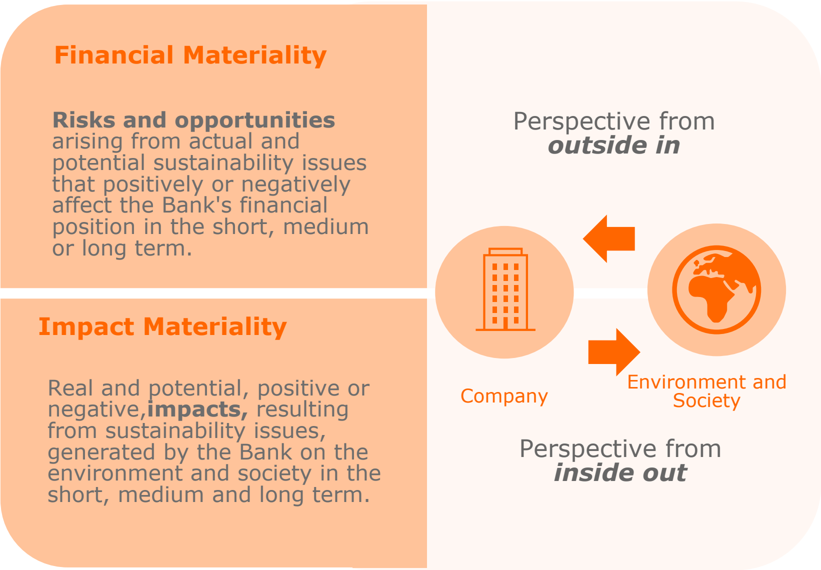
In 2024, BPI updated its double materiality analysis exercise - the process by which the Bank is able to ascertain which sustainability topics, in its three pillars (ESG), are most relevant from an impact perspective and/or from a financial perspective.

This exercise makes it possible to identify the material topics and sub-topics, as well as the main Impacts, Risks and Opportunities (IRO).

The identification of these IRO materials is relevant to the extent that:

i) assists in defining the information to be included in the sustainability statements and, consequently, the information to be communicated to stakeholders and

ii) supports the definition of the Bank's sustainability path, identifying the topics on which the main efforts should be channelled.



As part of this exercise, several relevant stakeholder groups were involved, whose feedback was considered when assessing the IRO, using several mechanisms, including questionnaires, *focus-group* and interviews.

Stakeholders involved in the double materiality analysis[12]

Employees and Executive Directors	Retail and Corporate Clients	Suppliers	Leading organisations

Following this exercise, the results, including the perspectives of the stakeholders consulted, were shared with the Sustainability Committee, the Risk Committee, the Executive Committee and the Board of Directors.

Material topics and sub-topics

The double materiality analysis process resulted in six material topics, four of which correspond directly to the *European Sustainability Reporting Standards* (ESRS) and two *Entity Specific* (ES) topics:

- Climate Change (E);
- Workers (S);
- Consumers and End Users (G);
- Business Conduct (G);
- Sustainable Finance (ES);
- Cybersecurity and information security (ES).

[12] The sub-topics on which each stakeholder group considers the Bank to have the greatest impact can be found here.

The main IRO[13] resulting from this exercise stem from the following material topics and their sub-topics:

Theme		Sub-theme	Materiality: Impact	Materiality: Financial	Location
E1	**Climate Change**	Operational carbon neutrality and energy efficiency.	●	●	> Natural Capital > ESRS E1 - Climate Change
		Decarbonisation of the financing portfolio.	●		
S1	**Workers**	Promoting quality employment and professional development.	●		> Human Capital > ESRS S1 - Own labour
		Promoting diversity, equity and inclusion.	●		
S4	**Consumers and end users**	Responsible marketing.		●	> ESRS S4 - Consumers and end users
G1	**Business conduct**	Promoting ethics and integrity.	●	●	> ESRS G1 - Business conduct
		Prevention of corruption and bribery.		●	
		Promotion of the responsible and transparent *lobby* .		●	
		Management of relationships with suppliers.	●		
Entity Specific	**Sustainable finance**	Promoting the supply of products and services with ESG characteristics (sustainable mobilisation).	●	●	> Natural Capital > ES2 - Sustainable Finance > ESG Risk and Impact Management
		ESG risk management in financing operations.		●	
	Cybersecurity and information security	Promotion of cybersecurity and information security.		●	> ES1 - Cybersecurity > Other topics relevant to Risk Management

[13] The detailed list of IROs and the Bank's approach to them can be found at here.

Commitment to the Sustainable Development Goals

In 2022, BPI defined seven Sustainable Development Goals (SDGs) as priorities for the Bank's sustainability activities. In 2024, the Bank continued its commitment to these SDGs and presents its contribution to them below.

SDGs and Axes of the Sustainability Master Plan 2022-2024

Below we present the alignment of the priority SDGs identified by the Bank with the 2022-2024 Sustainability Master Plan, reaffirming BPI's strategic commitment to sustainability. In addition to the priority SDGs, we also identify some of the SDGs to which the Bank has contributed through the initiatives implemented under each axis of the Sustainability Master Plan 2022-2024.

Contribution to the SDGs along the value chain

Below we present the alignment of the priority SDGs identified by the Bank with the 2022-2024 Sustainability Master Plan, reaffirming BPI's strategic commitment to sustainability. In addition to the priority SDGs, we also identify some of the SDGs to which the Bank has contributed through the initiatives implemented under each axis of the Sustainability Master Plan 2022-2024.

UPSTREAM
Suppliers

OWN OPERATIONS
Bank

- SDG 5: Development of initiatives that promote equality and conciliation between the personal, family and professional lives of BPI employees.
- SDG 8: Adoption of best labour practices and appreciation of a people-oriented culture.
- SDG 13: Supporting the transition to a carbon-neutral economy and reducing the carbon footprint at home.

DOWNSTREAM
Intermediaries & Clients

- SDG 1: Promoting the social inclusion of the most vulnerable groups through programmes that contribute to the fight against poverty in partnership with the "la Caixa" Foundation.
- SDG 8: Promoting access to financial products and services for sole proprietors and SMEs.
- SDG 13: Supporting the transition to a carbon-neutral economy and reducing the carbon footprint on the financing portfolio level.

SDG 16: Promoting a responsible and transparent culture based on strict social conduct based on responsible policies, careful risk management and continuous and transparent dialogue with the parties.

SOCIETY

- SDG 5: Promotion of employment and regional development through programmes developed in partnership with the "la Caixa" Foundation.
- SDG 10: BPI's support for the "la Caixa" Foundation in developing initiatives to combat social inequalities.
- SDG 17: Establishment of partnerships and active dialogue with entities and working groups dedicated to promoting the

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

Monitoring the BPI contribution to the SDGs

In order to monitor the effectiveness of the Bank's approach, specific KPIs are monitored for each priority SDG.

SDGs	KPI	2024
1. Fighting Poverty SGD target: 1.4	# of beneficiaries within the scope of joint action with the "la Caixa" Foundation in actions that contribute to the fight against poverty	89 785
	# accounts in Minimum Banking Services	21 244
	# commission-free accounts for IPSS	970
5. Gender Equality SGD target: 5.5	# partnerships	1 (Professional Women's Network)
	% women in BD	47%
	% women in management positions	45%
8. Decent Work, Employability and Entrepreneurship SGD target: 8.5	M.€ training credits	3.2 M.€
	€ minimum compensation for Banco BPI Employees, including food allowance	> 1 400 €
	# of beneficiaries within the scope of joint action with the "la Caixa" Foundation in actions that contribute to supporting social integration	1 746
10. Social Inclusion SGD target: 10.2; 10.3; 10.4	# of beneficiaries within the scope of joint action with the "la Caixa" Foundation in actions that contribute to supporting social inclusion	89 785
	# of volunteers	+17 000
	# of volunteering hours	+2 100
	# of beneficiaries of volunteering activities	+9 300
	% of accessible commercial spaces	75%
13. Climate Change SGD target: 13.2; 13.3;	# companies subject to sustainability risk analysis	2 383
	M.€ in financing to companies for sustainable transition	1 323 M.€
	M.€ in financing to individuals for sustainable transition	365 M.€
	100 % operational footprint offsetting (scopes 1, 2 and cat.3.6)	100%
16. Peace, Justice and Effective Institutions SGD target: 16.4; 16.5; 16.6; 16.7	% of employees trained in ethics and conduct/PML	98%
	# awareness-raising activities on Compliance issues	17
17. Partnerships for the Implementation of the SDGs SGD target: 17.6	# partnerships in the sustainable finance ecosystem	4
	# sustainability working groups	3

Opportunities - Sustainable Offer

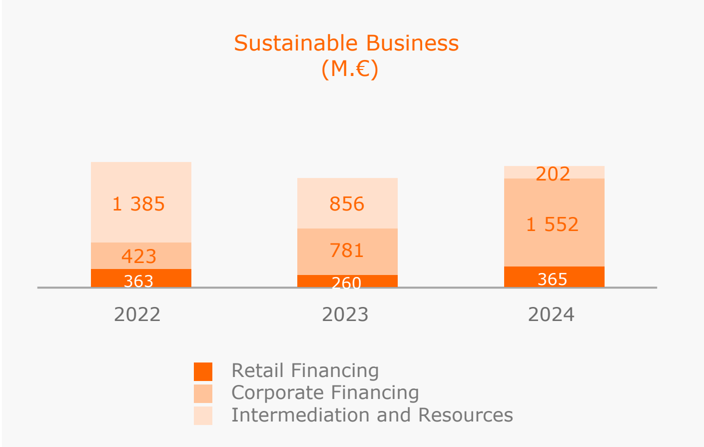
On the business side, BPI seeks to boost its offer of products and services that integrate ESG criteria with the aim of maximising their positive impact on society and the environment and taking advantage of the business opportunities associated with its customers' investment needs.

Target for sustainable supply

In fulfilment of this goal, in 2022 BPI set itself the target of mobilising 4 Bn.€ in sustainable business between 2022 and 2024 in the Sustainability Master Plan[14]. To this end, the Bank offers a varied range of products, both on the asset and liability side, and also in the context of the distribution of investment products that integrate environmental, social and governance factors.

In this three-year period, BPI mobilised 6.2 Bn.€. in sustainable business, with funds being mobilised, in particular, for energy-efficient housing, in the case of Retail, and for sustainable projects or financing with bonuses on meeting sustainability objectives (*ESG-linked* financing), in the case of Companies.

Over the last three years, the contribution of Sustainable Financing has increased successively. With regard to intermediation and resources, the sustainable business objectives essentially involved the effort to transform pre-existing investment products into Article 8/9 of the SFDR[15], which was fulfilled in greater volume in 2022.



Sustainable Business (M.€)

	2024	vs 2023	2022-2024
Total Sustainable Business	**2 119**	+12 %	**6 187**
Total Sustainable Financing	**1 917**	+84 %	**3 744**
Retail	**365**	+40 %	**988**
Corporate	**1 552**	+99 %	**2 756**
Environmental Dimension	1 323	+221 %	2 064
Social Dimension	45	+105 %	139
Other sustainable business	185	(47)%	554
Intermediation and Resources	**202**	(76)%	**2 443**
Resources (Deposits)	0	(100)%	573
Intermediation (assets under custody)	202	(28)%	1 869

ESG criteria in variable compensation

Reinforcing the commitment of the Bank's management to its sustainability strategy, the fulfilment of the sustainable business goal is one of the criteria for obtaining annual variable compensation at senior management level.

[14] For more details, see the response to the indicator Sustainable Finance.
[15] SFDR Sustainable Finance Disclosure Regulation - EU Regulation 2019/2088.

Sustainable Offer

With its specific offer and the provision of specialised and segmented services, the Bank is able to support families and companies in adopting more sustainable consumption and production patterns, by presenting a range of competitive solutions that take ESG issues into account, as well as specialised advice on setting up structured financing that takes these types of practices into account.

In 2024, the volume of sustainable financing was of 1.9 Bn.€, reaching an accumulated value of 3.7 Bn.€ (since 2022).

The increase in sustainable financing also contributed to the substantial increase in BPI's *Green Asset Ratio* (GAR), which in the 2024 business reached 2.88% and 4.20% in the Turnover and Capex dimension respectively, as presented in the section of the response to the Taxonomy Regulation.

		Stock		Flow
GAR	2023	2024	2023	2024
Turnover	0.5 %	2.9 %	0.8 %	5.3 %
Capex	1.3 %	4.2 %	1.5 %	7.5 %

The volume of Client investment products deposited in BPI accounts on 31 December 2024 amounted to 6.5 Bn.€. In 2024 there was a merger and/or conversion of a number of investment funds and capitalisation insurance products marketed by BPI (in the amount of 278 M.€):

- Conversion into Art.8 of the BPI Portugal Funds and BPI Global Equities;
- Incorporation of a set of 7 investment funds into others that fulfil the criteria of Articles 8 and 9;
- Conversion of BPI Poupança dólar into Art.8.

Training and dialogue with Clients

BPI invests in training its commercial network and specialised teams to respond to customer needs and promote ESG products. To this end, in 2024 BPI carried out a series of actions to clarify ESG issues among Corporate Banking employees (Sustainability *Roadshows*).

Sustainable Offer

Retail

BPI Consumer Loans - Renewable Energies
Special conditions on personal loans for the purchase of renewable energy equipment, and the launch of the CASA + initiative, which promotes improvements in the energy efficiency of properties owned by BPI mortgage customers.

Mortgage Loans - Energy Efficiency
Special mortgage loan conditions for properties with an A+, A or B energy rating.

Sustainable Prestige Products
Non-financial product lines with sustainability features.

Conta AGE and Conta Valor with carbon offsetting
Bank accounts whose carbon emissions are offset.

Recycled bank cards
Issued in recycled PVC (2 million re-PVC cards issued between 2022 and 2024).

Companies

BPI Public Funding Line
Support line for organisations with applications submitted to the RRP, Portugal 2030 (PT2030) and the Common Agricultural Policy Strategic Plan for 2023-2027 (CAPSP).

BPI EIF InvestEU Line
Line for companies that need support in making investments for sustainable transition.

BPF InvestEU Line
A line with a mutual guarantee for companies that need support to make sustainable investments or investments in sustainable urban mobility.

ESG Companies Line
Credit line offering a financing solution to support the ESG transition.

Decarbonisation and Circular Economy Line
Credit line for decarbonisation and circular economy projects for SMEs.

Support line for entrepreneurship and the creation of self-employment
Support line for unemployed people to create companies and self-employment.

BPI Primeiro Direito Line
Credit line with interest rate subsidy for housing projects for people in vulnerable conditions.

Supply Qualification Support Line 2024
Line to support projects in the tourism sector with favourable conditions and with an impact on the sector's environmental and social performance.

Financing Line for the Social Sector
Line to support Social Economy Entities (SEEs), with access to credit on more favourable terms for these entities.

Galp Solar Protocol
Partnership between BPI and Galp Solar with the aim of providing financing solutions for the supply and installation of photovoltaic panel systems to produce electricity for self-consumption.

AGE and Conta Valor with carbon offsetting

The Bank has been calculating, verifying and carbon offsetting the life cycle of Conta AGE and Conta Valor[16], having offset the emissions of a total of around 84.5 thousand Contas Valor opened in 2024, and a total of around 42 thousand Contas AGE opened in 2023 and 2024. Contas Valor have an estimated carbon impact of between 220 and 1400 grams of CO_2/year, and this figure has been subject to external verification in accordance with ISO 14067: 2018. Emissions have been offset through reforestation projects and certificates in Spain[17]. It should also be noted that the calculation methodology is reviewed every 3 years and the carbon footprint of the life cycle of these products is verified.

16 The calculation and verification of the Contas Valor was carried out for the 1st time in 2024
17 BPI intends to offset reforestation projects in Portugal. However, to date there are no certified methodologies to do so.

Sustainable investment

Distribution of investment products

BPI offers its Clients investment products that take environmental factors into account, namely, and using SFDR terminology:

- Article 8: Financial products and services that promote environmental and/or social characteristics, or a combination thereof;
- Article 9: Financial products and services that pursue a sustainable investment objective.

In 2024, the volume of Article 8 and 9 investment products deposited in Banco BPI accounts[18] increased by 202 M.€, essentially due to the transformation of pre-existing products into Article 8 and 9 products.

In December 2024, BPI had in custody 6.5 Bn.€ of investment products covered by Articles 8 and 9 of the SFDR, which attests to the effort made by BPI's several teams to place these assets.

Investment Consultancy and Discretionary Management

In the Investment Advice and Portfolio Management , environmental, social and governance (ESG) factors are taken into account in the investment selection process, in addition to financial and risk criteria.

[18] Considering net production (subscriptions - redemptions) and transformations, without taking into account the market effect.

ESG Risk and Impact Management

Society and the environment have a significant impact on the Bank, and BPI can also have an impact on the environment and society, directly or indirectly, through its financing of Clients and also through its operational activity, including its Suppliers.

BPI is committed to incorporating these factors in the analysis and admission of Clients both for the purposes of credit risk assessment and to avoid financing undesired negative impacts[19]. BPI is preparing the introduction in 2025 of this assessment also in the phase of initial customer *onboarding*, prior to the establishment of the business relationship.

The Sustainability Risk Management Policy is BPI's main tool for managing risks and negative impacts, which is applied in the credit admission process.

Also noteworthy are a set of principles and declarations that guide BPI's actions in this area:

i) Principles of Environmental Management[20];

ii) Principles of Action on Sustainability Matters;

iii) Human Rights Principles[21];

iv) Statement on Climate Change.

It should also be noted that, in 2024, BPI concluded the *Due Diligence* on Human Rights (started in 2023) and approved the Statement on Nature, through which BPI commits itself to developing actions in the field of nature protection and preservation.

Finally, given the importance of ESG data for decision-making and compliance with reporting obligations, it should be noted that in 2024 SIBS completed the development of a portal, of which BPI is a partner, aimed at collecting a set of ESG data from corporate customers. Obtaining this data will enable BPI to support its customers in their ESG challenges and improve the information base used for ESG reporting and risk management purposes.

[19] For more details, see the response to the indicator Sustainable Finance.
[20] In line with the requirements of the ISO 14001 standard, BPI is committed to continually improving its environmental performance and achieving maximum efficiency in the use of resources, while respecting the principles of environmental management.
[21] For more details see the response to the ESRS indicators S1-1 and ESRS S4-1.

ESG factors when taking on customers

BPI's Credit Division, through its Sustainability Area, is responsible for implementing and monitoring the process of assessing sustainability factors within the scope of admitting credit risks, with the aim of mitigating risks and the potential negative impact of the financing granted by the Bank to Companies on the environment and society.

Specifically, it is responsible for promoting the integration of the analysis of the sustainability factors of companies in BPI, within the scope of the admission and monitoring of credit risk.

The primary aim of this analysis is to ensure that the companies the Bank finances comply with the policy in force, but it also makes it possible to assess how they manage their risks and impacts on the environment and society, classifying them according to their control environment.

Sectors with ESG Risk Management Policy restrictions

Energy	Mining industry
Infrastructures	Agriculture, fishing, livestock and forestry
Defence	

This policy defines materiality criteria for the purposes of this analysis, both for companies and for financing and investment operations, in line with CaixaBank's corporate model.

Throughout 2024, training sessions were organised specifically for the main players in this process, namely Corporate Banking Employees and credit risk analysts.

During 2024, 2 383 companies were analysed. In terms of credit portfolio coverage, this group of companies represents 26.9% of the operations contracted during 2024 and 46% of the total exposure contracted by the Companies segment at the end of 2024.

2 383
Companies analysed according to sustainability criteria

Memberships, Alliances and Partnerships

Transversal

UN Global Compact
UN initiative that promotes the alignment of companies with ten principles on human rights, labour practices, environmental practices and the fight against corruption, as well as with the goals of the 2030 Agenda for Sustainable Development. BPI has been reporting on this alignment (see section Principles of the UN Global Compact).

Principles for Responsible Banking
UNEP FI initiative that promotes the transition of banks to a sustainable business model, with a positive impact on society, by setting and monitoring targets and reporting progress. Through this report, BPI fulfils its first obligation to report PRB.

***Business Council for Sustainable Development* (BCSD)**
Association that supports companies on their sustainability journey. BPI participates in the Sustainable Finance; Biodiversity; Climate and Energy; and Value Chain and Circular Economy working groups.

GRACE - Responsible Companies
Association that works in the areas of Corporate Social Responsibility and Sustainability. BPI is the co-coordinator of the Financial Cluster and is also a member of the Azores and Water Clusters.

Environmental

Net-Zero Banking Alliance
The CaixaBank Group, of which BPI is a member, is a founding member of the *Net-Zero Banking Alliance* and is committed to achieving carbon neutrality for the Group's portfolio by 2050. BPI has set 2024 decarbonisation targets for the main sectors, as disclosed in this report (see ESRS section E1-4).

Lisbon Green Capital 2020 Commitment
The Lisbon City Council initiative challenges institutions to change their behaviour in favour of environmental sustainability. In 2024, BPI reported on the evolution of the 19 indicators committed to implementing the initiatives defined in response to this commitment, of which 17 were fulfilled and the rest were within the deadlines set for implementation.

Equator Principles
As part of the CaixaBank Group's commitment to the Equator Principles Protocol in 2007, BPI applies additional validation procedures for ESG risk assessment in operations that fall within its scope.

Act4Nature
An initiative promoted by BCSD Portugal with the aim of mobilising companies to protect, promote and restore biodiversity. BPI has signed up to 5 commitments under this initiative, which will be achieved between 2025 and 2027.

Social and Governance

Women's Empowerment Principles

An initiative through which BPI commits to seven diversity principles, including equal pay, equal opportunities in career progression, and zero tolerance for sexual harassment.

"la Caixa" Foundation

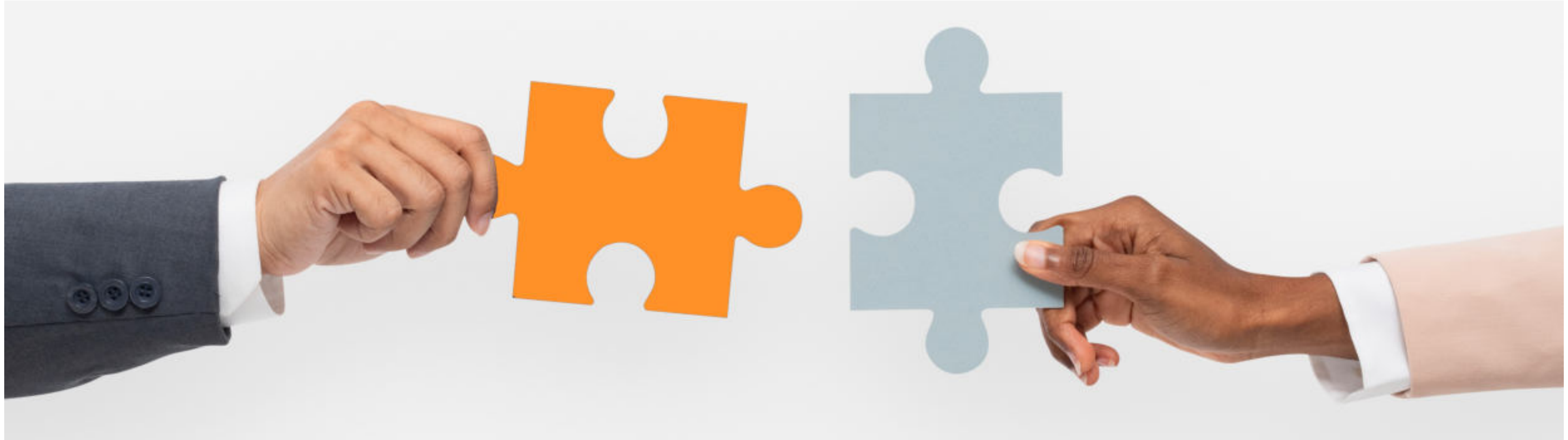
"la Caixa" Foundation is one of the largest and most important foundations in the European Union in terms of social investment. Together, BPI and "la Caixa" Foundation have the mission of building a better and fairer society.

ENTRAJUDA

Association with the mission of strengthening social solidarity institutions through access to necessary resources. BPI collaborates with ENTRAJUDA as part of its work with la Caixa" Foundation and the BPI Volunteering Programme.

Portuguese Diversity Charter

An initiative promoted by APPDI for the promotion of diversity, inclusion, and equal opportunities in the workplace, combating discrimination based on factors such as gender, age, ethnicity, sexual orientation, or disability. In 2025, BPI will continue to implement actions that guarantee the valorization of diversity, fairness, and respect for differences.



OUR STRATEGY

Strategic Plan 2022-2024

The year 2024 marks the successful conclusion of the Strategic Plan 2022-24.

Under the motto "Grow More. Grow Better.", the Plan was geared towards quality of service, business growth and fulfilment of the Bank's sustainability commitments, leveraging developments in People, Technology and Processes.

Evolve the Customer Service model

BPI continues to provide Clients with an innovative experience, the results of which include the growth in regular users of the BPI App (+ 12%/year from December 2021 to December 2024), leadership in the satisfaction of Retail Clients with branches[22], the renewal of the AENOR certification for quality of service in Corporate Banking and the consolidation of market shares in loans, mortgage loans and off-balance sheet resources above 12%[23] in December 2024.

Increase and diversify revenue generation

At the financial level, the increase in commercial activity and income, the maintenance of the quality of the loan portfolio resulted at the end of December 24 in the historic improvement of the core efficiency ratio to 36.3% (vs 54.2% in December 2021) and an increase in the recurrent ROTE to 18.2% (vs 6.8% in December 2021).

Being a reference in sustainable banking

In sustainability, numerous initiatives enabled BPI to exceed its sustainable business volume target and win the *Best Bank in Sustainability* (ESG)[24], and *Excellence in Sustainable Banking Initiative*[25] awards in Portugal. In terms of social commitment, the highlight is the investment of BPI and the "la Caixa" Foundation of more than 120 M.€, which in the three-year period 2022-24 enabled social support to around 325 thousand people.

[22] Base: 5 largest banks in Portugal; Mystery Client market survey (2024)
[23] Total credit (with corporate debt securities): 12.1%; Mortgage loans: 14.6%, Off-balance sheet resources: 13.9%; Sources: BPI, Bank of Portugal, Portuguese Association of Investment and Pension Funds and Asset Management Firms (APFIPP), Portuguese Association of Insurers (APS) and BPI Vida e Pensões.
[24] Euromoney Awards for Excellence (2023 and 2024).
[25] Capital Finance International (2024).

Sustainability Master Plan

The year 2024 marks the completion of the Sustainability Master Plan 2022-2024. The Sustainability Master Plan materialized the third pillar of the Bank's Strategic Plan and established sustainability ambitions for the 2022-2024 period to support the transition to a carbon-neutral economy, as well as promoting the social inclusion of the most vulnerable groups in society.

The Plan was successfully completed, with all goals achieved months before December 2024.

The initiatives associated with Sustainability Master Plan 22-24 mobilized the entire Bank and involved various stakeholders, including customers, employees, suppliers, and the shareholder.

Main initiatives of Sustainability Master Plan 22-24

SUPPORTING THE SUSTAINABLE TRANSITION OF COMPANIES AND SOCIETY	LEADING SOCIAL IMPACT AND PROMOTING SOCIAL INCLUSION	LEADING IN GOVERNANCE BEST PRACTICES
New sustainable products Advances in integrating climate risks Definition of decarbonisation targets/ for 9 sectors (NZBA) Initiatives to raise awareness of sustainability with customers	Continued joint work with the "la Caixa" Foundation BPI Volunteering Programme	Teams specialising in sustainability Updated sustainability committees and policies

Fulfilment of Sustainability Master Plan targets 22-24

AMBITION	GOAL	FULFILMENT 22-24	
TRANSVERSAL	4 000 M€ sustainable business mobilisation.	6 187 M€ mobilised since the beginning of the Plan.	155%
ENVIRONMENTAL	Advancing the decarbonisation of the portfolio to achieve zero emissions by 2050.	Targets set for 9 NZBA priority sectors to reduce funded emissions by 2030.[26]	9 sectors
SOCIAL	200 000 beneficiaries of social action.	324 803 beneficiaries since the beginning of the Plan.[27]	162%
	120 M€ of BPI investment in collaboration with "la Caixa" Foundation.	>120 M€ of investment since the beginning of the Plan for the three-year period.	100%
GOVERNMENT	43% of women in management positions.	45% on 31 December 2024	✓

[26] Oil & Gas, Electricity, Coal, Transport (auto, aviation and maritime), Steel, Real Estate (Commercial and Residential), Agriculture, Cement (intangible) and Aluminium (intangible).
[27] Includes beneficiaries of some joint initiatives with the "la Caixa" Foundation (BPI and the "la Caixa" Foundation Awards, Decentralised Social Initiative, Incorpora), BPI Volunteering and BPI Christmas Action.

Strategic Plan 2025-2027

BPI has approved its Strategic Plan for the period 2025-27, which reflects the Bank's intention to maintain its focus on Clients, Employees and Society, to be bold in transforming the Bank and persistent on the path to growth.

With this Strategic Plan, BPI wants to continue to anticipate the future, combining technological advances and human relationship in an increasingly better and distinctive customer service experience.

The three new strategic lines are:

Get closer

- to Clients - always focusing on the Client
- to Employees - strengthen the attraction and development of talent
- to Society - intervene with the capacity and experience of the "la Caixa" Foundation

Transform

- Establish the technological foundations of the future (data architecture and *API-fication*)
- Evolve processes towards "Operations 0"
- Continue (r)evolution in IT, operations and processes on the way to a "cognitive bank"

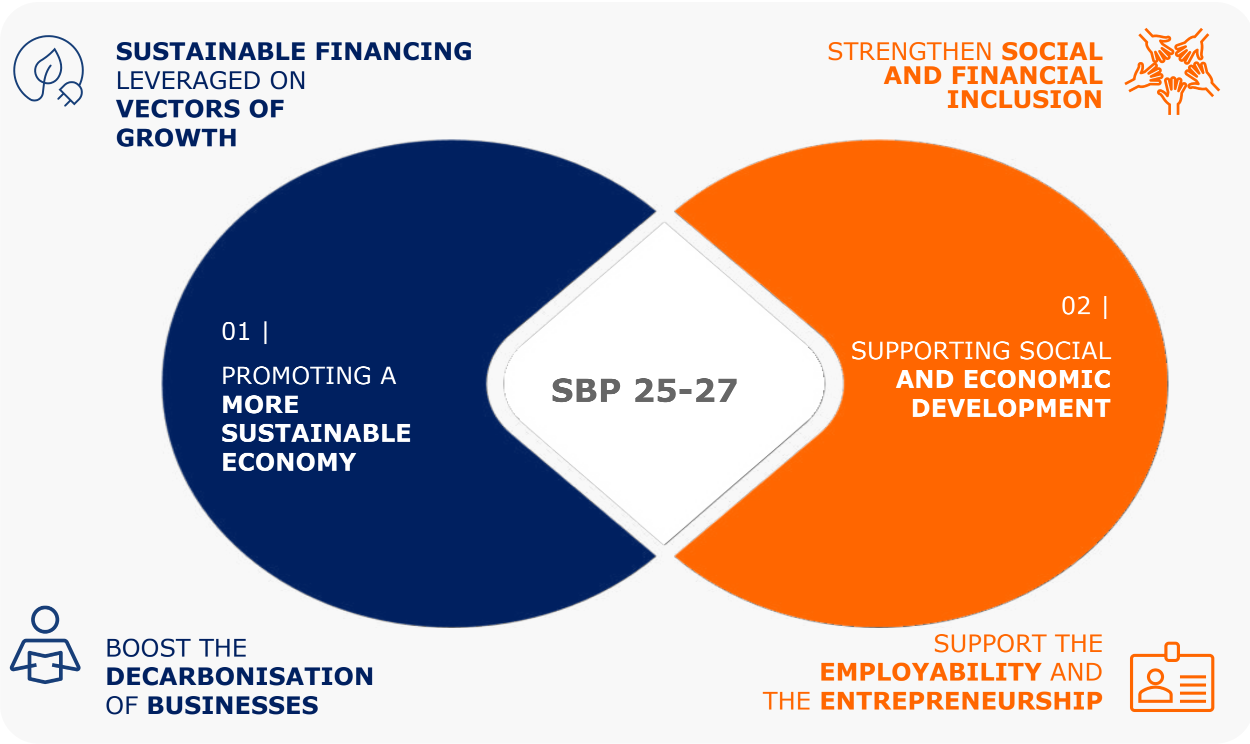
Grow

- Be even stronger in Mortgage Loans, Private Banking and Large Corporates
- Grow in SME and Retail's Businesses
- Finance the transition to sustainability

Sustainable Banking Plan

The Sustainable Banking Plan 25-27 materializes the Bank's firm commitment and responsibilities to sustainable development and economic transition, building on the efforts made to implement the Sustainability Master Plan 22-24.

The Plan is structured around two ambitions and four lines of work:



SBP 25-27 is intended to reflect the Bank's ambition to act in a transformative way and, in this sense, the governance topics and related aspects are identified as cross-cutting initiatives, also reflecting the maturity of the financial sector in these areas.

In fact, the regulatory context in which BPI operates has led to significant and constant developments in terms of its governance model, including in the period covering Sustainability Master Plan 22-24. For this reason, it is considered that these are "transversal" topics whose management already has a high degree of maturity. The focus for the 2025-2027 period is on the areas where there is the greatest potential for transformative impact: promoting a more sustainable economy and supporting economic and social development.

Commitments 25-27

As part of the Sustainable Banking Plan, objectives were set for the 2025-2027 period:

AMBITION	Focus area	Metrics
PROMOTING A MORE SUSTAINABLE ECONOMY	Sustainable Financing	4.4 Bn. € in sustainable financing (accumulated, period 25-27)
	Decarbonisation of businesses	Make *engagement* with 90% of business customers materially relevant to BPI (sectors belonging to the *Net Zero Banking Alliance*)
		Meet annual NZBA targets aligned with decarbonisation trajectories by 2030
SUPPORTING ECONOMIC AND SOCIAL DEVELOPMENT	Social and Financial Inclusion	Number of people with some inclusive solution promoted by BPI Number of beneficiaries under BPI and the "la Caixa"Foundation social commitment
	Employability and Entrepreneurship	Number of people BPI has helped to improve their employability and direct jobs created, within the scope of banking activity and social commitment

OUR PERFORMANCE

2024 Overview

Economy

Global and European Economy

2024 was a year marked by political uncertainty: 64 countries, representing roughly half the world's population, held national elections to elect new governments. At the start of the year, the global environment was still conditioned by geopolitical risk, due to the conflict in the Middle East and the tensions that arose in the Red Sea: attacks on container ships and the restriction of one of the most important trade routes between Asia and Europe. This potentially inflationary context contributed to the maintenance of a restrictive monetary policy in the first half of the year, which was subsequently eased.

Against this backdrop, 2024 was a year of stable but not impressive global growth.

According to the International Monetary Fund (IMF), economic growth fell from 3.3% in 2023 to 3.2% in 2024[28]. Comparing the evolution of the economy on both sides of the Atlantic, the eurozone economy will have accelerated slightly (0.7%) while the US economy will have decelerated, although the estimated growth will have been much stronger in the US (2.8%).

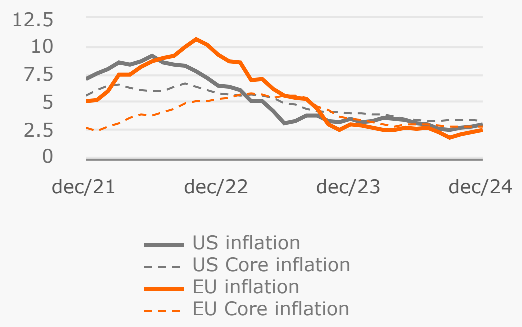
IMF projections for 2023 - 2025[29]

Real GDP (%)

	2023	2024P	2025P
World	3.3	3.2	3.2
Advanced economies	1.7	1.8	1.8
USA	2.9	2.8	2.2
Eurozone	0.4	0.8	1.2
Emerging and developing economies	4.4	4.2	4.2
China	5.2	4.8	4.5

The need to control inflation continued to explain the actions of the main central banks in the first half of the year, with easing beginning soon afterwards. Inflation began to slow in 2023 and continued in 2024, although it did not return to the average annual target value of 2%. Despite this, after a waiting period in the first half of the year, the European Central Bank went ahead with its cycle of monetary easing more forcefully than expected. In 2024, the ECB cut its key rates by 25 basis points four times, lowering the deposit facility rate from 4% to 3%. The last cut took place in December by unanimous decision. Against a backdrop of more favourable inflation trends, the average Harmonised Index of Consumer Prices (HICP) for 2024 was 2.4% (5.4% in 2023). The Federal Reserve (*Fed*) began monetary easing in September with a cut of 50 b.p. and then continued and closed the year with rates in the 4.25%-4.50% range.

Year-on-year inflation in the US and EU



[28] Source: IMF - *World Economic Outlook*, October 2024.
[29] Source: IMF - *World Economic Outlook update*, October 2024.

The outlook for 2025 is for growth, although with different behaviours in the main economies. In the eurozone, growth is expected to increase, supported by domestic demand via an increase in real wages and a fall in interest rates to support investment, although some weakness in industrial activity is expected to persist. In the US, growth is expected to slow with a more restrained tax policy and a cooling labour market slowing consumption. China should continue to grow below 5%, still in the context of weakness in real estate and consumer confidence.

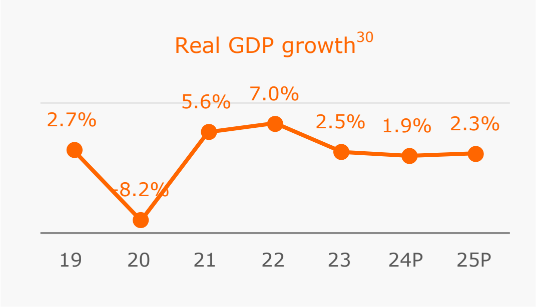
The increase in demand for semiconductors and electronic goods, fuelled by investment in AI, is also expected to boost growth at *Emerging Asia.*

Budgetary consolidation is necessary to cope with the increase in additional debt, still generated in a pandemic context. At the same time, structural reforms are crucial to reviving medium-term growth prospects: accelerating the ecological transition, increasing resilience to climate shocks and demographic changes will continue to mark the economic landscape.

Portuguese Economy

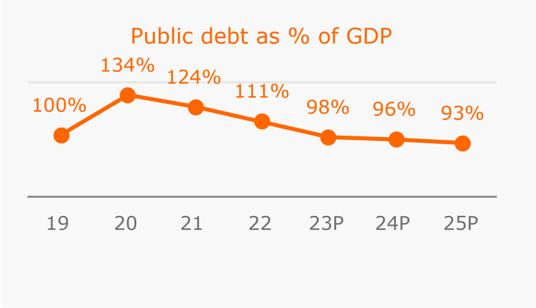
In 2024, the Portuguese economy's growth rate slowed to 1.9%, compared to the 2.5% recorded in 2023. Despite this, the economy showed a clear improvement throughout the year, with year-on-year growth of 2.7% in Q4 and a strong contribution from domestic demand. At the same time, we saw good news in the labour market and prices. The unemployment rate is close to record lows and although average inflation at the end of the year was still above target, the inflationary surge gradually dissipated and we even recorded year-on-year inflation below 2% in August.

Despite the slightly weaker growth, it was still significantly higher than that recorded in the eurozone (annual GDP growth of 0.7%). In terms of external accounts, the current account recorded a 12-month accumulated surplus of 5.7 Bn.€ by the end of October, corresponding to 2% of GDP and representing an improvement of 4.9 Bn. € compared to the same period in 2023. This is the result of both the reduction in the energy deficit and the widening of the tourism surplus.

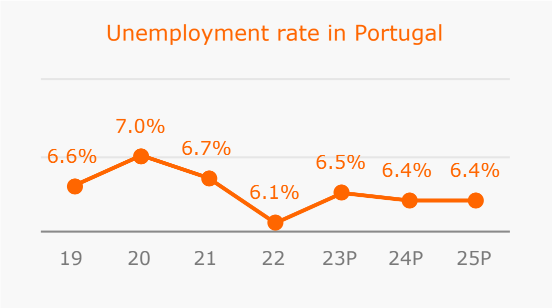


In the public accounts, the figures for 2024 up to November (cash basis) point to a surplus equivalent to 0.9% of GDP, compared to a surplus of 2.7% in the same period last year. This performance was helped by an increase in revenue (5.3% year-on-year) that was smaller than the increase in expenditure (10.4% year-on-year), mainly reflecting salary updates in the civil service, increases in pensions and in the number of pensioners.

The process of budgetary consolidation should continue, with the European Commission estimating that the debt ratio will fall to 92.9% of GDP in 2025 and 90.5% in 2026.



In the labour market, the unemployment rate is expected to remain at around 6%. The number of people employed in 2024 reached an all-time high. Job creation was mainly influenced by services, while manufacturing employment contracted in the first half of the year. Employment growth is expected to continue to moderate in the short term, in line with the projected moderation in tourism and the weakness of the manufacturing sector. Labour supply is expected to evolve broadly in line with employment, keeping the unemployment rate relatively stable.



[30] Source: IMF, World Economics Outlook, October 2024.

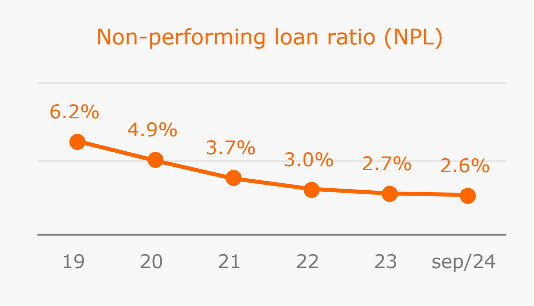
For 2025, a favourable evolution of activity is expected, justified by the contributions of private consumption, based on the good performance of disposable income; and by the contributions of investment, stimulated by the fall in interest rates and the receipt and implementation of European funds. Households' and companies' financial costs should fall, freeing up funds for consumption and investment. The Bank of Portugal[31] estimates that GDP will grow by 2.2% and inflation will slow to 2.1%, which is very close to the target value.

Portuguese financial system

In 2024, the loan portfolio of the non-financial private sector increased by 2.2%, after falling by -1.5% in 2023. There were, however, different behaviours in the segments: Retail loans increased by 3.7% while loans to NFCs fell marginally (-0.3%).

yoy (%)	2023	2024
Loans		
Retail	**(1.2)**	**3.7**
Mortgage Loans	(1.4)	3.3
Other	(0.3)	4.8
Non-financial companies	**(2.1)**	**(0.3)**
Total credit	**(1.5)**	**2.2**
Deposits	**(2.3)**	**7.5**

At the end of the 2nd half of 2024, the *non-performing loans* (NPL) ratio[32] fell to 2.6% (down 0.1 p.p. on the end of 2023).



Private sector deposits recovered substantially in 2024 (7.5%) after falling in 2023 (-2.3%). This recovery comes against a backdrop of increased returns on savings (interest rates on new Retail deposits were very close to 3.0% at the beginning of the year), after having suffered some erosion in 2023 as a result of the channelling of resources into savings certificates in the first few months of the year, from using savings to cope with higher financial charges and also from the use of resources for the early amortisation of mortgage loans.

At the end of the 3rd quarter of 2024, the transformation ratio (loan/deposits) stood at 75.3%, down 2.7 p.p. on the end of 2023, extending the downward trend seen in recent years.

The CET 1 capital ratio increased by 0.6 p.p. compared to the end of 2023, to 17.7%.

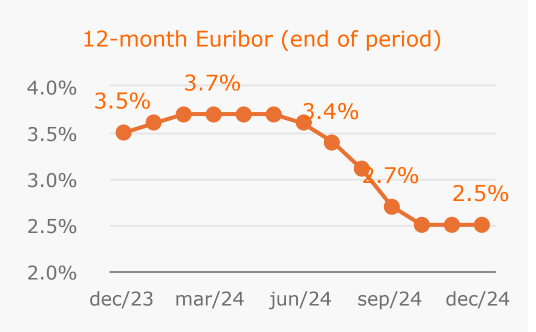
In short, in 2024, banks continued to operate in a context of relatively high interbank interest rates which, combined with a low level of non-performing loans, had a favourable impact on the sector's profitability and capital.

In the near future, the challenging geopolitical context will continue to mark the activity of the financial sector, as well as major transformations and adjustments in the face of the challenges of advancing digitalisation, sustainability and regulation, among others.

[31] Source: Bank of Portugal (Economic Bulletin, December 2024)
[32] Source: Banco de Portugal (Portuguese Banking System - 3rd Quarter 2024, December 2024).

Financial Markets

The easing of monetary policy in the Economic and Monetary Union (EMU), which began in June 2024, continued throughout the rest of the year. There was a cumulative cut in key interest rates of 100 basis points (b.p.). Market interest rates followed the path of the key rates. At the end of the year, the 12-month Euribor rate stood at 2.5%, the six-month rate at 2.6% and the three-month rate at 2.7%.



In the fixed income market, in the first stage of the year, the release of some less benign inflation data and the postponement of expectations about the beginning of rate cuts caused sovereign curves to rise. Subsequently, yields fluctuated and adjusted slightly downwards in line with the rate cuts made by central banks. Towards the end of the year, we saw a significant recovery in the *yields* of the US *treasuries* across the curve, with the benchmark 10-year bond reaching levels of 4.40% (not seen since June 2024). This recovery was partly due to expectations of higher future inflation towards Donald Trump's election victory, given some of his key campaign announcements. Also noteworthy were French bonds whose *yields* over 10 years equalled the rate of Greek bonds at the end of November, on the back of the budget situation and uncertainty about the country's government stability. Thus, the 10-year *Bund* closed the year at 2.37% (+0.34% compared to the end of 2023) and the 10-year *US Treasury* at 4.57% (up 0.69% compared to the end of 2023).

The risk premium on Portuguese debt compared to the *Bund* fell from 76 b.p. at the end of 2023 to 48 b.p. at the end of 2024, lower than the premium for Italy (115 b.p.) and Spain (69 b.p.). In September, Fitch kept Portugal's *rating* unchanged (at A-), but revised the *Outlook* upwards to "positive", reflecting continued progress in reducing public debt and the commitment to a prudent fiscal policy. Moody's and S&P also maintain Portugal's "A" rating. The stock markets saw significant gains, with the EURO STOXX 50 and the S&P 500 rising 8.3% and 23.3% respectively against the close of 2023, while the PSI 20 fell -0.3%.

Financial Capital

Commercial Banking Activity

Retail, Business, Premier and inContact Banking

At the end of 2024, Retail Banking, Business Banking, Premier and inContact had 1.6 million accounts and were responsible for a resources portfolio of 26.6 Bn.€. and a mortgage loans portfolio of 15.1 Bn.€.

In 2024, the company maintained strong commercial dynamism through mortgage loans, reaching a market share of 14.6% and a year-over-year increase 7.2 p.p. in the resources portfolio.

+ 19%	Mortgage loans production
14.6%	Market share of the mortgage credit portfolio.
+ 6.6%	Customer deposits (yoy).

Enhancing the Retail Offer

In 2024, BPI continued to evolve its digital services, in particular, online account opening with *self-video* and the new SPIN transfer service, which only uses a mobile phone number, without the need to indicate an IBAN or account number.

The BPI App has been simplified in its most used components, with a more intuitive menu and the new "Day-to-Day" and "Cards" menus have been made available. There has also been an expansion of the notifications available on the BPI App, including money entering the account and debit card movements, as well as optimisation of the data update workflows available *online*.

In terms of offer, BPI reinforced the BPI Benefits Programme associated with the Conta Valor, surpassing 1 million euros in *cashbacks* and a growth in the range of brands and partners.

Client resources

In 2024, BPI expanded its offer of term deposits in foreign currency and introduced new structured deposits and capitalisation insurance. To complement this, it expanded its offer of retirement savings plans with BPI Rendimento 2030, along with an evolution in the consultancy service with a new simplified joining process.

Total Client funds increased by 7% in 2024, with special highlight to growth in BPI and third-party investment funds and structured products.

Client resources (M.€)

	dec.23 [33]	dec. 24	Δ %
Client deposits	19 319	20 597	7%
Assets under management	5 203	5 533	6%
BPI/Caixabank Funds [34]	1 542	1756	14%
Third Party Funds	209	255	22%
Retirement Savings[35]	1 823	1 862	2%
Capitalisation Insurances[36]	1 564	1 600	2%
Portuguese Treasury Floating Rate Bonds (OTRV)	65	62	(6)%
Third Party Structured Products	345	516	49%
Total Resources	**24 867**	**26 646**	**7%**

[33] The figures presented are corrected for customer migrations between commercial networks.
[34] Excludes Retirement Savings Plans (RSP).
[35] Retirement Savings Plans in the form of investment funds and capitalisation insurance.
[36] Source: BPI and Bank of Portugal.

Loans to Customers

In 2024, the total credit portfolio grew by 3.4%, with a 5% growth in mortgage credit and a 2% growth in loans to entrepreneurs and businesses. In terms of credit, BPI continued to evolve its digital offer, highlighting the launch of the digital version of the App for contracting car loans and the growth in contracting instant credit on digital channels, boosted by the *Flash Sales* and *Smart Pricing* campaigns with promotional rates per customer profile.

At the end of 2024, *Marketplace Store* BPI *Enjoy* was launched on BPI's official website, making it possible to purchase products and services through the credit solutions provided by BPI.

Loan portfolio and guarantees (M.€)[37]

	dec.23	dec. 24	Δ %
Mortgage Loans [38]	14 430	15 114	5%
Consumer Loans	1 246	1 127	(10)%
Car Finance	311	323	4%
Entrepreneurs and Business (loans and guarantees)[39]	1 851	1 886	2%
Total Loans and Guarantees	**17 838**	**18 450**	**3 %**

In 2024, mortgage loans contracts amounted 2 904 M.€, representing an increase of 19% compared to the previous year, which translated into a 14.6% share, +0.2 p.p. above the 2023 figure (portfolio share).

The decrease in Euribor rates and the availability of the Young Adult Mortgage Loan Solution with State Guarantee (DL 44) contributed to the increase in mortgage loans production.

In 2024, BPI continued to offer special conditions on BPI Mortgage Loans for more energy-efficient homes and implemented a solution for importing the energy certificate for the new property on its digital channels.

At the end of 2024, BPI launched the new Quatru portal with more than 220 thousand properties available, which aims to simplify the search experience when buying and selling homes, including mortgage loans, and to facilitate the entire home management process.

Also noteworthy was the Bank's institutional presence at the conventions of the main credit intermediation networks, as well as the events recognising the credit intermediaries that stood out most in the contracting of mortgage loans in 2024.

Debit and credit cards

At the end of the year, the Bank had 1.9 million cards placed with customers, an increase of 1.7% compared to 2023.

It is worth highlighting the replacement of the current credit card portfolio with a new offer that is simpler and more suitable for customers, with new services, namely the possibility of splitting purchases.

Acquiring

In 2024, BPI deployed the next-generation terminals, *BPISmartPOS* (based on Android technology, which allow Clients to integrate and use other applications from their business on the terminal) and *BPIMobilePOS* (virtual terminals consisting of an application installed on Clients' mobile).

[37] Gross credit. 2023 adjusted balances by migrations of Clients between commercial networks.
[38] Loans secured on property. Mainly home loans and loans for home improvements.
[39] It includes loans, equipement/real estate leasing, confirming, overdrafts, current account credits, bill discounting and other credits that make up the range of credit products aimed mainly at sole proprietors and small businesses.

Also noteworthy is the new SPIN and COP transfer service. SPIN offers the possibility of initiating SEPA transfers by entering the mobile phone number of individual beneficiaries or the taxpayer number of beneficiary companies' phone, using NFC technology to carry out secure transactions. COP offers immediate confirmation of the beneficiary of the transfer.

38 thousand APTs
assigned to the Network of Retail, Business, Premier and inContact

Accounts

In 2024, the Bank continued the process of migrating traditional accounts to Conta Valor, which offers a range of products and services for a single monthly maintenance fee.

Several campaigns were also carried out to attract customers. By the end of 2024, around 80% of Retail Clients had a Conta Valor.

Banking insurances

In 2024, BPI extended its life risk insurance offer with the launch of BPI Mais Vida insurance, an insurance policy with a fixed premium for three years for the Client and with innovative cover for serious illnesses for the Clients' children.

With the aim of positioning the Bank as a benchmark in the commercialisation of life and non-life insurance, a number of initiatives were carried out to promote and train people in the field of life and non-life insurance.

In 2024, the insurance commissions amounted 57.7 M.€, registering an increase of 0.5 p.p. yoy.

Corporate and Institutional Banking

Since its inception, BPI has been a Bank for Companies. Throughout 2024, Corporate and Institutional Banking continued to strengthen its support for Portuguese companies, in a context of deleveraging and greater liquidity. The year was marked by the strength of the Portuguese economy and a recovery in credit granted to the business sector as a result of the ECB's downward adjustments to benchmark interest rates.

It was also a year in which BPI continued to invest heavily in digital transformation, keeping pace with the technological development of its Clients and new opportunities for companies to transition to more sustainable business models.

The year was marked by BPI's growth in the Corporate segment, partly as a result of its strategy of focusing on issues related to sustainable transition and digitalisation.

Key Indicators 2024

12.4%	**Market share** in credit granted to non-financial companies.[40]
3.7%	**Corporate Credit** (excluding specialised credit).
1 552 M.€	**Corporate Sustainable Financing**

Quality certification

BPI's commitment to companies was recognised by the certification awarded by AENOR in 2022, and renewed in 2023 and 2024, which distinguishes the quality of the service daily provided by BPI's Corporate Banking.

As part of this certification, all processes were audited by AENOR, ensuring compliance with the service requirements adopted. The certification thus validates Corporate Banking's commercial operating model, implemented with the aim of maximising efficiency and providing high quality, homogeneous customer service throughout the commercial network.

Corporate and Institutional Banking Activity

At the end of the year, Corporate and Institutional Banking's gross credit portfolio amounted 12 400.3 M.€, an increase of 3.7% compared to December 2023. It should be noted that growth occurred in all segments.

Loans, guarantees and resources (M.€)

	Dec. 23[41]	Dec. 24	Δ%
Client Credit[42]			
Corporate	5 432.5	5 672.0	4.4 %
Companies	4 286.9	4 496.6	4.9 %
Institutional	2 236.3	2 231.7	(0.2) %
Total	**11 955.7**	**12 400.3**	**3.7 %**
Guarantees	**2 012.9**	**2 195.9**	**9.1 %**
Resources[43]	**6 350.3**	**6 531.7**	**2.9 %**

40 Source: BPI and Bank of Portugal.
41 Balances adjusted for customer migrations between Retail Banking, Premier, Business and InContact, Private Banking and Corporate and Institutional Banking.
42 Gross loans.
43 Sight and term deposits.

Enhancing the Corporate offer

BPI continued to strengthen its support offer to companies, providing solutions to support their economic recovery and sustainable transition.

In 2024, BPI continued to favour the use of financial instruments from the European Investment Fund (EIF), in particular the following:

- **BPI/EIF InvestEU line:** 155 M.€, aimed at SMEs and *Small Mid Cap*, with a 70% guarantee, to support investments aimed at sustainable transition, digitalisation and innovation and support for the cultural and creative sectors.
- **BPI ESG Companies Line:** 500 M.€ to support SMEs in the transition to sustainability based on the 3 ESG axes, with the possibility of benefiting from the EIF's 70% guarantee.
- **BPI/EIF Agriculture Line:** 95 M.€, with a 70% guarantee, aimed at companies of any size investing in agricultural exploitations and the first processing of agricultural products.

In addition to the lines with EIF guarantees, the following stand out:

- **BPF InvestEU Line:** 3.555 M.€, with MGC guarantee, aimed at supporting the needs of SMEs and *Small Mid Cap* in working capital, investment in tangible and intangible fixed assets, sustainable investment aimed at supporting the reduction of the carbon footprint and the adoption of circular economy principles, research, innovation and digitalisation, as well as investments in sustainable urban mobility.*New*
- **Support Line for Offer Qualification 2024:** renewal of the protocol with Turismo de Portugal with a focus on investment by the tourism sector in entrepreneurship projects and requalification, adaptation and repositioning of the existing offer with an impact on the sector's environmental and social performance.
- **BPI Public Support Line:** Launch of a line with the aim of guaranteeing the financing needs of organisations with applications submitted to European funds, namely RRP, PT2030 and SPCAP. *New*
- **Conta Valor Empresas and Conta Valor Empresas+:** Launch of new accounts, essentially aimed at SMEs, which make it easier to use and manage day-to-day services, with simple pricing, a wide range of services included in the monthly fee and competitive pricing for the remaining operations. *New*
- **Automatic Payment Terminals (APTs):** Provision of the new generation terminals *BPISmartPOS* (Android technology, allowing customers to integrate and use other business applications on the terminal) and *BPIMobilePOS* (virtual terminals consisting of an application installed on customers' mobile phones, using NFC technology to carry out secure transactions). *New*
- **New SPIN and COP Transfer Service:** BPI was a pioneer in launching two new Bank of Portugal services: SPIN (the possibility of initiating SEPA transfers by entering the mobile phone number of individual beneficiaries or the taxpayer number of beneficiary companies) and the COP service (immediate confirmation of the beneficiary of the transfer). *New*
- **Term Deposits:** improvements in the offer of Term Deposits for Companies, making renewable Term Deposits available.

A bank that gives visibility to Portuguese companies

BPI promotes several awards to support the economy, in partnership with other entities, with a view to recognising the best that is being done in Portugal.

National Agriculture Prize (NAP)

A partnership between BPI and Medialivre, with the top sponsorship of the Ministry of Agriculture and the technical support of PwC. It aims to recognise the best companies, practices and projects in the Agriculture sector.

EmpreendeXXI Awards (EAXXI)

An initiative promoted by CaixaBank in collaboration with BPI in Portugal. It aims to recognise and support the most innovative Portuguese start-ups.

+ details here.

National Tourism Award (NTA)

A partnership between BPI and the Impresa Group, with the top sponsorship of the Ministry of Economy and the technical support of Deloitte. It aims to recognise the best companies, practices and projects in national Tourism.

+ details here.

National Innovation Award (NIA)

Promoted by BPI, Negócios and Claranet, in partnership with ANI - National Innovation Agency, COTEC Portugal and Nova SBE. Its aim is to promote, encourage and reward innovation initiatives that contribute to the transformation of organisations in Portugal.

+ details here.

BPI Woman Entrepreneur Award

An initiative promoted in Spain by Caixabank and by BPI in Portugal, it aims to recognise female professionalism and leadership in business.

+ details here.

COTEC-BPI SME Innovation Award

Awarded in partnership with COTEC. Recognises small and medium-sized Portuguese companies for their leadership, innovation and sustainable growth.

+ details here.

A specialist Bank

BPI has dedicated, highly qualified and specialised teams to support different sectors of activity.

The Structured Finance teams offer support in negotiating, contracting and disbursing medium and long-term structured finance, and have in-depth knowledge and specialisation in the agriculture, tourism and real estate sectors. The Bank also has managers specialising in strategic segments.

The Bank also has Protocol Managers and Product Specialists who monitor products such as Factoring, Confirming, Leasing, Foreign Exchange, Derivatives and Payment Means.

In 2024, a specialised Allianz insurance support team was set up for the Multi-risk, Civil Liability, Workmen's Compensation, Motor and Corporate Health lines of business.

To support the internationalisation of companies, BPI has experienced teams at Trade Finance and in the main strategic markets.

Finally, the Client Service Centre has teams that act as a pivot in the relationship with customers when dealing with operational issues.

A bank close to businesses

In 2024, reinforcing the Bank's proximity to its customers, 39 events were organised focusing on priority issues for Portuguese companies.

BPI Forum: The Future of Water

BPI held, in partnership with Deloitte, Expresso and SIC Notícias, the BPI Forum "The Future of Water", which brought together more than 300 participants, including experts, ex-governors, mayors and companies, to debate the challenges and opportunities related to sustainable water management in Portugal and around the world.

The event featured six panel discussions on topics such as water scarcity, investment priorities, good practices in industry, agriculture, tourism and cities, the need to reuse water and the existence of appropriate pricing policies.

Among the speakers were figures such as Mariana Mazzucato, Jorge Moreira da Silva, Assunção Cristas, Pedro Siza Vieira, Dulce Pássaro, José Eduardo Martins and Paulo Portas.

Specialised support

BPI provides specialised support in certain sectors of activity, for which it offers targeted solutions and teams dedicated to structuring financing.

Agriculture

The agri-food sector is crucial to the Portuguese economy and faces the challenges associated with climate change, the need for sustainable practices and water and labour shortages, requiring farmers to adapt and innovate. However, 2024 was a positive year, with an increase in the volume of plant and animal production, moderation of some intermediate costs and an improvement in GVA.

Leadership in short-term financing:

#1 Short-term IFAP line: 68.32%* (amount of credit granted)

#1 Single Application Advances 2024: 62%** (validated via protocol with CAP)

*Source: Institute for Financing Agriculture and Fisheries (IFAP). Support for production units in the agriculture, forestry and livestock sectors. As at 30/09/2024.

** Source: Confederation of Portuguese Farmers (CAP). Total amount of advances on farm support granted by IFAP and validated by CAP.

Specialised teams:

The Bank has teams dedicated to the agricultural sector, who have a deep understanding of the sector's specificities and challenges: specialist managers, who are able to adapt financial solutions to farmers' real needs; structuring teams, for financing more complex operations; and risk teams, who specialise in analysing and making credit decisions on operations in the sector.

Partnerships in the sector:

BPI is the official sponsor of the National Agriculture Fair and sponsors Ovibeja, Agroglobal and other regional events linked to the olive grove and dried fruit sectors.

Featured offer:

- **Linha BPI/FEI Agricultura:** financing with an EIF guarantee.
- **Linha Tesouraria – Setor Agrícola II** with MGC guarantee to finance the treasury needs of the agricultural production, processing or commercialisation sector.
- **Linha Tesouraria – Setor Vinícola:** with MGC guarantee to finance the treasury needs of companies involved in processing grapes into wine.
- **Linha IFAP Curto Prazo:** Subsidised short-term credit line to finance the costs of the agricultural campaign.
- **Linha BPI PDR 2020:** financing for agricultural projects applying to the RDP 2020, throughout the continent.
- **Linha BPI SGM:** with Agrogarante guarantee.
- **Protocolo BPI/CAP:** financing that allows up to 90% of the direct aid approved by the Agriculture and Fisheries Financing Institute (IFAP) to be paid in advance.
- **Protocol *John Deere*:** financing for the purchase of *John Deere equipment*, with favourable conditions.

National Agriculture Prize

BPI and Medialivre closed the 12th edition of the National Agriculture Prize in 2024 and launched the 13th edition at the end of the year. This initiative has the top sponsorship of the Ministry of Agriculture and aims to reward the best of what is being done in Portugal in the agricultural sector.

2024 Winners

Sustainability: Casa Relvas. Honourable Mention: Sociedade Agrícola Herdade dos Lagos

Innovation - Product: Asfertglobal. Honourable Mention: APECO - Agro-Pecuária Coelheirinhas

Innovation - Process: Quinta do Crasto. Honourable Mention: Frutas Classe Comércio de Frutas SA

Innovation - New Projects: Duck River Agriculture. Honourable Mention: WiseShape, Lda

Personality Award: Arlindo Marques da Cunha, former Minister of Agriculture and current president of the Dão Regional Wine Commission.

Institutional Award: "BIPP SEMEAR: Terra de Oportunidades”

Tourism

The tourism sector ended 2024 with positive results, growing once again above the economy as a whole. As a result of this good performance, there continued to be interest from investors and continued upgrading of the existing offer.

BPI maintained the trend of growth in the financing of structured operations with portfolio diversification, fostering stable relationships due to the maturity they incorporate with risk diversification.

2024 was the year in which the Bank contracted the largest volume of operations in the sector, and it is worth noting that in some of the most important BPI was associated in syndicate with Caixabank, reinforcing the existing synergies with the Shareholder.

Specialised teams

The Bank has teams dedicated to the agricultural sector, who have a deep understanding of the sector's specificities and challenges: specialist managers, who are able to adapt financial solutions to farmers' real needs; structuring teams, for financing more complex operations; and risk teams, who specialise in analysing and making credit decisions on operations in the sector.

Featured offer:

- **Linha de Apoio ao Turismo 2021:** 300 M€ to boost the economic recovery of companies in the sector, in order to improve their liquidity.

- **Linha de Apoio à Qualificação da Oferta - Turismo de Portugal:** 300 M.€ to support entrepreneurship projects, requalification, adaptation and creation of enterprises with advantageous conditions and with an impact on the environmental and social performance of the sector.

  In 2024 there was an increase in the overall amount and in the interest-free part of the component financed by Turismo de Portugal.

  As at 30 September, BPI had a 15.7% share of the placement of this line, maintaining second place in the ranking of bank financing.

Partnerships in the sector:

BPI is an official sponsor of BTL - Lisbon Tourism Exchange, and is a partner of Empresas Turismo 360 Programme and NEST of Turismo de Portugal - Tourism Innovation Centre.

National Tourism Award

BPI and Expresso launched the 6th edition of the National Tourism Award in 2024, which has the top sponsorship of the Ministry of Economy, the institutional support of Turismo de Portugal and Deloitte as *Knowledge Partner*.

The aim of the initiative is to honour the best that Portugal has to offer in the tourism sector.

2024 Winners

Authentic Tourism: Agrotourism in Fajã dos Padres

Food Tourism: *Oh! My Cod Food & Cultural Food Tours*

Inclusive Tourism: Serra da Lousã Biological Park (Tourism with a social purpose)

Innovative Tourism: Industrial Tourism in S. João da Madeira

Sustainable Tourism: Herdade da Malhadinha Nova

Personality Award (2 winners)

- Bernardo Trindade, former Secretary of State for Tourism and director of the Porto Bay group
- Paulo Pinheiro, founder of the Algarve International Racetrack (posthumously)

International Trade

In order to support companies in the process of internationalising their business, BPI offers products and services that provide greater security in international transactions and make it possible to finance the entire operating cycle. In partnership with Allianz Trade, BPI also offers credit risk hedging solutions.

As part of the CaixaBank group, which has a strong international presence in 24 countries, BPI can offer its customers information on any of these geographies, enabling it to boost the volume of its customers' foreign trade operations in these countries.

BPI FX Now exchange platform

- Extension of trading hours in 2024.
- It is available through BPI Net Empresas.
- It allows spot and forward foreign exchange transactions to be executed online in a simple, fast and intuitive way, between 06:00 a.m. and 9:30 p.m.
- 27 currency pairs available
- Subscription 2 clicks away.
- Access to market information and real time news.

The BPI FX Now exchange platform has been recognised in the category of online corporate treasury management services (*Best Online Treasury Services - Portugal 2024*) by the international magazine *Global Finance*.

Allianz Trade Credit Insurance

BPI offers credit risk hedging solutions in partnership with Allianz Trade. Emphasis in 2024 with the launch in Portugal of the first fully self-service credit insurance on a digital banking services platform: Allianz Trade Credit Insurance for Small Businesses.

Specialised teams

BPI offers personalised support, guaranteed by teams of product specialists in the areas of international trade, hedging the exchange rate risk involved in international transactions and hedging interest rate risk.

Residential and Commercial Real Estate

Even in an adverse context in monetary terms, the residential real estate sector showed a remarkable evolution with a new consistent appreciation of properties in 2024. A resilient labour market and a moderate supply of new properties continue to underpin the good performance. In turn, the fall in interest rates should favour investment in commercial real estate in the near future, along with opportunities for data centres, student and senior residences.

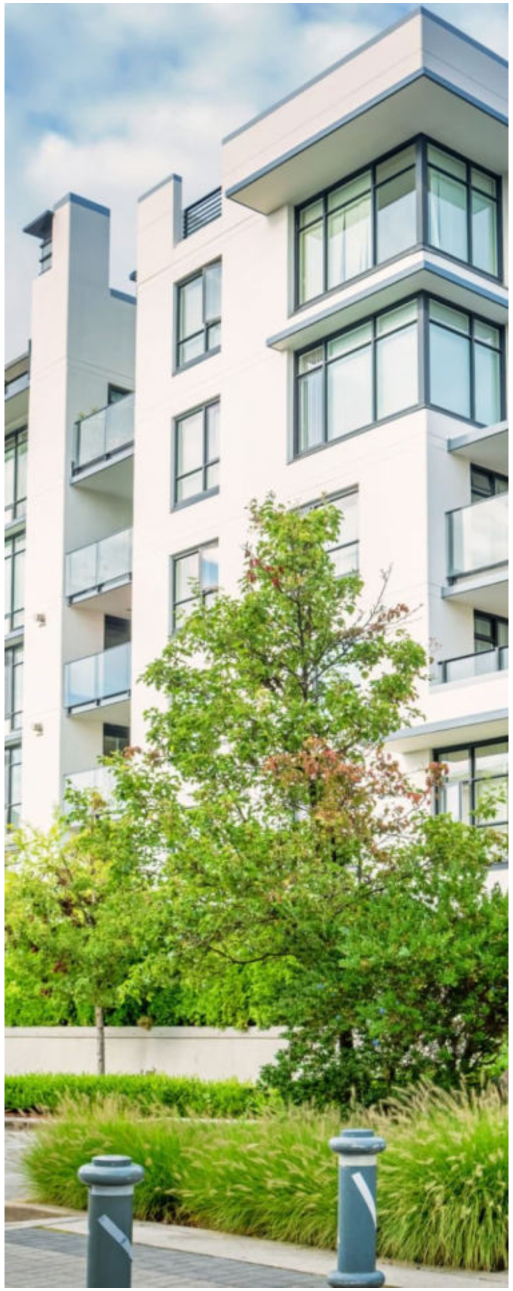
BPI maintains its commitment and continues to invest in supporting companies operating in the real estate sector, both in the residential and commercial segments.

Specialised teams

In Lisbon and Porto, the bank has teams specialising in structured finance. These teams are made up of professionals with experience and knowledge of the market, ensuring that financing solutions are customised to each project. The flexible approach allows complex operations to be structured, providing solutions custom-made for project financing.

In addition to the financing structuring teams, BPI also has a Real Estate Business Centre, with teams in Lisbon and Porto, covering the whole country, which offers continuous support to customers, guaranteeing a single point of contact for all real estate financing needs.

In addition to the specialised teams, BPI also has risk teams, which specialise in analysing and making credit decisions on operations in the sector.



Sustainability Accelerator

BPI and Expresso have launched the Sustainability Accelerator, a project aimed at companies, with the aim of supporting businesses on their path to energy transition.

Acceleration Events

With the theme of Sustainability on the Corporate Agenda, the third edition of this initiative once again travelled the country to debate topics such as Sustainable Mobility, Regenerative Tourism, the Blue Economy, Smart Cities, the Water Challenge in Agriculture and Sustainable Fashion (January 2025).

Training and facilitation sessions were held to speed up the convergence process for SMEs.

These sessions brought together companies from different sectors of activity, of different sizes and degrees of maturity in sustainability, promoting discussions and sharing experiences.

At the accelerator events, practical examples, strategies and methodologies were presented to facilitate the work of companies in the sustainable transition process.

6	**Acceleration Events.**
6	**Cities:** Cascais, Faro, Azores, Braga, Beja and Barcelos.
350	**Participants**

Online Academy

At the same time, an academy *online* was set up to share different training contents, such as tutorial guides, teaching videos and videos of success stories, as well as leaflets presenting the solutions available to companies (public support and BPI funding).

Private and Wealth

The Private and Wealth segments saw generalised business growth in 2024. Business Volume grew by 1.3% to 9 793 M.€.

At the end of the year, assets under discretionary management and advisory services amounted 8 387 M. €, stable positions under custody amounted to 1 192 M.€ and loans and guarantees amounted to 214 M.€.

The positive results in the Advisory service should be noted, particularly in Wealth, with growth of 153.4% in turnover and 70.0% in the number of customers. The launch of this service reinforced our value proposition and consolidated Advisory as the core of this activity.

Also noteworthy was the increase in portfolio diversification by +404 M.€, with emphasis on the placement of +234 M. € of BPI Switch (Insurance-Based Investment Product that allows customers to rotate their investments through 12 sub funds of different asset classes, with different levels of associated risk), despite competition from savings certificates and the high return on term deposits.

In 2024, Private and Wealth were honoured with seven international awards in the Wealth Management industry by Euromoney and PWM/FT. In addition to being recognised as Best Private Banking in Portugal for the second year in-a-row, Euromoney, at the Global Private Banking Awards, highlighted BPI Private and Wealth in four other categories in Portugal:

- "Best for High Net Worth”;
- "Best for Digital Solutions";
- "Best for Next-Gen”;
- "Best for Sustainability”.

BPI Private and Wealth was also recognised as Best European Private Bank for Digital Education by PWM/FT at the Wealth Tech Awards. BPI was also Highly Commended in the Best Private Banking category by PWM/FT.

In a business that stands out for relationships, the year 2024 was also marked by strong commercial dynamism, with the launch of several marketing actions to boost the service, and the promotion of a number of exclusive events, involving around 1,800 guests, 700 of whom are Clients. There were sporting events (golf and tennis tournaments), themed conferences and webinars on financial markets. As part of BPI Wealth’s offer, a Mentoring programme was developed for young people between the ages of 18 and 30, aimed at fostering relationships with the heirs of our main Clients.

Key Indicators 2024

8 387 M.€	Discretionary management and Advisory
67%	Advisory service penetration rate
92%	Clients signed up to digital channels
5 224 M.€	Assets under management Advisory

Financial Results

Banco BPI's Net Profit

Banco BPI reported a **net profit** of 588 M.€ in 2024, an increase of 12% yoy. Banco BPI's return on tangible equity (ROTE) was 16.4%.

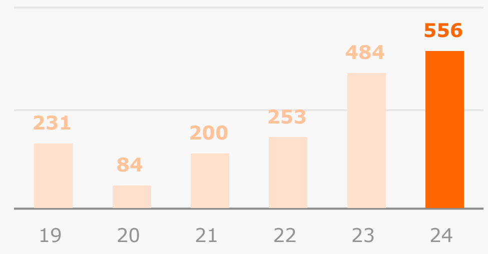
588 M.€
Banco BPI's net profit

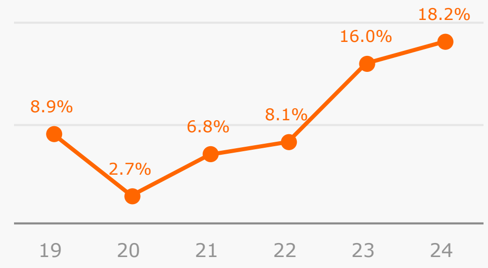
In the activity in Portugal, the recurrent net profit reached 556 M.€, which corresponds to an increase of 15% compared to 2023.

This evolution is explained by the 12% growth in gross income, stable recurring operating expenses and a low cost of credit risk (0.09% of the average loan and guarantee portfolio).

The efficiency indicator (*cost to income*) improved to 36.6% and the recurrent ROTE rose to 18.2% in 2024.

Net profit in Portugal as reported, which includes non-recurrent impacts[44] of -45 M.€, was 511 M.€ in 2024 (+15% compared to 2023).





Note: 2022 restated to reflect the impacts on equity holdings in insurance companies of the adoption of IFRS17, effective from 2023.

The contribution of the equity holdings in BFA (48.1%) and BCI (35.7%) to net profit was 77 M.€ in 2024:

- BFA's contribution of 39 M.€ reflects the 2023 dividend and the impact of the devaluation of the kwanza;
- BCI's contribution (equity accounted) was 38 M.€.

Net profit (M.€)

	2023	2024	Δ%
Activity in Portugal			
Recurring net profit	484.3	556.2	15 %
Non-recurring impacts	(40.7)	(45.0)	
Activity in Portugal	443.7	511.2	15 %
BFA Contribution	41.5	39.4	(5) %
BCI Contribution	38.8	37.7	(3) %
Banco BPI net profit	**524.0**	**588.2**	**12 %**

[44] Includes costs with early retirements and voluntary terminations and other costs (-23.3 M.€ in 2023 and -45.0 M.€ in 2024) and in 2023 also includes the conversion of the irrevocable commitment regarding contributions from previous years to the deposit guarantee fund for a cash payment (-26.7 M.€) and capital gains from the sale of BPI Suisse (9.3 M.€). Amounts net of taxes.

Activity in Portugal

Income Statement

Recurrent net profit from the activity in Portugal reached 556 M.€, +15% year-on-year. This increase is essentially explained by:

- increase in net interest income of 34 M.€ (+4%), due to the *repricing* of loans with higher indexing rates than in 2023 and partly offset by the increase in the cost of deposits;
- increase in commissions by 19 M.€ or +7% (excluding a *one-off* gain of 16 M.€ in 2024), which reflects the growth in commercial activity;
- stable recurring operating expenses;
- decrease in loan impairment net of recoveries by 22 M.€. The cost of credit risk fell from 0.16% in 2023 to 0.09% in 2024.

Net profit as reported, which includes non-recurrent negative impacts of -45.0 M.€ (after taxes), was 511 M.€ (+15% compared to 2023).

Recurrent ROTE[45]

16.0%	**18.2%**
2023	**2024**

Income statement (M.€) for the activity in Portugal

	2023	**2024**	**Δ%**
Net interest income	943.0	976.9	3.6 %
Dividend income	2.0	8.3	—
Equity accounted income	18.7	19.8	5.6 %
Net fee and commission income	291.4	326.6	12.1 %
Gains / (losses) on financial assets and liabilities and other	21.3	26.6	24.9 %
Other operating income and expenses	(80.0)	(21.5)	73.1 %
Gross income	**1 196.5**	**1 336.7**	**11.7 %**
Recurring staff expenses	(251.5)	(247.4)	(1.6) %
Other administrative expenses	(167.7)	(178.1)	6.2 %
Depreciation and amortisation	(73.3)	(64.4)	(12.2) %
Recurring operating expenses	**(492.5)**	**(489.9)**	**(0.5)%**
Non-recurring expenses	(33.7)	(65.2)	93.5 %
Operating expenses	**(526.2)**	**(555.1)**	**5.5 %**
Net operating income	**670.3**	**781.6**	**16.6 %**
Impairment losses on financial assets	(50.9)	(28.8)	(43.4) %
Other impairments and provisions	(3.1)	(8.2)	164.7 %
Gains and losses in other assets	7.3	1.3	(82.2) %
Net income before income tax	**623.5**	**745.9**	**19.6 %**
Income tax	(179.9)	(234.8)	30.5 %
Net income	**443.7**	**511.2**	**15.2 %**
[Recurring net income]	484.3	556.2	14.8 %

In 2024, Banco BPI no longer presents consolidated accounts as it has no subsidiaries that are consolidated using the full integration method. In accordance with IAS 28 and IAS 27, associated companies in which Banco BPI has significant influence (Allianz and BCI) are recognised by the equity method in Banco BPI's accounts from 2024 onwards, inclusive (previously, in Banco BPI's separate accounts these participations were recorded at acquisition value). See note to the financial statements 1.2.

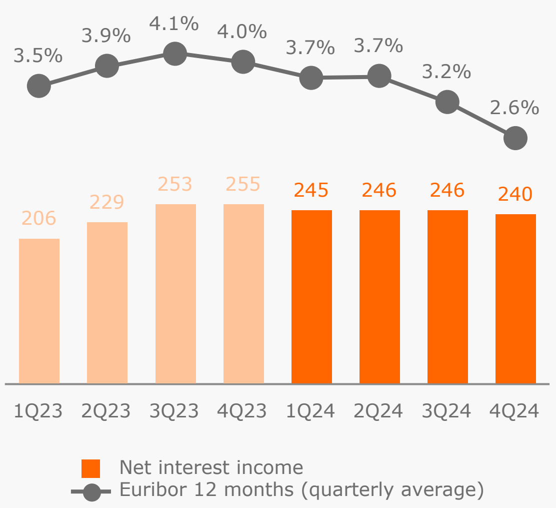
[45] Recurrent ROTE (18.2 % in 2024) = Recurrent net profit in Portugal (538 M.€), minus AT1 interest cost (19 M.€) recorded directly in shareholders' equity / average allocated shareholders' equity (2 955 M.€).

Gross Income

Gross income grew by 12%, with a positive evolution in all its components.

+4%

Net interest income (chg. 2023/2024)



Net interest income

Net interest income increased by 34 M.€ in 2024, explained by:

with a positive effect,

- An increase in interest revenues on loans (+203 M.€), due to the *repricing* of loans with higher indexing rates than the previous year, and also benefiting from the growth in loan portfolio;
- Increase in income from balance sheet/liquidity management and interest rate hedging operations and others (+105 M.€);

these effects, offset the negative impacts of the,

- Increase in the cost of deposits, with an impact of -214 M.€;
- Increase in the cost of debt issued (covered bonds and MREL) with an impact of -60 M.€, reflecting the increase in the average balance and respective remuneration.

The quarterly evolution of net interest income in 2024, after peaking in 4T23, shows resilience to the context of falling market interest rates, benefiting from the slower than expected adjustment of market rates in the 1st half of the year and the growth in loans volume, especially in the 2nd half.

Net interest income (M.€)

	2023			2024			Δ interest (%)
	Average balance	Average rate	Interest	Average balance	Average rate	Interest	
Loans to Customers[46]	28 802	4.0 %	1 147.8	29 431	4.6 %	1 350.6	17.7 %
Customer deposits in euros	27 603	0.4 %	116.0	28 564	1.1 %	329.7	184.2
Intermediation margin[47]		**3.5 %**	**1 031.8**		**3.4 %**	**1 020.9**	**(1.1)%**
Other revenues and costs			-88.8			-44.0	50.5
Net interest income			**943.0**			**976.9**	**3.6 %**

[46] Excludes loans to Employees, commissions at amortised cost and interest on overdue loans.
[47] Defined as the difference between income from interest loans (excluding loans to Employees) and the cost of Customer deposits in euro. Does not include interest rate hedges.

Net fee and commission income

Net fee and commission income grew by +12% in 2024, reflecting the growth in commercial activity which explains a 19.1 M.€ increase in commissions (+7% yoy) and, in addition, the one-off gain of 16.1 M.€ in 2024 from the early settlement of profit sharing on insurance policies marketed in previous years.

Evolution of net fee and commission income by service nature:

- banking commissions grew by 17.1 M.€ (+9.7%), driven by commissions associated with credit and collateral, the BPI Wealth service and the placement of corporate debt issues;
- commission and mutual funds and capitalisation insurance commissions increased 4.7% reflecting the placement of investment funds and *unit linked* products;
- stable insurance brokerage commissions, excluding the *one-off* impact abovementioned.

Net fee and commission income (M.€)

	2023	2024	Δ%
Banking commissions	176.9	194.0	9.7 %
Mutual funds and capitalisation insurance	54.8	57.4	4.7 %
Insurance brokerage	59.7	75.2	25.9 %
Total	**291.4**	**326.6**	**12.1 %**

Equity accounted income

Equity accounted income, amounting to 19.8 M.€ in 2024, correspond to the appropriation of the results of the participation in Allianz (equity accounted).

Gains / (losses) on financial assets and liabilities and other

Gains / (losses) on financial assets and liabilities and other totalled 26.6 M.€ and include gains of 13.0 M.€ on foreign exchange transactions with customers and 11.7 M.€ on interest rate hedging transactions.

Other operating income and expenses

Other operating income and expenses item goes from a negative figure of -80 M.€ in 2023, which included the impact of -38.7 M.€ from the conversion of the irrevocable commitment to the deposit guarantee fund into a cash payment, to a negative figure of -21.5 M.€ in 2024.

Regulatory costs, recorded under this heading, amounted 27.3 M.€ in 2024 (National Resolution Fund 4.5 M.€, the Banking Sector Contribution 19.1 M.€ and Solidarity Surcharge on the banking sector 3.5 M.€). This year there was no contribution to the Single Resolution Fund as it had reached its capitalisation target.

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

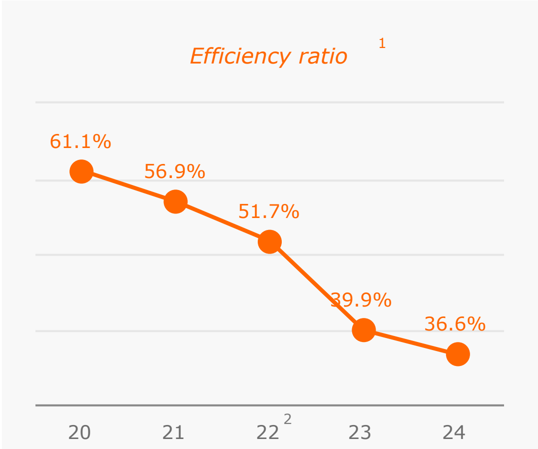
Operating expenses

Recurrent operating expenses remained stable in 2024:

- Staff expenses fell by 1.6% (-4.1 M.€), which includes a 3% salary update and a 2.5% reduction in the average payroll;
- Other administrative expenses increased by 6.2% (+10.4 M.€);
- Depreciation and amortisation fell by 12.2% (-8.9 M.€).

In 2024 there was a cost of 65.2 M.€ corresponding to 236 early retirements and voluntary terminations (non-recurrent expenses).

The efficiency ratio improved by 3.3 p.p. to 36.6% in 2024, reflecting the growth of the income base alongside stable expenses.



[1]Operating expenses as a % of gross income. Excludes non-recurrent impacts.
[2]Restated following the adoption of IFRS 17.

Pension liabilities

Employee pension fund assets (1 758 M.€) covered 100% of pension liabilities at the end of 2024.

100% Coverage of pension liabilities
(31 December 2024)

	2023	2024
Total past service pension liabilities	1 724	1 763
Net assets of the pension fund	1 780	1 758
Coverage ratio of pension liabilities	103 %	100 %
Pension funds return	8.1 %	3.4 %
Discount rate	3.2 %	3.4 %
Pensionable salaries growth rate[48]	1.25 %	1.25 %
Pensions growth rate[48]	0.75 %	0.75 %

Operating expenses (M.€)

	2023	2024	Δ%
Staff expenses	251.5	247.4	(1.6) %
Other administrative expenses	167.7	178.1	6.2 %
Depreciation and amortisation	73.3	64.4	(12.2) %
Operating expenses, excluding non-recurring	**492.5**	**489.9**	**(0.5)%**
Non-recurring expenses	33.7	65.2	
Operating expenses, as reported	**526.2**	**555.1**	**5.5 %**

[48] The growth rates considered at the end of 2024 for pensions and salary growth were 2.5% and 3.0%, respectively, in 2025, and 1.5% and 2.0%, respectively, in 2026.

Impairments and provisions for loans and guarantees

Impairments for loans and guarantees net of recoveries amounted 28.8 M.€ in 2024 (-22.1 M.€ compared to 2023), to which the following contributed:

- net loan impairment charges of 41.4 M.€ (versus 70.3 M.€ in 2023), which include the reinforcement of non-allocated impairments by 42 M.€ in 2024;
- 12.5 M.€ gains on the sale of a 73 M.€ (gross) portfolio of non-performing loans[49] (*versus* gains of 19.3 M.€ in 2023).

The cost of credit risk[50] was 0.09% in 2024.

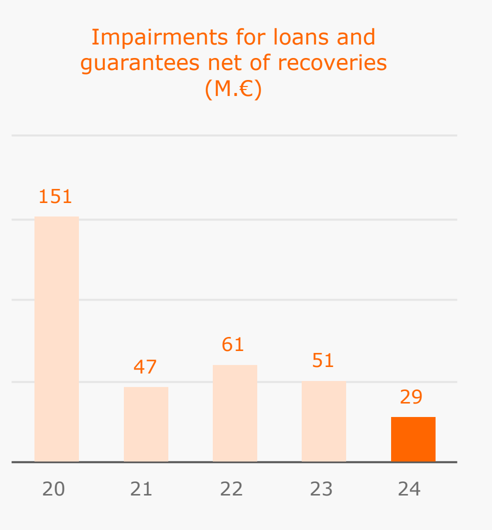
%

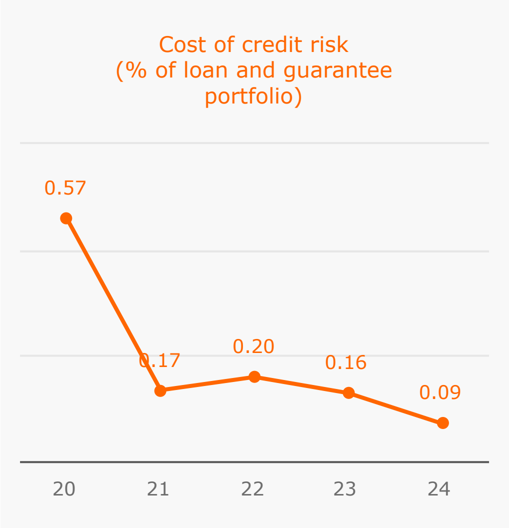
0.09%
Cost of credit risk

At the end of 2024 on-balance sheet non-allocated impairments amounted to 70.0 M.€.

Impairments and provisions for loans and guarantees (M.€)

	2023	2024
Impairments	73.5	44.1
Recovery of loans written off from assets	(3.3)	(2.8)
Subtotal (excluding sale of loans)	**70.3**	**41.4**
(-) Gains on the sale of loans	19.3	12.5
Total	**50.9**	**28.8**





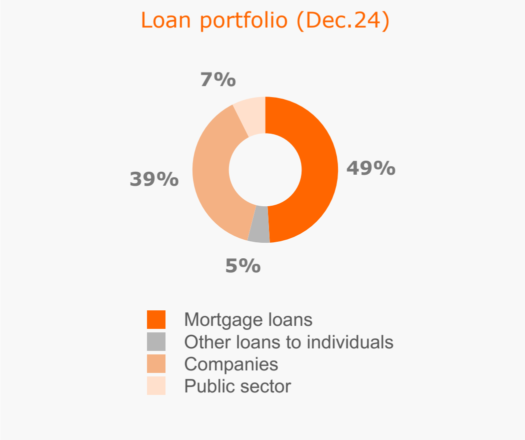
[49] Of which 51 M.€ of NPE and 22 M.€ of loans previously written off from assets and other off-balance sheet items. Total revenues from the sale amounted to 12.7 M.€ (including 0.2 M.€ booked in the gross income).
[50] Impairments net of recoveries as a % of average gross loans and guarantees.

Loans to Customers

The (gross) loan portfolio to Costumers increased by 3.3% yoy (+1.0 Bn.€).

By segment:

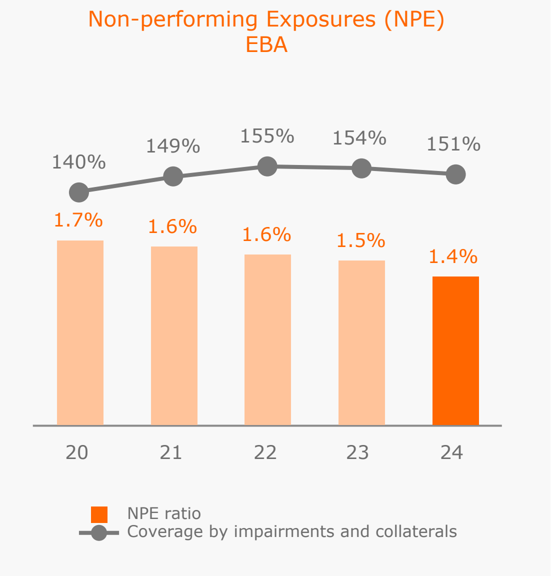
- the mortgage loans, with a year-on-year portfolio growth of 4.6% (+0.7 Bn.€) and a gain in market share of +0.2 p.p. (yoy), to 14.6% [51](in terms of portfolio). In 2024, BPI new mortgage loan production reached €2.9 Bn.€, corresponding to year-on-year growth of 19%, having achieved a market share of 15.9%[51] in the year;
- the corporate loan book increased by 4.4% (+0.5 Bn.€), in line with the market. The share market of the corporate loan portfolio including securitised loan stands at 12.4% [51] in Dec.2024.



Asset quality

BPI maintains a low risk profile, as reflected in high asset quality and prudent hedging levels.

In December 2024, the NPE (EBA) ratio[52] was 1.4% with coverage by impairments of 95% and coverage by impairments and collaterals associated with the NPE exposure of 151%.



Loans and advances to Customers (gross) (M.€)*

	2023	2024	Δ%
Loans to individuals	16 241	16 775	3.3 %
Mortgage loans	14 557	15 232	4.6 %
Other loans to individuals	1 684	1 543	(8.3) %
Companies	11 494	11 995	4.4 %
Public sector	2 338	2 304	(1.5) %
Total	**30 073**	**31 074**	**3.3 %**
Note:			
Net loan portfolio	29 540	30 571	3.5 %

* Loans to Customers (gross) corresponds to Loans and advances to Customers (26 809 M.€ in 2024), excluding escrow accounts, reverse repos and other assets (58 M. € in 2024), plus debt securities issued by Customers (4 266 M.€ in 2024, excluding credit institutions), recognised under Financial Assets at amortised cost.

[51] Sources: BPI and Bank of Portugal.
[52] In addition to the credit exposure considered in the NPL (EBA), it also includes shareholder loans and debt securities in the loan portfolio.

Non-performing Loans (NPL) EBA

The NPL ratio reached 1.7% at the end of 2024, far below the high risk threshold for non-performing assets defined by the EBA (5%).

NPL coverage by impairments was 97%, or 152% if also considering coverage by associated collaterals.

% **1.7%** **NPL ratio**

% **152%** **Coverage of NPL** by impairments and collaterals

For the main credit segments:

- **Corporate loans:** NPL ratio of 2.6% (3.2% in December 2023) and NPL coverage of 109% by impairments and collaterals;
- **Mortgage loans:** NPL ratio of 1.3% (1.2% in December 2023). In this segment, collaterals (real guarantees) have a very significant effect on reducing the risk of loss. NPL coverage by impairments and collaterals is 132% (impairment coverage of 33%).

	2023	2024
Non-performing exposures (NPE)[1]		
Gross credit risk exposure (M.€)	37 431	39 843
Non-performing exposures (M.€)	560	540
NPE ratio	1.5%	1.4%
Loan impairments[2] (M.€)	547	514
Coverage by impairments	98 %	95 %
Coverage by impairments and collaterals	154 %	151 %
Non-performing loans (NPL)[1]		
Gross credit risk exposure (M.€)	29 308	30 817
Non-performing Loans (M.€)	549	530
NPL ratio	1.9 %	1.7 %
Loan impairments[2] (M.€)	547	514
Coverage by impairments	100 %	97 %
Coverage by impairments and collaterals	156 %	152 %
"Crédito duvidoso" (non-performing)[1]		
Gross loans and guarantees (M.€)	32 232	33 738
"Crédito duvidoso" (M.€)	553	573
"Crédito duvidoso" ratio	1.7 %	1.7%
Loan impairments[2] (M.€)	547	514
Coverage by impairments	99 %	90 %
Coverage by impairments and collaterals	155 %	145 %

[1] NPL and NPE according to EBA criteria; "Crédito dudoso" according to Bank of Spain criteria.
[2] Impairments for loans and guarantees.

Restructured loans

The amount of restructured loans (forborne loans, according to EBA criteria) amounted 680 M.€ in December 2024. Compared to December 2023, there was a decrease in restructured credit resulting from the exit of *Stage 2* from contracts that benefited from the application of DL80-A/2022 support measures.

Of this 68% were performing loans and the remaining 32% was included in the NPE balance. The forborne *ratio* was 1.5% (1.9% in Dec.23).

Forborne loans by segment:

- **Corporate loans**, 190 M.€ of forborne loans and forborne ratio of 2.2%. Around 41% are performing loans and the remaining 59% are included in NPE;
- **Mortgage loans**, 447 M.€ of forborne loans and forborne ratio of 2.9%. Around 84% are performing loans and the remaining 16% are included in NPE;

Forborne loans, EBA criteria (M.€)

	Dec.23		Dec.24	
	Forborne Credit	Forborne ratio	Forborne Credit	Forborne ratio
Performing loans	540	1.3%	463	1.0%
Included in NPE	246	0.6%	217	0.5%
Total	**785**	**1.9%**	**680**	**1.5%**

Corporate recovery funds

BPI has low exposure to specialised loan recovery funds, subscribed against the transfer of Customer loans (Recovery Fund, FCR).

At the end of December 2024, the net book value was 6.1 M.€.

Foreclosed properties

The portfolio of foreclosed properties has a very low expression in BPI. At the end of December 2024 it amounted to:

2.5 M.€
Gross book value

0.6 M.€
Net book value

The appraised value of these properties is 6.3 times higher than their net book value.

Financial assets portfolio

In December 2024, BPI held a portfolio of sovereign debt securities amounting 4 260 M.€[53]. This portfolio corresponds essentially to medium and long-term debt from Portugal (31%), Spain (23%), Italy (16%), the European Union (15%) and the USA (15%).

The average residual maturity of the portfolio is 2.4 years.

The Bank uses this portfolio to manage balance sheet liquidity and generate a positive contribution to the net interest income.

Sovereign debt securities portfolio (M.€)

	2023	2024
Short term (Portugal)		147
Medium and long-term		
Portugal	1 210	1 188
Spain	996	993
Italy	670	663
European Union	645	648
USA	451	620
Total	**3 973**	**4 260**

53 Securities in financial assets portfolios at fair value through other comprehensive income and financial assets at amortised cost.

Customer resources

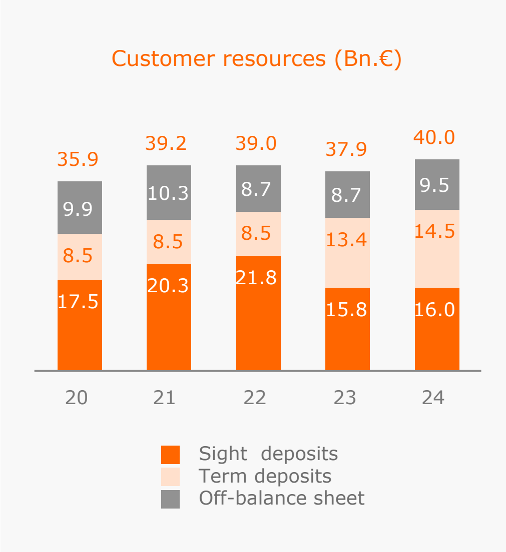
Customer deposits grew by 4.3% yoy (+1.2 Bn.€), mainly due to term deposits, which increased by +7.7% (+1.0 Bn.€), reflecting the continued attractiveness of these products, while sight deposits increased by 1.4% (+0.2 Bn.€). Term deposits accounted for 47% of total deposits at the end of 2024.

Off-balance sheet resources grew by 9.6% (+0.8 Bn.€), as a result of net savings inflow and also benefited from the appreciation of the respective financial asset portfolios.

Customer resources (M.€)

	2023	2024	Δ% yoy
Customer deposits	**29 252**	**30 501**	**4.3 %**
Sight deposits	15 811	16 027	1.4 %
Term deposits	13 441	14 474	7.7 %
Off-balance sheet resources	**8 654**	**9 483**	**9.6 %**
Mutual funds	4 311	4 722	9.5 %
Capitalisation insurance	4 263	4 685	9.9 %
Public subscription offerings	79	76	—
Total	**37 905**	**39 984**	**5.5 %**

Total customer resources amounted 40.0 Bn.€ at the end of 2024 (+5.5% yoy). In addition, BPI placed 0.2 Bn.€ of structured products in 2024.



Liquidity and Funding

BPI shows a balanced funding structure and a strong liquidity position.

At the end of December 2024:

97% transformation ratio

of deposits into loans (Customer resources are the main source of funding)

141% NSFR ratio

Net stable funding ratio

214% LCR ratio

Liquidity coverage ratio (12-month average)[54]

9.0 Bn.€ eligible assets

for ECB funding

In 2024 BPI issued 1,250 M.€ of senior debt and 300 M.€ of covered bonds. 500 M.€ of covered bonds and 275 M.€ of AT1 were also renewed.

[54] In accordance with EBA guidelines. Calculation components (12-month average): Liquidity reserves (7 210 M.€); Total net outflows (3 373 M.€).

Equity holdings in BFA and BCI

BPI holds minority equity holdings in two African commercial banks:

- 48.1% in Banco de Fomento Angola (BFA). BFA has total assets of 4.1 Bn.€. In December 2024, it had around 3.2 million Customers and market shares of 16.8% in deposits and 11.8% in loans[55].
- 35.7% in Banco Comercial e de Investimentos (BCI), in Mozambique. BCI leads the Mozambican banking system with total assets of 3.5 Bn.€, 2.4 million Customers and market shares of 23% in total assets, 27% in loans and 26% in deposits[56].

The participations in BFA and BCI contributed 77.1 M.€ to Banco BPI's net profit in 2024.

BFA and BCI contribution to Banco BPI's net profit (M.€)

	2023	2024
BFA Contribution	41.5	39.4
BCI Contribution	38.8	37.7
Total	**80.3**	**77.1**

Banco de Fomento Angola (BFA)

BFA's contribution to Banco BPI's result of 39.4 M.€ in 2024 reflects the dividend attributed for the 2023 financial year.

At the end of December 2024, the 48.1% participation in BFA was valued at 305 M.€[57].

Banco Comercial e de Investimentos (BCI)

BCI's contribution to Banco BPI's result was 37.7 M.€.

The balance sheet value of the participation (recognised by the equity method) was 176 M.€ in December.

Banco BPI - profitability and efficiency indicators

Indicators in accordance with Bank of Portugal Instruction 16/2004, as amended by subsequent Instructions

	2023	2024
Gross income / ATM	3.3 %	3.6 %
Net income before income tax and minority interests / ATA	1.8 %	2.1 %
Net income before income tax and minority interests / avg. shareholders' equity and minority interests	18.1 %	21.2 %
Staff expenses / Gross income[58]	20 %	17 %
Operating expenses / Gross income[58]	39 %	35 %
Loan to deposit ratio[59]	101 %	101 %

ATA = average total assets.

[55] Source: BFA.
[56] Source: BCI.
[57] Since the end of 2018, the participation in BFA has been classified as a financial investment and recognised under "shares at fair value through other comprehensive income".
[58] Excluding early retirement costs.
[59] Net customer loans / Customer deposits.

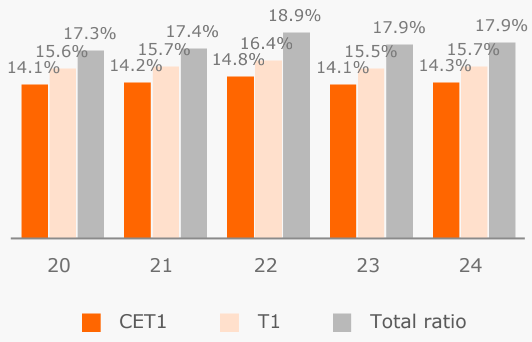
Prudential Capital

At the end of December 2024, Banco BPI's capital ratios (*phasing-in*) amounted to CET1 of 14.3%, *Tier* 1 of 15.7% and total capital of 17.9%, complying by a significant margin with the minimum requirements demanded by the European Central Bank (ECB)[60].

From the evolution of the CET1 in 2024 (+0.2 p.p.), it should be highlighted:

- income generated in Portugal (+2.7 p.p.)
- growth of risk-weighted assets (-0.6 p.p.)
- distribution of dividends on the results in Portugal and interest on the AT1 coupon (-2.1 p.p.).

Capital ratios



The *MDA Buffer* - capital buffer without limitations on result distribution - amounts to 4.3 p.p. at the end of 2024.

Capital ratios (M.€)

	2023	2024
Common Equity Tier I	2 670	2 864
Tier I	2 945	3 145
Tier II	446	446
Total own funds	3 391	3 590
Risk weighted assets	18 983	20 029
CET1 ratio	14.1 %	14.3 %
T1 ratio	15.5 %	15.7 %
Total ratio	17.9 %	17.9 %
Buffer MDA	5.0 %	4.3 %
Leverage ratio[61]	7.4 %	7.4 %
MREL (as % RWA)	23.9 %	27.7 %
MREL (as % LRE)	11.4 %	13.0 %

Note: in September 2024, BPI early repaid the AT1 bonds (275 M.€) issued in 2019 and carried out a new AT1 issue with the same nominal value.

In 2024 there were two non-preferential senior debt issues eligible for MREL: 700 M.€ in March, to make up for the loss of eligibility of another issue (450 M.€); 550 M.€ in December.

The MREL ratios at the end of 2024 were:

- as a percentage of RWA was 27.7% (vs. requirement of 23.01%).
- as a percentage of the LRE of 13.0% (vs. requirement of 5.91%).

MREL requirements for 2025

By the end of 2024 BPI already met the MREL requirements set for 2025:

- 25.20% as a percentage of RWA. It increases compared to the requirement at the end of 2024 due to the inclusion of the Market Confidence Charge, following the amendment to the MREL regulations which now provides for this requirement for Other Systemically Important Institutions;
- 5.91% as a percentage of the LRE.

Sectoral systemic risk buffer

On 1 October 2024 a new capital buffer for systemic risk in the residential real estate market in Portugal came into force, to be met with core equity tier 1 (CET1). This buffer is applied to institutions using the Internal Ratings Based (IRB) method and corresponds to 4% of the amount of risk-weighted positions in the portfolio of loans to individuals secured by residential real estate in Portugal. The systemic risk reserve requirement applicable to Banco BPI amounted to 0.7 p.p. on 31 December 2024.

[60] The minimum BAS III capital requirements for Banco BPI at the end of 2024: CET1 of 9.34%, T1 of 11.20%, total ratio of 13.68% and leverage ratio of 3.0%. The minimum capital requirements for 2025 (including the requirement for systemic risk in the real estate market with reference to 31 Dec. 2024): CET1 of 9.40%, T1 of 11.28%, total ratio of 13.78% and leverage ratio of 3%.
[61] Calculated as the ratio of Tier 1 capital to the total value of balance sheet assets and off-balance sheet items, not subject to risk weighting coefficients.

Rating

Banco BPI holds investment grade ratings assigned by the three international agencies - Fitch Ratings, Moody's and S&P Global Ratings.

Fitch Rating	**A-** Stable
Moody's	**A2** Stable
S&P	**A-** Stable

The mortgage covered bonds issued by BPI are rated AA by DBRS and Aaa by Moody's and qualify as level 1 assets for LCR ratio calculation purposes.

In 2024, Moody's, Fitch Ratings and S&P Global Ratings upgraded the ratings of BPI:

- Fitch Ratings upgraded BPI's ratings by 1 level, to A-, and its senior debt and deposits to A.
- Moody's upgraded BPI and its senior debt ratings by 2 levels to A2 (from Baa1) and its deposit rating by 1 level to A1 (from A2).
- S&P Global Ratings upgraded BPI's rating by 1 level to A-.

On 31 December 2024	DBRS Morningstar	Fitch Rating	Moody's	S&P Global Ratings
Banco BPI credit ratings				
Issuer Rating / Outlook		A- / Stable	A2 / Stable	A- / Stable
Long-Term Deposits / Outlook		A	A1 / Stable	-
Long-Term Debt / Outlook		A	A2	A- / Stable
Short-Term deposits		F1	Prime-1	-
Short-Term Debt		F1	Prime-1	A-2
Standalone *rating*		bbb- *(Viability rating)*	baa1 *(Baseline Credit Assessment)*	bbb+ *(Stand-alone credit profile, SACP)*
Mortgage covered bonds	AA		Aaa	
Public Sector covered bonds			Aa2	
Senior non-preferred debt			A3	BBB
Subordinated debt			Baa2	BBB-
Junior subordinated debt			Baa3	
Portugal rating [62]				
Long-term / *Outlook*	A / Positive	A- / Positive	A3 / Stable	A- / Positive
Short-term	R-1 (*low*)	F1	Prime-2	A-2

[62] The *ratings* attributed by S&P Global Ratings to the Portuguese Republic are unsolicited ("u").

Intellectual Capital

BPI has a set of intangible assets that are fundamental to the smooth running of the Bank and to guaranteeing quality of service and a comparative advantage in the financial sector.

Throughout 2024, and based on listening to its Clients, the Bank has endeavoured to promote service quality and the Client experience through innovation and digital transformation, whether through investment, employee training or involvement with external partners, with a view to improving its operational efficiency and making continuous progress in its customer service.

Key Indicators 2024	
959 thousand (+4% yoy)	Regular users of **digital channels**
763 thousand (+6% yoy)	Regular users of the **BPI App**
Honoured projects	From Global Finance: Pulsoo, Quatru, D-Verse, and FX Now

Recognition as ***"Portugal's Best Corporate/ Institutional Digital Bank"***

Quality of Service and Customer Experience

Created in 2023, 2024 was a year of consolidation for the Quality Division, during which it has contributed to the strengthening of a Client-centred culture, stimulating the effectiveness and efficiency of processes "*end to end*" with the aim of delivering the best Client experience throughout all channels.

One of the most visible initiatives, developed in collaboration with the Communication Division, was the launch of the Clientelógico internal communication campaign, with various actions to reinforce a Client-centred attitude. In this context, we highlight training programmes for all employees about trends in the banking sector, Client/consumer evolution and the importance of differentiating through the Client Experience.

Another initiative launched with the aim of encouraging change in the attitude of teams was the Compliments Book, which encourages recognition, the creation of a more positive culture, the reinforcement of excellence on customer service and the sharing of success stories.

In 2024, training was also given to some Bank's senior managers, with the aim of equipping participants with knowledge and techniques to improve and harmonise the Customer Experience.

In the Corporate business segment, in line with the Clientelógico campaign, the we.BE project was created, which identified the five key attitudes to develop in order to achieve standards of excellence in customer service. In 2024, this initiative already had 400 employees actively working on the we.BE attitudes.

Finally, the methodologies for assessing Quality of Service and Customer Experience were optimised, using studies and indicators measured internally or by specialist consultants, with the aim of understanding the customer's perspective throughout their journey and in all business segments.

Global Customer Experience Assessment - Mystery Shopping

Focussed on the quality of its customer service, BPI consolidated its leadership in branch service, coming first in the Mystery Shopping study.

The Mystery Shopping is a biannual study carried out by an independent external organisation, which measures the quality of customer service in a context of *Mystery Shopping*, with the aim of gauging customer service and sales practices, as well as identifying opportunities for improvement. In 2024, BPI obtained the following scores:

#1 Global Average

#1 Commercial Service

#1 Physical Aspects

#2 Cashier Service

Net Promoter Score (NPS) - *Real Time*

In addition to carrying out surveys in all customer segments, BPI has been implementing new methodologies for measuring customer satisfaction. In 2023, BPI launched the pilot for the *Net Promoter Score* (NPS) Real Time, extended in 2024 to additional Retail Divisions, Premier Centres, an InTouch Centre and the Employee Centre. This process aims to understand the Customer experience when interacting with the Bank, identify strengths and areas for improvement and implement initiatives to improve Quality of Service.

Process for identifying Opportunities for Improvement.

With a focus on continuously improving the Customer Experience, simplifying processes and optimising circuits and working models, BPI has implemented a project to identify opportunities for improvement based on the numerous insights it receives from Customers (complaints, surveys, compliments, among others). The Quality Division follows up and monitors the implementation of each improvement alongside other Bank's Divisions, which are in charge of implementing them.

Digital transformation

Investment in the digital customer experience remains a strategic priority for the Bank, with a focus on *self-service* and omnichannel services, which allow for the integrated provision of services across different channels.

Digital channels evolution

In 2024, new developments were made to improve the customer experience:

Retail:

- Implementation of a new feature in the BPI App to import the Energy Certificate associated with the property financed by the Bank and any measures to improve energy efficiency.
- Display of more detailed and clearer information for Customers about their mortgage loans on the BPI App.
- Launch of 100% digital Car Credit.
- New process for signing up to the Consultancy service, with the possibility of doing it remotely, and automatic issue of the Annual Monitoring Report, in digital form, for Clients with this service.
- Term Deposits and Savings Accounts: implementation of new functionalities (automatic renewal option and management of Nominations) and extension of the offer (in foreign currency).
- Extension of the range of Retirement Savings Plans (with new investment options).

Companies:

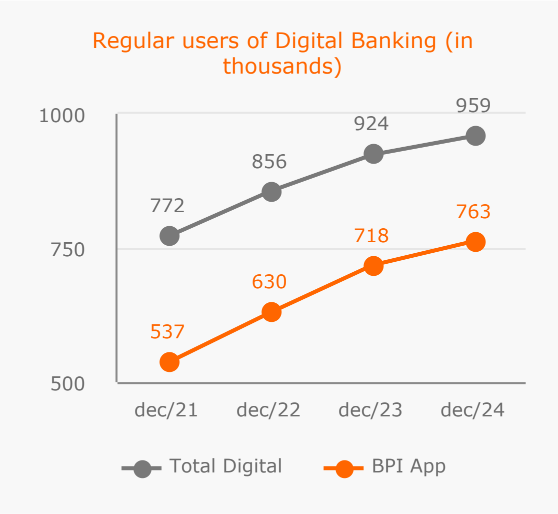
- Possibility of updating Client data on BPI Net Empresas.
- BPI was a pioneer in making the BdP's new SPIN service available.
- Launch of the *Open Banking platform* "Pulsoo".
- Fixed-term loans: Digital formalisation of contracts through digital signature/digital mobile key.
- Fixed-term loans: Documents and/ or information request from Customers via the "contact the manager" functionality.
- Credit Insurance: Allianz Trade Credit Insurance for Small Businesses is available through a 100% online process on BPI Net Empresas.
- BPI FX Now Foreign Exchange Platform: Extended trading hours,

increasingly favouring the digital channel as the preferred channel for trading foreign exchange operations.

- Automatic availability on BPI Net Empresas of execution notes for forward foreign exchange transactions and interest rate *swaps*.

Digital channels use

In 2024, as a result of continuous innovation efforts, the number of regular users of digital channels reached 959 thousand (+4% yoy) and the number of regular users of the BPI APP exceeded 763 thousand (+6% yoy). At the same time, as a result of the fact that products and services are increasingly being made available on digital channels, around 37% of total sales of *core*[63] products were initiated on digital channels.



Digital channels Growth

In 2024, BPI reached 2nd place in the penetration of digital channels in the banking sector, with regard to Retail Clients[64].

Innovation

Evolution in the Metaverse

Last year, BPI continued to consolidate its presence in the metaverse, analysing and acting in two main areas:

- Immersive and augmented realities as a channel for interaction with customers;
- Facilitating the custody and transaction of digital property based on *blockchain* technology.

BPI has therefore invested in two products: i) BPI VR, the immersive reality application that allows Customers and non-Customers to interact with the Bank; and ii) D-VERSE, the digital asset platform that enables digital property transactions in Euros, with custody guaranteed by the Bank.

BPI VR

Evolving since its launch in 2022, this year, BPI VR continued to promote the Bank's pioneering position in the metaverse. In 2024, improvements were implemented to stabilise the application, as well as the inclusion of new partners with dedicated spaces.

The BPI VR application is available for download on the *Meta Horizon* app (formerly known as *Oculus Quest Store*) and on *Oculus* devices available at some BPI branches, allowing Customers to experience this immersive reality.

Key Indicators 2024

> 350 *Downloads* in the Meta Horizon store (>130 in 2023)

> 380 Demonstrations at BPI branches (>850 in 2023)

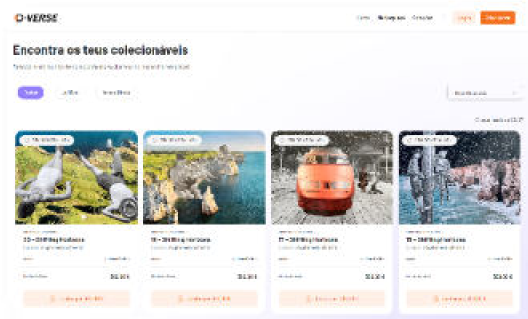
[63] Number of sales of Core Products to Retail: Funds/RSS, Prestige Products, Personal Credit, Credit Cards and *stand alone* Insurance.
[64] BASEF Banking - August 2024 (main banks).

D-VERSE

In 2024, BPI consolidated and expanded D-VERSE, the digital collectibles platform based on *blockchain* technology, launched the previous year. The diversification of the offer includes new digital art collections.

The collaboration with E*phemeral Ethernal* was strengthened by making eight new digital art collections available on the platform.

BPI Clients continue to have access to collectibles auctioned directly by the artists, and to the marketplace for buying and selling between users, promoting the democratisation of access to digital assets.



Housing Ecosystem

Quatru

15 years ago, BPI and Expresso launched a digital platform for buying and selling houses: BPI Expresso Imobiliário. This year, BPI has gone one step further and created a new real estate platform: Quatru, with the ambition of becoming the benchmark platform in the market. In this new launch, new functionalities have been introduced that are highly distinctive in the market and that focus on a better user experience, including:

- **"My House"** - a personal area where users can create a profile of their house and manage it, storing documentation (e.g. land certificate, energy certificate, etc.) and the contents (e.g. electrical appliances), thus controlling the guarantees, calculating the market value of the house in real time through integration with fintech Reatia;
- **Affordability simulator -** allows the user's purchasing power to be assessed, indicating up to what amount they can afford to look for and buy a house. This flow is available for buying and/or exchanging property;
- **Digital mortgage process -** digitalisation of the mortgage request process to the Client, with direct connection to the Bank's APIs, thus obtaining more robust and fast results;
- **Search -** new filters, search results by total price or monthly instalment, search by 30-second video format, and search by multiple polygons on the map.
- **Store -** page with direct links to partners, providing exclusive discount codes for future use in the four verticals available: equipping the home, managing the home, keeping the home safe and different services for the home.

Another great new feature of this real estate platform is the launch of the Quatru App, available on iOS and Android.

Mortgage Portal for Partners

BPI's mortgage loan intermediation partners work in partnership with the Bank to offer their customers the best mortgage loan solutions. As such, they must be in constant communication with the Bank and keep up to date with its offer.

In this context, in 2023 BPI launched a credit intermediation platform that allows credit intermediaries to efficiently create, monitor and manage Clients and credit operations, while maintaining constant contact with the Bank.

Through this platform, it is possible to generate customer profiles, carry out mortgage loan simulations and submit credit proposals. At the same time, BPI retains the ability to supervise operations on the platform's *back-office*.

In 2024, BPI focussed on leveraging this tool internally in order to make mortgage loan processes more agile, offering the team a platform with new functionalities and an intuitive user experience.

> Key Indicators of 2024 Partner Portal

+ 350 Registered intermediaries.

+ 800 Active users

+1 000 Portal operations

> Key Indicators of 2024 Internal Mortgage Portal

All registered branches

+8 000 Portal operations

Innovation Ecosystem

Partnerships with *Fintech House* and *Unicorn Factory* Lisbon

BPI maintains its role as a Fintech House Partner Bank, with the aim of supporting entrepreneurship, innovation and the development of technological projects in the financial sector. In this context, it already has active partnerships with companies such as Veridas, Reatia, Data4deals, BizAPIs and AgentifAI, which bring benefits to the Bank's relationship with its Clients and internally, based on improving processes and communication.

BPI also continues to support and mentor the companies in the *Scale Up Programme* at Unicorn Factory Lisboa.

National Innovation Award

The 2nd edition of Prémio Nacional de Inovação (PNI), a joint initiative between BPI, Jornal de Negócios and Claranet, ended with more than 140 applications. The awards ceremony took place on 27 June 2024 at the Beato Creative Hub.

PNI Awards 2024

Segment	Winners
Business	
Agriculture and Industry	Sebol - Comércio e Indústria de Sebo, with the ProHy project
Tourism and Real Estate	Photobooking, with the Marketplace Photobooking project
Energy, *Utilities* and Infrastructures	Addvolt, with the Addvolt Powerback project
Retail and E-Commerce	Automaise, with the Automaise Support Genius - Agent Assist project
Health	Psychomeasure, with the Psychomeasure Clinical Tool project

Banking, Insurance and Services	Coverflex, with the Coverflex product
Education	Code for All, with the MIT project
Public sector	Lipor, with the Wayste project
Technology	
Workplace restructuring	Fidelidade, with the GAMA project - Generic Analytical Model Automation
Sustainable Technology	Addvolt, with the Powerpack project
Web 3.0	Sogrape, with the Sandeman & Douro Metaverse Experience project
Software and Application Development	Vitruvian Shield, with the Vitruvian Shield eHealth CMTS PaaS project
Artificial Intelligence and *Machine Learning*	MTG Research and Development Lab, with the Full Circle RWE Studies project
Dimension	
Innovation in Large Companies	Sogrape, with the Sandeman & Douro Metaverse Experience project
Innovation in SMEs	MTG Research and Development Lab, with the Full Circle RWE Studies project
Innovation at *Startups*	Addvolt, with the Powerpack project
Personality Award	
Paulo Rosado, CEO of OutSystems	

International recognition

In 2024, BPI was recognised internationally for its numerous innovative projects:

- *Global Finance*, with the projects Pulsoo, Quatru, D-Verse, and FX Now recognised as "*Portugal's Best Corporate/Institutional Digital Bank*";
- *Paytech Awards*, with the Pulsoo project, in the category of "*Best User/Customer Experience Initiative - Business Payments*";
- *Euromoney Awards for Excellence*, in the categories of "*Portugal's Best Bank*", "*Portugal's Best Bank for SMEs*" and "*Portugal's Best Digital Bank*", with the Pulsoo project;
- Qorus, *Banking Innovation Awards*, with the D-Verse project, voted third best project in the "*Business Model Transformation* category;
- *The Digital Banker*, with the Pulsoo project, with "*Outstanding SME Payments Solution by a Bank*" and D-Verse with "Best Digital Banking Initiative";
- Banking Tech Awards, with the Pulsoo project, in the "Best User/ Customer Experience Initiative for Business" category;
- *Portugal Digital Awards*, finalists with pitches for the Quatru and Pulsoo projects.

COTEC-BPI SME Innovation Award

BPI has been a COTEC partner since 2003, sharing common values of stimulating economic growth through innovation, promoting joint initiatives and giving greater visibility to innovative companies.

The COTEC-BPI SME Innovation Award is a joint initiative between COTEC and Banco BPI, which aims to recognise and reward Portuguese small and medium-sized enterprises (SMEs).

The aim of this award is to encourage business innovation and highlight examples of good practice in the Portuguese business sector in terms of sustained growth, profitability and competitiveness.

The winner of the 20th edition was Fravizel, a Portuguese engineering and metalworking company specialising in the production of equipment for the mining and forestry industry.

Artificial intelligence

The year 2024 was pivotal for BPI, marked by significant team consolidation and the widespread integration of artificial intelligence throughout various business areas. These advancements fostered greater efficiency in internal operations and facilitated a more personalized approach to customer engagement.

Impactful AI implementations during the year encompassed:

- The deployment of Document AI technology for enhanced document recognition and processing within core functions, such as mortgage lending;
- The completed implementation of an AI-powered prioritization tool for commercial leads, identifying high-propensity customers. This tool was made accessible through Salesforce and integrated with the new commercial methodology;
- The successful execution of multiple campaigns within the Sales Factories, utilizing AI-selected target audiences, thereby establishing a foundation for expanded AI utilization in the upcoming year.

Artificial intelligence training

Parallel to these implementations, BPI invested in its AI capabilities through talent development:

- The Bank successfully integrated nearly all trainees from the first edition of the DTI Academy (Data, Transformation and Impact);
- The second edition of the DTI Academy commenced, elevated to the status of a postgraduate course. This iteration garnered substantial interest, receiving over 420 applications (a 40% increase from the first edition), leading to the selection of 12 new trainees.

Human Capital

Throughout the Bank's history, it has built a solid relationship with society, customers and employees, based on its values: Quality, Trust and Social Commitment.

At the centre of this vision are BPI's Employees, the Bank's true driving force. It is through their talent, determination, dedication and alignment with BPI values that we are able to offer solutions of excellence, strengthen the trust of our partners and contribute to social progress.

It is essential to take care of employees through talent development, safety, health and well-being and the promotion of diversity and inclusion.

In order to achieve these objectives, BPI has implemented several policies, namely the General Remuneration Policy, the Recruitment and Selection Policy, the Training Policy, the Talent Management Policy and the Human Rights Principles.

Safety, health, well-being

SECURITY

To ensure safe working conditions, actions are taken to prevent and mitigate risks to the health and safety of employees, namely:

i) carrying out the risk assessment and implementing the corrective measures identified;

ii) providing information and training to employees;

iii) carrying out periodic medical examinations in accordance with the legislation in force (in the field of occupational health and safety)

iv) training in Basic Life Support and Automatic External Defibrillator;

v) training in 1st Intervention Firefighting Equipment.

vi) allocation of ergonomic equipment (chairs, computer mice, keyboards).

In 2024, there were no severe accidents or accidents resulting in the death of an employee.

Health and Well-being

"Viver +", a programme developed internally at the Bank, aims to promote health, encourage sport and make employees aware of the need to maintain an active life beyond work.

In 2024, several actions continued on a regular basis: i) nutrition and psychological support teleconsultations; ii) mindfulness and yoga sessions; iii) healthcoaching and quickmassage consultations; iv) pilates classes and v) dance classes at the Lisbon and Porto centres.

In order to further promote the practice of W*ellBeing*, for the 4th year in-a-row, the Bank promoted a Health and Well-being Week, which saw a significant number of people take part in the planned activities, namely, several sports activities (over 560), *webinars* on the subject, blood glucose, blood pressure, BMI and eye tests. Physical assessment sessions and acupuncture and mindfulness sessions were well attended (780+).

More than 370 get-togethers and activities were also organised in numerous locations from the north to the south of the country, including the participation of employees and their families.

This year, for the first time, employees (812+) took on the team challenge of walking "in step" through some of our branches where, using an application, participants monitored their progress in real time, counting the steps taken, which was therefore equivalent to the number of "visited" branches.

Mental health

At the Bank, mental health is recognised as a fundamental element for Employee well-being and productivity. Aware of the challenges that today's world imposes and the impact they can have on emotional and psychological health, BPI, through a mini-survey, consults Employees on issues of stress and anxiety.

It also continued its partnership with , the Portuguese Association for the Promotion of Mental Health in the Workplace.

The Bank offers an SOS Psychology line and the possibility of social assistance, with the aim of providing guidance and support in resolving personal, family or socio-economic problems that directly or indirectly affect the employee.

Balancing personal, family and professional life

BPI continued to focus on measures to ensure Employees' family and professional balance, in particular: the continuation of reduced working hours on Fridays, the hybrid work regime and family support in the first six months of contact with oncological diseases, through the WE GUIDE project with partner Terra dos Sonhos. ("Guide to Health").

Non-discrimination, diversity and inclusion

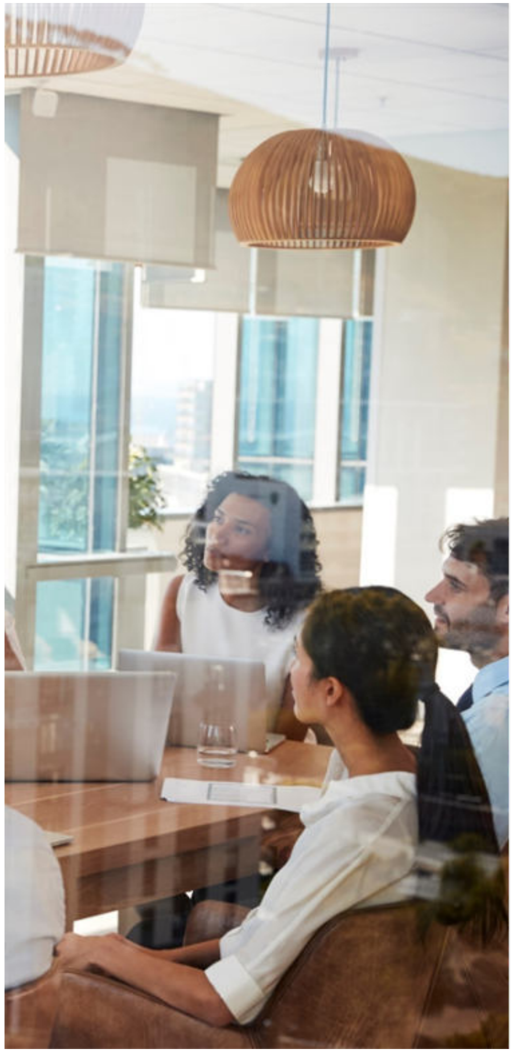
The Bank promotes a working environment in which all employees must follow the Code of Conduct, especially with regard to reporting inappropriate situations and/or behaviour and harassment towards colleagues and/or third parties.

Therefore, each employee has the responsibility to report or communicate any suspicion of unethical or potentially harmful behaviour that they come across or become a victim of.

Any form of discrimination is also prohibited in hiring, selection and/or promotion processes, and all those involved, regardless of their position, must act objectively and promote equal opportunities.

As this is an extremely important issue, BPI has developed the Diversity and Inclusion Programme, which promotes three pillars: i) Gender diversity; ii) Age diversity; and iii) Functional diversity.

Main initiatives in 2024
Gender diversity
BPI and Professional Women's Network partnership and participation of BPI employees in mentoring and leadership programmes.
Organisation of BPI Talks to raise awareness of the issue of diversity and inclusion.
Age diversity
Launch of four Trainee Academies.



Developing and attracting talent

The People and Talent Division promotes and implements employee development projects and manages day-to-day people operations. Investing in learning and development at all levels of the organisation is a strategic priority for achieving the Bank's objectives, fostering talent management and promoting an agile culture that allows us to respond to the ever-changing environment in the financial sector.

Internal training

The acquisition and development of competences continues to be a priority at BPI.

Key Indicators 2024

1.2 M.€ Training costs

4 416 Participants in training activities (in person and online training)

228 009 Training hours

52 Training hours per Employee

Training at BPI is based on a flexible, omnichannel model, with both a formal and informal approach, through the "Campus BPI" training platform.

Training offer

In line with the strategic plan, employee training continued in the following areas:

- Sustainability (course with an impact on Variable Remuneration (VR) "Caminho para um Mundo Net Zero" - The Road to a Net Zero - World, Climate Change quizz and Environmental Management System video).
- *Digital/Data Analytics* (12 "Cliente Digital" - Digital Customer - videos and training in data analysis tools (SQL, Python and Power BI), with around 270 participations;
- Quality (launch of the "Minutos Cliente Lógico" - Logical Customer Minutes - course, with an impact on VR).

Mandatory training includes:

- 4 compulsory certifications ("MiFID II", Insurance and Mortgage Credit and Euro Note certification);
- PML&TF - Sanctions: "Junte-se ao lado bom da força" - Join the good side of the force -, a course with an impact on VR;
- 12 videos on information security topics topics "12 meses.12 vídeos. 12 vezes mais conhecimento" - 12 months. 12 videos. 12 times more knowledge.

There was also a big focus on the *Power Skills* component, with the following initiatives standing out:

- "Programa Navegação": to introduce the Commercial and Branch Managers (around 330 employees) to the choreography of the new commercial system and how to train their team;
- "Programa Boost": 4 online videos - Communicate, Develop, Decide and Change + 3-day in-person training for around 200 Business Managers;
- Advanced negotiation in partnership with Universidade Nova covering 94 Corporate Banking employees;

Also noteworthy was the Sales Force training for the Retail and Companies network, totalling around 2 000 Employees, as well as the Credit Analysis and Decision training for Retail and Entrepreneurs and Businesses (totalling around 500 employees).
Lastly, 22 "BPI Talks" were held, with the respective recordings made available afterwards. These initiatives continue to be an attractive way of sharing good practices within BPI. Taking place every fortnight, the BPI Talks were attended by a total of 2,940 people. The topics covered included health and wellbeing, *powerskills*, artificial intelligence, tools and working methods, financial literacy, among others, following the responses given to the survey carried out among employees.

Informal learning continued to be a focus for the Bank, with challenges being launched for Employees, including the offer of books to the 50 Employees who invested the most in their self-training at the Campus BPI and the raffle of "kings' hampers" for those who viewed the most content on the BPI Campus Tube platform.

The language platform, with 12 languages available, also got a big boost with many employees taking part in self-study on the platform and taking part in online conversation classes.

Campus BPI Offer 2024

15 000 training videos on "Campus BPI Tube"

700 online LinkedIn Learning, Coursera and Edx courses, **350** book summaries and **100** infographics

355 courses available in catalogue and **+490** available documents (blogs/library)

The training offered was essentially aimed at employees in the commercial areas, who completed 85% of the total training hours, compared to 15% in the support areas.

Top management training

In 2024, the members of the Board of Directors took part in training sessions on sustainability, the digital area and artificial intelligence, as well as the area of prevention and money laundering and terrorism financing, psychosocial risks and quality.

Talent development

In 2024, the Bank consolidated its commitment to developing Talent by reinforcing continuous training in critical business functions and promoting the simplification of the Performance Evaluation & Feedback Model, which involved 4,070 Employees.

Inclusion of *bottom-up feedback* and peers (applied to Executive Directors, Managing Directors and Commercial Directors/Area - Competence Assessment project carried out on all 32 Commercial Directors in Corporate Banking).

Employee Nominations to management positions are analysed independently and on the basis of the principles of Merit, Diversity and Transversality.

Employer Branding and Recruitment

Employer brand

As part of the *Employer Branding* strategy, BPI continued to strengthen its communication as an employer brand, emphasising its commitment to innovation and technology.

We attended 28 events and had an impact on more than 3,000 participants from a wide range of backgrounds, including: 36% Business; 32% Engineering and 32% Numerous Profiles.

Several BPI employees continued to actively participate in the two-day *Bootcamps* held at several university centres and continued to attend the *Fireside Talks*.

Employer Branding Events

- University fairs: 11
- Magma Bootcamps: 9
- Fireside Talks Magma: 5
- Other Recruitment Events: 3

In 2024, BPI was recognised as the #2 Bank in terms of employer reputation, according to the report *Employer Brand Reputation* 2024 report, by the consultancy OnStrategy.

Recruitment

225 external recruitments were completed in an attempt to continue the Bank's strategy of renewing and rejuvenating its staff

In recent years, BPI has strengthened its commitment to valuing young talent, implementing an active strategy to hire and retain qualified professionals under the age of 30. By 2024, 68% of the employees hired will belong to this age group.

In 2024, the welcome programme for new employees continued on a monthly basis. In order to encourage everyone to get to know each other and help each other, promote communication skills, align expectations for the future and create a memorable moment, the "Annual Meeting of New Employees" was held in Lisbon, where all the employees who joined the Bank in 2023 came together, and a "class of 2023" yearbook was also developed.

Academies and Internships

In 2024 the Bank continued to invest in Youth Talent Programmes, and the Academies model was successful, with a high talent retention rate (75%)

In September, the 3rd edition of the BPI Trainee Academy kicked off, with the aim of attracting and preparing young talent that wants to start a career in the financial sector in the corporate, commercial, risk and artificial intelligence areas. A total of 71 paid internship positions were created for finalists and recent graduates of bachelor's and master's degrees from numerous academic backgrounds. More than 2,200 young talents applied.

- *Data*, Transformation, Impact (DTI) Academy: 11 Trainees
- Risk Academy: 14 Trainees
- Corporate Academy: 15 Trainees
- Commercial Academy: 30 Trainees

The main goal of the DTI and Risk Academies is to develop talent in those specialised areas and they include three months of technical training in partnership with leading (academic and other) organisations.

In 2024, the partner in this learning journey was ISCTE Executive Education. Trainees from the Risk and DTI academies received a Postgraduate Diploma in Risk Management and Applied Artificial Intelligence respectively at the end of their training.

On the other hand, the main objective of the Corporate and Commercial Academies is to attract young talent, providing an opportunity for growth and continuous development in different core areas of the Bank.

Other Internships

The Bank continued to offer other models of personalised internships, in addition to the BPI *Trainees* Academies, having carried out 58 internships. In 2024, we also launched a new edition of Summer Internships for Employees' Families.

Communication and internal culture

Developing a culture that fosters employee motivation, commitment and involvement continues to be a priority for the Internal Communication and Culture Division.

In 2024, internal communication maintained its focus on the topics of "People" and "Business", with an emphasis on:

- Strengthening a customer-centred culture with the launch of the "Clientelógico" concept;
- BPI benefits;
- BPI Volunteering;
- Family-orientated company (foc;
- Strategic Plan;
- Sharing of good commercial practices, among others.

A programme was launched to open an AGE account for employees' family members, strengthening the role of each one as a brand ambassador.

BPI was honoured by the Portuguese Association of Corporate Communication with two awards: "Clientelógico" in the "Corporate Video" category and BPI Voluntariado in the "ESG Sustainability - Social" category.

Compensation and benefits

In 2024, the Bank kept the benefits active within the "Being BPI pays off" programme.

An internal *awareness* campaign was carried out, which included, among other awareness-raising mechanisms, the use of gamification associated with a "*quizz*" with questions about the benefits, in a more playful and interactive way, making them generally known, promoting greater utilisation by Employees of the benefits offered by BPI.

We also saw an increase in the selection of the *Day to Day* benefit, which consists of guidance and support in resolving personal, family or socio-economic problems that directly or indirectly affect the Employee.

This benefit supports budget management and/or family indebtedness:

- Clarifying and supporting the application for social security subsidies and support;
- Focussing on support responses in situations of illness, disability, limited mobility, addiction, violence, divorce, adoption, dependent grandparents/parents;

- Supporting access to long-term care facilities, home support, nursing homes and day-care centres;
- Offering new life projects or professional changes;
- Building solutions and scenarios for old age/unemployment/disability pensions.

Benefits
Family
Children's education (birth allowance and subsidies for different school levels).
Family support (paid family assistance, allowances for disabled children, among others).
Special dates (such as children's birthdays, baby kits, etc.).
Labour
Time+ (25 days holiday, among others);
Recognition (25-year recognition, commercial recognition, end-of-career award, among others).
Health and Well-being
Life and Health (SAMS, health insurance, personal accident insurance, among others; Health and Well-being Week, with several activities nationwide in favour of employees);
Social (DayToDay, social worker, BPI volunteering, BPI Sporting Group activities, among others).
Finances
Support for Your Studies (support worker-student)
Accounts and Credit ("Conta Valor" BPI employee, ACT rate Mortgage Loans, among others; Exemption from the application of the securities price list).

Social Capital

BPI is developing a Sustainable Banking model that promotes support for companies, families and society in general.

In 2024, business with a positive social impact continued to play an important role, particularly in supporting companies and IPSSs in pursuing their social objectives.

There was also a focus on consolidating joint action with the "la Caixa" Foundation, strengthening the BPI Volunteering Programme and continuing with the BPI Woman Entrepreneur Award, all of which have a positive impact on the communities in which the Bank operates.

Key Indicators 2024

45 M.€	**Sustainable Finance associated only with the social dimension**
112 785	**Beneficiaries of Social Action[65]**
+2 100	**Number of BPI Volunteers**

Business with impact

In 2024, BPI continued to finance projects with a positive social impact, through lines with public support, financing lines for the social sector and entrepreneurship, and financing operations outside the scope of the lines in which a positive social impact is demonstrated, such as financing social housing or projects (hospitals, nurseries, homes, etc.) for the provision of public services or at subsidised prices.

Also noteworthy is financing with conditions linked to the pursuit of social objectives by companies.

Financing with a positive social impact

Social Dimension
5 M.€ Entrepreneurship and Self-Employment Support Line and Social Sector Financing Line
40 M.€ projects with a positive social impact
Other Sustainable Financing
30 M.€ loans simultaneously linked to the fulfilment of environmental and social KPIs

BPI also offers accounts with special conditions for social economy organisations and minimum banking service accounts.

970	**IPSS accounts**
21 244	**Minimum Banking Services Account**

BPI Woman Entrepreneur Award

"Prémio BPI Mulher Empresária" (BPI Woman Entrepreneur Award) was born out of CaixaBank's collaboration with the International Women Entrepreneurial Challenge (IWEC) Foundation, to recognise the professional career and business leadership of women.

The initiative is promoted in Spain by Caixabank and in Portugal by BPI and the aim is to create an international network of successful women entrepreneurs, supporting their companies to expand and access new markets.

In 2024, the honour went to Paula Roque, *Managing Partne*r of Revigrés.

Since it was founded in 2007, the IWEC Foundation has honoured 460 businesswomen in 47 countries.

[65] Includes beneficiaries of some joint initiatives with the "la Caixa" Foundation (BPI and the "la Caixa" Foundation Awards, Decentralised Social Initiative, Incorpora), from BPI Volunteering and BPI Christmas Action.

BPI and ”la Caixa” Foundation

It has always been part of BPI's identity to contribute to the progress and well-being of the community in which it operates, by supporting social and cultural projects promoted by institutions of recognised merit.

BPI works in collaboration with the ”la Caixa” Foundation, a non-profit organisation which, since the beginning of the 20th century, has worked every day to achieve a more equal society, combating inequalities and promoting the well-being of society in general and, in particular, the most disadvantaged communities. it is one of the largest foundations in the European Union and, globally, one of the most important in terms of social investment.

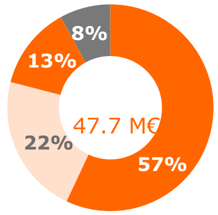
The intervention of BPI and the ”la Caixa” Foundation is carried out through four ways:

- Extension or adaptation of the ”la Caixa” Foundation own programmes to the Portuguese reality;
- BPI ”la Caixa” Foundation Awards that support projects by social organisations;
- Proximity support for projects selected by BPI for funding by the ”la Caixa” Foundation (Social Responsibility Committee and Decentralised Social Initiative);
- Programmes and initiatives aimed at responding to the country's specific challenges.

As part of its work, the ”la Caixa” Foundation, in collaboration with BPI, follows a working method based on the creation of specialised intermediary entities, selected by tender, which benefit from in-house training in the intervention areas of each programme. This training is designed with the support of institutions and experts specialising in each subject. The implementation of the programmes is subject to ongoing monitoring and subsequent evaluation. The selection of collaborating organisations and specific projects, depending on the case, is generally subject to scrutiny by juries. Each programme applies these general methodological principles to its own scope and circumstances. "Helping those who help" and "doing with those who do" are, in short, the principles that guide the intervention of the ”la Caixa” Foundation, whose motto is "It will only be progress if we all progress".

In 2024, BPI's investment amounted 694 th.€. In 2024, the ”la Caixa” Foundation invested 47.7 M.€ in Portugal.

”la Caixa” Foundation Investment 2024



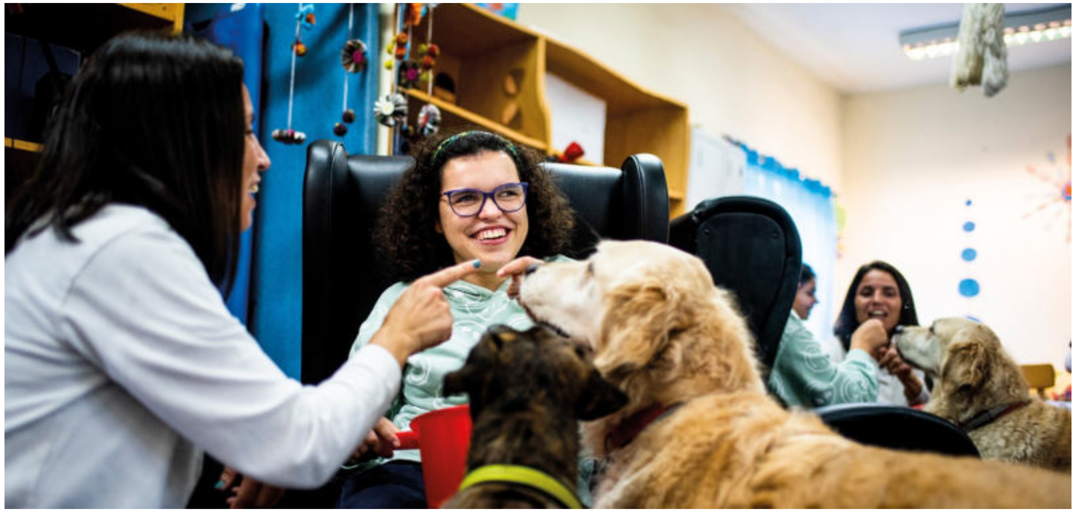
- 57 % Social Programmes
- 22 % Research and Health
- 13 % Culture and Science
- 8 % Education and Scholarships

Social programmes and competitions

BPI ”la Caixa” Foundation Awards

Under the motto "Helping those who help", there are four BPI ”la Caixa” Foundation Awards which, since 2010, have been promoting equality and improving the quality of life of people in the most vulnerable situations, contributing to the transformation and empowerment of the social sector.

These prizes are awarded through a competition, supporting projects by private non-profit organisations. In 45 editions, they have benefited more than 231 thousand People.



"Capacitar" (Enable) Award

Promoting the autonomy of people with disabilities and mental illness.

Solidarity Award

Supporting social and labour integration and struggle.

Senior Award

Supporting active and healthy ageing.

Children's Award

Supporting children living in poverty.

	From the start	In 2024
Support	37.4 M.€	5.1 M.€
Supported projects	1168	133
Beneficiaries	231 thousand	18 thousand
Applications	10 thousand	537

89 BPI volunteers who, in 2024, participated in the application evaluation process

"Proinfância" Programme

Support for families through new forms of intervention focussed on the social and educational development of children and young people between the ages of 0 and 18 and their families who are in vulnerable situations.

"Humaniza" Programme

A programme to provide comprehensive support to people with advanced illnesses and their families, with teams of professionals who complement health care through psychosocial and spiritual intervention.

This pioneering initiative by the "la Caixa" Foundation has 11 psychosocial support teams (PSST) made up mainly of psychologists, social workers and volunteers, as well as 5 community teams made up of physicians, nurses and psychosocial support professionals who provide specialised care at home.

"Incorpora" Programme

It supports vulnerable people in accessing the labour market, contributing to a more socially responsible Society.

The "la Caixa" Foundation, in collaboration with BPI and IEFP, IP, created the Incorpora Network, which currently covers all the districts of mainland Portugal.

BPI, through its commercial network, collaborates in the programme by identifying contracting companies.

	From the start	In 2024
Children	1 345	964
Households	821	654
Proinfância Networks	15	15
Territories	9	9

	People served from the start	People served in 2024
Psychosocial and Spiritual Support Teams (PSST) and Home Palliative Care Teams	71 191	14 701
The "la Caixa" Foundation space opened at IPO Porto in 2024		

	From the start	In 2024
Participating/ contracting companies	3 011	906
Labour insertions	9 455	1 746
Social institutions	52	52

BPI | Fundação "la Caixa"

"Promove" Programme

Non-repayable support for innovative initiatives in strategic areas for the development of Portugal's inland regions.

This programme from "la Caixa" Foundation is developed in collaboration with BPI and in partnership with the Foundation for Science and Technology (FCT), under a joint funding agreement.

The pilot projects and ideas selected are centred on the management of natural resources, fostering new centres of development and attracting tourists and new residents.

The mobilising R&D projects selected fall within strategic areas for the development of the interior.

"Sempre Acompanhados" Programme

Support for seniors to maximise their personal development and contribute to active and healthy ageing.

The programme aims to promote well-being and the creation of a community support network for seniors in situations of unwanted loneliness. It is being carried out in parishes in Lisbon and Porto in close collaboration with municipalities and social organisations in the area.

Decentralised Social Initiative

Support for projects by private or public non-profit organisations that are BPI Clients, through the Bank's Commercial Networks - Retail, Companies and Institutions.

Its objective is the quality of life and equal opportunities of people in situations of social vulnerability: children, adolescents and young people, people over 65 and people with disabilities. Its scope of intervention also includes labour insertion, health, illness or permanent disability and interculturality and social cohesion.

	From the start	In 2024
Support	17 M.€	5.2 M.€
Pilot projects	69	18
Mobilising R&D projects	30	11
Supported ideas	47	16

	In 2024
Supported seniors	664
Cities	2

	From the start	In 2024
Beneficiaries	253 thousand	70 thousand
Projects	1 097	330
Investment M. €	6.76 M.€	1.98 M.€

Social Equity Initiative

Project developed in partnership by the "la Caixa" Foundation, BPI and Nova SBE, since 2019.

This initiative is supported by the "la Caixa" Foundation with 2.2 M.€ over the three-year period 2022-2024.

This includes, among others, the Portugal, Social Balance Sheet and Social Database projects and the Social Leapfrog and Social Leadership for Managers programmes, which have been extended to other parts of the country, namely with Católica Porto Business School.

Its aim is to drive the transformation of the social sector by generating data and training social organisations.

In 2024

2.2 M.€ investment 2022-2024 by "la Caixa" Foundation

7 projects for social transformation

2 professorships - Responsible Finance and Health Economics

6 Knowledge Centres Nova SBE lead project execution

In 2024, the "la Caixa" Foundation approved the renewal of the partnership for the three-year period 2025-2027.

Social Observatory

Social Observatory of the "la Caixa" Foundation in Portugal is a space for analysis, debate and reflection that aims to study the current situation and the challenges facing society, and to disseminate scientific knowledge on social issues through its own studies and public competitions, such as the Social Research Competition and the Flash Calls (*Flash Calls*).

Social Investigation Competition

Competition launched by the "la Caixa" Foundation to support social research projects of excellence, aimed at generating quantitative evidence and knowledge about current and emerging social challenges in Spain and Portugal, using an innovative approach.

Under the joint funding agreement between the "la Caixa" Foundation and the Foundation for Science and Technology (FCT), the latter will match the former's contribution, enabling it to support projects to be carried out in Portugal that have made it to the final selection stage.

CaixaForum +

In collaboration with BPI, the "la Caixa" Foundation has launched a free streaming platform for the dissemination of cultural and scientific content, unique in the Iberian Peninsula.

The online platform includes more than 500 pieces of content, including series and documentaries in the fields of history, architecture, music, theatre, dance, design, life sciences and physical sciences, among others.

Proximity Projects

Support for projects in the social, research and health, culture, science and education areas, selected by BPI's Social Responsibility Committee. In 2024, the value of the support amounted almost 3.8 M.€.

Social Fair

Clients and Employees visited the two Social Fairs at BPI All in One, where the institutions honoured by BPI "la Caixa" Foundation Awards showcased their social businesses and sold handicraft products made by the beneficiaries of the institutions themselves.

Christmas action 2024

For the 12th year in-a-row, under the motto "The best gift is seeing a happy child", BPI Clients and Employees made it possible to deliver +6 thousand presents to children supported by +200 institutions.

Through digital channels, +23 m.€ were donated.

TUMO Portugal

The "la Caixa" Foundation, in collaboration with BPI, is supporting the TUMO Coimbra and TUMO Lisbon Creative Technologies Centres. At each centre, up to 1 500 young people aged between 12 and 18 will be able to acquire skills in subjects at the intersection of technology and creativity. The programmes are free.

Promoting the 2030 Agenda

ODSlocal platform

With the support of the "la Caixa" Foundation and BPI, the ODSlocal Platform offers Portuguese municipalities a tool to record and monitor their process of meeting the Sustainable Development Goals (SDGs), through progress indicators built on robust databases and resorting to the most advanced technologies

Observatory of the SDGs in Portuguese Companies

An initiative of the Católica Lisbon School of Business & Economics, in partnership with BPI and the "la Caixa" Foundation, which monitors and supports the implementation of the United Nations 2030 Agenda in companies operating in Portugal.

Health Research and Innovation

The "la Caixa" Foundation supports excellent research in health and biomedicine, as well as talent and the generation of scientific knowledge with an impact on society.

CaixaResearch Health Research Competition

In 2024, projects were selected for the 7th edition of the competition launched to support research projects in biomedicine and health in the following thematic areas: neurosciences, oncology, cardiovascular diseases and associated metabolic diseases, infectious diseases and enabling technologies in the aforementioned thematic areas.

In 2024

9 projects supported, 3 of which in partnership with the FCT.

7.7 M.€ in Portugal, of which 2.5 M.€ with *matching funds* from FCT.

Research centres in Portugal

The partnership established between the "la Caixa" Foundation and the Foundation for Science and Technology (FCT) has made it possible to strengthen support for Portuguese Research Centres by funding 3 of the 9 projects selected in 2024, with an amount of 2.5 M.€.

63 Supported projects

- Oncology
- Neuroscience
- Infectious illnesses
- Cardiovascular illnesses
- Technology facilitators in these areas

CaixaImpulse Health Innovation Programme 2024

The CaixaResearch Health Innovation Competition is aimed at research centres, universities and hospitals, with the aim of transforming scientific knowledge in the field of life sciences and health into products and companies that generate value for Society.

In 2024

9 projects selected in Portugal, 1 two of which were funded by the FCT.

8.5 th.€ in Portugal.

Culture

With a commitment to bringing art, culture and science closer to society, the following support and actions by the "la Caixa" Foundation and BPI stand out:

4	**Institutional collaborations** Serralves Foundation, Casa da Música Foundation, Calouste Gulbenkian Foundation and Casa da Arquitetura.
6	**Museums and other cultural spaces** Elvas Museum of Contemporary Art, Caramulo Museum, Casa de Cadaval, Casa de São Roque, Arpad Szènes-Vieira da Silva Foundation, National Theatre and Dance Museum.
4	**Orchestras** Orquestra XXI, Orquestra de Jazz de Matosinhos, Orquestra Sem Fronteiras and Orquestra Metropolitana de Lisboa.
5	**Theatres** Teatro Nacional S. João (Porto), Teatro Nacional D. Maria II (Lisbon), Teatro Micaelense (Azores), Teatro Viriato (Viseu) and Theatro Circo (Braga).
8	**Festivals** Marvão, Capuchos Music Festival, Cistermúsica - Alcobaça Music Festival, Quebra Jazz Arts Festival, Jazz Festival in the Gardens of Monserrate Palace, Bragança Classicfest Festival, Azores International Festival, Oeiras International Piano Festival, Madeira International Music Festival, Operafest.

Touring exhibitions

Exhibitions were held in 7 municipalities as part of the Street Art Programme of the "la Caixa" Foundation:

- Other Worlds. Journey through the solar system guided by Michael Benson.
- From Pole to Pole. A journey to the great natural paradises with National Geographic.
- Ladies and gentlemen: the show is about to begin. Georges Méliès and the cinema of 1 900.
- The Colours of the World - Landscapes captured by National Geography photographers.
- Symphony - A virtual journey into the world of music.

"Creactivity" touring workshop

A workshop to awaken children's ingenuity, dexterity and creativity, in which science is learnt through everyday elements and the principle of attempt and error.

In 2024, 35 thousand visitors and 74 locations.

Education and Scholarships

The initiatives that stand out are the following:

"la Caixa" Foundation Scholarship Programme

Scholarships granted in 2024:

Scholarships granted in 2024:

4	Postgraduate study abroad
5	PhD (Doctorate)
3	Post-PhD (Post-Doctorate)

Young Entrepreneurs Programme

It promotes the development of entrepreneurial skills among students aged 14 to 18 through the creation of a socially responsible project.

The Challenge 2024 Entrepreneur Challenge

A challenge for students and teachers to boost their capacity for initiative, improve entrepreneurial skills by addressing real professional contexts and foster personal growth while contributing to social progress.

In 2024

7	Portuguese projects selected to take part in Barcelona Campus.
1	National school selected for educational trip to New York.

Volunteering Programme

BPI Volunteering Programme makes it possible to extend the Bank's relationship with local communities to Employees and to create an internal culture based on values of social commitment.

Actions throughout 2024

- Tutoring for young people at risk of social exclusion that Empresários pela Inclusão Social supports;
- Financial literacy and entrepreneurship initiatives in schools and universities across the country in partnership with Junior Achievement Portugal;
- Participation in food collection actions with the Food Banks Against Hunger;
- Making chemo caps to donate;
- Theatre for cancer-hospitalised children at the Coimbra Paediatric Hospital;
- Support for homeless people;
- Dinners with *Serve The City*;
- Surf lessons for children and young people with disabilities;
- Portuguese language classes for migrants and refugees;
- A trip to the circus with more than 100 migrant children;
- Blood donation at the central services in Lisbon and Porto;
- Cleaning beaches, gardens and the seabed and planting trees.

4th BPI Volunteering Week

BPI held Volunteering Week, providing employees half a day off work to take part in volunteering activities.

This 4th edition of BPI Volunteering Week, held between 19 and 26 May 2024, featured 130 initiatives, more than 1 500 volunteers and more than 9 000 beneficiaries.

Key Indicators 2024

208 **Initiatives**	**+2 100** **volunteers**
+17 000 direct **beneficiaries**	**+9 300** volunteering **hours**

Financial Literacy

BPI volunteers promote the financial inclusion of the Portuguese through actions for different audiences:

- Open Day in Banking with the Portuguese Banking Association: secondary school students visited BPI All In One to learn about the Bank's products and solutions.
- Financial literacy classes for 3rd cycle and secondary school students as part of the "At the Bank of my School" project, an initiative of the Portuguese Banking Association.
- World Savings Day was the motto for BPI, with its AGE brand aimed at the junior and youth segment, to welcome children from the Cesário Verde International School to the BPI All In One space, and pass on savings concepts and tips.

BPI AGE also promotes financial literacy aimed at parents and children, disseminating educational content via the bpiage.pt website, on Instagram @bpi.age and on the Bank's social networks.

Communication

Main campaigns

"Tutorials never to be forgotten"

A tutorial campaign that seeks to convey, in an emotional way, Client Service, a Bank that is there for its Clients help them make their dreams and projects come to life.

"How to be a champion"

Support for the national team's Euro2024 campaign. Starring Kika Nazareth, BPI ambassador.

"The best bank"

Campaign to celebrate winning the "Best Bank in Portugal 2024" award from British magazine Euromoney. Starring Filomena Cautela, BPI ambassador. This is the second time in the last three years that the Bank has been awarded this honour.

Main sponsorship

BPI is the **Official Bank of the National Teams until 2030**, sponsors the men's and women's National A Football Teams and the National Under-21 Team. The Bank also gives the *naming* to the main women's football competition, the BPI League, and sponsors the Women's League Cup.

In addition, in partnership with the Portuguese Football Federation, BPI and the "la Caixa" Foundation have launched the second edition of the Scholarship programme to support 20 players from the BPI League.

AI Innovation Garden exhibition

AI Innovation Garden exhibition

- BPI exhibition to publicise the potential and impact that Artificial Intelligence can have on our daily lives.
- Aimed at all audiences.
- Free admission to BPI All in One (Saldanha), from 2 October to 30 November.

Key Indicators

+13 thousand visitors

+70 high schools and university schools

+20 companies

Tax and GDP contribution

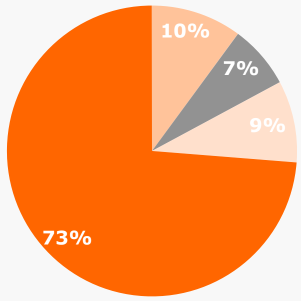
Tax Contribution

Duties of collaboration with the State and Other Public Bodies

In addition to paying the taxes to which it is subject, BPI fulfils a number of duties to cooperate with the State and other public bodies in tax matters. This involves collecting and paying taxes owed by third parties to those entities.

In 2024, the Total Tax Contribution[66], i.e. the total taxes that BPI pays to the State and other public bodies, amounted 767 M.€, broken down into: Taxes due by BPI (378 M.€) and Taxes due by Third Parties (389 M.€).

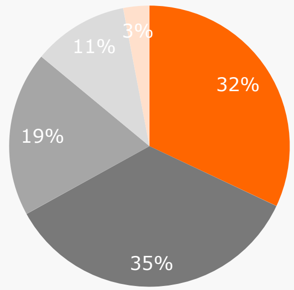
378 M.€ in taxes paid by BPI[67]



In addition, BPI fulfils a number of obligations to provide information to the State and other public entities, so that they can determine and collect these taxes:

- BPI reports to the Tax Authority and Social Security the information it is required to provide by law, namely in fulfilment of the FATCA/CRS/IFR legislation, as well as the different ancillary obligations associated with the payment of income.

389 M.€ in taxes due by third parties[68]



- BPI co-operates with the State in the seizure and transfer of amounts within the scope of tax enforcement procedures in which this is requested.
- BPI collects and remits to the State the personal income tax (IRS) relating to the withholdings due on the payment of income to its

[66] The concept of Total Tax Contribution does not make it possible to grasp the totality of the co-operation provided by BPI to the State in matters related to taxes and other levies, but it does make it possible to provide a comprehensive picture of the information on taxes included in its financial statements.
[67] Amounts paid in the year (cash-flow perspective).
[68] Amounts paid in the year (cash-flow perspective).

Employees, as well as the respective social security contributions; the personal income tax (IRS/IRC) withholdings made to its Clients on the payment of income associated with the financial products it trades as part of its activity.

- BPI settles and remits to the State the Stamp Tax due on financial transactions and services provided to its Clients and the VAT on the provision of services and transfers of goods, within the scope of the respective collection mechanism.

Tax Risk Control and Management

By definition, BPI adopts a conservative tax strategy that is guided by strict compliance with both the legislation and the applicable regulations, reviewing its strategy when necessary in the light of the most up-to-date consolidated tax case law.

The tax risk control process presupposes:

- Daily monitoring of the publication of tax laws and jurisprudence, as well as applicable accounting and regulatory standards, and critical analysis of the need to adopt, implement or adapt them. On the other hand, it also involves monitoring the Bank's tax situation by receiving and managing notices and summonses in tax proceedings, as well as liaising with the Tax and Customs Authority in order to fulfil tax and declaratory obligations.
- Monitoring by the Compliance Division, which acts as the second line of defence and is responsible for establishing control procedures and independently reviewing their application, and by the Internal Audit Division, which acts as the third line of defence and is responsible for assessing and improving risk management, control and corporate governance processes. Finally, tax risk management is also assessed by the external auditors.

In 2024, AENOR (Spanish Association for Standardisation and Certification) certified that BPI has a Tax Compliance Management System in accordance with Standard UNE 19602:2019.

In the context of risk management, the Bank has a specific channel for reporting irregularities, the purpose of which is to receive reports of facts which, among other aspects, violate or seriously jeopardise compliance with the legal, regulatory, ethical and deontological principles to which BPI's Members of the Governing Bodies and Employees are bound in the performance of their professional duties, which applies to behaviours that involve tax risk.

Any irregularities reported by Shareholders, Company Employees or others should be sent to: comunicacao.irregularidades@bancobpi.pt

Contribution to GDP

Through its banking activity in Portugal, BPI makes a sustainable contribution to the development of the economy and to job creation, promoting the financial well-being of its Customers and Society. In order to quantify the positive impact of BPI's activity, BPI's total contribution to GDP and indirect job creation was estimated.

In 2024, the wealth generated by BPI in its activity in Portugal amounted to 1.2 Bn.€ and corresponded to 6.6% of the financial sector's gross value added (GVA). BPI's total contribution to GDP, which includes the direct effect (GVA generated by BPI) and the indirect effect on the rest of the economy, is estimated at 1.6 Bn.€, representing 0.6% of national GDP.

At the end of 2024, BPI had 4 234 Employees. Based on the Bank's indirect effect on the wealth generated by the rest of the economy, it is estimated that BPI will have contributed to the indirect creation of around 8.5 thousand jobs during 2024.

In 2024

1.6 Bn.€ **Contribution to GDP**

0.6% **as % of GDP**

8.5 th. **jobs (indirect creation)**

Natural Capital

The Bank aims to be a benchmark in sustainable banking and contribute to the transition to a low-carbon economy, mitigating the risks associated with climate change and accompanying customers in their decarbonisation efforts, strengthening its reputation and contributing to a more sustainable future.

Therefore, environmental strategy is crucial for BPI, having been an aspect emphasised in the Sustainability Master Plan 22-24 and as a central axis of the Sustainable Banking Plan 25-27.

The realisation of BPI's strategy in terms of natural capital is essentially based on the development of sustainable business and a commitment to carbon neutrality and, this is complemented by the Caixabank Group's membership to the *Net-Zero Banking Alliance (NZBA)*, an initiative of the *United Nations Environment Programme - Finance Initiative,* with the commitment to be carbon neutral by 2050.

Sustainable Business Environmental segment[69]

Retail customers

The main areas of activity are centred on energy efficiency and renewable energies for housing, and sustainable mobility. Between 2022 and 2024, BPI achieved 988 M.€ of sustainable financing in this segment, of which 365 M.€ in 2024 (+40% compared to 2023).

Environmental financing for retail customers

Mortgage loans energy efficiency	
344 M.€	vs 259 M.€ in 2023
88 M.€	energy certificate A+
168 M.€	energy certificate A
87 M.€	energy certificate B
Financing with environmental contribution	
21.5 M.€	vs 1 M.€ in 2023[70]
20.2 M.€	car credit
1 M.€	Sustainable Prestige Products- Mobility
0.3 M.€	renewable energies

With regard to intermediation, BPI realised a total of 202 M.€ in 2024 in the so-called Article 8 and 9 products, including the conversion of Article 6 products into these products and the net production of instruments of this nature.

Intermediation and Resources

202 M.€	vs 856 M.€ in 2023

Investment products aligned with the SFDR requirements applicable to Art. 8 and Art. 9.

Corporate and Institutional Clients

BPI is committed to supporting companies seeking more sustainable business models based on a long-term vision, particularly in sectors affected by climate and transition risks.

The total amount of financing with environmental criteria granted by BPI between 2022 and 2024 amounted 2 064 M.€. In 2024, environmental financing to companies amounted 1 323 M.€ (+221% compared to 2023).

Environmental financing for companies

Environmental operations	
1 240 M.€	vs 412 M.€ in 2023
641 M.€	financing projects with environmental contribution
420 M.€	projects associated with the customer's environmental commitments
179 M.€	real estate projects
Car Finance	
82 M.€[71]	
Environmental lines	
1 M.€	vs 8 M.€ in 2023

[69] For more information on sustainable products and services, see ESRS 2 SBM1.
[70] Car credit not included as this was not identified in 2023.
[71] Car credit not identified in 2023.

Boosting decarbonisation

Banco BPI is committed to carbon neutrality by 2050, through the reduction of emissions associated with the financed credit portfolio and associated with its own activity.

Decarbonisation of the financing portfolio

BPI is committed to contributing to quick but consistent decarbonisation, supporting its customers on their journey towards a greener economy.

In this context, BPI began measuring the emissions of its financed portfolio[72] and defined, within the framework of CaixaBank's membership of the NZBA, intermediate decarbonisation targets for 2030 for the most carbon-intensive sectors[73].

Decarbonisation targets for the most carbon-intensive sectors

Sector	Goals 2030
Oil & Gas	-23%
Electricity	-30%
Automobile	-33%
Iron and steel	-10% a -20%
Coal	-100%
Aviation	-30%
Commercial Real Estate	-41%
Residential Real Estate	-19%

[72] For more information on the operational carbon footprint see ESRS E1-6.
[73] For more details on the decarbonisation objectives, see the response to indicator ESRS E1-4.

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

Decarbonisation of own operations[74]

BPI's operational carbon footprint strategy[75] is based on three pillars:

Carbon Footprint Calculation

Carrying out an annual inventory of carbon emissions from operational activity since 2019.

Reducing CO_2 emissions

Annual monitoring of environmental indicators of operating activity, analysis and implementation of reduction measures.

CO_2 emission offsetting

Partial compensation of emissions associated with operational activity (scopes 1, 2 and 3.6).

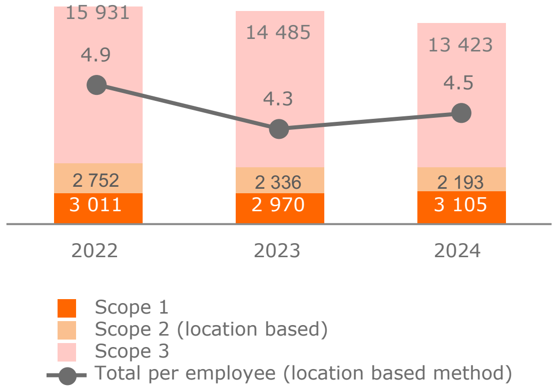
Evolution of emissions associated with own operations

	2023	2024	Δ (%) 23-24
Scope 1	2 970	3 105	5%
Scope 2 (*market based*)	0	0	-
Scope 2 (*location based*)	2 336	2 193	(6)%
Scope 3 [76]	**14 485**	**13 423**	(7)%
Global CO_2 *market based* **emissions**	17 455	16 528	(5)%
Global CO_2 *location based* **emissions**	**19 790**	**18 721**	(5)%

In 2024, there was a 5% reduction compared to 2023 in scopes 1, 2 (*location-based*) and 3 in the categories calculated and considered relevant.

At **Scope 1** there was an increase of 5% compared to 2023 due to the increase in the allocation of vehicles in the commercial network, and BPI is still in the process of replacing its fleet with hybrid vehicles. Electricity consumption at **Scope 2** continued to fall (-6%) compared to 2023 and remained 100% from renewable sources. With regard to **Scope 3**, there was a reduction of 7% compared to 2023, and it should be noted that there is an ongoing supplier engagement project (cat. 3.1 and 3.2) underlying the Sustainable Purchasing Plan, which includes environmental, social and governance criteria, and a project to improve sustainable mobility (cat. 3.6).

Scope 1, 2 (location-based) and 3 (Own operations) Emissions



In 2024, 3 863 tCO_2 carbon credits were acquired, as detailed in ESRS E1-7, an amount equivalent to scope 1 and 3.6 emissions. BPI once again emphasises reforestation projects[77] of high quality in terms of biodiversity, 50% of which are in Spain.

[74] For more information on the operational carbon footprint check the response to the indicator ESRS E1-6.
[75] The operational carbon footprint covers all the relevant emissions (categories 3.1, 3.2, 3.3, 3.5, 3.6 and 3.7) except category 3.15, relating to the footprint of the financed portfolio.
[76] Categories 3.1, 3.2, 3.3, 3.5, 3.6 and 3.7.
[77] For more information on compensation projects see ESRS E1-7.

During 2024, BPI set new targets for 25-27 based on the 25-27 Environmental Management Plan, and also established targets for 2030.

Targets 2025-2027

Action Plan	Goals	Targets (*baseline* 2024)			
		2025	2026	2027	2030
Carbon footprint reduction strategy	Evolution of Emissions Scope 1[78]	0%	0%	0%	0%
	Evolution of Emissions Scope 2 (*Location Method*)	-1%	-2%	-5%	-7%
	Evolution of Emissions Scope 2 (*Market Method*)	0%	0%	0%	0%
	Evolution of Emissions Scope 1 & 2 (*Market Method*)	0%	0%	0%	0%
	Supplier *engagement*[79]	0%	3%	7%	15%
	Carbon footprint offsetting Scope 1, 2 and 3.6	100%	100%	100%	100%
	Renewable electricity consumption	100%	100%	100%	100%
Commitment to the circular economy	Reducing paper consumption/waste [80]	-3%	-2%	-5%	-8%
Promoting efficiency	Savings in electricity consumption	-1%	-2%	-5%	-7%

[78] The fleet accounts for 99%t of Scope 1 emissions.
[79] *Engagement* of suppliers: % of strategic suppliers for whom we have a carbon footprint questionnaire. Objective associated with a category of emissions considered to be non-material.
[80] Objective associated with a category of emissions considered to be non-material. Includes paper used internally and in communication to the Client.

Environmental Management

Environmental Management Plan

The 25-27 Environmental Management Plan[81] will focus on reducing the environmental impact generated by BPI's direct activity, forming part of the 25-27 Sustainable Banking Plan together with the initiatives relating to promoting sustainable business and decarbonising the portfolio. This alignment ensures a coordinated and effective approach to achieving climate goals and strengthening BPI's commitment to sustainable practices.

Environmental Management Plan 25-27
Reducing the impact of one's own activity
01. Carbon footprint reduction strategy
02. Promoting resource efficiency
03. Promoting sustainable mobility
04. Commitment to the circular economy
05. Reducing the impact of the supply chain
06. Implementation of new certifications

Environmental Management Systems

Since 2020, BPI has implemented an **Environmental Management System (EMS) in accordance with ISO 14001,** which considers sustainable business, climate risk management and reducing the environmental impact of BPI's operational activity.

In 2024, BPI obtained its 1st certification renewal, which covers banking and support activities in the central buildings: Casal Ribeiro, Monumental, Boavista and Saudade.

Environmental management of facilities

BPI has been adopting environmental efficiency initiatives and monitoring environmental indicators associated with the activity of its physical facilities, namely the consumption of energy, paper, water and the production of waste, in order to ensure the continuous improvement of its operational environmental performance.

In addition to the ISO 14001 certification for Environmental Management Systems, Banco BPI began implementing ISO 50001 in 2024 to improve the energy management of its physical facilities, with electricity consumption being the most significant in terms of energy.

It should also be noted that the Casal Ribeiro and Monumental buildings have LiderA certification, a Portuguese voluntary system that assesses and certifies sustainable construction criteria. The Monumental Building also has LEED international certification, which assesses and promotes sustainable construction, thus ensuring that buildings have a lower environmental and social impact.

[81] The Environmental Management Plan replaces the previous Environmental Monitoring Plan.

Energy

Evolution 23-24

-1% Energy

-6% Electricity

3.2 MWh of electricity per employee

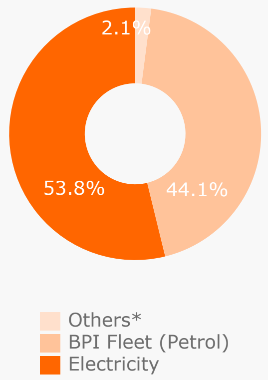
-63% Natural gas

115 Bicycle spots in buildings

8% Fuel consumption by the BPI Fleet

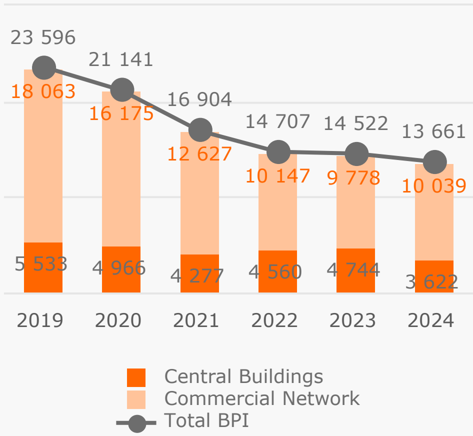
+120% Hybrid vehicles in the BPI fleet

Energy Consumption[82]



*Includes Diesel from Generators (1.8%), Natural Gas (0.2%) and Diesel from the BPI fleet (0.1%).

Electricity Consumption (MWh)



In terms of electricity consumption, there has been a reduction of 5.9%. In addition to this reduction, it should be noted that the Bank has been purchasing 100% renewable energy since 2022.

In 2024, BPI continued to replace its fleet with hybrid vehicles, which increased by 120% compared to the previous year, with 111 hybrid vehicles in the total BPI fleet.

BPI consumes natural gas in the Casal Ribeiro Building due to the existence of 2 boilers, with a decrease in natural gas consumption (63)%, showing efforts in monitoring and reducing them. One of the goals of the 2025 to 2027 Environmental Management Plan is to replace the natural gas boiler.

[82] For more information on energy consumption see ESRS E1-5.

Paper[83]

Evolution 23-24

-6%
Photocopy paper (A4+A3)

-18%
Envelopes sent to Clients

-49%
Paper consumption

The Bank has been investing in the digitisation of account management processes through digital transformation, reducing paper consumption associated with Client communication processes[84].

In 2024, BPI continued with the dematerialisation of filing and invoicing processes, improving the reduction in paper consumption, having been able to reduce around 265 thousand sheets of printed paper during the year.

The most consumed paper is from photocopies and customer communication paper, and it should be noted that the paper used is certified with the Ecolabel stamp and publications are made on FSC-certified paper.

Consumption reduction measures 2024

- Continuing to dematerialise operations;
- Revision of the office supplies' catalogues in order to reduce their consumption and increase the number of options for ecological materials.

Water[85]

Evolution 23-24

-8%
Water

9.1
m^3/Employee

BPI continually endeavours to implement measures to reduce water consumption, an example of which is the installation of flow reducers on its premises. It also seeks to influence the conscious use of this resource by its Employees through internal awareness campaigns.

In 2024, the Monumental Building was certified by AQUA+, which aims to carefully monitor water efficiency in order to optimise consumption. Participation in the AQUA+ certification highlighted the water efficiency solutions already implemented and, on the other hand, enabled the identification of new solutions for reducing water consumption.

The measures proposed as a result of this project, under evaluation by Banco BPI, could lead to a reduction of up to 30% in drinking water consumption.

Consumption reduction measures 2024

- Continued installation of water flow reducers in toilets at BPI premises;
- Consideration and implementation of measures in accordance with the AQUA+ short-term actions report, such as regulating flow rates and changing taps.

---

83 The paper consumption figures consider white paper, office paper and Client communication paper

84 More details on the digitisation processes here.

85 It considers the total monthly consumption invoiced, and there are estimated water consumption figures based on the 202 figures, which represent around 17% of total consumption in 2024. In the case of the Commercial Network facilities, only the branches located in the municipalities of Lisbon, Sintra and Odivelas, Porto and the main municipalities in the Aveiro district were considered, and an extrapolation was made for the remaining branches.

Waste[86]

Evolution 23-24

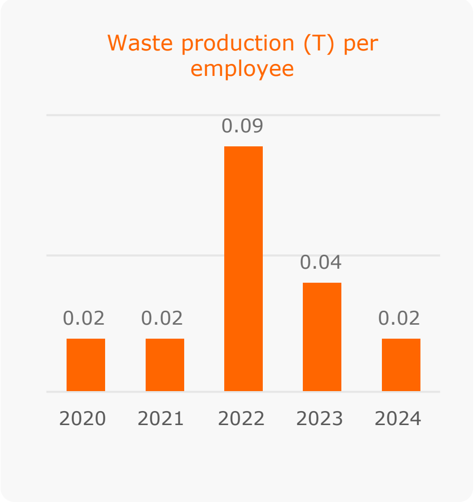
-52%
Produced waste

-46%
Produced *Toner*

87%
recycled waste

+4 000
Equipment donated computer equipment

BPI continues to implement actions for better waste management in its central buildings, which include raising awareness among Employees to reduce their production, correct segregation, defining specific flows and monitoring the quantities produced in terms of recyclables and non-recyclables.



Consumption reduction measures 2024

Optimisation of selective collection in the Central Buildings, which allows waste to be recovered / recycled;

Accounting for waste produced in the Central Buildings and sent to authorised waste management operators;

Measures to improve waste management in the commercial network (through the placement of ecopoints);

Distribution of coffee and tea/water cups and reusable water bottles to employees, helping to reduce waste production.

Partnership with EntrAjuda

There is also a partnership with EntrAjuda, among other organisations, to promote and reuse discontinued equipment and furniture in favour of local institutions and communities that will give them a new use and value.

As well as promoting the circular economy, which is essential for sustainable development, through the reuse, repair and recycling of goods and equipment, it contributes to improving the living conditions, education and employability of many families.

[86] Waste production considers the quantities reported on the Portuguese Environment Agency's Integrated Waste Registration Map (MIRR).

SUSTAINABILITY STATEMENTS

CONTENTS

SUSTAINABILITY STATEMENTS

General Information

ESRS 2 - General Disclosures

BASIS OF PREPARATION

BP-1 - General basis for preparation of sustainability statements

Banco BPI, S.A.'s sustainability statements are prepared on an individual basis and include information on its performance between January 1 and December 31, 2024.

The Bank prepares its sustainability statements in accordance with the disclosure requirements of EU Regulation 2023/2772 (European Sustainability Reporting Standards - ESRS) on a voluntary basis, due to the non-transposition of Directive 2022/2464.

In addition to the information on its performance in 2024, the double materiality analysis presents the material impacts, risks and opportunities (IRO) associated with the Bank through its value chain[87], both upstream and downstream.

BP-2 - Disclosures in relation to specific circumstances

Phase-in provisions

Disclosure requirement	Justification for phasing in
Presentation of comparative information	BPI has opted to use the phase-in introduction since this is the first year its sustainability statements have been drawn up. Nevertheless, the Bank presents comparative information for data that was already disclosed in previous reports or for which information was available.
SBM-1 Strategy, business model and value chain no. 40, point b and c	BPI made use of phase-in, since at the time of publication of the Report the list of significant ESRS sectors had not yet been published.
SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model no. 48, point e	BPI opted to use the phase-in introduction as this was the first year its sustainability statements were drawn up.
E1-9 Expected financial effects of material physical risks and transition risks and potential climate-related opportunities 66(d) and 67(d)	BPI opted to use the phase-in introduction as this was the first year its sustainability statements were drawn up.
S1-7 Characteristics of self-employed workers in the company's own labour force	BPI opted to use the phase-in introduction as this was the first year its sustainability statements were drawn up.

Value chain estimation

The estimates and their assumptions used to calculate metrics that include data from the value chain are duly identified alongside them, and in the Bank's sustainability statements this is only applicable when reporting information under the standard E1 - Climate Change and Taxonomy.

Metrics	Stage of the value chain
Carbon footprint	*Upstream and Downstream*
Decarbonisation targets	*Downstream*
Taxonomy	*Downstream*

[87] Information presented in detail in the response to SBM-1 Strategy, business model and value chain.

Sources of estimates and uncertainty of results

With regard to the sources of estimates and uncertainty of the results applied, whenever this is applicable, it is identified with them, and in the Bank's sustainability statements this is only applicable when reporting information under the standard E1 - Climate Change.

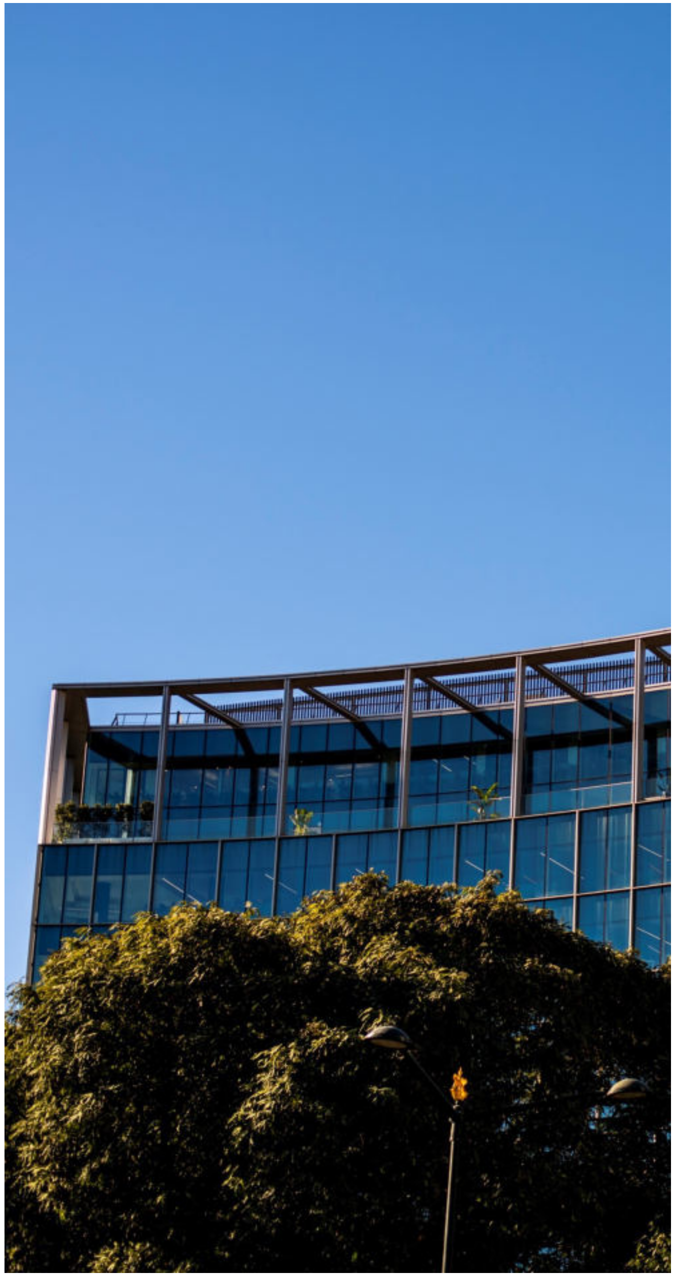
Disclosures arising from local legislation or generally accepted positions on sustainability reporting

The Bank's sustainability statements include information to answer the following legislation:

- Taxonomy - Disclosure requirements set out in EU Regulation 2020/852 (Taxonomy Regulation) in the sustainability statements, in the Environmental Information section.
- International Integrated Reporting <IR> Framework - Voluntary reporting framework, which structures the Bank's Management Report and to which some of the information included in the sustainability statements responds.

Metrics validation

The metrics presented in the sustainability statements were validated by the external auditor as part of the audit process. Whenever the metrics have been verified by another organisation, this is clearly identified.



GOVERNANCE

GOV-1 - Role of the administrative, management and supervisory bodies

Characterisation of the Board of Directors

6
executives

9
non-executives

56 years
average age

31 years
average professional experience

7 years
average experience in the position

Gender

53% male | 47% female

0.88
gender diversity ratio

Nationality

80% portuguese | 20% spanish

Independence

27% independent members

There are no members of the Board of Directors who are employee representatives under the terms indicated in the ESRS.

Board of Directors experience and skills

Fernando Ulrich

Chairman of the Board of Directors

Academic training

- 1969-1974: Attended the Business Management Degree at the Lisbon School of Economics and Management

Management and supervisory positions held in other companies

- Non-Executive Director of CaixaBank, S.A. (also member of the Appointments and Sustainability Committee)

Other positions/functions

- Does not hold any other positions

Previous work experience

- 2017-….: Chairman of the Board of Directors of Banco BPI, S.A.
- 1998-2017: Vice-Chairman of the Board of Directors and Chairman of the Executive Committee (since 2004) of Banco BPI, S.A.
- 2005-2017: Chairman of the Board of Directors of BFA
- 2004-2019: Member of the Board of APB - Portuguese Banking Association
- 1991-2017: Chairman of the Board of Directors of BPI Vida e Pensões – Companhia de Seguros, S.A.
- 1990-2017: Chairman of the Board of Directors of BPI Gestão de Activos, S.A.
- 2009-2013: Chairman of the General Board of the Algarve University:
- 2006-2008: Non-executive Director of SEMAPA
- 1998-2005: Non-executive director of Portugal Telecom
- 1999-2004: Non-executive Director of Allianz Portugal
- 2002-2004: Non-executive Director of PT Multimédia
- 2002-2004: Member of the Advisory Board of CIP, Confederation of Portuguese Industry
- 2000-2003: Non-executive director of IMPRESA and SIC;
- 1995-1999: Vice-Chairman of the Board of Directors of BPI SGPS, S.A.
- 1996-1998: Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão
- 1983-1985: Deputy Director of SPI - Sociedade Portuguesa de Investimento
- 1981-1983: Chief of Staff to the Minister of Finance and Planning
- 1979-1980: Technician in the Secretariat for Foreign Economic Cooperation of the Ministry of Foreign Affairs (Relations with EFTA, OECD and GATT)
- 1975-1979: Member of the Portuguese Delegation to the OECD (Paris) responsible for economic and financial affairs
- 1973-1974: Responsible for the financial markets' section of the weekly newspaper Expresso

Cristina Rios Amorim

Vice-Chairman of the Board of Directors

Chairman of the Risk Committee

Member of the Nominations, Evaluation and Remuneration Committee

Academic training

- 2001: Postgraduate Diploma in International Management, Universidade Católica Portuguesa
- 1992: MBA in International Banking and Finance, Birmingham Business School, The University of Birmingham, United Kingdom
- 1991: Degree in Economics, School of Economics, University of Porto

Management and supervisory positions held in other companies

- Non-executive director of Amorim, Sociedade Gestora de Participações Sociais, S.A.
- Non-executive Chairman of the Board of Directors of Amorim Investimentos e Participações, SGPS, S.A.
- Executive Director, CFO and CSO of Corticeira Amorim, SGPS, S.A.

Other positions/functions

- Member of the Board of Directors representing Corticeira Amorim, SGPS, S.A., of AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado (Association of Listed Securities Issuers)

- Member of the Board of BCSD Portugal - Business Council for Sustainable Development

Previous work experience

- 2012-2021: Vice-Chairman and CFO of Amorim Investimentos e Participações, SGPS, S.A.
- 2012-2021: Non-executive Director of Corticeira Amorim, SGPS, S.A.
- 1997-2021: Responsible for supervising the financial area of Corticeira Amorim, SGPS, S.A.
- 1997-2017: Market Relations Representative of Corticeira Amorim, SGPS, S.A.
- 2009-2013: Non-executive director of AEP Foundation
- 2006-2013: Non-executive director of Casa da Música Foundation
- 2003-2012: Director and CFO of Amorim Investimentos e Participações, SGPS, S.A.
- 1997-2003: Financial Officer of Amorim Investimentos e Participações, SGPS, S.A.
- 1994-1997: Corporate Finance Officer (M&A) at Amorim Investimentos e Participações, SGPS, S.A.
- 1993: Analyst: Soserfin - Sociedade de Investimentos e Serviços Financeiros, S.A.
- 1993: Junior Analyst: Rothschild & Sons Ltd. and Rothschild Asset Management Ltd.- London
- 1992: Trainee: S.G. Warburg España (Corporate Finance) - Madrid

Afonso Fuzeta Eça

Executive Director

Academic training

- 2011: Chartered Financial Analyst - CFA Institute
- 2009: Master in Finance - Tilburg University
- 2008: Degree in Economics, School of Economics, Universidade Nova de Lisboa

Management and supervisory positions held in other companies

- Non-executive director of SIBS SGPS, S.A.
- Non-executive director of SIBS Forward Payment Solutions, S.A.

Other positions/functions

- Does not hold any other positions

Previous work experience

- 2022-2024: Executive Director of the Innovation Division at Banco BPI, S.A.
- 2015-2021: Co-founder and Director of Raize
- 2014-2024: Visiting Professor at NovaSBE University
- 2006-2015: Portofolio Manager - MATH Fund Management Company

Ana Rosas Oliveira

Executive Director

Academic training

- 2002: Master in Finance - London Business School
- 2000: Chartered Financial Analyst - CFA Institute
- 1996: Degree in Economics, School of Economics, University of Porto

Management and supervisory positions held in other companies

- Does not hold any other positions

Other positions/functions

- Member of the Board of Trustees of the AEP Foundation (representing Banco BPI, S.A.)
- Member of the General Board of COTEC PORTUGAL - ASSOCIAÇÃO EMPRESARIAL PARA A INOVAÇÃO (representing Banco BPI, S.A.)

Previous work experience

- 2023-2024: Executive Director of Banco BPI's Corporate and Institutional Marketing Division
- 2016-2023: Executive Director of Banco BPI's Planning and Capital Division
- 2007-2016: Director of the Planning Division at Banco BPI
- 1996-2001: Equity research analyst at Banco Português de Investimento, S.A. - Iberian banking sector

António Lobo Xavier

Non-Executive Director

Member of the Audit Committee

Academic training

- 1988: Master's degree in Legal and Economic Sciences, Universidade de Coimbra
- 1982: Law degree, Universidade de Coimbra

Management and supervisory positions held in other companies

- Non-executive director of NOS SGPS, S.A.
- Non-executive director of BA Glass - Serviços de Gestão e Investimentos, S.A.
- Chairman of the General and Supervisory Board of EDP-Energias de Portugal, S.A.
- Non-executive Vice-Chairman of the Board of Directors of Sogrape, SGPS, S.A.

Other positions/functions

- Chairman of the General Meeting of Têxtil Manuel Gonçalves, S.A.
- Chairman of the General Meeting of Mysticinvest, Holding S.A.
- Member of the Board of Trustees of the Francisco Manuel dos Santos Foundation
- Member of the Board of Trustees of the Belmiro de Azevedo Foundation
- Member of the State Council

Previous work experience

- 2006-2024: Partner at Morais Leitão, Galvão Teles, Soares da Silva & Associados, R.L.
- 2003-2012: Executive Director of Sonaecom, SGPS, S.A.
- 2000 -2021: Non-executive director of Mota-Engil
- 2000-2002: Director of Futebol Clube do Porto, SAD
- 1988-1994: Visiting professor in the Law Division of Universidade Portucalense
- 1988-1994: Professor of European Studies at the Law School of the University of Coimbra
- 1988: Collaborator in the 1988 Tax Reform Commission
- 1988-1994: Assistant Professor at the University of Coimbra Law School.
- 1986-1991: Member of the Higher Council of the Administrative and Tax Courts
- 1985-...: Independent practice as a legal consultant in the areas of Finance and Tax Law
- 1983-1996: Member of the Portuguese Parliament
- 1983-1988: Trainee Assistant at the University of Coimbra Law School.

Diogo Sousa Louro

Executive Director

Academic training

- 1989-1994: Degree in Business Management and Administration, Universidade Católica Portuguesa

Management and supervisory positions held in other companies

- Does not hold any other positions

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- 2021- 2023: Non-executive Director of Companhia de Seguros Allianz Portugal, S.A.
- 2017- 2023: Executive Director of the Private Business and Premier South and Islands Division
- 2013-2017: Coordinating Director of the Premier South Centres Management
- 2011-2013: Coordinating Director in the Strategic Marketing Division - Private Client Planning and Management Area
- 2003-2011: Coordinating Director in the Private Banking and Premier Centres Division - Business Development Area
- 2000-2002: Deputy Director in the Private Banking Division of Banco Português de Investimento, S.A. - Marketing and Management Control Team
- 1998-1999: Product Management Technician in the Private Banking Division of Banco Português de Investimento, S.A. - Marketing Area
- 1994-1997: Management Control Technician in the Private Banking Division of Banco

Português de Investimento, S.A. - Marketing Area

Fátima Barros

Non-Executive Director

Chairman of the Audit Committee

Member of the Risk Committee

Academic training

- 1993: PhD in Economics (European Doctoral Programme in Quantitative Economics), Université Catholique de Louvain, Belgium
- 1988: Master's degree in Economic Sciences, Université Catholique de Louvain, Belgium
- 1986: Degree in Economics, Universidade Católica Portuguesa de Lisboa

Management and supervisory positions held in other companies

- Non-executive director of Brisa Concessão Rodoviária, S.A.
- Non-executive Director of the Supervisory Board of Warta - Retail & Services Investments B.V.

Other positions/functions

- Non-executive director of the Francisco Manuel dos Santos Foundation

Previous work experience

- Jun 1999-....: Associate Professor, CATOLICA LISBON School of Business and Economics, Universidade Católica Portuguesa
- Jan-Dec 2015: Chairman, BEREC, (Body of European Regulators for Electronic Communications)
- Jan-Dec 2014 and Jan-Dec 2016: Vice-Chairman, BEREC, (Body of European Regulators for Electronic Communications)
- May 2012 - Aug 2017: President of the Portuguese Communications Foundation
- May 2012-Ago 2017: Chairman of the Board of Directors of ANACOM
- Jul 2011-May 2012: Non-executive Director, EUROPAC, Papeles & Cartones de Europa
- Oct 2004-May 2012: Director, CATOLICA LISBON School of Business and Economics, Universidade Católica Portuguesa
- Mar 2001-Apr 2004: Associate Director, CATOLICA LISBON School of Business and Economics, Universidade Católica Portuguesa
- Jun 1993- Jun1999: Assistant Professor, CATOLICA LISBON School of Business and Economics, Universidade Católica Portuguesa
- Oct 1986-July1988: Assistant, CATOLICA LISBON School of Business and Economics, Universidade Católica Portuguesa

Francisco Artur Matos

Executive Director

Academic training

- 2002-2003: Masters in Finance - ISCTE
- 1995-1999: Degree in Economics, ISEG

Management and supervisory positions held in other companies

- Does not hold any other positions

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- 2016-2021 - Head of RMF (Risk Management Function)
- 2013-2016 - Rating Director
- 2005-2013 - Credit Risk Director
- 2002-2005 - Banco BPI Risk Manager
- 1999-2002 - Sales Assistant, Credit Analyst Banco BPI

Gonzalo Gortázar Rotaeche

Non-Executive Director

Academic training

- 1992: Master in Business Administration, INSEAD, Fontainebleau
- 1989: Degree in Management, ICADE E-3, Universidad Pontificia de Comillas
- 1988: Degree in Management, ICADE E-3, Universidad Pontificia de Comillas

Management and supervisory positions held in other companies

- CEO CaixaBank, S.A.
- Non-executive Chairman of the Board of Directors of CaixaBank Payments & Consumer, EFC, S.A.

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- 2014-...: Managing Director, CaixaBank, S.A.
- 2014-2021: Non-executive Chairman of VidaCaixa
- 2011-2014: CFO, CaixaBank, S.A.
- 2009-2011: Managing Director, Criteria
- 1993-2009: Morgan Stanley, Investment Banking (FIG)
- 1989-1991: Bank of America Spain, Corporate and Investment Banking
- 1988-1989: Financial Consultant, Bancapital

Inês Valadas

Non-Executive Director

Member of the Audit Committee

Member of the Risk Committee

Academic training

- 2007: Executive Education, Building On Talent, IMD (Lausanne)
- 2004: Executive Education, Market Driving Strategies, London Business School (London)
- 2003: Master of Business Administration, Universidade Católica Portuguesa (Lisbon)
- 1995: Degree in Marketing from the Portuguese Institute of Marketing Administration (IPAM)

Management and supervisory positions held in other companies

- 2020-....: Executive Director of Vodafone Portugal - Comunicações Pessoais, S.A.

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- 2012-2019: Non-executive director Sonae SR
- 2011-2020: Executive director at MCretail SGPS, S.A.
- 2008-2013: Guest professor at the Master of Science in Business Administration at Universidade Católica Portuguesa (Marketing Communications)
- 2008-2010: Chief Executive Officer of Media Capital Multimédia

Javier Pano Riera

Non-Executive Director

Member of the Risk Committee

Member of the Nominations, Evaluation and Remuneration Committee

Academic training

- Degree in Management from ESADE, Barcelona

Management and supervisory positions held in other companies

- Non-executive Vice-Chairman of the Board of Directors of CECABANK, S.A.

Other positions/functions

- CaixaBank, S.A. Chief Financial Officer

Previous work experience

- 2004-2014: Head of Treasury and Capital markets at CaixaBank, S.A.
- 1996-2004: CaixaBank Asset Management CIO
- 1993-1996: Asset Management & Private Banking CIO of CaixaBank, S.A.
- 1987-1993: Managing Director and CIO of Gesindex Asset Management, Barcelona
- 1985-1987: Financial & Accounting Division of Croissant Express, Barcelona

Joana Freitas

Non-Executive Director

Chairman of the Nominations, Evaluation and Remuneration Committee

Member of the Audit Committee

Academic training

- 1995-2000: Degree in Economics from the School of Economics in Porto
- 2003: MBA at INSEAD

Management and supervisory positions held in other companies

- Executive director of EDP - Gestão da Produção de Energia, S.A.
- Non-executive director of EDA- Eletricidade dos Açores, S.A.

Other positions/functions

- Chairman of the Generation and Environment Committee of Eurelectric - Federation of the European Electricity Industry
- Member of the Board of the International Hydropower Association

Previous work experience

- 2019-...: Executive Director of EDP - Gestão da Produção de Energia, S.A.
- 2015-2019: Director (reporting to the CFO) of REN - Redes Energéticas Nacionais, SGPS, S.A.
- Feb-May 2015: Independent Consultant (leader of internal project linked to the real estate portfolio) at Novo Banco, S.A.
- 2012-2014: CFO/CIO - Espírito Santo Property, S.G.P.S, S.A.
- 2009-2012: COO (Operations, Human Resources, Equipment and Information Systems) at Portway - Handling de Portugal, S.A.
- 2008-2009: Advisor to the Secretary of State for the Treasury and Finance - XVII Constitutional Government, Ministry of Finance and Public Administration
- 2000-2007: Consultant (Analyst/Associate/Senior) and Project Manager (Lisbon, London and Rio de Janeiro) at McKinsey & Company

João Pedro Oliveira e Costa

Chairman of the Executive Committee of the Board of Directors

Academic training

- 1989: Degree in Business Administration and Management, Universidade Católica Portuguesa in Lisbon

Management and supervisory positions held in other companies

- Does not hold any other positions

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- Since 2020: Chairman of the Executive Committee of Banco BPI, S.A.
- 2018-2020: Non-executive Director of Companhia de Seguros Allianz Portugal, S.A.
- 2014-2020: Chairman and member of the Executive Committee of Banco BPI, S.A.
- 2011-2020: Non-executive Director of BPI (Suisse), S.A.
- 2007-2016: Director and member of the Executive Committee of Banco Português de Investimento, S.A.
- 2000-2007: Central Director of Banco Português de Investimento, S.A.

Natividad Capella

Non-Executive Director

Member of the Audit Committee

Academic training

- 1997 - PhD in Economics & Business Science, University of Barcelona
- 1991 - Master of Science in International Finance, London School of Economics and Political Science (LSE)
- 1990- Degree in Economic Studies, London School of Economics and Political Science (LSE)
- 1989 - Degree in Economic and Business Sciences, University of Barcelona
- 1989 - Law degree, University of Barcelona

Management and supervisory positions held in other companies

- Non-executive director of VidaCaixa, S.A.U.
- Non-executive director of CaixaBank Wealth Management Luxembourg S.A.

Other positions/functions

- CaixaBank, S.A. Head of Corporate Risk Management Function & Planning.

Previous work experience

- Jun 2013-Jan 2019: CaixaBank, S.A. Head of Global Risk Management.
- Jan 2011-Apr 2013: CaixaBank, S.A. Corporate Director, Risk Models.
- Mar 2001-Jan 2011, CaixaBank, S.A. Director of the Market Risk Control Area.
- Nov 2001-Aug 2005: Associate Professor, University of Barcelona.
- Sep 1991-Feb 2001 CNMV (National Securities Market Commission), Secondary Markets Analyst. Financial Products and Investment Companies Analyst. Deputy Director of Strategy.
- Jan 1988 - Aug 1989 Bank credit analyst, Banco de Crédito Industrial (BCI).

Susana Trigo Cabral

Executive Director

Academic training

- 1993: Degree in Business Management and Administration from the School of Economics of Porto/University of Porto

Management and supervisory positions held in other companies

- Non-executive director of VIDA CAIXA, S.A.U.

Other positions/functions

- Does not hold any other positions or duties

Previous work experience

- 2011-2016: Non-executive director of BPI Gestão de Activos - Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.
- 2009-2018: Non-executive director of BPI Vida e Pensões – Companhia de Seguros, S.A.
- 2009-2017: Member of the Supervisory Board of Banco de Fomento Angola, S.A.
- 2006-2023: Executive Director of the Accounting and Planning Division of Banco BPI, S.A.
- 2002-2006: Director of the Planning Division at Banco BPI
- 1993-2002: Planning and Accounting Division of Banco Português de Investimento, S.A. Participation in several acquisition, merger and corporate reorganisation operations of BPI Group

Experience and skills in sustainability

Fernando Ulrich

Fernando Ulrich is a member of CaixaBank S.A.'s Appointments and Sustainability Committee, a specialised Commission of the Board of Directors responsible for overseeing the Bank's sustainability performance (including performance on environmental, social and governance issues, such as sustainable business, environmental management, sustainability and climate risks, financial inclusion or dialogue with interest groups, among others), as well as for analysing and proposing to the Board of Directors the approval of policies, declarations and standards that develop CaixaBank S. A.'s sustainability strategy.

Cristina Rios Amorim

Cristina Rios Amorim is a member of the ESG Commission and the Risk Committee of Corticeira Amorim, SGPS, S.A.. As Chief Sustainability Officer (CSO) she is responsible for promoting ESG issues in the business, as well as proposing the multi-annual sustainability action plan (strategic objectives, strategic initiatives and priority actions), that integrate ESG matters into the business. She promotes alignment on ESG issues between the Board of Directors, the Executive Committee and the ESG Committee. This Committee advises the Board of Directors on monitoring, supervising and providing strategic guidance on matters of corporate governance, social responsibility, the environment and ethics at Corticeira Amorim. In recent years, she has taken part in training on the challenges and opportunities related to ESG issues: CSRD, ESRS, climate risks and double materiality, value chain and sustainability *due diligence*, biodiversity.

Francisco Artur Matos

Francisco Artur Matos is responsible for Sustainability at Banco BPI S.A., he is a member of the Sustainability Committee, a body dependent on the Executive Committee, responsible for approving and monitoring BPI's sustainability strategy and practices, for proposing and submitting for approval to the governing bodies the policies relevant to sustainability management and for supervising the Sustainable Banking Plan.

Joana Freitas

Joana Freitas is a member of the Board of Directors of EDP - Gestão da Produção de Energia, S.A., where she is responsible for the Hydro and Thermal Centre of Excellence, coordinating the areas of Hydro Engineering, Maintenance and Management of hydro and thermal assets and Decommissioning of thermal power plants. She is also Chairman of the Generation and Environment Committee of Eurelectric, an industrial association of power generators in Europe that contributes to European energy and climate policy. In 2023 she completed executive training in "Climate Change and Energy" at the Harvard Kennedy School.

Sustainability Governance Model

BPI has defined a specific governance model for sustainability, with defined responsibilities in this area for several bodies.

Board of Directors (BoD)| The BoD's main responsibilities in terms of sustainability are: i) approving, supervising and evaluating the definition, development and implementation of the sustainability strategy; and ii) implementing a risk governance structure in accordance with the Bank's risk appetite profile (including ESG risks).

Audit Committee (AUC) | The AUC is responsible for overseeing: i) the process of preparing and disclosing financial and non-financial information, particularly in terms of sustainability; and ii) the effectiveness of internal control systems.

Executive Committee of the Board of Directors | The main responsibilities of the Executive Committee in terms of sustainability are: i) the adoption of policies and main lines of action on sustainability issues; and ii) the development of the Strategic Plan and the budget that integrates the commitments and initiatives on Sustainability.

Risk Committee (RC) | The RC's main responsibilities in terms of sustainability are to monitor and assess the Bank's ESG practices, particularly with regard to assessing sustainability strategy and practices, relevant policies and the risk model.

Global Risk Committee (GRC) | The GRC's main responsibilities in terms of sustainability are: i) managing, controlling and monitoring ESG risks, among others, as well as the implications for managing liquidity, solvency and capital consumption; ii) analysing the global position in relation to ESG risks and defining policies or procedures that optimise their management, monitoring and control; and iii) ensuring that exposures identified as relevant to ESG risks are managed.

Sustainability Committee | The main responsibilities of the Sustainability Committee are: i) approving and monitoring BPI's Sustainability strategy and practices; ii) defining and monitoring targets related to material IRO; iii) proposing and submitting relevant policies for Sustainability management to the governing bodies for approval; iv) supervising the Sustainability Master Plan and assessing its degree of compliance; and v) promoting the integration of sustainability criteria into business management.

The Sustainability Committee reports directly to the Executive Committee and is chaired by the Sustainability Executive Director. It meets monthly to discuss sustainability issues with regard to managing BPI's impacts, risks and opportunities.

The **Sustainability Division** monitors the implementation of the several sustainability initiatives. In addition, there are **specialised areas**, within the different Divisions, which are responsible for issues such as: managing sustainability risk, integrating ESG factors into customer admissions and structuring specialised ESG financing.

Sustainability issues are monitored in accordance with the structure and responsibilities presented above, with processes defined for the most structural issues to ensure their regular reporting and monitoring:

- Once the exercise is carried out, the results are sent to the Sustainability Committee, the Risk Committee, the Executive Committee for appraisal and approval by the Board of Directors.
- Sustainability Master Plan 2022-2024: The Sustainability Master Plan was monitored by the bodies in two ways: i) monthly monitoring of the Sustainability Master Plan's KPIs by the Sustainability Committee; and ii) overall assessment of the Sustainability Master Plan, including KPIs and initiatives, by the SC and quarterly reporting of the assessment's conclusions to the RC, Executive Committee and BoD. The management of material issues is materialised through the Sustainability Master Plan, which

seeks to ensure that the initiatives established respond to what is material. In this sense, although specific controls and procedures are not defined, the areas responsible are monitored for compliance with both the KPIs and the initiatives.

BPI's Selection and Assessment Policy for Members of the Board of Directors and Audit Committee and Key Function Holders stipulates that the Bank provides members of the management body, the supervisory body and Key Function Holders with access to external and/or internal training that is identified as appropriate and relevant to the performance of their duties. This includes internal training on mandatory topics and others that may be identified as necessary or useful for the performance of their duties, including topics related to sustainability. In 2024, the Board of Directors and the Executive Committee carried out training on topics such as climate transition and the importance of ethics in sustainability.

In this context, the Nominations, Evaluation and Remuneration Committee (Comissão de Nomeações, Avaliações e Remunerações - CNAR), following the annual assessment process of the members of the governing bodies and their members, and considering the conclusions reached, draws up a proposal for an annual training plan for the following year. In addition, any member may request training beyond that defined in the annual training plan.

GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

BPI's Sustainability Committee, which meets monthly, is responsible for monitoring the Bank's sustainability strategy and practices, as well as proposing and raising for approval to the corresponding governing bodies matters relevant to sustainability management.

The Sustainability Committee is a body that reports to the Executive Committee of the Board of Directors on matters related to its functions, taking decisions within the scope of its activities for which it is fully autonomous.

The Sustainability Committee manages different sustainability issues and, consequently, their impacts, risks and opportunities, as detailed below:

- IROs relating to operational carbon neutrality and energy efficiency addressed within the Environmental Management Plan;
- IROs relating to the decarbonisation of the financing portfolio, the promotion of offer (products and services) with ESG characteristics and the management of ESG risks in financing operations addressed as part of the monitoring of NZBA commitments, sustainable business and the implementation of the Policy for the Management of Sustainability Risks in Credit Admission;
- IROs related to the promotion of quality employment and professional development and the promotion of diversity, equity and inclusion addressed within the framework of the presentation of the results of the process of *due diligence* of human rights and the target related to diversity.
- IROs related to responsible marketing addressed in the context of regulatory developments in the greenwashing field.
- IROs related to the management of relationships with suppliers addressed in the context of the presentation of the results of the due diligence process of human rights.

Above are the material IROs that were analysed at the Sustainability Committee meetings. However, all material IROs were analysed in the quarterly presentation of the Sustainability *Dashboard*, in which a status report is presented on the fulfilment of the targets of the Sustainability Master Plan (instrument through which the strategic priority "Being a benchmark in sustainable banking" is operationalised) and by presenting the results of the double materiality and material IRO analysis exercise.

GOV-3 - Integration of sustainability-related performance in incentive schemes

BPI has a remuneration policy for the members of the Management and Supervisory Bodies - Remuneration Policy for the Members of the Management and Supervisory Bodies - consistent with the management of sustainability risks, incorporating in the variable remuneration component corporate metrics associated with this reality, namely the ESG - Sustainable Business metric, considering the responsibilities and functions assigned.

Executive Directors may therefore be awarded risk-adjusted variable remuneration based on the measurement of the Bank's performance, measured by the fulfilment of Corporate Objectives, and based on the individual performance of each Executive Director, measured by the degree of fulfilment of their Individual Objectives.

In 2024, BPI included fulfilment of the target of **ESG - sustainable business** as one of the criteria for obtaining variable remuneration at senior management level. The eligible business for the purposes of this metric is the one considered eligible under the "Sustainable Business" indicator defined under the Sustainability Master Plan[88].

BPI also includes the **Quality indicator**, which considers issues related to the Client Experience Index (IEX) and Complaints.

The ESG target - sustainable business - and the Quality indicator each account for 10% of the weight of the corporate objectives for the Executive Committee (which account for 60% of each director's assessment).

Corporate objectives are set by the CNAR on a proposal from the Executive Committee and the opinion of the Legal Division (DJU), Risk Management Division (RMD) and Compliance Division (CD) for each financial year and their weight must be determined by parameters defined on the basis of the Bank's main objectives, reflected in the annual budget and the Strategic Plan. In any case, the composition and weighting of Banco BPI's objectives must be established in accordance with the provisions of the law.

The Remuneration Policy for Members of the Management and Supervisory Bodies and its implementation are subject to annual review by the Nominations, Evaluation and Remuneration Committee, which is responsible for submitting to the Sole Shareholder any changes it deems justified for approval.

[88] For more details on the indicator and its target see: ESRS 2 - SBM-1; E1-4.

GOV-4 - Statement on due diligence

The way in which the Bank proposes to integrate due diligence into its governance, strategy and business model is presented throughout the Report, in response to the different indicators.

ESSENTIAL ELEMENTS ON DUE DILIGENCE	ELEMENTS OF THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	GOV-3 - Integration of sustainability-related performance in incentive schemes
	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model(s)
	E1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	S1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	S4 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	Sustainable Finance
	Cybersecurity
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	SBM-2 - Interests and views of stakeholders
	S1 - SBM-2 - Interests and views of stakeholders
	S4 - SBM-2 - Interests and views of stakeholders
	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities
	E1 - IRO-1 - Description of the processes for identifying and assessing material impacts, risks and opportunities
	G1 - IRO-1 - Description of the processes for identifying and assessing material impacts, risks and opportunities
	E1-1 - Transition plan for climate change mitigation
	S1-1 - Policies related to own workforce
	S4-1 — Policies related to consumers and end-users
	G1-1 - Business conduct policies and corporate culture
	Sustainable Finance
	Cybersecurity

ESSENTIAL ELEMENTS ON DUE DILIGENCE	ELEMENTS OF THE SUSTAINABILITY STATEMENT
c) Identifying and assessing adverse impacts	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities
	E1 - IRO-1 - Description of the processes for identifying and assessing material impacts, risks and opportunities
	G1 - IRO-1 - Description of the processes for identifying and assessing material impacts, risks and opportunities
	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model(s)
	E1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	S1 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	S4 - SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)
	Sustainable Finance
	Cybersecurity
d) Taking actions to address those adverse impacts	E1-3 - Actions and resources in relation to climate change policies
	S1-3 - Processes to remediate negative impacts
	S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
	S4-4 - Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	G1-2 - Management of relationships with suppliers
	G1-3 - Prevention and detection of corruption and bribery
	Sustainable Finance
	Cybersecurity
e) Tracking the effectiveness of these efforts and communicating	E1-4 - Targets related to climate change mitigation and adaptation
	S1-5 - Targets related to the management of material impacts, the promotion of positive impacts, as well as risks and opportunities
	S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	G1-4 - Incidents of corruption or bribery
	G1-5 - Political influence and lobbying activities
	G1-6 - Payment practices
	Sustainable Finance
	Cybersecurity

GOV-5- Risk management and internal controls over sustainability reporting

The process adopted by BPI for risk management and internal control regarding the disclosure of information on sustainability is based on the three lines of defence model.

The first line of defence consists of the commercial structure units, risk management units and operational support units. The first lines of defence (1LoDs) are responsible for developing and maintaining effective controls over their activities, as well as for identifying, managing, measuring, controlling, mitigating and communicating the main risks that arise in the conduct of their activities, and with regard to this procedure.

As far as reporting is concerned, within the scope of the 1LoD, the Sustainability Division is responsible for monitoring regulatory developments (advocacy), defining the double materiality and impacts, risks and opportunities (IRO), as well as the content of the sustainability report. It also establishes deadlines and a timetable for the Management Report and defines those responsible for metrics and information. It also identifies information needs, provides the necessary data and manages the collection, defines the methodology and calculation of the metrics, designs and implements process controls to ensure their effectiveness and prepares the final report. It is also responsible for providing reasonable assurance of the overall process, ensuring the coherence of the control environment of the business areas, keeping up to date and proposing revisions to the governance model (where appropriate), reviewing the methodology of the relevant metrics, reviewing the coherence and integrity of the reporting, liaising with the second line (2LoD), the third line (3LoD), the external auditor, and reporting to the governance bodies.

The RMD - Internal and Business Control, as the 2LoD of the transversal risk of information reliability, identifies the key controls associated with the process of preparing, reviewing, approving and disclosing a set of documents included in the Relevant Information Period (defined within the scope of the Management and Control of Information Reliability Policy), which includes the Annual Report and Accounts, which in turn includes the Management Report, which includes the Sustainability Statements. The evaluation of these disclosure processes consists of a bottom-up internal certification process to assess the compliance and effectiveness of the application of the key controls identified within the scope of the SCIIF internal control system.

Finally, the 3LoD falls to the Internal Audit Division. Its role is to provide reasonable assurance to Senior Management and the Governing Bodies on the effectiveness and efficiency of the internal control systems, compliance with the legislation in force and the appropriate application of the Policies and Procedures approved in this area. In terms of sustainability reporting, it is responsible for assessing the inclusion of the process for drawing up Sustainability Statements, as well as the controls implemented and the assessment of the SCIIF model, in the annual internal audit plans.

The Bank has implemented control processes for the preparation, review, approval and disclosure process in order to ensure the accuracy and consistency of the information to be reported. The implemented processes consist of:

1. Definition of the internal controls necessary to mitigate any risks associated with the process of preparing, reviewing, approving and disclosing the Sustainability Statements.
2. Assigning clear responsibilities to ensure that everyone understands and can correctly manage any risks associated with the preparation of the Sustainability Statements.
3. Maintaining transparent and coherent communication with all stakeholders, ensuring that the information reported reflects the commitment to sustainability.

The main risks associated with the process of preparing the Sustainability Statements are:

Cause	Existing controls
Risks related to sustainability statements - reputational and regulatory risk	
Disclosure of incorrect information, caused by inadequate or incomplete data collection	Preparation, review and reporting controls for each area that contributes to the Management Report
Non-compliance with regulations and standards, exposing the Bank to penalties and affecting its image	Monitoring of applicable regulations and identification of reporting needs
Disclosure of reports with incomplete information, resulting from errors in data entry and processing, impacting the reliability of the report	Preparation, review and reporting controls for each area that contributes to the Management Report Report preparation and revision controls (zero version and final version)
Omission of relevant information for stakeholders, due to an incorrect assessment of materiality, jeopardising the transparency and clarity of reports	Materiality analysis control

The related controls are carried out by the 1LoD and, where appropriate, the 2LoD, which is responsible for ensuring the quality of risk management and the validation of the necessary controls, in coordination with the 1LoD, assessing their subsequent compliance.

The internal control structure related to the reliability of the information is organised in such a way as to clearly define the responsibilities and functions of all those involved in the preparation, review and disclosure process, and guarantees the respective segregation of duties and the existence of the various layers of control.

The several areas involved in the processes of preparing information are responsible for identifying and assessing potential risks, as well as defining and implementing controls to mitigate these risks, with the aim of obtaining reasonable assurance as to the suitability, quality and reliability of this information.

The conclusions of the risk assessment and internal controls are systematically integrated into the sustainability information disclosure process:

- The several areas involved in the information production processes are responsible for identifying and assessing potential risks, as well as defining and implementing controls to mitigate the respective risks.
- Once the critical areas associated with the disclosure of information have been identified, the key controls are identified and the bottom-up internal certification process is implemented.
- The performance of these controls is monitored through the internal audit of the upward internal certification process. Feedback from this activity is used to continually adjust and improve internal controls and the information disclosure process.

After the bottom-up internal certification of the controls identified, the conclusions of the process are reported to the Global Risk Committee, the Risk Committee and the Audit Committee by 2LoD.

STRATEGY

SBM-1 - Strategy, business model and value chain

Business model and value chain

The Bank's business model is based on a specialised, omnichannel and integrated distribution network and on providing a complete range of financial products and services, structured to meet the specific needs of the segments.

Below is the Bank's value chain, structured around the fundamental stages that support operations and services, starting with suppliers, passing through the Bank's business itself, through intermediaries and culminating in customers in their numerous segments.

UPSTREAM

SUPPLIERS

SUPPLIERS
SERVICES

TECHNOLOGY
OUTSOURCING
SECURITY
OTHERS

SUPPLIERS
FINANCING

SUPPLIERS
PRODUCT

INVESTMENT FUNDS
INSURANCE AND PENSION FUNDS
PAYMENTS

OWN OPERATIONS

COMPANY

BPI Grupo CaixaBank

Operations carried out by BPI

DOWNSTREAM

INTERMEDIARIES	CLIENTS
MORTGAGE LOAN PRIVATE	INDIVIDUALS AND PREMIER
	ENTREPRENEURS AND BUSINESS
CAR LOANS COMPANIES; ENTREPRENEURS AND INDIVIDUALS	PRIVATE BANKING AND WEALTH
	COMPANIES
	CIB
Companies that sell BPI products	Users of products marketed by BPI

ESG product and service offer

BPI aims to support the sustainable progress of society and recognises the role it plays in driving the sustainable transition of Individuals and Business, which are increasingly seeking to advance in their sustainability journey, and recognises the risks and opportunities that emerge from this new paradigm. The Bank also assumes the relevance of its actions in promoting financial inclusion, and has the ambition to ensure that people are not left at the centre of the decision-making process.

As such, the Bank is committed to sustainable financing with a view to supporting the transition of the most affected sectors and integrating sustainability into the financing strategy of companies seeking more sustainable models, as well as developing a consolidated and segmented offer for individuals and business that encourages sustainable consumption patterns and is more inclusive.

On the business side, BPI seeks to boost its offer of products and services that integrate ESG criteria with the aim of maximising their positive impact on society and the environment and taking advantage of the business opportunities associated with its customers' investment needs.

i. Retail

Regarding the retail segment, the main areas of activity are centred on developing solutions that integrate sustainability criteria with a focus on energy efficiency, renewable energies, mobility and sustainable housing.

To meet the needs of Retail Clients, BPI's offer is organised around five experiences that reflect the main needs of Clients and mark the relationship with the Bank. Below are the solutions that contribute to sustainability issues:

Day-to-day | Solutions that make day-to-day management easier

In 2022 BPI began gradually replacing all traditional PVC bank cards with recycled PVC cards (re-PVC). Re-PVC cards contribute to the preservation of natural resources, as they avoid the production of new PVC and reduce the amount of PVC deposited in landfill sites.

Since 2022, 2.1 million re-PVC cards have been issued.

The Bank offsets carbon emissions associated with the life cycle of several accounts, namely: Conta Age Júnior (up to 12 years old) and Jovem (13- 25 years old), Conta Valor BPI; Conta Premier BPI, and Conta Private Banking (Accounts). Verification of the clearing process is carried out by Bureau Veritas[89].

BPI also offers the Minimum Banking Services Account, which allows for greater coverage in the provision of financial services and consequently wider social inclusion. On 31 December 2024, BPI had a total of 21 244 accounts of this nature.

My home | Housing solutions

When offering solutions for buying, building, renovating, equipping or transferring a mortgage, the spread can be subsidised depending on the energy certificate of the property pledged as collateral.

Future planning | Investment and retirement solutions

BPI offers its Clients investment products that take environmental and/or social factors into account, namely, and using SFDR terminology:

- Article 8: Financial products and services that promote environmental and/or social characteristics, or a combination thereof;
- Article 9: Financial products and services that pursue a sustainable investment objective.

In 2024, the amount of customers' Article 8 and 9 investment products deposited in Banco BPI accounts was 6 512 M€.

[89] Certification based on ISO 14067 - products's carbon footprint.

	Amount (M €)	
Sustainable Intermediation (Production)	2023	2024
Sustainable Intermediation	856	202
Resources (Deposits)	573	0
Intermediation (Assets under custody)	282	202
Transformation of Funds and Insurance into Art 8 and Art 9	797	278
Net Production of Funds and insurance Art 8 and Art 9	(515)	(76)

The Bank also offers a consolidated advised sales service (in branches) and investment consultancy (BPI Premier Centres). In the Investment Consultancy and Discretionary Management service, in addition to financial and risk criteria, environmental, social and governance (ESG) factors are considered in the investment selection process. In investment consultancy, the Sustainability Preferences Questionnaire[90] has been available since 2023 with the aim of gauging the sustainability preferences of Private Banking and Premier customers within the scope of the Consultancy and Discretionary Management services.

Enjoying life | Solutions for realising projects

With regard to financing solutions, BPI offers various solutions for contributing to sustainability for the individual segment, namely:

- **BPI Health personal loan** - Credit to finance the purchase of health equipment and services.
- **BPI renewable energies personal loan** - Credit to finance the purchase and installation of equipment that produces renewable energies.
- **BPI Training loan** - Credit designed to finance educational expenses for undergraduate and postgraduate programmes (including MBAs).
- **Catalogue of Sustainable Prestige Products** - A line of non-financial products with sustainability features, mainly linked to mobility (scooters, electric charging stations and electric bicycles).

The offer of products and services in the retail segment underwent the following significant changes in 2024:

- Introduction of the process for calculating, verifying and offsetting carbon emissions from Contas Negócio and Contas Valor (Accounts).
- As a result of the conversions of Article 6 products into Article 8 and 9 products carried out by BPI Gestão de Ativos and BPI Vida e Pensões, a significant proportion of the investment products distributed by BPI are classified as Article 8 and Article 9 under the terms of the Sustainable Finance Disclosure Regulation (SFDR). These changes, which also required developments on BPI's side, reflect a growing commitment to sustainability on the part of the producers of investment products with whom BPI is closest.

[90] Questionnaire in accordance with Delegated Regulation (EU) 2021/1253.

ii. Corporate and Institutional

As a leading institution in the financial sector, it is part of BPI's priorities to support the transition to a more sustainable economy, particularly considering the need to reduce carbon emissions, through its financing activities.

BPI's range of sustainability products and services in the corporate segment is presented below:

- **Credit lines that support initiatives and projects with a positive impact on the environment and society, in particular to prevent, mitigate and respond to climate change**, as well as financing with special conditions linked to the fulfilment of sustainability goals (environmental, social or governance), driving the transition of companies to higher levels of ESG performance.
  - BPI ESG Corporate Line - credit line for SMEs offering a financing solution to support the ESG transition, in the form of a fixed-term loan.
  - EIF InvestEU Line - a credit line designed to support SMEs and small mid-caps in making investments focused on sustainable transition, digitalisation and innovation and support for the cultural and creative sectors.
- BPF InvestEU line - a credit line for SMEs and Small Mid-Caps which aims, among other things, to support investments that will enable companies to reduce their carbon footprint and adopt circular economy principles in company activity and investment in sustainable forms of passenger transport.
- Decarbonisation and circular economy line - credit line for energy efficiency and circular economy projects for SMEs.
- Support line for entrepreneurship and own job creation - support line for unemployed people to create companies and self-employment.
- Support line for the qualification of the offer - line of support for the requalification or creation of enterprises and entrepreneurship projects in the tourism sector.
- BPI First Right Facility - a credit line agreed with IHRU to finance housing projects for people who live in precarious conditions and cannot afford to buy a house.
- Social Sector Financing Line - a line designed to support Social Economy Entities (SEEs) affected by the rise in the cost of raw materials and energy and the disruption of supply chains.

At the same time, BPI is developing a series of initiatives designed to promote sustainable business, encouraging business practices in line with the principles of sustainability, namely:

- Promoting **dialogue with Clients**, with a special focus on those in the most carbon-intensive sectors, on their sustainability strategy.
- BPI has a specialised team to help structure and **formalise medium and long-term sustainable financing**, assessing the alignment of the strategies of the most relevant exposures with its ESG risk management policy.
- Promotion of a **differentiated pricing strategy** for certain operations considered sustainable.
- Promotion of **events with customers**, such as the Sustainability Accelerator and the Water Forum, the aim of which is to promote the sharing of knowledge and *networking* around the most impactful sustainability issues in the region where the event takes place.
- Encouraging **innovation** and the sustainability of Portuguese companies, by promoting awards to support the economy, such as the EmpreendeXXI Awards (PEXXI), the National Innovation Award and the BPI Woman Entrepreneur Award.

BPI's total sustainable financing amounted 1 917 M€ in 2024. These operations are classified according to the criteria defined in the Sustainable Financing Guide[91].

[91] More details on Sustainable Financing are available at Sustainable Finance.

Strategy

Sustainability Masterplan 2022-2024

As part of the Strategic Plan for the 2022-24 period, the strategic priority was defined as "Being a benchmark in sustainable banking". This priority was operationalised by the Sustainability Master Plan 2022-2024, which was completed in 2024, and which meant significant progress for BPI in managing sustainability in the three defined ambitions:

SUPPORTING THE SUSTAINABLE TRANSITION OF COMPANIES AND SOCIETY

LEADING IN SOCIAL IMPACT AND PROMOTING SOCIAL INCLUSION

LEADING IN GOVERNANCE BEST PRACTICES

BPI met or exceeded the key objectives it had set itself[92]:

	2022	2023	2024	Total	Target
Sustainable Business[93]					
Financing (M.€)[94]	786	1 041	1 917	3 744	2 000
Intermediation and Resources (M.€)[95]	1 385	856	202	2 443	2 000
Social Action					
Number of Social Action Beneficiaries	96 567	115 451	112 785	324 803	200 000
Investment by BPI "la Caixa" | Foundation (M.€)	38.2	45.3	48.4[96]	>120	120
Gender Equality					
% of women in management positions[97]	43%	44%	45%	-	43%
Commitment to decarbonisation					
Definition of decarbonisation targets/strategies for 9 carbon-intensive sectors, in line with the CaixaBank Group	-	2	7	9	9

The initiatives associated with Sustainability Master Plan 22-24 mobilised the entire Bank and involved the various stakeholders, including customers, employees, suppliers and the shareholder. In 2024, the Plan was monitored on a monthly basis by the Sustainability Committee and quarterly by the Risks Committee and the Board of Directors.

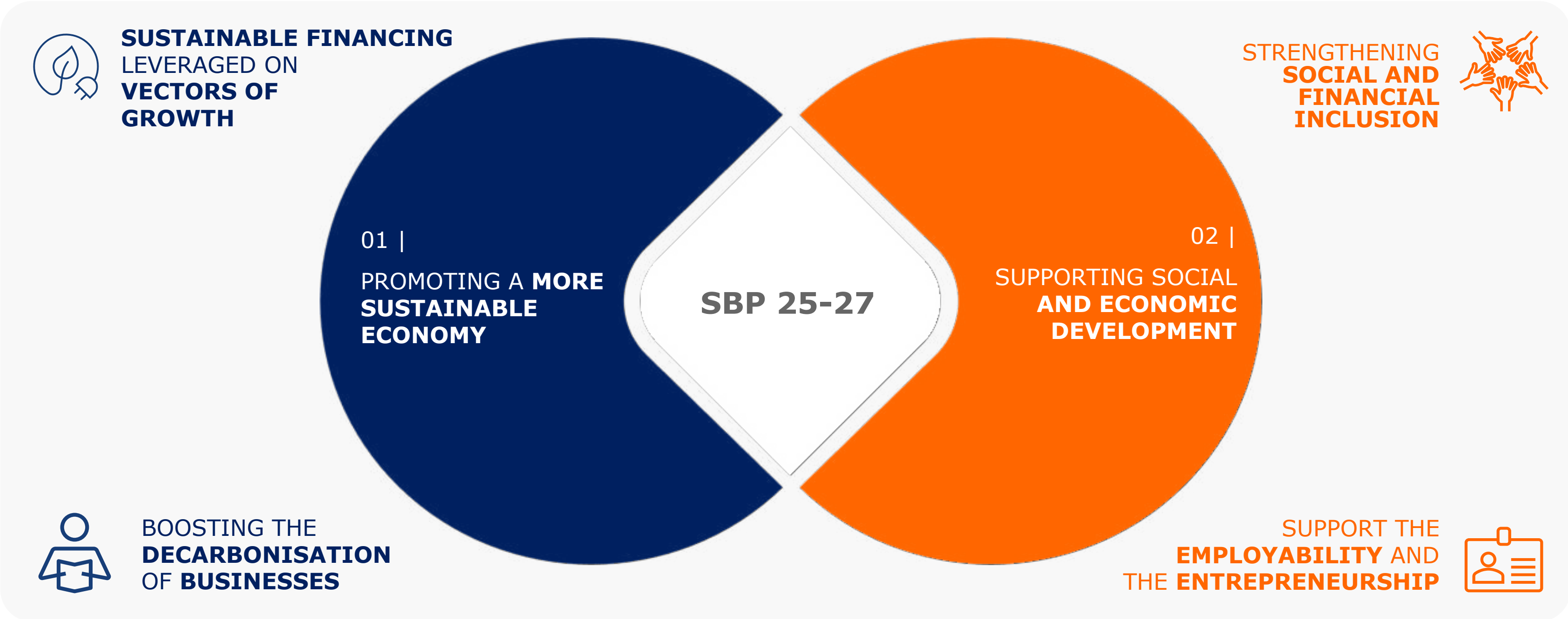
92 The figures shown are accumulated values.
93 More details on sustainable business are available at Sustainable Finance.
94 This includes i) Financing for Retail - Energy Efficiency Mortgage Loans ("A" or "B" certificate), Renewable Energy Personal Loan, Sustainable Prestige Products; ii) Financing for Companies - Financing lines with ESG criteria, financing real estate projects with energy or environmental certificates or for social housing, and green or sustainable operations in accordance with the ICMA and LMA principles.
95 Includes net production and transformation of Funds and Insurances in line with Article 8/9 of the SFDR and Term Deposit TD BPI +Ambiente.
96 Amount budgeted for 2024.
97 Includes all managerial positions and the second member of the branch's Local Credit Committee in branches with an average of eight or more Employees. The figure reported for 2024 reflects changes to the methodology used in the previous report, introduced following a change in BPI's organisational structure. The end of 2022 figure recalculated according to the new methodology would be 43%, the same as with the previous methodology.

Sustainable Banking Plan 2025-2027

BPI has launched its new Sustainable Banking Plan 2025-2027 (SBP 25-27), which integrates the Bank's Strategic Plan for the same period, reinforcing its commitment to sustainability and the integration of related issues in the Bank's strategy and decisions, with the aim of providing people with a closer service and, at the same time, generates a positive impact on the business and society. This new Plan is a continuation of the work begun in Sustainability Master Plan 22-24, reflecting a response aligned with the growing challenges of sustainability in an increasingly demanding context.

The Sustainable Banking Plan comes against a global backdrop characterised by the acceleration of global challenges in this area, particularly with regard to climate change and nature, which require concrete mitigation and preservation actions. It is also worth emphasising the increase in social inequalities and the decrease in social cohesion, which put stability and sustainable development at risk. In addition, there is an increasingly aware and attentive society that scrutinises companies more closely. This environment is reinforced by growing regulatory pressure in the European Union, characterised by stricter and more specific regulations and increasingly demanding supervision.

In this context, SBP 25-27 reinforces the Bank's commitment to supporting the transition to a carbon-neutral economy and promoting social inclusion, setting ambitious targets to boost sustainability, while also seeking to better understand its impact on society.



In order to leverage the promotion of a more sustainable economy, BPI intends to take advantage of investment opportunities in technology and clean solutions, in line with its vision for the future, and to strengthen its support for customers, especially SMEs, in order to increase mobilisation, in line with decarbonisation commitments under the NZBA. Maintaining its focus on social responsibility, the Bank intends to continue its joint endeavours with the "la Caixa" Foundation, focusing on three social challenges: employment, poverty and social inclusion and longevity, and understanding financing with a social impact.

In order to achieve the aspirations it has set itself, BPI will continue to invest in the best governance practices, through ethical and responsible management, specialisation and training of its teams, to continue to be a benchmark in sustainable banking.

SBM-2 - Interests and views of stakeholders

Committed to establishing clear and transparent communication with its stakeholders, BPI ensures ongoing communication and dialogue in order to respond to each one's needs.

Main Stakeholders	Involvement mechanisms
Shareholder	Meetings Contact in person, by email or telephone Management reports
Clients	Specialised commercial distribution networks *- Branches, Premier Centres, Private Banking Centres, inTouch Centre, Corporate and Institutional Centres, Real Estate Centres, Corporate and Investment Banking Centres* Homebanking services (BPI Net and BPI Net Empresas), phone banking (BPI Direto) and mobile applications (BPI App) Mobile branch Institutional Website Social networks *- Facebook, LinkedIN, Twitter, Instagram, Youtube* Client meetings Client events, in person and online Surveys and Market Research
Employees	Intranet Surveys, namely organisational climate research Meetings Performance evaluation Whistleblowing Channel

Main Stakeholders	Involvement mechanisms
Suppliers	Contacts by e-mail or telephone Shopping platform
Society	Omnichannel distribution networks Institutional Website Social Networks (Facebook, LinkedIN, Twitter, Instagram, Youtube) Open to Public Meetings Surveys

The aim of the several involvement mechanisms implemented is to get to know the stakeholders' perspective and integrate the results into the Bank's processes and offer. For example, in the case of customers, BPI regularly carries out surveys and market studies in order to better understand the customer profile and outline actions aimed at increasing the quality of service and the suitability of the offer. And in the case of employees, for example, the complaints made through the complaints channel and their follow-up, the feedback gathered as part of the appraisal process and the results of the opinion survey carried out annually influence the development and implementation of measures to improve employees experience.

In a way that is more transversal to all stakeholders, the Bank conducts the double materiality analysis exercise, in which numerous stakeholder groups are involved, with the aim of supporting and informing the Bank in this process. Once the exercise has been completed, its results, including the perspectives of the stakeholders consulted, are shared with the Sustainability Committee, the Risk Committee, the Executive Committee and the Board of Directors[98].

As part of the materiality analysis process, the main stakeholders were consulted and, through this process, the topics on which they consider the Bank to have the greatest impact were identified:

Stakeholders involved	Sub-topics on which the Bank has the greatest impact[99]
Clients[100]	Operational carbon neutrality and energy efficiency Management of direct environmental impact on pollution, water, biodiversity and the circular economy Inclusion and financial education Promotion of the responsible and transparent *lobby* Promoting ethics and integrity Prevention of corruption and bribery Products and services with ESG characteristics (sustainable mobilisation) ESG risk management in financing operations Promotion of cybersecurity and information security
Employees[101]	Promotion and respect for the human rights of employees, workers in the value chain, affected communities and customers Promoting ethics and integrity Prevention of corruption and bribery Employees' and customers' privacy and data protection Cybersecurity and information security
Suppliers	Defence of the privacy and data protection of employees, workers in the value chain and customers Well-being, health and safety Prevention of corruption and bribery

[98] More detail on materiality analysis and stakeholder engagement here.
[99] Sub-topics identified on the basis of the top 5 sub-topics on which stakeholders considered the Bank to have the greatest impact. To simplify the presentation of information, some sub-topics have been grouped together.
[100] Includes top 5 results for Corporate Customers and Retail Customers.
[101] Includes top 5 results for Employees and Executive Directors.

Stakeholders involved	Sub-topics on which the Bank has the greatest impact[99]
Leading organisations	Direct environmental impact management - Circular economy
	Promoting quality employment and professional development
	Promoting well-being, health and safety
	Commitment to the territories
	Responsible marketing
Society	Promotion and respect for the human rights of employees, workers in the value chain, affected communities and customers
	Promoting ethics and integrity
	Prevention of corruption and bribery

SBM-3- Material impacts, risks and opportunities and their interaction with the strategy and business model

As part of the double materiality analysis exercise, BPI identified its material impacts, risks and opportunities (IRO) and, in the context of this analysis, identified where in the value chain[102] they have an impact, as shown in the table below.

Topic	Sub-topic	Type	Description	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
E1 Climate change	Operational carbon neutrality and energy efficiency	I	Continuous monitoring and identification of improvement areas to reduce the operational carbon footprint	x	x	
		I	Bank's operational carbon footprint	X	X	
	Decarbonisation of the financing portfolio	I	Non-financing highly carbon-intensive sectors			X
		R	Exposure of the financing portfolio to acute and chronic physical risks (storms, floods, heat waves, etc.) due to the greater severity of extreme meteorological phenomena			X
		R	Portfolio exposure to transition risks due to the financing of sectors or companies involved in controversies related to climate change or intensive GHG emissions			X
S1 Own workforce	Promotion of quality employment and professional development	I	Labour stability of the Bank's employees due to Bank's practices		X	
		I	Development of competences, broadening of knowledge and possibility of internal promotions		X	
	Promotion of diversity, equity and inclusion	I	Well-being at work promoted by an accessible, respectful and welcoming environment among employees		X	
S4 Consumers and end users	Responsible *Marketing*	R	*Greenwashing* practices associated with a lack of information about the products offered by the Bank			X
G1 Business conduct	Promotion of ethics and integrity	I	Promoting an ethical culture and acting with integrity with customers, suppliers and other relevant *stakeholders*	X	X	X
		R	Lack of adaptation, transparency or compliance with regulations on environmental, social and governance issues		X	
		R	Lack of an adequate risk management framework, including identification and management of conflicts of interest and alignment with the Bank's risk appetite. This can result in financial penalties for regulatory non-compliance and/or loss of stakeholders' confidence	X	X	X
	Prevention of corruption and bribery	R	Non-compliance with the requirements established in the regulations on PML/TF, corruption and bribery	X	X	X
	Promotion of the responsible and transparent *lobby*	R	Lack of transparency in relations with public institutions	X	X	X
	Management of relationships with suppliers	I	Increased compliance with ESG standards in business relationships with suppliers in line with the Supplier Code of Conduct	X		

[102] The Bank's value chain is made up of: upstream activities (*upstream*); own operations (*own operations*); downstream activities (*downstream*),

Topic	Sub-topic	Type	Description	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
ES Sustainable finance	Promotion of the supply of products and services with ESG characteristics (sustainable mobilisation)	I	Contribution to climate change adaptation or mitigation due to environmental financing operations			X
		I	Financing operations with a positive social impact			X
		R	Credit and reputational risk associated with financing unprofitable or controversial environmental projects			X
		R	Credit and reputational risk associated with financing unprofitable or controversial social projects			X
		O	Social financing and sustainable activities with the aim of attracting new customers related to more adapted offers			X
	ESG risk management in financing operations	R	Credit and reputational risk associated with financing controversial companies and sectors		X	
ES Cybersecurity and information security	Promotion of cybersecurity and information security	R	External fraud and reputational risk associated with exposure to cyber attacks due to failures or inadequate execution of system protection measures	x	X	

The Bank seeks to adapt its approach to the main IROs, to ensure that it recognises and manages these aspects through its strategy, namely through its Sustainability Master Plan and of the Sustainable Banking Plan[103]. Below is how the Bank proposes to ensure that its activities are adapted to deal with its material impacts and risks and to capitalise on its material opportunities, in terms of the topics:

- **Climate change**: Within the framework of Sustainability Master Plan 22-24, climate change is a structural topic for the implementation of the actions defined around the axis "Supporting the sustainable transition of businesses and society";
- **Employees**: Under the 22-24 Strategic Plan, people are identified as a lever for customer experience and, under the 22-24 SDP measures have been established with the aim of promoting a people-orientated culture;
- **Customers**: The Bank's Strategic Plan defines the strategic priority of "Evolving the customer service model" and identifies the levers for the customer experience;
- **Business Conduct**: Within the scope of SDP 22-24, business conduct is a structural topic for the execution of actions defined around the axis "Leading in best governance practices";
- **Sustainable finance**: Within the framework of Sustainability Master Plan 22-24, the promotion of sustainable finance is a structural topic for the implementation of the actions defined around the axis "Supporting the sustainable transition of companies and society";
- **Cybersecurity and information security**: Under the Bank's 22-24 Strategic Plan, technology and processes are identified as a lever for the customer experience.

[103] For more details, see the response to the indicator ESRS SBM-1.

Material Impacts

Topic	Sub-topic	Impact Description	'+/-	Impact Type	Time horizon[104]			Impact Approach
					S	M	L	
E1 Climate change	Operational carbon neutrality and energy efficiency	Continuous monitoring and identification of improvement areas to reduce the operational carbon footprint	+	Real	x	x		E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions
		Bank's operational carbon footprint	-	Real	x	x		E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions
	Decarbonisation of the financing portfolio	Non-financing highly carbon-intensive sectors	+	Potential	x	x		E1-3 - Actions and resources in relation to climate change policies Sustainable Finance
S1 Workers	Promoting quality employment and professional development	Labour stability of the Bank's employees due to Bank's practices	+	Real	x			S1-1 - Policies related to own workforce S1-4 - Taking action on material impacts on own labour and approaches to managing material risks and seeking material opportunities related to own labour, as well as the effectiveness of these measures
		Development of competences, broadening of knowledge and possibility of internal promotions	+	Real	x			S1-1 - Policies related to own workforce S1-4 - Taking action on material impacts on own labour and approaches to managing material risks and seeking material opportunities related to own labour, as well as the effectiveness of these measures
	Promoting diversity, equity and inclusion	Well-being at work promoted by an accessible, respectful and welcoming environment among employees	+	Real	x			S1-1 - Policies related to own workforce S1-4 - Taking action on material impacts on own labour and approaches to managing material risks and seeking material opportunities related to own labour, as well as the effectiveness of these measures

[104] S = Short term; M = Medium term; L = Long term.

Topic	Sub-topic	Impact Description	'+/-	Impact Type	Time horizon[104]			Impact Approach
G1 Business conduct	Promoting ethics and integrity	Promoting an ethical culture and acting with integrity with customers, suppliers and other *stakeholders*	+	Potential	x			G1-1 - Business conduct policies and corporate culture
	Management of relationships with suppliers	Increased compliance with ESG standards in business relationships with suppliers in line with the Supplier Code of Conduct	+	Real	x			G1-2 - Management of relationships with suppliers G1-6 - Payment practices
ES Sustainable Finance	Promoting the supply of products and services with ESG characteristics (sustainable mobilisation)	Contribution to climate change adaptation or mitigation due to environmental financing operations	+	Real	x			Sustainable Finance
		Financing operations with a positive social impact	+	Real	x			Sustainable Finance

Material risks and opportunities

Topic	Sub-topic	Description of Risks and Opportunities	Approach to Risks and Opportunities
E1 Climate change	Decarbonisation of the financing portfolio	Exposure of the financing portfolio to acute and chronic physical risks (storms, floods, heat waves, etc.) due to the greater severity of extreme meteorological phenomena	E1-9 - Expected financial effects of material physical and transition risks and potential climate-related opportunities
		Portfolio exposure to transition risk due to the financing of sectors or companies involved in controversies related to climate change or intensive GHG emissions	E1-9 - Expected financial effects of material physical and transition risks and potential climate-related opportunities
S4 Consumers and end users	Responsible *Marketing*	*Greenwashing* practices associated to the lack of information about the products offered by the Bank	S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Topic	Sub-topic	Description of Risks and Opportunities	Approach to Risks and Opportunities
G1 Business conduct	Promoting ethics and integrity	Lack of adaptation, transparency or compliance with regulations on environmental, social and governance issues	G1-1 - Business conduct policies and corporate culture
		Lack of an adequate risk management framework, including identification and management of conflicts of interest and alignment with the Bank's risk appetite. This can result in financial penalties for regulatory non-compliance and/or loss of stakeholders' confidence	G1-1 - Business conduct policies and corporate culture
	Prevention of corruption and bribery	Non-compliance with the requirements established in the regulations on PML/TF, corruption and bribery	G1-1 - Business conduct policies and corporate culture G1-3 - Prevention and detection of corruption and bribery
	Promotion of the responsible and transparent *lobby*	Lack of transparency in relations with public institutions	G1-1 - Business conduct policies and corporate culture G1-5 - Political influence and lobbying activities
	Promoting the supply of products and services with ESG characteristics (sustainable mobilisation)	Credit and reputational risk associated with financing unprofitable or controversial environmental projects	Sustainable Finance
		Credit and reputational risk associated with financing unprofitable or controversial social projects	Sustainable Finance
		Social financing and sustainable activities with the aim of attracting new customers thanks to more adapted offers	Sustainable Finance
	ESG risk management in financing operations	Credit and reputational risk associated with financing controversial companies and sectors	Sustainable Finance
ES Cybersecurity and information security	Promotion of cybersecurity and information security	External fraud and reputational risk associated with exposure to cyber attacks due to failures or inadequate execution of system protection measures	Cybersecurity

As a result of the double materiality assessment, issues set out in the ESRS were identified that were not considered material from either perspective (impact or financial).

The topics identified as non-material were:

- E2 - Pollution
- E3 - Water and marine resources
- E4 - Biodiversity and ecosystems
- E5 - Resource use and circular economy
- S2 - Workers in the value chain
- S3 - Affected communities

With regard to the **non-material** environmental topics, it should be noted that, due to the nature of BPI's activity, no direct material impacts were identified, when compared to the possible direct impacts of other industries or sectors that are intensive in the use of natural resources and/or have a significant impact on the environment. In future exercises, BPI will analyse possible impacts through its financing activity.

To this end, CaixaBank began an exercise in 2024 to assess the impacts, dependencies and risks associated **with nature**, which BPI will also implement in the coming years.

As a first step, the portfolio's impacts and dependencies on nature will be identified, and then risk *heatmaps* related to biodiversity and water will be developed to identify physical and transition risks. Both risks have a potential impact on the main prudential risks.

The final stage of the analysis will consist of determining the impact of these risks on the Bank's main financial risks in order to determine their materiality. Due to the fact that the current state of the available methodologies is still at a very early stage, it is expected that this phase will be tackled in the coming years.

At the end of this project, the Bank should be in a position to assess the materiality of these issues.

With regard to social issues determined as non-material:

- **Workers in the value chain** - Due to the nature of BPI's activity and its services and products, no material IRO was identified; and
- **Affected communities** - Due to the nature of BPI's activity and the geographical area in which it operates, no direct material IRO was identified in the affected communities.

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT (IRO)

IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

The Bank has been carrying out materiality analysis exercises, and in 2023 carried out a first exercise in which double materiality and the two inherent perspectives (impact materiality and financial materiality) were considered. In 2024, an attempt was made to strengthen the methodology used to meet the requirements established by the ESRS and ensure greater alignment with the CaixaBank Group's approach.

The exercise took place in three main stages:

i. Understanding the context

To identify potentially material IROs, a contextual analysis was carried out to understand the specificities of the sector, the geographical context and the Bank. Several sources were considered for this analysis, including:

- External sources: *Frameworks* for sustainability reporting; ESG indices and ratings; Regulations and Supervisory Requirements; etc.
- Internal sources: Bank Management Reports; Previous materiality analysis exercises; Context analysis and identification of risks and opportunities within the scope of the Environmental Management System; Relevant policies and declarations (e.g.: ESG Risk Management Policy); Results of the due diligence analysis process.

The sources should be reviewed and updated periodically to incorporate any updates or modifications that may arise and prove relevant.

To better understand the context, the value chain was delineated to define the scope and boundaries of the exercise. The specific value chain to be considered was outlined in the response to indicator SBM-1.

ii. IRO Identification

After analysing the context, the list of topcis and sub-topics to be considered was identified, based on the list provided in the ESRS and the sources mentioned in the previous point, with the aim of identifying unidentified topics in the ESRS.

To identify the IROs, the list of potentially material topics and sub-topics, the information in the context analysis and all the information consulted in the first stage of the project were considered, taking into account aspects such as the location, type of activity, sector and structure of the Bank.

Each IRO is related to stage(s) in the value chain, and the link that is affected by each one has been identified so that the appropriate actions can be established to manage each one.
The identification process resulted in 104 IROs, 50 of which corresponded to impacts, 42 to risks and 12 to opportunities. With regard to **impacts**, these were identified along the entire value chain and considering those involving both the Bank through its own activities and those resulting from its commercial relations. With regard to **risks and opportunities**, these were identified considering the

links and dependencies of impacts, particularly with regard to the exposure of own assets and the portfolio to physical and transition risks and human resources, bearing in mind that the Bank depends on qualified human resources and needs to attract and retain talent to develop its activity.

iii. IRO Evaluation

Once the potentially material IROs had been identified, they were assessed according to previously defined criteria, as shown below.

To assess the **impacts**, the following criteria were considered:

- Scale: relevance of the impact for stakeholders;
- Scope: geographical scope or number of people affected;
- Probability: likelihood of the impact occurring (only for potential impacts);
- Remediability: ability to rectify the effects of the impact (only for negative impacts).

In order to assess the scale of the impacts, the main stakeholder groups were consulted, namely Employees, Clients, Suppliers, Society and Reference Organisations. The consultation methodology was based on a process of listening and dialogue adapted to each group and combined: *online* surveys, *focus-group* and interviews.

In addition, each impact was subject to a qualitative assessment that complements the quantitative assessment with additional relevant information. This assessment consisted of:

- **Justification of the quantitative parameters**: Presentation of an explanation that indicates the assumption supporting the assessment of the criteria mentioned above (with the exception of the scale, which is assessed by listening to stakeholders).
- **Management strategy and tools**: Identification of the set of strategies, plans, policies, methodologies and objectives established for impact management, if any.

The following criteria were considered when assessing risks and opportunities:

- **Impact**: potential magnitude of the economic impact of the risk/ opportunity;
- **Probability**: how likely the risk/ opportunity is, considering the Bank's mitigating measures.

The assessment of risks and opportunities was based on the results of CaixaBank's assessment, given the corporatisation of the processes under analysis and the synergies due to the similarity between the business models, and was subsequently analysed and adapted to the bank's specific characteristics. This assessment took into account three time horizons: short (up to one year), medium (more than one and less than five years) and long (five years or more) term.

To define the materiality thresholds, the following assumptions were made:

- Impact Materiality: The impact with the highest score is taken as a reference and multiplied by the determined percentage. This percentage varies depending on the results and the dispersion between them. Once this threshold has been established, all values equal to or greater than this threshold will be considered material, while lower values will be considered non-material.
- Financial Materiality: The Risk or Opportunity with the highest score is taken as a reference and multiplied by the determined percentage. This percentage varies depending on the results and the dispersion between them. Once this threshold has been established, all values equal to or greater than it will be considered material, while lower values will be considered non-material.

The double materiality analysis exercise is carried out every three years or whenever there are significant changes in the Bank's value chain or operations. Every year, the

Bank analyses whether there are significant changes that justify bringing forward the exercise.

Once the exercise is carried out, the results are sent to the Sustainability Committee, the Risk Committee, the Executive Committee for appraisal and approval by the Board of Directors.

This work and its future ramifications will enable BPI to add value to other processes, such as the definition of ESG objectives and the management of its IRO. In the next exercises, the methodology will be refined to establish greater synergy between the processes already in place at BPI and the double materiality analysis.

IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Disclosure requirements

Material topics	Material sub-topics	Standard	Disclosure requirements	Page
NA	NA	ESRS 2	BP-1 - General basis for preparation of sustainability statements	110
NA	NA	ESRS 2	BP-2 - Disclosures in relation to specific circumstances	110
NA	NA	ESRS 2	SBM-1 - Strategy, business model and value chain * The total number of employees is presented in the answer to indicator S1-6.	127
NA	NA	ESRS 2	SBM-2 - Interests and views of stakeholders	134
NA	NA	ESRS 2	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model	137
NA	NA	ESRS 2	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	143
NA	NA	ESRS 2	IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement	146
NA	NA	ESRS 2	GOV-1 - Role of the administrative, management and supervisory bodies	112
NA	NA	ESRS 2	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	122
NA	NA	ESRS 2	GOV-3 - Integration of sustainability-related performance in incentive schemes	123
NA	NA	ESRS 2	GOV-4 - Statement on due diligence	124
NA	NA	ESRS 2	GOV-5 - Risk management and internal controls over sustainability reporting	125
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	123
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-1 - Transition plan for climate change mitigation	230
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model	222
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	ESRS 2 IRO-1 - Description of processes to identify and assess material climate-related impacts, risks and opportunities	222
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-2 - Policies related to climate change mitigation and adaptation	231

Material topics	Material sub-topics	Standard	Disclosure requirements	Page
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-3 - Actions and resources in relation to climate change policies	244
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-4 - Targets related to climate change mitigation and adaptation	232
Climate Change	Operational carbon neutrality and energy efficiency	E1	E1-5 - Energy consumption and energy mix	248
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	249
Climate Change	Operational carbon neutrality and energy efficiency	E1	E1-7 - GHG removal and GHG mitigation projects financed through carbon credits	256
Climate Change	Operational carbon neutrality and energy efficiency Decarbonisation of the financing portfolio	E1	E1-8 - Internal carbon pricing	258
Climate Change	Decarbonisation of the financing portfolio	E1	E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	258
NA	NA	E2 *	E2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities answered by referring to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	137
NA	NA	E3 *	E3 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities answered by referring to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	137
NA	NA	E4 *	E4 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities answered by referring to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	137
NA	NA	E5 *	E5 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities answered by referring to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	137
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1 SBM-2 - Stakeholders' interests and views answered by referring to ESRS 2 SBM-2 - Stakeholders' interests and views	134
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model	264

Material topics	Material sub-topics	Standard	Disclosure requirements	Page
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-1 - Policies related to own workforce	264
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-2 - Processes for engaging with own workforce and workers' representatives about impacts	267
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-3 - Processes to remediate negative impacts and channels for own workforce to raise concerns G1-1 Business conduct policies and corporate culture	280
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-4 - Taking action on material impacts on own labour and approaches to managing material risks and seeking material opportunities related to own labour, as well as the effectiveness of these measures	267
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	270
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-6 - Characteristics of the undertaking's employees	271
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-8 - Characteristics of non-employees in the undertaking's own workforce	271
Workers	Promoting diversity, equity and inclusion	S1	S1-9 - Diversity metrics	272
Workers	Promoting quality employment and professional development Promoting diversity, equity and inclusion	S1	S1-11 - Social protection	272
Workers	Promoting diversity, equity and inclusion	S1	S1-12 - People with disabilities	272
Workers	Promoting quality employment and professional development	S1	S1-13 - Training and skills development metrics	273
Clients	Responsible *Marketing*	S4	S4 SBM-2 - Stakeholders' interests and views answered by referring to ESRS 2 SBM-2 - Stakeholders' interests and views	134
Clients	Responsible *Marketing*	S4	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model	274
Clients	Responsible *Marketing*	S4	S4-1 — Policies related to consumers and end-users	274
Clients	Responsible *Marketing*	S4	S4-2 - Processes for engaging with consumers and end-users about impacts	275
Clients	Responsible *Marketing*	S4	S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	276

Material topics	Material sub-topics	Standard	Disclosure requirements	Page
Clients	Responsible *Marketing*	S4	S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	277
Clients	Responsible *Marketing*	S4	S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	277
Business conduct	Promoting ethics and integrity Prevention of corruption and bribery Promotion of the responsible and transparent *lobby* Management of relationships with suppliers	G1	GOV-1 - Role of the administrative, management and supervisory bodies	278
Business conduct	Promoting ethics and integrity Prevention of corruption and bribery Promotion of the responsible and transparent *lobby* Management of relationships with suppliers	G1	G1 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities answered by referring to ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities.	143
Business conduct	Promoting ethics and integrity Prevention of corruption and bribery Promotion of the responsible and transparent *lobby* Management of relationships with suppliers	G1	G1-1 - Business conduct policies and corporate culture	280
Business conduct	Management of relationships with suppliers	G1	G1-2 - Management of relationships with suppliers	281
Business conduct	Promoting ethics and integrity Prevention of corruption and bribery	G1	G1-3 - Prevention and detection of corruption and bribery	282
Business conduct	Promoting ethics and integrity Prevention of corruption and bribery	G1	G1-4 - Incidents of corruption or bribery	284
Business conduct	Promotion of the responsible and transparent *lobby*	G1	G1-5 - Political influence and lobbying activities	284
Business conduct	Management of relationships with suppliers	G1	G1-6 - Payment practices	285

Material topics	Material sub-topics	Standard	Disclosure requirements	Page
Cybersecurity and information security	Promotion of cybersecurity and information security	ES1	Governance; Strategy; Impacts, risks and opportunities; Metrics and targets	286
Sustainable Finance	Promoting the supply of products and services with ESG characteristics (sustainable mobilisation) ESG risk management in financing operations	ES2	Governance; Strategy; Impacts, risks and opportunities; Metrics and targets	289

* Although standards E2 - Pollution, E3 - Water and marine resources, E4 Biodiversity and ecosystems and E5 Resource use and circular economy have not been identified as materials, in line with ESRS 2 - General disclosures, the response to indicator IRO-1 is presented.

Data points contained in cross-cutting and thematic standards arising from other EU legislation

Disclosure requirement and data point	Materiality
ESRS 2 GOV-1 - Gender diversity on boards of directors paragraph 21(d)	+
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)	+
ESRS 2 GOV-4 Due diligence statement paragraph 30	+
ESRS 2 SBM-1 Participation in activities related to fossil fuels paragraph 40(d)(i)	+
ESRS 2 SBM-1 Participation in activities related to the production of chemicals paragraph 40(d)(ii)	+
ESRS 2 SBM-1 Participation in activities related to controversial issues controversial weapons paragraph 40(d)(iii)	+
ESRS 2 SBM-1 Participation in activities related to the tobacco growing and production paragraph 40(d)(iv)	+
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 paragraph 14	+
ESRS E1-1 Companies excluded from benchmarks aligned with Paris Agreement 16(g)	+
ESRS E1-4 GHG emission reduction targets paragraph 34	+
ESRS E1-5 Fossil energy consumption disaggregated by source (only sectors with a major climate impact) paragraph 38	+
ESRS E1-5 - Energy consumption and mix, paragraph 37	+
ESRS E1-5 Energy intensity associated with activities in sectors with a high climate impact paragraphs 10 to 43	+
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	+
ESRS E1-6 Intensity of gross GHG emissions paragraphs 10 to 55	+
ESRS E1-7 GHG removals and carbon credits paragraph 56	+
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	+
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Localisation of significant assets at material physical risk paragraph 66(c)	+
ESRS E1-9 - Breakdown of the book value of its real estate assets in terms of energy efficiency paragraph 67(c).	+

Disclosure requirement and data point	Materiality
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities paragraph 69	+
ESRS E2-4 Quantity of each pollutant listed in Annex II of the EPTR (European Pollutant Release and Transfer Register) Regulation emitted to air, water and soil, paragraph 28	Non-material
ESRS E3-1 Water and marine resources paragraph 9	Non-material
ESRS E3-1 Specific policy paragraph 13	Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Non-material
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Non-material
ESRS E3-4 Total water consumption in m3 per net revenue from own operations paragraph 29	Non-material
ESRS 2- SBM 3 - E4 paragraph 16(a)(i)	Non-material
ESRS 2- SBM 3 - E4 paragraph 16(b)	Non-material
ESRS 2- SBM 3 - E4 paragraph 16(c)	Non-material
ESRS E4-2 Sustainable land/agricultural practices or policies paragraph 24(b)	Non-material
ESRS E4-2 Sustainable land/agricultural practices or policies paragraph 24(c)	Non-material
ESRS E4-2 Policies to combat deforestation, paragraph 24(d)	Non-material
ESRS E5-5 Non-recycled waste paragraph 37(d)	Non-material
ESRS E5-5 Hazardous and radioactive waste paragraph 39	Non-material
ESRS 2 - SBM3 - S1 Risk of incidents involving forced labour, paragraph 14(f)	+
ESRS 2 - SBM3 - S1 Risk of using child labour paragraph 14(g)	+
ESRS S1-1 Human rights policy commitments paragraph 20	+
ESRS S1-1 Due diligence policies on issues addressed by the International Labour Organisation's Core Conventions 1 to 8, paragraph 21	+
ESRS S1-1 Processes and measures to prevent trafficking in human beings paragraph 22	+
ESRS S1-1 Occupational accident prevention policy or occupational accident management system paragraph 23	+
ESRS S1-3 Mechanisms for handling claims/complaints paragraph 32(c)	+
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Non-material
ESRS S1-14 Number of days lost due to injury, accident, death or illness paragraph 88(e)	Non-material
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Non-material
ESRS S1-16 Excessive remuneration ratio for chief executive officers (CEO) paragraph 97(b)	Non-material
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Non-material
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragrap 104(a)	Non-material
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Non-material
ESRS S2-1 Commitments on human rights policy paragraph 17	Non-material
ESRS S2-1 - Policies related to workers in the value chain paragraph 18	Non-material
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 19	Non-material
ESRS S2-1 Due diligence policies on issues addressed by the International Labour Organisation's Core Conventions 1 to 8, paragraph 19	Non-material
ESRS S2-4 Human rights issues and incidents related to its upstream and downstream value chain paragraph 36	Non-material

Disclosure requirement and data point	Materiality
ESRS S3-1 Commitments on human rights, paragraph 16	Non-material
ESRS S3-1 Non-compliance with UNGPs on business and human rights, ILO principles or OECD guidelines, paragraph 17	Non-material
ESRS S3-4 Human rights issues and incidents, paragraph 36	Non-material
ESRS S4-1 - Consumer and end-user policies, paragraph 16	+
ESRS S4-1 Non-compliance with the UNGPs on business and human rights, the ILO principles and the OECD guidelines paragraph 17	+
ESRS S4-4 Human rights issues and incidents, paragraph 35	+
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	+
ESRS G1-1 Whistleblower protection, paragraph 10(d)	+
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	+
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	+

Environmental Information

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The harmonised way of measuring the positive contribution of companies' activities to environmental objectives at EU level is through the Taxonomy Regulation[105], which establishes a framework for evaluating the contribution of several economic activities to each of the six identified environmental objectives.

According to the Delegated Regulation on Disclosure[106], credit institutions must report the so-called *Green Asset Ratio* (GAR), which aims to measure the weight of "green" financing in their total assets.

It is important to emphasise that the ratio has several structural limitations that require careful interpretation/ reading and comparison:

- only a part of the Bank's business can be included in the numerator of this ratio, since, among other factors, only companies subject to the reporting of this information form part of the relevant perimeter for numerator clearance;
- only activities with a substantial contribution to environmental objectives are included, disregarding the transition effort of activities that have a negative impact;
- only the activities identified by the European Commission are considered in a process that is continually evolving.

In addition, the calculation methodology is relatively new and complex, has required numerous and successive clarifications from the European Commission, and requires companies to develop new processes for analysing and collecting data. BPI has adopted a conservative posture both in the event of insufficient information and in the event of doubt in interpretation: in these cases, financing has not been included in the numerator of the ratio. For these reasons, the ratio presented does not represent BPI's entire contribution to environmental objectives, corresponding to an underestimation of financing for this purpose.

The following sections contain the mandatory disclosures in line with the Delegated Regulation Disclosure[107]:

- A set of qualitative information, as shown in Annex XI;
- A set of tables on *Green Asset Ratio* (GAR), three of which are reported in terms of both Turnover and Capex, as shown in Annex VI;
- A set of information on the activity associated with Gas and Nuclear, according to the respective Annex XII.

[105] Regulation (EU) 2020/852.
[106] Regulation (EU) 2021/2178.
[107] Regulation (EU) 2020/852.

Qualitative disclosures

Scope (asset perimeter)

As provided for in the Disclosure Regulation, the GAR calculations took into account the balance sheet total, considering its gross value (i.e. not deducted from impairments in the case of assets valued at amortised cost), excluding exposures to central governments, supranational institutions and central banks. However, the following assets are excluded from the numerator of the GAR:

- financial assets held for trading;
- cash and on-demand interbank loans;
- exposures to undertakings that are not obliged to publish non-financial information pursuant Article 19a or Article 29a of Directive 2013/34/EU;
- exposures to Regional Administrations;
- derivatives;
- other assets, including intangible assets, tax assets, tangible assets (with the exception of residential and commercial property acquired in the context of foreclosure).

Thus, the numerator of the GAR only considers the following assets:

- exposures to companies that are required to publish non-financial information under Article 19a or Article 29a of Directive 2013/34/EU;
- exposures to retail, where only mortgage loans for housing, loans for building work and loans for car purchase are included;
- residential and commercial property acquired in the context of foreclosure.

Scope (environmental objectives)

The Taxonomy Regulation foresees that the disclosures made by companies cover the following environmental objectives:

- Climate Change Mitigation (CCM)
- Climate Change Adaptation (CCA)
- Water and Marine Resources (WTR)
- Circular Economy (CE)
- Pollution Control and Prevention (PCP)
- Biodiversity and ecosystems (BIO)

In the tables and ratios presented are considered

- the six environmental objectives in terms of eligibility
- the CCM and CCA environmental objectives in terms of alignment, in line with the transitional provisions applicable to financial sector entities.

Methodology

To prepare the tables, the gross carrying amount of each operation is allocated to the respective line, considering the respective accounting classification and the type of counterparty as reported on FINREP[108] or the company's sector of activity code.

Based on the gross carrying amount, the eligibility and alignment value is calculated on the basis of public and non-public information.

In the case of companies subject to the taxonomy reporting obligation, BPI uses the data reported in 2023 or 2022, when 2023 information is not available. This information is used for all entities that form part of the reporting entity's consolidation perimeter. When BPI has evidence provided by the customer as to the eligibility and specific alignment of a given operation, this information is used as an alternative to the information presented by the companies in their taxonomy reporting.

In the case of mortgage loans, all loans with a mortgage guarantee associated with the purchase or construction of residential property were considered. However, only loans that met the following two criteria were considered aligned:

- Valid A+, A or B Energy Certificate (in this case A and B only for properties built before 2021);
- Properties whose location BPI does not consider to be subject to physical risks associated with the climate.

As for loans associated to renovations, only eligibility was calculated and the alignment was not assessed.

In the case of motor vehicles loans, although car emissions were available, it was not possible to calculate the alignment due to the lack of information on the Do No Significant Harm criteria.

In the case of local governments, financing associated to social housing projects was considered eligible, but the alignment was not determined.

[108] FINREP (*financial reporting framework*) is a model for reporting financial and accounting information that applies to credit institutions. FINREP provides for the classification of counterparties into the following classes: Central Banks, Public Administration, Credit Institutions, Other Financial Institutions, Non-Financial Corporations, Households.

Evolution

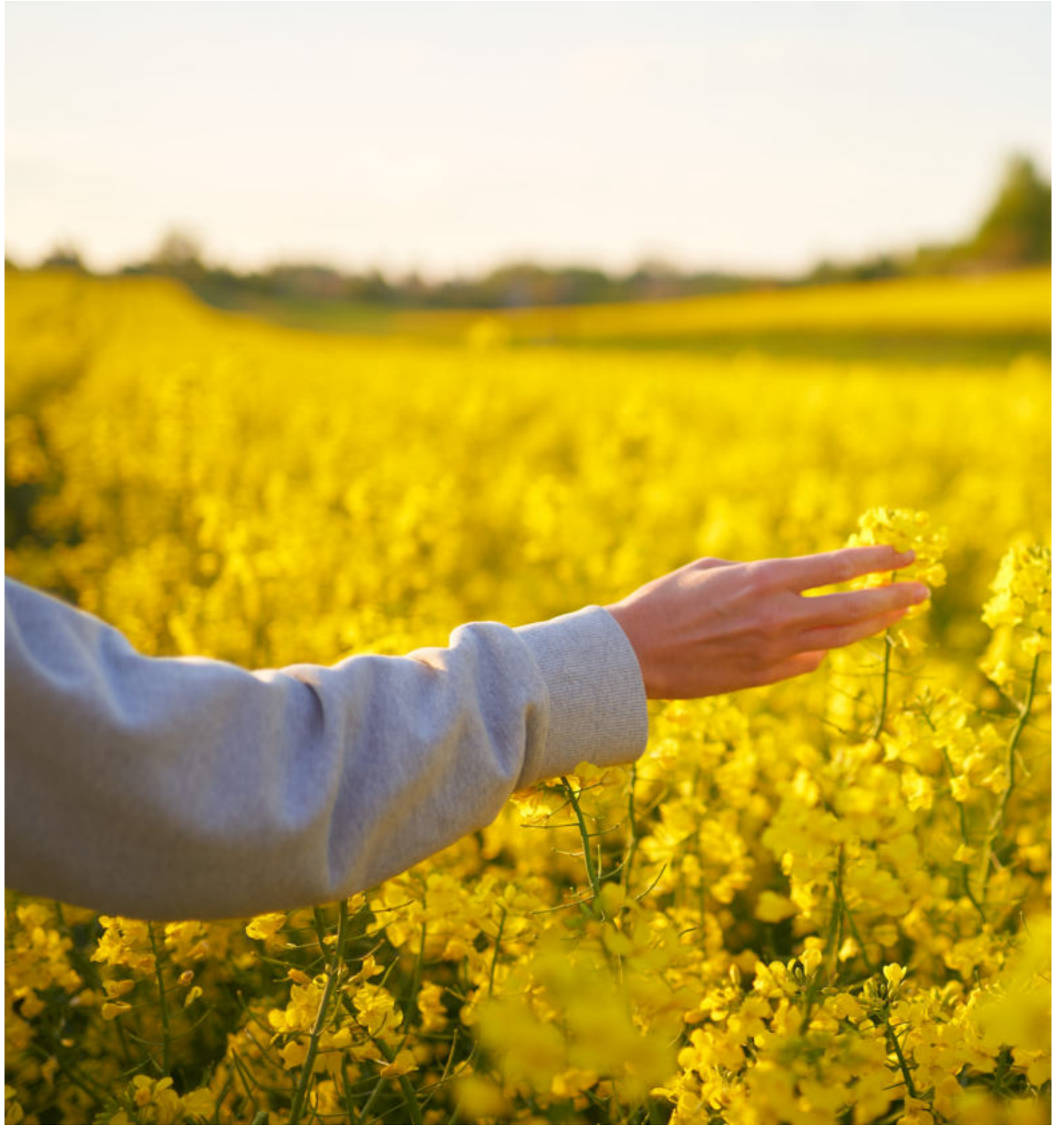
The GAR increased from all perspectives (Turnover and Capex, Stock and Flows), mainly due to :

- reporting on the alignment of mortgage loans (this was not reported in the 2023 report due to a lack of clarity on the criteria to be adopted for alignment);
- BPI's focus on business development with a contribution to environmental objectives.

The evolution of reporting by companies would also have contributed to such evolution, in particular the reporting of alignment by companies in the financial sector, something that didn't happen in 2022.

Regulation (EU) 2020/852 within the framework of the BPI strategy

The role of sustainability, in particular the environmental dimension, in BPI's strategy is described at ESRS ES2 Sustainable Finance, and it is worth highlighting the fact that BPI is inspired by Regulation (EU) 2020/852 in defining criteria for identifying sustainable financing.



GAR Tables (Annex VI)

Template 0. Summary of the KPI to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

KPI Type	KPI scope	Total environmentally sustainable assets/activities (turnover)	KPI[109]	KPI[110]	% coverage (over total assets)[111]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Annex V, Section 1.1.2)	% of assets excluded from the denominator of the GAR (Article 7(1) and Annex V, Section 1.2.4)
GAR (stock)	Total (CCM or CCA)	978	2.88 %	4.20 %	81.67 %	37.74 %	18.33 %
	CCM	920	2.71 %	3.75 %			
	CCA	59	0.17 %	0.45 %			
GAR (flows)	Total (CCM or CCA)	493	5.26 %	7.45 %	73.28 %	39.76 %	26.72 %
	CCM	485	5.17 %	7.35 %			
	CCA	8	0.09 %	0.10 %			
Financial Guarantees	Total (CCM or CCA)	7	8.07 %	8.63 %			
	CCM	4	4.63 %	5.06 %			
	CCA	3	3.44 %	3.56 %			
Assets under management	Total (CCM or CCA)	1	1.45 %	2.07 %			
	CCM	1	1.43 %	2.03 %			
	CCA	0	0.01 %	0.04 %			

109 Based on the KPI of the counterparty's turnover.
110 Based on the KPI CapEx of the counterparty.
111 % of assets covered by the KPI in relation to the banks' total assets.

Template 1. Assets for calculating GAR (Turnover stock)

	Million EUR	2024									
		a	b	c	d	e	f	g	h	i	j
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	18 261.4	15 301.7	919.8	250.3	0.9	107.1	116.8	58.5	0.0	0.3
2	**Financial corporations**	**1 468.1**	**714.9**	**151.3**	**0.0**	**0.8**	**98.2**	**0.3**	**0.1**	**0.0**	**0.0**
3	Credit institutions	1 192.0	606.6	64.2	0.0	0.7	56.6	0.2	0.1	0.0	0.0
4	Loans and advances	834.4	515.3	59.9	0.0	0.6	56.5	0.2	0.1	0.0	0.0
5	Debt securities, including UoP	150.1	4.2	0.2	0.0	0.2	0.1	0.0	0.0	0.0	0.0
6	Equity instruments	207.6	87.1	4.1		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	276.1	108.3	87.2	0.0	0.0	41.6	0.1	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	1.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	1.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	74.1	13.3	1.1	0.0	0.0	0.2	0.1	0.0	0.0	0.0
17	Loans and advances	2.5	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	71.6	12.2	1.0		0.0	0.2	0.1	0.0		0.0
20	**Non-financial corporations**	**1 957.1**	**399.5**	**332.3**	**250.3**	**0.1**	**8.9**	**116.5**	**58.4**	**0.0**	**0.3**
21	Loans and advances	431.5	51.6	5.2	0.0	0.1	3.0	44.6	2.7	0.0	0.3
22	Debt securities, including UoP	1 524.9	347.9	327.1	250.3	0.0	5.9	71.3	55.7	0.0	0.0
23	Equity instruments	0.7	0.0	0.0		0.0	0.0	0.6	0.0		0.0
24	**Households**	**14 164.1**	**14 164.1**	**436.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property	13 647.8	13 647.8	436.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	of which building renovation loans	388.2	388.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	128.0	128.0	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**672.1**	**23.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	23.3	23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	648.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2024									
		a	b	c	d	e	f	g	h	i	j
	Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
31	Collateral obtained by taking possession: residential and commercial immovable properties	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**15 693.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**10 519.6**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	9 848.3									
35	Loans and advances	8 085.9									
36	of which loans collateralised by commercial immovable property	472.9									
37	of which building renovation loans	0.0									
38	Debt securities	1 754.9									
39	Equity instruments	7.5									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	671.3									
41	Loans and advances	13.6									
42	Debt securities	350.5									
43	Equity instruments	307.2									
44	**Derivatives**	**1.3**									
45	**On demand interbank loans**	**88.0**									
46	**Cash and cash-related assets**	**233.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**4 851.4**									
48	**Total GAR assets**	**33 957.1**	**15 304.3**	**919.8**	**250.3**	**0.9**	**107.1**	**116.8**	**58.5**	**0.0**	**0.3**
49	**Other assets not covered for GAR calculation**	7 622.7									
50	Sovereigns	4 602.2									
51	Central banks exposure	2 965.0									
52	Trading book	55.5									
53	**Total assets**	**41 579.8**	**15 304.3**	**919.8**	**250.3**	**0.9**	**107.1**	**116.8**	**58.5**	**0.0**	**0.3**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	85.0	4.1	3.9	0.0	0.0	1.0	3.4	2.9	0.0	0.0
55	Assets under management	45.1	1.9	0.6	0.0	0.2	0.3	0.1	0.0	0.0	0.0
56	Of which, debt securities	14.2	1.1	0.4	0.0	0.1	0.1	0.1	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.1	8.3	0.0	0.0	15 426.9	978.4	250.3	1.2	107.2
2	**Financial corporations**	**0.0**	**1.2**	**0.0**	**0.0**	**716.4**	**151.5**	**0.0**	**0.8**	**98.2**
3	Credit institutions	0.0	1.2	0.0	0.0	608.0	64.3	0.0	0.7	56.6
4	Loans and advances	0.0	1.2	0.0	0.0	516.7	60.0	0.0	0.6	56.5
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	4.2	0.2	0.0	0.2	0.1
6	Equity instruments	0.0	0.0	0.0	0.0	87.1	4.1		0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	108.4	87.2	0.0	0.0	41.6
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	13.4	1.1	0.0	0.0	0.2
17	Loans and advances	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	12.3	1.0	0.0	0.0	0.2
20	**Non-financial corporations**	**0.1**	**7.1**	**0.0**	**0.0**	**523.2**	**390.7**	**250.3**	**0.4**	**9.0**
21	Loans and advances	0.1	3.4	0.0	0.0	99.7	7.9	0.0	0.4	3.1
22	Debt securities, including UoP	0.0	3.7	0.0	0.0	422.9	382.8	250.3	0.0	5.9
23	Equity instruments	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
24	**Households**		**0.0**			**14 164.1**	**436.2**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property		0.0			13 647.8	436.2	0.0	0.0	0.0
26	of which building renovation loans		0.0			388.2	0.0	0.0	0.0	0.0
27	of which motor vehicle loans					128.0	0.0	0.0	0.0	0.0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**23.3**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	23.3	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
37	of which loans collateralised by commercial immovable property									
36	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**0.1**	**8.3**	**0.0**	**0.0**	**15 429.4**	**978.4**	**250.3**	**1.2**	**107.2**
49	**Other assets not covered for GAR calculation**									
50	Sovereigns									
51	Central banks exposure									
52	Trading book									
53	**Total assets**	**0.1**	**8.3**	**0.0**	**0.0**	**15 429.4**	**978.4**	**250.3**	**1.2**	**107.2**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations										
54	Financial Guarantees	0.0	0.2	0.0	0.0	7.7	6.9	0.0	0.0	1.0
55	Assets under management	0.0	0.1	0.2	0.0	2.3	0.7	0.0	0.2	0.3
56	Of which, debt securities	0.0	0.0	0.1	0.0	1.3	0.4	0.0	0.1	0.1
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
	Millions of EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19 108.3	15 503.7	162.3	0.0	0.0	4.3	2.9	0.0	0.0	0.0
2	**Financial corporations**	**1 396.0**	**307.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	1 292.3	296.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	940.1	222.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	150.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	202.2	74.8	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	103.7	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	61.5	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	59.9	10.7	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**1 795.2**	**276.2**	**162.3**	**0.0**	**0.0**	**4.3**	**2.9**	**0.0**	**0.0**	**0.0**
21	Loans and advances	575.9	103.6	13.5	0.0	0.0	2.7	2.9	0.0	0.0	0.0
22	Debt securities, including UoP	1 218.4	171.8	148.9	0.0	0.0	1.6	0.0	0.0	0.0	0.0
23	Equity instruments	0.9	0.7	0.0		0.0	0.0	0.0	0.0		0.0
24	**Households**	**15 208.4**	**14 911.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	14 438.9	14 438.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
26	of which building renovation loans	404.5	404.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
27	of which motor vehicle loans	364.9	68.0	0.0	0.0	0.0	0.0	0	0	0	0
28	**Local governments financing**	**708.7**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	8.5	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	700.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

	Millions of EUR	2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
		Total gross	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**13 771.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**10 275.0**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	9 738.9									
35	Loans and advances	8 058.3									
36	of which loans collateralised by commercial immovable property	351.3									
37	of which building renovation loans	0.0									
38	Debt securities	1 672.8									
39	Equity instruments	7.8									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	536.1									
41	Loans and advances	193.2									
42	Debt securities	0.0									
43	Equity instruments	342.9									
44	**Derivatives**	**2.6**									
45	**On demand interbank loans**	**72.7**									
46	**Cash and cash-related assets**	**285.4**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**3 135.5**									
48	**Total GAR assets**	**32 879.7**	**15 503.9**	**162.3**	**0.0**	**0.0**	**4.3**	**2.9**	**0.0**	**0.0**	**0.0**
49	**Other assets not covered for GAR calculation**	6 287.9									
50	Sovereigns	4 733.6									
51	Central banks exposure	1 498.2									
52	Trading book	56.1									
53	**Total assets**	**39 167.6**	**15 503.9**	**162.3**	**0.0**	**0.0**	**4.3**	**2.9**	**0.0**	**0.0**	**0.0**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	113.7	14.3	14.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
55	Assets under management	42.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
56	Of which, debt securities	14.2	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2023				
		bg	bh	bi	bj	bk
		Total (CCM+CCA)				
		Taxonomy-eligible				
			Taxonomy-aligned			
				Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	15 506.6	162.4	0.0	0.0	4.3
2	**Financial corporations**	**307.5**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	296.8	0.0	0.0	0.0	0.0
4	Loans and advances	222.1	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	74.8	0.0	0.0	0.0	0.0
7	Other financial corporations	10.7	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	10.7	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	10.7	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**279.1**	**162.4**	**0.0**	**0.0**	**4.3**
21	Loans and advances	106.5	13.5	0.0	0.0	2.7
22	Debt securities, including UoP	171.8	148.9	0.0	0.0	1.6
23	Equity instruments	0.7	0.0	0	0.0	0.0
24	**Households**	**14 911.5**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	14 438.9	0.0	0.0	0.0	0
26	of which building renovation loans	404.5	0.0	0.0	0.0	0
27	of which motor vehicle loans	68.0	0	0	0	0
28	**Local governments financing**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	8.5	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**					

34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**15 506.8**	**162.4**	**0.0**	**0.0**	**4.3**
49	**Other assets not covered for GAR calculation**					
50	Sovereigns					
51	Central banks exposure					
52	Trading book					
53	**Total assets**	**15 506.8**	**162.4**	**0.0**	**0.0**	**4.3**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial Guarantees	14.6	14.0	0.0	0.0	0.0
55	Assets under management	0.1	0.1	0.0	0.0	0.1
56	Of which, debt securities	0.1	0.1	0.0	0.0	0.1
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0

Template 1. Assets for calculating GAR (Turnover flow)

	Million EUR	2024									
		a	b	c	d	e	f	g	h	i	j
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4 287.8	3 433.1	484.6	250.3	0.5	78.6	24.8	8.3	0.0	0.0
2	**Financial corporations**	**709.7**	**379.5**	**120.0**	**0.0**	**0.5**	**73.0**	**0.1**	**0.1**	**0.0**	**0.0**
3	Credit institutions	509.2	285.1	33.9	0.0	0.5	31.6	0.1	0.1	0.0	0.0
4	Loans and advances	509.2	285.1	33.9	0.0	0.5	31.6	0.1	0.1	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	200.4	94.4	86.1	0.0	0.0	41.5	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**809.6**	**297.4**	**275.0**	**250.3**	**0.0**	**5.5**	**24.7**	**8.2**	**0.0**	**0.0**
21	Loans and advances	224.1	17.9	1.9	0.0	0.0	1.2	3.8	0.4	0.0	0.0
22	Debt securities, including UoP	585.6	279.5	273.0	250.3	0.0	4.3	20.8	7.8	0.0	0.0
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
24	**Households**	**2 756.2**	**2 756.2**	**89.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	2 659.4	2 659.4	89.6	0.0	0.0	0.0	0.0	0.0	0.0	0
26	of which building renovation loans	32.4	32.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
27	of which motor vehicle loans	64.5	64.5	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**12.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Million EUR	2024									
		a	b	c	d	e	f	g	h	i	j
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**5 086.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**3 918.8**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3 911.5									
35	Loans and advances	2 627.3									
36	of which loans collateralised by commercial immovable property	165.1									
37	of which building renovation loans	0.0									
38	Debt securities	1 284.2									
39	Equity instruments	0.0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	7.3									
41	Loans and advances	7.3									
42	Debt securities	0.0									
43	Equity instruments	0.0									
44	**Derivatives**	**0.0**									
45	**On demand interbank loans**	**88.0**									
46	**Cash and cash-related assets**	**233.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**847.0**									
48	**Total GAR assets**	**9 374.7**	**3 433.1**	**484.6**	**250.3**	**0.5**	**78.6**	**24.8**	**8.3**	**0.0**	**0.0**
49	**Other assets not covered for GAR calculation**	3 418.0									
50	Sovereigns	452.9									
51	Central banks exposure	2 965.0									
52	Trading book	0.0									
53	**Total assets**	**12 792.7**	**3 433.1**	**484.6**	**250.3**	**0.5**	**78.6**	**24.8**	**8.3**	**0.0**	**0.0**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	15.4	1.3	0.5	0.0	0.2	0.2	0.1	0.0	0.0	0.0
56	Of which, debt securities	3.2	1.0	0.4	0.0	0.1	0.1	0.1	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-eligible			
							Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0	3.6	0.0	0.0	3 461.4	492.9	250.3	0.5	78.6
2	**Financial corporations**	**0.0**	**0.7**	**0.0**	**0.0**	**380.2**	**120.1**	**0.0**	**0.5**	**73.0**
3	Credit institutions	0.0	0.7	0.0	0.0	285.8	34.0	0.0	0.5	31.6
4	Loans and advances	0.0	0.7	0.0	0.0	285.8	34.0	0.0	0.5	31.6
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	94.4	86.1	0.0	0.0	41.5
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**0.0**	**3.0**	**0.0**	**0.0**	**325.0**	**283.2**	**250.3**	**0.0**	**5.5**
21	Loans and advances	0.0	1.2	0.0	0.0	22.9	2.4	0.0	0.0	1.2
22	Debt securities, including UoP	0.0	1.8	0.0	0.0	302.1	280.9	250.3	0.0	4.3
23	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	**Households**		**0.0**			**2 756.2**	**89.6**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property		0.0			2 659.4	89.6	0.0	0.0	0.0
26	of which building renovation loans		0.0			32.4	0.0	0.0	0.0	0.0
27	of which motor vehicle loans					64.5	0.0	0.0	0.0	0.0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-eligible			
							Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**0.0**	**3.6**	**0.0**	**0.0**	**3 461.5**	**492.9**	**250.3**	**0.5**	**78.6**
49	**Other assets not covered for GAR calculation**									
50	Sovereigns									
51	Central banks exposure									
52	Trading book									
53	**Total assets**	**0.0**	**3.6**	**0.0**	**0.0**	**3 461.5**	**492.9**	**250.3**	**0.5**	**78.6**
	Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
	Millions of EUR	**Total gross carrying amount**	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4 220.7	3 155.8	66.5	0.0	0.0	4.3	0.2	0.0	0.0	0.0
2	**Financial corporations**	**571.4**	**130.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	563.8	130.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	524.1	130.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	39.7	0.0	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**663.3**	**91.8**	**66.5**	**0.0**	**0.0**	**4.3**	**0.2**	**0.0**	**0.0**	**0.0**
21	Loans and advances	230.3	20.1	2.0	0.0	0.0	2.2	0.2	0.0	0.0	0.0
22	Debt securities, including UoP	433.0	71.7	64.5	0.0	0.0	2.0	0.0	0.0	0.0	0.0
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
24	**Households**	**2 965.1**	**2 933.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	2 838.0	2 838.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
26	of which building renovation loans	57.7	57.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
27	of which motor vehicle loans	69.4	38.2	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**21.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
	Millions of EUR	Total gross	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 872.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**3 701.0**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3 542.4									
35	Loans and advances	2 385.9									
36	of which loans collateralised by commercial immovable property	2 385.9									
37	of which building renovation loans	0.0									
38	Debt securities	1 145.8									
39	Equity instruments	10.8									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	158.6									
41	Loans and advances	141.6									
42	Debt securities	0.0									
43	Equity instruments	17.0									
44	**Derivatives**	**0.0**									
45	**On demand interbank loans**	**0.0**									
46	**Cash and cash-related assets**	**0.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**171.5**									
48	**Total GAR assets**	**8 093.5**	**3 156.1**	**66.5**	**0.0**	**0.0**	**4.3**	**0.2**	**0.0**	**0.0**	**0.0**
49	**Other assets not covered for GAR calculation**	27.3									
50	Sovereigns	27.3									
51	Central banks exposure	0.0									
52	Trading book	0.0									
53	**Total assets**	**8 120.8**	**3 156.1**	**66.5**	**0.0**	**0.0**	**4.3**	**0.2**	**0.0**	**0.0**	**0.0**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	11.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	27.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	27.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2023				
		bg	bh	bi	bj	bk
		Total (CCM+CCA)				
		Taxonomy-eligible				
			Taxonomy-aligned			
				Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3 156.1	66.5	0.0	0.0	4.3
2	**Financial corporations**	**130.2**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	130.2	0.0	0.0	0.0	0.0
4	Loans and advances	130.2	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0	0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**92.0**	**66.5**	**0.0**	**0.0**	**4.3**
21	Loans and advances	20.3	2.0	0.0	0.0	2.2
22	Debt securities, including UoP	71.7	64.5	0.0	0.0	2.0
23	Equity instruments	0.0	0.0	0.0	0.0	0.0
24	**Households**	**2 933.9**	**0.0**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property	2 838.0	0.0	0.0	0.0	0.0
26	of which building renovation loans	57.7	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	38.2	0.0	0.0	0.0	0.0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**3 156.3**	**66.5**	**0.0**	**0.0**	**4.3**
49	**Other assets not covered for GAR calculation**					
50	Sovereigns					
51	Central banks exposure					
52	Trading book					
53	**Total assets**	**3 156.3**	**66.5**	**0.0**	**0.0**	**4.3**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial Guarantees	0.2	0.2	0.0	0.0	0.0
55	Assets under management	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0

Template 1. Assets for calculating GAR (CAPEX stock)

		2024									
	Million EUR	a	b	c	d	e	f	g	h	i	j
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	18 261.4	15 722.6	1 273.8	250.3	1.2	162.4	238.4	154.1	0.0	0.8
2	**Financial corporations**	**1 468.1**	**822.0**	**304.7**	**0.0**	**1.1**	**135.2**	**0.2**	**0.8**	**0.0**	**0.0**
3	Credit institutions	1 192.0	614.3	111.3	0.0	1.0	92.0	0.2	0.1	0.0	0.0
4	Loans and advances	834.4	522.3	106.7	0.0	0.7	91.8	0.2	0.1	0.0	0.0
5	Debt securities, including UoP	150.1	5.0	0.5	0.0	0.3	0.1	0.0	0.0	0.0	0.0
6	Equity instruments	207.6	87.0	4.1		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	276.1	207.8	193.4	0.0	0.0	43.2	0.0	0.7	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	1.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	1.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	74.1	12.7	0.1	0.0	0.0	0.3	0.0	0.7	0.0	0.0
17	Loans and advances	2.5	1.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	71.6	11.6	0.0		0.0	0.2	0.0	0.7		0.0
20	**Non-financial corporations**	**1 957.1**	**713.2**	**533.0**	**250.3**	**0.2**	**27.1**	**238.2**	**153.3**	**0.0**	**0.8**
21	Loans and advances	431.5	106.8	21.7	0.0	0.1	8.5	52.1	3.9	0.0	0.3
22	Debt securities, including UoP	1 524.9	606.4	511.3	250.3	0.0	18.6	185.9	149.3	0.0	0.5
23	Equity instruments	0.7	0.0	0.0		0.0	0.0	0.2	0.0		0.0
24	**Households**	**14 164.1**	**14 164.1**	**436.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property	13 647.8	13 647.8	436.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	of which building renovation loans	388.2	388.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	128.0	128.0	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**672.1**	**23.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	23.3	23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	648.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	3	3	0	0	0	0	0	0	0	0

		2024									
		a	b	c	d	e	f	g	h	i	j
	Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**15 693.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**10 519.6**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	9 848.3									
35	Loans and advances	8 085.9									
36	of which loans collateralised by commercial immovable property	472.9									
37	of which building renovation loans	0.0									
38	Debt securities	1 754.9									
39	Equity instruments	7.5									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	671.3									
41	Loans and advances	13.6									
42	Debt securities	350.5									
43	Equity instruments	307.2									
44	**Derivatives**	**1.3**									
45	**On demand interbank loans**	**88.0**									
46	**Cash and cash-related assets**	**233.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**4 851.4**									
48	**Total GAR assets**	**33 957.1**	**15 725.2**	**1 273.8**	**250.3**	**1.2**	**162.4**	**238.4**	**154.1**	**0.0**	**0.8**
49	**Other assets not covered for GAR calculation**	7 622.7									
50	Sovereigns	4 602.2									
51	Central banks exposure	2 965.0									
52	Trading book	55.5									
53	**Total assets**	**41 579.8**	**15 725.2**	**1 273.8**	**250.3**	**1.2**	**162.4**	**238.4**	**154.1**	**0.0**	**0.8**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	85.0	4.5	4.3	0.0	0.0	1.3	3.4	3.0	0.0	0.0
55	Assets under management	45.1	2.2	0.9	0.0	0.2	0.4	0.1	0.0	0.0	0.0
56	Of which, debt securities	14.2	1.3	0.5	0.0	0.1	0.2	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.2	8.4	0.0	0.0	15 969.7	1 427.9	250.3	2.0	162.6
2	**Financial corporations**	**0.0**	**0.0**	**0.0**	**0.0**	**822.2**	**305.4**	**0.0**	**1.1**	**135.2**
3	Credit institutions	0.0	0.0	0.0	0.0	614.4	111.4	0.0	1.0	92.0
4	Loans and advances	0.0	0.0	0.0	0.0	522.4	106.8	0.0	0.7	91.8
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	5.0	0.5	0.0	0.3	0.1
6	Equity instruments	0.0	0.0	0.0	0.0	87.0	4.1	0.0	0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	207.8	194.0	0.0	0.0	43.2
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	12.7	0.7	0.0	0.0	0.3
17	Loans and advances	0.0	0.0	0.0	0.0	1.1	0.1	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	11.6	0.7	0.0	0.0	0.2
20	**Non-financial corporations**	**0.2**	**8.4**	**0.0**	**0.0**	**960.1**	**686.2**	**250.3**	**1.0**	**27.9**
21	Loans and advances	0.2	8.4	0.0	0.0	167.6	25.6	0.0	0.4	8.8
22	Debt securities, including UoP	0.0	0.0	0.0	0.0	792.3	660.6	250.3	0.5	19.1
23	Equity instruments	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
24	**Households**		**0.0**			**14 164.1**	**436.2**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property		0.0			13 647.8	436.2	0.0	0.0	0.0
26	of which building renovation loans		0.0			388.2	0.0	0.0	0.0	0.0
27	of which motor vehicle loans					128.0	0.0	0.0	0.0	0.0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**23.3**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	23.3	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.0**	**0.0**	**0.0**	**0.0**	**2.5**	**0.0**	**0.0**	**0.0**	**0.0**

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
		Eligible	Eligible	Eligible	Eligible		Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**0.2**	**8.4**	**0.0**	**0.0**	**15 972.2**	**1 427.9**	**250.3**	**2.0**	**162.6**
49	**Other assets not covered for GAR calculation**									
50	Sovereigns									
51	Central banks exposure									
52	Trading book									
53	**Total assets**	**0.2**	**8.4**	**0.0**	**0.0**	**15 972.2**	**1 427.9**	**250.3**	**2.0**	**162.6**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations										
54	Financial Guarantees	0	0	0	0	8	7	0	0	1
55	Assets under management	0	0	0	0	3	1	0	0	0
56	Of which, debt securities	0	0	0	0	1	1	0	0	0
57	Of which, equity instruments	0	0	0	0	0	0	0	0	0

	Millions of EUR	2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19 108.3	15 820.2	418.4	0.0	0.0	13.8	1.2	0.0	0.0	0.0
2	**Financial corporations**	**1 396.0**	**297.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	1 292.3	286.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	940.1	212.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	150.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	202.2	74.7	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	103.7	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	61.5	10.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	59.9	10.7	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**1 795.2**	**603.0**	**418.4**	**0.0**	**0.0**	**13.8**	**1.2**	**0.0**	**0.0**	**0.0**
21	Loans and advances	575.9	174.1	55.0	0.0	0.0	3.9	1.2	0.0	0.0	0.0
22	Debt securities, including UoP	1 218.4	428.8	363.3	0.0	0.0	9.9	0.0	0.0	0.0	0.0
23	Equity instruments	0.9	0.1	0.1		0.0	0.0	0.0	0.0		0.0
24	**Households**	**15 208.4**	**14 911.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	14 438.9	14 438.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
26	of which building renovation loans	404.5	404.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
27	of which motor vehicle loans	364.9	68.0	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**708.7**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	8.5	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	Millions of EUR		Taxonomy-eligible					Taxonomy-eligible			
30	Other local government financing	700.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**13 771.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**10 275.0**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	9 738.9									
35	Loans and advances	8 058.3									
36	of which loans collateralised by commercial immovable property	351.3									
37	of which building renovation loans	0.0									
38	Debt securities	1 672.8									
39	Equity instruments	7.8									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	536.1									
41	Loans and advances	193.2									
42	Debt securities	0.0									
43	Equity instruments	342.9									
44	**Derivatives**	**2.6**									
45	**On demand interbank loans**	**72.7**									
46	**Cash and cash-related assets**	**285.4**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**3 135.5**									
48	**Total GAR assets**	**32 879.7**	**15 820.5**	**418.4**	**0.0**	**0.0**	**13.8**	**1.2**	**0.0**	**0.0**	**0.0**
49	**Other assets not covered for GAR calculation**	6 287.9									
50	Sovereigns	4 733.6									
51	Central banks exposure	1 498.2									
52	Trading book	56.1									
53	**Total assets**	**39 167.6**	**15 820.5**	**418.4**	**0.0**	**0.0**	**13.8**	**1.2**	**0.0**	**0.0**	**0.0**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	113.7	15.7	15.6	0.0	0.0	0.0	0.1	0.0	0.0	0.0
55	Assets under management	42.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
56	Of which, debt securities	14.2	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2023				
		bg	bh	bi	bj	bk
		Total (CCM+CCA)				
		Taxonomy-eligible				
			Taxonomy-aligned			
				Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	15 821.5	418.4	0.0	0.0	13.8
2	**Financial corporations**	**297.3**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	286.6	0.0	0.0	0.0	0.0
4	Loans and advances	212.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	74.7	0.0	0.0	0.0	0.0
7	Other financial corporations	10.7	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	10.7	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	10.7	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**604.2**	**418.4**	**0.0**	**0.0**	**13.8**
21	Loans and advances	175.3	55.0	0.0	0.0	3.9
22	Debt securities, including UoP	428.8	363.3	0.0	0.0	9.9
23	Equity instruments	0.1	0.1	0	0.0	0.0
24	**Households**	**14 911.5**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	14 438.9	0.0	0.0	0.0	0
26	of which building renovation loans	404.5	0.0	0.0	0.0	0
27	of which motor vehicle loans	68.0	0	0	0	0
28	**Local governments financing**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	8.5	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**					

34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**15 821.7**	**418.4**	**0.0**	**0.0**	**13.8**
49	**Other assets not covered for GAR calculation**					
50	Sovereigns					
51	Central banks exposure					
52	Trading book					
53	**Total assets**	**15 821.7**	**418.4**	**0.0**	**0.0**	**13.8**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial Guarantees	15.9	15.6	0.0	0.0	0.0
55	Assets under management	0.1	0.1	0.0	0.0	0.1
56	Of which, debt securities	0.1	0.1	0.0	0.0	0.1
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0

INTRODUCTION
WHO WE ARE
OUR STRATEGY
OUR PERFORMANCE
SUSTAINABILITY STATEMENTS
GOVERNANCE AND INTERNAL CONTROL
PROPOSED APPLICATION OF RESULTS
FINAL ACKNOWLEDGEMENTS
ADDITIONAL INFORMATION

Template 1. Assets for calculating GAR (CAPEX flow)

		2024									
		a	b	c	d	e	f	g	h	i	j
	Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4 287.8	3 673.4	689.3	250.3	0.6	108.8	49.7	9.3	0.0	0.2
2	**Financial corporations**	**709.7**	**483.3**	**253.3**	**0.0**	**0.5**	**94.4**	**0.1**	**0.0**	**0.0**	**0.0**
3	Credit institutions	509.2	288.9	60.0	0.0	0.5	51.5	0.1	0.0	0.0	0.0
4	Loans and advances	509.2	288.9	60.0	0.0	0.5	51.5	0.1	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	200.4	194.4	193.3	0.0	0.0	42.9	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**809.6**	**433.9**	**346.4**	**250.3**	**0.1**	**14.4**	**49.6**	**9.2**	**0.0**	**0.2**
21	Loans and advances	224.1	58.3	11.5	0.0	0.1	4.4	29.0	0.9	0.0	0.0
22	Debt securities, including UoP	585.6	375.6	334.9	250.3	0.0	10.0	20.6	8.3	0.0	0.2
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
24	**Households**	**2 756.2**	**2 756.2**	**89.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	2 659.4	2 659.4	89.6	0.0	0.0	0.0	0.0	0.0	0.0	0
26	of which building renovation loans	32.4	32.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
27	of which motor vehicle loans	64.5	64.5	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**12.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Million EUR	2024									
		a	b	c	d	e	f	g	h	i	j
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**5 086.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**3 918.8**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3 911.5									
35	Loans and advances	2 627.3									
36	of which loans collateralised by commercial immovable property	165.1									
37	of which building renovation loans	0.0									
38	Debt securities	1 284.2									
39	Equity instruments	0.0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	7.3									
41	Loans and advances	7.3									
42	Debt securities	0.0									
43	Equity instruments	0.0									
44	**Derivatives**	**0.0**									
45	**On demand interbank loans**	**88.0**									
46	**Cash and cash-related assets**	**233.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**847.0**									
48	**Total GAR assets**	**9 374.7**	**3 673.4**	**689.3**	**250.3**	**0.6**	**108.8**	**49.7**	**9.3**	**0.0**	**0.2**
49	**Other assets not covered for GAR calculation**	3 418.0									
50	Sovereigns	452.9									
51	Central banks exposure	2 965.0									
52	Trading book	0.0									
53	**Total assets**	**12 792.7**	**3 673.4**	**689.3**	**250.3**	**0.6**	**108.8**	**49.7**	**9.3**	**0.0**	**0.2**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations											
54	Financial Guarantees	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	15.4	1.4	0.6	0.0	0.2	0.2	0.0	0.0	0.0	0.0
56	Of which, debt securities	3.2	1.1	0.5	0.0	0.1	0.2	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
		Eligible	Eligible	Eligible	Eligible	Taxonomy-eligible				
							Taxonomy-aligned (CCM and CCA only)			
								Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0	6.5	0.0	0.0	3 729.6	698.6	250.3	0.8	108.8
2	**Financial corporations**	**0.0**	**0.0**	**0.0**	**0.0**	**483.4**	**253.3**	**0.0**	**0.5**	**94.4**
3	Credit institutions	0.0	0.0	0.0	0.0	288.9	60.1	0.0	0.5	51.5
4	Loans and advances	0.0	0.0	0.0	0.0	288.9	60.1	0.0	0.5	51.5
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	194.4	193.3	0.0	0.0	42.9
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**0.0**	**6.5**	**0.0**	**0.0**	**490.0**	**355.6**	**250.3**	**0.3**	**14.4**
21	Loans and advances	0.0	6.5	0.0	0.0	93.8	12.3	0.0	0.1	4.4
22	Debt securities, including UoP	0.0	0.0	0.0	0.0	396.2	343.2	250.3	0.2	10.0
23	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	**Households**		**0.0**			**2 756.2**	**89.6**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property		0.0			2 659.4	89.6	0.0	0.0	0.0
26	of which building renovation loans		0.0			32.4	0.0	0.0	0.0	0.0
27	of which motor vehicle loans					64.5	0.0	0.0	0.0	0.0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

	Millions of EUR	2024								
		k	o	s	w	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
							Taxonomy-aligned (CCM and CCA only)			
		Eligible	Eligible	Eligible	Eligible			Use of proceeds	Transitional	Enabling
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations									
35	Loans and advances									
36	of which loans collateralised by commercial immovable property									
37	of which building renovation loans									
38	Debt securities									
39	Equity instruments									
40	Non-EU country counterparties not subject to NFRD disclosure obligations									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**On demand interbank loans**									
46	**Cash and cash-related assets**									
47	**Other assets (e.g. Goodwill, commodities etc.)**									
48	**Total GAR assets**	**0.0**	**6.5**	**0.0**	**0.0**	**3 729.6**	**698.6**	**250.3**	**0.8**	**108.8**
49	**Other assets not covered for GAR calculation**									
50	Sovereigns									
51	Central banks exposure									
52	Trading book									
53	**Total assets**	**0.0**	**6.5**	**0.0**	**0.0**	**3 729.6**	**698.6**	**250.3**	**0.8**	**108.8**
	Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations									
54	Financial Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
	Millions of EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
				Taxonomy-aligned					Taxonomy-aligned		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4 220.7	3 288.9	119.0	0.0	0.0	4.3	0.2	0.0	0.0	0.0
2	**Financial corporations**	**571.4**	**130.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	563.8	130.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	524.1	130.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	39.7	0.0	0.0		0.0	0.0	0.0	0.0		0.0
7	Other financial corporations	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
12	of which management companies	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
16	of which insurance undertakings	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
20	**Non-financial corporations**	**663.3**	**224.9**	**119.0**		**0.0**	**4.3**	**0.2**	**0.0**		**0.0**
21	Loans and advances	230.3	90.7	14.4		0.0	2.2	0.2	0.0		0.0
22	Debt securities, including UoP	433.0	134.2	104.6		0.0	2.0	0.0	0.0		0.0
23	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
24	**Households**	**2 965.1**	**2 933.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
25	of which loans collateralised by residential immovable property	2 838.0	2 838.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	of which building renovation loans	57.7	57.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	69.4	38.2	0.0	0.0	0.0	0.0				
28	**Local governments financing**	**21.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		2023									
		ag	ah	ai	aj	ak	al	am	an	ao	ap
	Millions of EUR	Total gross	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Taxonomy-eligible					Taxonomy-eligible			
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 872.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
33	**Financial and Non-financial undertakings**	**3 701.0**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	3 542.4									
35	Loans and advances	2 385.9									
36	of which loans collateralised by commercial immovable property	2 385.9									
37	of which building renovation loans	0.0									
38	Debt securities	1 145.8									
39	Equity instruments	10.8									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	158.6									
41	Loans and advances	141.6									
42	Debt securities	0.0									
43	Equity instruments	17.0									
44	**Derivatives**	**0.0**									
45	**On demand interbank loans**	**0.0**									
46	**Cash and cash-related assets**	**0.0**									
47	**Other assets (e.g. Goodwill, commodities etc.)**	**171.5**									
48	**Total GAR assets**	**8 093.5**	**3 289.2**	**119.0**	**0.0**	**0.0**	**4.3**	**0.2**	**0.0**	**0.0**	**0.0**
49	**Other assets not covered for GAR calculation**	27.3									
50	Sovereigns	27.3									
51	Central banks exposure	0.0									
52	Trading book	0.0									
53	**Total assets**	**8 120.8**	**3 289.2**	**119.0**	**0.0**	**0.0**	**4.3**	**0.2**	**0.0**	**0.0**	**0.0**
	Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations										
54	Financial Guarantees	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	Assets under management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Millions of EUR	2023				
		bg	bh	bi	bj	bk
		Total (CCM+CCA)				
		Taxonomy-eligible				
			Taxonomy-aligned			
				Use of proceeds	Transitional	Enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3 289.2	119.0	0.0	0.0	4.3
2	**Financial corporations**	**130.1**	**0.0**	**0.0**	**0.0**	**0.0**
3	Credit institutions	130.1	0.0	0.0	0.0	0.0
4	Loans and advances	130.1	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0	0.0	0.0
7	Other financial corporations	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	0.0
20	**Non-financial corporations**	**225.1**	**119.0**	**0.0**	**0.0**	**4.3**
21	Loans and advances	90.9	14.4	0.0	0.0	2.2
22	Debt securities, including UoP	134.2	104.6	0.0	0.0	2.0
23	Equity instruments	0.0	0.0	0	0.0	0.0
24	**Households**	**2 933.9**	**0.0**	**0.0**	**0.0**	**0**
25	of which loans collateralised by residential immovable property	2838.0	0.0	0.0	0.0	0
26	of which building renovation loans	57.7	0.0	0.0	0.0	0
27	of which motor vehicle loans	38.2	0	0	0	0
28	**Local governments financing**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
29	Housing financing	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	**Derivatives**					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	**3 289.4**	**119.0**	**0.0**	**0.0**	**4.3**
49	**Other assets not covered for GAR calculation**					
50	Sovereigns					
51	Central banks exposure					
52	Trading book					
53	**Total assets**	**3 289.4**	**119.0**	**0.0**	**0.0**	**4.3**
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations						
54	Financial Guarantees	0.2	0.2	0.0	0.0	0.0
55	Assets under management	0.0	0.0	0.0	0.0	0.0
56	Of which, debt securities	0.0	0.0	0.0	0.0	0.0
57	Of which, equity instruments	0.0	0.0	0.0	0.0	0.0

Template 2.GAR sector information (Turnover)

	Breakdown by sector - NACE 4-digit level (code and label) / Non-financial companies / Million EUR	2024			
		a	b	e	f
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Gross carrying amount		Gross carrying amount	
			Environmentally sustainable		Environmentally sustainable
1	A0121 - Viticulture	0.1	0.1	0.0	0.0
2	B0610 - Extraction of crude oil	0.1	0.1	0.0	0.0
3	B0811 - Quarrying of ornamental and other building stone, limestone, plaster, chalk and slate	0.3	0.1	0.0	0.0
4	C1629 - Manufacture of other articles of wood, straw and spartan materials; cork industry	3.7	1.9	0.0	0.0
5	C1711 - Pulp manufacturing	19.2	14.0	2.1	2.1
6	C1712 -Paper and paperboard manufacturing (except corrugated)	0.0	0.0	0.0	0.0
7	C1920 - Refined petroleum products and fuel pellets manufacturing	252.5	252.5	0.0	0.0
8	C2313 - Container glass and glassware (hollow glass) manufacturing	0.0	0.0	0.0	0.0
9	C2351 - Cement manufacturing	8.0	1.6	0.0	0.0
10	C2363 - Ready-mixed concrete manufacturing	0.2	0.0	0.0	0.0
11	C3092 - Manufacture of bicycles and carriages for disabled	0.9	0.2	0.0	0.0
12	C3320 - Installation of industrial machinery and equipment	0.1	0.1	0.1	0.1
13	D3511 - Electricity production	55.0	54.2	46.2	46.2
14	D3512 - Electricity transport	0.0	0.0	0.0	0.0
15	D3513 - Electricity distribution	0.1	0.1	0.0	0.0
16	D3514 - Electricity trade	0.6	0.5	0.0	0.0
17	E3600 - Water collection, treatment and distribution	0.0	0.0	0.0	0.0
18	E3811 - Collection of non-hazardous waste	0.8	0.0	2.7	0.0
19	E3821 - Treatment and disposal of non-hazardous waste	0.1	0.0	0.4	0.0
20	E3832 - Valorisation of selected waste	0.7	0.1	0.0	0.0
21	F4110 - Real estate development (development of building projects)	0.2	0.0	0.0	0.0
22	F4120 - Building construction (residential and non-residential)	0.0	0.0	0.0	0.0
23	F4211 - Roads and airport runways construction	0.6	0.0	1.9	0.0
24	F4212 - Railway tracks construction	0.0	0.0	0.0	0.0
25	F4300 - Specialised construction activities	1.0	0.0	0.1	0.0
26	F4399 - Other specialised construction activities n.s.	0.1	0.0	1.1	1.1
27	G4511 - Motor light vehicles trade	1.8	0.2	0.0	0.0
28	G4669 - Wholesale of other machinery and equipment	0.0	0.0	0.0	0.0
29	G4711 - Retail sale in non-specialised shops with food, beverages or tobacco predominating	0.8	0.2	0.0	0.0

Breakdown by sector - NACE 4-digit level (code and label) Non-financial companies Million EUR		2024			
		a	b	e	f
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Gross carrying amount		Gross carrying amount	
			Environmentally sustainable		Environmentally sustainable
30	G4719 - Retail sale in non-specialised shops with food, beverages or tobacco not predominating	0.1	0.0	0.0	0.0
31	G4730 - Retail sale of motor fuel in specialised shops	0.0	0.0	0.0	0.0
32	H4941 - Road freight transports	0.6	0.1	0.0	0.0
33	H5300 - Postal and courier activities	0.2	0.0	0.0	0.0
34	J5814 - Editing of magazines and other periodicals	0.0	0.0	0.0	0.0
35	J5819 - Other editing activities	0.0	0.0	19.6	0.2
36	J5911 - Production of films, videos and television programmes	0.0	0.0	0.2	0.0
37	J5913 - Distribution of films, videos and television programmes	0.0	0.0	0.0	0.0
38	J5914 - Film and video projection	0.0	0.0	0.0	0.0
39	J6020 - Television activities	0.0	0.0	29.9	0.2
40	J6110 - Wired telecommunications activities	5.0	0.5	9.1	6.0
41	J6190 - Other telecommunications activities	0.0	0.0	0.1	0.0
42	J6202 - Computer consultancy activities	0.0	0.0	0.0	0.0
43	J6311 - Data processing, information hosting and related activities	0.0	0.0	0.1	0.0
44	K6420 - Activities of share-holding companies	1.7	0.4	0.0	0.0
45	L6820 - Real estate rental	0.4	0.1	0.1	0.0
46	M7112 - Engineering and related technical activities	2.5	2.5	2.5	2.5
47	N7711 - Light motor vehicle rental	1.0	0.1	0.0	0.0
48	N7739 - Other machinery and equipment rental, n.s.	36.7	0.9	0.1	0.1
49	N8299 - Other business support service activities, n.s.	0.0	0.0	0.0	0.0
50	Q8690 - Other human health activities	4.4	1.7	0.1	0.0
51	R9002 - Support activities for the performing arts	0.0	0.0	0.0	0.0

	Breakdown by sector - NACE 4-digit level (code and label) Non-financial companies Million EUR	2024					
		i	m	q	u	y	z
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. Ecosystem (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)	
		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	
							Environmentally sustainable (CCM and CCA only)
1	A0121 - Viticulture	0.0	0.0	0.0	0.0	0.1	0.1
2	B0610 - Extraction of crude oil	0.0	0.0	0.0	0.0	0.1	0.1
3	B0811 - Quarrying of ornamental and other building stone, limestone, plaster, chalk and slate	0.0	0.0	0.0	0.0	0.3	0.1
4	C1629 - Manufacture of other articles of wood, straw and spartan materials; cork industry	0.0	0.0	0.0	0.0	3.7	1.9
5	C1711 - Pulp manufacturing	0.0	0.0	0.0	0.0	21.3	16.1
6	C1712 -Paper and paperboard manufacturing (except corrugated)	0.0	0.0	0.0	0.0	0.0	0.0
7	C1920 - Refined petroleum products and fuel pellets manufacturing	0.0	0.0	0.0	0.0	252.5	252.5
8	C2313 - Container glass and glassware (hollow glass) manufacturing	0.0	0.7	0.0	0.0	0.7	0.0
9	C2351 - Cement manufacturing	0.0	0.0	0.0	0.0	8.0	1.6
10	C2363 - Ready-mixed concrete manufacturing	0.0	0.0	0.0	0.0	0.2	0.0
11	C3092 - Manufacture of bicycles and carriages for disabled	0.0	0.0	0.0	0.0	0.9	0.2
12	C3320 - Installation of industrial machinery and equipment	0.0	0.0	0.0	0.0	0.2	0.2
13	D3511 - Electricity production	0.0	0.0	0.0	0.0	101.2	100.4
14	D3512 - Electricity transport	0.0	0.0	0.0	0.0	0.0	0.0
15	D3513 - Electricity distribution	0.0	0.0	0.0	0.0	0.1	0.1
16	D3514 - Electricity trade	0.0	0.0	0.0	0.0	0.6	0.5
17	E3600 - Water collection, treatment and distribution	0.0	0.0	0.0	0.0	0.0	0.0
18	E3811 - Collection of non-hazardous waste	0.0	1.3	0.0	0.0	4.8	0.0
19	E3821 - Treatment and disposal of non-hazardous waste	0.0	0.2	0.0	0.0	0.8	0.0
20	E3832 - Valorisation of selected waste	0.0	0.0	0.0	0.0	0.7	0.1
21	F4110 - Real estate development (development of building projects)	0.0	0.2	0.0	0.0	0.4	0.0
22	F4120 - Building construction (residential and non-residential)	0.0	0.0	0.0	0.0	0.0	0.0
23	F4211 - Roads and airport runways construction	0.0	0.9	0.0	0.0	3.3	0.0
24	F4212 - Railway tracks construction	0.0	0.0	0.0	0.0	0.0	0.0
25	F4300 - Specialised construction activities	0.0	0.0	0.0	0.0	1.1	0.0
26	F4399 - Other specialised construction activities n.s.	0.0	0.0	0.0	0.0	1.2	1.1
27	G4511 - Motor light vehicles trade	0.0	0.0	0.0	0.0	1.8	0.2
28	G4669 - Wholesale of other machinery and equipment	0.0	0.0	0.0	0.0	0.0	0.0
29	G4711 - Retail sale in non-specialised shops with food, beverages or tobacco predominating	0.0	1.0	0.0	0.0	1.8	0.2
30	G4719 - Retail sale in non-specialised shops with food, beverages or tobacco not predominating	0.0	0.1	0.0	0.0	0.2	0.0
31	G4730 - Retail sale of motor fuel in specialised shops	0.0	0.0	0.0	0.0	0.0	0.0
32	H4941 - Road freight transports	0.0	0.0	0.0	0.0	0.6	0.1

33	H5300 - Postal and courier activities	0.0	0.0	0.0	0.0	0.2	0.0
34	J5814 - Editing of magazines and other periodicals	0.0	0.0	0.0	0.0	0.0	0.0
35	J5819 - Other editing activities	0.0	0.0	0.0	0.0	19.6	0.2
36	J5911 - Production of films, videos and television programmes	0.0	0.0	0.0	0.0	0.2	0.0
37	J5913 - Distribution of films, videos and television programmes	0.0	0.0	0.0	0.0	0.0	0.0
38	J5914 - Film and video projection	0.0	0.0	0.0	0.0	0.0	0.0
39	J6020 - Television activities	0.0	0.0	0.0	0.0	29.9	0.2
40	J6110 - Wired telecommunications activities	0.0	0.0	0.0	0.0	14.1	6.5
41	J6190 - Other telecommunications activities	0.0	0.0	0.0	0.0	0.1	0.0
42	J6202 - Computer consultancy activities	0.0	0.0	0.0	0.0	0.0	0.0
43	J6311 - Data processing, information hosting and related activities	0.0	0.0	0.0	0.0	0.1	0.0
44	K6420 - Activities of share-holding companies	0.0	2.3	0.0	0.0	4.0	0.4
45	L6820 - Real estate rental	0.0	0.5	0.0	0.0	1.0	0.1
46	M7112 - Engineering and related technical activities	0.0	0.0	0.0	0.0	5.0	5.0
47	N7711 - Light motor vehicle rental	0.0	0.0	0.0	0.0	1.0	0.1
48	N7739 - Other machinery and equipment rental, n.s.	0.0	0.0	0.0	0.0	36.8	0.9
49	N8299 - Other business support service activities, n.s.	0.0	0.0	0.0	0.0	0.0	0.0
50	Q8690 - Other human health activities	0.1	0.0	0.0	0.0	4.6	1.7
51	R9002 - Support activities for the performing arts	0.0	0.0	0.0	0.0	0.0	0.0

Template 2.GAR sector information (Capex)

	Breakdown by sector - NACE 4-digit level (code and label) Non-financial companies Million EUR	2024			
		a	b	e	f
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Gross carrying amount		Gross carrying amount	
			Environmentally sustainable		Environmentally sustainable
1	A0121 - Viticulture	0.3	0.2	0.0	0.0
2	A0123 - Growing citrus fruit	2.7	0.5	2.2	0.0
3	A0125 - Growing other fruit (including nuts) on trees and shrubs	0.0	0.0	0.0	0.0
4	B0610 - Extraction of crude oil	0.4	0.2	0.0	0.0
5	B0811 - Quarrying of ornamental and other building stone, limestone, plaster, chalk and slate	0.5	0.4	0.0	0.0
6	C1629 - Manufacture of other articles of wood, straw and spartan materials; cork industry	9.5	6.4	0.0	0.0
7	C1711 - Pulp manufacturing	115.1	112.9	87.2	87.2
8	C1712 -Paper and paperboard manufacturing (except corrugated)	0.0	0.0	0.0	0.0
9	C1920 - Refined petroleum products and fuel pellets manufacturing	287.5	287.2	0.0	0.0
10	C2313 - Container glass and glassware (hollow glass) manufacturing	0.2	0.0	0.0	0.0
11	C2351 - Cement manufacturing	16.4	10.8	0.0	0.0
12	C2363 - Ready-mixed concrete manufacturing	0.5	0.3	0.0	0.0
13	C2430 - Other primary steel processing activities	0.6	0.0	0.0	0.0
14	C2434 - Cold drawing	0.4	0.0	0.0	0.0
15	C3092 - Manufacture of bicycles and carriages for disabled	1.9	1.2	0.0	0.0
16	C3320 - Installation of industrial machinery and equipment	0.1	0.1	0.1	0.1
17	D3511 - Electricity production	65.9	65.8	47.8	47.8
18	D3512 - Electricity transport	0.0	0.0	0.0	0.0
19	D3513 - Electricity distribution	0.3	0.3	0.0	0.0
20	D3514 - Electricity trade	1.1	1.1	0.0	0.0
21	E3600 - Water collection, treatment and distribution	0.0	0.0	0.0	0.0
22	E3811 - Collection of non-hazardous waste	1.0	0.0	2.2	0.0
23	E3821 - Treatment and disposal of non-hazardous waste	0.2	0.0	0.3	0.0
24	E3832 - Valorisation of selected waste	1.4	0.9	0.0	0.0
25	F4110 - Real estate development (development of building projects)	5.2	0.7	0.0	0.0
26	F4120 - Building construction (residential and non-residential)	0.0	0.0	0.0	0.0
27	F4211 - Roads and airport runways construction	0.7	0.0	1.5	0.0
28	F4212 - Railway tracks construction	0.0	0.0	0.0	0.0
29	F4300 - Specialised construction activities	1.9	0.7	0.2	0.0
30	F4399 - Other specialised construction activities n.s.	0.1	0.0	0.9	0.9
31	G4511 - Motor light vehicles trade	1.9	0.6	0.0	0.0
32	G4638 - Wholesale of other food products	0.1	0.0	0.0	0.0
33	G4639 - Non-specialised wholesale of food products, beverages and tobacco	1.3	0.2	1.1	0.0

Breakdown by sector - NACE 4-digit level (code and label) Non-financial companies Million EUR	2024			
	a	b	e	f
	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
	Gross carrying amount		Gross carrying amount	
		Environmentally sustainable		Environmentally sustainable
34 G4669 - Wholesale of other machinery and equipment	0.0	0.0	0.0	0.0
35 G4676 - Wholesale of other intermediate goods	0.0	0.0	0.0	0.0
36 G4711 - Retail sale in non-specialised shops with food, beverages or tobacco predominating	49.9	7.5	20.5	0.0
37 G4719 - Retail sale in non-specialised shops with food, beverages or tobacco not predominating	4.9	0.2	0.0	0.0
38 G4730 - Retail sale of motor fuel in specialised shops	0.1	0.1	0.0	0.0
39 H4941 - Road freight transports	1.2	0.8	0.0	0.0
40 H5300 - Postal and courier activities	0.1	0.0	0.0	0.0
41 I5610 - Restaurants (includes mobile catering activities)	0.0	0.0	0.0	0.0
42 J5814 - Editing of magazines and other periodicals	0.0	0.0	0.0	0.0
43 J5819 - Other editing activities	0.7	0.7	8.1	0.2
44 J5911 - Production of films, videos and television programmes	0.0	0.0	0.2	0.0
45 J5913 - Distribution of films, videos and television programmes	0.0	0.0	0.0	0.0
46 J5914 - Film and video projection	0.0	0.0	0.0	0.0
47 J6020 - Television activities	0.6	0.6	19.6	0.1
48 J6110 - Wired telecommunications activities	25.1	18.2	43.1	14.1
49 J6190 - Other telecommunications activities	0.2	0.1	0.3	0.1
50 J6202 - Computer consultancy activities	0.0	0.0	0.1	0.0
51 J6311 - Data processing, information hosting and related activities	0.0	0.0	0.1	0.0
52 K6420 - Activities of share-holding companies	54.7	7.0	0.0	0.0
53 L6810 - Buying and selling real estate	0.0	0.0	0.0	0.0
54 L6820 - Real estate rental	11.7	1.5	0.1	0.0
55 M7112 - Engineering and related technical activities	2.6	2.6	2.6	2.6
56 N7711 - Light motor vehicle rental	1.1	0.1	0.0	0.0
57 N7739 - Other machinery and equipment rental, n.s.	37.4	2.0	0.1	0.0
58 N8299 - Other business support service activities, n.s.	0.0	0.0	0.0	0.0
59 Q8610 - Activities of in-patient healthcare establishments	2.2	0.0	0.0	0.0
60 Q8690 - Other human health activities	3.7	0.7	0.0	0.0
61 R9002 - Support activities for the performing arts	0.0	0.0	0.0	0.0

Breakdown by sector - NACE 4-digit level (code and label) Non-financial companies Million EUR		2024					
		i	m	q	u	y	z
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. Ecosystem (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)	
		Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount	
							Environmentally sustainable (CCM and CCA only)
1	A0121 - Viticulture	0.0	0.0	0.0	0.0	0.3	0.2
2	A0123 - Growing citrus fruit	0.0	0.5	0.0	0.0	5.4	0.5
3	A0125 - Growing other fruit (including nuts) on trees and shrubs	0.0	0.0	0.0	0.0	0.0	0.0
4	B0610 - Extraction of crude oil	0.0	0.0	0.0	0.0	0.4	0.2
5	B0811 - Quarrying of ornamental and other building stone, limestone, plaster, chalk and slate	0.0	0.0	0.0	0.0	0.5	0.4
6	C1629 - Manufacture of other articles of wood, straw and spartan materials; cork industry	0.0	0.0	0.0	0.0	9.5	6.4
7	C1711 - Pulp manufacturing	0.0	0.0	0.0	0.0	202.3	200.1
8	C1712 -Paper and paperboard manufacturing (except corrugated)	0.0	0.0	0.0	0.0	0.0	0.0
9	C1920 - Refined petroleum products and fuel pellets manufacturing	0.0	0.0	0.0	0.0	287.5	287.2
10	C2313 - Container glass and glassware (hollow glass) manufacturing	0.0	0.3	0.0	0.0	0.5	0.0
11	C2351 - Cement manufacturing	0.0	0.0	0.0	0.0	16.4	10.9
12	C2363 - Ready-mixed concrete manufacturing	0.0	0.0	0.0	0.0	0.5	0.3
13	C2430 - Other primary steel processing activities	0.0	0.0	0.0	0.0	0.6	0.0
14	C2434 - Cold drawing	0.0	0.0	0.0	0.0	0.4	0.0
15	C3092 - Manufacture of bicycles and carriages for disabled	0.0	0.0	0.0	0.0	1.9	1.2
16	C3320 - Installation of industrial machinery and equipment	0.0	0.0	0.0	0.0	0.2	0.2
17	D3511 - Electricity production	0.0	0.0	0.0	0.0	113.7	113.6
18	D3512 - Electricity transport	0.0	0.0	0.0	0.0	0.0	0.0
19	D3513 - Electricity distribution	0.0	0.0	0.0	0.0	0.3	0.3
20	D3514 - Electricity trade	0.0	0.0	0.0	0.0	1.1	1.1
21	E3600 - Water collection, treatment and distribution	0.0	0.0	0.0	0.0	0.0	0.0
22	E3811 - Collection of non-hazardous waste	0.0	1.6	0.0	0.0	4.8	0.0
23	E3821 - Treatment and disposal of non-hazardous waste	0.0	0.3	0.0	0.0	0.8	0.0
24	E3832 - Valorisation of selected waste	0.0	0.0	0.0	0.0	1.4	0.9
25	F4110 - Real estate development (development of building projects)	0.0	0.0	0.0	0.0	5.2	0.7
26	F4120 - Building construction (residential and non-residential)	0.0	0.0	0.0	0.0	0.0	0.0
27	F4211 - Roads and airport runways construction	0.0	1.1	0.0	0.0	3.3	0.0
28	F4212 - Railway tracks construction	0.0	0.0	0.0	0.0	0.0	0.0
29	F4300 - Specialised construction activities	0.0	0.0	0.0	0.0	2.1	0.7
30	F4399 - Other specialised construction activities n.s.	0.0	0.0	0.0	0.0	1.0	1.0
31	G4511 - Motor light vehicles trade	0.0	0.0	0.0	0.0	1.9	0.6
32	G4638 - Wholesale of other food products	0.0	0.0	0.0	0.0	0.1	0.0

33	G4639 - Non-specialised wholesale of food products, beverages and tobacco	0	0	0	0	3	0
34	G4669 - Wholesale of other machinery and equipment	0	0	0	0	0	0
35	G4676 - Wholesale of other intermediate goods	0	0	0	0	0	0
36	G4711 - Retail sale in non-specialised shops with food, beverages or tobacco predominating	0	4	0	0	75	8
37	G4719 - Retail sale in non-specialised shops with food, beverages or tobacco not predominating	0	0	0	0	5	0
38	G4730 - Retail sale of motor fuel in specialised shops	0	0	0	0	0	0
39	H4941 - Road freight transports	0	0	0	0	1	1
40	H5300 - Postal and courier activities	0	0	0	0	0	0
41	I5610 - Restaurants (includes mobile catering activities)	0	0	0	0	0	0
42	J5814 - Editing of magazines and other periodicals	0	0	0	0	0	0
43	J5819 - Other editing activities	0	0	0	0	9	1
44	J5911 - Production of films, videos and television programmes	0	0	0	0	0	0
45	J5913 - Distribution of films, videos and television programmes	0	0	0	0	0	0
46	J5914 - Film and video projection	0	0	0	0	0	0
47	J6020 - Television activities	0	0	0	0	20	1
48	J6110 - Wired telecommunications activities	0	0	0	0	68	32
49	J6190 - Other telecommunications activities	0	0	0	0	0	0
50	J6202 - Computer consultancy activities	0	0	0	0	0	0
51	J6311 - Data processing, information hosting and related activities	0	0	0	0	0	0
52	K6420 - Activities of share-holding companies	0	0	0	0	55	7
53	L6810 - Buying and selling real estate	0	0	0	0	0	0
54	L6820 - Real estate rental	0	0	0	0	12	2
55	M7112 - Engineering and related technical activities	0	0	0	0	5	5
56	N7711 - Light motor vehicle rental	0	0	0	0	1	0
57	N7739 - Other machinery and equipment rental, n.s.	0	0	0	0	37	2
58	N8299 - Other business support service activities, n.s.	0	0	0	0	0	0
59	Q8610 - Activities of in-patient healthcare establishments	0	0	0	0	2	0
60	Q8690 - Other human health activities	0	0	0	0	4	1
61	R9002 - Support activities for the performing arts	0	0	0	0	0	0

Template 3. KPI for calculating GAR (Turnover stock)

	% (compared to the total assets covered in the denominator)	2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	84%	5%	1%	0%	1%	1%	0%	0%	0%
2	**Financial corporations**	**49%**	**10%**	**0%**	**0%**	**7%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	51%	5%	0%	0%	5%	0%	0%	0%	0%
4	Loans and advances	62%	7%	0%	0%	7%	0%	0%	0%	0%
5	Debt securities, including UoP	3%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	42%	2%		0%	0%	0%	0%		0%
7	Other financial corporations	39%	32%	0%	0%	15%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	42%	1%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	42%	1%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	18%	1%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	42%	1%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	17%	1%		0%	0%	0%	0%		0%
20	**Non-financial corporations**	**20%**	**17%**	**13%**	**0%**	**0%**	**6%**	**3%**	**0%**	**0%**
21	Loans and advances	12%	1%	0%	0%	1%	10%	1%	0%	0%
22	Debt securities, including UoP	23%	21%	16%	0%	0%	5%	4%	0%	0%
23	Equity instruments	0%	0%		0%	0%	85%	1%		1%
24	**Households**	**100%**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	3%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	100%	0%	0%	0%	0%				
28	**Local governments financing**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**45%**	**3%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

		2024									
		j	n	r	v	aa	ab	ac	ad	ae	af
	% (compared to the total assets covered in the denominator)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)					Proportion of total assets covered
		Eligible	Eligible	Eligible	Eligible		Taxonomy-eligible				
							Taxonomy-aligned (CCM and CCA only)				
								Use of proceeds	Transitional	Enabling	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	84%	5%	1%	0%	1%	44%
2	**Financial corporations**	**0%**	**0%**	**0%**	**0%**	**49%**	**10%**	**0%**	**0%**	**7%**	**4%**
3	Credit institutions	0%	0%	0%	0%	51%	5%	0%	0%	5%	3%
4	Loans and advances	0%	0%	0%	0%	62%	7%	0%	0%	7%	2%
5	Debt securities, including UoP	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%	0%	0%	42%	2%		0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	39%	32%	0%	0%	15%	1%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	42%	1%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	42%	1%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	18%	1%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	42%	1%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	17%	1%		0%	0%	0%
20	**Non-financial corporations**	**0%**	**0%**	**0%**	**0%**	**27%**	**20%**	**13%**	**0%**	**0%**	**5%**
21	Loans and advances	0%	1%	0%	0%	23%	2%	0%	0%	1%	1%
22	Debt securities, including UoP	0%	0%	0%	0%	28%	25%	16%	0%	0%	4%
23	Equity instruments	0%	0%	0%	0%	85%	1%		1%	0%	0%
24	**Households**		**0%**			**100%**	**3%**	**0%**	**0%**	**0%**	**34%**
25	of which loans collateralised by residential immovable property		0%			100%	3%	0%	0%	0%	33%
26	of which building renovation loans		0%			100%	0%	0%	0%	0%	1%
27	of which motor vehicle loans					100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**3%**	**0%**	**0%**	**0%**	**0%**	**2%**
29	Housing financing	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**45%**	**3%**	**1%**	**0%**	**0%**	**82%**

% (compared to the total assets covered in the denominator)		2023								
		ag	ah	ai	aj	ak	al	am	an	ao
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	81%	1%	0%	0%	0%	0%	0%	0%	0%
2	**Financial corporations**	**22%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	23%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	24%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	37%	0%		0%	0%	0%	0%		0%
7	Other financial corporations	10%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	17%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	18%	0%		0%	0%	0%	0%		0%
20	**Non-financial corporations**	**15%**	**9%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances	18%	2%	0%	0%	0%	1%	0%	0%	0%
22	Debt securities, including UoP	14%	12%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	85%	0%		0%	0%	0%	0%		0%
24	**Households**	**98%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	19%	0%	0%	0%	0%				
28	**Local governments financing**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**47%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

	% (compared to the total assets covered in the denominator)	2023					
		bf	bg	bh	bi	bj	bk
		Total (CCM+CCA)					Proportion of total assets covered
		Taxonomy-eligible					
			Taxonomy-aligned				
				Use of proceeds	Transitional	Enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	81%	1%	0%	0%	0%	49%
2	**Financial corporations**	**22%**	**0%**	**0%**	**0%**	**0%**	**4%**
3	Credit institutions	23%	0%	0%	0%	0%	3%
4	Loans and advances	24%	0%	0%	0%	0%	2%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
6	Equity instruments	37%	0%		0%	0%	1%
7	Other financial corporations	10%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%
16	of which insurance undertakings	17%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
19	Equity instruments	18%	0%		0%	0%	0%
20	**Non-financial corporations**	**16%**	**9%**	**0%**	**0%**	**0%**	**5%**
21	Loans and advances	18%	2%	0%	0%	0%	1%
22	Debt securities, including UoP	14%	12%	0%	0%	0%	3%
23	Equity instruments	85%	0%		0%	0%	0%
24	**Households**	**98%**	**0%**	**0%**	**0%**	**0%**	**39%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	37%
26	of which building renovation loans	100%	0%	0%	0%	0%	1%
27	of which motor vehicle loans	19%	0%	0%	0%	0%	1%
28	**Local governments financing**	**1%**	**0%**	**0%**	**0%**	**0%**	**2%**
29	Housing financing	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
48	**Total GAR assets**	**47%**	**0%**	**0%**	**0%**	**0%**	**84%**

Template 3. KPI for calculating GAR (Capex stock)

	% (compared to the total assets covered in the denominator)	2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86%	7%	1%	0%	1%	1%	1%	0%	0%
2	**Financial corporations**	**56%**	**21%**	**0%**	**0%**	**9%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	52%	9%	0%	0%	8%	0%	0%	0%	0%
4	Loans and advances	63%	13%	0%	0%	11%	0%	0%	0%	0%
5	Debt securities, including UoP	3%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	42%	2%		0%	0%	0%	0%		0%
7	Other financial corporations	75%	70%	0%	0%	16%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	43%	2%	0%	0%	1%	0%	0%	0%	0%
13	Loans and advances	43%	2%	0%	0%	1%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	17%	0%	0%	0%	0%	0%	1%	0%	0%
17	Loans and advances	43%	2%	0%	0%	1%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	16%	0%		0%	0%	0%	1%		0%
20	**Non-financial corporations**	**36%**	**27%**	**13%**	**0%**	**1%**	**12%**	**8%**	**0%**	**0%**
21	Loans and advances	25%	5%	0%	0%	2%	12%	1%	0%	0%
22	Debt securities, including UoP	40%	34%	16%	0%	1%	12%	10%	0%	0%
23	Equity instruments	3%	3%		0%	3%	35%	1%		1%
24	**Households**	**100%**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	3%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	100%	0%	0%	0%	0%				
28	**Local governments financing**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**46%**	**4%**	**1%**	**0%**	**0%**	**1%**	**0%**	**0%**	**0%**

	% (compared to the total assets covered in the denominator)	2024									
		j	n	r	v	aa	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)					Proportion of total assets covered
		Eligible	Eligible	Eligible	Eligible	Taxonomy-eligible	Taxonomy-aligned (CCM and CCA only)	Use of proceeds	Transitional	Enabling	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	87%	8%	1%	0%	1%	44%
2	**Financial corporations**	**0%**	**0%**	**0%**	**0%**	**56%**	**21%**	**0%**	**0%**	**9%**	**4%**
3	Credit institutions	0%	0%	0%	0%	52%	9%	0%	0%	8%	3%
4	Loans and advances	0%	0%	0%	0%	63%	13%	0%	0%	11%	2%
5	Debt securities, including UoP	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%	0%	0%	42%	2%		0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	75%	70%	0%	0%	16%	1%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	43%	2%	0%	0%	1%	0%
13	Loans and advances	0%	0%	0%	0%	43%	2%	0%	0%	1%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	17%	1%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	43%	2%	0%	0%	1%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	16%	1%		0%	0%	0%
20	**Non-financial corporations**	**0%**	**0%**	**0%**	**0%**	**49%**	**35%**	**13%**	**0%**	**1%**	**5%**
21	Loans and advances	0%	2%	0%	0%	39%	6%	0%	0%	2%	1%
22	Debt securities, including UoP	0%	0%	0%	0%	52%	43%	16%	0%	1%	4%
23	Equity instruments	0%	0%	0%	0%	38%	4%		1%	4%	0%
24	**Households**		**0%**			**100%**	**3%**	**0%**	**0%**	**0%**	**34%**
25	of which loans collateralised by residential immovable property		0%			100%	3%	0%	0%	0%	33%
26	of which building renovation loans		0%			100%	0%	0%	0%	0%	1%
27	of which motor vehicle loans					100%	0%	0%	0%	0%	0%
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**3%**	**0%**	**0%**	**0%**	**0%**	**2%**
29	Housing financing	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**47%**	**4%**	**1%**	**0%**	**0%**	**82%**

	% (compared to the total assets covered in the denominator)	2023								
		ag	ah	ai	aj	ak	al	am	an	ao
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83%	2%	0%	0%	0%	0%	0%	0%	0%
2	**Financial corporations**	**21%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	22%	0%	0%	0%	0%	0%	0%	0%	0%
4	Loans and advances	23%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	37%	0%		0%	0%	0%	0%		0%
7	Other financial corporations	10%	0%	0%	0%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	17%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	18%	0%		0%	0%	0%	0%		0%
20	**Non-financial corporations**	**34%**	**23%**	**0%**	**0%**	**1%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances	30%	10%	0%	0%	1%	0%	0%	0%	0%
22	Debt securities, including UoP	35%	30%	0%	0%	1%	0%	0%	0%	0%
23	Equity instruments	16%	16%		0%	0%	0%	0%		0%
24	**Households**	**98%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	19%	0%	0%	0%	0%				
28	**Local governments financing**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**48%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

INTRODUCTION

WHO WE ARE

OUR STRATEGY

OUR PERFORMANCE

SUSTAINABILITY STATEMENTS

GOVERNANCE AND INTERNAL CONTROL

PROPOSED APPLICATION OF RESULTS

FINAL ACKNOWLEDGEMENTS

ADDITIONAL INFORMATION

% (compared to the total assets covered in the denominator)		2023					
		bf	bg	bh	bi	bj	bk
		Total (CCM+CCA)					Proportion of total assets covered
		Taxonomy-eligible					
			Taxonomy-aligned				
				Use of proceeds	Transitional	Enabling	
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	83%	2%	0%	0%	0%	49%
2	**Financial corporations**	**21%**	**0%**	**0%**	**0%**	**0%**	**4%**
3	Credit institutions	22%	0%	0%	0%	0%	3%
4	Loans and advances	23%	0%	0%	0%	0%	2%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
6	Equity instruments	37%	0%		0%	0%	1%
7	Other financial corporations	10%	0%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%
16	of which insurance undertakings	17%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%
19	Equity instruments	18%	0%		0%	0%	0%
20	**Non-financial corporations**	**34%**	**23%**	**0%**	**0%**	**1%**	**5%**
21	Loans and advances	30%	10%	0%	0%	1%	1%
22	Debt securities, including UoP	35%	30%	0%	0%	1%	3%
23	Equity instruments	16%	16%		0%	0%	0%
24	**Households**	**98%**	**0%**	**0%**	**0%**	**0%**	**39%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	37%
26	of which building renovation loans	100%	0%	0%	0%	0%	1%
27	of which motor vehicle loans	19%	0%	0%	0%	0%	1%
28	**Local governments financing**	**1%**	**0%**	**0%**	**0%**	**0%**	**2%**
29	Housing financing	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
48	**Total GAR assets**	**48%**	**1%**	**0%**	**0%**	**0%**	**84%**

Template 4. KPI for calculating GAR (Turnover flow)

	% (compared to the flow of total eligible assets)	2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	80%	11%	6%	0%	2%	1%	0%	0%	0%
2	**Financial corporations**	**53%**	**17%**	**0%**	**0%**	**10%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	56%	7%	0%	0%	6%	0%	0%	0%	0%
4	Loans and advances	56%	7%	0%	0%	6%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%
7	Other financial corporations	47%	43%	0%	0%	21%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	42%	1%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	42%	1%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%
20	**Non-financial corporations**	**37%**	**34%**	**31%**	**0%**	**1%**	**3%**	**1%**	**0%**	**0%**
21	Loans and advances	8%	1%	0%	0%	1%	2%	0%	0%	0%
22	Debt securities, including UoP	48%	47%	43%	0%	1%	4%	1%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%
24	**Households**	**100%**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	3%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	100%	0%	0%	0%	0%				
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%

% (compared to the flow of total eligible assets)		2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**37%**	**5%**	**3%**	**0%**	**1%**	**0%**	**0%**	**0%**	**0%**

		2024									
		j	n	r	v	aa	ab	ac	ad	ae	af
	% (compared to the flow of total eligible assets)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)					Proportion of total assets covered
		Eligible	Eligible	Eligible	Eligible		Taxonomy-eligible				
							Taxonomy-aligned (CCM and CCA only)				
								Use of proceeds	Transitional	Enabling	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	81%	11%	6%	0%	2%	34%
2	**Financial corporations**	**0%**	**0%**	**0%**	**0%**	**54%**	**17%**	**0%**	**0%**	**10%**	**6%**
3	Credit institutions	0%	0%	0%	0%	56%	7%	0%	0%	6%	4%
4	Loans and advances	0%	0%	0%	0%	56%	7%	0%	0%	6%	4%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	47%	43%	0%	0%	21%	2%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	42%	1%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	42%	1%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
20	**Non-financial corporations**	**0%**	**0%**	**0%**	**0%**	**40%**	**35%**	**31%**	**0%**	**1%**	**6%**
21	Loans and advances	0%	1%	0%	0%	10%	1%	0%	0%	1%	2%
22	Debt securities, including UoP	0%	0%	0%	0%	52%	48%	43%	0%	1%	5%
23	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
24	**Households**		**0%**			**100%**	**3%**	**0%**	**0%**	**0%**	**22%**
25	of which loans collateralised by residential immovable property		0%			100%	3%	0%	0%	0%	21%
26	of which building renovation loans		0%			100%	0%	0%	0%	0%	0%
27	of which motor vehicle loans					100%	0%	0%	0%	0%	1%
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**37%**	**5%**	**3%**	**0%**	**1%**	**73%**

Template 4. KPI for calculating GAR (Capex flow)

	% (compared to the flow of total eligible assets)	2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	86%	16%	6%	0%	3%	1%	0%	0%	0%
2	**Financial corporations**	**68%**	**36%**	**0%**	**0%**	**13%**	**0%**	**0%**	**0%**	**0%**
3	Credit institutions	57%	12%	0%	0%	10%	0%	0%	0%	0%
4	Loans and advances	57%	12%	0%	0%	10%	0%	0%	0%	0%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%
7	Other financial corporations	97%	96%	0%	0%	21%	0%	0%	0%	0%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%
16	of which insurance undertakings	43%	2%	0%	0%	1%	0%	0%	0%	0%
17	Loans and advances	43%	2%	0%	0%	1%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%
20	**Non-financial corporations**	**54%**	**43%**	**31%**	**0%**	**2%**	**6%**	**1%**	**0%**	**0%**
21	Loans and advances	26%	5%	0%	0%	2%	13%	0%	0%	0%
22	Debt securities, including UoP	64%	57%	43%	0%	2%	4%	1%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%
24	**Households**	**100%**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
25	of which loans collateralised by residential immovable property	100%	3%	0%	0%	0%	0%	0%	0%	0%
26	of which building renovation loans	100%	0%	0%	0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	100%	0%	0%	0%	0%				
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100%	0%	0%	0%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**39%**	**7%**	**3%**	**0%**	**1%**	**1%**	**0%**	**0%**	**0%**

INTRODUCTION

WHO WE ARE

OUR STRATEGY

OUR PERFORMANCE

SUSTAINABILITY STATEMENTS

GOVERNANCE AND INTERNAL CONTROL

PROPOSED APPLICATION OF RESULTS

FINAL ACKNOWLEDGEMENTS

ADDITIONAL INFORMATION

	% (compared to the flow of total eligible assets)	2024									
		j	n	r	v	aa	ab	ac	ad	ae	af
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)					Proportion of total assets covered
		Eligible	Eligible	Eligible	Eligible	Taxonomy-eligible					
							Taxonomy-aligned				
								Use of proceeds	Transitional	Enabling	
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0%	0%	0%	0%	87%	16%	6%	0%	3%	34%
2	**Financial corporations**	**0%**	**0%**	**0%**	**0%**	**68%**	**36%**	**0%**	**0%**	**13%**	**6%**
3	Credit institutions	0%	0%	0%	0%	57%	12%	0%	0%	10%	4%
4	Loans and advances	0%	0%	0%	0%	57%	12%	0%	0%	10%	4%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
7	Other financial corporations	0%	0%	0%	0%	97%	96%	0%	0%	21%	2%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	43%	2%	0%	0%	1%	0%
17	Loans and advances	0%	0%	0%	0%	43%	2%	0%	0%	1%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
20	**Non-financial corporations**	**0%**	**1%**	**0%**	**0%**	**61%**	**44%**	**31%**	**0%**	**2%**	**6%**
21	Loans and advances	0%	3%	0%	0%	42%	6%	0%	0%	2%	2%
22	Debt securities, including UoP	0%	0%	0%	0%	68%	59%	43%	0%	2%	5%
23	Equity instruments	0%	0%	0%	0%	0%	0%		0%	0%	0%
24	**Households**		**0%**			**100%**	**3%**	**0%**	**0%**	**0%**	**22%**
25	of which loans collateralised by residential immovable property		0%			100%	3%	0%	0%	0%	21%
26	of which building renovation loans		0%			100%	0%	0%	0%	0%	0%
27	of which motor vehicle loans					100%	0%	0%	0%	0%	1%
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
48	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**40%**	**7%**	**3%**	**0%**	**1%**	**73%**

Template 5. KPI Off-balance sheet exposures

	% (compared to total eligible off-balance sheet assets)	2024								
		a	b	c	d	e	f	g	h	i
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Taxonomy-eligible					Taxonomy-eligible			
			Taxonomy-aligned					Taxonomy-aligned		
				Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling
	Turnover Stock									
1	Financial Guarantees (FinGuar KPI)	5%	5%	0%	0%	1%	4%	3%	0%	0%
2	Assets under management (AuM KPI)	4%	1%	0%	0%	1%	0%	0%	0%	0%
	Capex stock									
3	Financial Guarantees (FinGuar KPI)	5%	5%	0%	0%	2%	4%	4%	0%	0%
4	Assets under management (AuM KPI)	5%	2%	0%	0%	1%	0%	0%	0%	0%
	Turnover flow									
5	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Assets under management (AuM KPI)	8%	3%	0%	1%	1%	1%	0%	0%	0%
	Capex flow									
7	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	Assets under management (AuM KPI)	9%	4%	0%	1%	1%	0%	0%	0%	0%

	% (compared to total eligible off-balance sheet assets)	2024								
		j	n	r	v	aa	ab	ac	ad	ae
		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiv. and Ecosyst. (BIO)	Total (CCM+CCA+WTR+CE+PPC+BIO)				
						Taxonomy-eligible				
							Aligned by taxonomy			
		Eligible	Eligible	Eligible	Eligible			Use of proceeds	Transitional	Enabling
	Turnover Stock									
1	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	9%	8%	0%	0%	1%
2	Assets under management (AuM KPI)	0%	0%	0%	0%	5%	1%	0%	0%	1%
	Capex stock									
3	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	10%	9%	0%	0%	2%
4	Assets under management (AuM KPI)	0%	0%	0%	0%	6%	2%	0%	0%	1%
	Turnover flow									
5	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Assets under management (AuM KPI)	0%	0%	1%	0%	0%	0%	0%	0%	0%
	Capex flow									
7	Financial Guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%

Disclosures related to nuclear energy and fossil gas (Annex XII)

Template 1. Activities related to nuclear energy and fossil gas

Line 4	**Nuclear energy related activities**	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2. Economic activities aligned by taxonomy (denominator) *Turnover*

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	978	2.9 %	920	2.7 %	59	0.2 %
8	**Total applicable KPI**	33 957	2.9 %	33 957	2.7 %	33 957	0.2 %

Template 2. Economic activities aligned by taxonomy (denominator) CAPEX

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1 428	4.2 %	1 274	3.8 %	154	0.5 %
8	**Total applicable KPI**	33 957	4.2 %	33 957	3.8 %	33 957	0.5 %

Template 3. Economic activities aligned by taxonomy (numerator) Turnover

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	978	100.0 %	920	100.0 %	59	100.0 %
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	978	100.0 %	920	100.0 %	59	100.0 %

Template 3. Economic activities aligned by taxonomy (numerator) CAPEX

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1 428	100.0 %	1 274	100.0 %	154	100.0 %
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1 428	100.0 %	1 274	100.0 %	154	100.0 %

Template 4. Economic activities eligible for taxonomy but not aligned with the taxonomy (Turnover)

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0 %	4	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	14 438	100.0 %	14 380	100.0 %	58	100.0 %
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	14 443	100.0 %	14 384	100.0 %	58	100.0 %

Template 4. Economic activities eligible for taxonomy but not aligned with the taxonomy (CAPEX)

		Amount and proportion					
Line	Economic activities	CCM + CCA		Climate Change mitigation (CCM)		Climate Change adaptation (CCA)	
		Amount (M €)	%	Amount (M €)	%	Amount (M €)	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0 %	2	0.0 %	—	0.0 %
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %	—	0.0 %	—	0.0 %
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	14 534	100.0 %	14 450	100.0 %	84	100.0 %
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	14 536	100.0 %	14 451	100.0 %	84	100.0 %

Template 5. Economic activities not eligible for taxonomy (*Turnover*)

Line	Economic activities	Amount (M €)	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	18 536	100.0 %
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	18 536	100.0 %

Model 5. Economic activities not eligible for taxonomy (Capex)

Line	Economic activities	Amount (M €)	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	—	0.0 %
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	17 994	100.0 %
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	17 994	100.0 %

E1 - Climate change

STRATEGY

GOV-3 - Integration of sustainability-related performance in incentive schemes

In 2024, BPI included fulfilment of the target of ESG - sustainable business as one of the criteria for obtaining variable remuneration at senior management level. The eligible business for the purposes of this metric is the one considered eligible under the "Sustainable Business" indicator defined under the Sustainability Master Plan[112].

It should be noted that the ESG - sustainable business target contains aspects related to the climate, such as Personal Loans for Renewable Energy, Loans for Electric and Hybrid Cars and Mortgage Loans to finance homes with high energy efficiency, but that also includes aspects not exclusively related to the climate. Aspects related to the fulfilment of GHG emission reduction targets are not included in the scope of the top management performance assessment.

The ESG target - sustainable business - represents a weight of 10% of the weight of the corporate objectives for the Executive Committee (which represent 60 per cent of each director's assessment).

ESRS 2 IRO-1 - Description of processes to identify and assess material climate-related impacts, risks and opportunities & ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model

As part of the materiality analysis exercise[113], the Bank identified three impacts and two material risks related to climate change.

Sub-topic	Adaptation /Mitigation	Type		Description
Operational carbon neutrality and energy efficiency	Mitigation	Impact	+	Continuous monitoring and area identification for improvement with a view to reducing the operational carbon footprint
	Mitigation	Impact	-	Bank's operational carbon footprint
Decarbonisation of the financing portfolio	Mitigation	Impact	+	Non-financing highly carbon-intensive sectors
	Adaptation	Risk	More relevant long-term impacts	Exposure of the financing portfolio to acute and chronic physical risks (storms, floods, heat waves, etc.) due to the greater severity of extreme meteorological phenomena
	Mitigation	Risk	More relevant impacts in the medium and long term	Portfolio exposure to transition risk due to the financing of sectors or companies involved in controversies related to climate change or intensive GHG emissions

[112] For more details on the indicator and its target see: ESRS 2 - SBM-1; ESRS ES2 - Sustainable Finance.
[113] More details can be found in the response to indicator SBM-3 of ESRS 2 standard - General Disclosures.

Description of the processes for identifying and evaluating risks and opportunities related to climate change

The physical and transition risks (climate risks) identified as material are considered to be a transversal factor that affects several of Banco BPI's traditional risks, such as credit risk, market risk, operational risk, reputational risk, liquidity risk and business/strategic risk. In the following sections we present the methodology for assessing climate risks in the context of traditional risks as well as the methodology for identifying physical and transition risks in the financed portfolio[114].

Assessment of climate risks in the context of the Bank's traditional risks

As the picture below emphasises, there are transmission channels from climate risks to traditional risks. Therefore, climate risks, as cross-cutting factors, are incorporated into traditional risk management and are treated not as autonomous, independent or isolated risks, but as an integral part of the overall risk management process.

ESG RISKS

Climate risks

Physical risks

- **Chronic**
  - Sea flooding
- **Acute**
  - Fire
  - River flooding
  - Heatwave
  - Drought

Transition Risk

- **Regulation**
- **Technological development**
- **Market variations**

TRANSMISSION CHANNELS

Companies

- Loss of assets' value and new expenses
- Property damage and business disruption

Retail

- Property damage and value loss

Macroeconomics

- Price variation
- Changes in productivity
- Variations in macroeconomic variables

FINANCIAL RISKS

Credit Risk
- Client non-payments
- Depreciation of collateral

Market Risk
- Revaluation of shares, bonds, raw materials, etc.

Operational Risk
- Changes in distribution chains, office closures, business continuity, damage to physical assets, compliance and conduct

Reputational Risk
- Loss of competitive capacity due to deteriorating confidence

Liquidity risk
- Increased demand for liquidity, refinancing risk

Business/Strategic Risk
- Results below market expectations or objectives

[114] This exercise is carried out annually.

Credit Risk

Impacts on credit risk can materialise either through transition risks or physical risks.

With regard to transition risk: this may have a greater impact on the CIB and corporate segments due to the need to transition to low-emission production models in several sectors of activity. As a result, these companies may have to significantly increase their CAPEX investments or take on new taxes that could impact their level of revenue and profitability.

An analysis by business segment shows that:

- CIB segment - presence of companies with high materiality for BPI, in sectors with greater potential impact due to transition risks (e.g. energy or oil & gas);
- Business segment - may be affected by a lack of capacity to adapt to the transition, including in less intensive activities. However, in the short and medium term there are not as many restrictions or legal impositions expected for this segment, so the risk valuation is lower for this segment. Those in the value chain of larger companies face a greater risk "sooner";
- Mortgage segment - growing impact in the medium to long term due to requirements related to improving the energy efficiency of buildings (e.g. Directive (EU) 2023/1791, in force from 2025).

With regard to physical risk: it is considered to affect the corporate portfolio and the long-term mortgage portfolio to a greater extent.

An analysis by business segment shows that:

- CIB segment - presence of companies with a global component and exposures in geographies potentially more affected by climatic events. In addition, Other Utilities (mainly water) and infrastructure activities are very sensitive to physical risk;
- Corporate segment - direct/indirect exposure to agricultural activities, which are very sensitive to physical risk in the short and medium term;
- Mortgage segment - long-term impact due to the decrease in the value of assets in areas with a high climate impact.

Overall assessment of credit risk: given the materiality of the credit portfolio in the Bank's assets, and considering the medium and long term maturities, the impact of ESG risks on this risk is considered to be medium in an orderly transition scenario and medium-high in a disorderly transition scenario.

Market Risk

Banco BPI's market risk profile is low. The portfolio of bonds and shares is very small, has a very high turnover and a predominant weight of investments in public debt. Due to the immaterial amounts, Banco BPI considers that the impact of ESG risks on market risk is low. The risk is also mitigated by the inclusion of an analysis of the fixed and variable rate portfolio, from the point of view of sustainability, within the scope of the Sustainability Risk Policy.

Operational Risk

The risk of damage to the Bank's physical assets or other impacts affecting service continuity is considered low. The climate transition risk arising from the legal and compliance risk associated with investments and credit exposure to carbon-intensive companies, as well as the definition and commercialisation of sustainable products, may be higher in the medium term due to increased regulatory expectations and market sensitivity, in a context where the quality of information and methodologies is incipient.

This implies a very contained impact in the short term (low materiality), a slightly higher impact in the medium term (medium-low materiality of transition risks and low materiality of physical risks) and a higher impact in the long term. This is due to the growing impact of possible extreme meteorological events (medium-low materiality of physical risks) and a context of:

1. Increased regulatory requirements and expectations; and
2. External *stakeholders* and growing commercialisation of products and services issuing sustainability-related bonds, with possible associated claims/lawsuits that could arise in the medium to long term.

Reputational Risk

Reputational risk is mainly linked to the perception by stakeholders that Banco BPI does not contribute significantly to decarbonising the economy or to financing sectors or companies with significant ESG controversies. The particularity of reputational risk lies in the fact that isolated events, such as a news story in the media, can have some impact. Therefore, in the short term, reputational risk is immaterial given the internal control and governance structure in place. However, there is an inherent risk due to the sensitivity and relevance of these aspects and the impact on the Bank's stakeholders. In the medium and long term, the risk increases due to the demands of the transition processes, which have a greater influence on the perception of *stakeholders*.

Liquidity risk

The impact on short-term liquidity risk is not considered material because it is covered by the usual short-term liquidity risk management mechanisms. In the medium to long term, it may have some additional impact on Banco BPI's liabilities (if companies or households are affected by climatic risks that may affect the generation of cash flows and result in a decrease in deposits), but it is not currently considered material.

Business/Strategic Risk

The impact of climate risk on BPI's business risk is considered medium-low as it is mitigated by:

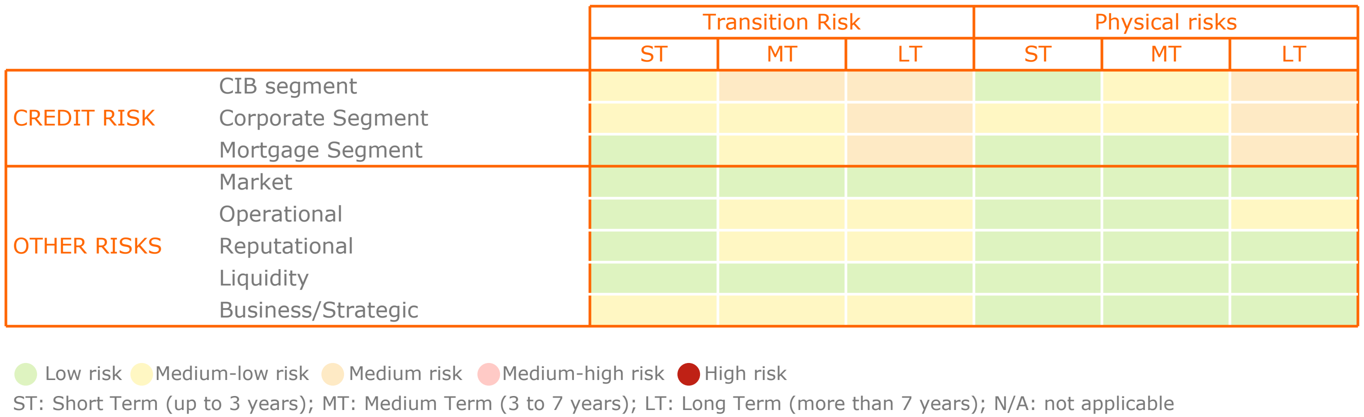
- Inclusion of climate and environmental risk as an emerging risk in the Risk Catalogue, which implies specific monitoring;
- Credit portfolio decarbonisation objectives already defined and being monitored;
- Sustainability Master Plan (incorporation of ESG factors into the organisation's strategy);
- Sustainable Financing goals
- Continuous monitoring of the regulatory framework;
- Establishing robust governance of sustainability risks.

Despite good management and control, there are still exogenous elements that cannot be managed.

In the picture below, the qualitative analysis of the impact of climate risks in the Orderly Transition scenario (the central scenario used for the materiality analysis) is presented graphically and in detail by segment and risk.

Climate risk analysis matrix

"Orderly Transition" Scenario



All these risks, once identified and properly managed, offer opportunities to mitigate risk and boost investment with a transformative, long-term vision.

Methodology for identifying exposure to climate risks in the financed portfolio

Physical risks

The methodology designed to identify exposures subject to physical risk is based on the projection of climatic events in Portugal and the impact they may have on Banco BPI's operations and financial results.

Heat maps are developed showing geographical exposure to physical risks for different climate scenarios, broken down by parish. These climate projections, which cover different periods, are based on scientific methods and reputable data sources, guaranteeing an accurate estimate of the likelihood and severity of climate phenomena.

The data sources used to build these maps and the corresponding projections come from official organisations, both national and international. This ensures that the data used is reliable and in line with globally recommended standards for climate risk assessment. These projections cover a wide range of events, such as floods (sea and river), forest fires, heat waves and other phenomena related to climate change.

Once the probability maps have been generated, the mortgage credit portfolio and companies are assessed according to the geographical areas affected and the severities applied to each sector of activity (in the case of companies). This cross-referencing of data makes it possible to assign each property and each non-financial company a probability of occurrence for each physical risk identified. This gives a detailed overview of the vulnerability of assets to extreme meteorological phenomena.

With this methodology it is possible to estimate the impact that physical risks can have on the future value of collateral, physical assets and the credit quality of customers, both at a sectoral and individual level. Physical risks, such as prolonged droughts or extreme heatwaves, can directly affect a company's ability to operate or the stability of real estate assets, thus increasing the likelihood of customer default. This assessment makes it possible not only to anticipate the adverse effects of climate change, but also to adjust risk management policies to mitigate these impacts on the credit portfolio.

To determine the physical risk associated with climate change, a methodology developed internally within the CaixaBank Group was used to calculate the probability of occurrence and the degree of impact (severity). In order to determine which exposures are sensitive to physical events related to climate change, Banco BPI decided, in corporate alignment, to consider exposures in cases where the "probability*severity" combination is greater than 0.8%.

In order to project the impact of physical risks as a result of climate change on credit risk and estimate economic capital requirements, Banco BPI has developed models that estimate the impacts over different timeframes, assessing their influence on mortgage guarantees and on customers' economic activity for different scenarios. On one hand, physical risks affect the:

- PD (probability of d*efault)* in business activity as a result of production stoppages due to the risk of fire, river and coastal flooding and reduced revenue due to droughts and heatwaves, depending on the different sectors.
- LGD (*loss given default*) of the mortgage portfolio (individuals and companies) through *haircuts* estimated on the appraisal values, according to the probabilities of weather events in the property locations.

Transition Risk

The most carbon-intensive sectors, and therefore the most vulnerable to the energy transition and exposed to transition risk, are those identified with "HIGH" risk in the following picture.

SECTOR	RISK	SECTOR	RISK
Oil & Gas	HIGH	Materials	MEDIUM
Electric Sector	HIGH	*Healthcare*	LOW
Transports	HIGH	Technology and Communication	LOW
Real Estate	HIGH	Tourism	LOW
Iron and steel	HIGH	Industry and Manufacturing	LOW
Aluminium	HIGH	Services	MEDIUM
Cement	HIGH	Other *utilities*	LOW
Agriculture, livestock and fisheries	HIGH	Consumption	HIGH
Coal	HIGH	Discretionary Consumption	LOW
Infrastructures	LOW	*Financials*	NA
Mining and Metallurgy Industry	LOW		

This analysis considered the carbon intensity of each sector and its exposure/concentration in BPI's portfolio.

The transition risks particularly affect, in the medium and long term, the most carbon-intensive sectors: *Oil & Gas*, Electricity, Transport, *Real Estate*, Iron & Steel, Aluminium, Cement and Coal, in line with the sectors identified by the Net *Zero Banking Alliance* (NZBA). These sectors are subject to:

- Increased regulatory requirements and
- Increased costs and amounts of investment due to the need to adapt business models/production processes.

A company is considered to have a high transition risk if it carries out activities in sectors with a high risk.

To project the impact of transition risks as a result of climate change on credit risk and estimate economic capital requirements, Banco BPI has developed models that estimate the long-term impacts, assessing their influence on mortgage guarantees and on customers' economic activity for different scenarios.

- PD (probability of *default)* of companies through the projection of revenues and costs associated with a decarbonisation of business activity.
- LGD (*loss given default*) of the portfolio guaranteed by mortgages through *haircuts* depending on the EPC and its mismatch with the efficiency levels forecast for 2030, 2040 and 2050 (objective 55 of the European Green Deal).

General considerations

Scenarios Used

The impact on credit risk metrics is analysed using scenario analysis. The scenarios used are those provided by the *Network for Greening the Financial System* (NGFS), a network of 114 central banks and financial supervisors that aims to accelerate the increase in green finance and develop recommendations on the role of central banks in climate change.

- Orderly transition - An orderly transition scenario involves introducing policies to mitigate climate change early and with increasing depth and scope, in order to achieve the goal of a 1.5ºC temperature increase. Both the physical and transition risks are relatively moderate. In the orderly transition scenario, the main impacts of climate risk are concentrated in the medium and long term in the corporate credit and mortgage credit portfolios;
- Disorganised transition - A disorganised transition scenario represents a significant increase in transition risks due to delays in climate policies or disagreements between different countries and sectors. It involves the adoption of measures from 2030 onwards or at a relatively late stage in relation to current climate and environmental regulation deadlines. This increases the transition risk, but keeps the

physical risk at a relatively low level towards achieving the 1.5°C objective;

- "*Hot House World*" (high level of global warming) - Involves the application of very limited climate policies and only in a few countries, areas or sectors, so global efforts are insufficient to prevent global warming with incremental and significant physical climate effects. In this scenario, the transition risk is limited, but the physical risk is very high with irreversible impacts.

Time horizon

The time horizons were defined in conjunction with CaixaBank.

The impact of physical risks and transition risks is assessed over different time horizons, from the current situation to future climate scenarios covering the short term (up to 3 years), medium term (3 to 7 years) and long term (7+ years), extending to 2050. In the case of physical risks, following the approach used in the European Central Bank (ECB) stress test in 2022, the physical impacts initially projected for the year 2080 are brought forward to the horizon of 2050. This approach allows for a better interpretation and comparison of climate scenarios, avoiding erroneous conclusions that could arise due to a distribution of impacts that would not be intuitive or consistent between scenarios. This methodology is particularly important in a context of high climate uncertainty, where anticipating these impacts at a closer horizon ensures greater precision in planning and risk management, allowing financial institutions to act more effectively and in a timely manner in the face of the challenges arising from climate change.

In addition, it should be noted that the short-term time horizon (up to 3 years) is in line with the horizons used in the *stress testing exercises* of ICAAP and ILAAP, Strategic Planning and the Sustainable Banking Plan.

Assumptions

In measuring and projecting the impacts of climate risk on credit risk and estimates of economic capital requirements, the assumptions adopted follow a conservative approach, seeking to ensure that the results reflect unfavourable but plausible scenarios. The main assumptions used include the following:

- Adverse scenarios: When estimating economic capital requirements, the most adverse scenarios available were selected. For the transition risk, an "orderly transition" scenario was selected, which implies a gradual but inevitable decarbonisation process. For physical risk, the "*Hot House World*" scenario was selected, which predicts a significant increase in global temperatures due to a lack of climate action, leading to more frequent and intense extreme phenomena. This choice emphasises an approach that prioritises preparing the entity for complex scenarios.
- Static balance sheet: In the long-term analysis, it is assumed that the bank's balance sheet will remain static, i.e. the composition of the credit portfolio will not change significantly in terms of its exposure to climate risks. This assumption considers that the bank does not implement proactive portfolio management measures, such as diversification or adjusting its asset mix to reduce exposure to more vulnerable sectors or geographical regions. This assumption, although conservative, ensures that the analysis is not based on future actions that may not materialise.
- Static EPC certificates: It is assumed that the Energy Performance Certificates (EPC) of the properties backing the mortgage guarantees will remain unchanged over time, which implies that no improvements in the energy efficiency of the properties will be considered. This assumption avoids overestimating the potential benefits of investments in the sustainability of property assets, contributing to a more conservative estimate of risk.

It is important to note that this conservative approach limits the ability to capture the opportunities arising from the climate transition, such as investment in renewable energies or energy efficiency improvements that could improve asset quality in the future.

Limitations

Measuring and projecting the impacts of climate risk on banks' credit risk has some limitations. The lack of consistent historical data on climatic phenomena and their relationship with credit performance makes it difficult to create accurate forecasting models. Furthermore, uncertainty about when and how climate change will affect different sectors and geographies translates into additional challenges in assessing long-term risk. Climate scenarios are based on assumptions about future policies, which adds an additional layer of uncertainty. Finally, integrating these risks into existing credit risk models requires considerable adaptation, since many of the current methodologies do not consider the non-linear and systemic nature of climate impacts.

Compatibility with a transition to a climate-neutral economy

BPI has not identified any assets or business activities so far that are incompatible or require significant efforts to be compatible with a transition to a climate-neutral economy (such as locked-in emissions). In fact, the operational carbon intensity of banking activity is relatively low and not relevant for these purposes, and the analysis carried out on the most carbon-intensive sectors in the context of setting decarbonisation targets for the portfolio did not identify these difficulties for the 2050 horizon. Nevertheless, as soon as counterparties start publishing information on blocked emissions in the context of Sustainability Statements, this analysis should be reviewed and, if they are considered relevant, a specific plan should be defined for their accounting and management. It should also be noted that BPI has two mechanisms in place that limit the possibility of blocking emissions beyond 2050 associated with its portfolio:

- the ESG Risk Policy, which includes phasing out coal and limiting new risks in the oil and gas sector;
- the actions associated with the decarbonisation objectives.

Climate-related assumptions in the financial statements

Extreme weather events represent one of the greatest global risks, with the potential for widespread disruption. In Europe, the intensification of these events threatens the economy and is considered the greatest risk on the continent[115].

Under point 8.3 *Thematic Review*, the Bank plans to integrate climate-related risk factors into the process of updating collateral values.

The assessment of physical and transition risks was incorporated into the LGD estimation, with an impact on impairments. To this end, the geographical location of the property was analysed and~~,~~ the energy certificate.

Resilience Analysis

BPI carried out a climate risk resilience analysis in 2023 for the first time, covering the physical and transition risks reported in indicator E1-9, in the context of the estimation of economic capital requirements (ICAP) as described in "Assumptions". The analysis concluded that the impact of climate risks on economic capital is immaterial. BPI also contributed to the Fit-for-55 exercise carried out by the Caixabank Group's EBA.

[115] Source: The Global Risks Report 2025 - World Economic Forum.

E1-1 - Transition plan for climate change mitigation

BPI does not currently have a transition plan for mitigating climate change, but is currently preparing a plan that should be completed in the 2025-27 triennium.

The transition plan will reflect the Bank's climate transition strategy as described in the policies, actions and targets presented in the indicators E1-2, E1-3 and E1-4.

E1-2 - Policies related to climate change mitigation and adaptation

BPI has implemented Policies[116] for managing IRO related to climate change mitigation and adaptation, namely:

i) Principles of Action on Sustainability Matters;

ii) Sustainability Risk Management Policy;

iii) Statement on Climate Change.

The above-mentioned documents set out the Bank's commitments in terms of: mitigating and adapting to climate change, energy efficiency and the deployment of renewable energies, from an internal and external perspective, as detailed below.

i) Principles of Action on Sustainability Matters

The **Principles of Action on Sustainability Matters** define and establish the general principles for action and the main commitments to stakeholders that BPI must follow in terms of sustainability. The commitments made towards sustainable action, aimed at providing added value to stakeholders, cover the Bank's entire value chain, from the origin of funds and resources to their application and investment. These Principles contribute to the management of the IROs identified under the sub-topics "Operational carbon neutrality and energy efficiency" and "Decarbonisation of the financing portfolio".

In addition to the Bank's Sustainability Master Plan and Code of Ethics, the Principles are developed and complemented by other principles, specific policies, standards and commitments related to their areas of application, as well as by subscription to international sustainability initiatives, which are detailed on Banco BPI website. These initiatives include the UN Global Compact and the Principles for Responsible Banking of the United Nations Environment Programme - Finance Initiative (UNEP FI).

ii) Sustainability Risk Management Policy

The **Sustainability Risk Management Policy** defines the ESG criteria for establishing a commercial relationship with Clients or potential Clients for contracting new operations, renewals and guarantees, as well as for investments in securities or subsidiaries. This Policy contributes to the management of the IROs identified under the sub-theme "Decarbonisation of the financing portfolio".

For the implementation of the Policy, the numerous documents/guidelines that have underpinned its development and that support the

[116] The policies and actions promoted by the Bank cover all of BPI's activities and operations in Portugal, where the Bank operates.

achievement of its objectives are identified in detail, both general (e.g.: International Bill of Human Rights; International Labour Organisation Conventions; Equator Principles; etc.) and by sector (e.g.: International Association for the Conservation of the Environment Guide for the Oil Industry in Conflict Areas; OECD Framework for Infrastructure Governance; Principles for Responsible Investment in Agriculture; etc.).

iii) Statement on Climate Change

BPI considers it essential to accelerate the transition to a carbon-neutral economy that promotes sustainable development and is socially inclusive, by financing and investing in sustainable projects, supporting customers' sustainable transition, minimising and offsetting its operations and engaging with stakeholders. This Statement contributes to the management of the IROs identified under the sub-topics "Operational carbon neutrality and energy efficiency" and "Decarbonisation of the financing portfolio".

The BPI Statement on Climate Change incorporates the following lines of action:

- Support viable projects compatible with a carbon-neutral economy and solutions to climate change;
- Managing climate change risks and moving towards emissions neutrality in the credit and investment portfolio;
- Minimising and offsetting the operational carbon footprint;
- Promoting dialogue on sustainable transition and collaborating with other organisations to move forward together;
- Report progress in a transparent manner.

In this context, CaixaBank is one of the members of the *Net-Zero Banking Alliance* (NZBA) and is committed to being GHG neutral by 2050, a commitment which also covers BPI and which guides the commitments made under this Statement.

Communication, participation and dialogue with stakeholders

BPI uses a variety of communication, participation and dialogue channels to involve and maintain a transparent relationship with its stakeholders, ensuring that they contribute to the implementation of the aforementioned Principles and Statements.

The Principles and Statements promoting climate change mitigation and adaptation are available on the Bank's intranet and/or *website* and can be consulted by stakeholders.

BPI actively participates in dialogue forums, working groups and sectoral and sustainability associations in order to share good practices and collect *feedback* from its stakeholders.

Government of Principles and Statements

Within the scope of the Policies, Principles and Statements, a governance model is defined, presented in each of the documents, which includes the responsibilities of the several bodies involved, namely the Board of Directors, the Risk Committee and the Audit Committee. Depending on the document, the responsibilities of the Executive Committee, the Global Risk Committee and the Sustainability Committee are also established.

E1-4 - Targets related to climate change mitigation and adaptation

Sustainability is a decisive element in BPI's strategy, and is one of the pillars of the Bank's strategy in both the 2022-24 strategic plan and the recently approved 2025-27 strategic plan. In the context of these plans, a strategy has been defined to increase sustainable financing, with a strong focus on supporting customer decarbonisation, and to reduce BPI's operational footprint, with targets having been set in these areas.

At the same time, CaixaBank's membership to *Net Zero Banking Alliance* (NZBA), to which BPI is committed in corporate alignment, implied the definition of a set of portfolio decarbonisation targets.

In this indicator we begin by presenting the IROs related to climate change and then move on to present the targets related to the mitigation of the operational and financial footprint. The target related to sustainable finance is dealt within the section targets and metrics of the indicator ES2 Sustainable Finance.

BPI's targets were set internally (scope 1, 2 and 3), in conjunction with CaixaBank, and were not validated by external organisations.

Materiality Analysis

The materiality analysis identified IROs related to the bank's operational footprint and financed portfolio (more detail is given in the indicator E1 SBM-3).

Operational carbon neutrality and energy efficiency

The operational carbon footprint and its monitoring were considered material also because of their role in the relationship with the Bank's customers: the Bank's level of demand from its customers is, to a certain extent, allied to the Bank's level of internal demand.

Following on from this identification, the monitoring of the operational footprint has been successively improved and, as described in the next section, the bank has set targets for reducing the operational footprint and purchasing renewable electricity.

Decarbonisation of the financing portfolio

The Bank's financed footprint represents almost the entire footprint, constituting the largest source of impact and also a source of transition risk.

The Bank's strategy to reduce this impact and risk involves setting decarbonisation targets for the most carbon-intensive sectors, including in some cases the elimination of exposures, as detailed in the respective section of this indicator.

BPI carries out an annual assessment of the ESG Risks of its main customers and has a Controversies Committee where the Bank's position is decided when faced with a controversy from a company it finances. Also contributing to the reduction of the financed footprint is the sustainable business target, presented in indicator ES2 - Sustainable Finance, insofar as one of the central objectives of the target is to support customers on their decarbonisation path.

GHG targets set - Operational

BPI has set GHG reduction targets for the operational component for 25-27 and 2030, in line with the CABK Group, in the context of the 2025-27 strategic plan. The base year for the targets set is 2024, the year before the start of the Plan, and the targets have been set as a percentage. The company's most recent year of activity (2024) is taken as the base year, thus ensuring that targets are set on the basis of the company's current activity/constitution and on the basis of current market conditions.

These objectives consider BPI's main energy consumption, namely scope 1 and 2 of the carbon footprint and include, in addition to CO_2 the gases CH4, N_2O.

With regard to scope 3, only category 3.15 was considered material, which is separately dealt in the following section.

In scope 1, the target does not reflect an emissions reduction objective, but aims to limit future increases in emissions associated with the evolution of the BPI fleet, reflecting its electrification as well as the replacement of technical equipment for greater energy efficiency. In scope 2, the objectives reflect the expectation of electricity savings associated with efficiency actions, as well as the continued consumption of 100% renewable electricity.

The Scope of the targets corresponds to the scope of the emission categories as reported in indicator E1-6.

CO_2emissions and operational - targets and past performance

	Past performance (in tCO_2e)		**Targets** (in % of base year)			
	2023	2024 (base year)	2025	2026	2027	2030
A - Scope 1	2 970	3 105	0.0 %	0.0 %	0.0 %	0.0 %
B - Scope 2 (*location based*)	2 336	2 193	(1.0)%	(2.0)%	(5.0)%	(7.0)%
B - Scope 2 (*market based*)	0	0	0.0 %	0.0 %	0.0 %	0.0 %

The defined targets took into account the Portuguese government's RNC 2050 targets and the scientific information related to GHG with the aim to limit warming to 1.5º C, not having been aligned with these.

The main levers for achieving the operational footprint emissions targets are the following:

Scope 1

- Sustainable mobility (see actions C in indicator E1-3).

Scope 2

- Promoting resource efficiency (see actions B in indicator E1-3);
- Cross-cutting improvements to the OEP (see actions A and D in indicator E1-3).

The actions planned for Scope 1 include the continued replacement of combustion vehicles with electric and hybrid vehicles, the elimination of gas boilers for electric boilers, and the replacement of current HVAC equipment by other more efficient and lower warming potential, this will have an impact on reducing Scope 1 emissions, but on the other hand it will have an impact on increasing Scope 2 emissions.

Climate scenarios were not considered when determining the decarbonisation levers.

Targets 2022 - 2024

Under the 2022-2024 Sustainability Master Plan, the following targets were set for reducing emissions based on 2019 and 2021.

Progress towards Sustainability Master Plan 22-24 emission reduction targets

	Emissions			Targets and performance in relation to the base year				
					2023		2024	
	2023	2024	Δ (%) 23-24	Base year	Target	Performance	Target	Performance
Scope 1	2 970	3 105	5%	2019	(5)%	(2)%	(7)%	2 %
Scope 2 (*market based*)	0	0	-	2019	(100)%	(100)%	(100)%	(100)%
Scope 2 (*location based*)	2 336	2 193	(6)%					
Scope 1 + 2 (*market based*)	2 970	3 105	5%	2019	(69)%	(69)%	(69)%	(68)%
Scope 3 [117]	4 256	4 217	(1)%	2021	(8)%	(5)%	(10)%	(6)%
Global CO_2 *market based* **emissions**	7 226	7 322	1%					
Global CO_2 *location based* **emissions**	9 562	9 515	—%					

In 2024, BPI achieved a reduction of 68% in Scope 1 + 2 (*market-based*) compared to the 2019 base year and a reduction of 6% in Scope 3 compared to the 2021 base year.

In 2024, Scope 1 saw an increase of 5% compared to 2023 in fuel consumption by the fleet, with a reduction of 60% in fuel consumption associated with boilers and emergency generators. BPI has been replacing its fleet with hybrid petrol vehicles, with a highlight this year, the increase in the allocation of this type of vehicle in the commercial network. In relation to scope 3, there was a reduction of 1% compared to 2023. As for scope 2, BPI's target was to acquire energy from 100% renewable sources, which was achieved.

[117] Categories 3.1, 3.2, 3.3, 3.5, 3.6 and 3.7. Scopes 3.1 and 3.2 are different from those used in indicator E1-6 since the total Opex values in cat. 3.1 and Capex values in cat. 3.2 are not considered. In 2019, information on gas leaks from air conditioning systems was not available, and the emissions associated with this category were estimated by averaging the values from 21-22.

GHG targets set - Financed Portfolio

Framework

CaixaBank joined the *Net Zero Banking Alliance* (NZBA) in 2021, as a founding member, which involves aligning the trajectories of its operational and financed carbon footprint with the net zero objective in 2050. This commitment also involves:

- The definition of decarbonisation objectives to be achieved by 2030 for the most intensive sectors, initially prioritising the most material sectors in terms of emissions and exposure, and integrating the rest at a later stage of defining objectives;
- The use of decarbonisation scenarios from credible sources, with decreasing emissions trajectories and reduced dependence on CO_2capture technologies;
- Defining the trajectory evolution of emissions with the aim of achieving carbon neutrality by 2050;
- The annual publication of evidence of actions taken to achieve the defined objectives, progress in reducing emissions and the transition strategy.

BPI, in corporate alignment, is committed to the commitments made by CaixaBank to the NZBA.

Following up on this commitment, the process of setting targets, which began in 2022 and ended in 2024, involved the following steps:

- Definition of a perimeter for setting objectives that maximises the percentage of coverage in terms of emissions and exposure (sectors, portfolios and segments or parts of the value chain) and prioritisation according to materiality, CO_2 emissions intensity, availability of methodologies and data;
- Selection of the methodology for calculating the financed emissions to be used in the definition of objectives, based on an assessment of the standards and best practices in the market, in corporate alignment;
- Selection and validation of the data required for the calculation of metrics and objectives;
- Evaluation of the definition of sector-specific decarbonisation metrics, based on an assessment of market standards and best practices;
- Calculation of the metric's starting point for the selected base year (*baseline*);
- Definition of objectives for 2030 in line with the IEA, CRREM and MPPU scenarios for 2030 with the aim of limiting warming to 1.5º C (see scenarios column in table Q; and
- Definition of the decarbonisation path to achieve the established objectives, based on annual decarbonisation targets. The definition of annual targets, initially adopting a linearisation of the target percentage of emission reductions by 2030, may be adjusted in accordance with the decarbonisation plans of the Bank's customers, to the extent justified. This adjustment should be made on the basis of all the information available from the customer, or should result from actions of *engagement* between the Bank and the customer.

For each *Net Zero* sector, the following criteria were established for defining the perimeter:

- The EACs of each sector that determine direct inclusion in the perimeter of the sectoral objective for a company or business group;
- The EACs of each sector that determine direct exclusion in the perimeter of the sectoral objective for a company or business group;
- Financing purposes that form part of the perimeter of the sectoral objective;
- Types of assets included and excluded from the perimeter;
- Materiality limits (amount per operation and/or company size);
- Detail of the activity in the perimeter vs. others outside the

perimeter with the same EAC (for sectors where applicable);

- Percentage of activity in the value chain in perimeter to constitute an integrated company (for sectors where applicable).

The description of this work is detailed in the following section, and summarised in the table below. No targets were set for the Cement, Aluminium and Agriculture sectors (see sector detail).

CO_2emissions and the financed portfolio - targets and past performance

Sector	Emissions Scope	Metrics	Scenarios	Units	Base year	Past performance: Base year	Past performance: 2023	Targets (in % of base year): 2030	Exposure to the NZBA perimeter in 2024 (M. €)
Oil & Gas	1+2+3	Emissions	IEA Net Zero 2050	mt CO_2e	2021	0.96	1.5	-23%	261
Electricity	1	Physical Intensity	IEA Net Zero 2050	kg CO_2e/MWh	2021	175	221.1	-30%	904
Automobile	3, cat.11: *tank-to-wheel*	Physical Intensity	IEA Net Zero 2050	gCO_2e/vkm	2022	169.2	169.1	-33%	424
Iron and steel	1+2	Physical Intensity	IEA Net Zero 2050	kg CO_2e/MWh	2022	1141	1137	-10% a -20%	0.4
Coal	n/a	Exposure	n/a	M€	2022	0.4	14.6	-100%	234
Aviation	1; *tank-to-wake*	Physical Intensity	MPPU 1.5º	gCO_2e/RPK	2022	85.81	81.9	-30%	49
Commercial Real Estate	1+2	Physical Intensity	CRREM 1.5º CRE	kgCO_2e/m^2	2022	51.5	51.8	-41%	181
Residential Real Estate	1+2	Physical Intensity	CRREM 1.5º CRE	kgCO_2e/m^2	2022	10.1	12.87	-19%	12 241

The decarbonisation objectives defined by BPI (in conjunction with CaixaBank) are based on existing best practices and the data available at the time of their definition. The base years are considered to be representative in terms of the activities covered and the influence of external factors. It should be noted that the process of setting sectoral decarbonisation targets sought to follow the guidelines of the Target Setting Guide established by UNEP FI under the NZBA.

It is important to mention that the baseline for these metrics may vary, since the sources of information used and the methodology are constantly evolving. BPI is committed to maintaining the level of reduction ambition, even if the baselines may change.

In the case of the oil and gas sectors, the reference year (2021) may have been influenced by the COVID-19 pandemic, when the sector's total emissions fell due to lower overall economic activity. Therefore, selecting this reference year for this sector's decarbonisation target makes the target even more ambitious.

BPI will accompany its customers in the transition to a low-carbon economy. Thus, the main lever for decarbonisation will be engaging with customers to offer them solutions that enable them to meet - or even accelerate - their decarbonisation plans. In addition, the possibility of rebalancing the portfolio towards less emissions-intensive customers and, ultimately, reducing the risk of certain counterparties not committed to the transition to a low-carbon economy.

The NZBA sectors for which commitments have been made are compatible with the transition risk materiality analysis (see sector presentation in the next section), considering the binomial portfolio exposure and transition risk impact level. At the end of 2023, exposure in NZBA sectors amounted around 4.2 billion euros, which represents around 37% of corporate financing exposure.

With regard to the NZBA metrics observed in 2023, particularly for the sectors of *Oil&Gas* and Electricity, there is an increase compared to the metric *baseline*. Considering the sustainable financing contracted in NZBA sectors during 2024, and the commitments to reduce CO_2 emissions from customers in the decarbonisation perimeter, it is expected that the NZBA metrics for the *Oil&Gas* and Electricity sectors will show an improvement on those recorded in 2023, moving closer to the targets set for 2030. The metrics for 2024 will be published during 2025.

Sector information

Electricity Sector

Designing the Electricity Sector Goal

Value chain

INTEGRATED

GENERATION	TRANSMISSION	DISTRIBUTION

Focus on the power generation segment and integrated companies/groups, since they represent the majority of Scope 1 emissions

Type of emissions

1	2	3

Scope 1 captures most emissions in the power generation sector (in line with the market)

Intensity metrics

Physical emissions intensity: $KgCO_2/MWh$

Scenario

NZE2050 from the International Energy Agency

Together with the oil and gas sector, the electricity sector accounts for almost 75% of global greenhouse gas emissions worldwide. In 2024, in BPI's portfolio, financed emissions for the electricity sector represent 4% of total financed emissions in the corporate finance category. For more details, see the table of financed emissions in indicator E1-6.

For the purpose of defining the perimeter, materially relevant customers were identified, considering large groups that operate in the value chain as integrated or energy generation. In line with market practices, scope 1 emissions are considered, which capture the majority of the energy sector's emissions.

Following the UNEP FI *Guidelines for Target Setting*, the emissions reduction target was set using the physical intensity of the portfolio (tCO_2e/MWh) based on the exposure granted, which allows better monitoring of customers in their transition to fossil fuel-free generation.

For BPI, the ultimate goal of its portfolio decarbonisation strategy in the electricity sector is to accompany its customers in the transition to a less emissions-intensive generation mix. Thus, BPI will help and incentivise the reduction of the emissions intensity of its customers' generation mix, which, as a consequence, will lead to a reduction in its own intensity metric.

The main levers for decarbonising the sector are related to financing renewable energies and engaging with strategic customers to offer them solutions that enable them to meet - or even accelerate - their decarbonisation plans. In addition, the possibility of rebalancing the portfolio towards less emissions-intensive customers and, ultimately, reducing the risk of certain counterparties not committed to the transition to a low-carbon economy.

Oil & Gas Sector

Designing the *Oil & Gas* Sector's objective

Value chain

INTEGRATED		
UPSTREAM	TRANSP./STOR.	DISTRIBUTION

Focus on the segment of integrated companies/groups, refineries and distribution.

Type of emissions

1	2	3

Scope 1, 2 and 3 with relevant materiality in this sector

Intensity metrics

Absolute CO_2 emissions

Scenario

NZE2050 from the International Energy Agency

As indicated above, the energy sectors are responsible for the vast majority of greenhouse gas emissions worldwide. The decarbonisation target based on an absolute emissions metric is in line with industry expectations. The decarbonisation of the oil and gas sector should be driven both by improvements in energy efficiency and by the direct substitution of these fuels as inputs in other processes (demand effect).

The decarbonisation capacity of the oil and gas sector is different from that of the electricity sector, which is also reflected in the available levers. The main levers for reducing absolute financed emissions focus on engaging with key customers to improve their decarbonisation plans. Also considered is the gradual reduction of exposure in the most intensive activities and, ultimately, reducing the risk of certain counterparties not committed to the transition to a low-carbon economy.

For the purposes of defining the perimeter, materially relevant customers were identified, considering large groups that operate in the value chain as integrated, in the segment *upstream* or *dowstream*. In line with market practices, scope 1, 2 and 3 emissions are considered.

Coal Sector

As for the coal sector, given its high emissions intensity, BPI will stop financing companies related to thermal coal, reducing its exposure to zero by 2030. This type of commitment is consistent with the expectation of discontinuing activity in the sector.

Therefore, in this case, no specific metric of financed emissions was defined, but instead the exposure to the companies identified was monitored. BPI therefore monitors both the evolution of total exposure to companies with coal-based energy production, as well as the detail of exposure for those customers who have already defined a commitment to *phase out* by 2030.

For the purpose of defining the perimeter, materially relevant customers were identified, taking into account large groups that operate in the value chain in the mining and/or production segment. In addition, for energy production groups, those with coal-based production were identified.

Transport sector

One of the sectors prioritised by the NZBA for being CO_2 intensive is the transport sector. Given the heterogeneity of the activities that make up the sector and following best practice in defining objectives, it was decided to divide this sector into 3 sub-sectors: automotive, aviation and maritime. The transport sector accounts for a significant percentage of financed emissions (around 11% of total financed emissions in the corporate financing segment). For more details, see the table of financed emissions in indicator E1-6.

BPI has a global exposure to maritime transport which, both in terms of credit exposure and absolute issues financed, is not materially relevant in relative terms. Due to the NZBA non-materiality of this sub-sector, it was determined not to set decarbonisation targets.

Transport sector: Automobile

Designing the Automotive Sector Objective

Value chain

SUPPLIERS | **VEHICLE PRODUCTION** | DISTRIBUTION

Focus on the production segment - OEMs (Original Equipment Manufacturers) - namely light vehicles (passenger cars and vans), where European initiatives to decarbonise the sector are centred

Type of emissions

1 | 2 | **3**

Scope 3, Cat 11, *tank-to-wheel* - emissions produced by the use of the vehicle throughout its useful life. These are the most relevant emissions within the value chain

Intensity metrics

Physical emissions intensity gCO_2e/vkm

Scenario

NZE2050 from the International Energy Agency

Considering the specificities of the sector, a methodology has been defined following the best market practices to define decarbonisation objectives in this sector, focusing on the *Manufacturing* segment and incorporating the so-called Original *Equipment Manufacturers* (OEMs). The *tank-to-wheel* emissions of scope 3, category 11 of these companies are considered, which are those produced by the vehicle when it is in use. Emissions from *tank-to-wheel* are by far the most relevant emissions for this link in the value chain.

The metric selected for this sector is a physical intensity metric that describes the emissions for each km travelled over its useful life by a vehicle manufactured by the OEM (gCO_2/vkm), so that the focus is on financing more efficient vehicles. To calculate the metric, the annual production of vehicles reported and the useful life of the vehicle in kilometres reported by each customer (light vehicle producer) are considered. The final calculation of BPI's aggregate metric considers the relative weight of each customer in the total exposure of customers in the NZBA perimeter - automotive sector.

Transport sector Aviation

Designing the Aviation Sector's objective

Value chain

SUPPLIERS | CONSTRUCTION | **OWNERS** | RECYCLING

Focus on the owner/operator segment - passenger and cargo transport (airlines) - as the majority of greenhouse gas emissions are in this segment

Type of emissions

1 | 2 | 3

It comprises Scope 1 (focus *tank-to-wake*), which are emissions derived from fuel consumption during flight (the most relevant emissions in the value chain)

Intensity metrics

Physical emissions intensity: $KgCO_2e$/RPK

Scenario

Scenario *Mission Possible Partnership "Prudent" 1.5º*

The calculation of the target for this sector was carried out according to the Pegasus methodology. Due to the limited availability of technical data at the level of individual assets (type of aircraft, type of cargo, flight hours, type of fuel, etc.), the scope of the objective centred on corporate financing for airlines, excluding Asset Finance and lessors.

To define the perimeter, large customers operating in the air transport owner/operator segment were identified, since the majority of emissions are found in this segment. In line with market practices, scope 1 emissions are considered, as they derive from fuel consumption during the flight (the most relevant emissions in the value chain).

BPI will extend the scope of the metric to these assets as information becomes available, so it is foreseeable that the base and target levels will also be adapted. The intensity metric describes greenhouse gas emissions per kilometre travelled in the year (passenger perspective).

Iron and Steel Sector

Designing the Iron and Steel Sector's objective

Value chain

MINING	PRODUCTION	DISTRIBUTION

Focus on the iron and steel production segment, including foundries and integrated groups (casting and transformation); casting is the phase that concentrates most emissions

Type of emissions

1	2	3

Scope 1+2: relevant emissions in the production process; the use of the final product and the rest of the value chain are of little relevance in terms of emissions

Intensity metrics

Physical emissions intensity: $KgCO_2e/tSteel$

Scenario

NZE2050 from the International Energy Agency

The steel sector represents a relatively limited part of BPI's credit portfolio. However, given that it is one of the most emissions-intensive sectors worldwide and that there are adapted methodologies and scenarios aligned with the NZBA, it was decided to set a target already at this stage.

The perimeter determined for this sector was the steel industry, including foundries and integrated groups (casting + transformation). Casting is the manufacturing phase that concentrates most of the emissions. Scope 1 and 2 emissions are considered, as they are the most relevant emissions in the production process.

The methodology, in line with best market practice and the *Sustainable Steel Principles*, considers a scope 1 and 2 emissions intensity metric per tonne of steel produced. In this sector, the production process is particularly intensive, so emissions from the use of the final product and its upstream supply chain are less relevant in comparison.

Considering the relatively low exposure in this sector and its high concentration in a few counterparties, the current technological limitations of a "hard to beat" sector and the uncertainty regarding methodological and scenario changes, it was decided to set a target in the form of a range, according to two IEA scenarios (one more ambitious projecting a 20% reduction and the other more restrictive projecting a 10% reduction). Thus, the BPI target for the Iron and Steel sector in 2030 is between 913-1027 kg CO_2e/ t steel produced. As in the other sectors, the decarbonisation path depends substantially on the ambition and actions of its main customers, and it is also possible to consider rebalancing the portfolio in terms of exposure.

Real Estate Sector: Commercial

Designing the Commercial *Real Estate* Sector's goal

Value chain

SUPPLIERS	CONSTRUCTION	OWNERS	MAINTENANCE	RECYCLING

Focus on the owner phase - groups with activity *build to rent* in residential - since the majority of greenhouse gas emissions result from the use of the property

Type of emissions

1	2	3

It comprises Scope 1 - direct emissions caused by fuel consumption (for heating the property, cooking, etc.); and Scope 2 - indirect emissions from purchased energy (electricity, steam, heat and refrigeration)

Intensity metrics

Physical emissions intensity: $KgCO_2e/m^2$

Scenario

CRREM 1.5º REC scenario adapted to the proportions by asset type of the Spanish and Portuguese housing stock

Commercial real estate is a complex sector with limited availability of real information on emissions, so alignment calculations are largely based on *proxies*. To this end, in the absence of real customer information on scope 1 and 2 emissions, BPI uses public information[118] provided by the Carbon Risk Real Estate Monitor (CREEM) for Portugal and broken down by type of commercial property asset (e.g. office buildings or commercial retail).

In addition, in this sector the geographical distribution of the portfolio is especially relevant due to the climate zones, so the reference trajectories must take this geographical distribution into account when establishing the objectives.

For the purpose of defining the perimeter, materially relevant customers were identified, considering large groups that act in the value chain as owners (*build to rent* activity). In line with market practices, scope 1 and 2 issues are considered.

Given these circumstances, BPI has set an ambitious target for the sector, in line with science-based objectives (CRREM scenario[119] 1.5º REC adapted to the proportions by asset type of the Spanish and Portuguese residential stock).

Real Estate Sector: Residential

Designing the Residential *Real Estate* Sector's goal

Value chain

SUPPLIERS	CONSTRUCTION	**OWNERS**	MAINTENANCE	RECYCLING

Focus on the owner phase, most greenhouse gas emissions result from the use of the property

Type of emissions

1	2	3

It comprises Scope 1 - direct emissions caused by fuel consumption (for heating the property, cooking, etc.); and Scope 2 - indirect emissions from purchased energy (electricity, steam, heat and refrigeration)

Intensity metrics

Physical emissions intensity: $KgCO_2e/m^2$

Scenario

CRREM 1.5º REC scenario adapted to the proportions by asset type of the Spanish and Portuguese housing stock

Due to the specific characteristics of the residential real estate segment (its social sensitivity, long contractual maturities and dependence on exogenous levers for its transformation: regulatory requirements and public aid for improving energy efficiency), the objective set for the residential property sector is prudent in relation to the CRREM reference path (*Carbon Risk Real Estate Monitor*).

The definition of the objective took into account the expected changes in Portugal's energy mix, government policies and environmental and climate legislation, as well as changes in consumer behaviour, participating in and contributing to the collective effort needed for the transition to a net zero economy. To ensure that these changes are reflected in BPI's portfolio, specific products are being launched to finance energy efficiency improvements.

Cement and Aluminium Sectors

BPI has a global exposure to the above-mentioned sectors which, both in terms of credit exposure and absolute issues financed, is not materially relevant in relative terms. Due to the NZBA non-materiality of these sectors, it was determined not to set decarbonisation targets for these sectors.

Agricultural Sector

To set a decarbonisation target for this sector, BPI carried out an exhaustive analysis of its agricultural portfolio, focusing on livestock production companies (the pig and cattle production segment concentrates most of the agricultural sector's emissions). Due to the non-materiality of this segment of BPI's value chain, it was decided not to set decarbonisation targets for the identified sector. In line with the CaixaBank group, the aim will be to strengthen the information available

[118] https://www.crrem.eu/tool/
[119] Carbon Risk Real Estate Monitor - CRREM is the leading global standard and initiative for operational decarbonisation of real estate assets.

and monitor developments in technology related to decarbonisation in the sector, to be able to support and promote initiatives with customers.

E1-3 - Actions and resources in relation to climate change policies

In this indicator we present the key actions implemented and planned to achieve the targets identified in indicator E1-4, as well as the resources allocated, as segmented in that indicator. Actions related to sustainable finance are dealt within the section Actions and Resources of the indicator Sustainable Finance.

Operational Decarbonisation

Since 2020, BPI has implemented an Environmental Management System (EMS) in accordance with ISO 14001, which considers sustainable business, climate risk management and reducing the direct environmental impact of BPI's activity. The Environmental Management System has been supported by the Environmental Monitoring Plan, integrated into the 2022-24 Sustainability Master Plan, and is a fundamental tool in supporting the Bank's climate strategy and monitoring decarbonisation actions.

BPI's Sustainable Banking Plan 2025-27[120] provides for the monitoring and implementation of the Environmental Management Plan 25-27[121]. This alignment ensures a coordinated and effective approach to achieving climate objectives and strengthening BPI's position as a leader in sustainable banking practices.

With regard to scope 1 and 2 of the operational footprint, the main actions carried out in 2024 were as follows, with additional details of the actions carried out in the several bank buildings shown in the tables:

- Maintenance and renewal of EMS certification for banking and support activities for the 4 central buildings (Casal Ribeiro, Boavista, Saudade and Monumental);
- Promotion of Sustainable Mobility, with the replacement of the car fleet with hybrid vehicles and the installation of charging points in the car parks of four central buildings - Boavista, Saudade, Casal Ribeiro and Monumental. The hybrid car fleet increased by 120% on the previous year, with 111 hybrid vehicles in the total BPI fleet;
- Implementing measures to reduce and improve the monitoring of electricity consumption and maintaining the purchase of 100% renewable electricity;
- Start of the process of implementing the Energy Management System Certification, according to ISO 50001;
- Analysing the replacement of equipment for greater energy efficiency;
- Communication initiatives and Environmental Awareness among employees;

These measures were aimed at reducing emissions from BPI's operational activity and involved adopting environmental efficiency measures, identifying those responsible and resources, monitoring indicators and setting targets.

[120] The Sustainable Bank Plan 2025-27 succeeded the Sustainability Master Plan 2022-24.
[121] The Environmental Management Plan replaces the previous Environmental Monitoring Plan.

Actions in central buildings and the commercial network

Central Buildings
Monitoring daily consumption and reducing the brightness of the contents of the All In One shop (located in the Monumental Building)
Continued replacement and optimisation of climatisation equipment (HVAC)
Measures to reduce natural gas consumption in the Casal Ribeiro building, by renovating the floors
Optimisation of the preventive maintenance process
Continued replacement of LED lighting and installation of presence sensors
Definition of operating hours for the ventilation and air conditioning system, programmed to operate only on weekdays between 07a.m. and 5.30 p.m.
17% of consumption monitored automatically

Commercial Network
Adjusting the *set point* of the air conditioning and the operating hours of the outdoor signs
Installation of presence sensors in meeting rooms, offices, *backoffices*, among others
Replacement of obsolete air conditioning systems with lower consumption ones
Replacing light bulbs with more efficient ones
29% of consumption monitored automatically

For the three-year period 2025-27, BPI has prepared an Environmental Management Plan, continuing its efforts to reduce its operational carbon footprint. The Plan includes six main lines of action, covering around 20 strategic initiatives, including those presented in the table below.

Initiatives from Environmental Management Plan 2025-27

Action Plan	Initiatives
The operational carbon footprint reduction strategy	Calculation and annual certification of the operational carbon footprint and comparison with emission reduction targets
	Evaluation of the implementation of internal carbon pricing (evaluation of internal procedures: purchases, suppliers, business products)
B - Promoting resource efficiency	Carrying out studies and audits to promote resource efficiency (energy, water and waste)
	Implementation of resource efficiency measures
C - Sustainable mobility	Definition of BPI's fleet manager and respective responsibilities for monitoring actions to reduce emissions associated with the fleet
	Evaluation of the possibility of implementing an internal carbon price (approval circuits for CO_2 emissions when purchasing new vehicles)
	Evaluation of the car fleet's energy performance rating and certification, including the identification of opportunities and improvement measures to optimise consumption.
	Eco-driving Training for Employees
D - Implementation of new certifications and renewal of existing ones	Implementation of new certifications (ISO 50 001)
	Renewal of existing environmental certifications (ISO 14 001)

Expenditure on *Capex* and *Opex* planned for these actions is as follows:

Opex and Capex associated with the Environmental Management Plan

	Capex			Opex		
values in euros	2025	2026	2027	2025	2026	2027
A - Operational carbon footprint reduction strategy				€ 110 000	€ 110 000	€ 110 000
B - Promoting resource efficiency	€ 1 176 250	€ 1 176 000	€ 862 000	€ 110 000	€ 110 000	€ 110 000
C - Sustainable mobility	€ 8 000	€ 8 000	€ 8 000	€ 889 113	€ 978 024	€ 1 075 826
D - Implementation of new certifications and renewal of existing ones				€ 35 000	€ 5 000	€ 5 000

Due to the bank's activity and the amount of *Capex* and Opex planned, the ability to carry out the planned actions is not conditioned by the availability of the necessary resources to implement them.

Portfolio Decarbonisation

Since the establishment of the NZBA's first targets, as described in the response to indicator E1-4, BPI has been actively managing its sectoral portfolios to ensure that the transition to achieving the target is carried out appropriately and that the commitments made are met. Nevertheless, given its nature, in order to achieve all the decarbonisation objectives set, BPI must leverage the changes derived from government policies and environmental and climate regulations, as well as changes in consumer behaviour, scientific developments and new technologies, participating in and contributing to the development of a carbon-neutral economy.

It is important to note that BPI's mission is to accompany its customers in their transition process as a mechanism for achieving the decarbonisation of the economy. This implies that the portfolio's decarbonisation trajectory from year to year is not linear, being not only, but above all, dependent on its customers and the development of technologies that enable the reduction of carbon emissions. In short, BPI's management seeks to achieve a downward trend in its decarbonisation curves, so that the target set for 2030 is met in good time.

The main actions for the decarbonisation of the *Net Zero* sectors are related to the decarbonisation of customers. Thus, financing the transition of customers by offering solutions that enable them to comply with - or even accelerate - their decarbonisation plans is one of the main actions.

There is also the possibility of rebalancing the portfolio towards less emissions-intensive customers and, ultimately, reducing the risk of certain counterparties not committed to the transition to a low-carbon economy, which makes the importance of all control actions crucial.

The main lines of action to achieve the decarbonisation objective are as follows:

Actions associated with the portfolio's decarbonisation objective

Measurement and monitoring	1. Regular monitoring of CO_2 emissions information disclosed by customers in the NZ perimeter, calculating physical intensity metrics; 2. Weighted aggregate calculation of sector metrics, taking into account portfolio exposure to customers in the NZ perimeter; 3. Regular reporting to the Sustainability Board and Commission.
Control panel	1. Definition of the approval flowchart for operations in the NZ perimeter; 2. Assignment of responsibilities for monitoring and approval between the business areas, CRD-Sustainability and Projects and RMD-Sustainability, Balance Sheet and Market; 3. Definition of a checklist of information to be requested from customers in the NZ perimeter; 4. Development of a marginal impacts tool to assess impacts on aggregate sectoral metrics;
Control and admission policy	1. Identification of restrictions and constraints for admitting risks through the sustainability risk policy; 2. Operational governance manual, involving the business areas, CRD-Sustainability and Projects and RMD-Sustainability.
Engagement	1. Proximity to key and materially relevant customers, in order to boost mutual decarbonisation objectives; 2. Identification of opportunities in terms of support products and services.

In addition, BPI has established an Operational Manual for the *Net Zero* project, which details the tasks and responsibilities relating to the operational management of the Net Zero Banking Alliance (NZBA) commitment, considering its governance processes. This document describes the procedures for approving the NZBA objectives, the procedures for approving customer operations within the scope of *Net Zero* and the internal governance structure relating to the decarbonisation objectives.

From the point of view of evaluating the impacts of new operations/ customers, the design of an evaluation framework whose approval flowchart depends on, stands out:

- From the result obtained in the marginal impacts tool;
- Internal ESG information and/or requested from the customer;
- The opinion of the 2nd line of control regarding decarbonisation plans;
- Executive Committee approval of operations that could jeopardise the Bank's decarbonisation objectives/strategy (a specific threshold is defined for each sector).

E1-5 - Energy consumption and energy mix

BPI's direct energy consumption considers the use of fuel associated with the BPI car fleet (diesel and petrol) and emergency equipment (diesel) in its central buildings, as well as the use of natural gas from the two boilers in its Casal Ribeiro building. Indirect energy consumption considers the use of electricity in all BPI facilities (buildings and commercial network), ensuring that all this consumption comes from renewable sources.

Electricity consumption is the most significant in terms of energy, and the Bank has continuous monitoring processes for 100% of its facilities.In 2024, there was a global reduction of 5.9%, considering a reduction of 24% in the Central Buildings due to the deactivation and delivery of 4 buildings and a reduction of 3% in the Commercial Network, compared to the previous year. In addition to this reduction in electricity consumption, it should be noted that the Bank has been purchasing 100% renewable electricity since 2022.

BPI consumes natural gas in the Casal Ribeiro Building due to the existence of two boilers, and has seen a decrease in natural gas consumption (63%) due to the replacement of the air conditioning system on some floors and the milder temperatures in 2024 (and consequently less use of boilers for space heating). One of the objectives of the 2025 to 2027 Environmental Management Plan is to eliminate the natural gas boiler.

BPI is not directly involved in energy production, whether renewable or non-renewable. In addition, as a company in the financial sector, it does not fall within the sectors considered carbon-intensive and therefore does not report on these matters[122].

Energy consumption and energy mix[123]

	2023	2024
Total fossil energy consumption (MWh)	**11 333.0**	**11 943.8**
Share of fossil sources in total energy consumption (%)	44 %	46 %
Consumption from nuclear sources (MWh)	0.0	0.0
Share of consumption from nuclear sources in total energy consumption (%)	0 %	0 %
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc. (MWh)	**0.0**	**0.0**
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	**14 522.0**	**13 661.0**
The consumption of self-generated non-fuel renewable energy (MWh)	**0.0**	**0.0**
Total renewable energy consumption (MWh)	**14 522.0**	**13 661.0**
Share of renewable sources in total energy consumption (%)	56 %	53 %
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	25 855.0	25 604.8

[122] Rows 1 to 5 of the table are omitted as they should only be filled in by organisations operating in sectors with a high climate impact.
[123] The electricity consumption data considers the billing of the respective electricity suppliers, and in the 2nd half of the year there are estimated electricity consumption figures based on the 2023 figures, which represent around 15% of the weight of total electricity consumption in 2024.

Fossil energy consumption by type and area of use associated with Scope 1

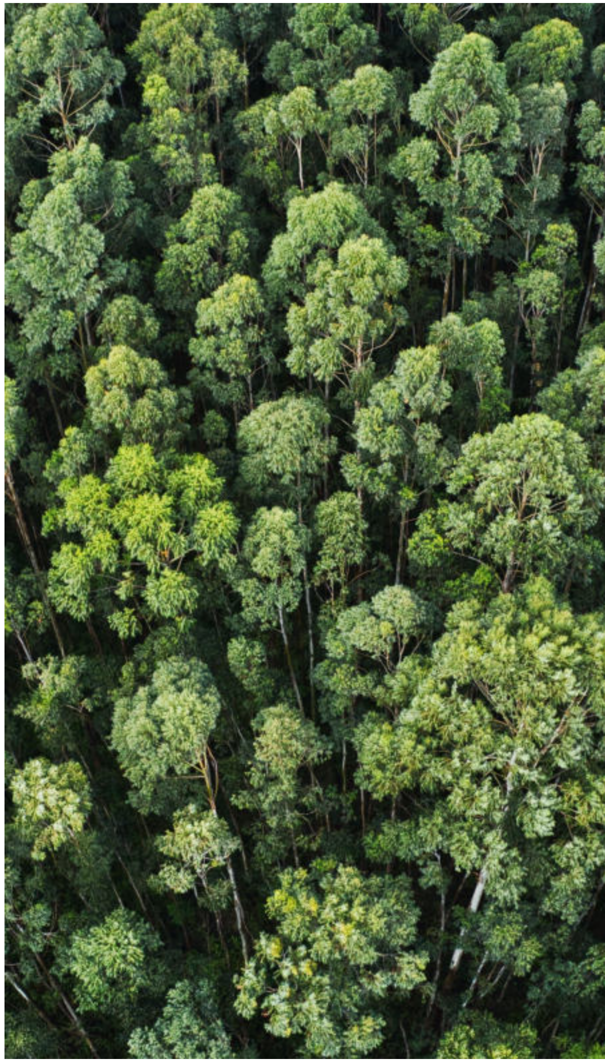
			Consumption	
Type	**Area**	**Unit**	**2023**	**2024**
Diesel	Generators	Litres	3 238	1 280
Diesel	Fleet	Litres	296 625	46 370
Petrol	Fleet	Litres	885 482	1 236 188
Natural Gas	Central Buildings	kWh	150 005	54 916

E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

BPI calculates its carbon footprint in order to identify the most material issues and establish an action plan aimed at progressively reducing GHG emissions.

This information helps BPI to identify the emission hotspots in its activity and throughout its value chain and, consequently, to define effective actions that enable it to achieve the climate change commitments and targets defined in the indicator E1-4.

In this indicator we begin by presenting the overall data on GHG emissions and materiality analysis, and then present the carbon footprint calculation in more detail, concluding with energy intensity. The calculation of the carbon footprint of the financed portfolio, corresponding to scope 3.15, is presented separately due to its specific nature.
The following table shows BPI's carbon footprint[124], including the operational and financed components.



[124] CO_2e= CO_2 equivalent. Includes the following greenhouse gases CO_2, CH_4, N_2O, HFCs, PFCs, SF6 and NF_3.

Gross Scopes 1, 2, 3 and Total GHG emissions

				Retrospective	Targets (% reduction compared to the base year)	
Carbon Footprint [tCO_2e]	2022	2023	2024 (base year)	24/23 (%)	2025	2030
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO_{2eq})	3 011	2 970	3 105	5 %	0 %	0 %
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0 %	0 %	0 %	-		
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO_{2eq})	2 752	2 336	2 193	(6)%	(1)%	(7)%
Gross market-based Scope 2 GHG emissions (tCO_{2eq})	0	0	0	-	0 %	0 %
Significant GHG emissions at scope 3[125]						
Total Gross indirect (Scope 3) GHG emissions (tCO_{2eq})	15 789	6 333 811	6 443 414	2 %		
3.1 Purchased goods and services (*Opex*)	7 118	7 948	6 435	(19)%	No defined targets	
3.2 Capital Goods (*Capex*)	6 892	3 467	3 739	8 %		
3.3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	377	1 517	1 361	(10)%		
3.5 Waste generated in operations[126]	67	44	49	12 %		
3.6 Business travel	145	455	758	67 %		
3.7 Employee commuting	1 257	1 054	1 081	3 %		
3.15 Investments	ND	6 319 370	6 430 040	2 %	Targets not available in absolute value	
Total GHG emissions						
Total GHG emissions (location-based) (tCO_{2eq})		6 339 117	6 448 712	2 %		
Total GHG emissions (market-based) (tCO_{2eq})		6 336 782	6 446 519	2 %		

In addition, disaggregated data by type of source and type of GHG is presented for Scope 1:

Detail of Scope 1 GHG emissions by type of source (evolution in tCO_2e)

	2022	2023	2024
Combustion of fixed sources	107	42	15
Combustion of mobile sources	2 715	2 928	3 088
Refrigerant gas leaks	189	0	2

[125] It includes (i) *location based method*, which considers the average intensity of GHG emissions associated with the production of electricity distributed on the national grid and (ii) *market based method* which reflects GHG emissions.
[126] Waste production considers the quantities reported on the Portuguese Environment Agency's Integrated Waste Registration Map (IWRM).

Detail of Scope 1 GHG emissions by type of GHG

		CO_2	CH_4	N_2O	HFC	CO_2e
Combustion of fixed sources	Natural Gas	11	0	0	0	11
	Diesel (generator)	4	0	0	0	4
Combustion of mobile sources	Diesel (fleet)	124	0	2	0	126
	Petrol (fleet)	2 582	26	79	0	2 688
	Petrol (fleet - hybrids)	264	3	8	0	275
Refrigerant gas leaks		0	0	0	2	2

Scope 3 materiality analysis

In 2022, BPI carried out a materiality analysis for the first time with the aim of determining the relevance of the indirect GHG emissions categories (Scope 3), in order to establish the operational limits to be included in BPI's carbon footprint in the following years. In 2024, it carried out a second materiality analysis with more recent data.

From the analysis carried out, it was concluded that the only material category in this field, with a weight of 99% of total Scope 3 emissions, is category 3.15, corresponding to financed emissions. However, the following categories were also defined as relevant, considering both their associated volume of emissions and the possibilities of influencing the control and reduction of emissions:

- 3.1 Purchase of goods and services
- 3.2 Purchase of capital equipment
- 3.3 Activities related to fuel and energy
- 3.5 Waste production
- 3.6 Business trips
- 3.7 Home-work commuting

The remaining categories were not considered material because they were not applicable to banking (3.13 and 3.14) or were not relevant to the type of services provided (3.10, 3.11 and 3.12) or activity carried out (3.4, 3.8 and 3.9).

Based on the conclusions of the materiality analysis, the perimeter was defined for calculating scope 3 of the operational carbon footprint, 2022 - 2024, which includes all emissions from the categories defined as material or relevant. The materiality study carried out in 2024 did not bring any changes in terms of the categories to be reported and was also considered in the definition of EMP 25-27.

Carbon Footprint Calculation

Emissions Perimeter

The emissions considered within each of the scopes are as follows[127]

- Scope 1: includes direct emissions from own-use installations (natural gas from boilers and diesel from emergency equipment, fuels for the vehicle fleet and gas leaks from air conditioning systems.
- Scope 2: Includes two different perspectives as required by the GHG Protocol: (i) *location based method*, which considers the average intensity of GHG emissions associated with the production of electricity distributed on the national grid; (ii) *market based method*, which reflects the GHG emissions associated with the energy mix provided by the electricity supplier, with BPI purchasing Guarantees of Origin[128] (GoO) from Endesa and Galp, ensuring that the electricity it consumes in all its facilities comes

[127] The emission factors used do not separate out biogenic emissions, but include emissions relating to CH_4 and N_2O. With regard to biogenic emissions, BPI is working to extend the carbon footprint questionnaire to suppliers to assess the existence of these emissions in their upstream value chain, included in operational scope 3.
[128] GdO are electronic certificates that prove the renewable origin of the energy.

100% from renewable sources. The electricity consumption data considers the invoicing of the respective electricity suppliers, and in the 2nd half of the year there are estimated electricity consumption figures based on the 2023 figures, which represent around 15% of the weight of total electricity consumption in 2024.

- Scope 3: includes other indirect emissions. BPI includes categories 3.1 Purchases of goods and services, 3.2 Purchases of capital goods, 3.3 Fuels and energy-related activities, 3.5 Waste generation 3.6 Business travel and 3.7 Home-work commuting to Central Buildings, which are the categories considered material in the materiality analysis of the Scope 3 carbon footprint categories.

Both Scope 1 and 2 emissions and Scope 3 emissions are calculated considering the GHG Protocol standard established by the WRI (World Resources Institute) and the WBCSD (World Business Council for Sustainable Development). For Scope 3 emissions (cat. 1, 2, 3, 5, 6 and 7), the classification established in the GHG Protocol publication "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" is used.

For categories 3.1 - purchases of goods and services and 3.2 - purchases of capital goods, 86% of the highest spending suppliers were taken as a base. The emission factors used to calculate these categories in 2024 were obtained from public data or direct data from suppliers or, in their absence, the emission intensities from the DEFRA database, classified by economic sector, were used.

For category 3.3 - Well-to-tank (WTT) emissions associated with the extraction and refining of primary fuels and transmission and distribution (T&D) emissions associated with network losses have been considered. In order to be consistent with the 2024 EF, the 2023 figure has been corrected.

In the case of category 3.5 Waste generation, the annual quantities of waste communicated to the Portuguese Environment Agency from the Integrated Waste Registration Map (IWRM) were considered.

For category 3.6 - corporate travel, trips associated with the BPI's activity were considered, taking into account hotel stays[129] and transport: plane, train, urban transport and rental/ personal vehicles. For trips by plane and train with unit allocation in km, the most relevant DEFRA EF was used. When differentiating between economy and business class, a specific factor was assigned and, when it wasn't possible to assign it, the average was used. For hotel nights with an allocation in €, a cost of €130/ night was assumed for domestic stays and €170/night for international stays and the corresponding EF was used. Vehicles rented were calculated per litre of fuel with the corresponding EF.

For category 3.7 Home-work commuting, which includes emissions related to the transport of employees from their homes to the workplace. The total distance was calculated using the results of the mobility survey carried out at the end of 2024, considering only central buildings.

In 2024, the percentage of Scope 3 emissions calculated using primary data obtained from suppliers or other partners in the value chain was 56%.

For the categories of *Scope* 3, the calculation based on real data provided by the value chain was always prioritised, and no calculations were made based on estimated activity data.

Emission factors

The emission factors considered within each of the areas are as follows:

- Scope 1 - The data for natural gas and fuel consumption took into account the EF of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. With regard to gas leaks from air conditioning systems, the EF of the IPCC Fifth

[129] 2024 was the first year that hotel stays were considered when calculating category 3.6.

Assessment Report was considered. 100-year GWP values

- Scope 2 - The data took 100% renewable electricity into account for imported electricity - Market Based. Traders GALP POWER, EEM and EDA. With regard to imported electricity - Location Based, the IEA Portugal emission factor in $kgCO_2e$/kWh was considered.
- Scope 3 - cat. 3.1 and 3.2 took into account several emission factors, DEFRA IO, CDP and direct data from suppliers; cat.3.3 took into account Defra 2024 WellToTank for combustion and IEA Portugal > WTT Generation and >Life cycle T&D Factors for electricity; in the case of cat. 3.5 the EF from EcoInvent 3.10 was taken into account; in cat. 3.6, and for journeys by plane and train, urban journeys and hotel stays, Defra's EF was taken into account; in the case of rented vehicles, the EF of the 2006 IPCC Guidelines for National GHG Inventories was taken into account; finally cat. 3.7 took into account Defra's EFs.

Calculating the Financed Footprint

BPI takes as a reference the guidelines defined by PCAF (*Partnership for Carbon Accounting Financials)* in its accounting and reporting standard "*The global GHG Accounting & Reporting Standard for the Financial Industry*" for quantifying the emissions financed from its credit and investment portfolio, associated with category 3.15.

The calculation of issues financed on 31 December 2023 and 2024 covers the following types of assets:

- Residential and Commercial Mortgages;
- Corporate loans;
- *Project Finance*;
- Vehicle finance loans;
- Equity and debt securities (shares and bonds).

The calculation was based on a *bottom-up* approach, following the methodology developed by PCAF and described in the standard "*The global GHG Accounting and Reporting Standard for the Financial Industry" (Part A) Second Edition*":

- emissions associated with the mortgage portfolio were calculated on the basis of information from the energy efficiency certificate (real or estimated) of the properties financed;
- the emissions associated with the rest of the financing and investment portfolio were calculated from the carbon footprint information (scope 1, 2 and 3) reported by the companies/projects financed, or from the emission factors published by PCAF when the companies do not publish their carbon footprint;
- emissions associated with vehicle financing were estimated considering the type of vehicle and average mileage proxies.

In all cases, the allocation of issues financed by the BPI was based on the allocation factor defined by the PCAF for each type of asset, as well as the best data available in each case.

With the aim of improving the quality and completeness of the results, during 2024 BPI focused its efforts on strengthening the calculation model through the (internal) development of a specific tool that integrates all the necessary information (from internal and external data databases) for calculating financed emissions. This important development facilitates the management of the risk associated with financed emissions by enabling the periodic calculation and monitoring of this key indicator on the path to carbon neutrality.

It is important to note that, over time, financed emissions can be expected to fluctuate due to issues not linked to financial exposure, but to other factors that impact the calculation, such as changes in the intrinsic or market value of companies, the availability of published data, carbon footprint data or changes in PCAF emission factors.

Additional considerations:

- For companies for which no real data is available, the latest emission intensity factors (tCO_2e/ €MM turnover) published by PCAF (in March 2024) dating from September 2023 were used;
- Business financing (non-financial companies): Includes loans for general business purposes (including SMEs) and project financing;
- The calculation of company value for the Corporate Financing categories is the sum of equity and debt (book value) for non-listed companies, while for equity securities, market capitalisation is used;
- Commercial and residential property: emissions were calculated considering:
  i) information included in the property's Energy Certificate (EPC);
  ii) information on the intensity of emissions (according to the type of property and geographical location) published by the Spanish Institute for Energy Diversification and Savings and CRREM (PCAF factors updated in September 2023);
- The calculation of *scope* 3 was carried out for all the sectors that make up BPI's portfolio. Given the high risk of double counting emissions for the calculation of Scope 3, only the intensity of emissions per million euros is reported for Scope 1 and 2.
- Exclusions:
  i) Exposures with insufficient data;
  ii) Exposure to credit institutions and sovereign risk.

As shown above in the table on financed emissions, the PCAF establishes a classification of the quality of the data used in the calculations of financed emissions (*Data Quality Score*), assigning a score of 1 to the highest quality data (data published by the companies and verified) and a score of 5 to the lowest quality data (sector estimates using standard emission factors provided by the PCAF).

The total financed emissions, the breakdown by sector for emissions associated with company financing and the geographical distribution are shown below.

Total issues financed

	Exposure		Absolute Emissions		Economic intensity	
By type of asset	Perimeter exposure (M€)	% calculated exposure	S1+2 emissions ($ktCO_2e$)	S3 emissions ($ktCO_2e$)	S1+2 Emissions' intensity (tCO_2e/M€)	Data Quality Score (S1+ 2)
Commercial Real Estate	1 029	75 %	2	0	3	4.00
Residential *Real Estate*	12 316	100 %	366	0	30	4.00
Corporate Financing	11 269	85 %	1 844	4 171	192	3.50
Car Credit	506	85 %	16	0	37	3.70
Equity securities (Shares)	8	86 %	0	0	6	4.00
Debt securities (Bonds)	260	100 %	19	12	74	3.80
Total	**25 388**	**92 %**	**2 247**	**4 183**	**96**	**3.80**

Emissions associated with corporate financing - sector distribution

	Exposure		Absolute Emissions		Economic intensity	
By sector of economic activity	Perimeter exposure (M€)	% calculated exposure	S1+2 emissions ($ktCO_2e$)	S3 emissions ($ktCO_2e$)	S1+2 emissions' intensity (tCO_2e/M€)	Data Quality Score (S1+ 2)
Oil & Gas	522.2	100 %	177.6	1959.8	340.0	1.4
Electricity	928.0	52 %	106.4	67.1	220.0	1.4
Transport	1 461.2	94 %	124.5	327.6	91.0	2.8
Real Estate	1 131.4	74 %	72.6	127.2	87.0	3.9
Cement	83.0	96 %	44.7	27.3	562.0	4
Iron and steel	159.8	99 %	21.3	58.0	134.0	4
Agriculture (including livestock)	1 032.6	81 %	683.4	320.1	822.0	3.9
Aluminium	89.6	99 %	4.3	20.2	48.0	4
Coal[130]						
Other non-intensive sectors	5 860.9	89 %	609.0	1263.2	117.0	3.9
Total	**11 269**	**85 %**	**1 844**	**4 171**	**192**	**4**

Geographical distribution of emissions

	Exposure		Absolute Emissions		Economic intensity	
By geographical area	Perimeter exposure (M€)	% calculated exposure	S1+2 emissions ($ktCO_2e$)	S3 emissions ($ktCO_2e$)	S1+2 emissions' intensity (tCO_2e/M€)	Data Quality Score (S1+ 2)
Portugal	24 934	0.92	2 204	4 122	96	3.80
Europe	428	0.66	31	53	109	1.60
Rest of the world	25	0.62	12	7	0	4.00
Total	**25 387**	**1**	**2 247**	**4 183**	**96**	**4**

[130] EAC 05100,05200, 19100.

GHG intensity based on net revenue

The following tables show the GHG intensity by revenue and the respective reconciliation with the financial statements.

Net revenue corresponds to the sum of the following income statement items:

- Interest income;
- Dividend income;
- Fee and commission income;
- Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net value;
- Gains or losses on financial assets and liabilities held for trading, net value;
- Gains or losses on non-trading financial assets mandatorily recognised at fair value through profit or loss, net;
- Gains or losses from hedge accounting, net value;
- Gains or losses on derecognition of non-financial assets, net value;
- Other operating income.

Total GHG emissions (location-based) by net revenue

	2023	2024	%N / N-1
Total GHG emissions (location-based) by net revenue (tCO_2e/M €)	3 393	3 018	89 %
Total GHG emissions (market-based) by net revenue (tCO_2e/M €)	3 392	3 017	89 %

Reconciliation with the financial statements

Million EUR	2024
Net revenue used to calculate GHG intensity	€2 137
Net revenue (other)	€0
Total net revenue (in the financial statements)	**€2 137**

E1-7 - GHG removal and GHG mitigation projects financed through carbon credits

Own operations e value chain

The bank does not currently have any GHG removal or storage projects in its own operations, but in line with the CaixaBank Group, it is committed to offsetting GHG emissions from its own activity for scopes 1, 2 and 3, category 6, through certified offset projects.

At the moment, BPI does not collaborate in GHG removal and storage projects with the agents in its value chain. However, in order to analyse and support the efforts made by its suppliers, BPI's Environmental Management Plan 25-27 provides for the introduction of a questionnaire on the carbon footprint associated with the activity of suppliers in which the Bank has exposure above a certain business value.

Carbon credit purchases

BPI has been acquiring carbon credits for Scope 1 and 3.6 emissions, which are mainly associated with travelling.

Every year in July, an estimate is made of BPI's operational emissions for the pre-established areas and categories, and a projection is made for the rest of the year. Subsequently, purchase processes are triggered on the basis of analysing proposals for reforestation projects, and an estimated number of credits are reserved via the CaixaBank Group.

Once the actual issue values have been calculated, the reserve values are adjusted and the purchase is formalised.

The use of carbon credits to offset part of BPI's carbon footprint is a stopgap solution, as long as the footprint is not effectively reduced, and does not hinder or reduce BPI's commitment to GHG emission reductions. Several actions are being implemented to reduce GHG emissions, as described in indicator E1-3.

Credits purchased as part of offsetting meet the highest international standards and are verified by independent, internationally recognised agencies, such as the *International Carbon Reduction & Offset Alliance (ICROA). Offset Alliance (ICROA)*, a sector-leading accreditation programme committed to strengthening the integrity of the voluntary carbon market, and follow the selection criteria below:

- Real - with a clear reference base;
- Measurable - according to the best methodologies and market standards;
- Verifiable - by external organisations;
- Permanent - generate long-term climate benefits;
- "Additional" - generate emission reductions or removals above and beyond what would have occurred without the existence of the project;
- No leakage - no emissions generated elsewhere by displacement of activities;
- Single - no double counting;
- No harm done - do not generate other negative environmental or social impacts.

The offset projects selected follow the Core *Carbon Principles* (CCPs) of the *Integrity Council for the Voluntary Carbon Market's* (ICVCM). When selecting an offset project, BPI also considers detailed information on its location, impact on/support for the community in which it is located, classification category (reduction or removal), certification by an external organisation (*Gold Standard, verified Carbon Standard - VCS, MITECO*), and considers the monitoring of offset emissions.

In 2024, with reference to 2023 emissions, BPI offset this by acquiring certified carbon credits at corporate level, underlying reforestation projects of high biodiversity value and forest maintenance (75%) and renewable energy production projects, which account for the remaining (25%):

- 25% in the "Land Fill Gas Pichacay" project in Ecuador. Group I (avoided emissions). Vintage 2020. VCS certification
- 25% in the "Vichada Aforestation Reforestation" project in Colombia. Group IV (emission removals). Vintage 2018. VCS certification
- 50% in reforestation projects in Spain (Pontevedra). Type IV (emission removals). Harvest 2021 and 2022. Certified by MITECO.

In 2025, with reference to 2024 emissions, BPI plans to offset a total of 3 863 $tCO_2$and in projects distributed as follows:

- 40% in the reforestation project for degraded meadows in Uruguay. Group IV (emissions removal). Vintage: 2019. (Certified by VCS
- 10% in a project to promote forest regeneration in Mexico. Group IV (removal of emissions). Vintage: 2022. CAR (Climate Action Regional) certification
- 50% in the reforestation project aimed at increasing biodiversity and promoting rural development in Spain, located in Orense (Galicia). Group IV (removal of emissions). Vintage: 2022. Certified by MITECO.

Cancelled carbon credits

	Cancelled in 2024 by reference to 2023 emissions	Planned for cancellation in 2025 by reference to 2024 emissions
Total (tCO_2eq)	3 430	3 863
Share from removal projects (%)	75%	100%
Share from reduction projects (%)	25%	0%
VCS standard (%)	50%	40%
MITECO standard (%)	50%	50%
Regional CAR standard (%)	0%	10%–
Share from projects within the EU (%)	50%	50%
Share of carbon credits that qualify as corresponding adjustments (%)	NA	NA

Public declarations of GHG neutrality involving the use of carbon credits

In 2024, BPI made public declarations of GHG neutrality in the context of the commercialisation of Contas AGE, a bank account aimed at the 0 to 25 year-old segment whose carbon emissions are offset.

The conta AGE Jovem was the first in Portugal to be certified as a carbon-neutral account (ISO 14067:2018), and the bank has committed to offsetting GHG emissions from AGE accounts in sustainable projects, with a communication campaign associated with this offsetting process.

The declarations in the context of the conta AGE do not prevent or reduce BPI's commitment to GHG emission reductions, as demonstrated by the emission reduction measures described in the indicator E1-3.

E1-8 - Internal carbon pricing

BPI does not currently have an internal carbon pricing system. This possibility will be evaluated in the 2025-27 triennium.

E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Climate risks, including physical and transition risks, are considered to be a transversal factor that affects several of Banco BPI's financial risks, such as credit risk, market risk, operational risk, reputational risk, liquidity risk and business/strategic risk, as detailed in ESRS 2 IRO-1.

In this way, climate risks, as cross-cutting factors, are incorporated into traditional risk management and are treated not as autonomous, independent or isolated risks, but as an integral part of the overall risk management process.

The following sections present the bank's exposure to physical and transition risks. The amounts reported in the exposures originate from the Clients Credit item on BPI's Balance Sheet.

Exposure associated with physical risks

The following table shows the bank's exposure[131] associated with customers with physical risks considered material. The table shows credit exposures associated with physical risks related to climate change broken down by sector of activity, in the case of exposures to companies, and loans secured by property and assets given in lieu of payment.

A breakdown of physical risk events categorised into acute and chronic events is included, with acute events being understood as those that take place over a short period of time but have serious effects on the geographical areas affected, whilst chronic events are those that occur over a long period of time and whose consequences are less serious in the short term but more long-lasting.

Exposure to non-financial companies associated with physical risks amounted 331 million euros, representing around 1% of total exposure.

Bank exposure associated with customers with physical risk considered material

	Variable: Geographical area subject to physical risks related to climate change - severe and chronic phenomena	Exposure (gross carrying amount in M. €)			
		Of which, exposures sensitive to the impact of chronic phenomena related to climate change	Of which, exposures sensitive to the impact of severe phenomena related to climate change	Of which, exposures sensitive to the impact of both chronic and severe phenomena related to climate change	**Total**
NON-FINANCIAL COMPANIES	A - Agriculture, animal production, hunting, forestry and fishing	0	27	0	**27**
	B - Extractive industries	0	0	0	**0**
	C - Processing industries	1	35	0	**36**
	D - Electricity, gas, steam, hot and cold water and cold air	0	0	0	**0**
	E - Water collection, treatment and distribution; sanitation, waste management and depollution	0	0	0	**0**
	F - Construction	7	18	0	**25**
	G - Wholesale and retail trade; motor vehicles and motorbikes repairing	5	23	0	**27**
	H - Transport and storage	0	1	0	**1**
	L - Real estate activities	39	73	0	**111**
	Other sectors (NACE I, J, K, M-U)	46	55	0	**102**
COLLATERAL	Loans secured by residential property	807	1 809	5	**2 621**
	Loans secured by commercial property	41	68	0	**109**
PROPERTIES OBTAINED IN LIEU OF PAYMENT AND SEIZURE		0.15	0.77	0.00	**0.92**
	Individual total (absolute)	946	2 110	5	**3 061**
	Total percentage	2 %	5 %	0 %	**7 %**

[131] We have not identified the assets associated with climate change adaptation measures carried out by customers potentially affected by the physical risk because we do not consider them to be material.

The following table shows the geographical distribution of the exposures identified in the previous table. In the "Physical risk by activity" table, the exposure subject to physical risk is presented both by the location of the real estate collateral and by the company's activity, which can lead to duplications. This approach is consistent with model 5 of Pillar 3. By disaggregating the exposure subject to physical risk by NUTS, duplications are eliminated by considering the amount for non-financial companies with real estate guarantees only once, according to the location of the guaranteed property.

Portugal, along with Spain, is one of the regions in Europe potentially most affected by the physical risks arising from climate change. From the analysed risks, events linked to fires and coastal flooding are the most relevant.

From a breakdown by NUTS III region, the Greater Lisbon and Porto Metropolitan Areas stand out with 547 and 711 million euros, respectively.

NUTS II	NUTS 3	Exposure (M. €)	% of total
AZORES	AUTON. REGION AZORES		0.00 %
ALENTEJO	ALENTEJO CENTRAL		0.00 %
	ALENTEJO LITORAL	19	0.04 %
	ALTO ALENTEJO	3	0.01 %
	BAIXO ALENTEJO	12	0.03 %
ALGARVE	ALGARVE	182	0.44 %
CENTRE	BEIRA BAIXA	5	0.01 %
	BEIRAS AND S. ESTRELA	61	0.15 %
	AVEIRO REGION	129	0.31 %
	COIMBRA REGION	158	0.38 %
	LEIRIA REGION	91	0.22 %
	VISEU DAO LAFOES	130	0.31 %
GREATER LISBON	GREATER LISBON	547	1.32 %
MADEIRA	AUTON. REGION MADEIRA		— %
NORTH	ALTO MINHO	120	0.29 %
	ALTO TAMEGA BARROSO	12	0.03 %
	PORTO METROP. AREA	711	1.71 %
	AVE	114	0.27 %
	CAVADO	143	0.34 %
	DOURO	30	0.07 %
	TAMEGA E SOUSA	166	0.40 %
	TERRAS TRÁS-OS-MONTES	1	— %
OESTE E V.TEJO	LEZÍRIA DO TEJO	70	0.17 %
	MEDIO TEJO	60	0.14 %
	WEST	23	0.05 %
PEN OF SETÚBAL	PENINSULA OF SETÚBAL	57	0.14 %

Transition Risk

The following table shows the exposures associated with non-financial companies that operate in sectors that contribute significantly to climate change and are therefore associated with transition risks[132].

Exposures associated with non-financial companies operating in sectors that contribute significantly to climate change

	Total percentage	63 %	48 %
	Individual total (absolute)	26355163969.66	20098765516.72
M. €	Exposures to sectors that contribute significantly to climate change[133]	EXPOSURE (gross carrying amount)	Exposure subject to transition risk according to functional criteria
NON-FINANCIAL COMPANIES	A - Agriculture, animal production, hunting, forestry and fishing	479	479
	B - Extractive industries	36	36
	C - Processing industries	3 123	1 671
	D - Electricity, gas, steam, hot and cold water and cold air	776	774
	E - Water collection, treatment and distribution; sanitation, waste management and depollution	326	0
	F - Construction	711	10
	G - Wholesale and retail trade; motor vehicles and motorbikes repairing	1 713	444
	H - Transport and storage	670	659
	I - Accommodation, catering and similar	765	0
	L - Real estate activities	913	0
COLLATERAL	Loans secured by residential property	842	842
	Loans secured by commercial property	15 538	15 066
PROPERTIES OBTAINED IN LIEU OF PAYMENT AND SEIZURE		3	3

Banco BPI's sectoral exposure to those sectors identified as materially relevant to transition risk amounted 4.2 billion euros, representing 10% of total exposure. In addition to the exposure subject to transition risk identified in the CAE A-L sectors in the previous table, the total amount subject to transition risk associated with the remaining sectors (around 0.1 billion euros) is considered.

In particular, in the *oil & gas* and coal sectors, the exposures are as follows:

		Exposure
Sector	M. Euros	%
Coal	0.00	0.0 %
Oil & Gas	527.30	1.3 %

[132] Exposures subject to transition risk mitigation measures are not identified since these are actions implemented by customers for which BPI does not have complete information. As described in indicator E1-4, the Bank has set decarbonisation targets for certain sectors identified by the Net Zero Banking Alliance as highly carbon intensive. Within the scope of these objectives, the Bank will be available to its customers to help them with the transition plans for their business models (as a financier of the investments needed to realise these plans).
[133] Materially relevant sectors, according to the materiality assessment.

With regard to the transition risk associated with mortgage loans, the following table presents specific information on the property pledged as collateral, reporting the consumption value indicated on the energy performance certificate (EPC), when this information exists in the Bank's computer systems. With regard to exposure by EPC, only data relating to real/ existing energy certificates was taken into account.

Distribution by energy certificate and energy consumption level (according to functional materiality criteria)

Gross carrying amount (Million EUR)	Energy efficiency level (energy score, in kWh/m2, of the properties given as guarantees)							Energy efficiency level (label on the Energy Performance Certificate for properties given as guarantees)							
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	W/o Information	A	B	S	D	E	F	G	W/o Information
Total	2 796	2 778	537	92	15	4	9 687	437	192	444	1 801	1 803	1 095	450	9 687
Of which, loans secured by commercial property	2 783	2 771	533	92	15	4	8 868	435	191	440	1 795	1 798	1 090	448	8 868
Of which, loans secured by residential property	13	7	4	0	0	0	817	1	1	4	6	5	4	3	817
Of which, assets pledged as collateral obtained through the acquisition of ownership: residential and commercial property	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3

Energy efficiency certificates, which were introduced in the EU in accordance with the Energy Efficiency Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 and, in Portugal, when the certification of the energy efficiency of buildings was approved by Decree-Law 118/2013 of 20 August, aim to ensure and promote improvements in the energy performance of buildings through the Energy Certification System for Buildings (SCE). Although the law dates back to 2013 and makes it compulsory to present the document in any commercial transaction, EPC coverage at both national and European level has not yet reached the desired levels. According to information published by the ECB[134] for supervised banks, at the end of 2023, only 30% of exposures collateralised by residential real estate and 22% of exposures collateralised by commercial real estate have real EPC, with the remainder estimated or unknown.

Energy certificates provide, among other things, information on the energy consumption and CO_2 emissions of a property, classifying it on a scale. This (European) classification ranges from class A, for the least energy-consuming properties, to class G, for the most energy-consuming, both in terms of consumption itself and emissions. This classification is based on an assessment of the property regardless of its actual use.

However, despite the obligation to certify, the information contained in the document is not always accessible to the financial entity that finances the operations.

[134] ECB, November 2024: "Climate-related data for the real estate sector: challenges and solutions". Link: https://www.bankingsupervision.europa.eu/press/supervisory-newsletters/newsletter/2024/html/ssm.nl241113_1.en.html

For the purpose of analysing the transition risk in the mortgage credit portfolio, as per the table above, properties aligned with the environmental taxonomy were not included, namely properties that are considered to be:

- no physical risk; and
- that contribute substantially to environmental objectives;
- Properties built before 2021 with an EPC lower than B (exclusive);
- Properties built after 2021 with an EPC lower than A+ (exclusive).

As a result, properties with transition risk amounted around 16 billion euros, representing 97% of all mortgage credit.

Social Information

ESRS S1 - Own labour[135]

STRATEGY

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model

As part of the materiality analysis exercise[136], the Bank identified three material impacts related to its employees, and no material risks or opportunities were identified.

Real Positive Impact Labour stability of the Bank's employees due to the Bank's practices
Real Positive Impact Development of skills, expansion of knowledge and possibility of internal promotions
Real Positive Impact Well-being at work promoted by an accessible, respectful and welcoming environment among employees

With regard to material impacts, these cover all of the Bank's[137] employees, regardless of their specific characteristics, since these impacts are transversal to all of them.

The impacts identified are positive and result from the practices implemented at the Bank, including: the existence of a Collective Labour Agreement (CLA); the low number of temporary workers hired (in 2024 they was 1%); the existence of numerous policies such as: Talent Management Policy, Code of Ethics, Training Policy, Recruitment and Selection Policy and the Human Rights Principles; and joining to programmes such as the *Women Empowerment Principles*.

IMPACTS, RISKS AND OPPORTUNITIES MANAGEMENT

S1-1 - Policies related to own workforce

BPI has implemented Policies for managing IRO related to its own workforce, namely:

i) Recruitment and Selection Policy;

ii) Talent Management Policy;

iii) Training Policy;

iv) BPI Code of Ethics;

v) Principles of Human Rights;

vi) Policy for the Prevention and Combat of Harassment.

Through these instruments, the Bank endeavours to ensure that there is no discrimination, including harassment, and to promote equal opportunities.

i) Recruitment and Selection Policy

The recruitment and selection of people is regulated in the Bank's Recruitment and Selection Policy, which establishes the following main objectives:

i) Developing and boosting the professional growth of internal talent;

ii) Ensuring the recruitment of suitable professionals with responsible and prudent behaviour and an appropriate level of knowledge, experience and skills;

iii) Maximising the quality of selection processes;

[135] The information is reported based on the number of employees (*headcount*) as at 31 December. With regard to the collection of data on gender, we would like to point out that both the 'Other' gender and the 'Not reported' category will not be presented in the Report since, currently, genders other than male and female are not officially recognised and covered by the identity documents issued.
[136] More details can be found in the response to indicator SBM-3 of ESRS 2 standard - General Disclosures.
[137] Waged workers as defined in ESRS Standard S1 - Own labour.

iv) To provide candidates with an outstanding experience;

v) Optimising selection and integration processes;

vi) Respect the legal requirements for recruitment and selection;

vii) Acting with transparency in the recruitment and selection process, guaranteeing equal opportunities and non-discrimination for all candidates.

This Policy contributes to the management of the IROs identified under the material sub-topics: "Promoting quality employment and professional development" and "Promoting diversity, equity and inclusion".

The Policy also establishes that the Bank is committed to guaranteeing equal opportunities and non-discrimination, ensuring equal conditions for all candidates during recruitment and selection processes, namely with regard to ancestry, age, sex, sexual orientation, gender identity, marital status, economic situation, origin or social condition, disability, illness, nationality, race, territory of origin, language, religion, political or ideological beliefs and trade union membership.

ii) Talent Management Policy

Promotion and career management are regulated in Banco BPI's Talent Management Policy, which establishes the following main objectives:

i) Attracting and retaining talent;

ii) Fostering accountability;

iii) Ensuring equal opportunities;

iv) Identifying and planning talent.

This Policy contributes to the management of the IROs identified under the material sub-topics: "Promoting quality employment and professional development" and "Promoting diversity, equity and inclusion".

iii) Training Policy

Learning at Banco BPI is regulated in the Training Policy, which establishes the following main objectives:

i) Define the role and responsibilities of the parties involved in the learning and development process;

ii) To publicise BPI's apprenticeship and training principles, as well as its model, experience and characteristics;

iii) Ensuring the ongoing training of the Bank's employees and promoting their training and qualification;

iv) Ensuring compliance with the applicable legal and regulatory standards in the several areas of its activity;

v) Boosting organisational innovation, stimulating leadership skills and developing employees competences that enhance their professional performance;

vi) Promoting organisational efficiency and simplification.

This Policy contributes to the management of the IROs identified under the material sub-theme: "Promoting quality employment and professional development”.

iv) BPI Code of Ethics

BPI's Code of Ethics establishes the Bank's principles of action: compliance with the legislation and regulations in force at any given time, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility. The Code applies to everyone who is part of BPI, i.e. all Employees and members of the Governing Bodies.

The Code establishes that relations with Employees and, in general, with anyone who interacts with the Bank, must be fair, regardless of their sexual identity, race, colour, nationality, creed, religion, political opinion, affiliation, age, orientation, gender identity, marital status, disability, deficiency and other circumstances protected by law.

Respect for the individual and their dignity is a fundamental value of the Bank's operations and, in this regard, it fully subscribes to the United Nations International Bill of Human Rights, the respective documents that integrate it and the United Nations

Guiding Principles on Business and Human Rights, among others.

This Code contributes to the management of the IROs identified under the material sub-topics: "Promoting quality employment and professional development" and "Promoting diversity, equity and inclusion".

v) Human Rights Principles

BPI's Human Rights Principles demonstrate the Bank's commitment to human rights, in accordance with the highest international standards, within the scope of the relationships it establishes with its Employees, Clients, Shareholder, Suppliers, Partners and the Society in which it carries out its business and activities.

In this context, the Bank establishes the main commitments and identifies the internal policies and standards available within the scope of its responsibilities towards employees, particularly with regard to respect for labour rights and other relevant aspects related to respect for human rights. In order to fulfil its commitments, BPI promotes awareness-raising and training activities for its employees.

BPI undertakes to respect all internationally recognised human rights, as set out in: the United Nations International Bill of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the eleven fundamental conventions identified by it, and the Charter of Fundamental Rights of the European Union. It also undertakes to carry out its activity in strict compliance with the applicable regulations and in accordance with the highest legal and ethical requirements and high standards of professional conduct, namely the United Nations Guiding Principles on Business and Human Rights, among others.

To ensure compliance with the Principles, since 2023 the Bank has periodically carried out a due diligence analysis to assess the risk of non-compliance, on the basis of which it proposes measures to prevent or remedy negative impacts and measures to enhance positive impacts.

This Code contributes to the management of the IROs identified under the material sub-topics: "Promoting quality employment and professional development" and "Promoting diversity, equity and inclusion".

vi) Policy for the Prevention and Combat of Harassment

The Policy for the Prevention and Combat of Harassment defines and regulates the principles to be observed by the Bank in the process of receiving, processing and archiving reports of harassment, with a view to complying with the legislation in force and the BPI Code of Ethics, and promoting a set of preventive measures to mitigate the occurrence of harassment and discrimination in the workplace.

Considering the Policy's objectives, BPI is therefore committed to implementing a series of preventive measures, examples of which are:

- Promoting a culture of mutual respect, not tolerating and seeking to prevent, whether at the time of access to employment, at work or in vocational training, behaviour, including sexual behaviour, that is intended to disturb or embarrass, affect personal dignity or create an intimidating, hostile, degrading, humiliating or destabilising environment;
- Implementing a specific information and dissemination strategy on preventing and combating harassment at work, providing and informing employees of the channels available for reporting situations in which there is knowledge or well-founded suspicion of harassing behaviour;
- Guaranteeing the confidentiality of the information processing process and the existence of reprisals against whistleblowers; among others.

This Policy contributes to the management of the IROs identified under the material sub-topics: "Promoting quality employment and professional development" and "Promoting diversity, equity and inclusion".

Communication, participation and dialogue with customers

BPI uses a variety of communication, participation and dialogue channels to involve and maintain a transparent relationship with its stakeholders, ensuring that they contribute to the implementation of each Principles and Declarations signed.

Examples of these channels are the consultation and whistleblowing channels (as presented in the response to the ESRS indicator G1-1) and the training promoted on a regular basis for all employees, namely in their onboarding.

These documents are available on the Bank's intranet and/or website and can be consulted by employees at any time. On a regular basis and as part of the *onboarding* process for new employees, information and training is also provided on some of the Bank's structuring regulations.

Government of Principles and Declarations

Within the scope of the Policies and Principles, a governance model is defined, presented in each of the documents, which includes the responsibilities of the various bodies involved in implementing the commitments, namely the Board of Directors and the Nominations, Evaluation and Remuneration Committee. Depending on the document, the responsibilities of the Executive Committee and the Directorates responsible for the topics are also established.

S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

The Bank involves its employees and collects information on their needs and expectations through various mechanisms, including:

Involvement mechanisms	Frequency
Intranet	Regularly
Surveys (e.g. Organisational Climate Study)	2 in 2 years
Meetings	-
Performance evaluation	Annually
Whistleblowing Channel	-

The Bank promotes this involvement both directly with the employees, for example through the Climate Study, and indirectly through the structures representing the employees, both with the Workers' Committee, with which it meets periodically, and with the trade union structures.

The different involvement mechanisms in place influence the development and implementation of measures aimed at employees. The Bank has mechanisms such as the Authority for Working Conditions (ACT) in which the various labour-related issues are defined.

As part of its responsibilities for dialogue with employees and/or their representatives, the People and Talent Division is responsible for:

- Managing and updating the contents of the PTD's Intranet space;
- Ensuring and fostering communication with employee representative structures;
- Supporting the implementation of strategies to promote and disseminate the organisational culture.

S1-4- Taking action on material impacts on own labour and approaches to managing material risks and seeking material opportunities related to own labour, as well as the effectiveness of these measures

In order to manage the Bank's material IRO related to its Employees, actions are developed and implemented to promote quality employment and professional development, as well as diversity, equity and inclusion. The actions to be implemented[138] are identified by listening to employees, observing the market and suggestions submitted via the suggestion box available on the intranet.

Commitments and Partnerships

The Bank has made a number of commitments and established partnerships in the above-mentioned areas:

- **Nova SBE's Inclusive Community Forum**: BPI has made a commitment to the Inclusive Community Forum through which it reinforces its endeavour to promote the employability of people with disabilities, both in the Bank and in society;
- **Portuguese Charter for Diversity**: The Bank is one of the signatories of the Charter, an initiative of the European Commission, promoted by the APPDI, created with the aim of encouraging employers to implement and develop internal policies and practices to promote diversity.
- **PWN Lisbon**: The Bank has established a partnership with PWN Lisbon, an organisation whose mission is to promote the professional development of women. In the context of this collaboration, the Bank participates in and benefits from its programmes, training and networking activities.
- **Women's Empowerment Principles (WEPs)**: BPI is a signatory to the WEPs, which are a set of Principles, established by the UN Global Compact and UN Women, that offer guidance to companies on how to promote gender equality and the empowerment of women in the workplace.
- **Family Responsible Company**: The Bank is certified as a family responsible company (frc.) by Fundación Más Família, reinforcing its commitment to reconciling the professional and personal lives of its employees, promoting a more balanced and healthy working environment.

Programmes

BPI has implemented the "+Movimento + Saúde" (+ Movement + Health) programme for employee well-being, promoted with an external partner. This programme promotes a number of initiatives, namely:

- Health support line;
- Psychological support line (phone and *e-mail*);
- Psychotherapy sessions;
- Online training classes;
- Lectures / Workshops on current topics;
- In-person pilates classes;
- Nutrition sessions.

In addition to the measures included in the aforementioned programme, BPI promotes other initiatives aimed at its Employees, namely:

- Latin dance classes;
- Yoga classes;
- Quick massage;
- "Stressometer": measurement of anxiety and stress levels through questions relating to the intensity of behaviours and sensations; individual feedback on stress levels and tips for controlling it; receipt of aggregate results that allow action strategies to be defined;

[138] Since the Bank closed its strategic cycle in 2024, at the time the Report was published, the definition of actions to be implemented in the next three years was under discussion, and it is generally planned to continue with the actions already implemented.

- Guidance and support in resolving personal, family or socio-economic problems;
- Portal that concentrates resources and information on Psychological Health and Well-being: provides a virtual assistant completely free of charge, at any time of the day, who offers information and resources adapted to your needs;
- A programme of 3 individual sessions to help prepare and accompany the next stage of life for employees who agree to leave due to retirement or termination;
- Provision of a person - a Health Guide - whose role is to accompany the patient (employee or direct family members), providing structure, practical support, confidence and biopsychosocial and spiritual support over a period of 6 months;
- Several discounts on: catering, beauty, fashion, general and family medicine consultations, among others.

In the context of promoting employee well-being, every year BPI organises a week dedicated to the health and well-being of its Employees where it offers several free activities such as nutrition consultations, acupuncture sessions, healthy breakfasts, sports challenges, webinars and therapeutic massages at all its sites.

All these activities are managed by the People and Talent Division and the Communication and Brand Division, involving a total of three people from the different areas.

Training

Training is recognised as an important aspect of the Bank's successful approach, and this is promoted through mechanisms such as Campus BPI. Campus BPI is Banco BPI's learning tool that gives employees the flexibility to design their own training programme, through a range of general and job-specific training courses. It also offers a range of other facilities such as Campus BPITube, *newsletters*, news, among others.

With regard to training and in order to ensure that it fulfils its objectives, the Bank promotes:

- Knowledge assessment

The Bank evaluates trainees' knowledge of the training through a knowledge test. These tests are applied at the BPI Campus to all compulsory online training courses and occasionally to other training programmes.

- Satisfaction evaluation

The Bank promotes the evaluation of the training/learning experience by the Trainees through an evaluation questionnaire (online) on the BPI Campus.

Since the Bank closed its strategic cycle in 2024, at the time the Report was published, the definition of actions to be implemented in the next three years was under discussion, and it is generally planned to continue with the actions already implemented.

METRICS AND TARGETS

S1-5 - Targets related to the management of material impacts, the promotion of positive impacts, as well as risks and opportunities

As part of the 2022-24 Sustainability Master Plan, one of the pillars of the Bank's Strategic Plan, a target was set in 2022 to reach 43% in the ratio of women in management positions at Banco BPI by 2024.

Women in management positions				Target
2021	2022	2023	2024	2024
41%	43%	44%	45%	43%

Within the scope of the established target, managerial positions are considered to be: Executive Directors, Directors and Coordinators, Branch Managers and Deputy Branch Managers considered to be large[139]. In 2023, the position of Deputy Branch Manager was abolished, so an equivalent metric was established to ensure the continuity of the KPI. In the same year, the methodology was also rectified in order to avoid fluctuations in the universe due to seasonal factors, and the average value is now considered for the purposes of determining which branches are considered large. As part of the last change mentioned, the data was revised and updated to ensure consistency.

This target was set by the People and Talent Division (PTD) in close liaison with the CaixaBank Group (which set an equivalent target), in order to ensure that the level of ambition was aligned. The target was approved by the Board of Directors, is periodically monitored by the Sustainability Committee, Risk Committee, Executive Committee and the Board of Directors and was made public in 2022. In addition, its evolution has been communicated annually in the Management Report.

This goal contributes to the positive material impact, identified in the materiality analysis exercise, related to well-being at work promoted by an accessible, respectful and welcoming environment among employees, identified under the sub-topic of promoting diversity, equity and inclusion.

The Bank has implemented practices and policies aimed at promoting diversity, equity and inclusion, namely: the Bank's Recruitment and Selection Policy, which states that BPI's recruitment and selection model is based, among other things, on the principle of equal opportunities and active management of diversity. This policy also establishes that equal opportunities and non-discrimination must be a criterion for recruitment and selection, guaranteeing equal conditions for all candidates during the recruitment and selection processes. In addition, also in the context of diversity, and in accordance with the EBA Guidelines and the regime laid down in the Labour Code, in terms of equality and non-discrimination, credit institutions must have non-discriminatory remuneration policies and practices, particularly in relation to gender. In view of the above, at the end of each financial year, the Bank carries out an analysis of the gender pay gap, with the aim of proving that the Remuneration Policy and the related labour conditions affecting remuneration per unit of measurement or per unit of time are gender-neutral, i.e. there is no difference between male, female or gender-diverse Employees, particularly with regard to the conditions for awarding and paying remuneration.

Since the monitoring of the performance of the target under analysis showed that progress was in line with what was expected to achieve it within the established timeframe, no dialogue on progress was promoted with stakeholders. The same applies to the identification of lessons or improvements resulting from the realisation of the target. Nevertheless, the progress of results was regularly communicated to the governing bodies and is also publicly disclosed in the Management Report.

[139] Branches with an average of more than eight employees over 12 months are considered "large".

S1-6 - Characteristics of the undertaking's employees[140]

In 2024 the Bank had 4 234 employees (-1% than in 2023), of which 43% are male and 57% female.

Gender[141]	2023	2024	Δ%
Male	1 820	1 804	(1) %
Female	2 443	2 430	(1) %
Total	**4 263**	**4 234**	**(1)%**

With regard to the type of contract, in 2024, 99% of employees had a permanent contract and only 1% had a temporary contract.

Permanents/ gender	2023	2024	Δ%
Male	1 816	1 783	(2) %
Female	2 434	2 393	(2) %
Total	**4 250**	**4 176**	**(2)%**

The increase in the number of employees on temporary contracts is justified by the Bank's increased temporary needs arising from the execution of projects and services of a fixed duration, temporary increases in activity or the replacement of temporarily absent employees.

Temporary employees / gender	2023	2024	Δ%
Male	4	21	425 %
Female	9	37	311 %
Total	**13**	**58**	**346%**

At the Bank, no labour contracts are signed with non-guaranteed hours, thus ensuring stable and predictable working conditions for all our employees.

Non-guaranteed hours/gender	2023	2024	Δ%
Male	0	0	-
Female	0	0	-
Total	**0**	**0**	**-**

In 2024, the number of *full-time* contracts at the Bank was 4 225, which corresponds to 99.8% of the contracts.

It should be noted that the employees who have *part-time* contracts are essentially permanent staff who use this right under the parenthood scheme or the flexibilisation policy.

Type of contract	2023	2024	Δ%
Full-time	4 257	4 225	(1) %
Part-time	6	9	50 %
Total	**4 263**	**4 234**	**(1)%**

In 2024, the number of people leaving the Bank fell to 268, a reduction of -7% compared to 2023. Consequently, the turnover rate also fell, from 7% in 2023 to 6% in 2024, reflecting an improvement in the ability to retain employees.

Turnover rate	2023	2024	Δ%
Employees who leave	289	268	(7)%
Turnover rate[142]	7 %	6 %	(7)%

S1-8 - Characteristics of non-employees in the undertaking's own workforce

As an instrument of social dialogue and collective bargaining, the Bank has in place instruments such as the Collective Labour Agreement (CLA), guaranteeing the active participation of employees.

By 2024, 100% of Bank's employees were covered by collective bargaining agreements.

At the Bank, 100% of employees are covered by workers' representatives, as the CLA is in place.

140 Since the Bank operates in Portugal and since 100% of its employees work in Portugal, no information will be presented by country.
141 Gender information is not presented in the 'Other' and 'Not reported' categories, as genders other than male and female are currently not officially recognised and covered by identity documents issued in Portugal. The Bank's approach is in line with current regulations and legal practices, thus guaranteeing consistency and rigour in official documentation and related processes.
142 Turnover rate = Number of departures / Total number of employees on 31 December.

S1-9 - Diversity metrics

In 2024 there were 210 employees in management positions, of which 34% were female and 66% male.

Employees by gender at management level[143]

	2023	2024	Δ%
Female	77	71	(8)%
Male	158	139	(12)%
Female	33 %	34 %	1 p.p.
Male	67 %	66 %	(1 p.p.)

At 2024, there was an increase of 62% in the number of employees under 30, compared to 2023. In percentage terms, the representation of employees under the age of 30 increased 2pp, reflecting a rejuvenation trend in the Bank's staff.

Age distribution of employees

	2023	2024	Δ%
<30 years	158	256	62 %
30-50 years	2 561	2 294	(10)%
> 50 years	1 544	1 684	9 %
% <30 years	4 %	6 %	2pp
% 30-50 years	60 %	54 %	(6 p.p.)
% > 50 years	36 %	40 %	4 p.p.

S1-11 - Social protection

All employees with an employment contract with the Bank are covered by a compulsory social protection scheme which covers protection in the event of illness, unemployment, accidents at work and acquired disability, parental leave and retirement.

S1-12 - People with disabilities

According to Law No. 4/2019, which establishes the employment quota system for people with disabilities, with a degree of disability equal to or greater than 60%, large companies, which include the Bank, must hire workers with disabilities, in a number of no less than 2% of the staff in their service.

At 2024 there was an increase in the number of employees with disabilities[144], but they still represent 3% of the total number of employees.

Disabled employees represent 4% of all female employees and 2% of all male employees.

Employees with disabilities

	2023	2024	Δ%
Male	2 %	2 %	-
Female	4 %	4 %	-
Total (%)	**3 %**	**3 %**	-

143 In order to present the number of employees at management level, in line with the reporting at CaixaBank Group level, all the employees of the Board of Directors, Executive Committee, Executive Directors (and similar functions), Area Directors and Commercial Directors are considered.
144 To calculate the indicator, employees with a degree of disability equal to or greater than 60% at the end of the financial year were considered.

S1-13 - Training and skills development metrics

Performance review

In 2024 there was a slight reduction in the percentage of employees covered by performance reviews, from 92% in 2023 to 91% in 2024. Nevertheless, more than 90% of the Bank's employees were covered by the review process in place[145].

Employees who participated in regular performance and career development analyses

	2023	2024	Δ%
Male	93 %	92 %	-1 pp
Female	92 %	90 %	-2 pp
Total	**92 %**	**91 %**	**-1 pp**

	2023	2024	Δ%
Directors	83 %	96 %	13 pp
Middle management	98 %	98 %	-
Other employees	92 %	90 %	(2pp)
Total	**92 %**	**91 %**	**(1pp)**

Training

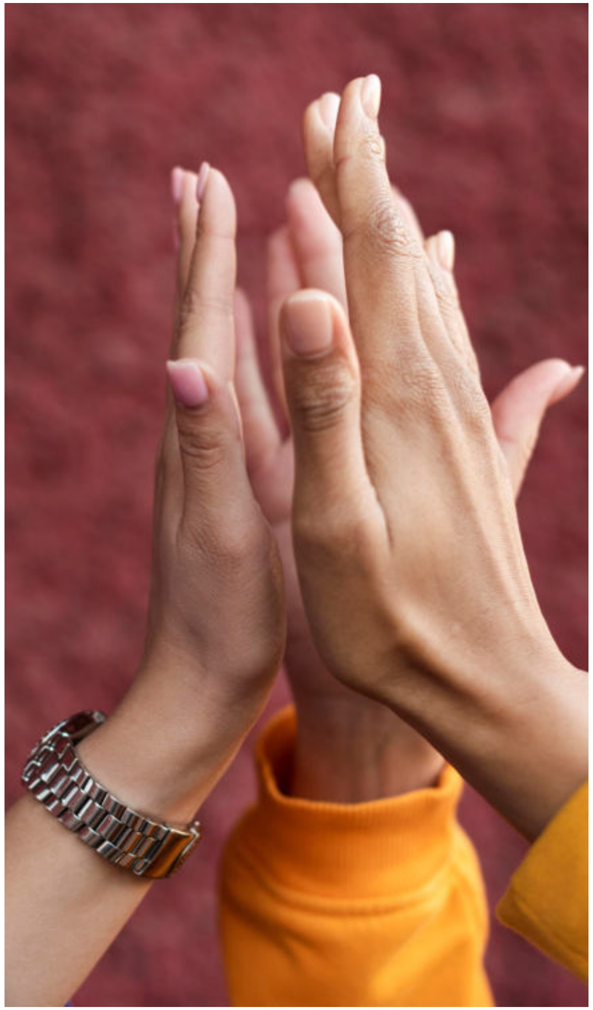
In 2024 there was an increase of 13% in the average number of hours of training, reaching 52 hours per year per employee.

This increase is mainly due to:

- New employee arrivals resulting in more welcome programmes and more hours of the *onboarding* mandatory training package, which includes certifications with a high number of hours for new employees in the commercial network.
- Implementation of projects such as Navigation, Boost and Sales Force, which contributed to an increase in the number of hours.
- Launch of compulsory online courses (e.g. 12 information security videos for the entire Bank and 12 Digital Client videos for the entire commercial network);
- More academic training (master's degrees and postgraduate courses) with support from the Bank.

Average number of training hours per employee

	2023	2024	Δ%
Male	44	52	17 %
Female	47	52	11 %
General	46	52	13 %



[145] More information about the Performance Evaluation Model & *Feedback* is available at Human Capital.

ESRS S4 – Consumers and end users

STRATEGY

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model

As part of the materiality analysis exercise[146], the Bank identified one material risk related to its customers, and no material impacts or opportunities were identified.

Risk
More relevant impacts in the medium term
Impacts at value chain level on Shareholder (*Upstream*) and Clients (*Downstream*)
***Greenwashing* practices associated to the lack of information about the products offered by the Bank**

Regarding the identified risk, this cover all of the Bank's customers, regardless of their specific characteristics, since this risk is transversal to all customers.

IRO MANAGEMENT

S4-1 — Policies related to consumers and end-users

BPI has implemented Policies for managing IRO related to customers, namely:

i) Communication Policy

ii) Commercial Communication Policy

iii) Human Rights Principles;

The above-mentioned policies, applicable to all the Bank's customers, contribute to managing the material risk identified under the material sub-theme: "Responsible Marketing".

i) Communication Policy

The Communication Policy establishes BPI's strategy and basic principles for transmitting relevant economic-financial, non-financial and corporate information to the main stakeholders through various channels.

Non-financial information includes aspects related to the impact of the Bank's activity and financial situation on environmental, social and governance issues.

ii) Commercial Communication Policy

The Commercial Communication Policy sets out the guidelines and principles governing the Bank's promotional activity, defining the roles and responsibilities of the different players and the strategy for action.

The Policy also lays down a set of principles that must be respected within the scope of promotional activity:

Legality	Clarity
Objectivity and impartiality	Transparency
Balance	Veracity

The responsibilities set out in the Policy extend to promotional activity that makes any environmental or ecological statement that suggests or creates the impression that a Product or Service:

i) has a positive impact or no impact on the environment; or

ii) that is less harmful to the environment than competing products or services.

[146] More details can be found in the response to indicator SBM-3 of ESRS 2 standard - General Disclosures.

iii) Human Rights Principles;

BPI has in place its Human Rights Principles, which establish, among other things, BPI's responsibility in terms of human rights as a Financial Services Provider.

The Principles set out the following objectives, among others: "To provide customers with reliable and clear commercial information about products and services so that they can freely choose the product or service that best suits their needs and interests, and thus ensure that they know and understand the risks inherent in them."

BPI undertakes to respect all internationally recognised human rights, as set out in: the United Nations International Bill of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the eleven fundamental conventions identified by it, and the Charter of Fundamental Rights of the European Union. It also undertakes to carry out its activity in strict compliance with the applicable regulations and in accordance with the highest legal and ethical requirements and high standards of professional conduct, namely the United Nations Guiding Principles on Business and Human Rights, among others.

To ensure compliance with these Principles, in 2022/2023 the Bank carried out an analysis of due diligence human rights, which included its role as a financial services provider in this area. This analysis is carried out by the Sustainability Division in three-year cycles or whenever a significant change is identified that justifies it. Once the analysis has been carried out, an action plan is developed in which various areas are involved.

In the context of the analysis carried out, no serious human rights problems or incidents related to Clients were identified.

In addition, the Bank also has other relevant mechanisms in place for implementing the Principles, namely training and a whistleblowing channel.

Communication, participation and dialogue with customers

BPI uses a variety of communication, participation and dialogue channels, as mentioned above, to engage and maintain a transparent relationship with its Clients, ensuring that they contribute to the implementation of the Policies and Principles referred to. These documents are available on the Bank's intranet and/or website and can be consulted at any time.

Governance Model of Principles and Declarations

Within the scope of the Policies and Principles, a governance model is defined, presented in each of the documents, which includes the responsibilities of the several bodies involved in implementing the commitments, namely the Board of Directors, the Risk Committee and the Audit Committee. Depending on the document, the responsibilities of the Executive Committee and the Committees and Boards responsible for the issues are also established.

S4-2 - Processes for engaging with consumers and end-users about impacts

The Bank involves its customers and collects information on their needs and expectations through numerous mechanisms, available on a regular basis throughout the year, prioritising direct communication with its customers. The main mechanisms are:

- Specialised commercial distribution networks
- Homebanking services (BPI Net and BPI Net Empresas), phone banking (BPI Direto) and mobile applications (BPI App)
- Mobile branches
- Institutional Website
- Social Networks (Facebook, LinkedIN, X, Instagram, Youtube)
- Client meetings
- Client events, in person and online
- Surveys and Market Research

Within the scope of responsibilities for dialogue with customers, several Divisions of the Bank are involved, namely the Communication and Brand Division (CBD), which is the responsibility of the Chairman of the Executive Committee João Oliveira e Costa, the Retail and Business Marketing Division (PBMD), which is headed by director Diogo Sousa Louro, and the Corporate and Institutional Marketing Division (CIMD), which is headed by director Ana Rosas Oliveira.

In order to assess the effectiveness of communication with customers, IEX evaluates aspects such as clarity about products and services, availability of service and ease of contact. Also in this context, in Mystery Client, where the service provided to potential customers is evaluated, certain interaction criteria are also assessed, such as: explanation of the product, quality of the information provided, ability to argue, among others.

In order to provide information on the results achieved during 2024, the several documents produced by the Quality Division (namely those related to Satisfaction Surveys, Market Studies, Complaints Handling, among others) were sent to the different Directors, Executive Directors and other Directors responsible for monitoring the numerous Business segments. In addition, sessions were held to present the results (physically and/or via virtual media).

S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Proper management of Complaints and Claims received is fundamental for the Bank to guarantee the Trust of its Clients, Sole Shareholder and other *stakeholders*. In this context, BPI has defined a Complaints and Grievances Handling Policy, approved by the Board of Directors, which regulates the process of resolving Complaints and Claims received[147].

This Policy defines the terms in which Complaints and Claims should be dealt with, as well as the procedures and deadlines for responding to them.

In this context, BPI provides several channels, mostly managed by the Bank, for Clients to express their needs, concerns or complaints, which are publicised on the *Bank's* website. At BPI, the Quality Division is the area responsible for managing and dealing with Complaints and Grievances.

The Bank complies with the legal deadlines for responding to complaints and claims, with a deadline of 15 working days for complaints from the CMVM and the Complaints Book and 20 working days for complaints from the Bank of Portugal and the ASF[148].

[147] The Bank describes the communication effectiveness assessment processes implemented in response to the indicatoror ESRS S4-2.
[148] As publicly disclosed in no. 4.7 of the Principles and Procedures for the Handling of Complaints.

Processes in 2024

	Insatisfaction[149]	Claim	Complaint	Total
New	1 564	6 554	1 821	9 939
Processed	1 611	6 629	1 850	10 090
% Handled with reason by the customer	27.5%	19.1%	15.4%	19.7%

S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Within the scope of the Sustainable Banking Plan 2025-2027, the Bank has defined several initiatives for managing the risk of *greenwashing*, namely:

- Review of existing communication practices; and
- Alignment of communication with applicable regulations.

These initiatives will be monitored under SBP 25-27, which is based on a governance model that includes monitoring the fulfilment of initiatives, metrics and approved objectives. Initiatives that constitute levers for pursuing the defined objectives are discussed annually with the Boards involved and incorporated, as far as is feasible, into the Activity Plan of the clusters to which these initiatives belong. The initiatives are monitored every two months and the development priorities of the cluster are discussed on a four-monthly basis.

The Sustainability Committee monitors the progress of the initiatives included in each year's Activity Plan on a quarterly basis, based on the report prepared at each *cluster*.

S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As mentioned, the Bank has implemented actions under the Sustainable Banking Plan 2025-2027 to manage the risk associated with *greenwashing*. In this context, it is not considered relevant to set targets given the qualitative nature of the risk and its dependence on external factors, so the Bank chooses to monitor this risk through the implementation of actions and its monitoring, in accordance with the process described in the response to the ESRS indicator S4-4.

[149] As of 1 July, there was a change in the classification of complaints submitted by customers. Thus, complaints classified as "Dissatisfaction" are now classified as "Complaint" or "Claim", depending on whether the complaint has an economic claim or not, respectively.

Governance Information

ESRS G1 - Business Conduct

GOVERNANCE

GOV-1 - Role of the administrative, management and supervisory bodies

The responsibilities of the Bank's bodies with regard to business conduct are set out below:

Bodies[150]	Responsibilities
Board of Directors	▪ Defining and approving the policies and codes necessary for the good governance of Banco BPI, in particular the Code of Ethics and Conduct and other internal regulations that fulfil it. ▪ Defining, promoting and publicising the corporate values, ethical principles and appropriate standards of conduct that inspire the Bank's actions and govern the activities of all employees and members of the governing bodies.
Audit Committee	▪ Supervising the application and adequacy of governance and internal control systems that guarantee the effective and prudent management of the institution and compliance with regulations, including the separation of functions within the organisation and the prevention of conflicts of interest; ▪ Ensuring compliance with the legal and regulatory provisions, the articles of association and the rules issued by the supervisory authorities, as well as the general policies, rules and practices established internally; ▪ Receiving reports of irregularities within the company from shareholders, employees or others; ▪ Monitoring the situation and evolution of all the risks to which the Bank is subject; ▪ Supervising the process of preparing and disclosing financial and non-financial information, particularly in terms of sustainability.
Risk Committee	▪ Responsibilities within the scope of internal risk control, monitoring Banco BPI's risk strategy and appetite for risk and proposing to the Board of Directors the policies and general principles for taking and managing risks, which should determine, in particular, the different types of risk, within the scope of the Risk Assessment, a risk management and control model, which will include the Bank's own risk strategy and risk appetite, the information and internal control systems used to control and manage risks, the level of risk considered appropriate by the Bank and the measures to mitigate the impact of the risks identified, should they materialise. ▪ Supervising the performance of the Risk Management Function and the Compliance Function; ▪ Monitoring and evaluating the Bank's sustainability (ESG) practices, particularly with regard to assessing sustainability strategy and practices, relevant policies and the risk model.

[150] Due to its nature, the Social Responsibility Committee has no responsibilities with regard to business conduct (considering the definition presented in the ESRS).

Bodies[150]	Responsibilities
Executive Committee of the Board of Directors	▪ Responsible for the day-to-day management of the Bank, in line with the strategic guidelines defined and the powers delegated by the Board of Directors.
Nominations, Evaluation and Remuneration Committee	▪ Monitoring the nomination, appraisal, succession and remuneration processes of: ▪ management and supervisory positions held in other companies ▪ staff members whose professional activities have a significant influence and impact on the institution's management and risk profile - Key Function Holders and Identified Collective. ▪ To pronounce on the policies relating to the appointment and succession to the positions of Banco BPI's governing bodies and senior management and on the remuneration policies to be defined for that universe and for the Bank's other employees. ▪ To propose to the Board of Directors the measures it considers appropriate for the development of a culture of ethics and professional deontology within the BPI Group and for its dissemination throughout all hierarchical levels of the companies belonging to its sphere. ▪ Monitoring compliance with the Bank's Code of Ethics, proposing improvements and updates to the Board of Directors whenever appropriate.

The response to the indicator ESRS 2 GOV-1 provides detailed information on the specific sustainability competences of the bodies, particularly related to business conduct issues, and the knowledge and experience of some members of the Board of Directors in this area. Nevertheless, it should be noted that, in 2024, the members of the Board of Directors participated in the following training sessions: Sanctions (*Compliance*), Ethics and ESG.

IMPACTS, RISKS AND OPPORTUNITIES MANAGING

G1-1 - Business conduct policies and corporate culture[151]

The mission of the Compliance Department (DC) is to promote the principles of business ethics, to reaffirm a corporate culture of respect for the law, and to regularly check and assess the effectiveness of controls related to the risk of non-compliance with legal and regulatory requirements.

BPI's Code of Ethics is the document that defines the principles and values that govern the conduct of all Employees and members of corporate bodies, based on the corporate values of quality, trust and commitment. These principles are materialised in current regulations[152]. Strengthening the culture of compliance is recognised as a priority in a number of activities, including training for all employees on the Code of Ethics and the provision of awareness-raising activities focussed on ethics and conduct.

In order to facilitate the monitoring of compliance with the Code of Ethics, BPI has an Whistleblowing System, through which it is possible to report irregularities and, consequently, breaches of the rules of ethics and conduct.

The Whistleblowing System[153], which is defined in the Whistleblowing Policy, establishes the channels and the existing process for reporting and identifying offences that are being committed or can reasonably be expected to be committed and which relate to:

- Serious facts relating to the administration, accounting organisation and internal supervision of Banco BPI;
- Evidence of breaches of the duties to which Banco BPI is subject as a credit institution or financial intermediary, namely those in the General Regime for Credit Institutions and Financial Companies and in the Securities Code;
- Any violations of European Union law, with the considerations set out in Law no. 93/2021, of 20 December; or
- May constitute a serious or very serious criminal or administrative offence.

Complaints are managed through a strict, transparent and objective procedure, safeguarding in any case the confidentiality of the people concerned and involved in the facts and behaviour being reported.

BPI will not tolerate any reprisals against anyone who, in good faith, communicates facts or situations that could be considered prohibited conducts by the Code of Ethics. In this context, we endeavour to provide and improve communication channels in accordance with the best market practices at any given time.

The channels available allow irregularities to be reported by anyone, whether they belong to internal groups (employees, trainees, former employees, jobseekers, etc.) or external groups (customers, credit intermediaries, suppliers/service providers).

Reports of irregularities can be made by different means, through which compliance with management rules and guarantees is ensured. Complaints can be made via the CaixaBank Group Whistleblowing Channel, by email, by post or by arranging a meeting.

The management and processing of all reports of irregularities, regardless of the communication channels used, is structured in four homogeneous phases: registration phase, analysis phase, investigation phase and resolution phase. The management

[151] For more details on the management of business conduct issues by the administrative, management and supervisory bodies, see the response to ESRS indicator G1 - GOV-1.
[152] More details on the current regulatory frameworks can be found in the chapter Regulatory Frameworks.
[153] For more details on the Irregularity Reporting System available in the response to the ESRS indicator G1-3 - Prevention and detection of corruption and bribery.

process involves different areas that guarantee autonomy and independence at all stages of the process.

The people involved in managing the Irregularity Reporting System have the necessary knowledge, experience, qualifications and professional suitability to carry out their duties properly.

The training carried out by employees and members of the governing bodies on ethical values and integrity is reinforced with several awareness-raising actions related to this issue. Employees involved in the whistleblowing management receive the appropriate training to manage these processes.

At the time of onboarding, new employees receive mandatory training which are renewed every two years or whenever there are significant changes in content, aiming to sensitise all employees, including members of the management and supervisory bodies, to the values of the institutions and the rules in place. The training programmes focus on the content of the code of ethics and the obligations arising from it, with special emphasis on practical cases inspired by real situations that have been detected.

The Corruption Prevention Plan, defined in accordance with Decree-Law 109-E/2021 of 20 December, identifies the areas of activity that are most likely to involve acts of corruption and related offences.

Banco BPI is subject to Law 93/2021 of 20 December, which establishes the general regime for the protection of whistleblowers, transposing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of European Union law.

G1-2 - Management of relationships with suppliers[154]

BPI recognises the importance of a sustainability approach that covers the supply chain and, in the approval process, favours knowledge and acceptance of the Supplier Code of Conduct, establishing relationships of trust and consistent with its values. The Bank's suppliers therefore undertake to adopt specific conduct with regard to best practices in terms of: the environment, human and labour rights, ethics, health and safety, all of which are relevant aspects when selecting and assessing suppliers.

BPI, through its Sustainability Division, has been continuously developing a Sustainable Purchasing Plan aimed at strengthening collaboration and communication with suppliers and focussing efforts on achieving significant reductions in carbon emissions associated with the supply chain. The implementation of this plan involves defining environmental criteria for Suppliers considered to have the greatest impact:

i) identifying the products and services purchased that have the greatest environmental impact;

ii) preparation and approval of environmental criteria;

iii) inclusion of environmental criteria in market consultation processes.

Within the scope of the Environmental Management System, BPI carries out environmental checks on Suppliers who work on its premises, such as cleaning and maintenance services, and is extending these processes to other Suppliers. The action plans aimed at Suppliers influence their adoption of the commitments made by BPI.

BPI has been calculating the carbon footprint of its supply chain since 2022 and has already carried out specific training for some of its suppliers (in 2023), which is crucial for the development of future actions to encourage the transition.

[154] Information on the Bank's supplier payment practices is presented in more detail in the response to the indicator ESRS G1-6.

In the next three years, a new sustainability risk assessment questionnaire is planned for a group of suppliers to be defined, including a review of the information to be collected, which will provide more data on the real impact of purchasing and contracting products and services, and will serve as a basis for defining targets for reducing the indirect emissions. BPI thus intends to be an agent of influence in the adoption of more sustainable behaviours, favouring suppliers who ensure the best sustainability practices.

G1-3 - Prevention and detection of corruption and bribery

Banco BPI's Anti-Corruption Policy is an essential tool to prevent both the Bank and the external entities, with which it relates, from engaging in behaviour that could constitute practices contrary to the law and to Banco BPI's principles of ethics and conduct.

In accordance with its Anti-Corruption Policy, Banco BPI repudiates the practice of any conduct which, directly or indirectly, may be related to acts of corruption in all its forms. To this end, it has a prevention model defined in accordance with the legislation in place, in particular Decree-Law no.º 109-E/2021, and with the best market practices through the certifications obtained in the ISO 37001 (Prevention of Corruption) and UNE 19601 (*Compliance* Penal) standards. In April 2024, BPI's Plan for the Prevention of Corruption and Related Offences was approved and can be consulted at *web* page. The Plan presents the main preventive measures that have been implemented, such as the existence of the Code of Ethics and the respective internal regulations that regulate it, and the promotion of training/ awareness-raising activities on matters with the greatest risk[155].

In addition, BPI has also set up an Irregularities Reporting System[156] in line with current legislation and regulations. This system defines the main channels for making a complaint, the process established and the protection guarantees applicable to whistleblowers.

The Compliance Department, which is responsible for the Irregularities Reporting System, delegates its powers to the Audit Committee, by delegation of powers from the Audit Committee, performs its duties independently and autonomously in relation to BPI's other bodies and with functional independence in relation to the Bank's other areas. If the situation reported concerns an employee of the Compliance Department, the process will be managed directly by the Internal Audit function.

[155] For more details on the set of policies and codes of conduct in the area of governance and conduct, see chapter Regulatory Frameworks.
[156] For more details on the Irregularity Reporting System, see the response to the indicator ESRS G1-1.

The Compliance Department submits an annual report to the Audit Committee and the management body with information on the communications received and the respective consequences adopted.

The Policies are available for consultation on the Bank's intranet. Among the obligations arising from the employment contract is the requirement to be bound by the main policies associated with issues of ethics and conduct, in particular the Code of Ethics and the Anti-Corruption Policy.

BPI's employees are bound by the conduct policies through an awareness-raising process based on annual cycles.

As part of the definition of preventive measures in the context of the Plan for the Prevention of Corruption , it is mandatory to carry out training in Ethics and Conduct, an obligation that cuts across all areas[157].

	2024
Functions at risk covered by training	100%

[157] More details on Ethics and Conduct training, which includes anti-corruption and anti-bribery issues, are available in the response to indicator G1-1 - Business conduct policies and corporate culture.

METRICS AND TARGETS

G1-4 - Incidents of corruption or bribery

	2024
Number of convictions for violation of anti-corruption and anti- bribery laws	0
Amount of fines for violation of anti-corruption and anti- bribery laws	€0.00
Confirmed incidents of corruption or bribery	0
Confirmed cases in which workers themselves have been dismissed or disciplined for situations related to corruption or bribery	0
Confirmed cases related to contracts with business partners terminated or not renewed due to violations related to corruption or bribery	0

G1-5 - Political influence and lobbying activities

The Bank does not carry out any political influence activity (*lobbying)* and therefore any intervention is restricted to taking a position in the sector, via sector associations. The Competition Law Policy in force at BPI, which the Board of Directors is responsible for ensuring is complied with, stipulates that the Bank's membership of industry associations is subject to analysis and approval by the Legal Division, also binding all employees to strict compliance with the rules it lays down on this matter, in particular the rules associated with the sharing of internal information.

The Bank is a member of the following business associations:

- ACI Portugal - Financial Markets Association
- ACIF-CCIM - Commercial and Industrial Association of Funchal - Madeira Chamber of Commerce and Industry
- AEA - Águeda Business Association
- AEBA - Baixo Ave Business Association
- AEM - Association of Listed Securities Issuers
- AEP - Associação Empresarial de Portugal - Chamber of Commerce and Industry
- AIDA CCI - Aveiro District Chamber of Commerce and Industry
- AIP-CCI - Portuguese Industrial Association - Chamber of Commerce and Industry
- ALF - Portuguese Leasing, Factoring and Renting Association
- APAN - Portuguese Association of Advertisers
- APB - Portuguese Banking Association
- APFIPP - Portuguese Association of Investment Funds, Pensions and Assets
- APGEI - Portuguese Association of Industrial Management and Engineering
- APPII - Portuguese Association of Real Estate Developers and Investors
- ARP - Portuguese Advertising Self-Regulation Association
- Aveiro District Industrial Association
- Business Roundtable Portugal Association
- Porto Commerce Association
- GRACE Association - Responsible Companies
- NEST Association - Tourism Innovation Centre
- BCSD Portugal - Business Council for Sustainable Development
- Portuguese-Chinese Chamber of Commerce and Industry
- Portuguese-Spanish Chamber of Commerce and Industry
- Portuguese-French Chamber of Commerce and Industry
- CIP - Portuguese Business Confederation
- COTEC PORTUGAL
- Forum of Company Directors and Managers
- ICC Portugal - Portuguese National Delegation of International Chambers of Commerce
- IGCP - Portuguese Institute of Corporate Governance

There is currently no system in place to record all the contributions made by the Bank as part of its participation in sectoral associations, so this report will not include the main topics on which the Bank commented in 2024.

In Portugal, according to Law no. 19/2003, political parties cannot receive donations or loans of a pecuniary nature or in kind from national legal persons (article 8, no. 1).this means that the Bank has not made any political donations, financial or in kind, directly or indirectly, in accordance with the provisions of the Law.

Within the scope of the information presented on the positions held by the members of the Board of Directors and the Audit Committee in other companies at 2023 and 2024 (see point I - INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND GOVERNANCE OF THE COMPANY), it should be noted that António Lobo Xavier, a member of Banco BPI's Board of Directors and Audit Committee, in office since 2008, has been a member of the Council of State since 7 April 2016.

G1-6 - Payment practices

The average payment period (APP) to suppliers at 2024 was 36 days.

The *standard* payment conditions of BPI, reflected in the contracts established, are: payment for the services provided within 30 days of the date of issue of the invoice, with no distinction being made between payment terms depending on the type or geography of the supplier. Of the invoices settled in 2024, around 38% relate to service contracts and 62% to IMOs (credit intermediaries) and one-off purchases.

The percentage of payments in line with the Bank's normal payment conditions at 2024 was 70%. The main factors contributing to this indicator are:

- Invoices received where there is a discrepancy in the service or amount invoiced and which are pending rectification (for technical reasons BPI does not exclude days when the invoice was in a situation pending receipt of a rectifying document);
- Invoices received in which BPI does not agree with the date of issue of the invoice or because some formal requirement or document is missing on the part of the supplier (for technical reasons, days waiting for the situation to be regularised are also not excluded);
- Invoices are settled close to the due date, not in advance.

In 2024, there were no lawsuits for late payment in relation to the payments considered in the analysis carried out and presented in response to this indicator.

APP calculation

To calculate the APP, all payments made to suppliers of goods and services during the period in question are considered. Thus, the APP per supplier is obtained, considering the days between the date of issue of each invoice and the date of payment. The indicator represents the average APP for all suppliers of goods and services.

Excluded from this analysis are payments made to Employees and Public Bodies, State, Regional or Local Administration Bodies and Condominiums.

In addition, the regularisation of prepaid invoices (direct debits and foreign currency) is excluded.

Entity Specific 1 - Cybersecurity

As part of the materiality analysis exercise[158], the Bank identified one risk related to cybersecurity and information security, and no material impact or opportunity was identified.

Risk
More relevant long-term impacts
Transversal impacts at value chain level
External fraud and reputational risk associated with exposure to cyber attacks due to failures or inadequate execution of system protection measures

Government

Cybersecurity is an essential component of protecting customer data and assets and is one of BPI's main priorities. Management of the risks and opportunities associated with cybersecurity is the responsibility of the Information Security team within the Information Systems Division.

The cybersecurity ecosystem includes continuous monitoring mechanisms that enable the detection and response to occurrences automatically or through the central incident response team (24x7). As an essential service, BPI also has the support of the National Cybersecurity Centre (CNCS) for incident management.

For CaixaBank Group's cybersecurity activities, ISO 27001: 2013 certification is maintained annually, based on the establishment, review and management of controls designed to detect, prevent and neutralise any cyberattack. Awareness programmes are also promoted through training and awareness actions, news sharing and simulated incidents.

In this area, BPI has a robust governance model, with the Strategic Information Security Plan being established within the Information Systems Division and reported annually to the Executive Committee of the Board of Directors.

The implementation of the strategy is led by the Chief Information Security Office (CISO) and overseen by periodic first-level committees, such as the Security and Privacy Committee and the General Risk Committee, which report to the Executive Committee.

Information security policies and standards

BPI has a General Information Security Policy, associated with a robust information security standard body (SSB), which defines the objectives and the technical and organisational measures needed to mitigate and manage risks related to information security. The SSB is based on the structure and controls of the NIST Cybersecurity Framework (CSF) 2.0, and is also mapped to the controls of ISO/IEC 27001:2022.

The Information Security Policy and the CNS are reviewed annually and the Policy is approved by the Board of Directors. Monitoring and control of the Policy is the responsibility of ISD - Information Security and RMD - Non-Financial Risk Control.

These documents are permanently available for consultation by internal agents, and the principles set out in the Information Security Policy are published on BPI's public website.

[158] More details can be found in the response to indicator SBM-3 of ESRS 2 standard - General Disclosures.

Strategic Plan

The Cybersecurity Master Plan for 2025 is aligned with the new Strategic Plan 2025-2027 and was developed in accordance with the group's objectives and strategy, considering developments in the internal and external context, namely the main risks identified.

The three-year plan includes improving current capacities for preventing information leaks, strengthening identity security, obtaining advanced capacities for fraud prevention, expanding detection capacities using Artificial Intelligence and improving capacities for minimising risks with third parties.

Actions and resources

Technology

CMMI certification

The Quality team, part of the Information Systems Division, ensures the continuous improvement of application development management processes and their compliance with the CMMI (Capability Maturity Model Integration) reference model.

The CMMI certification with maturity level 3 was obtained in 2020 and renewed in 2023, for projects of high technical complexity in the development of computer applications.

This model made it possible to establish a software development methodology based on team productivity, improved delivery quality and risk mitigation, anticipating and respecting the recommendations of its Auditors and Regulators and in accordance with its Strategic Plan.

A CMMI certification ensures that the processes followed by an organisation comply with defined good practices, and attests to the quality, management and predictability of technological application development processes.

Banco BPI is currently the only financial institution in Portugal with CMMI V2.0 Level 3 certification for the development of *software*.

Adoption of Cloud technology

The acceleration of BPI's process digitalisation and digital transformation programmes has required greater processing capacities and greater agility in the allocation of capacity that only the cloud model will be able to offer in the future at unit costs compatible with business requirements. To this end, a strategic cloud adoption programme (CloudNow) was defined, and a partnership was signed to provide the basic cloud platform for the Group's transactional systems, including those of BPI. The programme began in 2021 and started by implementing the governance and security mechanisms necessary for the correct adoption and operation of this type of technology. In 2022, BPI began its journey to the cloud, in line with the CloudNow strategy. In 2023, the Development and Quality systems were transferred to the Cloud and the Cloud Landing Zone for the Production systems was prepared and, in 2024, these systems were transferred to another region of the same Cloud operator so that they are closer to the other systems that will remain in the future in the local *datacenters* of the Caixabank Group. In 2025, the transfer of the Pre-Production and Production systems to the *cloud* will begin.

Risk Data Aggregation (RDA) Project

BPI considers the principles of BCBS 239 to be a critical element of its strategy. The project allows for the gradual improvement of capabilities related to the aggregation and communication of risk data. BPI has a robust set of policies and procedures relating to data governance and quality, including the General Information Governance Policy, which guarantees the attribution of responsibilities to the areas involved, the quality of the data and the quality of the data, as well as the continuous improvement of information for reporting to internal management bodies or external supervisory bodies in line with the principles in the context of the RDA project.

Informational Reformulation Project

To complement the several existing data quality initiatives, BPI has an ongoing programme to evolve the platforms and processes linked to data processing, with the aim of delivering the data needed to produce management information, regulatory reporting and advanced analytics in a timely, secure, quality and operationally efficient manner, promoting the technological rejuvenation of support systems and ensuring more efficient integration between the operational and information domains.

"Apificação" (APIfication) Project

As a complement to the Informational Reformulation Project, BPI has started an APIfication programme with the aim of significantly speeding up the development process and thus responding more efficiently to changing needs. This project will also lead to a technological migration, reducing costs and simplifying processes.

In 2024, the programme made progress on both fronts. We currently have 94 APIs delivered in the different business domains: Day-to-Day; Enjoy Life; Think about the Future; My Home; among others.

Metrics and targets

The Bank continues to amply guarantee the material and human resources necessary for an effective response to cybersecurity challenges. Tests and simulations are constantly carried out by independent third parties in order to proactively identify any opportunities for improvement.

The security stability is regularly assessed by a reference company (Bitsight), based on its internal methodology, and the aim is to be at the top of the peer group.

	2023	2024
Investment made (M. €)	2.2	2.95
Allocated employees	16	19
Simulations carried out with system attacks	4	4
***Phishing* simulations**	12	9
Success rate of phishing *simulations* **(%)**	5.5	4.5
BITSIGHT BPI Rating [300-820]	810	800

Entity Specific 2 - Sustainable Finance

As part of the materiality analysis exercise[159], the Bank identified the following IRO materials related to Sustainable Finance.

Sub-topic	Type	Description
Promoting the supply of products and services with ESG characteristics (sustainable mobilisation)	I	Contribution to climate change adaptation or mitigation due to environmental financing operations
	I	Financing operations with a positive social impact
	R	Credit and reputational risk associated with financing unprofitable or controversial environmental projects
	R	Credit and reputational risk associated with financing unprofitable or controversial social projects
	O	Social financing and sustainable activities with the aim of attracting new customers thanks to more adapted offers
ESG risk management in financing operations	R	Credit and reputational risk associated with financing controversial companies and sectors

Strategy

Material impacts, risks and opportunities[160]

From the six IROs associated with sustainable financing, two are associated with impacts, three with risks and one with opportunities.

In fact, in the context of banking activity, whether in the design of financing, provision of guarantees, account opening, financial intermediation, among others, the bank seeks to maximise positive impacts by positively discriminating between customers and purposes of operations, and minimising negative impacts by conditioning business relations with customers and purposes of operations that are perceived as having a negative impact on the environment or society. Thus, the primary way in which the bank produces impacts on the environment and society is indirect, through its relationship with its customers, the way it facilitates or restricts its activity and the incentives and disincentives it presents.

These positive and negative impacts on the environment and society are also managed considering the risks and opportunities associated with them, particularly in terms of credit and reputational risk and the potential to attract new customers and generate new business.

In this way, sustainable financing is one of the pillars of the bank's strategy, affecting all operations across the board, from the first contact with the customer through to product design and risk management. The Sustainability Committee monitors on a monthly basis both the evolution of the value of Sustainable Financing with a positive impact and the implementation of the ESG Risk Policy, which aims to avoid negative impacts through financing.

Reflecting this importance, Sustainable Financing has become an essential element of the Bank's Strategic Plan. The Sustainable Banking Plan for 2025- 2027, an integral part of the Strategic Plan, aims to leverage sustainable financing in strategic growth vectors, namely energy efficiency in real estate, renewable energy projects, green mobility and industrial decarbonisation. These initiatives aim not only to boost the decarbonisation of the business fabric, but also to foster growth in line with the bank's sustainability commitments.

[159] More details can be found in the response to indicator SBM-3 of ESRS 2 standard - General Disclosures.
[160] According to SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and business model.

It should also be noted that although the concept of Sustainable Financing includes social and environmental dimensions, financing with a positive social impact has been less prominent in total Sustainable Financing when compared to financing with a positive environmental impact. For this reason, the Sustainable Banking Plan 2025-27 includes initiatives to identify operations with a positive social impact and measure their impact.

On the other hand, with the ambition to limiting negative impacts, the ESG Risk Management Policy is a fundamental element of the Bank's strategic positioning: it recognises that certain sectors and activities that customers carry out can have negative impacts on the environment and society, and the conditions are defined to limit/restrict relationships or exposures to these customers and activities.

Policies[161]

There are two essential documents that frame the Bank's approach to the sustainability of its operations with customers: the ESG Risk Policy and the Sustainable Financing Guide.

ESG Risk Policy

The ESG Risk Management policy aims to establish principles and mechanisms that ensure the governance, management and control of the negative impacts associated with customers, thus responding to the expectations of stakeholders and limiting the risks associated with these negative impacts. It was approved by BPI's Board of Directors in line with Caixabank's corporate policy and is subject to an annual review process, having been updated in 2024.

As mentioned above, the Policy identifies the sectors and activities that may have negative impacts on the environment and society and defines restrictions on the involvement that can be established with these customers and activities, which applies to companies in the context of establishing commercial relationships, granting new operations, renewing and renegotiating credit and guarantees, as well as any other form of financing.

The Policy is governed by current applicable legislation, as well as any that may modify or replace it in the future. Specifically, at the time of writing, the main applicable legislation in force is as follows:

- Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms;
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, transposed into Portuguese law by Decree-Law 157/2014 of 24 October;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on prudential requirements for credit institutions and investment firms;
- European Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by the establishing of assessment technical criteria to determine under which conditions an economic activity is qualified as contributing substantially to climate change mitigation or adaptation

[161] According to MDR- P: Policies adopted to manage material sustainability issues.

and establishing whether that economic activity does not significantly undermine the fulfilment of any of the other environmental objectives.

- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 with regard to specific public disclosure relating to those economic activities describing the specific conditions for nuclear energy and gas activities in the taxonomy list of activities.
- The Basic Law on Climate, Law 98/2021, establishes a set of obligations regarding the need to develop new climate policy instruments, including Regional Climate Action Plans (RCAP) and Municipal Climate Action Plans (Art. 14 - Regional and local climate policies).article 14 - Regional and local climate policies).

In addition, the Policy considers the standards or guidelines listed below, as well as others that, in terms of sustainability, are mentioned in the application criteria:

- The Equator Principles, a set of financial sector standards for determining, assessing and managing social and environmental risk in the financing of projects in developing countries, an initiative of the International Finance Corporation (IFC) and the World Bank Agency for the Promotion of Sustainable Investment in the Private Sector, dated 4 June 2003;
- EBA guidelines of 21 March 2018 on internal governance (EBA/GL/2017/11) updated on 2 July 2021 (EBA/GL/2021/05), effective from 31 December 2021;
- European Central Bank Guide on climate and environmental risks, 27 November 2020;
- EBA report on ESG risk management and supervision for credit institutions and investment firms, June 2021.
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of sustainability-related information in the financial services sector.

Criteria for action

The Policy determines BPI's criteria for evaluating customers and their activities, distinguishing between general criteria and sectoral criteria.

General criteria

The general criteria relate to fundamental ESG issues such as human rights, climate change and nature and are applicable to all BPI customers.

For BPI, respect for human rights is an integral part of its values and the minimum threshold for legitimate business activity. Based on this premise, and in line with its policies and responsible positions on ethics and human rights, BPI operates in accordance with a culture of respect for human rights, expecting similar behaviour from its employees and other parties directly related to its operations, products and services.

In order to mitigate the risk of participating in this failure to fulfil these assumptions, BPI has a number of general exclusions relating to

- Clients who use child or forced labour or who have participated in human rights violations or abuses;
- Clients who do not have occupational health and safety policies to protect their employees, external certification or, alternatively, who do not demonstrate an adequate

occupational health and safety record;

- Operations or projects that involve violations of the rights of indigenous or vulnerable groups or their relocation without their free, prior and informed consent.

Regarding climate change, the CaixaBank Group, which includes Banco BPI, wants to contribute to the transition to a carbon-neutral economy, which materialises through an assessment of the environmental impact of its customers' activities, the impact of its financing operations and its financing and investment in sustainable projects. As evidence of the Group's commitment to the energy transition, CaixaBank is a founding member of the Net Zero Banking Alliance, which commits to zero net emissions by 2050.

In this context, BPI may decide not to finance operations or customers that may involve a material risk of not meeting its commitments regarding climate change or the decarbonisation of its portfolio.

Regarding nature, BPI recognises that its customers' economic activities can have substantial impacts on nature. The Bank therefore includes this consideration in its sustainability risk management, with the aim of minimising the impact of its portfolio on nature.

Thus, BPI will not assume credit risk on new projects when it has sufficient evidence that this is the case:

- Negative impact on certain internationally recognised nature protection locations ;
- Significant environmental impact in project finance operations and that not enough information is provided in the due diligence on its environmental management to mitigate the risks.

Sector Criteria

Sectoral criteria have been determined to exclude or limit exposure to certain sectors and activities with a particular impact on the environment or society, sometimes with particular sensitivity for certain ecosystems, heritage or protected populations.

The policy defined 5 priority sectors (energy, mining, infrastructure and transport, agriculture, fisheries, livestock and forestry, and the defence and security sector) due to their sensitivity, for which exclusions or limitations were determined.

The energy sector is of great importance in the development of the global economy and access to safe and affordable energy, being a fundamental service to the world's well-being. Nevertheless, BPI is aware that the energy sector can have a potentially negative impact on both society and the environment

The mining industry plays an essential role in the economy by providing essential minerals for other industries. At the same time, this industry can have negative social and environmental impacts, so exclusions and limitations have been defined with regard to coal mining and climate change mitigation, the protection of biodiversity through the use of best practices, health and safety at work, the protection of local communities' rights and the security of its facilities.

The infrastructure sector plays an important role in global economic growth through transport, telecommunications, energy, water and waste management networks. However, this sector faces possible environmental and social challenges, such as biodiversity degradation, access to resources, waste generation, soil and aquifer contamination, negative externalities for local communities, among others.

Agriculture, fishing, livestock and forestry are, in addition to providing food, a source of wealth that contributes to job creation, the fight against poverty, the improvement of the food chain and the protection of natural spaces and biodiversity. At the same time, the increasing food, textiles and biofuels demand leads to the intensification of production based on existing resources, as well as the extension of demand into previously untouched areas. This can lead to the loss of biodiversity and protected species, soil erosion and land degradation, emissions resulting from the burning of plants and the use of fertilisers, the contamination of water sources, the introduction of invasive species or disputes over land use and human rights abuses (including child labour and forced relocation).

In this context, BPI has defined exclusions and limitations in these sectors relating to dependence on fossil fuels and climate change mitigation, the protection of biodiversity, health and safety at work, the protection of local communities' rights and the safety of its facilities.

BPI recognises the right of countries to defend themselves and protect their citizens and, consequently, reserves the possibility of maintaining commercial relations with companies related to the defence and security sector whose activity is considered consistent with legitimate national security and defence strategies. However, this industry is sensitive to human rights violations, so customers in this sector require special attention. BPI therefore expects defence and security companies to comply with applicable regulations and international conventions ratified by the countries in which they are established, and not to intervene where there may be a clear risk of using defence material for repression or other serious violations of international humanitarian law, non-proliferation conventions and other related standards and guidelines.

The policy thus includes exclusions and restrictions relating to:

- Companies that may be involved with controversial weapons, as defined in the Policy.
- Companies that sell weapons to countries or groups subject to weapons embargo.
- Operations related to defence material where the end user is not a public body, majority-owned public companies or private security companies.
- Operations related to defence material whose purpose is to market defence material to intermediaries and not to end users.
- Defence and security-related operations aimed at trading defence material with countries where there is a high risk of human rights violations related to violence and civil oppression.
- Operations related to defence and security in which nuclear weapons are produced, maintained or traded.

Operationalising the Policy

In order to assess, monitor and supervise compliance with the Policy, both the general criteria and the sectoral criteria, ESG risk analysis is integrated into the customer admission process and the approval process for customer financing operations:

- As part of the customer admission process, an ESG risk analysis of customers is being carried out to determine whether or not they meet the criteria of this Policy on Human Rights, Health and Safety Policies, with a special focus on the defence sector.

- In the process of approving financing operations, an analysis of the ESG risks associated with the customer's activity is carried out, which complements that carried out in the customer approval process and which aims to ensure compliance with the Policy. If the financing is for specific projects, an assessment is made according to the type of asset to be financed. The analysis considers the environmental, social and governance risk, which includes aspects related to the company's ESG controls, the existence or not of ESG litigation, the decarbonisation strategy, as well as compliance with the Equator Principles, where applicable.

For all eligible customers and projects analysed, in accordance with the materiality criteria established in this policy, we assess whether there are environmental mitigation actions in place to minimise or mitigate the environmental impacts arising from activities.

To complete this analysis, information is consulted through public sources and external ESG information providers, especially to obtain information on serious controversies in the criteria subject to exclusion in this Policy.

If, during the analysis process, insufficient evidence is found to complete the analysis or clarifications are required from the customer, additional documentation is requested from the company or a declaration is signed by the customer, considering materiality and proportionality criteria.

As a result of ESG risk assessments, BPI can determine an action plan that will be decisive for admitting customers (*onboarding* ESG) and also for granting financing operations to customers or financing projects (Sustainability Risk Analysis).

To ensure the effective implementation of the Policy, BPI has developed operational procedures and guidelines that are used by a centralised team or decentralised in the commercial area. There are also specific controls in systems and *dashboards* with KRI that allow processes to be monitored.

Throughout 2024, training sessions were organised specifically for the main players in this process, namely Corporate Banking Employees and credit risk analysts.

Governance

The quality of the entire risk management process is ensured by internal control (second line of defence), while internal audit, as the third line of defence, is an independent and objective assurance and consultancy function designed to add value and improve operations.

A system is in place to continuously monitor ESG customer disputes, and BPI also participates in Caixabank's Dispute Working Group, which assesses counterparty disputes at Group level.

The Sustainability Committee is updated every month on the implementation of the policy, including specific cases that have raised more concerns. In turn, the Sustainability Committee reports monthly to the Executive Committee on the issues discussed at each meeting.

The Policy is subject to an annual review process.

Sustainable Financing Guide

The Sustainable Financing Guide aims to define the eligibility of sustainable operations for the purposes of calculating the bank's sustainable financing targets. It was drawn up in conjunction with Caixabank and approved by the Sustainability Committee in 2023, with a review planned for 2025. The guide is not public and is available to BPI employees who use it as a tool to identify sustainable operations.

Activities with environmental and social criteria identified in the following tables/documents were considered when defining eligible activities:

- Green Bond Principles issued by the International Capital Markets Association (ICMA);
- Social Bond Principles (ICMA);
- Green Loan Principles (GLP) issued by the Loan Market Association (LMA);
- Social Loan Principles (SLP) issued by the Loan Market Association;
- EU Taxonomy and the Social Taxonomy project;
- Sustainability-Linked Loan Principles (LMA);
- Sustainability-Linked Bond Principles (ICMA).

Sustainable financing is any financing (in a broad sense, including guarantees, overdrafts and products other than credit) that promotes positive environmental or social objectives. This includes the financing of activities / investments / companies with a direct contribution to environmental or social objectives, but also includes finance linked to sustainability KPIs, where the (non-)fulfilment of the KPIs is reflected in the interest paid by the customer.

The Guide includes an illustrative list of activities and investments considered sustainable, but it is not exhaustive. Activities/investments can also be considered sustainable if: i) they are included in the EU's environmental taxonomy, ii) they respect the principles of the LMA and ICMA, iii) they are provided for in funding lines previously classified as sustainable.

In addition to defining the eligibility criteria for an operation to be considered sustainable, the guide also defines the internal process for an operation to be classified as sustainable.

Targets e Metrics

Sustainable Business

BPI has been defining sustainable business targets in the context of its three-year Strategic Plans. In particular, a target of 4 000 millions of sustainable business, including 2 000 millions of sustainable financing, has been set for the 2022-24 triennium and a target of 4 400 millions of sustainable financing for the 2025-27 triennium.

The targets were set in collaboration with CaixaBank on the basis of an assessment of the Portuguese economy's transition financing needs.

The main levers for achieving the proposed targets will be the individual business, particularly through Mortgage Loans, and the corporate business in the following strategic vectors: energy efficiency in real estate, renewable energy projects, green mobility and industrial decarbonisation.

The concept of sustainable financing is defined in the Sustainable Financing Guide, and all the segments in which BPI operates, including companies and individuals, contribute to the calculation of the metric.

In the case of Intermediation and Sustainable Resources, a discontinued dimension for the 2025-27 period, Sustainable Deposits and the distribution of Article 8 and 9

Investment Products, including the net production of Article 8 and 9 products, and the transformation of Article 6 products into Article 8 and 9 products were considered.

In the Retail segment, Mortgage Loans with A+, A and B Energy Certificates and other financing with an environmental contribution, namely Car Loans, Renewable Energy Personal Loans and Sustainable Prestige Product Solutions.

The corporate heading includes operations associated with the credit lines identified in the response to the SBM-1 indicator as well as other operations with a positive environmental or social impact and operations with conditions linked to the fulfilment of sustainability objectives/KPIs.

Sustainable Business: Evolution 2022-24 and Targets 2025-27

(M. €)	2022	2023	2024	2022-2024	Target 2022-2024	Target 2025-2027
Total Sustainable Business	**2 171**	**1 897**	**2 119**	**6 187**	**4 000**	**4 400**
Total Sustainable Financing	**786**	**1 041**	**1 917**	**3 744**	**2 000**	**2 000**
Sustainable Financing - Retail	**363**	**260**	**365**	**988**		
Environmental Dimension	**363**	**260**	**365**	**988**		
Mortgage Loans - Energy Efficiency	361	259	344	964		
A+ Certificate	DiNA	DiNA	88			
A Certificate	DiNA	DiNA	168			
B Certificate	DiNA	DiNA	87			
Personal Loans with environmental contribution	**2**	**1**	**21.50**			
Car Loans	iNAC	iNAC	20.2	20		
BPI Personal Loans Renewable Energies	1	1	0.3	2.3		
Sustainable Prestige Products - Mobility	0.2	0.1	1	1		
Corporate Sustainable Financing	**423**	**781**	**1 552**	**2 756**		
Environmental Dimension	**329**	**412**	**1 323**	**2 064**		
Environmental lines	4	8	1	13		
Environmental operations	325	404	1 240	1 969		
Real estate projects	DiNA	155	179			
Financing linked to environmental objectives	DiNA	115	420			
Projects with environmental contribution	DiNA	134	641			
Car Loans	iNAC	iNAC	82	82		
Social Dimension	**72**	**22**	**45**	**139**		
Social Lines	72	9	5			
Social Operations	0	13	40			
Other Sustainable Business	**22**	**347**	**185**	**554**		
ESG Lines	22	16	13			
Financing linked to social and environmental objectives	0	331	172			
Sustainable Intermediation	**1 385**	**856**	**202**	**2 443**	**2 000**	

(M. €)	2022	2023	2024	2022-2024	Target 2022-2024	Target 2025-2027
Resources (Deposits)	**0**	**573**	**0**	**573**		
Intermediation (Assets under custody)	**1 385**	**282**	**202**	**1 869**		
Transformation of Funds and Insurance into Art 8 and Art 9	1 400	797	278	2 475		
Net Production of Funds and Insurance Art 8 and Art 9	-15	-515	-76	-606		

DiNA - Desagregated Information Not available
iNAC - Item Not Accounted for the metric in the period in question

As mentioned, the concept of Sustainable Finance includes environmental dimensions, with particular relevance to climate change, and social dimensions, in line with the IROs considered material.

Sustainable finance in these dimensions will be monitored periodically without setting specific funding targets for each dimension.

In addition, although the main focus is on decarbonisation, an initiative will be developed in 2025 to improve the identification and evaluation of the impact of social financing.

ESG Risks

In the course of 2024, 2 383 companies were analysed under the ESG risk policy and all of them were found to be in compliance with the policy. In terms of credit portfolio coverage, this group of companies represents 26.9% of the operations contracted during 2024 and 46% of the total exposure contracted by the Companies segment at the end of 2024.

No targets have been set for monitoring the Policy. Nevertheless, the application of this Policy is assessed monthly by the Sustainability Committee.

Actions and resources

With regard to sustainable financing with a positive impact, the following actions are planned under the 2025-27 Strategic Plan:

- Adaptation of the value proposition and offer, i.e. the development of new products and solutions that respond to customer needs with a focus on key sectors and also the expansion of innovative financial services and integrated platforms that promote sustainability.
- Development of internal capacities, particularly with regard to the training and capacity building of sales teams, to strengthen specialisation in sustainable products and services.
- Commercial plans aimed at target sectors to increase sustainable business in strategic areas, including the creation of an incentive system aligned with sustainable business objectives.
- Definition of annual sustainable financing objectives with an impact on the variable remuneration of management and employees.
- Review of the Sustainable Financing Guide.
- Improve the identification and measurement of the impact of certain types of business with a positive social impact

With regard to the management and monitoring of negative impacts and their consequences on the bank's risks, the following actions are planned for 2025:

- Updating the ESG Risk Policy;
- Implementation of ESG risk analysis of customers in the customer admission process.

GOVERNANCE AND INTERNAL CONTROL

Governance

BPI's priority is to ensure responsible governance based on ethical and strict conduct. Solid and effective corporate governance helps to ensure the smooth running of the Bank and its teams, achieve its strategic ambitions and create value for all stakeholders in a transparent manner.

Banco BPI's share capital is wholly owned by its sole shareholder, CaixaBank.

Risk Committee

The company is organised in accordance with Article 278(1)(b) of the Portuguese Companies Code (PCC). The governing bodies are the General Meeting, the Board of Directors and the Audit Committee, and there is also a Statutory Auditor ("*Revisor Oficial de Contas*"). The Board of Directors has four Committees, as shown in the figure to the right-hand side[162].

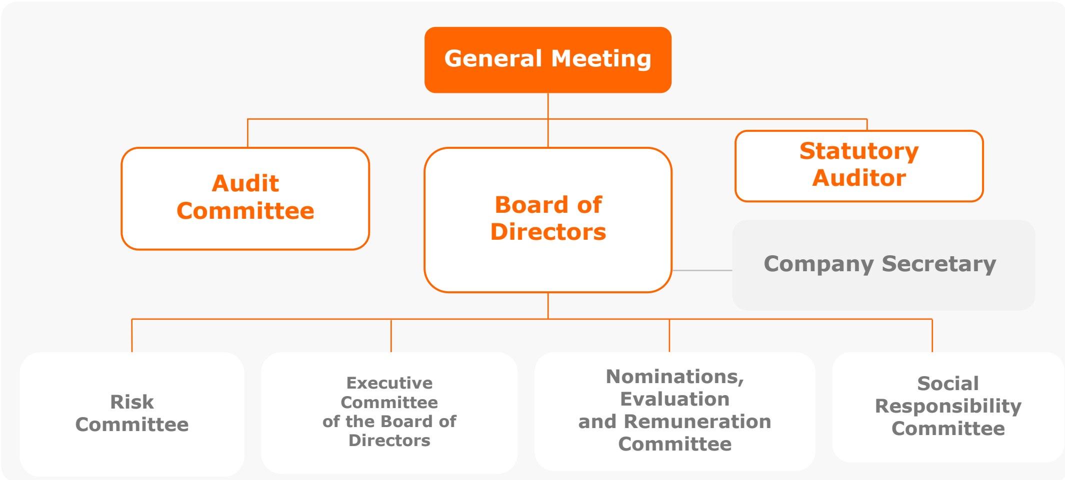
The term of office of the governing bodies is three years, with the exception of the Statutory Auditor, who is elected for an initial term of at least two years and at most four years, and may be re-elected one or more times for terms of at least one year and no more than four years, with the specific duration of each term being set by the General Meeting.

General Meeting | It is made up of all shareholders and resolves on matters specifically assigned to them by law or by the Articles of Association, including the election of governing bodies, the approval of the management report, the annual accounts, the distribution of profits and capital increases.

Audit Committee | Its role is to oversee the management of the Company, including: i) monitoring the effectiveness of the internal control, internal audit, compliance and risk management systems; ii) overseeing the process of preparing and disclosure of financial and non-financial information, namely with regard to sustainability; iii) overseeing the statutory audit; iv) monitoring the situation and evolution of all risks to which the Bank is exposed; v) assess and overseeing the independence of the Statutory Auditor; and vi) receiv reports of irregularities.

In 2024, the Audit Committee met 12 times.

Statutory Auditor | The Statutory Auditor is responsible for conducting an independent review of the Company's accounts, performing the analyses and verifications required for the review and certification of the accounts.



[162] More detailed information on Risk Committee can be found in the Risk Committee Report, an integral part of this Annual Report.

Board of Directors (BoD) | Responsible for the management and representation of the Company, ensuring the correct and continuous monitoring of its activity.

The Board of Directors is currently composed of 15 members, 9 are non-executive members (including its Chairman), 4 are considered independent from the Shareholder or any group with specific interests in the Company, and 6 are executive members.

The Board of Directors meets at least every two months, and whenever convened by its Chairman or by two Directors (12 meetings in 2024).

The resolutions of the Board of Directors are taken by absolute majority of votes of the members present or represented, and the Chairman has a casting vote in the event of a tie. The Board of Directors appoints a Company Secretary and an Alternate Secretary.

Committee of the Board of Directors

Executive Committee of the Board of Directors | The Board of Directors comprises an Executive Committee to which the day-to-day management of the Bank is delegated, including the powers necessary or appropriate to carry out the banking activity under the terms and to the extent defined by law, within the limits defined in the aforementioned delegation of powers.

The Executive Committee is currently composed of six members and as a rule meets weekly (47 meetings in 2024).

The resolutions of the Executive Committee are taken by an absolute majority of votes, with the CEO having a casting vote when necessary.

Nominations, Evaluation and Remuneration Committee | Its duties include issuing opinions on the filling of vacancies in the governing bodies, on the selection of the Executive Committee members, on the assessment and setting of remuneration of executive directors, and also for issuing opinions, among others, on policies relating to the appointments and succession to positions on the governing bodies and senior management, and on remuneration policies.

Risk Committee | Without prejudice to the attributions of the Audit Committee in these matters, it is responsible for monitoring the management policy covering all the risks of the Company's activity, as well as monitoring Banco BPI's Pension Fund's management policy.

Social Responsibility Committee | Responsible for assisting and advising the Board of Directors on matters relating to the Bank's social responsibility, including solidarity, education, culture, research and science.

Committees

BPI's organisational structure includes several specialised committees to support its management function, fostering coherence and interconnection between the Bank's different areas and aligning strategic objectives, considering the risk profile adopted by the institution.

BPI currently has 16 committees.

More detailed information on the responsibilities of the different committees is given in the Corporate Governance Report, which forms an integral part of this Annual Report.

- Global Risk Committee
- Impairment and NPL Committee
- Models Committee
- Risk Policies Committee
- Operational Risk and Resilience Committee
- Asset-Liability Committee (ALCO)
- Permanent Credit Committee
- Information Governance Committee
- Security and Privacy Committee
- Sustainability Committee
- Labour Incidents Committee
- Money Laundering Prevention Committee
- Marketing Committee
- Product Validation Committee
- Financial Advisory Committee
- Transparency Committee

Selection, Evaluation and Succession Procedures

BPI has a Policy for the Selection and Assessment of Members of the Board of Directors, the Audit Committee and Key Function Holders.

Selection

The Nomination, Evaluation and Remuneration Committee is responsible for identifying and selecting the right people to join the Board of Directors, the Executive Committee or the Audit Committee. Among other functions, it is responsible for assisting and advising the Board of Directors on the filling vacancies in the governing bodies and on the choice of the directors to be appointed to the Executive Committee. In this context, it is incumbent on the Nominations, Evaluation and Remuneration Committee to:

- prepare and update the description of the roles and the set of qualifications, knowledge and professional experience required and assesses the time commitment expected;
- whenever a vacancy occurs, prepare a reasoned opinion for the Board of Directors, identifying the individuals with the most appropriate profile to fill the position;
- ensure that the Selection Policy contains the necessary mechanisms to ensure an increase in the number of individuals with the most appropriate profile to fill the position;
- evaluate the structure, size, composition and performance of the Board of Directors and its Committees, as well as the AC, and, when it deems it appropriate, make recommendations for possible changes.

The Sole Shareholder is responsible for appointing the persons who should, at any given time, form part of the Management and Supervisory Bodies, and may submit proposals for the election or dismissal of members. Notwithstanding this, vacancies occurring on the Board of Directors during the course of the mandate may be filled by co-option.

Diversity Principle

The Selection Policy establishes a principle of diversity in the composition of the Management and Supervisory Bodies. The promotion of diversity at the Bank is based, among other things, on the following criteria:

- promoting the integration of people with different experiences and qualities who can foster different and constructive decision-making processes within these bodies;
- valuing diversity in its various dimensions: age, gender, geographical origin, qualifications, skills, qualifications, professional experience, among others;
- adoption of measures to promote equal treatment and opportunities for men and women, and internal awareness-raising with a view to the effective and progressive implementation of the diversity policy and the promotion of best practices in this area.

The selection of candidates for the management and supervisory bodies must consider the approved gender diversity objectives.

Assessment

The assessment of the suitability of the members of the Management and Supervisory Bodies and of BPI aims to ensure that they fulfil the requirements of suitability, professional qualification, independence and availability requirements necessary to ensure the sound and prudent management of the Bank, with a view to safeguarding the interests of its stakeholders and of the financial system in general.

The assessment of suitability is carried before the start of term of office (initial assessment to be completed before the appointment decision) and during the term of office whenever the Nominations, Evaluation and Remuneration Committee deems it justified, i.e., when there are changes in the factual or legal assumptions on which the initial assessment was based.

Each year, the Nominations, Evaluation and Remuneration Committee reassesses the suitability of all the members of the Management and Supervisory Bodies.

Succession

Banco BPI has a Succession Plan for the Board of Directors, Audit Committee and Key Function Holders, including a list of possible candidates for members of the management and supervisory bodies, as well as a Succession Plan for the executive members of the Board of Directors.

BPI's Policy for the Succession of Members of the Board of Directors, the Audit Committee and Key Function Holders (Succession Policy) identifies and defines the essential characteristics and profile for the exercise of each position on the Board of Directors, the Audit Committee and Key Function Holders, and establishes the procedures to be followed for the succession of the holders of these positions, both in normal situations (ordinary succession) and in extraordinary or supervening situations (unforeseen vacancy in a key position).

In particular, this Succession Policy establishes that throughout the candidate selection process, the appropriate diversity in the composition of the Board of Directors should be a relevant factor, particularly with regard to diversity of gender, professional training and experience, age and geographical origin in accordance with the Selection and Assessment Policy.

The Succession Plan for the Board of Directors, the Audit Committee and the Key Function Holders is reviewed by the Nominations, Evaluation and Remuneration Committee on a regular basis, without prejudice to occasional reviews that may be deemed necessary. The revised plan must be approved by the Nominations, Evaluation and Remuneration Committee and submitted to the Sole Shareholder for consideration.

Regulatory frameworks

In its governance model, BPI endeavours to replicate the best practices in the sector, within the applicable legal framework.

To this end, the Bank has a wide range of governance and conduct policies and codes of practice that demonstrate its commitment to its stakeholders.

By 2024, 93% of the members of the management and supervisory bodies and 98% of employees had received training in compliance issues.

BPI obtained two new quality certifications in the ISO 37301 and UNE 19602 standards - which attest to the alignment of our compliance system and our tax compliance system with the best practices on the market.

The ISO 37001 and UNE 19601 quality certifications for corruption risk management and criminal compliance systems were also renewed.

Strengthening the culture of compliance

Strengthening the organisational and compliance culture continues to be a priority. In 2024, mandatory training on Sanctions and Restrictive Measures was launched for all employees. In addition, awareness-raising activities were carried out, including: the launch of the new Code of Ethics, participation in anonymous complaints, Restrictive Measures, Protection of Competition, Sale of Banking Products associated with Prestige Products.

Also noteworthy was *Compliance Week*, a week dedicated to compliance issues, which included several awareness-raising and training initiatives aimed at all employees.

Continuing with the objective of consolidating best internal practices, both in terms of the prevention of Money Laundering and Terrorist Financing and at the level of Regulatory Risks, 27 awareness-raising actions and 21 updates to Policies, Codes, Committees, Regulations, Procedures and Best Practices were published.

Changing the Regulatory Framework

In 2024, BPI continued the process of adapting its regulatory framework related to matters of Ethics and Conduct, on a path of harmonisation with the CaixaBank Group and strengthening compliance with the legislation in force. As a result:

- Restructuring the Supplier Code of Conduct to align its image and form with the current Code of Ethics;
- Drawing up, approving and publishing the Plan for the Prevention of Risks of Corruption and the respective implementation report.
- Updating the following Policies: Whistleblowing Policy, Criminal Compliance, Competition Law Policy, Commercial Communication Policy, Financial Instruments Order Execution Policy, Legal and Regulatory Risk Management Policy, Reputational Risk Management Policy, Product Governance Policy, Policy for the Prevention of Money Laundering and Terrorism Financing and Management of Sanctions and Restrictive Measures, Remuneration Policy for Banco BPI's Credit Intermediaries, Policy for the Handling of Complaints and Claims and Policy for the Handling of Policyholders, Insured Persons, Beneficiaries and Injured Third Parties.

Changing the Associated Processes

The change in the regulatory framework triggered an update of the processes in place relating to Compliance Risk Management, with a highlight to the opening of the Corporate Whistleblowing Channel for Customers.

Robotisation

As part of the continuous process improvement programme, the ambitious plan to robotise administrative tasks that were repetitive and lacked analytical content and were previously carried out manually was continued.

There are currently nine robots in operation dedicated to supporting operational processes in the areas of AML, Sanctions and External Fraud. In addition, the implementation of two new robots is in the IT development phase.

This process has allowed teams to be reallocated to tasks with greater added value, namely analysing, investigating and making decisions regarding Banco BPI's risk appetite in relation to the tasks in question, contributing significantly to an increase in the quality of the final result.

Data Model

In 2024, the inclusion of a wide range of information in the Bank's information system was continued, thus allowing for greater autonomy and efficiency in responding to the several requests for information and processes of the teams, audits, supervision and reports carried out.

Improving Processes and Controls In order to ensure compliance with internal policies and standards, as well as the legislation and regulations in force, several processes and controls have been developed:

- Development of 4 new *Dashboards* to support management;
- Development of indicators to monitor the several risks that DC monitors;
- Development of the tool *NetReveal* to replace the SIOPEIA application;
- Optimisation of existing processes.

Main internal policies and codes of governance and conduct

Code of Ethics

It reveals the values and ethical principles that should govern the conduct of all Employees and members of the governing bodies, based on the Corporate values of Quality, Trust and Social Commitment.

Principles of action:

a) Compliance with Legislation;

b) Respect;

c) Integrity;

d) Transparency;

e) Excellence and professionalism;

f) Confidentiality; and

g) Social Responsibility.

Internal Code of Conduct for Securities Markets

It aims to ensure that the Bank's conduct (as issuer and financial intermediary) complies with the rules of Regulation (EU) 596/2014 on market abuse, its standards and implementation rules, thus promoting transparency in the markets and protecting the legitimate interests of investors.

Policy on Conflicts of Interest in the Securities Markets

It is in line with the Markets and Financial Instruments Directive (MiFID II), which has reinforced the requirements relating to investor protection and transparency with all market agents.

General Policy on Conflicts of Interest

It defines the framework and general treatment of possible situations of conflict of interest and how they should be prevented and managed.

Whistleblowing Policy

It aims to fulfil the legal and regulatory requirements for receiving, processing and archiving reports of irregularities, guaranteeing the confidentiality of the whistleblower's identity.

Criminal Compliance Policy

It provides for a prevention programme that reduces the risk of crimes being committed across the entire Bank.

Anti-Corruption Policy

Through the principles that guide this Policy, which is aligned with the highest international standards, BPI takes an active stance in rejecting any type of corruption in the different markets in which it operates.

Policy for the Prevention and Combat of Harassment.

It regulates the principles to be observed in the process of receiving, processing and filing harassment reports.

Regulatory Compliance Policy

It promotes the principles of business ethics, a corporate culture of respect for the law and monitoring the effectiveness of controls on the risk of non-compliance with obligations.

Related Party Transactions Policy

It aims to ensure that the transactions that BPI carries out with related parties are carried out under conditions similar to those that would occur in the market. Transactions with related parties must be approved by at least 2/3 of the members of the management body , with the prior opinions of the risk management and compliance functions and the Audit Committee.

Complaints and Claims Handling Policy

It regulates the process of resolving complaints and claims received and defines the terms in which they should be submitted, the channels of entry and the response procedures and deadlines.

Policy on Competition Law Matters

It aims to establish the principles and rules governing the management of risk resulting from practices that could limit free competition.

Policy for the Prevention of Money Laundering and Terrorism Financing and Management of Sanctions and Restrictive Measures

It reflects BPI's commitment to implementing control mechanisms that mitigate financial crime as a universal phenomenon.

Product Governance Policy

It establishes the principles for the creation, development and commercialisation of Products and Services (also in order to respond to the needs of the respective Target Market), the follow-up and monitoring of their life cycle and the definition of procedures for changing existing products and services.

Order Execution Policy for Financial Instruments

It is based on the principle of BPI making the best endeavours and defining the most appropriate circuits so that orders received from Clients are executed under the best conditions, considering the characteristics of each order, in line with the EU Directive on the markets in financial instruments ("MiFID II").

Policy for Aggregating Orders and Allocating Operations

It establishes the principles of fair treatment aimed at protecting the interests of Clients, namely the criteria for aggregating and allocating BPI's orders when carrying out operations on financial instruments, ensuring at all times all the requirements defined by law in this area.

Financial Instruments Safeguard Policy

Establishes the principles underlying the Safeguarding of Client Assets in the context of financial intermediation activities.

Client Classification Policy (MiFID)

It establishes the criteria and factors that guide the Bank's actions in attributing a MiFID classification (Retail Investor, Professional Investor or Eligible Counterparty) to customers of financial intermediation services.

Involvement Policy

It defines the general principles underlying the discretionary mandates entrusted to BPI by its Clients, with a view to promoting shareholder involvement, improving the transparency of investment strategies and exercising voting rights.

Communication Policy

It expresses BPI's commitment to a transparent communication model of the highest quality and scope for its stakeholders. It aims to ensure that corporate communication at

BPI is effective, relevant, transparent, sufficient, objective and up-to-date.

Commercial Communication Policy

Establishes the principles underlying BPI's Advertising Activity with the aim of ensuring that the content and format consider the legitimate interests of the public

Customers as well as the characteristics of the target market.

Mandatory Minimum Registration Policy

It establishes the principles underlying the management of records *lactu sensu*, involving Customers and in the context of financial intermediation activities.

Data Protection Policy

Establishes the general principles for managing issues related to the protection of personal data.

Remuneration Policy for Credit Intermediaries

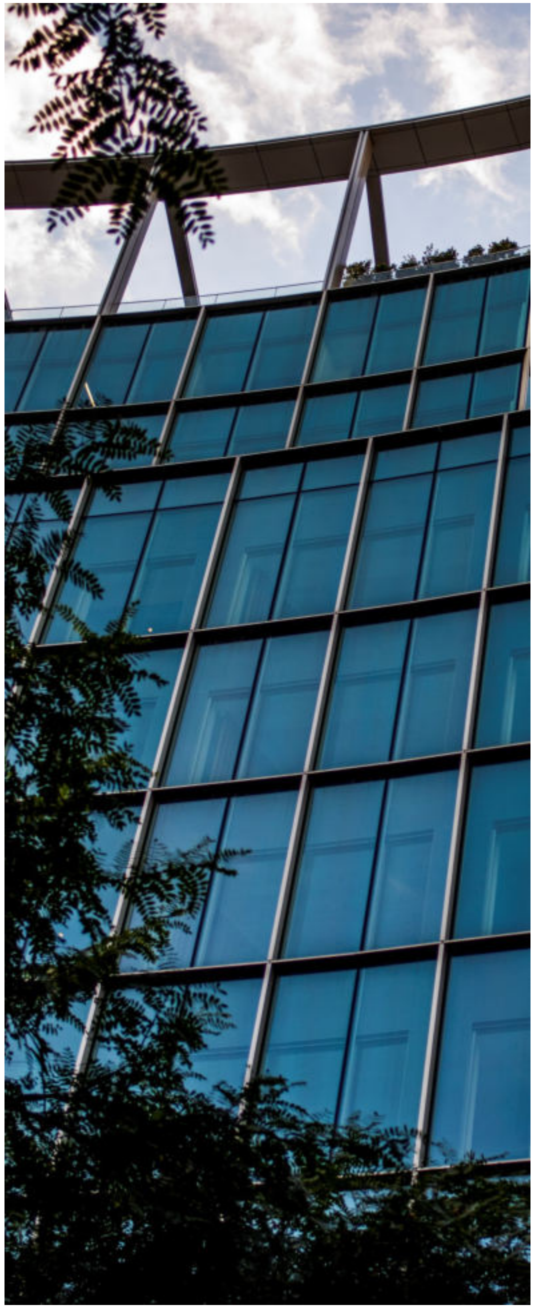
It establishes the principles that should guide the remuneration of credit intermediaries.

Policy on Automatic Exchange of Financial Account Information Initiatives

It provides for the automatic exchange of information on financial accounts for tax identification purposes.

Policy for the Treatment of Policyholders, Insured Persons, Beneficiaries and Injured Third Parties

It aims to ensure that BPI guarantees transparent, diligent and fair treatment of Policyholders, Insured Persons, Beneficiaries and Injured Third Parties.



Risk Management

General Principles

BPI endeavours to ensure adequate and effective risk management, based on the constant identification, assessment, monitoring and reporting of exposure to different risks. This management is essential for pursuing the objectives of maximising results in the face of risks, within the risk appetite defined by the governing bodies and in accordance with the Bank's global risk strategy.

BPI has control mechanisms in place to adequately monitor and prevent the risks arising from its activity, in accordance with the corporate policy and risk model implemented by the CaixaBank Group.

BPI's Strategic Risk processes include the annual self-assessment of the risk profile, through which the Bank evaluates its risk profile, the associated management, control and governance structures and analyses the risk profile the emergence of new risks (emerging or potential), included in the Risk Catalogue, in order to respect the risk profile defined by the Board of Directors.

General risk management principles, defined in Banco BPI's Global Risk Management Policy:

- solid government structure;
- involvement of the whole organisation, with an appropriate segregation of duties according to the different lines of defence;
- proactive risk management, consider the Bank's strategy and risk profile;
- management tools and methods in line with supervisors' recommendations and best practice;
- implementing a risk culture;
- socially responsible management of all the risks that support the sustainability strategy;
- timely communication with the appropriate level of detail and transparency of the different risks to the interested parties.

BPI's risk organisation transposes the guidelines issued by the regulator, seeks to follow best practices in the sector and adapt the CaixaBank Group's corporate policies, while respecting the bank's own characteristics.

BPI's risk management is structured along three lines of defence.

3 Lines of Defence
(3LoD)

This structure, provided for in the EBA Guidelines, gives 2LoD a fundamental role in ensuring the proper management and holistic view of all the institution's risks.

Risk Management Organisation Chart

Due to their importance, the following Commissions and Committees stand out, as well as their main responsibilities:

BOARD OF DIRECTORS

Executive Committee of the Board of Directors

***Asset-Liability Committee* (ALCO):**
- Manage, monitor and control the **liquidity and financing risks**, **market** and**, structural interest rate** (IRRBB) and **exchange rate**;
- Optimise the **profitability of the financial structure** of the balance sheet;
- Determining the **transfer rates** for the different businesses, monitoring the prices, terms and volumes of the activities that generate assets and liabilities, in accordance with the policies, appetite and risk limits approved by the Board of Directors.

Standing Committee on Credits
- Decide on **credit proposals** (including Credit Recovery) in accordance with the Executive Committee's internal regulations and delegated competences;
- Issue opinions on proposals to be decided by the Executive Committee and BD;
- Ensuring compliance with the **limits established for Major Risks**, both internally and within the group.

Committee for the Prevention of Money Laundering
- Internal PML/TF control, with deliberation and decision-making functions;
- Establishing and proposing the PMLTF policy and procedures.

Information Governance Committee:
- Define the **data management strategy;**
- Decide on **proposals** within the scope of Information Governance and Data Quality and Regulatory Reporting;
- Monitoring limitations in data aggregation and reporting.

Sustainability Committee
- Approve and monitor **sustainability strategy and practices**;
- Propose relevant policies **for approval by government bodies** for **sustainability management;**
- Supervising the **BPI Sustainability Master Plan** and assessing its degree of fulfilment.

Risk Committee

- Supervising the **activity of 1LoD** and **2LoD** (including Committees and Divisions under its dependence);
- Monitoring the policies of **risk management**;
- Monitoring the policy of **financial-actuarial risk management** (applicable to the company's pension fund);
- Proposing to the Board of Directors **changes to the risk policies** and reporting on the main exposures and risk indicators;
- Informing and advising the Board of Directors on **decision making** with an impact on the Bank's **strategy and risk profile**.

Global Risk Committee
- Guarantee and evaluate the **internal control system**;
- Ensure that the **risk levels** and the **decisions** are **in accordance** with the **risk strategy**, established by BD through the *Risk Appetite Framework;*
- Ensuring that the **risk policies** are properly updated and implemented.
- **Follow the activity of the delegate committees.** The following stand out: i. Impairment and Morosity Committee; ii. Modelling Committee; iii. Risk Policies Committee; iv. Operational Risk **and Resilience** Committee.

AUDIT COMMITTEE

- Supervising the **management of the Company**;
- Supervising the **activities of 3LoD**;
- Analyse the work carried out by **External Auditor** and **2LoD**;
- Monitoring **the situation and evolution of all the risks** to which the Bank is subject, with the support of the Risks Committee**.**

3 Lines of Defence Model

The structure of BPI's Risk Divisions is based on the "three lines of defence model", thus respecting the provisions of Bank of Portugal Notice no. 3/2020:

1st Line of Defence (1LoD)

RISK ADMISSION

Made up of the business areas, risk takers and their support functions.

Role: to develop and maintain effective controls over its business; to identify, manage and measure, control, mitigate and communicate the main risks arising from the continuous exercise of its activity.

For their importance, these stand out:

- **Credit Division:** carries out independent analyses of bidders, guarantors and operations, with the support of several risk indicators and *scoring* models produced by the Risk Management Division (RMD);
- **Credit Recovery Division:** management of credit recovery processes in the event of default.

2nd Line of Defence (2LoD)

CONTROL

At Banco BPI it is made up of **Risk Management Division** and **Compliance Division**

Role: to ensure the implementation of appropriate identification, control, monitoring, prevention and reporting measures for all the Bank's risks.

- It acts independently of the first-line business and control areas.

At BPI the 2nd line of defence functions are segregated into the following Divisions:

- **Risk Management Division** (RMF - *Risk Management Function*), responsible for identifying, monitoring, controlling, managing and reporting the Bank's risks.
- ***Compliance* Division:** identifies, monitors and controls Conduct and *Compliance*, Legal, Regulatory and Reputational risks.
- **Model Risk and Validation Unit**: identifies, monitors and controls model risk.

3rd Line of Defence (3LoD)

AUDIT

Made up of the **Internal Audit Division** which is functionally dependent on and reports to the **Audit Committee**, in order to guarantee its independence and authority.

Objective: to provide the Bank's management and supervisory bodies with a reasonable degree of assurance regarding compliance with current legislation, internal policies and regulations, the reliability and integrity of financial and operational information and the effectiveness of risk mitigation systems.

Risk Appetite

Within the scope of its Risk Appetite Framework ("*Risk Appetite Framework*" - RAF), BPI defines the levels of risk it is willing to assume, considering its risk and business strategies.

The RAF is reviewed at least annually together with the other Strategic Risk Processes.

Strategic Risk Processes

Risk Catalogue	***Risk Assessment***
Facilitates tracking and *reporting* internal and external risks	Identification, definition and assessment of the risks that the Bank incurs or may incur

Based on these processes, the Bank guarantees a permanent assessment of its risk profile (current, future and potential in stress scenarios), reviewing it on a recurring basis.

Also in the exercises subject to regulatory supervision (ICAAP and ILAAP), forecasts are made of the evolution of the risk profile, in base and stress scenarios, providing the governing bodies with an insight into the resilience of the Bank in the face of internal and/or external events.

Description and Structure

In a process consistent with the other strategic documents - Strategic Plan, Budget, I*nternal Capital Adequacy Assessment Process* (ICAAP) and Recovery Plan - BPI defined its risk appetite guidelines, which are incorporated into the Bank's culture and strategy and underpin all its activities.

Strategic Documents

Strategic Plan	**Budget**	**ICAAP**	**Recovery Plan**

In line with best practice in the sector, the Board of Directors has approved a set of risk appetite statements, which summarise the principles by which the Bank should be governed:

- maintain a medium-low risk profile, with comfortable capital adequacy, to strengthen customer confidence through financial solidity;
- be permanently able to fulfil its contractual obligations and meet its financing needs in a timely manner, even in adverse market conditions;
- to have a stable and diversified funding base in order to preserve and protect the interests of its depositors;
- generate income in a balanced and diversified way;
- aligning business strategy and customer relations with responsible social action, applying the highest ethical and governance standards and considering potential impacts on the climate and the environment;
- promote a risk culture integrated into management through policies, communication and employee training;
- strive for excellence, quality and operational resilience, in order to continue providing financial services to Clients in line with their expectations, even in adverse scenarios.

Monitoring and Governance of the Risk Appetite Framework

The Board of Directors is responsible for approving, monitoring and, if necessary, correcting the metrics of the *Framework*.

The monitoring of metrics is aided by a set of objectives, tolerance levels and limits established by the BD itself.

Level 1 metrics

Goal

Optimum risk level, which defines the risk appetite and is aligned with the return sought by the Bank or the strategic objective pursued

Tolerance

Optimum risk level, which defines the risk appetite and is aligned with the return sought by the Bank or the strategic objective pursued

Limit

Optimum risk level, which defines the risk appetite and is aligned with the return sought by the Bank or the strategic objective pursued

RAF Level 2: The BPI also has a Framework for level two metrics.

Monitoring the RAF: the RMD is responsible for updating, monitoring and reporting on the RAF, under the guidance of the BD.

Governance structure: In order to ensure compliance with international best practice, a reporting structure has been established for the RAF that allows for exhaustive monitoring by the management and bodies responsible.

Follow-up is carried out according to a specific schedule of presentations to the following bodies:

Global Risk Committee

- Evaluate, review and discuss the current risk situation, the occurrence of threshold/tolerance breaches and the status of individual metrics (RAF monitoring);
- Approve and monitor the action plan in the event of a breach of the appetite threshold (yellow entry) of a level 1 RAF metric and inform the Risk Committee.

Risk Committee:

- Analysing global risk performance;
- Assess the status of broken metrics, discuss the status of individual metrics, check the ongoing effectiveness and suitability of the RAF.

Board of Directors

- Analysing BPI's overall risk performance and deciding on critical situations.

Audit Committee

- Supervises compliance with the Risk Appetite Framework.

Risk Culture

Banco BPI's risk culture is made up of the behaviour and attitudes towards risk and its management by Employees, which reflect the Bank's values, objectives and practices and is integrated into management through its policies, communication and training.

This culture influences the decisions of management and employees in day-to-day activities to avoid behaviour that may inadvertently increase risks or lead to risks that cannot be taken, and is based on a high level of awareness of risk and its management, a solid governance structure, open and critical dialogue within the organisation and an absence of incentives for unjustified risk-taking.

Thus, the actions and decisions that involve risk-taking are:

- Aligned with corporate values and basic operating principles;
- Aligned with risk appetite and risk strategy;
- Based on an exhaustive knowledge of the risks involved and how they are managed, including environmental, social and governance factors.

Responsibilities

Banco BPI's Board of Directors is responsible for establishing and supervising the implementation of a solid and diligent risk culture in the organisation, which promotes conduct consistent with the identification and mitigation of risks. All Employees must be fully aware of their responsibility for risk management, which is not exclusive to risk specialists or internal control functions, since the business units are primarily responsible for day-to-day risk management.

Communication

Spreading a corporate risk culture is essential for aligning all employees around the issue. Internal communication channels, in particular the Intranet, email and televisions in the canopies of central buildings, are an essential vehicle for spreading this culture. We highlight the content in terms of publicity and training.

In 2024, communication work continued as part of the development of a corporate risk culture, with the following initiatives standing out:

- Launch of a revised version of the Code of Ethics, whose internal communication was led by Fernando Ulrich, Chairman of BPI's Board of Directors;
- Streamlining internal communication for *Compliance Week*, held in October and which included *Talks*, *quizzes*, news, among others;
- Monthly internal communication on several risk-related topics, namely: conflicts of interest; consultation and whistleblowing channel; identification of beneficial owners; risk management; AENOR certification, among others;
- Publication of several news items relating to specific training courses in this area.

Training

In 2024, risk training initiatives covered the entire organisation.

In person training sessions were held for Governing Bodies, including "Sanctions (AML & TF)", "Ethics and ESG", "Challenges, risks and opportunities in Cybersecurity in Banking" and "Basel IV".

At BPI, the award of Variable Remuneration is conditional on the completion of compulsory courses, defined in the Training Plan. In 2024, two of these courses were 1) AML & TF - Sanctions | Join the good side of the force (course in the area of Prevention of Money Laundering and Terrorism Financing, with a focus on Sanctions and Restrictive Measures) and 2) The Road to a World 2) Path to a *Net Zero* World (course focused on the impact of companies on the Environment and Society, ESG risks and opportunities in companies, legislation and BPI's decarbonisation process).

The Operational Risk and Business Continuity Pivots have compulsory training that they need to complete, and there are training sessions for new pivots and refresher courses for the remaining Pivots.

Also noteworthy are the Information Security courses launched throughout 2024, with the aim of raising awareness among the Bank's employees of the risks inherent in the use of Information Technology.

Also noteworthy was the launch of the Risk Academy, aimed at the Bank's trainees, who took a postgraduate course customised to the needs of banking risk management in partnership with ISCTE Executive Education, with a subsequent internship at BPI, in the RMD (Risk Management Division) Teams.

Performance evaluation and remuneration

As mentioned in the Risk Appetite Framework, Banco BPI seeks to ensure that all Employees, in particular the members of the Identified Collective, including the Executive Committee, have a high level of awareness of risk and its management in the organisation.

To this end, the risk adjustment indicator (RAF) was incorporated as a metric in the Corporate objectives for both the Executive Committee and the Identified Collective, with an impact on the calculation of variable remuneration and as a form of risk adjustment.

Risk Catalogue

Repository of the definitions of all the Bank's material risks. It facilitates internal and external risk monitoring and reporting, and is subject to periodic reviews (at least annually). The result of the Risk Catalogue review process is presented to the Global Risk Committee and the Risk Committee, and subsequently approved by the Board of Directors.

TRANSVERSAL RISKS

Business profitability

Risk of BPI achieving results below market expectations or the objectives established in its business plan and strategy, which prevent a sustainable level of profitability above the cost of capital.

Capital and Solvency

Risk of problems in BPI's ability to fulfil regulatory requirements regarding capital ratios, or to change its risk profile, due to insufficient own funds.

Model

Possible adverse consequences for the Bank that may arise from decisions based mainly on the results of internal models with errors in construction, application or use.

Reputational

Potential economic loss or lower revenue for the Bank as a result of events that negatively affect the perception that stakeholders have of the Bank.[163]

FINANCIAL RISKS

Credit

Risk of financial losses due to the loss of value of the Bank's assets as a result of deterioration in the ability of customers to honour their commitments to the Bank. Includes the risk generated by operations in the financial markets (counterparty risk).

Actuarial

Risk of loss or deterioration in the value of commitments contracted by insurance or pension contracts with customers or employees, resulting from the divergence between the assumptions of the estimation of the actuarial variables used in the calculation of liabilities and their actual evolution.

Fee Structure

Negative financial impact on the economic value of the Balance Sheet or on the Financial margin due to changes in the time structure of interest rate or exchange rate curves affecting the Bank's assets, liabilities or off-balance sheet products not recognised in the trading book.

Liquidity and Funding

Risk of insufficient liquid assets or limited ability to access market financing to meet contractual payments on liabilities, regulatory requirements or BPI's investment needs.

FINANCIAL RISKS (cont.)

Market

Loss of value, with an impact on results and solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates.

OPERATIONAL RISKS

Conduct and Compliance

Application of criteria contrary to the interests of its Clients or other interest groups or actions or omissions by the Bank that are not in line with the legal and regulatory framework or with internal policies, standards and procedures or codes of conduct, ethical standards and good practice.

Legal and Regulatory

Potential losses or reduction in the Bank's profitability arising from legislative changes, incorrect implementation of said legislation in BPI's processes, inadequate interpretation of said legislation in the several operations, incorrect management of judicial or administrative requests or complaints received.

[163] It includes Model Quality, Model Governance and Model Control.

FINANCIAL RISKS (cont.)

Technological

The risk of material or potential loss due to inadequate or failed technological infrastructure, due to cyber-attacks or other circumstances, and the inability to make changes to ICT (Information and Communication Technologies) in a timely manner and at an acceptable cost, which could jeopardise the availability, integrity, accessibility and security of infrastructures and data.

Other Operational Risk

Loss or damage caused by errors or failures in processes, by external events or by accidental or malicious action by third parties outside the Group. Includes, among others, risk factors related to external events or external fraud.

Emerging Risks

Risks with increasing materiality or importance, which can subsequently be included in the Risk Catalogue.

Sustainability Risk

Sustainability Risk, framed within an ecosystem concept in which the Bank's numerous interest groups play a leading role, is characterised by the potential loss resulting from the negative impact of certain environmental, social and governance (ESG) conditions.

In this context, the need arises to assess double materiality:

- Ecosystem impacts on BPI (*outside-in*): financial impacts on BPI caused by environmental, social or governance factors. Risk and opportunity management
- BPI's material positive or negative impacts on the ecosystem and/or stakeholders (*inside-out*): impacts that BPI's activity generates on the planet, people and society.

With regard to the impacts *outside-in* ESG, we can highlight the following risks, more detailed in terms of the climate dimension in the section ESRS E1:

- Credit portfolio: risk arising from deterioration in the ability to service customers' debt caused by environmental factors (physical and transition risk);
- Market: risk arising from the potential devaluation of financial instruments held by BPI due to ESG factors.

As part of the management of *inside-out* impacts, BPI has a Sustainability Risk Management Policy which identifies ESG risks and defines the criteria underlying commercial relations with Clients or potential Clients (new operations, renewals and renegotiations of credit and guarantees), as well as investments in the securities or subsidiaries portfolio. At the same time, it also defines the internal governance model for managing sustainability risks (see ESRS ES 2 Sustainable Finance).

In this context, the Bank declares its willingness not to assume credit risk on companies or projects domiciled in high-risk countries (social or good government), which violate human rights, use child labour, do not have health and safety policies in place to protect their workers, or cause negative impacts on natural heritage, biodiversity, *stress* water and cultural heritage.

The **governance** of sustainability risk management follows the general principles of BPI's Risk Management, in accordance with the **model of the three lines of defence**.

BPI's **Credit Division**, through its **Sustainability Area** (1LoD), incorporates the analysis of sustainability factors (ESG) into the credit risk admission process, with a view to operationalising the validation of the general and sectoral criteria established in the **Sustainability Risk Management Policy**, in accordance with the corporate risk management policy.

RMD - Sustainability, Balance Sheet and Market, as 2LoD, is responsible for **Sustainability Risk Management Policy**. During 2023 the process of **management and evaluation** of other types of ESG risks began, namely the physical and transition risks of the Bank's portfolio.

The **Audit Division**, being the 3LoD, monitors and validates the Bank's ESG risk management processes.

Within the framework of CaixaBank's joining to the **Protocol of the Equator Principles** in 2007, BPI applies additional validation procedures relating to the assessment of ESG (environmental, social and governance) risks in operations that fall within its scope.

BPI has internal mechanisms to assess the impact of climatic events, through stress tests with impacts on the credit portfolio, continuity and operational risks, from a short-, medium- and long-term perspective, incorporating these potential impacts into the process of self-assessment of capital adequacy (ICAAP) and liquidity (ILAAP).

By 2025, BPI will also be identifying and managing nature risks.

DECARBONISATION

Net-Zero Banking Alliance

BPI is committed to contributing to a rapid but consistent decarbonisation of the economy and to reducing inside-out impacts on the ecosystem, supporting its customers in their journey towards a greener economy.

BPI, as the CaixaBank Group, is bound by the Group's commitments under the Net-Zero Banking Alliance (NZBA), having defined intermediate decarbonisation targets for 2030, monitoring those targets annually and managing this risk together with its customers in the most carbon-intensive sectors: electricity, oil & gas, iron & steel, automotive, real estate and aviation (more details at ESRS E1-4).

To this end, in 2024 BPI approved the NZBA governance model, which establishes and describes the procedures for approving the objectives, the procedures for approving customer operations and the internal governance structure relating to the decarbonisation objectives.

Strategic Events

Material events that could have a significant impact on BPI in the medium term.

Only events that have not yet materialised and are not part of the Risk Catalogue, but to which BPI is exposed, are considered.
Their impact may occur on one or more risks in the catalogue.

Most relevant strategic events:

EVOLUTION OF THE LEGAL, REGULATORY OR SUPERVISORY FRAMEWORK

- Risk of increased pressure from the **legal, regulatory or supervisory environment**, identified in the risk self-assessment exercise and which could have an impact in the short or medium term;
- The need to constantly monitor new regulatory proposals and their implementation.
- Nowadays, among other things, there are growing expectations regarding ESG aspects on the part of different interest groups (supervisors, regulators, government bodies, etc.).
- **Mitigants**: control and monitoring of regulations carried out by the different areas of BPI, control over the effective implementation of regulations. Due to the increase in legislative activity, relations with the authorities have been intensified in order to anticipate possible new legislative initiatives and to be able to represent and convey Banco BPI's interests to the authorities in an efficient manner.

NATIONAL AND INTERNATIONAL GEOPOLITICAL ENVIRONMENT

- Sharp and persistent deterioration in the macroeconomic outlook and **increased risk aversion in the financial markets**.
- **Possible causes**: global geopolitical impacts; domestic political factors and social discontent; re-emergence of tensions in the eurozone that increase the risks of fragmentation.
- **Possible consequences**: increase in the country risk premium; reduction in business volumes; deterioration in credit quality; damage to physical assets.
- **Mitigants:** Banco BPI believes that these risks are sufficiently mitigated by its capital and liquidity levels, which are validated by the fulfilment of external and internal *stress* exercises, and reported in the annual ICAAP and ILAAP processes.

PANDEMICS AND OTHER EXTREME EVENTS

- Extreme events, such as future pandemics or **events of an environmental nature**. The impacts on each of the risks in the Catalogue are uncertain, as are the economic and social measures and policies adopted to contain, mitigate and resolve the effects in the affected countries.
- **Mitigants**: BPI's ability to implement initiatives to mitigate the impact on the risk profile due to the deterioration of the economic environment in the event of an extreme operational event, as happened in the specific case of COVID-19.

NEW COMPETITORS AND THE APPLICATION OF NEW TECHNOLOGIES

- A moderate increase in competition from new competitors is expected and **other players with disruptive proposals or technologies**. This could lead to the disintermediation of part of the value chain **(with an impact on margins and cross-selling)**, by competing with more agile, flexible entities and generally with lower cost proposals for the consumer. The impacts could be exacerbated if the regulatory requirements applicable to these new competitors and services are not the same as for current credit institutions.

- **Mitigants:** Banco BPI considers new competitors to be a potential threat, but at the same time an opportunity as a source of collaboration, learning and encouragement to achieve the digitalisation and business transformation objectives set out in the Strategic Plan.

NEW COMPETITORS AND THE APPLICATION OF NEW TECHNOLOGIES

- Cybercrime involves criminal schemes to continue profiting through different types of attacks in the digital environment. In this sense, the dissemination of new technologies and services made available to Customers leads to **greater ease of access by cybercrime**.

- This **creates more pressure on the Bank to constantly reassess the model for preventing, managing and responding to cyber attacks and fraud**, in order to respond effectively to emerging risks. Given the existing threats to cybersecurity and the recent attacks on other entities, the **occurrence of these events in the Bank's digital environment could have serious impacts** of several kinds and could also lead to significant sanctions from the competent bodies and potential reputational damage.

- **Mitigants:** Banco BPI maintains a constant review of the technological environment and applications in the areas of integrity and confidentiality of information, as well as the availability of systems and business continuity.

Banco BPI keeps **security protocols and mechanisms up to date** in order to adapt to the threats that arise in the current context, continually monitoring emerging risks. The evolution of security protocols and measures is included in the strategic information security plan, **aligned with the CaixaBank Group's strategic objectives** to maintain information protection and in accordance with the best market standards.

Credit Risk

Credit risk is the risk inherent to banking activity and represents the main risk to which BPI is exposed. The principles that guide credit risk management at BPI are:

- Analysing and granting credit on sustainable terms and to customers who demonstrate the financial capacity to repay;
- Alignment with the credit risk strategy and the risk appetite defined by the Governing Bodies;
- Clearly defined responsibilities and functions, including the definition of criteria, limits, decision-making powers and procedures;
- Risk-adjusted pricing system, considering the necessary elements associated with market competitiveness and efficiency;
- Management of delays, with a special focus on prevention and timely action in situations of non-compliance.

Monitoring credit risk in the current scenario

The changes in economic activity were essentially due to the significant increase in interest rates from 2023 to 2024, although there was a reduction in these rates, which meant that BPI's credit risk monitoring mechanisms had to be reinforced, especially in the retail credit portfolios.

At the beginning of 2023, the procedures required to comply with Decree-Law 20-B/2023 began to be applied. These procedures involve contacting borrowers with credit agreements for permanent home ownership whose credit agreement index exceeds a certain threshold. The purpose of these contacts is to inform borrowers that if they wish to have their subsidy reviewed, they must formalise their request. This measure is in force until the end of 2024.

In addition, the procedures required to comply with Decree-Law 91/2023 were in force until 31 March 2024, allowing customers with permanent home mortgage loans to set a maximum instalment for a period of 2 years.

The main procedures carried out to date are therefore highlighted:

- definition of specific risk policies for mortgage customers with increased financial difficulties;
- maintenance of the procedures for monitoring retail portfolios, including customers who have resorted to restructuring under Decree-Law 80-A/2022 and Decree-Law 91/2023;
- carrying out sensitivity analyses of the evolution of risk parameters, especially in scenarios of rising interest rates, both in credit decisions and in individual analyses.
- ensure that mechanisms are in place to identify customers whose financial capacity has deteriorated and to inform them of the possibility of analysing and possibly restructuring their credit.

Exposures are monitored essentially according to the amount at risk and the degree of risk of the operations/ borrowers, and monitoring is segregated into areas. Individual monitoring procedures are applied to portfolios with significant risk exposures and/or which have specific characteristics and consist of drawing up periodic reports on the borrowers' economic groups, with the aim of assessing whether there is objective evidence of loss and/or a significant increase in credit risk since initial recognition.

Liquidity and Financing Risk

Liquidity risk is managed and monitored in its numerous aspects:

- the ability to keep up with asset growth and meet liquidity and financing needs without incurring abnormal losses;
- maintaining a portfolio of marketable assets that constitute a sufficient and adequate liquidity reserve;
- compliance with the several regulatory requirements.

The asset portfolio is monitored to assess the possibility of using the instruments it comprises to obtain collateralised financing or transactions, according to numerous indicators (asset liquidity, number of days needed to obtain liquidity, size and volatility of spreads, etc.).

Liquidity management seeks to optimise the balance sheet structure in order to keep the maturity structure between assets and liabilities under control. Management is also conditioned by the need to maintain an adequate level of liquidity reserves in order to maintain levels of liquidity coverage requirements, complying with prudential and internal requirements.

Operational Risks

The definition of operational risk (OR)[164] adopted by BPI is that of Regulation (EU) 575/2013:

"Risk of losses resulting from inadequate or deficient procedures, personnel or internal systems or from external events, including legal risks."

BPI's operational risk management is based on policies, processes, tools and methodologies consistent with the best market practices and based on three dimensions:

- Identification and assessment: each Division is responsible for identifying and assessing the operational risk inherent in its activities. This assessment is complemented by defining and analysing Operational Risk Indicators (KRIs), which make it possible to anticipate the evolution of risks, and by analysing extreme scenarios;
- Identifying and monitoring occurrences: 1LoD is responsible for recording operational risk occurrences in an internal application;
- Mitigation: each Division is responsible for detecting situations that justify the need to devise risk mitigation measures in order to reduce or eliminate the likelihood of a particular risk occurring in the future and/or the severity of its impacts.

In order to ensure that all subcategories of operational risk are properly managed and controlled, BPI's Risk Catalogue defines the main categories of Risk Management specific to each of them:

Risk Categories

Conduct and Compliance	**Legal and Regulatory**
Technological	**Other Operational Risk**

ISO 22301 Certification

Operational Continuity Management System (OCMS)

[164] This definition excludes strategic and reputational risks.

Non-Financial Risk Management Areas

It acts as the second **Line of Defence** in operational risk management, as part of the Risk Management Division.
▪ Defining, maintaining and publicising non-financial risk policies at Banco BPI;
▪ Coordinating the implementation of the non-financial risk management model in line with the Policies in force;
▪ Control and monitor the evolution of non-financial risks as 2LoD;
▪ Promote the permanent identification of BPI's operational risks;
▪ Monitoring detected operational risk events;
▪ Ensuring the definition and review of risk exposure monitoring indicators (KRI);
▪ Promote the definition and implementation of mitigation measures;
▪ Ensuring internal and external reporting related to operational risk, namely reporting to governing bodies and regulatory reporting;
▪ Coordinate with CD for a holistic and integrated approach to all operational risks;
▪ Promoting a culture of operational risk.

Other relevant topics for Risk Management

Data Protection

BPI aims to ensure that the processing of personal data of Customers and Employees respects their rights and freedoms, as well as the principles contained in the General Data Protection Regulation, adopting technical and organisational measures for the prevention, detection and mitigation of risks in this area.

BPI has a Data Protection Policy that regulates the general framework for data protection management at the Bank, establishing the principles underlying the processing of the personal data of its Clients and Employees, as well as the respective management model.

The Bank also has a Privacy Policy which is designed to inform customers of the terms and conditions under which the Bank processes their personal data, the rights they have and how they can exercise them, as well as providing the information they are obliged to under the General Data Protection Regulation and the national law implementing it.

There is a government structure of its own, embodied in the:

- The Security and Privacy Committee, delegated by the Executive Committee of the Board of Directors, is responsible for deciding on all matters relating to the protection of personal data;
- The Data Protection Officer (DPO) is responsible, under the terms of the law, for advising on and monitoring compliance with the General Data Protection Regulation and other applicable national legislation.

Procedures are in place to ensure the exercise of data protection rights by Customers and Employees, as well as the handling of data breach incidents and their communication, when due, to the National Data Protection Commission and data subjects.

BPI provides Customers and other interested parties with the contact details of the Data Protection Officer for any clarifications or complaints.

Cases of breach of customer privacy

	2023	2024
Total number of cases of breach of customer privacy	38	27
Detailing the type of incident:		
Email communication failure	10	8
Email communication failure	3	0
Internal mail lost	13	12
Faulty service at the counter	4	1
Others	8	6
Total	**38**	**27**

PROPOSED APPLICATION OF RESULTS

PROPOSED APPLICATION OF RESULTS

Proposal for applying the results of 2024

a) In the 2024 financial year, Banco BPI, S.A. (hereinafter Banco BPI) made a profit of 588 242 061 euros;

b) Pursuant to art. 25 of Banco BPI's Articles of Association, the net profits made in each financial year must be applied, in particular, to the Legal Reserve, in the percentage that the law obligatorily requires to be allocated to it, to pay the priority dividend on any preference shares that may have been issued, and the remainder, under the terms that the General Meeting freely determines, without being subject to any obligatory distribution, which may consist of allocating the profits in question to reserves, distributing them as dividends, allocating them to other specific applications in the Company's interest or any combination of these purposes;

c) The latest version of Banco BPI's Long-Term Dividend Policy (the Policy), approved by sole shareholder CaixaBank, S.A. on 14 November 2024, provides, as a general principle, for the "*Distribution of an annual dividend for the financial year, by means of a proposal to be submitted by the Board of Directors to the General Meeting, equivalent to an amount between 65% and 75% of the net profit calculated in the individual accounts in Portugal for the financial year to which it refers, plus 100% of the dividends received from the financial holdings held by BPI in Angola and Mozambique, the specific amount to be proposed being defined in the light of a prudent judgement which considers, in view of the specific situation in which the Bank finds itself, the permanent satisfaction of adequate levels of liquidity and solvency.*";

d) BPI's capital position on 31 December 2024, already considering the distribution of results proposed below, is as follows:

- CET1 ratio of 14.3% and Total ratio of 17.9%;
- A Maximum Distributable Amount Buffer (MDA Buffer) of 4.3%;

e) The financial projections presented in the 2025/2027 Strategic Plan, considering the current Dividend Policy, point to the maintenance of a stable CET1 ratio, with comfortable buffer compared to the requirements defined by the Supervisor, including the additional capital *buffers* introduced by the Bank of Portugal (the sectoral systemic reserve applicable from October 2024 and the countercyclical reserve applicable from January 2026);

f) The proposed dividend distribution detailed below does not jeopardise compliance with Banco BPI's target capital ratios and respects the conclusions and guidelines resulting from Banco BPI's ICAAP and RAF;

g) In view of the above, the Board of Directors considers that the conditions have been met to apply the higher level provided for in the Dividend Policy. Specifically, it is proposed to distribute 75% of the net profit from the activity in Portugal and to distribute all the dividends received from BFA and BCI, corresponding to a total *pay-out* of 76%;

Accordingly, the Board of Directors proposes the following application of the net profit for 2024:

Net profit for the 2024 financial year	**588 242 061 euros**
To Legal Reserve*	58 824 206 euros
To Dividends	446 033 103 euros
To other Reserves	83 384 752 euros

26 February 2025

The Board of Directors

* Under the terms of Article 97(1) of the General Regime for Credit Institutions and Financial Companies.

FINAL ACKNOWLEDGEMENTS

Final Acknowledgements

Following the approval by the Supervisor of the respective *Fit and Proper* processes, the Directors co-opted on 19 February 2024, Ms. Ana Rosas Oliveira and Mr. Afonso Fuzeta Eça, took office as executive members of the Board of Directors on 30 July 2024.

Co-opted Director Ms. Inês Valadas took up her duties as a non-executive member of the Board of Directors, member of the Risk Committee and member of the Audit Committee on 17 September 2024. The appointment of Dr Inês Valadas followed the resignation submitted by Ms. Sandra Santos, to whom the Board thanks and acknowledges for her valuable contribution.

On 26 March 2024, Ms. Sandra Santos was succeeded as chair of the Nominations, Evaluation and Remuneration Committee by Ms. Joana Freitas, who ceased her functions on the Risk Committee and remained a member of the Audit Committee.

On 18 April 2024, the Sole Shareholder appointed Ms. Cristina Amorim as Vice-Chairman of the Board of Directors succeeding Mr. António Lobo Xavier, who remains a member of the Board of Directors. The change followed a request from Mr. António Lobo Xavier to accumulate his duties with the Chairmanship of EDP's General and Supervisory Board, which was recognised as being compatible with the duties of a member of the Board of Directors and the Audit Committee, but not necessarily with those of Vice-Chairman of the Board of Directors.

The Board of Directors expresses its gratitude for the dedicated support of the shareholder and the professional competence and commitment of the Employees, which were instrumental for the goals and results achieved in 2024.

The confidence of our Customers also played a fundamental role in enabling the Bank to expand its market share and win significant national and international awards.

Lastly, the Board would like to express its sincere appreciation for the cooperation received from the Authorities within the scope of their attributions.

26 February 2025

The Board of Directors

Fernando Ulrich (Chairman)

Cristina Rios Amorim (Vice-Chairman)

Afonso Fuzeta Eça

Ana Rosas Oliveira

António Lobo Xavier

Diogo Sousa Louro

Fátima Barros

Francisco Artur Matos

Gonzalo Gortázar Rotaeche

Inês Valadas

Javier Pano Riera

Joana Freitas

João Pedro Oliveira e Costa

Natividad Capella

Susana Trigo Cabral

ADDITIONAL INFORMATION

BPI Grupo CaixaBank

Adoption of FSB and CEBS recommendations

on the transparency of information and valuation of assets

The Bank of Portugal, through circular letters 97 / 08 / DSBDR of 3 Dec. 2008 and 58 / 09 / DSBDR of 5 Aug. 2009, has recommended that an autonomous chapter or specific annex to the Annual Report should be included in the financial statements, in order to respond to the recommendations of the Financial Stability Board (FSB) and the Committee of European Banking Supervisors, considering the principle of proportionality and following the questionnaire attached to Banco de Portugal circular letter 46 / 08 / DSBDR. In order to comply with the Bank of Portugal's recommendation, this chapter answers this questionnaire using references to the detailed information presented in the 2024 Annual Report.

Recommendation Summary	References to the 2024 Annual Report
I. Business Model	
1. Description of the business model	***MR*** *- Business Model, page 13;* ***NFS*** *- 1.1. BPI bank, page 353; 6. Segments, page 417.*
2. Description of strategies and objectives	***MR*** *- Introduction, page 1; Strategic Plan 2022-2024, page 35; Sustainability Master Plan, page 36; Financial Results, page 59; Risk Management, page 309;* ***NFS*** *- 3. Risk Management page 374.*
3. Description of the importance of the operations carried out and the respective contribution to business	***MR*** *- Retail, Business, Premier and inContact Banking, page 46; Corporate and Institutional Banking, page 49; Private & Wealth, page 58; Financial Results, page 59;* ***NFS*** *- 6. Segments, page 417.*
4. Description of the type of activities undertaken 5. Description of the objective and extent of the institution’s involvement relating to each activity undertaken	***MR*** *- Retail, Business, Premier and inContact Banking, page 46; Corporate and Institutional Banking, page 49; Private & Wealth, page 58; 2024 Overview, page 41; Financial Results, page 59; Risk Management, page 309;* ***NFS*** *- 3. Risk management page 374; 6. Segments, page 417.*
II. Risks and Risk Management	
6. Description of the nature and extent of risks	***MR*** *- Financial Results, page 59; Risk Management, page 309;* ***NFS*** *- 2.7. Impairment of financial assets, page 363; 3. Risk management, page 374; Financial assets, notes 9 to 13, page 424; 37. Information on fair value, page 468.*
7. Description of major risk-management practices in operations	***MR*** *- Risk Management, page 309;* ***NFS*** *- 2.7. Impairment of financial assets, page 363; 2.8. Refinancing or restructuring operations, page 366; 3. Risk management, page 374 and Financial assets, notes 9 to 13, page 424;* ***CGR*** *- Corporate Governance Report, page 524.*
III. Impact of the Period of Turmoil on the Results	
8. Qualitative and quantitative description of the results	***MR*** *- Financial Results, page 59;* ***NFS*** *- 6. Segments, page 417; Detail of income statement captions, notes 26 to 36, page 462.*
9. Breakdown of the write-downs / losses by types of products and instruments affected by the period of turmoil	***MR*** *- Financial Results, page 59;* ***NFS*** *- 3. Risk management, page 374; Financial assets, notes 9 to 12, page 424; 29. Gains or (-) losses on financial assets and liabilities, page 464; 33. Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss, page 467.*
10. Description of the reasons and factors responsible for the impact suffered	***MR*** *- Financial Results, page 59; 2024 Overview, page 41;* ***NFS*** *- 3. Risk management page 374.*

Recommendation Summary	References to the 2024 Annual Report
11. Comparison of the i) impacts between (relevant) periods and ii) the financial statements before and after the period of turmoil	***MR***- *Financial Results, page 59;* ***NFS*** *- 6. Segments, page 417; Detail of income statement captions, notes 26 to 36, page 462.*
12. Breakdown of write-downs between realised and non-realised	***MR -*** *Financial Results, page 59****; NFS -*** *Financial Assets, notes 9 to 12 page 424; 23. Shareholders' equity, page 455; 29. Gains or (-) losses on financial assets and liabilities, page 464.*
13. Description of the influence of the financial turmoil on the behaviour of Banco BPI shares	*BPI has no shares admitted to trading on a regulated market. CaixaBank holds the entire share capital of BPI since the end of 2018.*
14. Disclosure of the maximum loss risk	***MR -*** *Financial Results, page 59****; NFS -*** *3. Risk management page 374****.***
15. Disclosure of the impact that the trend in spreads associated with the institution's own liabilities had on earnings	***MR -*** *Financial Results, page 59****; NFS -*** *26. Net interest income, page 462.* *The Bank did not revalue its liabilities.*
IV. Level and Type of Exposures Affected by the Period of Financial Turmoil	
16. Nominal value (or amortised cost) and fair value of exposures	***NFS*** *- Financial assets, notes 9 to 12, page 424; 3. Risk management, page 374; 37.Information on fair value, page 468.*
17. Information about credit risk mitigators and respective effects on existing exposures	***MR*** *- Financial Results, page 59;* ***NFS -*** *3.3.1 Credit risk, page 380; 13. Derivatives - hedge accounting, page 433.*
18. Detailed disclosure of exposures	***MR*** *- Financial Results, page 59; Risk Management, page 309;* ***NFS*** *- 3. Risk management, page 374; Financial assets, notes 9 to 13, page 424; 37. Information on fair value, page 468.*
19. Movements in exposures occurred between the relevant reporting periods and the reasons for these movements (sales, write-downs, purchases, etc.)	***MR*** *- Financial Results, page 59;* ***NFS*** *- 3. Risk Management, page 374; Financial assets, notes 9 to 13, page 424.*
20. Explanations about exposures which have not been consolidated (or which have been recognised during the crisis) and the associated reasons	*BPI consolidates all exposures in which it has control or significant influence, as provided for in IFRS 10, 11, IAS 28, IFRS 3 and IFRS 5. No changes were made to BPI's consolidation perimeter as a result of the turmoil period in the financial markets.*
21. Exposure to monoline insurers and quality of the assets insured	*On 31 December 2024, BPI had no exposure to monoline insurers.*
V. Accounting Policies and Valuation Methods	
22. Classification of transactions and structured products for accounting purposes and respective accounting treatment	***NFS -*** *2. Accounting policies, page 356; Financial Assets, notes 9 to 13, page 424; 19. Financial liabilities at amortised cost, page 439; 37. Information on fair value, page 468.*
23. Consolidation of Special Purpose Entities (SPE) and other vehicles and their reconciliation with the structured products affected by the period of turmoil	*At 31 December 2024 BPI has no exposure.*
24. Detailed disclosure of the fair value of financial instruments	***NFS*** *-Financial Assets at Fair Value, notes 9 to 11 and note 13, page 424; 37. Information on fair value, page 468.*
25. Description of the modelling techniques used for valuing financial instruments	***NFS*** *- 2. Accounting policies, page 356; 3. Risk management, page 374; Financial Assets at Fair Value, notes 9 to 11, page 424; 37. Information on fair value, page 468.*

Recommendation Summary	References to the 2024 Annual Report
VI. Other Relevant Aspects of Disclosure	
26. Description of the disclosure policies and principles used in financial reporting	***CGR -*** *Corporate Governance Report, page 524.*

MR - Management Report; **NFS** - Notes to the Financial Statements; **CGR** - Corporate Governance Report

Alternative Performance Measures

On 5 October 2015, the (*European Securities and Markets Authority* ESMA) published a set of guidelines on the disclosure of Alternative Performance Indicators (Alternative Performance Measures - APMs) by issuers (ESMA/2015/1415). These guidelines are mandatory for issuers from 3 July 2016.

BPI uses a set of indicators to analyse its performance and financial position, which are classified as Alternative Performance Measures, in accordance with the ESMA Guidelines mentioned above.

The information on these indicators has already been disclosed, as required by the ESMA Guidelines.

This report makes cross-references to the information previously disclosed and includes a summary list of the Alternative Performance Measures.

Units, conventional signs and abbreviations

€, Euros, EUR	Euros	p.p	percentage points	net	Net (a)
€ th., th. euros	Thousand euros	Δ	Change	vs.	Versus
M.€, M. euros	Million euros	yoy	year-on-year change	E	Estimate
€ Bn, € billion, th.M.€	billion euros or thousand million euros	n.a.	non-available data	F	Forecast
Tr.€, Tr. Euros	Trillion euros	0, –	Nil or irrelevant		
b.p., bps	basis points	n.r.	not relevant		

Reconciliation of the structure of the income statement of activity in Portugal

The following table shows, for the income statement of the activity in Portugal, the reconciliation of the structure presented in the Management Report with the structure presented in the financial statements and respective notes.

Amounts in M.€

In the Management Report	Dec-24
Net interest income	976.9
Dividend income	8.3
Equity accounted income	19.8
Net fee and commission income	326.6
Gains / (losses) on financial assets and liabilities and other	26.6
Other operating income and expenses	(21.5)
Gross income	**1 336.7**
Staff expenses	(312.6)
Other administrative expenses	(178.1)
Depreciation and amortisation	(64.4)
Operating expenses	**(555.1)**
Net operating income	**781.6**
Impairment losses and other provisions	(37.0)
Gains and losses in other assets	1.3
Net income before income tax	**745.9**
Income tax	(234.8)
Net income	**511.2**

Dec-24	In the Financial Statements and respective notes
976.9	Net interest income
8.3	Dividend income
19.8	Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method
355.6	Fee and commission income
(28.9)	Fee and commission expenses
0.2	Gains or (-) losses on derecognition of financial assets & liabilities not measured at fair value through profit or loss, net
5.1	Gains or (-) losses on financial assets and liabilities held for trading, net
(3.4)	Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net
11.7	Gains or (-) losses from hedge accounting, net
13.0	Exchange differences [gain or (-) loss], net
25.1	Other operating income
(46.6)	Other operating expenses
1 336.7	**Gross income**
(312.6)	Staff expenses
(178.1)	Other administrative expenses
(64.4)	Depreciation and amortisation
(555.1)	**Administrative expenses, depreciation and amortisation**
781.6	
(6.2)	Provisions or (-) reversal of provisions
(30.8)	Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss
0.0	Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates
(0.5)	Impairment/(reversal) of impairment on non-financial assets
0.0	Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net
0.0	Gains or (-) losses on derecognition of non-financial assets, net
1.7	Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
745.9	**Profit or (-) loss before tax from continuing operations**
(234.8)	Tax expenses or (-) income related to profit or loss from continuing operations
511.2	**PROFIT OR (-) LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT**

Earnings, efficiency and profitability indicators

Defined by reference to the aforementioned structure of the profit and loss account presented in the Management Report.

Gross income = Net interest income + Dividend income + Net fee and commission income + Equity accounted income + Gains/(losses) on financial assets and liabilities and other + Other operating income and expenses

Commercial banking gross income = Net interest income + Dividend income + Net fee and commission income + Equity accounted income excluding the contribution of stakes in African banks

Operating expenses = Staff expenses + Other administrative expenses + Depreciation and amortisation

Net operating income = Gross income - Operating expenses

Net income before income tax = Net operating income – Impairment losses and other provisions + Gains / (losses) in other assets

Cost-to-income ratio (efficiency ratio) = (Operating expenses, excluding costs with early retirements and voluntary terminations) / Gross income[165]

Cost-to-core income ratio[69]= [(Operating expenses, excluding costs with early retirements and voluntary terminations - Income from services rendered to CaixaBank Group (recorded in the caption "Other operating income and expenses")] / Commercial banking gross income

Return on Equity (ROE)[69]= Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to Banco BPI shareholders, excluding AT1 capital instruments

Return on Tangible Equity (ROTE) [69]= Net income for the period, less the interest cost of AT1 capital instruments recorded directly in shareholders' equity / Average value in the period of shareholders' equity attributable to Banco BPI shareholders (excluding AT1 capital instruments) after deduction of intangible net assets and goodwill of equity holdings

Return on assets (ROA)[69]= (Net income attributable to Banco BPI shareholders + Income attributable to non-controlling interests - preference shares dividends paid) / Average value in the period of total assets (net)

Unitary intermediation margin = Loan portfolio (excluding loans to Employees) average interest rate - Deposits average interest rate

Balance sheet and funding indicators

On-balance sheet Customer resources = Deposits

Off-balance sheet Customer resources = Mutual funds + Capitalisation insurance + Pension plans + Subscriptions in public offerings

- Mutual funds = Unit trust funds + Real estate investment funds + Retirement-savings and equity-savings plans ("PPR" and "PPA" in Portuguese) + Hedge funds + Assets from funds under BPI Suisse management until the sale of this equity holding in April 2023 + Third-party unit trust funds placed with Customers
- Capitalisation insurance = third-party capitalisation insurance placed with Customers
- Pension Funds = pension funds under Banco BPI management (includes Banco BPI pension funds)[166]

[165] Ratio refers to the last 12 months, except where otherwise indicated. The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms.
[166] Amounts deducted of participation units in the Group banks' portfolios and of placements of off-balance sheet products (mutual funds and pension plans) in other off-balance sheet products.

Balance sheet and funding indicators (continued)

- Subscriptions in public offerings = Customer subscriptions of third-party public offerings

Total Customer resources = On-balance sheet Customer resources + Off-balance sheet Customer resources

Gross loans to customers = Gross Loans and advances to Customers (financial assets at amortised cost), excluding other assets (guarantee accounts and others) and reverse repos + Gross debt securities issued by Customers (financial assets at amortised cost)

Note: gross loans = performing loans + loans in arrears + interest receivable

Net loans to Customers = Gross loans to customers – Impairments for loans to customers

Loan to deposit ratio (CaixaBank criteria) = (Net loans to Customers - Funding obtained from the EIB, which is used to provide credit) / Deposits and retail bonds

Asset quality indicators

Impairments and provisions for loans and guarantees (in income statement) = Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss relative to loans and advances to Customers and to debt securities issued by Customers (financial assets at amortised cost), before deduction of recoveries of loans previously written off from assets, interest and others + provisions or reversal of provisions for commitments and guarantees

Cost of credit risk = Impairments and provisions for loans and guarantees (in income statement) - Recoveries of loans previously written off from assets, interest and other (in income statement)

Cost of credit risk as % of loan portfolio= [Impairments and provisions for loans and guarantees (in income statement) - Recoveries of loans previously written off from assets, interest and other (in income statement)] / Average value in the period of the gross loans and guarantees portfolio[167]

Performing loans = Gross customer loans - (overdue loans and interest + interest receivable and other)

NPE and NPL ratios = non-performing exposures (NPE) ratio and non-performing loans ratio in accordance with the EBA criteria (prudential scope)

Non-performing loans ratio ("crédito dudoso", Bank of Spain criteria) = Non performing loans (Bank of Spain criteria) / (Gross Customer loans + guarantees)

Coverage by impairments (of NPE or NPL or crédito dudoso) = [Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments] / (NPE or NPL or crédito dudoso, as the case may be)

Coverage by impairments and associated collaterals (of NPE or NPL or crédito dudoso) = [Impairments for loans and advances to Customers (financial assets at amortised cost) + Impairments for debt securities issued by Customers (financial assets at amortised cost) + Impairments and provisions for guarantees and commitments + Collaterals associated to non-performing loans (NPE or NPL or crédito dudoso)] / (NPE or NPL or crédito dudoso, as the case may be)

Impairment coverage of foreclosed properties = Impairments for real estate received in settlement of defaulting loans / Gross value of real estate received in settlement of defaulting loans

[167] Ratio refers to the last 12 months, except where otherwise indicated. The ratio can be computed for the cumulative period since the beginning of the year, in annualised terms.

Standards and commitments

Integrated Reporting

This report was prepared based on the International Integrated Reporting <IR> Framework. This framework consists of seven guiding principles and eight content elements, which are presented below.

Principles / Our approach	Management Report 2024
STRATEGIC FOCUS AND FUTURE ORIENTATION	
This report has been structured based on the Bank's strategy and capacity to create value in the short, medium, and long term, considering the impact of the six capitals of Integrated Reporting.	Value Creation Model, p. 12; Strategic Plan 2022-2024, pg. 35; Strategic Plan 2025-2027, pg. 37;
INFORMATION CONNECTIVITY	
This report clearly presents the relationship between the Bank's strategic lines and its business, covering dimensions such as strategy, risks, sustainability and the operating environment.	Value Creation Model, p. 12; Strategic Plan 2022-2024, pg. 35; Strategic Plan 2025-2027, pg. 37; Risk Management, page. 309
RELATIONSHIP WITH STAKEHOLDERS	
This report identifies BPI's stakeholders, how the Bank responds to their needs and interests (by identifying the most relevant topics for each stakeholder group), and the nature of the Bank's relationship with its stakeholders (through numerous communication channels adapted to the needs of each group).	SBM-2 - Interests and views of stakeholders, pg. 134
MATERIALITY	
This report identifies the areas that have the greatest impact on BPI and its stakeholders. To this end, a materiality matrix is developed each year, divided by thematic area.	SBM-3 - Material impacts, risks and opportunities and their interaction with the strategy and the business model, page. 137 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities, page. 143
CONCISION	
This is the Bank's report that aggregates the non-financial statement, enabling it to provide sufficient and concise information for stakeholders to form opinions and make decisions.	About this Report, page. 1
RELIABILITY AND INTEGRITY	
The preparation and disclosure of BPI's Annual Report are governed by specific internal regulations, which form an integral part of the Information Reliability Risk Management Policy. The Management Report undergoes internal analyses and reviews, with internal controls in place to ensure the suitability, quality, and reliability of the information. The external auditor verifies that the financial information is consistent with the financial statements. The Annual Report is subject to prior appraisal by the Bank's management and supervisory bodies before approval by its Shareholder.	About this Report, page. 1 GOV-5 - Risk management and internal controls over sustainability reporting, page. 125
CONSISTENCY AND COMPARABILITY	
BPI expects to continue following this structure in future Annual Reports. It will endeavour to ensure consistency and comparability with previously reported information. Whenever there are changes in criteria, methodologies, or other factors that materially affect comparability, these will be noted.	About this Report, page. 1

Principles of the UN Global Compact

Dimension	Principle	Management Report 2024
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights	ESG Risk and impact management, pg. 30; Human Capital, p.79; G1-4 - Incidents of corruption or bribery, page. 284; S1 - Own labour, page. 264; Regulatory Frameworks, p. 305.
	2. Guarantee non-participation in human rights violations	Human Capital, p.79; S1 - Own labour, page. 264; G1 - Business Conduct, page. 278 Regulatory Frameworks, p. 305.
Labour Practices	3. Businesses must support freedom of association and the effective recognition of collective bargaining	Human Capital, p.79; S1 - Own labour, page. 264;
	4. Abolition of all forms of forced and compulsory labour	ESG Risk and impact management, pg. 30; S1 - Own labour, page. 264; Regulatory Frameworks, p. 305.
	5. Effective abolition of child labour	ESG Risk and impact management, pg. 30; S1 - Own labour, page. 264; Regulatory Frameworks, p. 305.
	6. Elimination of discrimination in respect of employment and occupation	ESG Risk and impact management, pg. 30; S1 - Own labour, page. 264; Regulatory Frameworks, p. 305.
Environmental Management	7. Businesses should support a preventive approach to environmental challenges	Sustainable Value, p. 20; E1 - Climate Change, pg. 222; Natural Capital, p. 100.
	8. Undertake initiatives to promote environmental responsibility	E1 - Climate Change, pg. 222; Natural Capital, p. 100.
	9. Encourage the development and diffusion of environmentally friendly technologies	E1 - Climate Change, pg. 222; Natural Capital, p. 100.
Fighting Corruption	10. Businesses must fight corruption in all its forms, including extortion and bribery	G1 - Business Conduct, page. 278 Regulatory Frameworks, p. 305.

Principles for Responsible Banking (PRB)

Principle 1: Alignment	Management Report 2024
Banco BPI, which has been 100% owned by the CaixaBank Group since 2018, is mainly engaged in providing financial services in the corporate and retail banking sectors. BPI serves three segments: i) Retail, Entrepreneurs and Business; ii) Companies and Institutions, and iii) *Private* and Wealth. Under the motto "Grow More. Grow Better", BPI combines its focus on quality of service and business growth with its commitment to sustainability in its 2022-2024 strategic plan, with the ambition of "Being a Benchmark in Sustainable Banking". To this end, in 2022 the Sustainability Master Plan was created with three pillars: Supporting the sustainable transition of companies and society; Leading in social impact and promoting social inclusion; and Leading in best governance practices. In 2024, a strategic review was carried out for the new 2025-2027 cycle, resulting in the Plan for Responsible Banking (PRB), which includes two pillars: promoting a more sustainable economy and supporting economic and social development. BPI's approach to sustainability is thus integrated into the business strategy and aligned with seven Sustainable Development Goals identified as priorities, namely SDG 1, 5, 8, 10, 13, 16 and 17. In 2025, the priority SDGs will be reviewed in line with the new strategic cycle. The Bank's actions in terms of sustainability are also based on commitments, alliances and adhesions, including *UN Global Compact*, the *Principles for Responsible Banking* (PRB) and the *Business Council for Sustainable Development* (BCSD). BPI is also committed to the *Net-Zero Banking Alliance* (NZBA) in the context of Caixabank's membership.	> Who we are > Identity > Value Creation Model > Business Model > Offering products and services > Sustainable Value > Sustainable Business > Sustainable Financing > Sustainable Investment > ESG Risk and Impact Management > Memberships, Alliances and Partnerships > Commitment to the Sustainable Development Goals > Our Strategy > Strategic Plan 2022-2024 > Sustainability Masterplan > Strategic Plan 2025-2027 > Sustainable Banking Plan > Sustainability Statements > General Information > ESRS 2 - General Disclosures > SBM-1

Principle 2: Impact & Goal Setting	Management Report 2024
In 2024, Banco BPI realized a double materiality analysis exercise through which it assessed a selection of sustainability topics and their corresponding Impacts, Risks and Opportunities (IRO), from both an impact and financial materiality perspective. A wide range of *stakeholders* were involved in this exercise, contributing to the assessment of the IRO and the consequent identification of material topics. The results of this analysis highlighted the Bank's impact on promoting a more sustainable economy, with sub-topics such as Offering ESG Products and Services, Decarbonisation of its Financing Portfolio, Operational Carbon Neutrality and Energy Efficiency, Promotion of Quality Employment and Professional Development and Promotion of Ethics and Integrity were identified as material, among others.	> Who we are > Sustainable Value > Double Materiality > Sustainable Business > Our Strategy > Strategic Plan 2022-2024 > Sustainability Masterplan > Strategic Plan 2025-2027 > Sustainable Banking Plan

In fact, the way in which the Bank impacts the environment and society is indirect, namely through its relationship with customers, the way in which it facilitates or restricts its activity and the incentives and disincentives it presents.

It should be noted in particular that 99.7% of total issues correspond to financed issues, covering Residential and Commercial Mortgages, Corporate Loans, Project Finance, Vehicle Finance Loans and Equity and Debt Securities. In this context, and in line with CaixaBank's membership of the NZBA, BPI is committed to becoming net zero by 2050, having set decarbonisation targets 2030 for the most intensive sectors (Electricity, Oil & Gas, Coal, Automotive, Iron & Steel, Real Estate and Aviation). At the end of 2024, exposure to NZBA sectors amounted around 4 200 M.€, which represents around 37% of corporate financing exposure.

As part of the new 2025-2027 strategic cycle, the SMP is aligned with the results of the dual materiality analysis and is impact-oriented, placing the business at the centre as a facilitator of the ecological transition2 and economic and social development.

In this context, BPI has set itself the goal of mobilising 4 400 M.€ in sustainable financing for individuals and companies by 2027, a target that should also help to reduce emissions from the financed portfolio. It is also the Bank's objective to develop actions with clients included in the NZBA perimeter in order to better understand their decarbonisation plans and present their expectations. As part of the "Supporting Economic and Social Development" pillar of the SMP, BPI will also monitor the impact of financing with microcredit characteristics.

From an investment perspective, BPI considers the Principal Negative Impacts of its investments on Sustainability factors, both at an environmental, social and governance level. To this end, the Bank has established due diligence processes to identify, prevent, mitigate and explain how these impacts are addressed. The resulting measures may result in non-investment, divestment, reduction of exposure or placement under observation.

With regard to the progress made on the Sustainability Master Plan, which ends in 2024, Banco BPI achieved (and exceeded) the target set for sustainable business, mobilising 6 187 M.€ against the target of 4 000 M.€.

> Our Performance
> Natural Capital
> Promoting a more sustainable economy
> Boosting decarbonisation

> Sustainability Statements
> General Information
> ESRS 2 - General Disclosures
> SBM-1
> SBM-2
> SBM-3
> IRO-1

> Environmental Information
> ESRS E1-Climate Change
> IRO-1
> E1-3
> E1-4
> ES2-Sustainable Finance

> Statement on the Main Negative Impacts of investment decisions on sustainability factors.

> Concerning portfolio management activity

> Concerning insurance counselling activity

> Concerning portfolio management activity

Principle 3: Customers & Consumers	Management Report 2024
As mentioned above, the main impacts produced on the environment and society are made indirectly, through the activities of its customers. Therefore, in the context of its banking activity, BPI seeks to i) maximise positive impacts, favouring operations that are perceived as having a positive impact on the environment or society, and ii) minimise negative impacts, conditioning commercial relations with clients and purposes of operations that are identified as having a negative impact on the environment or society. These positive and negative impacts on the environment and society are also managed considering the risks and opportunities associated with them, particularly in terms of credit and reputational risk and the potential to attract new clients and generate new business. BPI is therefore committed to supporting the sustainable transition and decarbonisation of its clients, both companies and individuals, and to this end has identified business sectors with greater exposure to climate and transition risks. In order to promote this transition, the Bank invests in training its commercial network and specialised teams to respond to customer needs and promote ESG products. In particular, for Corporate Banking, Sustainability Pivots have been trained to assist the other elements of the centres in ESG matters. Client involvement also involves organising events focused on BPI's strategic themes, including Sustainability, in particular the Sustainability Accelerator, which aims to support the development of a new sustainability culture and leverage the use of available funds for sustainable transition through sessions with companies from various sectors of activity. On the other hand, with a view to limiting negative impacts, the ESG Risk Management Policy is a fundamental element of the Bank's strategic positioning: it is recognised that certain sectors and activities that clients carry out can have negative impacts on the environment and society, and the conditions are defined to limit/restrict relationships or exposures to these clients and activities. The Bank's portfolio of sustainable products for companies includes green and ESG-linked bonds, green and ESG-linked loans, but also financial instruments from the European Investment Fund (EIF) and the European Investment Bank (EIB). For retail customers, the offer includes personal loans for renewable energies, mortgage loans with special conditions depending on the property's energy rating and term deposits whose funds are allocated to operations that substantially contribute to an environmental objective and/or green operations. BPI also offers its customers investment products that take environmental factors into account and using SFDR terminology (art.8 and art.9). In the Individuals business, in 2024, financing with environmental criteria amounted 365 M.€, representing 19% of the volume of sustainable financing. Mortgage loans with A+, A or B energy certificates essentially contributed to these results. For companies, 1 552 M.€ was mobilised, largely for decarbonisation and energy efficiency projects, representing around 81% of sustainable financing.	> Who we are > Sustainable Value > Sustainable Business > Sustainable Financing > Sustainable Investment > Our Performance > Natural Capital > Promoting a more sustainable economy > Boosting decarbonisation > Sustainability Statements > General Information > ESRS 2 - General Disclosures > SBM-2 > Environmental Information > ESRS E1 - Climate Change > E1-9 > ES2-Sustainable Finance

Principle 4: *Stakeholders*	Management Report 2024
BPI ensures ongoing communication and dialogue to meet the needs of its stakeholders, defining numerous mechanisms for engaging with each one in order to integrate the results obtained into the Bank's processes and its offer. The main stakeholders identified are Shareholders, Customers, Employees, Suppliers and Society. In 2024 the double materiality exercise was carried out, in accordance with the requirements of the CSRD, which included listening to and involving stakeholders with the aim of supporting and informing the Bank in this process. After the exercise was completed, its results, including the perspectives of the stakeholders consulted, were shared with the Sustainability Committee, the Risk Committee, the Executive Committee and the Board of Directors. From this exercise, six material topics emerged which inspire the Bank's actions and are included in the report in accordance with the new legislation: Climate Change, Employees, Consumers and End Users, Business Conduct, Sustainable Finance, and Cybersecurity and Information Security.	> Sustainability Statements > General Information > ESRS 2 - General Disclosures > SBM-2

Principle 5: Government & Culture	Management Report 2024
BPI has a specific governance model for sustainability. In this context, the Board of Directors is responsible for approving, supervising and periodically evaluating the definition, development and implementation of the sustainability strategy. The Executive Committee is responsible for developing the strategic plan and budget, which incorporates sustainability commitments and initiatives, and adopting policies and main lines of action on sustainability issues. This governance model includes a Sustainability Committee, reporting directly to the Executive Committee of the Board of Directors, which coordinates BPI's sustainability strategy and meets monthly; the Sustainability Division, which monitors the implementation of BPI's sustainability strategy; The Sustainability Division monitors the implementation of the strategy; and the Specialised Areas are responsible for specific topics such as sustainability risk management, ESG financing and the integration of ESG criteria in customer admissions. In order to promote an internal culture of sustainability among its employees, Banco BPI includes sustainability topics both in the compulsory training offer within the scope of MiFID II training and in training offers dedicated to specific sustainability topics. Training on sustainability is also given to senior management and to each new director.	> Our Performance > Human Capital > Developing and attracting talent > Communication and internal culture > Governance and Internal Control > Governance > Corporate Governance

The Sustainability Ambassadors programme was also created, made up of 28 employees from several areas of the Bank who act as a point of contact between the Sustainability Division and the Division represented by the Ambassador as a way of passing on relevant knowledge and information on sustainability. BPI includes the fulfilment of the ESG - Sustainable Business target with an impact on variable remuneration at senior management level, promoting commitment to sustainability.	> Sustainability Statements > General Information > ESRS 2 - General Disclosures > GOV-1 > GOV-2 > GOV-3 > GOV-4 > GOV-5 > Environmental Information > ESRS E1 - Climate Change > GOV-3 > IRO-1
Principle 6: Transparency & Accountability	**Management Report 2024**
In addition to reporting in accordance with the CSRD, namely the ESRS and the Taxonomy, BPI also reports on the alignment of its Management Report with the Integrated Reporting Framework and the UNCG Principles.	> Additional Information > Standards and Commitments > Principles of the UN Global Compact

Surveys

BPI carries out a series of studies to monitor the experience of its Customers in the several business segments. We highlight the following:

Studies	Factor	2022	2023	2024
IEX Counter	Assessment of the Overall Customer Experience, in the Retail segment, with the service they receive from their Branch or contact person; scale 0 - 1000 points | Quarterly	906 (4Q2022)	888 (4Q2023)	883 (4Q2024)
IEX Premier Centres	Assessment of the Overall Customer Experience, in the Premier segment, with the service they receive from their Branch or contact person; scale 0 - 1000 points | Quarterly	871 (4Q2022)	859 (4Q2023)	874 (4Q2024)
IEX *Private and Wealth*	Evaluation of the Overall Customer Experience, from the *Private and Wealth* segment, with the service they receive from their *Private Banker/Wealth Manager*; scale 0 - 1000 points | Annual	801 (year 2022)	802 (year 2023)	886 (year 2024)
IEX Entrepreneurs and Business	Evaluation of the Overall Customer Experience, from the Entrepreneurs and Businesses segment, with the service they receive from their Branch; scale 0 - 1000 points | Annual	806 (1st wave 2022)	807 (year 2023)	780 (year 2024)
IEX Companies	Evaluation of the Overall Customer Experience, in the Business segment, with the service they receive from the Business Centre; scale 0 - 1000 points | Annual	848 (year 2022)	855 (year2023)	856 (year 2024)
IEX Institutional	Evaluation of the Overall Customer Experience, from the Institutional segment, with the service they receive from their Institutional Centre; scale 0 - 1000 points | Annual	880 (year 2022)	850 (year 2023)	859 (year 2024)
IEX Corporate	Evaluation of the Overall Customer Experience in the Corporate segment with the service they receive from their Corporate Centre; scale 0 - 1000 points | Annual	864 (year 2022)	867 (year 2023)	892 (year 2024)
IEX CENI	Evaluation of the Overall Customer Experience, of the Real Estate segment that is accompanied by the CENI's, with the service they receive from their CENI; scale 0 - 1000 points | Annual	755 (year 2022)	848 (year 2023)	n.a.[168]
IEX DIE-DN	Evaluation of the Overall Customer Experience, from the Business segment, with the service they receive from the *online* manager of their Business Development Centre; scale 0 - 1000 points | Annual	758 (year 2022)	787 (year 2023)	766 (year 2024)
TouchPoints Global Satisfaction - New Customers	Overall satisfaction with the account opening process; standardised scale 0 - 1000 points | Quarterly	795 (1Q2022)	843 (4Q2023)	877 (3Q2024)

[168] Due to organisational changes, this study has no longer been carried out independently since February 2024, but now incorporates the results of the IEX Empresas study.

FINANCIAL STATEMENTS

BANCO BPI, S.A.
BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousand euros)

	Notes	31-12-2024	31-12-2023
ASSETS			
Cash, cash balances at central banks and other demand deposits	**8**	**3 286 054**	**1 856 228**
Financial assets held for trading	**9**	**55 465**	**56 113**
Non-trading financial assets mandatorily at fair value through profit or loss	**10**	**44 928**	**55 466**
Equity instruments		44 878	55 419
Debt securities		50	47
Financial assets at fair value through other comprehensive income	**11**	**1 379 801**	**1 253 332**
Equity instruments		439 244	469 166
Debt securities		940 557	784 166
Financial assets at amortised cost	**12**	**35 345 836**	**34 540 701**
Debt securities		8 070 354	7 319 484
Loans and advances - Central Banks and other Credit Institutions		897 370	1 260 815
Loans and advances - Customers		26 378 112	25 960 402
Derivatives - Hedge accounting	**13**	**1 305**	**2 554**
Fair value changes of the hedged items in portfolio hedge of interest rate risk		**(47 036)**	**(68 581)**
Investments in subsidiaries, joint ventures and associates	**14**	**247 227**	**220 740**
Tangible assets	**15**	**191 995**	**208 062**
Intangible assets	**16**	**112 390**	**105 534**
Tax assets	**24**	**269 748**	**170 496**
Current tax assets		**144 749**	**27 934**
Deferred tax assets		**124 999**	**142 562**
Other assets	**17**	**169 822**	**212 590**
Non-current assets and disposal groups classified as held for sale	**18**	**14 058**	**14 536**
Total assets		**41 071 593**	**38 627 771**
LIABILITIES			
Financial liabilities held for trading	**9**	**57 232**	**58 115**
Financial liabilities at amortised cost	**19**	**36 145 753**	**33 705 352**
Deposits - Credit Institutions		718 148	1 061 525
Deposits - Customers		30 501 340	29 251 657
Debt securities issued		4 693 788	3 106 221
Memorandum items: subordinated liabilities		433 960	434 805
Other financial liabilities		232 477	285 949
Derivatives - Hedge accounting	**13**	**6 032**	**5 262**
Fair value changes of the hedged items in portfolio hedge of interest rate risk		**16 029**	**(29 375)**
Provisions	**20**	**32 158**	**39 907**
Pending legal issues and tax litigation		20 508	26 253
Commitments and guarantees given		9 796	11 757
Other provisions		1 853	1 897
Tax liabilities	**24**	**258 479**	**210 880**
Current tax liabilities		252 939	178 767
Deferred tax liabilities		5 540	32 113
Other liabilities	**21**	**544 923**	**662 902**
Total Liabilities		**37 060 606**	**34 653 043**
SHAREHOLDERS' EQUITY			
Capital	**23**	**1 293 063**	**1 293 063**
Equity instruments issued other than capital	**23**	**275 000**	**275 000**
Accumulated other comprehensive income	**23**	**(449 580)**	**(431 112)**
Items that will not be reclassified to profit and loss		(404 466)	(361 220)
Tangible assets		703	703
Actuarial gains or (-) losses on defined benefit pension plans		(304 283)	(289 863)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates		(535)	(36)
Fair value changes of equity instruments measured at fair value through other comprehensive income		(100 351)	(72 024)
Items that may be reclassified to profit and loss		(45 114)	(69 892)
Foreign currency translation		(28 288)	(37 732)
Fair value changes of debt instruments measured at fair value through other comprehensive income		(20 580)	(30 902)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates		3 754	(1 258)
Retained earnings	**23**	**2 267 004**	**2 279 248**
Other reserves	**23**	**37 258**	**34 556**
Profit or loss for the year		**588 242**	**523 973**
Total Equity		**4 010 987**	**3 974 728**
Total Equity and Total Liabilities		**41 071 593**	**38 627 771**

The accompanying notes are an integral part of these financial statements.

The Registered Accountant **The Board of Directors**

BANCO BPI, S.A.

STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED ON 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousand euros)

	Notes	31-12-2024	31-12-2023
Interest income	26	1 689 298	1 445 764
Interest expense	26	(710 293)	(496 830)
NET INTEREST INCOME		**979 005**	**948 934**
Dividend income	27	53 497	74 538
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	14	60 014	60 597
Fee and commission income	28	355 550	320 026
Fee and commission expenses	28	(28 931)	(28 580)
Gains or (-) losses on derecognition of financial assets & liabilities not measured at fair value through profit or loss, net	29	212	(7 197)
Gains or (-) losses on financial assets and liabilities held for trading, net	29	5 084	6 832
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	29	(3 402)	(417)
Gains or (-) losses from hedge accounting, net	29	11 695	9 003
Exchange differences [gain or (-) loss], net	29	8 911	(29 495)
Other operating income	30	25 075	18 333
Other operating expenses	30	(50 354)	(104 109)
GROSS INCOME		**1 416 356**	**1 268 465**
Administrative expenses		**(490 706)**	**(452 854)**
Staff expenses	31	(312 636)	(283 379)
Other administrative expenses	32	(178 070)	(169 475)
Depreciation	15/16	(64 402)	(73 336)
Provisions or (-) reversal of provisions	20	**(6 219)**	**(2 448)**
Commitments and guarantees given		1 961	642
Other provisions		(8 180)	(3 090)
Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss	33	**(30 660)**	**(51 722)**
Financial assets at amortised cost		(30 660)	(51 722)
Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates	14	(8 961)	(1 568)
Impairment or (-) reversal of impairment on non-financial assets		(452)	
Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	34		8 454
Gains or (-) losses on derecognition of non-financial assets, net		(1)	(1 395)
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	35	1 750	1 770
Profit or (-) loss before tax from continuing operations		**816 705**	**695 366**
Tax expenses or (-) income related to profit or loss from continuing operations	24	(228 463)	(171 393)
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS		**588 242**	**523 973**
PROFIT OR (-) LOSS FOR THE YEAR	36	**588 242**	**523 973**

The accompanying notes are an integral part of these financial statements.

The Registered Accountant **The Board of Directors**

BANCO BPI, S.A.

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED ON 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousand euros)

	Notes	31-12-2024	31-12-2023
PROFIT OR (-) LOSS FOR THE YEAR		**588 242**	**523 973**
Other comprehensive income		**(17 173)**	**(122 109)**
Items that will not be reclassified to profit or loss		**(41 950)**	**(155 396)**
Actuarial gains or (-) losses on defined benefit pension plans	**21 / 22**	(26 206)	(135 634)
Share of other recognised income and expense of investments in joint ventures and associates	**14**	(499)	187
Fair value changes of equity instruments measured at fair value through other comprehensive income		(26 692)	(53 145)
Income tax relating to items that will not be reclassified		11 447	33 196
Items that may be reclassified to profit or loss		**24 777**	**33 287**
Foreign currency translation		9 444	(7 836)
Translation gains or (-) losses taken to equity		9 444	(5 511)
Transferred to profit or loss			(2 325)
Debt instruments at fair value through other comprehensive income		15 385	52 072
Valuation gains or (-) losses taken to equity		15 385	45 024
Transferred to profit or loss			7 048
Share of other recognised income and expense of investments in joint ventures and associates	**14**	5 011	5 193
Income tax relating to items that may be reclassified to profit or loss		(5 063)	(16 142)
Total comprehensive income for the year		**571 069**	**401 864**

The accompanying notes are an integral part of these financial statements.

The Registered Accountant **The Board of Directors**

BANCO BPI, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED ON 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousand euros)

	Notes	Capital	Equity instruments issued other than equity	Accumulated other comprehensive income	Retained earnings	Other reserves	Profit or loss (-) attributable to the owners of the parent	Shareholders´ equity
Balances at 31 December 2022 Restated [1]		**1 293 063**	**275 000**	**(309 028)**	**2 161 163**	**84 541**	**368 883**	**3 873 622**
Results application								
Transfer to reserves of 2022 net income					300 326	68 557	(368 883)	
Dividends distributed	**5**				(284 000)			(284 000)
Dividends distributed by associates					38 390	(38 390)		
Deconsolidation of associated companies				(743)	63 750	(63 007)		
Additional Tier 1 interest	**23**					(17 875)		(17 875)
Realised gains on equity instruments at fair value through other comprehensive income				768	(381)	(387)		
Comprehensive income in the year of 2023				(122 109)			523 973	401 864
Other changes in equity						1 117		1 117
Balances at 31 December 2023		**1 293 063**	**275 000**	**(431 112)**	**2 279 248**	**34 556**	**523 973**	**3 974 728**
Results application								
Transfer to reserves of 2023 net income					466 906	57 067	(523 973)	
Dividends distributed	5				(516 992)			(516 992)
Dividends distributed by associates					36 549	(36 549)		
Deconsolidation of associated companies								
Additional Tier 1 interest	23					(18 501)		(18 501)
Realised gains on equity instruments at fair value through other comprehensive income				(1 296)	1 296			
Comprehensive income in the year of 2024				(17 173)			588 242	571 069
Other changes in equity					(2)	685		683
Balances at 31 December 2024		**1 293 063**	**275 000**	**(449 581)**	**2 267 004**	**37 258**	**588 242**	**4 010 987**

[1] Corresponds to consolidated statement of changes in equity in the period ended on 31 December 2022 restated for first-time application of IFRS 17 and IFRS 9 by Companhia de Seguros Allianz Portugal, S.A., an associated company of BPI. (Note 1.4).

The accompanying notes are an integral part of these financial statements.

The Registered Accountant **The Board of Directors**

BANCO BPI,S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED ON 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousand euros)

	Notes	31-12-2024	31-12-2023
Cash flows from/(used in) operating activities			
Interest, commissions and other income received		2 163 241	1 815 578
Interest, commissions and other expenses paid		(683 098)	(550 292)
Dividends received		8 218	1 888
Dividends received from Banco de Fomento Angola	11	40 277	89 645
Recovery of overdue loans and interest and gains/(losses) on the sale of real estate received in settlement of defaulting loans		8 488	9 128
Payments to staff and suppliers		(406 099)	(398 178)
Net cash flow from income and expenses		1 131 027	967 769
Decreases (increases) in:			
Financial assets held for trading, at fair value through profit or loss, at fair value through other comprehensive income		(126 648)	398 759
Financial assets at amortised cost - Central Banks and other Credit Institutions (includes debt instruments)		127 805	(256 956)
Financial assets at amortised cost - Customers (includes debt instruments)		(1 199 850)	(290 889)
Other assets		(91 619)	389 767
Net cash flow from operating assets		(1 290 312)	240 681
Increases (decreases) in:			
Financial liabilities measured at amortised cost - Central Banks and other Credit Institutions		(342 231)	(438 718)
Financial liabilities measured at amortised cost - Customers and other		1 200 521	(1 148 247)
Financial liabilities held for trading		3 322	(186 226)
Other liabilities		(117 208)	(188 385)
Net cash flow from operating liabilities		744 404	(1 961 576)
Contributions to Pension Funds	22	(2 904)	(209)
Income tax paid		(270 611)	(54 255)
		311 604	**(807 590)**
Cash flows from/(used in) investing activities			
Sale of BPI Suisse equity holding			17 000
Sale of Cosec equity holding			37 794
Purchase of other tangible assets and intangible assets	15/16	(53 097)	(46 048)
Sale of other tangible assets		1 002	99
Dividends received from investments in joint ventures and associates		41 527	16 476
		(10 568)	**25 321**
Cash flows from /(used in) financing activities			
Issuance of debt securities and subordinated debt	19.3	3 850 000	900 000
Redemption of debt securities	19.3	(500 000)	
Purchase and sale of own debt securities and subordinated debt	19.3	(1 800 000)	(150 000)
Interest on debt instruments and subordinated debt		(112 542)	(67 630)
Additional Tier 1 interest		(13 406)	(17 875)
Dividends distribution	5	(516 992)	(284 000)
Rents paid for leasing operations	19.4	(20 799)	(21 875)
		886 261	**358 620**
Net increase / (decrease) in cash and cash equivalents		**1 185 907**	**(418 941)**
Exchange rate variation in the year		1 390	(4 708)
Cash and cash equivalents at beginning of the year		2 123 213	2 546 862
Cash and cash equivalents at the end of the year		**3 310 510**	**2 123 213**
Cash and deposits at Central Banks	8	3 197 806	1 783 168
Deposits at other credit institutions	8	88 017	72 651
Cheques for collection and other cash items	12.2	24 687	43 410
Very short term applications	12.2		223 984
Cash and cash equivalents		**3 310 510**	**2 123 213**
Cash and cash equivalents by currency			
EUR		3 229 300	1 825 410
USD		46 329	210 851
Other currencies		34 881	86 952
Cash and cash equivalents		**3 310 510**	**2 123 213**

The accompanying notes are an integral part of these financial statements

The Registered Accountant

Alberto Pitôrra

The Board of Directors

Chairman Fernando Ulrich

Vice Chairman Cristina Rios Amorim

Afonso Fuzeta Eça

Ana Rosas Oliveira

António Lobo Xavier

Diogo Sousa Louro

Fátima Barros

Francisco Artur Matos

Gonzalo Gortázar Rotaeche

Inês Valadas

Javier Pano Riera

Joana Oliveira Freitas

João Pedro Oliveira e Costa

Natividad Capella

Susana Trigo Cabral

Banco BPI, S.A.

Notes to the financial statements as at 31 December 2024

(Amounts in thousand euros – th.euros – save where otherwise expressly indicated)

(These notes are a translation of notes originally issued in Portuguese – Note 39)

Notes to the financial statements of Banco BPI in 31 December 2024

NOTES INDEX | PAGE

1. FINANCIAL GROUP, BASIS OF PRESENTATION AND OTHER INFORMATION

1.1. BPI bank

Banco BPI S.A., (hereinafter referred to as "Banco BPI", "BPI" or "Bank"), with corporate tax identification no. 501 214 534 and registered under the same number in the Commercial registry office of Porto, with LEI Code 3DM5DPGI3W6OU6GJ4N92 and registered office at Avenida da Boavista, no. 1117, 4100-129 Porto, is an entity focusing its activity on commercial banking in Portugal, and providing financial services and products to Individuals and Corporate and institutional Customers. The Bank serves a Customer base of 1.8 million Customers through a multispecialist, multi-channel and fully integrated distribution network.

BPI started operating in 1981 with the foundation of SPI – Sociedade Portuguesa de Investimentos, S.A.R.L.. By public deed dated December 1984, SPI – Sociedade Portuguesa de Investimentos, S.A.R.L. changed its corporate name to BPI – Banco Português de Investimento, S.A., which was the first private investment bank created after the re-opening, in 1984, of the Portuguese banking sector to private investment. On 30 November 1995 BPI – Banco Português de Investimento, S.A. (BPI Investimentos) was transformed into BPI - SGPS, S.A., which operated exclusively as BPI's holding company. On 20 December, 2002, BPI SGPS, S.A. incorporated, by merger, the net assets and operations of Banco BPI and changed its corporate name to Banco BPI, S.A..

Banco BPI is fully held by Caixabank, S.A. since the end of 2018. BPI is included in the CaixaBank Group consolidation perimeter, and its financial statements are fully consolidated by CaixaBank. Caixabank S.A. is the parent company of a financial conglomerate subject to Supervisory Authorities. Caixabank, together with the credit entities of its Group, form a significant supervised group of which Caixabank is the entity at the maximum level of prudential consolidation (ultimate parent company).

Banco BPI has securities issued and admitted to trading on Euronext Lisbon, namely debt instruments placed externally or retained, with a total nominal value of 7.85 billion euros (of which 7.50 billion euros issued after 31/12/2010, with unit nominal value of 100 000 euros or more).

As from 2024 Banco BPI ceased to present consolidated accounts (Note 1.2).

1.2. Basis of presentation

The financial statements were prepared based on the accounting records of Banco BPI and its associated companies, in conformity with the International Accounting Standards / International Financial Reporting Standards (IAS/IFRS) as endorsed by the European Union and in force on 1 January 2024, in accordance with Regulation (EC) 1606/2002 of 19 July of the European Parliament and of the Council, transposed into Portuguese legislation through Bank of Portugal Notice no. 5/2015 of 30 December.

The financial statements have been prepared on a going concern basis, as provided for in IAS 1 – Presentation of financial statements.

After selling its stake in BPI Suisse in 2023, in 2024 Banco BPI does not have and is not expected to have, any fully consolidated subsidiaries, nor does it consolidate any structured entities (SPV/SPE). Therefore, in accordance with IFRS 10, it no longer presents consolidated financial statements. As an issuer of debt securities, Banco BPI cannot make use of the exemption that would otherwise allow it to only prepare separate financial statements (which were presented until the financial year 2023 in addition to the consolidated financial statements).

Thus, from 2024, Banco BPI is required to present its financial statements on an individual basis, reflecting the asset value of the investments in Associated companies, as was done in the 2023 consolidated financial statements, using the equity method. Following the aforementioned change in the scope of Banco BPI's investments, the financial statements presented in the 2024 financial statements for comparison purposes must correspond to the 2023 consolidated financial statements.

In the preparation of the financial statements, BPI follows the historical cost convention, modified when applicable for the measurement at fair value of:

- Financial assets and liabilities held for trading
- Non-trading financial assets mandatorily at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Derivatives

The figures are presented in thousands of euros (th.euros) unless the use of another monetary unit is stated. Certain financial information in these notes was rounded off and, consequently, the figures presented herein as totals may differ slightly from the arithmetic sum of the individual figures given before them.

Adoption of standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Union.

On 2024 the following accounting standards came into force (Note 2 - Accounting policies):

Standards and Interpretations	Name
Amendments to IAS 1	Classification of liabilities as Non-current and Current' and 'Non-current liabilities with covenants
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements
Amendments to IFRS 16	Lease liability in a sale and leaseback

On 1 January 2024, BPI adopted the following accounting standards:

- **IAS 1 (amendment), 'Classification of liabilities as Non-current and Current' and 'Non-current liabilities with covenants'**. These amendments clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its settlement for at least 12 months after the reporting date. They clarify also that the covenants that an entity is required to comply with, on or before the reporting date, affect the classification of a liability as current or non-current, even if the covenants are only assessed after the entity's reporting date. When an entity classifies liabilities arising from loan arrangements as non-current and those liabilities are subject to covenants, it is required to disclose information that enables investors to assess the risk that the liabilities could become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the covenants and the compliance dates; and c) the facts and circumstances that indicate that the entity may have difficulty complying with covenants when it is required to do so. These amendments clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its settlement for at least 12 months after the reporting date. They clarify also that the covenants that an entity is required to comply with, on or before the reporting date, affect the classification of a liability as current or non-current, even if the covenants are only assessed after the entity's reporting date. When an entity classifies liabilities arising from loan arrangements as non-current and those liabilities are subject to covenants, it is required to disclose information that enables investors to assess the risk that the liabilities could become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the covenants and the compliance dates; and c) the facts and circumstances that indicate that the entity may have difficulty complying with covenants when it is required to do so. These amendments are applied retrospectively.

- **IAS 7 (amendment) and IFRS 7 (amendment), 'Supplier finance arrangements'.** These amendments require an entity to provide additional disclosures about its supplier finance arrangements to enable: i) the assessment of how supplier finance arrangements affect an entity's liabilities and cash flows; and ii) the understanding of the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available. The additional requirements complement presentation and disclosure requirements already in IFRS as set out in the IFRS IC's Agenda decision of December 2020.

- **IFRS 16 (amendment), 'Lease liability in a sale and leaseback'**. This amendment introduces guidance for the subsequent measurement of lease liabilities, in the scope of sale and leaseback transactions that qualify as "sales" under IFRS 15, with higher impact when some or all the lease payments are variable lease payments that do not depend on an index or rate. Whilst subsequently measuring lease liabilities, seller-lessees determine "lease payments" and "revised lease payments" in a way that does not result in the seller-lessees recognizing any gains/(losses) relating with the right of use that they retain. This amendment is applied retrospectively.

The adoption of these standards is not expected to have significant impacts on the Bank's financial statements.

Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1 January 2025, and have already been endorsed by the EU

Standards and Interpretations issued by the IASB

Standards and Interpretations	Name	Mandatory application for years starting on:
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025

- **IAS 21 (Amendments), 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'** (effective for annual periods beginning on or after 1 January 2025). This amendment adds requirements for determining whether a currency can be exchanged for another currency (exchangeability) and defining how to determine the spot exchange rate to be used when it is not possible to exchange a currency for a long period of time. This change also requires the disclosure of information that allows understanding how the currency that cannot be exchanged for another currency affects, or is expected to affect, the financial performance, financial position and cash flows of the entity, in addition to the spot exchange rate used on the reporting date and how it was determined. This amendment is applied retrospectively without restating the comparatives. The entity is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings (if between foreign and functional currency) or to the reserve for cumulative translation differences (if between functional and presentation currency).

Standards (new and amendments) that have been published and are mandatory for the accounting periods beginning on or after 1 January 2025, but are not yet endorsed by the EU:

Standards and Interpretations issued by the IASB

Standards and Interpretations	Name	Mandatory application for years starting on:
Amendments to IFRS 7 and IFRS 9	Amendment to classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

- **IFRS 7 and IFRS 9, 'Amendment to classification and measurement of financial instruments'** (effective for annual periods beginning on or after 1 January 2026). These amendments are still subject to endorsement by the European Union. These amendments intend to: i) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; ii) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion such as: 1) non-recourse assets; 2) contractually associated instruments; and 3) instruments with characteristics linked to compliance with environmental, social and governance ("ESG"); iii) add new disclosure requirements for instruments with contractual conditions that can change cash flows; and iv) update the disclosure requirements for equity instruments designated at fair value through other comprehensive income, separating the fair value reserve into the fair value gains or losses of the investments derecognized and those held at the end of the period. These amendments apply at the date they become effective without restating the comparatives.

- **IFRS 18 (new standard), 'Presentation and Disclosure in Financial Statements'** (effective for annual periods beginning on or after 1 January 2027). This new standard is still subject to endorsement by the European Union. This new standard will replace the current IAS 1. While retaining many of the existing principles of IAS 1, it is focused on the specification of a structure for the statement of profit or loss, composed of categories and required subtotals. Items in the statement of profit or loss will be classified into one of three categories: operating, investing, financing. Specified subtotals and totals will be required being the main change the mandatory inclusion of the subtotal "Operating profit or loss". This standard also includes improvements to the disclosure of management performance measures including the reconciliation with the most similar specified subtotal in IFRS Accounting standards. This standard also enhances guidance on the principles of aggregation and disaggregation of information in the financial statements and respective notes, based on their shared characteristics. This standard applies retrospectively.

- **IFRS 19 (new standard), 'Subsidiaries without Public Accountability: Disclosures'** (effective for annual periods beginning on or after 1 January 2027). This new standard is still subject to endorsement by the European Union. IFRS 19 is a voluntary standard which allows "Eligible" subsidiaries to use IFRS Accounting Standards with reduced disclosure requirements. IFRS 19 is a disclosure-only standard and works alongside other IFRS Accounting Standards for recognition, measurement, and presentation requirements. A subsidiary is "Eligible" if (i) it does not have public accountability; and (ii) has a parent that prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 can be applied by "Eligible" subsidiaries when preparing their own consolidated, separate or individual financial statements. Complete comparative information needs to be prepared under IFRS 19 unless any exemption applies.

It is not expected that the future adoption of this standards will result in a material impact in the Bank's financial statements.

1.3. Responsibility for the information and for the main estimates made

The financial statements as at 31 December 2024 were approved by the Board of Directors on 26 February 2025. They will be submitted to the sole Shareholder for approval and are expected to be approved without changes. The previous year's financial statements were approved by Unanimous Resolution of the sole Shareholder on 7 March 2024.

The preparation of the financial statements required to make certain judgements, estimates and assumptions in order to quantify some of the assets, liabilities, revenues, expenses and obligations recognised in them. These judgements, estimates and assumptions relate primarily to:

- Impairment losses on financial assets and the fair value of the associated guarantees based on their accounting classification imply the adoption of assumptions relating to: i) the consideration of "significant increase in credit risk" (SICR), ii) definition of default; and iii) the inclusion of forward-looking information (Notes 2.7 and 3).
- Fair value of some financial assets and liabilities (Note 37). The fair value of unlisted financial assets and derivatives was estimated based on valuation methods and financial theories, the results of which depend on the assumptions used.
- Measurement and results of equity holdings in associated companies (Note 14).
- Actuarial assumptions used to measure post-employment liabilities and commitments (Note 22). Retirement and survivor pension liabilities have been estimated based on actuarial tables, assumptions of the increase in pensions and salaries and discount rates. These assumptions are based on Banco BPI's expectations for the period during which the liabilities will be settled.

- Current and deferred taxes have been recognised based on the tax legislation currently applicable to Banco BPI or on legislation already published for future application (Note 24). Different interpretations of tax legislation can influence the amount of income taxes. Deferred tax assets are recognised based on the assumption of future earnings and taxable income.
- Assessment of whether there exists control or significant influence over equity holdings in accordance with the criteria defined in IFRS10 and IAS 28 (Note 2.1).
- The measurement of provisions and contingent liabilities and respective probability of occurring (Note 20).
- Classification and useful lives of tangible and intangible assets and lease tenors used in the valuation of lease liabilities (Notes 2.13 and 2.14).

These estimates are based on the best information available at the time of preparation of the annual financial statements, taking into account the current economic environment. Subsequent events may require changing the estimates in future periods. In accordance with the applicable legislation and BPI's accounting policies, the effects of these changes would be accounted for on a prospective basis in the corresponding income statement, in accordance with IAS 8 - Accounting Policies, change in estimates and errors.

2. ACCOUNTING POLICIES

In the preparation of the financial statements for the year ended on 31 December 2024, the following accounting principles and policies and valuation criteria were applied:

2.1. Subsidiaries and jointly controlled entities and recognition of associated companies (IFRS 10, IFRS 11, IAS 28 and IFRS 3).

Banco BPI has direct holdings in associated companies. The procedure for integrating the assets and liabilities of these companies is based on the type of control or influence exercised over them.

Associated companies are those over which Banco BPI exercises significant influence, some indicators of which are the holding of between 50% and 20% of the voting rights and the right to appoint members of the Board of Directors. Exceptionally, companies are not considered associates when more than 20% of the voting rights are held, but it can clearly be demonstrated that significant influence does not exist and, therefore, the Bank lacks the power to intervene in the investee's financial and operation policies. Based on these criteria, at the end of the year, the Bank holds equity holdings in which it has more than 20% of the share capital in the portfolio of Financial assets at fair value through other comprehensive income.

Foreign currency subsidiary and associated companies (IAS 21)

The revaluation of associated companies in foreign currency - shareholding in Banco Comercial e de Investimentos (Mozambique) - is based on this bank's financial statements in foreign currency, after their conversion into euro at the indicative exchange rate published by the Central Bank of Mozambique:

- assets and liabilities expressed in foreign currencies are translated to Euro at the exchange rates in force at the balance sheet date;
- income and expenses expressed in foreign currencies are translated to Euro at the exchange rates in force in the month in which they are recognised; and,
- exchange differences resulting from translation to Euro are recognised directly in the shareholders' equity caption Other comprehensive income.

When a foreign entity is sold, the accumulated exchange difference is recognised in the income statement as a gain or loss on disposal.

The exchange rates used for the translation to Euro of the accounts of foreign subsidiaries and associated companies were as follows:

	31-12-2024	31-12-2023
Metical - Mozambique	66.79	70.65

Banco de Fomento Angola, SA (BFA)

In January 2017 Banco BPI sold 2% of the share capital of Banco de Fomento Angola to Unitel, reducing its holding in BFA to 48.1%, and entering into an agreement with BFA's shareholders under which BPI is entitled to appoint two, from a maximum of fifteen, members of the Board of Directors of BFA, as well as one member of its Supervisory Board, and one member of the Risk Committee and the Remuneration Committee. BPI's stake in BFA's share capital and participation in BFA's governing bodies, although minoritarian and not proportional to the share capital held, permitted to presume the existence of significant influence over BFA, in accordance with the IAS 28 provisions. Therefore, following the sale of 2% of BFA in 2017 and until 31 December 2018, Banco BPI classified its holding in BFA as an associate.

As referred in Note 1.3, at each financial statements preparation date, Banco BPI revises the main estimates and uncertainties associated to the application of the accounting policies in the preparation of the financial information. Therefore, given the existence of indications of a possible loss of significant influence, on the date of preparation of the financial statements with reference to 31 December 2018, the classification of Banco de Fomento Angola as an associate was revised as an associated company. From the main issues considered, one of the most important concerned the absence of BPI representatives in the executive body of BFA - the Executive Committee, which is the body responsible for the bank's operational management -, which determined BPI's lack of real power to participate in the financial and operating policy decisions of BFA under the terms set forth in paragraph 6 of IAS 28. BPI's minority position in BFA's Board of Directors, alongside a shareholder that holds control, also prevented BPI from having a real capacity to exercise significant influence in the management of BFA. In this context, the weight of BPI's participation in BFA's financial and operating policy decisions was much curtailed relative to initial expectations, based on the past experience of shareholders' relationship, where BPI played a key role in the management of BFA.

Taking into account that increase in experience, assessment and knowledge about the shareholder relationship of BPI in BFA, it is considered that at the end of 2018 the circumstances on which the existence of real capacity on the part of BPI to exercise significant influence over BFA was based no longer exist. In view of these circumstances, at the end of 2018, BPI considered it appropriate to limit its presence in the committees and management bodies of BFA in which it was represented, maintaining only the minority presence in the aforementioned corporate bodies of BFA.

In accordance with the accounting standards, the loss of significant influence entailed, in Banco BPI's balance sheet, reclassifying, in 2018, the equity holding in BFA from Associate to Financial assets at fair value through other comprehensive income - Equity instruments, and its revaluation since then at fair value.

During the year of 2020, BPI no longer had representatives on BFA's governing bodies, after the resignations that occurred in the third quarter of the year. In this context, there it is understood that were no changes in the conditions that led to the reclassification of the equity holding in BFA to Financial assets at fair value through other comprehensive income - Equity instruments, so it remains in that portfolio.

2.2. Financial instruments (IAS 32, IFRS 7, IFRS 9 and IFRS 13)

Classification of financial assets

The following table details the criteria established by the accounting standards for the classification of financial instruments:

Contractual cash flows	Business Model	Classification of Financial Assets
Solely payments of principal and interest (SPPI) on principal at the dates indicated (SPPI test)	With the objective of receiving the contractual cash flows	Financial assets at amortised cost
	With the objective of receiving the contractual cash flows and sale	Financial assets at fair value through other comprehensive income
Others - do not require SPPI test	Derivative instruments designated as accounting hedges	Derivatives - Hedge accounting
	Instruments originated or acquired with the aim of being realised in the short term	Financial assets held for trading
	Included in a group of financial instruments identified and managed together, for which there is evidence of a recent pattern of short-term profit-taking	
	Derivative instruments that do not meet the definition of a financial guarantee contract and have not been designated as hedging instruments	
	Other	Non-trading financial assets mandatorily at fair value through profit or loss

Investments in equity instruments are an exception to the aforementioned general classification criteria. In general, at initial recognition the Bank irrevocably exercises the option of including - in the portfolio of financial assets at fair value through other comprehensive income - investments in equity instruments that are not classified as held for trading and that, in the event this option was not exercised, would be classified as non-trading financial assets mandatorily at fair value through profit or loss.

As for the assessment of the business model, this does not depend on the intentions for an individual instrument, but rather for a set of instruments, taking into account the frequency, amount and schedule of sales in previous years, the reasons for those sales and the expectations for futures sales. Infrequent or insignificant sales, sales near the maturity date of the asset and sales driven by a significant increase in the credit risk of the financial assets or to manage the concentration risk, among others, can be compatible with the model of holding assets to receive contractual cash flows.

In particular, Banco BPI's expectation of making frequent and significant sales of loans (or similar financial assets) that have suffered a deterioration in credit risk is not inconsistent with the classification of the said loans in the business model of holding financial assets to receive contractual cash flows. These sales are not considered when determining the frequency of sales and their significance and are therefore excluded from the monitoring models.

In relation to valuation, if the cash flows of an instrument are solely payments of principal and interest, the Bank makes certain judgements when assessing its conformity and compliance (SPPI test), the most significant of which are listed below:

- Change in the time value of money: to assess whether the interest rate on a transaction incorporates any consideration other than that linked to the passage of time, the Bank considers factors such as the currency in which the financial asset is denominated and the term for which the interest rate is set.
- Exposure to risks unrelated to a basic lending arrangement: an assessment is conducted on whether the contractual terms of financial assets introduce exposure to risks or volatility in the contractual cash flows that would not be present in a basic lending arrangement, such as exposure to changes in the price of stocks or listed commodities, in which cases they would not pass the SPPI test.
- Clauses that modify the timing or value of the cash flows: the Bank considers whether there are contractual conditions by which the timing or value of the financial asset's contractual cash flows may be modified. This is the case of:
  - assets whose contractual conditions allow total or partial early repayment of principal;
  - assets for which it is contractually permitted to extend their duration, or
  - assets for which interest payments may vary according to a non-financial variable specified in the contract
- In these cases, the entity assesses whether the contractual cash flows that the instrument may generate over its life due to this contractual condition are solely payments of principal and interest on the outstanding principal and may include a reasonable additional compensation for the early termination of the contract.
- Leverage: leveraged financial assets, i.e., those in which the variability of the contractual flows increases with the result that they do not have the economic characteristics of interest, cannot be considered financial assets that pass the SPPI test (e.g., derivative instruments such as simple option contracts).
- Subordination and loss of collection rights: the Bank assesses contractual clauses that may result in a loss of rights to receive payment of principal and interest on the outstanding principal amount.
- Currency: in analysing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Bank takes into consideration the currency in which the financial asset is denominated in order to assess the characteristics of the contractual flows, for instance by assessing the component corresponding to the time value of money based on the benchmark used for setting the financial asset's interest rate.
- Contractually linked instruments: with respect to positions in contractually linked instruments, a ‘look through’ analysis is performed, based on which it is considered that the flows derived from this type of asset consist solely of payments of principal and interest on the principal amount outstanding if:
  - the contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (for example, the interest rate on the tranche not linked to a commodity index);
  - the underlying pool of financial instruments comprises one or more instruments with contractual cash flows that are solely payments of principal and interest on the principal amount outstanding; and
  - the exposure to the credit risk inherent in the tranche is equal to or lower than the exposure to the credit risk of the underlying pool of financial instruments (for example, the credit rating of the tranche being assessed for classification is equal to or higher than that which would apply to a single tranche comprising the underlying pool of financial instruments).

  The underlying pool of instruments referred to in the previous paragraph could also include instruments that reduce the variability of the flows of that pool of instruments such that, when they are combined with these instruments, they generate flows that are solely payments of principal and interest on the principal amount outstanding (e.g., an option with an interest rate cap or a floor or a contract that reduces the instruments’ credit risk. It could also include instruments that allow the flows from the tranches to be aligned with the flows from the pool of underlying instruments in order to eliminate the differences in the interest rate, the currency in which the flows are denominated (including inflation) and the timing of cash flows.

- Assets without personal liability (non-recourse): the fact that a particular financial asset does not have any personal liability associated with it does not necessarily mean it must be considered a Non-SPPI financial asset. In these situations, the Bank assesses the underlying assets or cash flows to determine whether they consist solely of payments of principal and interest on the principal amount outstanding, regardless of the nature of the underlying assets in question.

  In particular, in the case of project finance operations that are repaid exclusively with the incomes from the projects being financed, the Bank analyses whether the cash flows that are contractually determined to be principal and interest payments do indeed represent the payment of principal and interest on the principal amount outstanding.

- Negative compensation (symmetrical clauses): certain instruments incorporate a contractual clause whereby, in case of either full or partial repayment of the principal amount outstanding, the party that chooses to end the contract early – whether it is the debtor or the creditor – is able to receive fair additional compensation despite being the party choosing to end the contract early. This is the case, for instance, with the so-called symmetrical clauses found in certain fixed-rate financing instruments, which stipulate that at the time the creditor executes the early repayment option, there must be compensation for the early termination of the contract, and this compensation will accrue to either the debtor or the creditor depending on how interest rates have fluctuated from the time of origination to the date of early termination of the contract.

  The fact that a financial instrument incorporates this contract term, known as negative compensation, does not necessarily mean that the instrument in question must be considered Non-SPPI. A financial instrument that would otherwise have met the conditions to be considered SPPI-compliant, had it not been for the incorporation of fair additional compensation for the early termination of the contract (to be either received or paid by the party that decides to terminate the contract early), will be eligible to be measured at amortised cost or at fair value with changes in another comprehensive income, as determined by the business model.

In cases where a characteristic of a financial asset is not congruous with a basic loan agreement, i.e., the asset has characteristics that give rise to contractual flows other than payments of principal and interest on the principal amount outstanding, the Bank will assess the materiality and probability of occurrence in order to determine whether this characteristic or element should be taken into consideration when evaluating the SPPI test.

With respect to the materiality of a characteristic of a financial asset, the assessment performed by the Bank involves estimating the impact it could have on the contractual flows. The impact of such an element is considered not material when it entails a change of less than 5% in the expected cash flows. This tolerance threshold is determined on the basis of the expected contractual flows, without any discounting.

The contractual conditions contained in financial assets that, at the time of initial recognition, have a minimum effect on the cash flows or depend on exceptional and highly unlikely events taking place (such as liquidation by the issuer) do not prevent the asset from being classified in the amortised cost portfolio or fair value portfolio through other comprehensive income portfolio.

Classification of financial liabilities

Financial liabilities are classified under the following captions: “Financial liabilities held for trading”, “Financial liabilities designated at fair value through profit or loss” and “Financial liabilities at amortised cost”, save for liabilities that must be presented under “Liabilities included in disposal groups classified as held for sale” or relate to “Fair value changes of the hedged items in portfolio hedge of interest rate risk” or “Derivatives – Hedge accounting”, which are presented separately.

The caption "Financial liabilities at amortised cost": includes financial liabilities not classified as financial liabilities held for trading or as other financial liabilities at fair value through profit or loss. The balances recognised in this category, irrespective of how they are used and their maturity, arise from the ordinary funding activities of credit institutions.

Initial recognition and measurement

Upon initial recognition, all financial instruments are recognised at fair value. For the financial instruments that are not subsequently valued at fair value through profit or loss, the fair value amount is adjusted, adding or deducting transaction costs directly attributable to the acquisition or issuance thereof. In the case of financial instruments at fair value through profit or loss, the directly attributable transaction costs are immediately recognised in the income statement.

The transaction costs are defined as expenses directly attributable to the acquisition or sale of a financial asset, or to the issuance or assumption of a financial liability, which would not have been incurred if the Bank had not made the transaction. These include, among others, fees paid to intermediaries (such as promoters) and mortgage arrangement expenses. Under no circumstances are the internal administrative expenses or those deriving from prior research and analysis considered transaction costs

Transaction costs are included in the calculation of the effective interest rate and are therefore accrued over the transactions' life.

Subsequent measurement of financial instruments

After its initial recognition, the Bank recognises a financial instrument at amortised cost, at fair value through profit or loss, or at fair value through other comprehensive income.

Receivables for trading operations that do not have a significant financing component and the commercial loans and short-term debt securities that are initially measured by the price of the transaction or its outstanding principal, respectively, continue to be measured by said amount, deducted of impairment losses, as described in section 2.7.

Purchases and sales of fixed and variable income instruments are recorded regularly on the contract date.

Income and expenses of financial assets and liabilities

The income and expenses of financial instruments at amortised cost are recognised according to the following criteria:

<table>
<tr><th colspan="2">Portfolio</th><th>Recognition of revenue and expenses</th></tr>
<tr><td rowspan="3">Financial assets</td><td>At amortised cost</td><td>• Accrued interest: on the income statement, with the effective interest rate of the operation on the gross book value of the operation (except for stage 3 assets, where the rate applies to the net book value)

• Other changes in value: gains or losses when the financial instrument is derecognised from the balance sheet, reclassified, or when there are impairment losses or gains on its subsequent recovery.</td></tr>
<tr><td>At fair value through profit or loss</td><td>• Changes in fair value: changes in fair value are recognised directly in the income statement, distinguishing, for non-derivative instruments, between the part attributable to the instrument's return, which will be booked as interest or dividends in accordance with its nature, and the remainder, which will be booked as a gain or loss in financial operations, in the corresponding caption.

• Accrued interest: in debt securities it is calculated using the effective interest rate method.</td></tr>
<tr><td>At fair value through other comprehensive income [1]</td><td>• Accrued interest or dividends recognised in the income statement. Interest is recognised as in assets at amortised cost.

• Foreign exchange differences in the income statement, when debt securities, and in other comprehensive income when equity instruments.

• Impairment losses on debt securities or gains for subsequent recovery in the income statement.

• The remaining changes in value are recognised in other comprehensive income.</td></tr>
<tr><td rowspan="2">Financial Liabilities</td><td>At amortised cost</td><td>• Accrued interest: in the income statement, at the transaction's effective interest rate on the gross amount of the transaction.

• Other changes in value: gain or loss when the financial instrument is derecognised from the balance sheet or reclassified.</td></tr>
<tr><td>At fair value through profit or loss</td><td>• Changes in fair value: changes in the value of a financial liability designated at fair value through profit or loss, when applicable, as follows:
a) the change in the fair value of a financial liability attributable to a change in its own credit risk is recognised in other comprehensive income, which would be directly transferred to a reserves caption when the financial liability was derecognised.
b) the remainder of the fair value change is recognised as a profit / (loss) for the year.
• Accrued interest: in debt securities it is calculated using the effective interest rate method.</td></tr>
</table>

[1] Thus, when a debt security is recognised at fair value through other comprehensive income, the amounts recognised as profit or loss for the period are the same as those that would be recognised if measured at amortised cost. When a debt security measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss accumulated in other comprehensive income is reclassified as profit or loss for the period. On the other hand, when an equity instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recognised in other comprehensive income is not reclassified as a profit or loss for the period. For each of the above portfolios, the recognition would change if said instruments form part of a hedging relationship (Note 2.3.).

The effective interest rate is the rate used to discount future cash payments or charges estimated during the expected life of the financial asset or liability with respect to the gross book value of a financial asset or the amortised cost of a financial liability. To calculate the effective interest rate, BPI estimates the expected cash flows, taking into account all the contractual terms of the financial instrument, but without considering expected credit losses.

The calculation includes all fees and commissions and interest paid or received by the parties to the agreement (relative to the effective interest rate), transaction costs and any other premium or discount. In cases where the cash flows or remaining life of a financial instrument cannot be estimated reliably (e.g., advance payments), BPI uses the contractual cash flows throughout the full contractual period of the financial instrument.

Reclassifications between financial instrument portfolios

Under the IFRS 9 requirements, reclassifications between financial instruments portfolios can only occur in the event the Bank decides to change its business model for the management of a financial assets portfolio. This reclassification would be carried out prospectively from the date of the reclassification. In accordance with the IFRS 9 approach, in general, changes in the business model occur very infrequently. Financial liabilities cannot be reclassified between portfolios.

2.3. Hedge accounting

Banco BPI uses financial derivatives as a financial risk management tool, mainly no hedge interest rate risk (Notes 3.4.4 and 13). When these transactions meet certain IFRS requirements, they qualify for hedge accounting. Hedging is contracted through derivatives that are classified in the accounts as hedging derivatives. The Bank thus applies the provisions of IFRS 9 for hedge accounting. For portfolio accounting hedges, the Bank uses the option provided by IFRS 9 and applies IAS 39.

The Bank maintains the hedging relationship documentation, which includes the identification of the hedging instrument and of the hedged element, the nature of the risk to be hedged and the way in which the Bank assesses whether the hedging relationship meets the requirements of hedging effectiveness. To ensure that the effectiveness requirement is met:

i. there must be an economic relationship between the hedged item and the hedging instrument,

ii. the credit risk of the hedged item's counterparty or of the hedging instrument should not have a dominant effect on changes in value resulting from said economic relationship, and

iii. the coverage ratio of the hedge accounting relationship, understood as the share of the item hedged by the hedging instrument, must be the same as the coverage ratio used for management purposes.

Fair value hedges

Fair value hedges hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that are attributable to a particular risk and could affect the income statement.

In fair value hedges, value changes in the hedging instrument or in the hedged item for the portion attributable to the hedged risk, are recognised in an asymmetrical way according to whether the hedged item is a debt instrument or an equity instrument:

- In debt securities, value changes in the hedging instrument or in the hedged item for the portion attributable to the hedged risk are recognised in the income statement, in the "Gains/(losses) from hedge accounting, net" caption. In fair value portfolio hedges, value changes in the hedged items are balanced in “Assets – Fair value changes of the hedged items in portfolio hedge of interest rate risk” or “Liabilities – Fair value changes of the hedged items in portfolio hedge of interest rate risk” depending on the substance of the hedged item, rather than in the captions under which the hedged items are recognised.
- In equity instruments, value differences produced in either the hedging item or the hedged item, in the part corresponding to the type of risk hedged, are recognised in the balance sheet item "Accumulated other comprehensive income - Items that will not be reclassified to profit or loss - hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income”. Banco BPI does not have hedges for equity instruments.

When hedging derivatives no longer meet the requirements for hedge accounting, they are reclassified as trading derivatives. Fair value changes in debt securities are recognised in profit or loss using the effective interest rate method, as from the date the hedge is interrupted.

2.4. Offsetting of financial assets and liabilities

Financial assets and financial liabilities may be offset and the net amount presented in the balance sheet when, and only when, the Bank has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, taking the following into consideration:

- The legally enforceable right to set off the recognised amounts should not be contingent on a future event and must be legally enforceable in all circumstances, including cases of default or insolvency of any or all of the counterparties;
- Settlements are considered equivalent to 'net settlement' when they meet the following requirements: they totally eliminate or result in insignificant credit and liquidity risk; and settlement of the asset and liability is made in a single settlement process.

BPI follows the criteria provided in IAS 32 to offset trading derivatives, hedging derivatives, and the associated collaterals, providing they are maintained through the LCH central clearing house. Consequently, the balance sheet value of assets and associated collaterals delivered is offset up to the amount of the corresponding liabilities.

All other derivative and repo security transactions that do not meet the criteria allowing for the offsetting of credit risk by counterparty are not offset for accounting purposes. The value of each transaction is recognised in assets or liabilities depending on whether it is positive or negative, respectively.

2.5. Derecognition of financial instruments

A financial asset is totally or partially derecognised when the contractual rights to the cash flows from the financial asset expire or when they are transferred to a third party outside the entity.

The accounting treatment of transfers of financial assets depends on the manner and the extent to which the risks and rewards associated with ownership of the transferred assets are transferred to third parties:

- If substantially all the risks and rewards of ownership of the transferred asset are transferred (such as in the case of, among others: unconditional sales, sales with a repurchase agreement at its fair value at the time of repurchase, a sales of a financial assets with a call or put option issued deep out of the money, or asset securitisations in which the transferor does not retain any subordinated loans and does not provide any type of credit enhancement to the new owners), it is derecognised, and any rights or obligations retained or arising as a result of the transfer are simultaneously recognised;

- If all the risks and rewards of ownership of the transferred financial asset are retained substantially (such as in the case of among others: sale and repurchase transactions where the repurchase price is a fixed price or the sale price plus a lender's return, a securities lending agreement under which the borrower has the obligation to return the securities or similar) it is not derecognised and continues to be measured by the same criteria used before the transfer and the following are recognised:

  - A financial liability equal to the consideration received, which is subsequently measured at amortised cost, unless it meets the requirements to be classified under other liabilities at fair value through profit or loss.
  - The income generated on the transferred (but not derecognised) financial asset and the expenses of the new financial liability, without offset.

- If substantially all the risks and rewards of ownership of the transferred financial asset are neither transferred nor retained (such as in the case of, among others, a sale of a financial asset together with a put or call option, securitisations in which the transferor assumes a subordinated loan or other type of credit enhancement for part of the transferred asset), the following distinction is made:

  - If the transferor does not retain control over the financial asset transferred, it is derecognised and any right or obligation retained or arising from the transfer is recognised.
  - If the transferor retains control over the financial asset transferred, it continues to recognise the asset for an amount equal to its exposure to changes in value of the asset, recognising a liability associated with the financial asset transferred. The net amount of the transferred asset and the associated liability shall be the amortised cost of the rights and obligations retained, if the asset is measured at amortised cost, or at fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

2.6. Guarantees

Financial guarantees given

Financial guarantees are defined as contracts whereby the issuer thereof undertakes to make specific payments to reimburse the creditor for the loss incurred when a specific debtor fails to meet its payment obligations, irrespective of the legal form of the obligation (guarantee, surety, financial or technical guarantee, insurance contract or other types of contracts).

Financial deposits comprise all manner of deposits that directly or indirectly guarantee debt securities such as loans, credit facilities, finance leases and deferred payment arrangements for all types of debt.

All these transactions are recognised as off-balance sheet items.

Financial guarantees are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, estimate any impairment required. The criteria used in this process is similar to those established for quantifying impairment losses on debt securities measured at amortised cost as described in Note 2.7 - Impairment of financial assets.

Impairment constituted for this type of arrangement are recognised under the "Provisions" balance sheet caption. Additions to and reversals of impairment are recognised in "Provisions or reversal of provisions" in the income statement.

Financial guarantees received

No significant guarantees or collateral were received with regard to which there is authorisation to sell or repledge, without default by the guarantor, except for the collateral inherent to Banco BPI's treasury activity.

Performance guarantees

Performance guarantees are contracts entered into with BPI's Clients, which provide for a certain compensation to be paid by the Bank in case the Client fails to comply with a contractual, commercial, or legal obligation. These contracts are initially recognised in off-balance sheet items, as described in this note, and if they are called in and disbursed, the amounts paid by BPI are classified as a loan granted to the Client, and the normal impairment calculation procedures are applied. Commissions received by BPI in connection with these guarantees are deferred on a straight-line basis over the life of the guarantee.
The Bank analysed the performance guarantee contracts to assess whether they meet the definitions of IFRS 17 - Insurance Contracts. From the analysis carried out, the Bank concluded that these guarantees expose the Bank to the credit risk of its Client, as (i) all contracts require the Client to assume the obligation of the amounts called in and disbursed in order to indemnify the Bank as issuer, and (ii) there are no foreseen scenarios of commercial substance in which the Bank would have to pay significant additional amounts to the beneficiaries of these guarantees. Where credit risk exists, impairment provisions are measured and recognised under Provisions - Commitments and guarantees given, as described in Note 2.7 Impairment of financial assets, for potential losses on guaranteed amounts that have not yet been executed or paid.

2.7. Impairment of financial assets

The Bank determines impairment losses for debt securities that are measured at amortised cost and at fair value through other comprehensive income, as well as for other exposures that involve credit risk, such as granted financial guarantees and other granted commitments.

The aim of the IFRS 9 requirements as regards impairment is to ensure recognition of expected credit losses on operations, assessed collectively or individually, considering all the reasonable, reliable and duly substantiated information available at each reporting date, including forward looking information.

Impairment gains/losses on debt securities in the period are recognised as an expense or reversal under the heading "Impairment of impairment losses on financial assets not measured at fair value through profit or loss" in the income statement. Impairment losses on debt securities that are measured at amortised cost are recognised against an accumulated impairment caption on the balance sheet, which reduces the book value of the asset, while impairments of assets measured at fair value through other comprehensive income are recognised against other comprehensive income, in the corresponding equity caption.

Impairment losses in exposures involving credit risk other than debt securities are recorded as a provision under the heading "Provisions – Commitments and guarantees given" on the liabilities side of the balance sheet. Additions to and reversals are recognised under the heading "Provisions or reversal of provisions for commitments and guarantees given" in the income statement.

For the purpose of accounting for impairment losses in debt securities, the following definitions must be taken into account:

- **Credit losses:** these correspond to the difference between all the contractual cash flows owed to the Bank in accordance with the financial asset's contractual conditions and all the cash flows that the Bank is due to receive, discounted at the original effective interest rate or, for financial assets that were purchased with or that originated with credit impairment, discounted at the effective interest rate adjusted to reflect credit quality, or the interest rate on the date referred to in the financial statements in the case of a variable rate.

  In the case of granted loan commitments, the contractual cash flows that would be owed to the Bank in the event the loan commitment were drawn down are compared to the cash flows that it would expect to receive when the asset is recognised. In the case of granted financial guarantees, the Bank considers the payments that it expects to make less the cash flows it expects to receive from the debtor, with medium hedges being applied, based on the Client's profile, on the estimated amount of payments which the Bank expects to make.

  The Bank estimates the cash flows taking into account the contractual duration established for the operations. In the case of renewable short-term facilities, the Bank considers that the expected life of these operations is 12 months.

  The calculation of cash flows takes into account those deriving from the sale of collateral, taking into account the cash flows that would be obtained from the sale thereof, minus the costs required to obtain them, maintain them and subsequently sell them, or other guarantees that are an integral part of the contractual conditions, such as financial collaterals.

  In cases where the Bank's strategy for the reduction of non-performing assets includes scenarios of sale of loans and other accounts receivable whose credit risk has increased (exposures classified in stage 3), the Bank retains any asset affected by this strategy under the business model for retaining assets to receive their contractual cash flows, therefore they are valued and classified in the portfolio "Financial assets at amortised cost" provided that their flows only include payments of principal and interest. However, as long as the intention to sell is maintained, the impairment for credit risk takes into account the price to be received from a third party.

- **Expected credit losses:** these correspond to the weighted average of the credit losses, using as weighting the respective probability of default events. The following distinction will be taken into account:

  i. Expected credit losses during the lifetime of the operation: these are expected credit losses resulting from possible default events during the expected lifetime of the operation.

  ii. Expected credit losses at 12 months: these are the part of the credit losses expected during the lifetime of the operation corresponding to the expected credit losses resulting from any default events likely to occur during the twelve months following the reference date.

The amount of the impairment loss is calculated according to whether there has been a significant increase in credit risk since the operation's initial recognition, and whether or not a default event has occurred:

	Improvement	Credit risk since initial recognition	Deterioration
Credit Risk Category	***Stage 1***	***Stage 2***	***Stage 3***
Impairment (Updated at each reporting date)	Expected credit losses at 12 months	Expected credit losses during lifetime	
Classification Criteria	**No material change in credit quality since initial recognition**	**Material increase in credit risk since initial recognition *** •Tolerance matrix[1] •Mandatory criteria •Scoring/Rating[2] at reference date compared to what occurred at the time of hiring •Restructurings •Indications in central credit register, list of risk users •Risk alerts after individual analysis •> 30 overdue •Indicators that, in accordance with market indicators/triggers, may determine a significant deterioration in risk.	**Credit classified as in default**
Interest on income calculated based on:	**Effective interest rate on gross amount**		**Effective interest rate on amortised cost (adjusted for impairment)**

[1] To capture a significant deterioration in the probability of default (PD)
[2] Scoring / Rating above a given classification

* The criteria indicated are considered in case they apply to the risk segment

A debt instrument is written off from assets when it is considered irrecoverable or when there is no reasonable expectation of recovery (whether it is due or not). The write-off of the asset does not require the bank to waive the legal right to recover the loan and it may occur before the legal actions for the recovery of the loan are fully completed. Upon recovery, the amount recovered is recognised in the income statement under ‘Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss’.

Financial assets at amortised cost classified as uncollectible in accordance with the Uncollectible Loans Policy are included in the write off process and written off from assets. The cumulative impairment of these operations is increased to 100% of the outstanding exposure when they are classified as uncollectible.

For these operations to meet the conditions to be written off from assets, the Bank also considers as additional requirements a default date of more than 2 years, a fully matured debt exposure and the absence of associated mortgage collaterals.

Regardless of its subsequent classification, in the event that an operation is bought or originated with credit impairment, its hedging would be equal to the accumulated amount of the changes in the credit losses after initial recognition and the interest income of these assets would be calculated by applying the effective interest rate adjusted to reflect credit quality, at the amortised cost.

2.8. Refinancing or restructuring operations

BPI has a policy on loan operations restructured or renegotiated due to financial difficulties, which establishes the following:

- Objective and subjective criteria for the identification of customers in financial difficulties;
- General management principles for this type of exposures, including with regard to the assessment of payment capacity, the reinforcement of guarantees, debt cancellation, etc.;
- Typologies of measures to be applied depending on the customer's characteristics;
- Governance of the credit analysis and decision-making process

To this effect, restructured loans are deemed to be those in which changes are made to the agreed terms, and renegotiated loans, those that are replaced by other loans. These are the main criteria for financial difficulties defined in the Policy:

- Clients in default or forborne;
- Clients with significant degradation of credit risk.

Some restructurings or renegotiations imply the classification of the Customer's exposure as in default, namely when there is a relevant economic loss when an atypical payment plan is defined (e.g., certain types of balloons or grace periods), or when an individual analysis permits to conclude that the restructuring does not ensure the repayment of the debt within a reasonable period. Internal regulations establish specific cure periods for this type of situation, which are restarted whenever the client undergoes a new restructuring or renegotiation due to risk deterioration or non-performance for more than 30 days. Restructurings or renegotiations due to risk deterioration, but not considered in default, are classified in stage 2, with pre-established probation periods.

2.9. Foreign currency transactions

The Bank’s functional and presentation currency is the euro. Consequently, all non-euro balances and transactions are foreign currency balances and transactions. All foreign currency transactions are recorded, on initial recognition, by applying the indicative spot exchange rate between the functional currency and the foreign currency.

At the end of each reporting period, foreign currency balances are translated to euros at the indicative official foreign exchange rate disclosed by European Central Bank, except when in kwanza or metical, in which case the official exchange rates published indicatively by the Central Banks of Angola and Mozambique, respectively, are used.

The exchange differences arising on the translation of foreign currency balances to BPI’s reporting currency are generally recognised under “Exchange differences (net)” in the income statement. However, exchange differences arising from changes in the value of equity instruments at fair value through other comprehensive income, are recognised under “Equity – Other comprehensive income – Items that will not be reclassified to profit or loss”.

Income and expenses expressed in foreign currencies are translated to Euro at the exchange rates in force on the day in which they are recognised.

The table below shows the spot and average exchange rates calculated for the periods in question for the 3 main currencies traded by the Bank, according to information published by the Bank of Portugal and that obtained from Bloomberg, respectively.

	2023		2024	
	annual average	**spot 31Dez**	**annual average**	**spot 31Dez**
Eur/Usd	1.0813	1.105	1.0824	1.0389
Eur/Gbp	0.8698	0.869	0.8466	0.8292
Eur/Chf	0.9718	0.926	0.9526	0.9412

2.10. Recognition of income and expenses

The main criteria applied to recognise income and expenses are summarised as follows:

<table>
<tr><th></th><th colspan="2">Characteristics</th><th>Recognition</th></tr>
<tr><td rowspan="2">Income and expenses from interest, dividends and similar</td><td colspan="2">Income and expenses from interest and similar</td><td>Based on accrual period, through application of the effective interest rate method, regardless of the resulting cash or financial flow, as described above.</td></tr>
<tr><td colspan="2">Dividends received</td><td>As income at the time the right to receive is assigned.</td></tr>
<tr><td rowspan="5">Fee and Commissions charged/paid [1]</td><td rowspan="3">Credit Commissions - are an integral part of the effective revenue or expense of a financing operation are received upfront.</td><td>Commissions received for the creation or acquisition of financing operations that are not accounted at fair value through profit or loss (i.e. payments of activities such as the evaluation of the borrower's financial situation, evaluation and registration of various guarantees, negotiation of the operation's terms, preparation and processing of the documentation and closing of the transaction).</td><td>Deferred and recognised over the life of the operation as an adjustment to the operation's effective income or cost.</td></tr>
<tr><td>Commissions agreed as compensation for the commitment to grant financing, when said commitment is not accounted at fair value with changes in profit or loss and it is likely that the Group will enter a specific loan agreement.</td><td>Deferred as they are charged over the expected life of the financing as an adjustment to the operation's effective income or cost. If the commitment expires without the entity making the loan, the fee is recognised as revenue on expiry.</td></tr>
<tr><td>Commissions paid on the issuance of financial liabilities at amortised cost.</td><td>Included, together with the respective direct costs, in the value of the financial liability, charged as an adjustment to the effective cost of the operation.</td></tr>
<tr><td rowspan="2">Non-credit Commissions - Commissions derived from the provision of financial services other than financing operations.</td><td>Related to the execution of a service provided over time (i.e.: account maintenance fees).</td><td>Recognised over time, by measuring the finishing phase against full compliance with the performance obligation.</td></tr>
<tr><td>Related with the provision of a service executed at a specific moment (such as signature of securities, foreign exchange, consultancy or loan syndication).</td><td>Recognised in the income at the time of collection.</td></tr>
<tr><td>Other non-financial revenue and expenses</td><td colspan="2">Other revenue from recurring activities</td><td>• As a general criterion, they are recognised when the goods or services contracted with the clients are delivered or provided. The amount of the consideration which the Bank expects to be entitled to exchange for such goods or services is recognised as a revenue over the duration of the contract.
• If the Bank receives a consideration without the transfer of the goods or services, a liability is recognised and remains in the balance sheet until it is recorded in the income statement.</td></tr>
</table>

[1]Exceptions: Commissions on financial instruments at fair value through profit or loss and unavailability commission (in operations where the offer of funds is optional for the borrower) are immediately recognised in the income statement.
Commissions deriving from products or services that are typical of the financial business are presented separately from those deriving from products and services that are not typical of this activity, the latter being presented under the caption “Other operating income” in the income statement.

As for the accounting of the costs related to the contracts, the costs of obtaining a contract are those in which the Bank incurs to obtain a contract with a Customer and which it would not have incurred if the Bank had not entered into said contract.

BPI defers the costs incurred, accruing them in the income statement by association with the duration of the contract or of the operations that gave rise to them.

In accordance with the applicable accounting framework, the costs incurred to fulfil a contract are capitalised providing that:

- the costs are directly related to a contract or to an expected contract that the Bank can specifically identify (e.g., costs related to services that will be provided as a result of the renewal of an existing contract or design costs of an asset that will be transferred under a specific contract that has not yet been approved);
- the costs generate or increase BPI's funds that will be used to pay (or to continue paying) for future execution obligations; and;
- the costs are expected to be recovered.

2.11. Employee benefits

Employee benefits include all forms of compensation given in exchange for services rendered to the Bank by its Employees or for the termination of the employment contract. They can be classified in the following categories:

Short-term employee benefits

These are employee benefits (other than termination benefits) which fall due wholly within 12 months after the end of the annual financial statements period in which the employees render the related service. They include wages, salary supplements, social security contributions and contributions to the medical and healthcare services for banking sector employees (SAMS), allowances (holidays, Christmas, meals, children, etc.), paid sick leave or other, variable remuneration, bonuses and non-monetary benefits payable to current employees such as health, life, personal accidents, and occupational hazards insurance, accommodation expenses and free or subsidised goods or services related to active employees.

The cost of services rendered is recognised under "Administrative expenses – Staff expenses" of the income statement.

Credit facilities made available to Employees at below market rates are considered to be non-monetary benefits and are calculated as the difference between market rates and the rates agreed with Employees. The difference is recognised under “Administrative expenses – Staff expenses” with a balancing entry under “Interest income” in the income statement.

Employee remuneration based on equity instruments

Within the scope of variable remuneration or participation in long-term incentives plans, Banco BPI's Directors and Employees may be entitled to receive part of the remuneration in financial instruments, preferably CaixaBank shares.

Due to its characteristics, this delivery of CaixaBank shares to Directors and Employees of Banco BPI is accounted for as defined in IFRS 2, i.e., as a cash-settled share-based payment transaction.

Costs with variable remuneration and long-term incentive plans are fully recognised under “Staff Expenses” in the period during which the service is provided, against a liability on the balance sheet. Until its settlement date, this liability is valued as the fair value of the shares to be delivered, with the respective changes being recognised as profit/(loss) for the year.

Banco BPI purchases a portfolio of CaixaBank shares in order to ensure full coverage of this liability. These shares remain booked in the portfolio of “Non-trading financial assets mandatorily at fair value through profit or loss” until the date when they are delivered. The respective change in fair value is also recognised through profit or loss.

Post-employment benefits

Post-employment benefits are all those undertaken with employees, to be paid after completion of their employment with the Bank. They include retirement benefits, such as pensions and other post-employment benefits, such as post-employment medical care at the end of the employment relationship and end-of-career bonus.

Defined contribution plans

The post-employment obligations with employees are deemed to be defined contribution obligations when the Bank makes predetermined contributions to a separate entity (fund) and has no legal or constructive obligation to make further contributions if the fund assets are not sufficient to pay the all the employee benefits relating to the service rendered in the current and prior periods. Contributions of this type made in each year are recognised under “Administrative expenses – Staff expenses” in the income statement. Post-employment obligations that do not meet the aforementioned conditions are considered defined benefit obligations.

Defined benefit plans

The present value of pension liabilities, net of the fair value of the pension funds' assets, is recorded under “Other liabilities - Liabilities for pensions and other defined benefits”, in the case of a coverage shortfall in the pension funds, or under “Other assets - Liabilities for pensions and other defined benefits” in the case of a coverage surplus.

Plan assets are defined as those assets that will be used to directly settle plan obligations and that meet the following conditions:

- They are held by a pension fund that is legally separate from the bank and exists solely to pay or fund employee benefits.
- They are solely available to pay or fund post-employment benefits and are not available to settle debts to the Bank's creditors.
- The excess coverage by the pension fund may be used to reduce future contributions resulting from a reduction in future contributions. Under Law No. 27/2020, the Bank may also request the ASF (Insurance and Pension Funds Supervisory Authority) for the surplus of the pension fund to be returned if such surplus has existed for 5 consecutive years.

The actuarial assumptions used to calculate liabilities for end-of-career bonuses and for medical services (SAMS) of former Employees of the Bank are the same as those used to calculate employee pension liabilities, i.e., the discount rate, the salary growth rate, the mortality tables and the length of service are taken into account in the calculation of future liabilities on retirement. These liabilities are not covered by the Pension Fund, being recorded under Other liabilities - staff expenses.

Post-employment benefits (liabilities for and other defined benefits) are recognised as follows:

- Service cost is recognised in the income statement, in the caption “Administrative expenses - Staff Expenses”, and includes the following components:
  - Current service cost, understood as the increase in the present value of obligations arising from employee service in the current period;
  - Past service cost, resulting from amendments to existing post-employment benefits or the introduction of new benefits, and the cost of curtailments;
  - Any gain or loss arising on settlement of a plan;
- The interest cost/(income) on the net post-employment benefit liability/(asset), understood to be the change during the period in the net pension liability that arises from the passage of time, is recognised in “Administrative expenses – Staff expenses” in the income statement.
- Remeasurements of the net liability/(asset) for defined benefit post-employment benefits are recognised in "Accumulated other comprehensive income" in the balance sheet. It includes:
  - Actuarial gains and losses arising in the period from differences between the previous actuarial assumptions and what has actually occurred and from changes in the actuarial assumptions used.
  - The return on plan assets, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.
  - Any change in the impact of the asset ceiling, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.

Termination benefits

These benefits are payable as a result of an Entity's decision to terminate an employee's employment, a valid expectation having been raised in the employee or an employee's decision to accept the Bank's irrevocable offer of those benefits in exchange for voluntary redundancy.

A liability and a non-recurring cost for termination benefits are recognised when there is no realistic possibility of withdrawing the offer to pay the termination benefits or when the costs for restructuring which involves the payment of termination benefits are recognised. These amounts are recognised as a liability under "Accrued costs - Staff Expenses” in the balance sheet until they are settled or transferred to Pension Liabilities.

2.12. Income tax

Banco BPI is subject to the tax regime set out in the Portuguese Corporate Income Tax Code and in the Statute of Tax Benefits.

The expense for income tax is recognised in the income statement, except when it results from a transaction recognised directly in equity, in which case the corresponding tax effect is also recognised in equity (except in the case of taxes on the interest of perpetual subordinated bonds Additional Tier 1).

Temporary differences, tax loss carry forwards and unused tax deductions are recognised as deferred tax assets and/or deferred tax liabilities. These amounts are recognised at the tax rates that are expected to apply when the asset is realised or the liability is settled, taking into account the applicable tax legislation.

All tax assets are recognised under "Tax assets" in the balance sheet as current, for amounts related to the current tax for the year, or deferred, for amounts to be recovered in future reporting years. Deferred tax assets are only recognised when it is probable that they will be reversed in the foreseeable future and it is estimated that there will be sufficient taxable profit against which they can be used.

Similarly, tax liabilities are recognised in "Tax liabilities" in the balance sheet, also split into current and deferred. Current tax liabilities are recognised as the amount of tax payable and deferred tax liabilities as the amount expected to be paid in future periods.

Deferred tax liabilities are recognised for all taxable differences that affect future taxable income. Excluded from the above are cases where the taxable differences relate to temporary differences in subsidiaries and associated companies when the bank has control over the timing of the reversal and it is probable that they will not be reversed in the foreseeable future.

Net income distributed to Banco BPI by subsidiaries and associated companies, is not taxed in Banco BPI as a result of applying the regime established in article 51 of the Corporate Income Tax Code, which provides for the elimination of double taxation of distributed net income.

In addition, under Portuguese legislation, temporary differences associated with investments in associated companies where BPI's holding exceeds 10% and has been held for more than 1 year, fall under the Participation Exemption regime. However, in the case of Banco Comercial e de Investimentos, deferred tax liabilities are recognised for the taxation in Mozambique of all the distributable profits, in accordance with the Mozambican tax legislation.

To determine taxable profit (tax loss), tax bases, tax losses carried forward, tax credits and tax rates, BPI always takes as a basis the tax framework under the legislation in force and the interpretations and clarifications arising therefrom. All the assumptions used are those which, in BPI's opinion, best represent the correct application of the legal and accounting rules in force on the reporting date

The Bank applies IFRIC 23 (Interpretation no. 23 of the International Financial Reporting Interpretations Committee) in respect of the uncertainty over the income tax treatment to adopt. This uncertainty is reflected in the amount of income taxes recorded.

2.13. Tangible assets

Tangible assets include the amount of property, land, furniture, vehicles, IT equipment and other facilities owned for the Bank's own use and which are expected to be used during more than one economic year.

Tangible assets are generally stated at acquisition cost deducted from accumulated depreciation and any impairment losses determined by comparing the carrying amount of each item to its recoverable amount.

Depreciation is calculated using the straight-line method on the basis of the acquisition cost of the assets. Land is not depreciated since it is considered to have an indefinite life.

The depreciation charge of tangible assets is recognised under the “Depreciation and amortisation” caption of the income statement and is calculated basically using the depreciation rates set out in the table below, which are based on the years of estimated useful life of the various assets:

Useful life of tangible assets:

	Years of useful life
Buildings	20 to 50
Works in owned property	10 to 50
Works in leasehold property	Up to 10
Equipment	3 to 12
Other tangible assets	3 to 10

Upkeep and maintenance expenses are booked under “Other administrative expenses” in the income statement, when they are incurred.

2.14. Tangible assets

Intangible assets are identifiable non-monetary assets without physical substance acquired from third parties or developed internally.

The Bank recognises, in this caption, expenses relating to the development of software, as well as the cost of acquiring software, in both cases where the impact extends beyond the financial year in which the cost is incurred.

Intangible assets are amortised on a straight-line monthly basis over the estimated period of useful life of the assets which, in general, corresponds to a period of six years.

Computer software developed internally is recognised as an intangible asset when, among other requirements, it is capable of being used or sold, and it is identifiable and its ability to generate future economic benefits can be demonstrated.

Expenses incurred during the research phase are recognised directly in the income statement for the period in which they are incurred and cannot subsequently be capitalised.

The acquisition of software licences for the use of services that run in the cloud (Saas) and that are not owned by the Bank is recognised as an expense under General administrative expenses. At 31 December 2024 there were 26 contracts under these conditions.

2.15. Assets received in settlement of defaulting loans and non-current assets held for sale and discontinued operations (IFRS 5)

Assets received in settlement of defaulting loans and other assets

Non-current assets (property, equipment or other) received as total or partial settlement of debtors’ payment obligations in credit operations are recognised under "Non-current assets and disposal groups classified as held for sale" unless it has been decided to make continuing use of the assets.

Such assets are recorded at the legal or tax acquisition amount or the amount stated in the settlement agreement. Assets recovered following the resolution of lease contracts are recorded at the outstanding amount due not invoiced.

These assets are subject to regular valuations. Property valuations are carried out by independent appraisers selected from the pool of entities registered with the Securities Market Commission as “expert appraisers”, and seeking to ensure adequate diversification and rotation of appraisers.

Whenever it is necessary to recognise an impairment on Real Estate Assets, from the time it enters the portfolio classified as "Non-current assets held for sale" until its sale, the impairment is calculated as the difference between the property's carrying amount, which is the gross value on the balance sheet before reclassification to this portfolio, or its acquisition cost (if acquired at public auction), and the appraised value multiplied by a 95% coefficient (to cover marketing costs).

The independent external appraisals follow the principles defined in:

- IVSC – International Valuation Standards Council, in the International Valuation Standards publication;
- Bank of Portugal Notice 5/2006 (Valuation of Mortgaged Properties pledged as collateral for Mortgage Bond Loans);
- Regulation no. 575/2013/EU of the European Parliament and of the Council (prudential requirements);

using 3 appraisal methods described in the contracts entered into with the companies: market method, income method and Cost method.

For all appraisals not using the 3 appraisal methods, the expert appraiser must take into account the characteristics of the local market and the specific characteristics of the property being appraised. The appraisal value that will be adopted shall be the lower of those determined, as it is the more prudent in terms of guarantee.

In any case, the appraisal reports must contain an explanation of the methodological options, thus complying with Banco de Portugal's instructions.

On-site appraisal by independent external entities takes place according to Bank of Portugal Circular Letter 21 of 2023 – Real Estate:

- On the date the asset is booked in the Bank's balance sheet;
- Annually for all properties and whenever available information points to a possible substantial decrease in value.

After initial recognition, the Bank compares the asset's carrying amount with its estimated fair value. The fair value and the impairment allowances created for foreclosed real estate assets are determined in accordance with the appraisal value and the book value of the properties. The appraisal value is the lower of the following:

- On-site appraisal value;
- Sale value (if purchase/sale agreement concluded)

minus costs to sell, recognising any additional impairment or recoveries in the income statement (up to an amount equal to that of the previously recognised impairment losses). Impairment may be increased due to the time the property has remained in the Bank's portfolio. Impairment is increased according to the time the property has remained in the Bank's portfolio, pursuant to:

- The change imposed by the Bank of Portugal's Circular Letter No. 2024_50, for properties received through credit recovery;
- The Impairment Policy, for non-current properties held for sale.

Changes in impairment losses on a non-current asset classified as held for sale are recognised under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations". Unrealised capital gains on these assets are not recognised in the balance sheet or in the income statement.

On the date of sale, the capital gains or losses realised on these assets are recognised in the income statement under "Gains/(losses) on derecognition of non-financial assets, net".

The Bank's tangible assets that are no longer in use (unused property and equipment) and are in the process of being sold, are also booked under this caption. Such assets are transferred from tangible assets at book value (cost less accumulated depreciation and impairment losses) on the date they become available for sale and are subsequently revalued in the same manner as assets received in settlement of defaulting loans.

Non-current assets held for sale are not depreciated while remaining in this category.

2.16. Leases

Lease transactions in which the Bank acts as lessee involve the recognition of a Lease liability (at the present value of future payments) and a Right-of-use asset for the same amount at the inception date. It may also include payments made on or before inception date, direct initial costs, or decommissioning and rehabilitation costs. Right-of-use assets are recorded under the balance sheet heading Tangible assets, while right-of-use liabilities are recorded under the balance sheet heading Financial liabilities at amortised cost - other liabilities.

As an exception to the above, the Bank recognises lease payments for short-term leases (defined as leases with a term of twelve months or less at the commencement date) and leases where the leased asset is of low value (6,000 euros) as expenses.

The discount rate used is the implicit interest rate, and when this is not defined in the contract, is the interest rate that the lessee would have to pay to borrow, with a similar term and collateral, the funds required to obtain an asset of similar value to the right-of-use asset in a similar economic environment, referred to as the "additional financing rate".

To calculate this rate, the Bank took as a reference the cost of debt instruments, adding to the base market curve (swaps vs. 6M Euribor) the spreads on the covered and senior debt for BPI.

The term of these leases is determined according to the existing contractual clauses, which may include renewal or early termination options, and the commitments made by the Entity. With regard to open-ended contracts or contracts with automatic annual or six-monthly renewal, a 5-year term was assumed, based on BPI's strategic guidelines for the renewal of the existing lease contracts and taking into account the context of the Bank and the sector, from a perspective of business risk management and management of the fixed assets associated with the contracts.

Leasing operations in which the Bank acts as lessor are only entered into if the contractual clauses allow them to be classified as financial leases.

These operations substantially transfer all the risks and rewards incidental to ownership of the underlying leased asset to the lessee and imply the recognition of an Asset at amortised cost for the amount of the leased asset acquired at inception; the interest receivable is accrued over the term of the operation at the contractual rate; and these operations may include receipts and/or payments made at inception relating to commissions associated with the transaction that are deferred until its maturity in accordance with IFRS 9.

2.17. Provisions and contingent liabilities

Provisions cover present obligations at the date of preparation of the annual financial statements arising from past events which could give rise to a loss considered likely to occur; and is certain as to its nature but uncertain as to its amount and/or timing.

The financial statements include all the material provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Provisions are recognised on the liabilities side of the balance sheet.

Provisions, which are quantified based on the best information available on the consequences of the event giving rise to them and are re-estimated at the end of each reporting period, are used for specific expenditures for which the provision was originally recognised. Provisions are fully or partially reversed when the obligations cease to exist or are reduced.

When an obligation exists but an outflow of resources embodying economic benefits is not likely, the obligation is recognised as a contingent liability. Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes more probable than not that an outflow of future economic benefits will be required, a provision is recognised in the balance sheet.

Provisions, which may arise from legal proceedings, tax processes, or operational situations, are recorded in the balance sheet under the liability item "Provisions" (Note 20). Contingent liabilities are disclosed in the notes to the financial statements (Note 20).

2.18. Insurance and reinsurance intermediation services

Banco BPI is duly authorised by the Portuguese Insurance and Pension Funds Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões) to provide insurance intermediation services as a Tied Insurance Intermediary, pursuant to article 8, a), i) of Decree-Law no. 144 / 2006, of 31 July, and operates in the life and non-life insurance intermediation areas.

In the insurance intermediation services area, Banco BPI sells insurance contracts. As remuneration for its insurance intermediation services, Banco BPI receives commissions for brokering insurance contracts, which are defined in agreements/ protocols established between Banco BPI and the Insurance Companies.

Commissions received for insurance intermediation services are recognised on an accrual basis. Commissions received in a different period from that to which they relate are therefore recorded as receivables under “Other assets” as an offset against the caption “Commissions received - for insurance intermediation services”.

Banco BPI does not collect insurance premiums on behalf of Insurance Companies or receive or pay funds relating to insurance contracts. Thus, there are no other assets, liabilities, income or expenses to be recognised relating to the insurance intermediation services rendered by Banco BPI, other than those already referred to.

2.19. Statement of cash flows

The following terms are used in the presentation of the statement of cash flows:

- Cash and cash equivalents: include cash, cash and deposits at Central Banks and other Credit Institutions, very short-term applications in Credit Institutions and cheques for collection.
- Operating activities: the indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities of credit institutions and other activities that are not investing or financing activities. They include interest paid, interest received and dividends received.
- Investing activities: the acquisition, sale or other disposal of long-term assets, such as equity investments in subsidiaries and associates, acquisition of tangible and intangible assets and other strategic investments not included in operating activities.
- Financing activities: activities that result in changes in the medium and long-term financing activities of the Bank and which do not form part of operating activities, such as issuance of debt securities and subordinated debt, capital increases and dividend distributions.

3. RISK MANAGEMENT

Detailed information on risk governance, management and control, the internal control and organisational structure and respective responsibilities for risk control, the risk catalogue, risk culture and strategic events is provided in the Risk Chapter of the Management Report.

This chapter provides additional information on the regulatory context (as the framework for risk management) and on cross-cutting and financial risks.

3.1. Environment and risk factors

- **Regulatory Context**

The second half of 2024 was marked by the roll-out of initiatives taken in the previous year and/or underway in 2024, namely related to: (i) the maintenance and imposition of (restrictive) measures due to the continuing armed conflicts in different geographies, namely the Russian aggression against Ukraine, the Israeli-Palestinian conflict, and other conflicts in the Middle East and North Africa; (ii) European concerns with issues such as sustainability, and environmental, social and governance (ESG) factors, digitisation and technological innovation, cybersecurity and operational resilience, consumer protection, and information transparency; and (iii) the ongoing revision of the macro-prudential framework, with reforms approved and/or already implemented through the publication of structural legislation for the financial sector.

At the national level, 2024 saw the implementation of several initiatives with significant impact in areas such as housing, youth, health, migration and anti-corruption.

Of particular note is the implementation of a new set of measures to simplify and protect the right to housing, namely published in the following decree-laws: (i) Decree-Law No. 10/2024 of January 2024, which aims to simplify and expedite administrative procedures ("*Simplex Urbanístico*"), namely eliminating the obligation to present a use permit and building technical sheet in acts of transfer of ownership of urban buildings, increasing the number of urban planning operations considered to be of minor importance and thus exempt from licensing or prior notification, and eliminating the need for authorisation from the Assembly of Owners to change the use of units to housing purposes; (ii) Decree-Law No. 44/2024 of July 2024, which establishes the conditions under which the State may provide a personal guarantee to credit institutions to enable them to grant loans for permanent housing to young people up to the age of 35; (iii) Decree-Law No. 48-A/2024 of the same month, which exempts the purchase of permanent housing by young people up to the age of 35 from municipal property transfer tax (IMT) and stamp duty, by amending the IMT Code and the Stamp Duty Code; and (iv) Decree-Law No. 48-D/2024, also of July 2024, which provides for exemptions and reductions in the fees payable for the registration of the first purchase by young people aged 35 or under of a property intended as their own permanent residence and for the registration of the mortgage intended to secure the loan granted for that purchase.

On the tax front, Law No. 31/2024 was published in June, approving tax measures to boost the capital market, amending the Personal Income Tax Code, the Stamp Duty Code and the Tax Benefits Statute. In terms of social impact, the publication in August 2024 of Laws No. 3/2024 and No. 34/2024, which introduce changes to the Personal Income Tax Code, and Decree-Law No. 50-B/2024, which establishes an extraordinary pension supplement, are particularly noteworthy.

A 50 euros increase of the national minimum wage for 2025 was negotiated and formalised. This increase was the subject of the new Social Concertation Agreement signed by the government and the social partners, and progressive increases are also planned until 2028, when the minimum wage should reach 1,020 euros.

Hence from 1 January 2025, the minimum wage will be 870 euros in mainland Portugal, 850 euros in the Autonomous Region of Madeira and 861 euros in the Autonomous Region of the Azores.
The last quarter of 2024 also saw the promulgation by the President of the Republic of the draft State Budget for 2025, which includes, among other measures, the updating of personal income tax (IRS) brackets and the reduction of IRS rates, the extension of the youth IRS, the tax exemption of productivity bonuses and the updating of the minimum subsistence threshold.

Supervision

- June 2024 saw the publication of the following laws integrated in the EU Banking Package 2021: (i) Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (Capital Requirements Directive or CRD VI); and (ii) Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (Capital Requirements Regulation or CRR III).

- In November 2024, following the provisional agreement reached at the end of 2023, the Council adopted two acts revising the Solvency II framework, namely the proposed revision of the Solvency II Directive and the proposed Directive on the recovery and resolution of Insurance and Reinsurance undertakings.
- At national level, the following were published in June 2024: (i) Instruction No. 10/2024, repealing BoP Instruction No. 34/2018, which establishes the reporting of the exposure to interest rate risk resulting from activities not included in the trading book and the results of the standard shock assessed by the supervisor; and (ii) BoP Instruction No. 12/2024, repealing BoP Instruction No. 33/2018, which establishes that credit institutions and financial companies must report to the Bank of Portugal information on the characteristics of loan agreements regulated by Decree-Law No. 74-A/2017, the collateral and income of the borrower(s), and information on early repayments, whether full or partial, and about any renegotiations of these loan agreements.
- In September 2024, the Insurance and Pension Funds Supervisor (ASF) published Regulatory Standard No. 6/2024-R on the governance system of pension fund management companies.
- In October 2024, the BoP launched public consultation No. 6/2024, running until 31 December 2024, on draft regulations to amend Notice No. 3/2020 and Instruction No. 18/2020.
- In November 2024, the BoP published Circular Letter No. CC/2024/00000050 disclosing its supervisory expectations regarding the minimum level of prudential coverage based on the length of time properties acquired to repay own loans are held on the balance sheet.

Retail, Markets and Risks

- Of particular note is the publication in March 2024 of Regulation (EU) No. 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No. 260/2012 and (EU) No. 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro. The new Regulation aims to ensure that all Payment Services Users (PSUs) in the Union can issue payment orders and receive instant credit transfers in euro, establishing a common set of rules and requirements to implement this payment service. Banks and other Payment Services Providers (PSPs) will have to ensure that credit transfers are accessible and processed instantly.
- Also in March 2024, the pieces of legislation that make up the new MiFID Package, also known as MiFID II Quick Fix or MiFID III, were published, comprising the following: *(i)* Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments; and *(ii)* Regulation (EU) 2024/791 of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow.
- In June 2024 the Council agreed its position on the Retail Investment Strategy, and more specifically on the following: *(i)* the Proposal for a Directive amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the rules on the protection of retail investors in the Union ("Omnibus Directive"); and *(ii)* the Proposal for the Revision of the Regulation on Packaged Retail and Insurance-based Investment Products (PRIIPs).
- In November 2024, the legislation on the Listing Package included in the 2022 Banking Package was published, namely: *(i)* Regulation (EU) 2024/2809 of the European Parliament and of the Council of 23 October 2024 amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises; *(ii)* Directive (EU) 2024/2810 of the European Parliament and of the Council of 23 October 2024 on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility; and *(iii)* Directive (EU) 2024/2811 of the European Parliament and of the Council of 23 October 2024 amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC.
- December saw the publication of legislation on Derivatives Clearing, also as part of the 2022 Banking Package, including: *(i)* Regulation (EU) 2024/2987 of the European Parliament and of the Council of 27 November 2024 amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets; and *(ii)* Directive (EU) 2024/2994 of the European Parliament and of the Council of 27 November 2024 amending Directives 2009/65/EC, 2013/36/EU and (EU) 2019/2034 as regards the treatment of concentration risk arising from exposures towards central counterparties and of counterparty risk in centrally cleared derivative transactions.
- In Portugal, the following were published in October 2024: *(i)* BoP Circular Letter No. CC/2024/00000033, which discloses the understandings and good practices to be followed in the prevention and settlement of loan agreement defaults; and *(ii)* BoP Circular Letter No. CC/2024/00000035, which discloses supervisory expectations regarding policies and procedures for identifying and labelling debtors in financial distress and loans restructured due to individual financial distress. In December 2024, BoP Instruction No. 19/2024 was published, which determines the calculation and periodic disclosure of the caps on the annual percentage rate of charge ('APR') to be applied in loan agreements with consumers.

Prevention of Money Laundering and Terrorist Financing (AML/TF):

- In June 2024, the Council adopted the Proposal for a Directive on the fight against corruption (‘Anti-Corruption Directive’), replacing Council Framework Decision 2003/568/JHA and the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and amending Directive (EU) 2017/1371 of the European Parliament and of the Council.

- The same month also saw the publication of the AML/CFT package, which aims to establish new anti-money laundering rules to protect EU citizens and the EU financial system against money laundering and terrorist financing. This package consists of: *(i)* Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 (“*European Regulation on the European Supervisor*”); *(ii)* Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Single Rule Book); and *(iii)* Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (Anti-Money Laundering Directive or AMLD6). May 2024 also saw the publication of Directive (EU) 2024/1654 of the European Parliament and of the Council of 31 May 2024 amending Directive (EU) 2019/1153 as regards access by competent authorities to centralised bank account registries through the interconnection system and technical measures to facilitate the use of transaction records, was also published in June.

- At the national level, the new National Anti-Corruption Mechanism (MENAC) published Recommendations and Guidelines to promote and control the implementation by the institutions of the General System for the Prevention of Corruption (RGPC), approved by Decree-Law 109-E/2021 of 9 December, while at the same time operationalising the RGPC Platform, an instrument provided for by the law and essential to bring the entities covered by the RGPC and MENAC closer together in a faster and more efficient manner.

- In June 2024 the following were published: *(i)* BoP Notice no. 3/2024, which amends BoP Notice no. 1/2022, setting the deadline for the submission of the Money Laundering Prevention Report (MPR) at 31 March.; and *(ii)* BoP Instruction No. 8/2024, which establishes the information items to be reported annually to the Bank of Portugal by financial entities subject to its supervision on the prevention of money laundering and terrorist financing ("ML/TF"), the corresponding model and the other conditions for submission, revoking BoP Instructions No. 5/2019 and No. 6/2020.

- In September 2024, BoP Circular Letter No. CC/2024/00000025 was published, compiling the information on the use of the services provided in the "MLTF prevention" area of the BPnet system for the pursuit of specific purposes related to the prevention of money laundering and terrorist financing.

- BoP Circular Letter No. CC/2024/00000052, also published in December 2024, recalls the requirements applying to the updating procedures provided for in Article 40 of Law No. 83/2017 of 18 August, and divulges other aspects intended to assist supervised entities in the definition of the conduct to be adopted for the prevention of money laundering and terrorist financing, namely when it is not possible to update the identification data of clients, their representatives and beneficial owners.

- In the same month, the Insurance and Pension Funds Supervisor (ASF) published Regulatory Standard No. 10/2024-R, which regulates Law No. 83/2017 of 18 August for entities subject to the supervision of the ASF.

Sustainable Finance and Environmental, Social and Governance (ESG) Factors:

- In May 2024, Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings was published. This Directive promotes the improvement of energy performance and the reduction of greenhouse gas emissions from buildings in the EU. In relation to financial institutions, Member States should, among others, encourage the mobilisation of investment, promote the development and effective use of green financial and financing instruments, and promote credit products for the renovation of buildings with a focus on energy efficiency.

- As part of the Commission's 2024 Work Programme, Directive (EU) 2024/1306 of the European Parliament and of the Council of 29 April 2024 amending Directive 2013/34/EU as regards the time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings was published in May 2024. This Directive amends the deadlines for the adoption of sustainability reporting standards by certain sectors and companies in third countries.

- June saw the publication of Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (the Corporate Sustainability Due Diligence Directive or CSDDD or CS3D).

- Also in July 2024, the ECB launched a public consultation on the Guide on governance and risk culture, which ran until October 2024.

- Regulation (EU) 2024/3005 of the European Parliament and of the Council on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, and amending Regulations (EU) 2019/2088 and (EU) 2023/2859 was published in December 2024, as part of the Sustainable Finance Package.

In the digital, operational resilience, technological innovation, data protection and payment services area:

- In the field of cybersecurity, the following are waiting signature: *(i)* the Proposed Regulation establishing measures to strengthen the Union's solidarity and capabilities to detect, prepare for and respond to cybersecurity threats and incidents (the Cyber Solidarity Act); and *(ii)* the Proposed Regulation amending Regulation (EU) 2019/881 as regards managed security services.
- Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (eIDAS): the Regulation is intended to achieve a shift from the reliance on national digital identity solutions only, to the provision of electronic attestations of attributes valid and legally recognised across the Union. The European Digital Identity Wallet will provide natural and legal persons across the Union with a harmonised electronic identification means enabling authentication and the sharing of data linked to their identity. In December 2024, several pieces of legislation were published containing implementing rules, in particular on the integrity and essential functionalities of the European digital identity wallets and on the protocols and interfaces to be supported by the European Digital Identity Scheme.
- June 2024 saw the publication of Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act). On this subject, the European Commission launched several public consultations, namely in July 2024, on the General-Purpose AI Code of Practice, and in November 2024, on the prohibitions of the Artificial Intelligence Regulation and the definition of the AI system.
- Also in July 2024, the ECB completed a stress test focused on cyber resilience, in which BPI participated through its sole shareholder, CaixaBank.
- In order to strengthen the digital resilience of the financial sector and prepare for the proper implementation of the Digital Operational Resilience Act (DORA), applicable from January 2025, several public consultations were launched, notably by the European Supervisory Authorities (ESAs), and several legislative acts were published.
- The topic of crypto-assets has also seen developments, with technical standards and Guidelines being published, notably by the ESAs, in line with the provisions of the Regulation on Markets in Crypto-Assets (MiCA).
- With regard to the Financial Data Access and Payments Package, the European Council or Parliament positions are awaited regarding the following: *(i)* the Proposed Revision of the Payment Services Directive (PSD3); *(ii)* the Proposal for a Payment Services Regulation (PSR); and *(iii)* the Proposal for a Regulation on a framework for access to financial data (Financial Data Access Regulation or FIDAR).
- The final version of the European Data Protection Board's (EDPB) Guidelines 2/2023 on the Technical Scope of Art. 5(3) of the ePrivacy Directive was published in October 2024.
- Regulation (EU) 2024/2847 of the European Parliament and of the Council of 23 October 2024 on horizontal cybersecurity requirements for products with digital elements and amending Regulations (EU) No 168/2013 and (EU) 2019/1020 and Directive (EU) 2020/1828 (Cyber Resilience Act), was published in November 2024.
- In December 2024, the EDPB adopted an Opinion on the use of personal data for the development and deployment of Artificial Intelligence (AI) models.
- In Portugal, under the aegis of digitalisation, which is having an increasing impact on the various spheres of citizens' lives, and in particular on payment systems, the Bank of Portugal (BoP) launched two services in May 2024 to make payments safer and more convenient: *(i)* one, for payment service providers, which allows individuals and companies to confirm the beneficiary/debtor of credit transfers, instant transfers and direct debits; and *(ii)* another, called SPIN, which allows using the recipient's mobile phone number or corporate VAT number instead of the IBAN to initiate credit transfers and instant transfers, making these operations easier.
- The publication of several laws aimed at achieving digitisation in the justice system is worth mentioning: *(i)* Law No. 18/2024, of 5 February, regulates access to metadata related to electronic communications for the purposes of criminal investigation and prosecution, amending Law No. 32/2008 of 17 July transposing into national law Directive 2006/24/EC of the European Parliament and of the Council of 15 March 2006 on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks and amending Directive 2002/58/EC, and bringing it into line with Constitutional Court judgements No. 268/2022 and No. 800/2023 and the Law on the Organisation of the Judicial System; *(ii)* Order No. 266/2024/1, of 15 October, which extends the rules on electronic processing to cases and proceedings before the Public Prosecutor's Office; *(iii)* Decree-Law No. 87/2024 of 7 November, which regulates electronic court service for natural and legal persons, establishing that legal

persons are as a rule served by electronic means; and *(iv)* Decree-Law No. 91/2024 of 22 November, which regulates electronic court service on companies and individuals.

- In September 2024 saw the publication of Regulatory Standard No. 7/2024-R on the security and governance of information and communication technologies and the outsourcing to cloud computing service providers in the context of pension fund management.
- Decree-Law No. 72/2024, published in October 2024, amends for the third time Decree-Law No. 3/2010 of 5 January 2010, which prohibits charges for payment services and ATM transactions.
- ASF Regulatory Standard No. 9/2024-R on the reporting of serious ICT-related incidents was also published in October 2024.
- In November 2024 the following were published: *(i)* BoP Notice No. 4/2024, which establishes the obligation to identify the final beneficiary in transactions using payment references and in direct debits; and *(ii)* BoP Circular Letter No. CC/2024/00000051, which sets out the obligations relating to the provision of immediate transfers in euros.
- ASF Regulatory Standard No. 12/2024-R on the right to be forgotten and the prohibition of discriminatory practices was approved in December 2024.

In the fiscal area:

- In May 2024, the Council reached agreement on the Proposal for a Directive on faster and safer exemption from, or reduction of, excess taxes withheld at source (Faster and Safer Tax Excess Relief or FASTER).
- The following are pending a final decision: *(i)* with a view to the Simplification of Withholding Tax Procedures, the Proposal for a Directive on Faster and Safer Tax Excess Relief (FASTER); *(ii)* under the Income Tax Framework (Business in Europe): Framework for Income Taxation or (BEFIT), the Proposal for a Directive on Transfer Pricing; and (iii) as regards the Head Office Tax scheme for SMEs (HOT), the Proposal for a Directive on tax simplification for SMEs.
- In Portugal, Law No. 41/2024 was published in November 2024, among other legislation with tax implications already referred to, transposing into national law Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

Other:

- In July 2024, Decree-Law No. 48/2024 was published, limiting the situations in which the right of retention takes precedence over the mortgage.
- In the same month, BoP Circular No. CC/2024/00000023 was published, informing of the framework and operationalisation of the service for the banking system to disseminate information on situations of loss, theft, robbery, forgery, counterfeiting and illegal use of personal identification documents, through the Electronic Platform for Registration and Transmission of Documents (PERTO), an electronic solution made available for this purpose on the Banking Customer Portal.
- In December 2024, the Bank of Portugal published Notice No. 5/2024, establishing the principles and rules to be followed in the advertising of financial products and services subject to supervision by the BoP, in the advertising of the activity and in institutional advertising, and repealing BoP Notice No. 10/2008 of 22 December.

3.2. Transversal Risks

The transversal risks of the Risk Catalogue - business profitability risk, capital and solvency risk, reputational risk and model risk - are described below.

3.2.1 Risk to business profitability

The risk to business profitability concerns the possibility of obtaining lower earnings than those expected by the shareholder, or targeted by BPI, which ultimately may lead to not achieving sustainable profitability above the cost of capital.

BPI's profitability objectives, backed by a process of financial planning, are defined in the strategic plan and in the budget.

The Group has a corporate policy for business profitability risk. The strategy for managing this risk is integrated with the capital and liquidity management strategy, and is supported by the risk strategic processes (Risks Catalogue, Risk Assessment, RAF).

3.2.2. Capital adequacy and solvency risk

BPI has set the objective of maintaining a medium-low risk profile and a solid capital position. The adequate level of capital to cover unexpected losses is measured under two different approaches: regulatory capital and economic capital.

The regulatory capital of financial entities is determined under Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council, which provide the global supervision framework and prudential rules with regard to Solvency, known as Basel III (BIS III), and it corresponds to the metric i) required by the regulators and ii) used by analysts and investors for purposes of comparative analysis of financial entities. Subsequently, the Basel Committee and other relevant bodies published additional rules and documents, containing new specifications for the calculation of own funds. In view of the permanent evolution of the regulatory framework, the Bank continually adapts its processes and systems in order to ensure that the calculation of minimum capital requirements is permanently aligned to the new requirements.

As a complement to the assessment of capital adequacy relative to the risk-weighted assets on a regulatory basis, BPI measures the adequacy of its available own funds relative to its economic needs, this being the metric used to:

- the self-assessment of capital, which is subject to presentation to and review by the Bank's relevant bodies;
- update the implicit P2R, as a control and monitoring tool;
- calculating the Risk Adjusted Return (RAR) and pricing adjusted return.

In contrast with regulatory capital, economic capital always requires an internal estimate, which the Entity adjusts according to its level of tolerance to risk, volume, and type of business activity. Hence, economic capital complements the regulatory vision of solvency to provide a closer view of the real profile of risk taken by the Bank, and to capture risks not considered, or only partially considered, in the regulatory requirements. In addition to the risks already contemplated under Pillar I (credit, market, and operational risks), others are also included in the catalogue of risks (namely structural interest rate risk, liquidity risk, business risk, actuarial risk, etc.). To manage these risks, the Group uses the same confidence level as that used for calculations under Pillar I - a 99.9% confidence level, in accordance with the Basel III definition.

With regard to the calculation of regulatory capital requirements for credit risk, as a result of the regulator's authorisation for Banco BPI to use advanced approaches for the mortgage loan portfolio, as from the December 2022 position, its risk-weighted assets already reflect the adoption of this methodology.

In addition, the regimes provided for under Directive 2014/59/EU (BRRD) and Regulation 806/2014/EU (SRM) of the European Parliament and of the Council establish the rules for the recovery and resolution of credit institutions and investment firms, requiring that banks have a minimum level of eligible own funds and liabilities (MREL). With the revision of these regulations, the MREL requirement is now expressed as a percentage of risk-weighted assets and of the exposure considered for calculating the leverage ratio.

3.2.3 Reputational risk

Reputational risk is the risk of potential economic loss or lower revenue for the Bank as a result of events that negatively affect stakeholders' perception of BPI.

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. The indicators are weighted according to their strategic importance and are grouped in a balanced reputation scorecard that enables a Global Reputation Index (GRI) to be obtained. This metric permits to monitor the perception of the different stakeholders concerning the institution on a semi-annual and annual basis, to make comparisons with the competition, and to define the tolerance ranges in accordance with the Bank's risk appetite, thus enabling a more effective management of reputation.

The management, monitoring and control of reputation risk is framed in the Reputational Risk Management Policy.

3.2.4 Model risk

The Model Risk Management Policy defines model risk as the potential adverse consequences to the organisation of decisions based primarily on the results of internal models due to errors in the construction, application or use of those models.

In particular, the sub-risks identified under model risk that are subject to management and control are as follows:

- Methodological risk: errors in model building due to the methodology used (choice of methodology, accuracy of assumptions made, stability or sensitivity and performance results) or model obsolescence;
- Risk of integration into management: inadequate use of the model and of the reporting of its results.
- Technology implementation risk: insufficient or defective quality and robustness of information and defects in the implementation of the model in systems.

- Replicability risk: defects or deficiencies in the documentation associated with the model that make replication or traceability impossible.

In order to follow the Model Risk Global Strategy, the model risk management function performs active management based on the three classic pillars of risk management:

- Identification of the Model Risk, using the Inventory of Models as a key element to set the scope of the models. In order to manage model risk, it is necessary to identify the existing models, their quality and the use made of them in the Bank. A single register of models is needed that unifies the concept of a model and defines a homogeneous taxonomy that includes, among other attributes, their relevance and their assessment.
- Model Governance, which addresses key aspects such as:
  - The identification of the most relevant phases in a model's life cycle, and the definition of functions and minimum standards to carry out these activities.
  - The concept of tier-based management, or, in other words, the way in which the models' control framework can be modulated according to the relevance of the model, in general terms. This attribute will determine the model's control environment, such as the type and frequency of validation, the type and frequency of model monitoring, the body that must approve the use of the model, the level of internal supervision or the level of senior management involvement.
  - The governance and management of changes to the models from a transversal perspective, offering different model owners the necessary flexibility and agility to change affected models in line with the most suitable governance in each case.
  - The definition of Internal Validation standards that guarantee the adequate application of controls for an independent unit to assess a model.
- Monitoring, using a control framework with a preemptive approach to Model Risk, which makes it possible to keep the risk within the parameters laid down in the Entity's Risk Appetite Framework, by regularly calculating appetite metrics and other indicators specific to model risk.

Banco BPI has been progressively implementing Model Risk since November 2020, when model risk was raised to level 1 in the Risks Catalogue, and the following activities were carried out in 2024:

- Implementation of the Gamma tool for model inventory management;
- Expansion of the Model Risk perimeter with the inclusion of new models and new owners;
- Revision of the calculation process for model risk monitoring indicators (KPI) and periodic reporting;
- Revision of RAF N1 metrics for model risk monitoring.
- Revision of RAF N2 metrics for model risk monitoring;
- Quantification of capital to be assigned to Model Risk.

In 2025, there are plans to evolve the Model Risk function's activities with respect to the management of Model Risk, namely through the following:

- Expansion of the range of models to be included in the models inventory.
- Enhancements to Model Risk management in line with the new Artificial Intelligence Regulation and industry best practice.

Enhancement of the model risk management tool, ensuring its suitability to the areas involved and to the Model Risk Function itself.

3.3 Risks of financial activity

The financial risks of the Risk Catalogue - credit risk, structural rates risk, liquidity and funding risk, and market risk - are described below.

3.3.1 Credit risk

Overview

BPI shares with the CaixaBank Group the principles and policies that support credit risk management, which may be summarised as follows:

- An adequate relationship between income and the commitments assumed by the consumers.
- Documentary proof of the information provided by the borrower concerning its solvency.
- Adequate pre-contractual information about the personal circumstances and characteristics of each Customer and operation.

- Adequate independent assessment of real estate collateral.
- Ensuring compliance with the legal requirements set by supervisors for the design of loans.

Concerning BPI's commercial activity, the Bank gears its lending activity towards meeting the financing needs of families (consumer and residential mortgage loans) and businesses, seeking to maintain a medium-low risk profile, as established in the RAF and Strategic Plan.

At 31 December 2024 and 2023 the maximum exposures to credit risk on the balance sheet, including counterparty risk, was as follows:

	31-12-2024		31-12-2023	
	Maximum exposure to credit risk	Impairment	Maximum exposure to credit risk	Impairment
Cash balances in other Credit Institutions[1]	88 017		72 651	
Financial assets held for trading				
Debt securities			4 238	
Non-trading financial assets mandatorily at fair value through profit or loss				
Debt securities	50		47	
Financial assets at fair value through other comprehensive income				
Debt securities	940 557		784 166	
Financial assets at amortised cost				
Debt securities	8 086 005	(15 651)	7 338 840	(19 356)
Loans and advances - Central Banks and other Credit Institutions	897 382	(12)	1 260 947	(132)
Loans and advances - Customers	26 866 981	(488 869)	26 476 349	(515 947)
Trading derivatives and hedge accounting[2]	162 440		106 908	
Total active exposure	37 041 432	(504 532)	36 044 146	(535 435)
Total guarantees given and commitments[3]	6 716 193	(9 796)	6 095 645	(11 757)
Total	43 757 625	(514 328)	42 139 791	(547 192)

[1] Does not include cash and cash balances in Central Banks.

[2] The maximum exposure to credit risk for derivatives is the exposure value according to the mark-to-market method, it does not reflect the netting carried out for the book values. As of 31 December 2024 and 2023, the value of the adjustment for counterparty credit risk (Credit Valuation Adjustment) associated with the derivatives portfolio is (1 328) th.euros and (1 169) th.euros, respectively.

[3] CCF – Credit Conversion Factor for guarantees given and credit commitments. At 31 December 2024 and 2023, total guarantees and commitments, considering the respective CCF, were 5 097 Me. and 4 625 Me. respectively.

The maximum exposure to credit risk is the gross book value, except for derivatives where it is the amount of exposure under the Standardised Approach for Counterparty Credit Risk (SA-CCR, which corresponds to the sum of the replacement cost and the potential future exposure over which the scalar factor α of 1.4 is applied:

- Replacement cost: the highest value between zero and the market value of an operation or of a portfolio of operations with a counterparty which can be offset in the event of default by the counterparty, assuming that all transactions were immediately closed and including collateral transferred.
- Potential future exposure: estimate in the credit exposure as a result of future changes in the price of an operation or in the valuation of operations that can be offset with a counterparty, calculated according to article 278º of the Regulation no. 575/2013.

Credit risk cycle

Credit risk management at BPI covers the entire life of the transactions. The process is designed to follow best market practices and is aligned with CaixaBank and the regulators' recommendations.

Loan approval and granting

The credit risk-taking process is based on the collection of information, intended to assess the Customer's reimbursement capacity, without resorting to collateral. It involves the assessment of aspects such as knowledge about the Customer, the industry sector in which it operates, its income and revenues, its total liabilities in the financial system, the experience gained in similar operations and the purpose and other characteristics of the operations. To this end, the credit risk-taking process involves a delegation of powers, according to the characteristics of the operations and the clients, in order to strengthen the approval in circumstances where the level of risk could be higher. The definition of the level responsible for the approval of operations essentially depends on four elements:

- Amount – the contracted and potential exposure of the Customer or risk group;
- Guarantee – comprises the set of collaterals required to provide for additional situations of risk of default;
- Specific risk policies – set of Policies that establish specific risk-taking criteria, such as restructurings, incidents, indications of financial distress (IFD), rejection boundaries, leveraged transactions, real estate development, related parties, major risks, etc.
- Term – the operation's intended maturity, depending on the intended purpose.

Naturally the risk-taking policies and criteria are regularly reviewed and adjusted as necessary in light of the context and of the evolution of credit risk and the experience acquired.

Credit risk-taking at Banco BPI is independent from the business areas, with the Credit Division (CRD) being essentially responsible for the analysis and granting of loans.

The CRD is organised into specialised teams according to the segment of each operation / customer:

- **Individuals** - mortgage and consumer loan risk centres;
- **Entrepreneurs, Small Businesses and Private Banking** - exposure to individual entrepreneurs, individuals for business purposes, private banking Clients, micro-companies, small companies, and Parish Councils;
- **Medium-sized companies;**
- **Large Companies Clients and Institutional Banking,** which includes Risk Centres specialising in exposure to:
    - Large and Medium-sized Enterprises (excluding companies or economic groups covered by the Sector-Specific risk centres);
    - Financial entities, insurers (except non-life), and other Institutions;
    - Sovereign and country risks;
    - Sovereigns/Institutionals.
- **Industry sector specialisation and structured finance** - risk centres specialising in agriculture, tourism, hotels and real estate, and structured finance;
- **Sustainability** - area responsible for control of environmental risk.

The CRD Risk Centres are centralised in Lisbon and Porto. For the Small Businesses, Private Banking, Medium-sized Companies and Large Companies segments, the Clients monitored by each Risk Centre are distributed by regions, in line with the organisation of the Bank's commercial structure.

This organisation ensures independence and at the same time close proximity with the specific dynamics of the regions, industry sectors and Clients, which is achieved through annually scheduled meetings with the commercial areas (which include training on credit risk issues) and with the Clients

The analysis of the Customer risk and the approval of the loan is based on the risk rating of each counterparty/loan taking into account the following:

- The probability of default by counterparties and guarantors for the maturities in question;
- The loss in case of default, taking into account the existence of mortgage collateral in transactions with individual clients;
- The global value of the exposure in case of default, taking into account all on- and off-balance sheet transactions with the counterparty;
- An historical and forward-looking analysis of the Client to assess its capacity to generate sufficient funds for the timely service of the debt;
- The Clients global indebtedness to Banco BPI and in the financial system.

The most important body with delegated credit decision powers is the Credit Board and the Permanent Credit Committee (PCC). The Board of Directors (BD) also delegates powers to the Executive Committee of the Board of Directors (ECBD). This scheme ensures the approval of the largest exposures at the highest level of the organisation.

The delegation of decision powers for lower exposures is parametrised according to the global value of the exposure of the Customer in question, and also depends on the credit rating, the existence of incidents and instances of default, and the individual value of the transactions and respective maturity. These powers are concentrated in the CRD.

Credit management, except for individual clients, is always undertaken from the perspective of Exposure Limits. These reflect a critical analysis of the Client's reimbursement capacity and the maximum credit involvement which, bearing in mind the commercial area’s proposed credit relationship, Banco BPI deems acceptable to have with that Client, always based on prudent risk criteria.

The credit workflow is supported, from origination to contracting, by an analysis and decision software application that concentrates, all the information about the Client, the proposal, the analysis and the decisions of the competent bodies. The decision level is automatically established in accordance with each specific proposal by means of an algorithm that factors in the approval rules in force.

Exposure Limits are approved or renewed for a maximum period of one year. The Credit Risk Division is thus, whenever applicable, called in to assess the exposure to each Client at least once a year, while at the same time the Bank has in place monitoring tools and early warnings of a deterioration in the risk of Customers or transactions, for example as a result of the downgrading of the credit rating, which, among others, may trigger a revision of the Exposure Limit.

This ensures an integrated vision of the relationship with the Client and the centralisation in the credit risk decision of the various factors - counterparty, amount, duration and guarantees for each category (of credit risk products considered homogeneous) and for special operations (which, on account of their specific characteristics, are not included in these categories, namely medium-and long term operations).

Moreover, this permits maximum flexibility and speed by the Commercial Divisions in the implementation of the operations throughout the duration of the Exposure Limit.

The pricing of the transactions is the responsibility of the Commercial Divisions, which for the purpose use tools that measure the Risk Adjusted Return (RAR) for each Client and transaction, bearing in mind market conditions

Risk mitigation

Lending is always based on the assessment of the Client's capacity to generate sufficient funds for the timely service of the debt, and on a risk-adjusted pricing policy. The requirement of personal or real guarantees, as a risk mitigator, is always considered at the time of granting a loan. In the decision to require guarantees, several factors are weighted, namely Risk rating, and the nature and term of the operations. The term in particular is one of the more sensitive factors due to the uncertainty it entails, which is why medium and long-term transactions usually have associated real guarantees.

Banco BPI receives, among others, the following collateral within the scope of its loan granting business:

- Mortgages on own housing;
- Other real estate mortgages;
- Deposit of assets;
- Pledge of securities;
- Guarantees provided by other credit institutions or within the scope of public lines of support to the economy.

The rules on the acceptance of guarantees, control of their formalisation, and monitoring of their value during the transaction's lifetime, through regular evaluations and their release are set out in specific internal regulations.

The guarantees foreseen in the internal regulations are those typified in the law, the most usual being personal guarantees (of individuals or companies) by endorsement or security, and in the case of real guarantees, the mortgage, the pledge of assets and the financial pledge. Financial instruments such as derivatives or repos are covered by standard agreements that establish the daily exchange of collaterals, guaranteeing coverage of the counterparty risk.

All guarantees are recorded in a dedicated software application. The funds are only made available to the Client after or upon verification of the guarantees provided.

The classification by stage of loans to Customers and associated guarantees is as follows:

	31-12-2024			31-12-2023		
	Gross amount	**Allowance for Impairment loss**	**Guarantees[1]**	**Gross amount**	**Allowance for Impairment loss**	**Guarantees[1]**
Stage 1:	**24 509 484**	**(78 939)**	**14 750 506**	**23 754 643**	**(78 725)**	**13 560 008**
No associated collateral	7 579 583	(53 797)		7 882 152	(50 004)	
With real estate collateral	15 960 841	(18 577)	14 570 906	14 818 071	(24 051)	13 338 419
With other collateral	969 060	(6 565)	179 600	1 054 420	(4 670)	221 589
Stage 2:	**1 776 194**	**(107 105)**	**1 177 712**	**2 133 934**	**(106 062)**	**1 494 424**
No associated collateral	369 496	(72 505)		374 780	(55 091)	
With real estate collateral	1 297 864	(25 600)	1 165 432	1 649 071	(43 734)	1 480 197
With other collateral	108 834	(9 000)	12 280	110 083	(7 237)	14 227
Stage 3:	**522 903**	**(302 194)**	**141 169**	**534 371**	**(329 318)**	**116 900**
No associated collateral	196 676	(122 782)		192 706	(123 645)	
With real estate collateral	247 135	(101 596)	140 250	253 495	(134 158)	114 393
With other collateral	79 092	(77 816)	919	88 170	(71 515)	2 507
	26 808 581	**(488 238)**	**16 069 387**	**26 422 948**	**(514 105)**	**15 171 332**

[1] The value of the guarantee is the lower of the value of the guarantee received and the value of the loan net of impairments.

Note: Does not include advances.

Monitoring and measurement of credit risk

The purpose of the monitoring process is to assess the quality of the risk taken in lending operations to a borrower and to decide on any actions that need to be taken, including the estimation of impairment. The targets of risk monitoring are borrowers that bear credit risk, with the results being set as a reference for any changes to the future lending policy or any other policy.

The monitoring of exposures is mainly performed according to the exposure and the risk level of the operations/borrowers, being segregated into different areas in accordance with the analysis methodology.

1. Customised monitoring process

The customised monitoring procedures are applied in portfolios with material risk exposures and/or which have specific characteristics. These procedures consist of drafting regular reports on the borrowers' economic groups with the aim of assessing the existence of objective evidence of impairment and/or a significant increase in credit risk (SICR) since the initial recognition. All Groups with exposure above 2.5 million euros, as well as those with exposure between 1 and 2.5 million euros, which also have active risk triggers, are subject to individual analysis.

The triggers of a significant increase in credit risk (SICR) and/or default of individually analysed Customers are grouped into the following categories:

- Financial difficulties of the issuer or debtor (rating deterioration, financial status deterioration, defaults registered in the Banco de Portugal's Central Credit Register, lawsuits brought by third parties, etc.);
- Breach of contract clauses, non-payments or delays in the payment of interest or principal on loans contracted with the Bank;
- Restructuring or expected restructuring of the debtor's exposures due to risk deterioration;
- Other indicators identified in specific Clients through the monitoring of their activity.

Whenever Clients with objective evidence of impairment and/or a significant increase in credit risk since the initial recognition are identified, a specific impairment is established (Individual Impairment). For Clients classified as in default, individual impairment is determined on a going concern, gone concern or mixed scenario basis, depending on the expectations of recovery for each borrower.

Monitoring by individual analysis is in principle carried out with a periodicity between 12 and 18 months for each Group, in accordance with the Policies currently in force. In addition, there is a system of alerts for this universe of clients, based on the risk rating, economic-financial data and other indicators, which allows a customised analysis to be made in advance if the classification of the loans is not the most appropriate. Finally, there are also mechanisms for monitoring the main exposures through active risk indicators, which is carried out in the existing Governing Bodies for these matters.

2. Retail portfolios' process

Portfolios are monitored to assess the risk indicators of the existing contract or portfolio. The aim of this follow-up is to identify the need for improvement of existing onboarding procedures and criteria, as well as to identify potential risks on the rise that need to be quantified and monitored using specific procedures.

3. Quantification and classification of credit risk

Credit risk parameters

Risk measurement is based on the segmentation of risk and on the factors associated with the calculation of the expected loss:

- **Exposure**: Exposure at default (EAD) provides an estimate of the outstanding debt in the event of default. This measurement is significant for financial instruments with a repayment structure that varies according to customer drawdowns (credit accounts, credit cards and, in general, any revolving credit product).

The estimate is based on the observation of historical data for defaulting borrowers, comparing the drawdown levels between the time of default and during the 12 preceding months. This permits to estimate future drawdown levels according to product type, current drawdown levels and credit ceilings.

- **Probability of default:** the Bank uses management tools covering virtually all its loan portfolios and main risk segments to help predict the probability of default (PD) associated with each borrower.

These tools are an integral part of the credit granting and monitoring process, having been developed and calibrated in accordance with the Bank's past experience of defaults.

- Product-oriented tools are used mainly within the scope of authorisation of new loans to individuals and take account the debtor's characteristics, information on the relationship with the Customer, internal and external warnings, and the specific characteristics of the transaction - Admission Scoring.
- The monitoring tools for lending operations to individual Customers are Client-oriented, taking into account relationship variables with the Bank and with the financial system - Behavioural Scoring.

The scoring of transactions with individual Clients is updated on a monthly basis in order to keep the credit rating up-to-date.

Rating tools for companies and small businesses vary considerably depending on the risk segment. Particularly in the case of SMEs, BPI has a risk rating model that determines the rating automatically, based on behavioural data from BPI and the Banking System, financial data, and qualitative information that is available. These ratings are updated whenever any of this information changes.

For large companies, the Bank uses models that seek to replicate the ratings assigned by rating agencies and require the expert criteria of rating analysts. In view of the lack of sufficient statistical frequency of internal default delinquency in this segment, the models were built in line with S&P's methodology. The ratings determined on the basis of this model have a maximum validity of one year, and may be reviewed at shorter intervals if any increased risk factor is identified

- **Loss given default:** LGD is the percentage of debt that cannot be recovered in the event of default by the Client.

LGD is calculated based on internal historical information, taking into account the cash flows associated with contracts from the moment of default until the default has been corrected or until there cease to exist any relevant expectations of recovery. This calculation also includes estimates of loan recovery costs.

4. Determination of accounting classification

The accounting classification of operations with credit risk into the different IFRS 9 Stages is established according to whether there has been a significant increase in credit risk since the operation's initial recognition, and/or whether a default event has occurred.

A significant increase in credit risk, and consequent classification of the transaction in Stage 2, is deemed to have occurred, when there are indications of difficulties or weaknesses that could justify an expectation of significantly higher losses than at the time the credit was granted.

In the case of individually significant Clients (Single Names) the classification in Stage 2 (or 3) results from a case-by-case analysis of their financial situation, as part of the credit monitoring process of these Clients or groups of Clients.

This process involves the ongoing assessment of evidence or indications of a deterioration in credit risk, namely a significant increase in risk since initial recognition. The monitoring process and corresponding staging of the operations is supported by a set of triggers associated to the Client or the transaction, which may represent indications of a deterioration of the asset. The analysts should value these indications and, on this basis, classify or not the operations in Stage 2 or 3.

Save in duly justified situations, the following operations are classified in Stage 2: i) Credit operations restructured due to financial difficulties, but not classified as in default (Stage 3); (ii) Operations with material arrears of more than 30 days; (iii) Operations with a significant increase in the PD; iv) Operations with Clients with significant arrears communicated through Banco de Portugal's Central Credit Register; v) Operations with Clients in watchlist or showing a series of early warning signals permitting to perceive a significant increase in credit risk.

Operations that no longer meet the conditions for classification in Stage 2 are reclassified to Stage 1.

An event of default is considered to have occurred (leading to the classification of the Client exposure in Stage 3) when there are significant amounts overdue and unsettled for more than 90 days.

In addition to the criterion for reclassification referred above, the following operations are classified in Stage 3: i) of Clients in litigation with the Bank; ii) of Clients that are insolvent or in “Special Revitalisation Process” or subject to lawsuits brought by third parties which signal a deterioration in credit risk; iii) of Clients with material amounts of credit written off from assets; iv) that were restructured due to economic difficulties, leading to a significant economic loss; v) that were restructured due to economic difficulties and classified as non-performing (or in probation period) with overdue and unsettled material amounts for more than 30 days; vi) that were restructured due to economic difficulties and classified as non-performing (or in probation period) and benefit from new restructuring measures due to financial difficulties; vii) other restructurings that fall within the internal definition of default, such as the introduction of atypical payment plans and viii) in other situations indicating a high probability of defaulting on the conditions contracted.

Except for the Retail segments (residential mortgage loans, personal loans, etc), the classification of default is propagated to all the other operations of the same borrower. In the Retail segments, the other operations of the borrowers are classified in default whenever the portion that meets the above-mentioned criteria exceeds 20% of the total exposure of the operations in which the Client is involved as the holder.

From the moment each of the criteria for classification in Stage 3 ceases to apply, a minimum curing period must elapse according to the default rule that was activated, during which operations maintain the default classification (Stage 3).

5. Determination of impairment coverage

In accordance with the IFRS9 requirements for a significant change in credit quality, expected credit losses in operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including forward looking information, must be recognised.

Principles for measuring expected credit losses for the purpose of determining impairment coverage

The coverage or provision calculated is defined as the difference between the gross carrying amount of the operation and the present value of expected future cash flows, discounted at the effective interest rate of the operation and considering the guarantees received that are deemed effective.

The Bank estimates the expected credit losses of an operation so that these losses reflect:

- an amount weighted for the unbiased probabilities of occurrence of a series of possible future results (probabilities of occurrence in the baseline, optimistic and pessimistic scenarios);
- the time value of money; and
- reasonable and sustainable information that is available at the reference date, at no disproportionate cost or effort, on past events, current conditions and forecasts of future economic conditions.

Under the applicable rules, the coverage calculation method is determined according to whether the borrower is individually significant or not and in accordance with its accounting category (operations staging).

- If, in addition to being individually significant, the customer has operations in default or in Stage 2, the specific impairment allowances for these operations are estimated through a detailed analysis of the Customer's capacity to generate cash flows through its activity (going concern approach) or of the cash flows that may result from the enforcement of the guarantees received from the Client (gone concern approach).
- In all other cases, impairment coverage is estimated collectively using internal methodologies, based on past experience of portfolio defaults and recoveries, including recoveries obtained through the enforcement of guarantees received.

Collective credit impairment is calculated using probability of default (PD) estimation models, loss given default (LGD) estimation models, models to estimate drawdowns on credit ceilings, and adjustments to factor in lifetime and forward-looking effects.

The models used are re-estimated or updated at least once a year and executed monthly so as to factor in at all times the economic context at the time, as well as the financial instruments’ credit performance. This makes it possible to reduce the differences between estimated loss and recent observations. The models include a forward-looking component to determine the expected loss, taking into account the more relevant macroeconomic factors: i) GDP growth, ii) the unemployment rate, iii) the 6-month EURIBOR, iv) Residential property price index and v) Spread of 10-year Treasury Bonds. Following on from this, the Group generates a baseline scenario, as well as a range of potential scenarios that make it possible to adjust the estimated expected loss, by weighting the probability of its occurrence.

The calculation process is structured in two steps:

- Determination of the basis subject to impairment: Corresponds to the sum of the gross carrying amount of the operation at the time of calculation plus off-balance sheet amounts (available ceiling and guarantees) that could be expected to be disbursed when the Client is classified as impaired (stage 3).
- Determination of the coverage to apply to the basis subject to impairment: This calculation is made based on the probability of the borrower defaulting on the operation obligations, and the expected loss in case of default (loss given default), Loss given default reflects, namely in the case of residential real estate collateral, the expected recoverable amount on the future sale of that collateral minus the costs incurred up to that sale.

For portfolios that are not materially relevant, or when past experience is not significant, the expected loss estimation approach is simplified.

In the specific case of exposures that, due to the nature of the borrower or guarantor, are classified as having low credit risk, the impairment coverage rate may be 0% (on the risk hedged). To this effect, operations considered as of low credit risk are those contracted with:

- Central Banks
- Public Administrations (European Union countries)
- Central Governments (European Union countries, Switzerland, United States, Canada, Japan, Australia and New Zealand)
- Deposit guarantee funds and resolution funds (which, on account of their credit quality, are comparable to funds from European Union countries)
- Credit institutions and credit financial institutions (European Union countries, Switzerland, United States, Canada, Japan, Australia and New Zealand)
- Mutual Guarantee Societies and Public Bodies or Companies having as main activity credit insurance or endorsement (European Union countries, Switzerland, United States, Canada, Japan, Australia and New Zealand)
- Non-financial public companies
- Multilateral development banks;
- International organisations;
- Companies of the Caixabank Group that do not meet the previous criteria;
- Other financial institutions that do not meet the previous criteria.

The coverages estimated individually or collectively must be consistent in terms of the stages in which the operations may be classified. Thus, the coverage level for an operation must be equal to or higher than the coverage level it would have if it were classified in a lower credit risk stage.

Any necessary improvements detected during the model revision exercises, namely through backtesting exercises, are introduced in the model. The models developed are documented so they can be replicated by a third party. The documentation contains key definitions, information regarding the process of data sampling and processing, the methodological criteria adopted and the results obtained.

Banco BPI has a total of 70 models, in order to obtain the necessary parameters to calculate coverages based on a collective analysis. For each of the risk parameters, different models can be used according to each type of exposure.

The existing models are detailed below:

- 12 Scoring and Rating parameter models;
- 16 PD parameter models;
- 1 CCF parameter model;
- 16 LGD parameter model;
- 16 LGD in default parameter models;
- 9 forward looking PD and LGD macroeconomic models.

Segments that do not have their own models are, broadly speaking, the State Business Sector (SBS), Specialized credit (SC), Financial companies (F), Insurers (I), Start-Ups (SU), among others. It should be noted, however, that PD and LGD is estimated for these segments.

Incorporation of forward-looking information into the expected loss models

The projections of the main macroeconomic variables used in the bank's projection models are as follows:

Forward looking macroeconomic indicators [1]

	31-12-2024			31-12-2023		
	2025p	**2026p**	**2027p**	**2024p**	**2025p**	**2026p**
GDP growth						
Baseline scenario	2.3 %	2.2 %	2.1 %	1.8 %	2.4 %	2.4 %
Upside scenario	3.7 %	2.9 %	2.3 %	4.0 %	3.2 %	3.0 %
Downside scenario	0.6 %	1.4 %	1.9 %	-0.8 %	1.2 %	1.8 %
Unemployment rate						
Baseline scenario	6.5 %	6.5 %	6.5 %	6.5 %	6.3 %	6.1 %
Upside scenario	6.1 %	6.0 %	5.9 %	6.2 %	5.9 %	5.6 %
Downside scenario	8.4 %	8.3 %	8.2 %	9.1 %	8.8 %	8.4 %
6M Euribor [2]						
Baseline scenario	2.9 %	2.6 %	2.6 %	3.6 %	3.0 %	2.8 %
Upside scenario	3.1 %	2.9 %	2.8 %	3.2 %	2.6 %	2.3 %
Downside scenario	2.1 %	1.8 %	1.9 %	4.4 %	3.8 %	3.3 %
Spread OT						
Baseline scenario	81.9	92.8	102.5	95.0	107.7	117.8
Upside scenario	77.5	86.2	94.6	102.8	111.5	119.1
Downside scenario	148.4	152.7	140.1	136.4	146.7	147.5
Home prices evolution						
Baseline scenario	2.4 %	2.5 %	2.8 %	-2.1 %	1.2 %	2.5 %
Upside scenario	4.8 %	4.9 %	3.0 %	1.5 %	3.1 %	2.6 %
Downside scenario	-0.3 %	-4.7 %	5.4 %	-6.6 %	-3.7 %	1.6 %

[1] Source: BPI Economic and Financial Studies Unit

[2] The 6-month Euribor rate corresponds to the value at the end of the period.

Based on the three aforementioned scenarios, new risk parameters for the impairment models were estimated in 2024. The new forward-looking parameters were estimated based on the methodologies in place at BPI. Overall, the revision of the risk parameters led to a 21.2 million euro decrease in the impairments allocated to credit operations.

The probabilities of occurrence of the forecasts of the macroeconomic indicators as of 31 December 2024 and 2023:

Probability of occurrence of the forecast scenarios

	Baseline Scenario	Upside Scenario	Downside Scenario
Portugal	60 %	20 %	20 %

The above macroeconomic scenarios and respective weightings are those used in the latest model recalibration, in the second half of 2024. However, in view of subsequent macroeconomic developments, as well as the uncertainty surrounding the estimation of these scenarios, the Bank maintains a Post Model Adjustment (PMA) for loan impairments, having booked a general impairment of 145.9 million euros on 31 December 2024 (70 million euros on 31 December 2023), the so-called "Allocated impairment" (75.9 million euros) and "Unallocated impairment" (70 million euros). This Post Model Adjustment is estimated through a combination of sensitivity analyses to the loan portfolio, has a temporary nature, and is based on the directives issued by the supervisors and regulators. The analysis is backed by duly documented processes and follows an appropriate governance model. The purpose of these adjustments is to anticipate: **i)** the impact of the Thematic Review on property valuations; **ii)** the increase in the ECL on future loan sales; **iii)** the projection of a forward-looking model on risk parameters; **iv)** the increase in LGD, taking into account the evolution of the property market.

The above forward-looking macroeconomic indicators represent the projections at the end of 2024 for the period of 2025 to 2027. The post model adjustments include the expected effect on impairment of the updating of the macroeconomic scenarios with reference to 31 December 2024.

A sensitivity analysis of the expected loss was performed based on changes in the key hypotheses applied separately to calculate the expected loss. The estimated sensitivity to a change in GDP projected growth in the next 12 months is shown below:

Exposure sensitivity analysis

(million euros)	Change in Expected Loss
GDP growth	
+1%	(6.5)

The following table shows the estimated sensitivity to a 1% drop in GDP, as well as to a 10% drop in the price of real estate assets, in the expected losses due to credit risk on 31 December 2024, broken down by type of portfolio:

	Expected loss increase	
(million euros)	**1% decrease in GDP**	**10% decrease in real estate assets valuation**
Public sector	1	
Non-financial corporations and individual entrepreneurs	5.2	
Specialized financing	0.4	
Other specialized financing	0.4	
Purposes other than specialized financing	4.8	
Large companies	0.5	
Small and medium-sized companies	3.6	
Individual entrepreneurs	0.7	
Households (excluding individual entrepreneurs)	0.2	0.3
Home loans	0.1	0.3
For the acquisition of habitual residence	0.1	0.3
Consumer spending	0	
Consumer spending	0	
Total	6.5	0.3

NPL management

The identification, as soon as possible, of indicators of financial difficulties of clients to which BPI has credit exposure has been a priority for the Bank. In a first phase, it is the commercial network that takes action when a Client shows indications of financial difficulties, as, due to its capillarity and specialisation, it in a better position to know the client, detect the first indications of deterioration and promptly propose adequate measures.

Once these Clients have been identified, there are specific mechanisms for regularly reporting, by Client or portfolio, to specific Committees of Banco BPI. The purpose is to ensure that the Bank acts as soon as possible in order to maximise the amount of recovery.

When necessary, responsibility for monitoring the Client and the recovery process is transferred to a specialised unit (Credit Recovery Division), which uses an integrated model covering all the phases of recovery, including the management of the foreclosed assets.

In the case of loans to Companies or Small Businesses, as a rule the Bank seeks non-judicial restructuring of the debt which, when credible, may involve extending the maturity and possibly even a moratoria on principal with the payment of interest in arrears and reinforced security. Also as a rule, the Bank does not increase its exposure, accept payment in kind or convert debt into capital.

In the case of recovery of loans to Individuals, restructuring or renegotiation agreements are also a preferred path for recovery providing that there is the minimum prospect of their being complied with. The choice is largely dependent on the length of default and on the loan product, and it could involve extending the maturity and implementing a payment plan of outstanding and unpaid instalments, amongst other solutions.

Once a restructuring operation has been completed, the process is duly monitored. Non-compliance with the agreed plan sets into motion the judicial recovery of the debt. Where the debt restructuring is not feasible, the loan is subjected to judicial execution.

The information on the status of the recovery process and likelihood of its success is factored into the determination of individual impairment, considered the worst prospect for recovery.

Restructuring policies

A description of the restructuring policies is given in Note 2.8. Refinancing and restructuring operations.

The breakdown of refinancing by industry sector is as follows:

31-12-2024

	Total						
	Without collateral		With collateral				Impairment
					Maximum amount of the collateral that can be considered		
	Number of transactions	Exposure	Number of transactions	Exposure	Real estate mortgage	Other collateral	
Other financial corporations and individual entrepreneurs (financial business)	3	53					(5)
Non-financial corporations and individual entrepreneurs (non-financial business)	1 276	70 407	182	122 069	76 513	40 870	(106 572)
Individuals	1 869	29 283	5 627	458 354	457 295	552	(57 574)
Total	**3 148**	**99 743**	**5 809**	**580 423**	**533 808**	**41 423**	**(164 151)**

Note: Includes securitised loans, Customer loans and guarantees

	Of which: Stage 3						
	Without collateral		With collateral				Impairment
					Maximum amount of the collateral that can be considered		
	Number of transactions	Exposure	Number of transactions	Exposure	Real estate mortgage	Other collateral	
Other financial corporations and individual entrepreneurs (financial business)	2	8					(2)
Non-financial corporations and individual entrepreneurs (non-financial business)	855	39 803	113	77 115	37 769	15 199	(99 523)
Individuals	1 156	17 636	1 538	75 485	75 113	178	(51 536)
Total	**2 013**	**57 447**	**1 651**	**152 600**	**112 882**	**15 378**	**(151 061)**

Note: Includes securitised loans, Customer loans and guarantees at stage 3

31-12-2023

	Total						
	Without collateral		With collateral				Impairment
					Maximum amount of the collateral that can be considered		
	Number of transactions	Exposure	Number of transactions	Exposure	Real estate mortgage	Other collateral	
Other financial corporations and individual entrepreneurs (financial business)	2	7					(6)
Non-financial corporations and individual entrepreneurs (non-financial business)	978	87 702	193	131 419	75 378	32 239	(125 226)
Individuals	1 808	24 018	6 545	544 425	543 957	480	(59 789)
Total	**2 788**	**111 727**	**6 738**	**675 844**	**619 335**	**32 719**	**(185 021)**

Note: Includes securitised loans, Customer loans and guarantees

	Of which: Stage 3						
	Without collateral		With collateral				Impairment
					Maximum amount of the collateral that can be considered		
	Number of transactions	Exposure	Number of transactions	Exposure	Real estate mortgage	Other collateral	
Other financial corporations and individual entrepreneurs (financial business)	2	7					(6)
Non-financial corporations and individual entrepreneurs (non-financial business)	653	50 528	142	98 426	53 949	20 276	(118 344)
Individuals	1 166	15 175	1 642	70 598	70 323	64	(50 445)
Total	**1 821**	**65 710**	**1 784**	**169 024**	**124 272**	**20 340**	**(168 795)**

Note: Includes securitised loans, customer loans and guarantees at stage 3.

Concentration risk

In Banco BPI's Risk Catalogue concentration risk is conceptually included within credit risk, and is calculated according to CaixaBank Group's best practices.

Banco BPI's Risk Appetite Framework (RAF) uses metrics to systematically identify overall exposure to a particular Customer, geography and economic sector, as well as appetite limits to concentration risk.

Concentration in customers or in "large exposures"

As part of the risk-taking process, the Bank monitors compliance with the regulatory limits (25% of eligible Tier 1) as well as with internal limits to concentration risk appetite. As at 31 December 2024, there were no breaches of regulatory limits. Exposures that exceed the internal limits to concentration risk appetite are monitored and approved by the governing bodies on a monthly basis.

Concentration by geographic location

The breakdown of risk of financial assets and guarantees and sureties provided, by geographical location, is as follows:

31-12-2024

	Total	Portugal	Other EU countries	Other world countries
Central Banks and credit institutions	4 981 448	3 761 504	316 781	903 163
Public sector	7 024 488	4 008 582	2 322 756	693 150
Central government	3 683 964	668 058	2 322 756	693 150
Other public administrations	3 340 524	3 340 524		
Other financial corporations and individual entrepreneurs (financial business)	619 911	362 671	250 471	6 769
Non-financial corporations and individual entrepreneurs (non-financial business)	13 310 573	12 984 539	280 994	45 040
Real estate development	97 809	97 619	160	30
Civil construction	849 098	840 791	8 056	251
Other	12 363 666	12 046 129	272 778	44 759
Large companies	5 595 170	5 387 991	188 787	18 392
Small and medium-sized companies	6 768 496	6 658 138	83 991	26 367
Individuals	16 397 308	16 360 996	10 017	26 295
Homes	15 129 645	15 121 968	1 282	6 395
Consumer spending	1 255 812	1 227 241	8 712	19 859
Other	11 851	11 787	23	41
Total	**42 333 728**	**37 478 292**	**3 181 019**	**1 674 417**

Note: Includes deposits at central banks and credit institutions, non-trading financial assets mandatorily at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost, investments in joint ventures and associates, and guarantees and sureties. Amounts net of impairments.

31-12-2023

	Total	Portugal	Other EU countries	Other world countries
Central Banks and credit institutions	3 895 462	2 053 438	792 494	1 049 530
Public sector	6 789 488	3 918 674	2 329 800	541 014
Central government	3 561 978	691 164	2 329 800	541 014
Other public administrations	3 227 510	3 227 510		
Other financial corporations and individual entrepreneurs (financial business)	427 990	381 447	37 779	8 764
Non-financial corporations and individual entrepreneurs (non-financial business)	12 749 621	12 459 161	229 385	61 075
Real estate development	84 039	83 849	160	30
Civil construction	756 822	749 063	7 753	6
Other	11 908 760	11 626 249	221 472	61 039
Large companies	5 429 673	5 256 454	148 225	24 994
Small and medium-sized companies	6 479 087	6 369 795	73 247	36 045
Individuals	15 827 860	15 786 581	11 839	29 440
Homes	14 442 277	14 435 286	1 320	5 671
Consumer spending	1 373 955	1 339 715	10 503	23 737
Other	11 628	11 580	16	32
Total	**39 690 421**	**34 599 301**	**3 401 297**	**1 689 823**

Note: Includes deposits at central banks and credit institutions, non-trading financial assets mandatorily at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost, investments in joint ventures and associates, and guarantees and sureties. Amounts net of impairments.

Concentration by industry sector

Risk concentration by economic sector is subject to BPI's RAF limits (level 1), differentiating between private sector economic activities and public sector financing.

At 31 December 2024 and 2023, the breakdown of credit by industry sector, type of collateral and loan to value (LTV) was as follows:

31-12-2024

	Balance net of impairments	Of which: real estate mortgage secured	Of which: other collateral	Collateralised loans Carrying amount based on latest available appraisal (LTV)				
				≤ 40 %	> 40 % ≤ 60 %	> 60 % ≤ 80 %	> 80 % ≤ 100 %	> 100%
Central Banks and credit institutions	846 222							
Public sector	1 296 220	2 144	221 146	50 703	61 433	23 275	84 537	3 342
Central government	298 020		1 832					1 832
Other public administrations	998 200	2 144	219 314	50 703	61 433	23 275	84 537	1 510
Other financial corporations and individual entrepreneurs (financial business)	133 054	66 876	4 532	59 179	7 240	548	750	3 691
Non-financial corporations and individual entrepreneurs (non-financial business)	8 494 151	2 188 343	727 852	895 526	567 768	425 016	274 093	753 792
Real estate development	77 118	68 950	1 351	19 748	3 317	19 596	11 491	16 149
Civil construction	372 674	54 573	16 162	18 431	15 384	16 760	5 922	14 238
Other	8 044 359	2 064 820	710 339	857 347	549 067	388 660	256 680	723 405
Large companies	2 173 499	309 860	353 271	241 582	71 210	31 092	35 027	284 220
Small and medium-sized companies	5 870 860	1 754 960	357 068	615 765	477 857	357 568	221 653	439 185
Individuals	16 396 918	15 102 703	110 076	5 558 830	4 651 570	4 000 463	965 474	36 442
Homes	15 129 266	15 102 677	22 217	5 551 132	4 634 655	3 973 477	937 402	28 228
Consumer spending	1 255 800	26	87 458	7 669	16 552	26 977	28 072	8 214
Other	11 852		401	29	363	9		
Total	**27 166 565**	**17 360 066**	**1 063 606**	**6 564 238**	**5 288 011**	**4 449 302**	**1 324 854**	**797 267**

Note: Includes Loans to central banks, credit institutions and Customers (does not include debt securities and other Customer applications) Map built based on commercial segmentation.

31-12-2023

	Balance net of impairments	Of which: real estate mortgage secured	Of which: other collateral	Collateralised loans Carrying amount based on latest available appraisal (LTV)				
				≤ 40 %	> 40 % ≤ 60 %	> 60 % ≤ 80 %	> 80 % ≤ 100 %	> 100%
Central Banks and credit institutions	1 196 785							
Public sector	1 342 428	2 407	215 334	65 193	78 425	22 613	46 258	5 252
Central government	324 490		2 717					2 717
Other public administrations	1 017 938	2 407	212 617	65 193	78 425	22 613	46 258	2 535
Other financial corporations and individual entrepreneurs (financial business)	155 006	82 010	5 911	62 755	2 491	2 794	14 267	5 614
Non-financial corporations and individual entrepreneurs (non-financial business)	8 583 959	2 027 231	818 588	840 378	593 420	413 644	263 792	734 585
Real estate development	70 821	62 499	1 530	13 307	27 944	6 422	15 911	445
Civil construction	377 403	56 010	17 391	13 586	13 083	17 033	7 389	22 310
Other	8 135 735	1 908 722	799 667	813 485	552 393	390 189	240 492	711 830
Large companies	2 487 588	366 829	494 397	303 042	78 120	104 064	44 962	331 038
Small and medium-sized companies	5 648 147	1 541 893	305 270	510 443	474 273	286 125	195 530	380 792
Individuals	15 827 449	14 407 047	129 417	5 301 129	4 654 540	3 709 829	831 255	39 711
Homes	14 441 910	14 407 012	23 307	5 294 538	4 637 183	3 671 427	799 554	27 617
Consumer spending	1 373 912	35	106 072	6 566	17 354	38 402	31 691	12 094
Other	11 627		38	25	3		10	
Total	**27 105 627**	**16 518 695**	**1 169 250**	**6 269 455**	**5 328 876**	**4 148 880**	**1 155 572**	**785 162**

Note: Includes Loans to central banks, credit institutions and Customers (does not include debt securities and other Customer applications) Map built based on commercial segmentation.

Concentration by interest rate type and arrears status

The tables below show the detail of loans and advances to Customers and respective impairment by stage.

The breakdown of loans and advances to Customers (net of impairments) is as follows:

	31-12-2024			31-12-2023		
	Stage 1	***Stage 2***	***Stage 3***	***Stage 1***	***Stage 2***	***Stage 3***
By industry sector	**24 487 098**	**1 670 301**	**220 713**	**23 726 286**	**2 029 056**	**205 060**
Public sector	1 300 231	14 621	0	1 343 390	17 723	0
Other financial corporations and individual entrepreneurs (financial business)	169 743	208	42	185 634	182	9
Non-financial corporations and individual entrepreneurs (non-financial business)	8 066 579	369 881	59 500	8 107 258	402 799	75 547
Real estate development	76 142	837	141	70 444	377	2
Civil engineering	357 289	11 247	4 140	357 788	15 742	3 890
Other	7 633 148	357 797	55 219	7 679 026	386 680	71 655
Large companies	2 070 073	102 071	1 355	2 323 947	136 022	27 640
Small and medium-sized companies	5 563 075	255 726	53 864	5 355 079	250 658	44 015
Individuals	14 950 545	1 285 591	161 171	14 090 004	1 608 352	129 504
Home loans	13 875 029	1 123 028	131 588	12 876 778	1 463 658	101 840
Consumer spending	1 064 561	162 117	29 134	1 202 388	144 322	27 245
Other	10 955	446	449	10 838	372	419
By interest rate type	**24 487 098**	**1 670 301**	**220 713**	**23 726 286**	**2 029 056**	**205 060**
Fixed rate	8 950 141	523 780	62 745	6 799 715	408 820	51 958
Variable rate	15 536 957	1 146 521	157 968	16 926 571	1 620 236	153 102
By number of days in arrears	**24 487 098**	**1 670 301**	**220 713**	**23 726 287**	**2 029 056**	**205 060**
Up to 30 days[1]	24 467 601	1 620 118	68 788	23 720 283	1 944 569	98 862
30 to 60 days	17 018	30 711	17 164	5 267	57 041	14 847
61 to 90 days	1 819	12 418	11 572	336	15 071	9 573
91 days to 6 months	303	6 784	48 371	122	12 101	33 714
6 to 12 months	85	16	45 394	29	8	28 033
More than 1 year	272	254	29 424	250	266	20 031

[1] Includes regular credit (with no days of arrears).

The breakdown of Customer loan impairments by calculation method is as follows:

	31-12-2024			31-12-2023		
	Stage 1	***Stage 2***	***Stage 3***	***Stage 1***	***Stage 2***	***Stage 3***
Impairments determined individually / collectively	**(79 140)**	**(107 140)**	**(302 589)**	**(78 891)**	**(106 113)**	**(330 943)**
Specific identified individually		(32 742)	(122 971)		(25 776)	(151 754)
Collective	(79 140)	(74 398)	(179 618)	(78 891)	(80 337)	(179 189)

Concentration on non-financial corporations by economic activity

At 31 December 2024, the breakdown of loans and advances to non-financial corporations by economic activity was as follows:

	Gross amount	Of which: Stage 3	Impairment
Agriculture forestry and fishing	486 856	18 243	(19 043)
Mining and quarrying	25 623	3 173	(2 939)
Manufacturing	1 545 019	35 069	(33 192)
Electricity gas steam and air conditioning supply	527 395	33 347	(34 698)
Water supply	148 616		(4 179)
Construction	464 302	10 896	(9 142)
Wholesale and retail trade	1 345 693	28 258	(21 562)
Transport and storage	748 458	45 599	(48 339)
Accommodation and food service activities	685 872	7 321	(10 826)
Information and communication	124 622	3 889	(5 523)
Financial and insurance activities	115 290	93	(1 482)
Real estate activities	1 001 200	18 284	(22 072)
Professional scientific and technical activities	440 020	3 806	(7 312)
Administrative and support service activities	491 219	2 791	(5 949)
Public administration and defence compulsory social security	11		
Education	49 181	1 276	(1 120)
Human health services and social work activities	205 811	2 211	(4 972)
Arts entertainment and recreation	97 576	1 157	(4 835)
Other services	22 205	1 631	(44 246)
Total	**8 524 969**	**217 044**	**(281 431)**

At 31 December 2023, the breakdown of loans and advances to non-financial corporations by economic activity was as follows:

	Gross amount	Of which: Stage 3	Impairment
Agriculture forestry and fishing	469 140	21 240	(22 037)
Mining and quarrying	25 930	4 527	(2 473)
Manufacturing	1 647 197	74 892	(76 290)
Electricity gas steam and air conditioning supply	715 819	33 782	(25 862)
Water supply	150 240	183	(3 021)
Construction	467 760	11 953	(13 339)
Wholesale and retail trade	1 453 250	24 474	(26 529)
Transport and storage	743 943	44 153	(46 248)
Accommodation and food service activities	607 961	13 560	(19 210)
Information and communication	129 277	2 976	(3 797)
Financial and insurance activities	164 500	4 034	(3 105)
Real estate activities	891 584	14 960	(17 479)
Professional scientific and technical activities	401 650	3 666	(6 328)
Administrative and support service activities	405 171	14 006	(6 330)
Public administration and defence compulsory social security	19		
Education	39 685	469	(937)
Human health services and social work activities	218 386	2 261	(5 167)
Arts entertainment and recreation	90 022	3 646	(5 527)
Other services	21 937	914	(10 152)
Total	**8 643 471**	**275 696**	**(293 831)**

Concentration by credit quality

The methodology used to assign credit quality is based on the following:

- Fixed-income instruments (debt securities): in accordance with banking supervisory criteria derived from capital adequacy regulations and within the framework of the methodology for assigning limits to financial counterparties.
- Loans and advances to Central Banks and credit institutions: in accordance with banking supervisory criteria derived from capital adequacy regulations and within the framework of the methodology for assigning limits to financial counterparties.
- Loans and advances to Customers: if a credit assessment by external rating is available, the rules resulting from capital requirement regulations are followed. Where no credit assessment by external rating is available, the classification is based on internal risk assessments approved by the Bank.

On 31 December 2024, Portugal's sovereign debt rating from Standard & Poor's was A-, an improvement from December 2023 when it was rated BBB+.

The tables below show the concentration of credit risk by rating of exposures in debt securities and loans and advances held by the Bank:

Credit risk quality (rating)

The breakdown of debt securities by rating at 31 December 2024 and 2023 is as follows:

31-12-2024

	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost [1]	TOTAL
AAA/AA+/AA/AA-			274 137	1 495 891	1 770 028
A+/A/A-			292 755	1 160 303	1 453 058
BBB+/BBB/BBB-			373 665	2 299 082	2 672 747
"Investment grade"			**940 557**	**4 955 277**	**5 895 834**
			100 %	61 %	65 %
BB+/BB/BB-				12 763	12 763
No rating		50		3 102 314	3 102 314
"Non-investment grade"		**50**		**3 115 077**	**3 115 077**
				39 %	35 %
		50	**940 557**	**8 070 354**	**9 010 911**

[1] Exposure net of impairments.

31-12-2023

	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost [1]	TOTAL
AAA/AA+/AA/AA-			272 280	1 333 930	1 606 210
A+/A/A-			143 700	1 182 685	1 326 385
BBB+/BBB/BBB-	4 238		368 186	1 575 492	1 947 916
"Investment grade"	**4 238**		**784 166**	**4 092 107**	**4 880 511**
	100 %		100 %	56 %	60 %
BB+/BB/BB-				558 525	558 525
No rating		47		2 668 852	2 668 899
"Non-investment grade"		**47**		**3 227 377**	**3 227 424**
		100 %		44 %	40 %
	4 238	**47**	**784 166**	**7 319 484**	**8 107 935**

[1] Exposure net of impairments.

The breakdown of loans and advances to central banks and other credit institutions by rating class is as follows:

		31-12-2024		31-12-2023	
External Rating	AAA to AA-	38 670	4 %	72 238	6 %
	A+ to A-	117 126	13 %	456 958	36 %
	BBB+ to BBB-	740 047	82 %	706 843	56 %
	BB+ to BB-	—	— %	323	
	B+ to B-	1 528	— %	24 453	2 %
		897 370	**100 %**	**1 260 815**	**100 %**

Note: Exposure net of impairments (the amounts shown include accrued interest).

The breakdown of loans and advances to Customers by rating class and stage is as follows:

		31-12-2024					31-12-2023				
		Stage 1	**Stage 2**	**Stage 3**	**Total**		**Stage 1**	**Stage 2**	**Stage 3**	**Total**	
Exposures Non-Default		**24 487 097**	**1 670 301**		**26 157 398**	**99 %**	**23 726 287**	**2 029 055**		**25 755 342**	**99 %**
External Rating	AAA to AA-	15 948			15 948		47 470			47 470	
	A+ to A-	264 328	4 589		268 917	1 %	280 336			280 336	1 %
	BBB+ to BBB-	755 311	10 032		765 343	3 %	736 437	17 585		754 022	3 %
	BB+ to BB-	6 034			6 034		11 667			11 667	
	B+ to B-	87 664			87 664		110 207			110 207	
Master Scale	[0 - 3.1]	8 418 936	30 580		8 449 516	32 %	8 005 307	38 193		8 043 499	31 %
	] 3.1 - 4.6]	6 904 172	92 022		6 996 194	27 %	6 627 815	109 767		6 737 582	26 %
	] 4.6 - 5.8]	4 440 012	626 712		5 066 724	19 %	4 312 202	769 596		5 081 798	20 %
	] 5.8 - 7.3]	1 824 912	603 454		2 428 366	9 %	1 744 396	636 317		2 380 713	9 %
	] 7.3 - 9.5]	200 505	279 211		479 716	2 %	195 116	425 096		620 212	2 %
No rating		1 569 275	23 700		1 592 975	6 %	1 655 335	32 502		1 687 837	7 %
Exposures Default				**220 713**	**220 713**	**1 %**			**205 060**	**205 060**	**1 %**
		24 487 097	**1 670 301**	**220 713**	**26 378 111**	**100 %**	**23 726 287**	**2 029 055**	**205 060**	**25 960 402**	**100 %**

Note: Exposure net of impairments (the amounts shown include accrued interest). Non-allocated impairments included and distributed by stage.

CRR default criterion (Regulation (EU) 575/2013)

Concentration by sovereign risk

Banco BPI's exposure to entities with sovereign risk is subject to the general risk-taking policy and the country and sovereign risk methodology, which ensures that all positions taken are aligned with the target risk profile. Therefore, metrics and limits of exposure to the Portuguese public sector and to the public sector of all other countries were established in the Risk Appetite Framework. The Bank's exposure to entities with sovereign risk is for the most part concentrated in Portugal.

Exposure to entities with sovereign risk

The table below shows the breakdown of BPI's exposure to sovereign debt:

31-12-2024

Country	Residual maturity	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost[1]
Portugal	Less than 3 months		81 198
	3 months to 1 year	223 017	338 098
	1 to 2 years		272 254
	2 to 3 years		95 131
	3 to 5 years		838 364
	5 to 10 years		462 691
	More than 10 years		808 622
		223 017	**2 896 358**
Spain	2 to 3 years	220 051	102 217
	3 to 5 years	69 738	600 975
		289 789	**703 192**
Italy	3 months to 1 year		407 704
	1 to 2 years		102 162
	3 to 5 years	153 614	
		153 614	**509 866**
USA	3 months to 1 year		144 065
	1 to 2 years		192 276
	2 to 3 years		140 910
	3 to 5 years		142 992
			620 243
Other	Less than 3 months		6 506
	2 to 3 years	274 137	392 155
	More than 10 years		66 388
		274 137	**465 049**
		940 557	**5 194 708**

[1] Does not include interest receivable.

31-12-2023

Country	Residual maturity	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost[1]
Portugal	Less than 3 months		6 981
	3 months to 1 year		28 854
	1 to 2 years	75 998	399 801
	2 to 3 years		282 160
	3 to 5 years		856 007
	5 to 10 years		538 785
	More than 10 years		789 068
		75 998	**2 901 656**
Spain	3 to 5 years	284 491	711 651
		284 491	**711 651**
Italy	1 to 2 years		415 380
	2 to 3 years		103 603
	5 to 10 years	151 397	
		151 397	**518 983**
USA	3 months to 1 year		135 645
	1 to 2 years		135 009
	2 to 3 years		180 534
			451 188
Other	1 to 2 years		19 555
	3 to 5 years	272 280	390 992
	More than 10 years		70 257
		272 280	**480 804**
		784 166	**5 064 282**

[1] Does not include interest receivable.

Counterparty credit risk due to derivatives, repurchase agreements and settlement operations

Control of exposures in derivatives and repos at Banco BPI is an integral part of control of exposure to credit risk. In the case of derivatives, where exposure changes according to the change in the market price of the underlying asset, the characteristics of the operation are adapted to the system, by considering the maximum potential exposure (calculated with a statistical confidence level of 95%) and considering the derivative, for limits control purposes, as equivalent to a credit with the same value, maturity, counterparty and other characteristics. An additional control is made to determine whether the effective exposure remains within the limits through the lifetime of the operation.

The value of the maximum potential exposure in derivatives is reviewed periodically, or at request, in order to update the limits. In normal circumstances this revision will release limits in so far as, save in case of very strong market fluctuations, the potential exposure decreases with time.

Sales with repurchase agreement (reverse repos) are treated as applications and deposits for which there are associated guarantees, with limits being allocated at net value, taking into account the applicable haircuts.

For both derivatives and repos, it is legally possible to offset the value of the operations, providing there is an agreement to this effect between the two parties. In accordance with Banco BPI's policy, the derivative and repo agreements entered into by the Bank provide for this offsetting, i.e., even in case of bankruptcy, the amounts payable by the Bank to the counterparty correspond to the algebraic sum of the amounts payable or receivable for the set of transactions included in the agreement (therefore the normal obligation of paying immediately the amount of the operations for which the Bank is the debtor and entering the list of creditors in order to receive the amount of the operations for which it is the creditor does not exist).

In the case of repos and derivatives with other banks, the Bank enters collateral exchange agreements that allow the exposure to be maintained at levels close to zero. Receivable and payable collaterals for derivatives and repos are controlled on a daily basis, which permits to maintain a strict control of the exposure in those products and counterparties (the most important in terms of the Bank's exposure).

Finally, compliance with the European Market Infrastructure Regulation also plays a role in the mitigation of the counterparty credit risk in the derivatives portfolio, as it imposes that a significant part of over-the-counter (OTC) operations be made with central counterparties (CCP) and establishes strict control rules for OTC derivatives traded with all other counterparties.

The policies on the control and mitigation of credit risk arising from OTC derivative and repo trading with other banks or professional counterparties are based on the use of solid contractual instruments, such as:

- ISDA contracts: Standard contract that regulates trading in the OTC derivatives market, usually used between two professional parties (such as two banks or possible one bank and a large company). ISDA contracts provide for the possibility referred above of offsetting the flows of outstanding collections and payments between the parties.
- Credit support annex (CSA) to ISDA contract: Annex to the ISDA contract whereby each of the parties undertakes to provide collateral (usually a cash deposit) to the other as security for the net counterparty risk position arising from the set of derivatives traded between them under the CSA, on the basis of a prior close-out netting agreement included in the clauses of the ISDA contracts.
- GMRA/ CME/ GMSLA contracts: standard contracts that regulate sale and repurchase agreements and reverse repurchase agreements (repos). These contracts also include exposure offsetting clauses as well as clauses on the exchange of collaterals to hedge the net remaining exposure.
- Central Counterparties (CCP) The use of CCPs in derivatives and repo transactions permits a substantial reduction in the associated counterparty risk, as these entities act as intermediaries between the two parties to the transaction, with the Bank absorbing the CCP risk and not the risk of a less creditworthy entity. The EMIR regulations set forth, among others, an obligation, for certain OTC derivatives, to transfer the counterparty credit risk to a CCP.

For other counterparties (with which there is no interprofessional relationship), the Bank uses derivatives Framework Contracts, which were developed internally and are subject to Portuguese law. In certain situations an ISDA agreement may be entered into. As referred, the policy on derivatives trading is similar to the lending policy in terms of the control of exposure, for which it is BPI's practice to require guarantees or collateral, which in this case hedge not only the credit exposure but also the derivatives exposure.

Risk associated with investee portfolio

The risk of the investee portfolio is the risk associated with the possibility of incurring losses in the book value of equity holdings in portfolio within a medium to long term horizon as a result of fluctuations in macroeconomic conditions or in the specific financial situation of each investee.

In the case of investees with which there is a credit relationship and therefore credit risk, the Bank makes an analysis of the risk of financial loss due to the loss of value of the Bank's assets as a result of the deterioration of the counterparties' capacity to honour their commitments.

Additionally, the main equity holdings are subject to monitoring and follow-up by the Presidency of the Executive Committee Support Division. This team monitors the evolution of these companies' economic and financial data, based on documents provided by them, analyses the market and competition conditions as well as any regulatory changes that may be relevant. The analysis may also be supported by third-party documentation (from research houses, rating agencies or consultancy firms), where available.

The objective is to obtain an overall perspective of the possible risks to the value of the equity holdings.

The monitoring of the investees may involve cooperation with other departments of the Bank, namely the Economic and Financial Studies of the Financial Department, and with the areas responsible for monitoring CaixaBank's investees.

Banco BPI's equity holdings are registered in three major groups: Non-trading financial assets mandatorily accounted for at fair value through profit or loss, Financial assets at fair value through other comprehensive income, and Investments in subsidiaries, joint ventures and associates. For the more relevant investees, DCF and/or market and transaction multiples periodic valuations are made, in accordance with the nature of each investee.

These valuations support the accounting record of the equity holdings at fair value or form the basis for impairment tests in investments in associated companies.

Increase in EURIBOR rates for loans to individuals - Support Measures

In November 2023, the provisions of Decree-Law no. 91/2023 came into force, allowing Customers to fix the instalment of a loan for the purchase or construction of their own permanent home for 24 months at an amount equal to 70% of the reference interest rate on the European interbank market (6-month Euribor) at the time of the application, plus the spread provided for in the contract, with the other conditions of the loan agreement remaining unchanged.

Applications could be made until 31 March 2024.

As at 31 December 2024, there were 490 mortgage loan operations with an outstanding amount of 64 million euros that benefited from support measures granted under Decree-Law no. 91/2023.

3.3.2 Banking book interest rate

Structural interest rate risk

The management of this risk by Banco BPI seeks to i) optimise the net interest income and ii) preserve the economic value of the balance sheet, while at all times taking into account the metrics and thresholds of the risk appetite framework in terms of the volatility of the net interest income and the sensitivity of economic value. These objectives are defined in accordance with the policies established at CaixaBank Group level.

This risk is analysed considering a broad set of market interest rate scenarios, analysing the impact of the inherent shocks on possible sources of structural interest rate risk, i.e., basis risk, deviation risk, inflation risk, Credit Spread Risk in the Banking Book (CSRBB), and risk deriving from the optionality component of balance sheet operations. Optionality risk considers automatic optionality (which depends on the evolution of interest rates) and customer behaviour optionality (which does not depend directly or exclusively on the evolution of interest rates).

Banco BPI applies best market practices and the recommendations of regulators in measuring the interest rate risk of the banking book (and the CSRBB), using various measurement techniques that make it possible to analyse its positioning and risk situation. These notably include:

- Static gap: it shows the contractual distribution of maturities and interest rate repricing for applicable balance sheet and/or off-balance sheet aggregates at a particular date. GAP analysis is based on comparison of the values of assets and liabilities that are repriced or mature in the same particular period;
- Sensitivity of net interest income: Sensitivity is measured by comparing the net interest income at 12 and 24 months, calculated for a baseline scenario, and for extreme scenarios of interest rate changes (instantaneous and progressive parallel shock with different intensities, and changes in slope of interest rate curves). The baseline scenario, obtained from interest rate projections based on the rates implicit in the benchmark interest rate curve, is compared with other scenarios of falling or rising rates with parallel and non-parallel movements in the slope of the curve. For the various scenarios, the

economic value of the positions in the securities portfolio at fair value through other comprehensive income (FVtOCI) and respective hedge derivatives is adjusted. The difference between these stressed net interest income figures compared to the baseline scenario give us a measure of the sensitivity, or volatility, of net interest income;

- Balance sheet economic value: it is calculated as the sum of i) the present value of interest-rate sensitive assets and liabilities on the balance sheet; ii) the present value of off-balance sheet products (derivatives);
- Economic value sensitivity: The economic value of interest-rate sensitive on- and off-balance sheet items is calculated at the current market rates (baseline scenario) and under different stressed interest-rate scenarios. The difference between the values obtained in the baseline scenario and those obtained in the stressed scenarios permit to assess the sensitivity of economic value to interest rate changes.
- Value at Risk (VaR): VaR is defined as the maximum expected loss of value that could occur under normal market conditions over a given time horizon for a given confidence level.

To mitigate the banking book interest rate risk, the Bank actively manages this risk through hedging operations contracted in the financial markets which permit to correct situations where hedging is not provided naturally through operations carried out with the Clients or other counterparties.

The table below shows, using a static gap, the distribution of contractual maturities and interest rate repricings of interest-rate sensitive amounts in the banking book, at 31 December 2024:

	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	> 5 years	TOTAL
ASSETS										
Interbank and Central Banks	3 158 199	66 771	1 540							3 226 510
Loans and advances to Customers	2 517 416	5 892 483	6 585 866	4 878 218	2 006 880	2 713 953	715 615	387 546	2 545 103	28 243 079
Fixed income portfolio	205 458	633 141	1 288 301	833 093	587 019	1 251 731	1 403 591	287 343	1 202 476	7 692 153
Total Assets	**5 881 073**	**6 592 395**	**7 875 707**	**5 711 311**	**2 593 899**	**3 965 684**	**2 119 207**	**674 889**	**3 747 579**	**39 161 743**
LIABILITIES										
Interbank and Central Banks	220 641	7 262	451 444	193						679 540
Customer deposits	7 194 237	4 744 750	3 790 298	3 245 464	2 255 907	1 383 242	1 319 433	1 319 433	5 232 195	30 484 959
Own issues		1 125 000	700 000			550 000	750 000	975 000	800 000	4 900 000
Total Liabilities	**8 307 352**	**5 877 012**	**4 941 741**	**3 245 656**	**2 255 907**	**1 933 242**	**2 069 484**	**2 294 489**	**6 032 271**	**36 064 499**
Assets minus Liabilities	**(2 426 279)**	**715 383**	**2 933 966**	**2 465 655**	**337 992**	**2 032 442**	**49 723**	**(1 619 601)**	**(2 284 692)**	**3 097 244**
Hedges	**(534 195)**	**(26 903)**	**(518 455)**	**(1 150 995)**	**5 202**	**423 110**	**2 111 807**	**(75 868)**	**(233 389)**	**315**
Total difference	**(2 960 474)**	**688 480**	**2 415 511**	**1 314 660**	**343 193**	**2 455 552**	**2 161 531**	**(1 695 469)**	**(2 518 081)**	**3 097 559**

The table below shows, using a static gap, the distribution of contractual maturities and interest rate repricings of interest-rate sensitive amounts in the banking book, at 31 December 2023:

	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	> 5 years	TOTAL
ASSETS										
Interbank and Central Banks	1 976 473	79 489	24 230							2 080 193
Loans and advances to Customers	2 296 132	6 068 555	7 045 748	6 167 969	1.301.432	1 397 528	497 679	470 592	2 306 534	27.552.168
Fixed income portfolio	327 351	552 140	769 497	43 920	1 053 075	567 960	1 098 995	1 230 430	1 192 229	6 835 598
Total Assets	**4 599 956**	**6 700 185**	**7 839 475**	**6 211 889**	**2.354.506**	**1 965 488**	**1 596 674**	**1 701 022**	**3 498 763**	**36 467 958**
LIABILITIES										
Interbank and Central Banks	445 143	86 796	461 538	45				(81)		993 443
Customer deposits	6 248 999	2 459 355	4 048 957	4 488 029	2 365 755	1 918 061	1 297 862	1 297 862	5 132 151	29 257 030
Own issues		1 175 000	700 000	275 000	450 000			750 000		3 350 000
Total Liabilities	**6 694 142**	**3 721 151**	**5 210 495**	**4 763 074**	**2 815 755**	**1 918 061**	**1 297 862**	**2 047 781**	**5 132 151**	**33 600 473**
Assets minus Liabilities	**(2 094 187)**	**2 979 033**	**2 628 980**	**1 448 815**	**(461)**	**47 427**	**298 812**	**(346 759)**	**(1 633 387)**	**2 867 485**
Hedges	**(604 108)**	**(920 650)**	**(181 028)**	**280 599**	**1.245.047**	**(72 376)**	**(118 857)**	**632 397**	**(258 917)**	**2 107**
Total difference	**(2 698 295)**	**2 058 384**	**2 447 953**	**1 729 413**	**784**	**(24 949)**	**179 955**	**285 638**	**(1 892 305)**	**2 869 592**

The sensitivity of net interest income and economic value are complementary measures that provide an overview of structural interest rate risk, which is more focused on the short and medium term in the first case and on the medium and long term in the second.

The table below shows the sensitivity of the net interest income and the economic value of interest rate-sensitive assets and liabilities to a 200 basis points interest rate instantaneous increase and decrease, in 31 December 2024:

Amounts as % of baseline scenario	**+200 pb**	**-200 pb[3]**
Net interest income [1]	5.2 %	-4.4 %
Asset value (banking book)[2]	-2.6 %	5.6 %

[1] Net interest income sensitivity at 1 year

[2] Economic value baseline sensitivity

[3] In the case of falling-rate scenarios the applied internal methodology allows for a negative floor, which at most corresponds to the historical minimum verified in interest rates plus -1%, allowing negative interest rates values for the various periods of the curve.

Structural exchange rate risk

Banco BPI carries in its balance sheet foreign currency assets and liabilities in USD and other currencies, which, with the exception of the Kwanza (Angola) and the and Metical (Mozambique), derive from its commercial activity, including from transactions carried out to mitigate the exchange rate risk in that activity. The exchange rate risk relative to the exposure in these currencies may be hedged through on-balance sheet operations (deposits or foreign currency investments) or through financial derivatives. Foreign exchange risk management at Banco BPI is carried out with the aim to minimise the positions assumed.

Banco BPI's foreign exchange positions in Angolan Kwanza (AKZ) and Mozambican Metical (MZN) are the result of investments in the capital of Banco de Fomento de Angola and Banco Comercial e de Investimentos S.A., respectively. The estimate of BFA's fair value factors in a projection of the foreign exchange devaluation of the Kwanza (Note 11) and, in the case of the equity holdings, the impact of foreign exchange fluctuations also depends on the composition of the balance sheet of each of the companies and their foreign exchange positions. In accordance with the applicable regulations on prudential capital, these holdings are, at least in part, deducted from regulatory own funds. Banco BPI does not have an active strategy to hedge the capital ratios against the foreign exchange rate risk in these positions.

In 2024, the Metical appreciated 5% against the Euro, leading to the recognition in Banco BPI's accounts of an exchange rate difference of 9 444 th.euros, in the caption "Other comprehensive income" (Note 23).

Excluding the foreign currency positions in Kwanza and Metical resulting from the equity holdings in BFA and BCI, BPI's exposure to exchange rate risk, taking into account the existing hedges, is reduced so that the sensitivity analysis of the exchange risk is not significant.

At 31 December 2024, the equivalent euro value of all foreign currency assets and liabilities was as follows:

	USD	**AKZ**	**MZN**	**Other currencies**
ASSETS				
Cash and cash balances at central banks and other demand deposits	46 329	46		34 834
Financial assets held for trading	429 036			34 898
Financial assets at fair value through other comprehensive income	2 607	304 600		
Financial assets at amortised cost	874 629	1 536		44 272
Derivatives - Hedge accounting	19 438			
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(2 398)			
Investments in subsidiaries, joint ventures and associates			175 648	
Other assets	263		21 727	1
Total Assets	**1 369 904**	**306 182**	**197 375**	**114 005**
Financial liabilities held for trading	178 710			(29 083)
Financial liabilities at amortised cost	1 188 304		21 032	140 832
Derivatives - Hedge accounting	6 940			
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(76)			
Tax liabilities			3 535	
Other liabilities	138			(15)
Foreign exchange operations pending settlement and forward position operations	(4 170)			1 240
Total Liabilities	**1 369 846**		**24 567**	**112 974**

At 31 December 2023, the value in thousand euros of all foreign currency assets and liabilities was as follows:

	USD	AKZ	MZN	Other currencies
ASSETS				
Cash and cash balances at central banks and other demand deposits	27 087			46 648
Financial assets held for trading	238 607			23 197
Financial assets at fair value through other comprehensive income	4 076	338 800		
Financial assets at amortised cost	936 910	24 583		74 569
Derivatives - Hedge accounting	30 402			
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(1 613)			
Investments in subsidiaries, joint ventures and associates			160 874	
Other assets	22		25 823	43
Total Assets	**1 235 491**	**363 383**	**186 697**	**144 457**
Financial liabilities held for trading	(115 637)			(34 359)
Financial liabilities at amortised cost	1 399 631	3	25 975	176 447
Derivatives - Hedge accounting	(48 261)			
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(827)			32
Tax liabilities			11 858	
Other liabilities	514			(15)
Foreign exchange operations pending settlement and forward position operations	(4 018)			2 317
Total Liabilities	**1 231 402**	**3**	**37 833**	**144 422**

3.3.3 Liquidity Risk

Overview

Banco BPI manages liquidly risk with the objective of maintaining a level of liquidity allowing it at all times to meet all its payment obligations, without investment activities being affected by lack of funds, while maintaining a balanced balance sheet structure in the long term. Liquidity risk is managed in its various aspects: i) the ability to keep up with assets growth and to meet cash requirements without incurring exceptional losses; ii) the maintenance in the portfolio of tradable assets that constitute a sufficient liquidity buffer; (iii) compliance with the various regulatory requirements in the context of liquidity risk.

The strategic principles followed to reach this objective are:

- Autonomous management of Banco BPI's liquidity, subject to governance practices aligned to those implemented by CaixaBank as well as to the recommendations and best practices set forth by the supervision authorities.
- Active liquidity management, namely through the ongoing monitoring of liquid assets and the balance sheet structure.
- Maintaining a sufficient level of liquid funds to meet obligations assumed, fund business plans and comply with regulatory requirements.
- Sustainability and stability of the funding sources, based on i) funding structure mainly supported by Customer deposits ii) limited recourse to ECB funding and reduced dependence on the capital and money markets.

The liquidity risk strategy and appetite for liquidity and financing risk involves:

- Identification of significant liquidity risks for Banco BPI;
- Formulation of the strategic objectives for each of these risks and definition of the management requirements to reach these objectives;
- Definition of the relevant metrics for each of these risks;
- Setting of limits and objectives for each of these metrics within the context of the Risk Appetite Framework;
- Establishment of management, monitoring and control procedures for each of the risks, including mechanisms of regular internal and external reporting;
- Definition of a stress testing framework and a Liquidity Contingency Plan to ensure the management of liquidity risk in situations of moderate and serious crisis;
- Recovery Plan setting out scenarios and measures for extreme stress situations.

In particular, Banco BPI has specific strategies with regard to: i) management of intra-day liquidity; ii) management of short-term liquidity; iii) management of funding sources; iv) management of concentration risk; v) management of liquid assets; and vi) management of collateralised assets. In addition, Banco BPI has in place procedures to minimise liquidity risks in stress conditions through i) early detection; ii) proactive management to overcome potential situations of crisis; and iii) minimisation of negative impacts.

Mitigation of liquidity risk

On the basis of the principles referred in the previous section, a Contingency Plan has been drawn up which establishes action plans for each crisis scenario and sets out the measures to be taken at commercial, institutional and internal/external communication level to deal with each situation. In a stress situation, the main priority of the net liquid assets portfolio management is to minimise liquidity risk.

The usual liquidity management measures include:

- Resorting to funding from the ECB, for which a series of guarantees is provided as collateral:

Available balance in the ECB facility

	31-12-2024	31-12-2023
Value of guarantees delivered as collateral	**4 931 710**	**5 536 435**
Total available balance in the ECB facility	**4 931 710**	**5 536 435**

- Maintenance of debt issuance programmes with the objective of facilitating the capacity to issue securities in the market or by private placement, or securities to be maintained in the Bank's own portfolio, as eligible assets for obtaining funding from the ECB.

Debt issuance capacity (31-12-2024)

	Maximum amount of Programme	Nominal used at 31-12-2024
Euro Medium Term Note (EMTN) [1]	7 000 000	3 100 000
Mortgage Covered Bonds Programme [2]	9 000 000	7 250 000 [3]
Public Sector Covered Bonds Programme [4]	2 000 000	600 000 [5]

[1] Registered on Luxembourg's "Commission de surveillance du secteur financier" ("CSSF") on 19 December 2024.

[2] Registered on the "Comissão do Mercado de Valores Mobiliários" ("CMVM") on 19 June 2024.

[3] Of which 5 450 million euros concern securities retained by Banco BPI and included in the portfolio of eligible assets for funding from the ECB.

[4] Registered on the "Comissão do Mercado de Valores Mobiliários" ("CMVM") on 24 October 2024.

[5] The securities have been retained by Banco BPI and included in the portfolio of eligible assets for funding from the ECB.

Debt issuance capacity (31-12-2023)

	Maximum amount of Programme	Nominal used at
Euro Medium Term Note (EMTN) [1]	7 000 000	1 850 000
Mortgage Covered Bonds Programme [2]	9 000 000	7 250 000 [3]
Public Sector Covered Bonds Programme [4]	2 000 000	600 000 [5]

[1] Registered on Luxembourg's "Commission de surveillance du secteur financier" ("CSSF") on 18 December 2023.

[2] Registered on the "Comissão do Mercado de Valores Mobiliários" ("CMVM") on 21 June 2023.

[3] Of which 5 750 million euros concern securities retained by Banco BPI and included in the portfolio of eligible assets for funding from the ECB.

[4] Registered on the "Comissão do Mercado de Valores Mobiliários" ("CMVM") on 12 October 2023.

[5] The securities have been retained by Banco BPI and included in the portfolio of eligible assets for funding from the ECB.

- Covered bonds issuance capacity (mortgage and public sector covered bonds):

Capacity to issue collateralised and securitised debt

	31-12-2024	31-12-2023
Mortgage Bonds		
use of retained issues [1]	5 450 000	5 750 000
issues with additional credit portfolio [2]	2 902 000	2 168 000
Public Sector Bonds		
use of retained issues [1]	600 000	600 000
Securitisation of mortgage loans (senior tranche)	201 000	367 000
Securitisation of loans to SMEs (senior tranche)	3 557 000	3 216 000

[1] The Bank may use the issues retained to place them with third parties, or cancel them and replace them by new issues to be subscribed by third parties.

[2] Issuance capacity based on eligible credit portfolio, not included in the cover pool of the Mortgage Bonds (assuming change to program maximum amount if necessary).

- Access to the short-term funding market:
  - Interbank facilities with various national and international counterparties;
  - Access to the repos market with several types of assets;
  - Access to the Clearing House (LCH) for repo business.

- The Contingency Plan and the Recovery Plan contain a series of measures that allow for liquidity to be generated in diverse crisis situations. The adequacy of each measure is assessed for each of the scenarios, and descriptions are provided of the steps necessary for their execution and expected period of execution.

Liquidity position

The table below shows the breakdown of BPI's liquid assets, in accordance with criteria established to determine the high-quality liquid assets used for the calculation of the LCR.

Total liquid assets

	31-12-2024		31-12-2023	
	Market value	**Eligible value**	**Market value**	**Eligible value**
Level 1 Assets	7 868 138	7 868 138	6 109 339	6 103 675
Level 2A Assets	128 565	109 280	128 960	109 616
Level 2B Assets	18 898	9 449	0	0
Total HQLA [1]	**8 015 600**	**7 986 867**	**6 238 299**	**6 213 291**
Other non-HQLA		**4 647 565**	**0**	**5 137 599**
Total liquid assets (HQLA + other non-HQLA)		**12 634 432**		**11 350 890**

[1] HQLA in accordance with the liquidity coverage ratio (LCR) calculation criteria. Corresponds to high quality assets available to meet liquidity needs in a 30-day stress period.

Note: Unaudited amounts

Liquidity ratios

(Average in last 12 months)	31-12-2024	31-12-2023
High quality liquid assets (numerator)	7 210 273	6 005 721
Total net outflows (denominator)	3 373 213	3 712 011
Cash outflows	4 563 665	4 917 028
Cash inflows	1 190 452	1 205 017
Liquidity coverage ratio (LCR) [1]	**214 %**	**162 %**
Net stable funding ratio (NSFR)	**141 %**	**136 %**

[1] The table presents the simple arithmetic mean in the last 12 months of the LCR ratio and respective calculation components. According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions. The established regulatory limit for the LCR ratio is 100%.

Note: Unaudited amounts

The balance available in the ECB pool at 31 December 2024 is 4 932 million euros, which corresponds to the total balance of securities placed in the pool. The 605 million euro decrease compared with December 2023 was due to the maturity of own mortgage covered bonds.

At 31 December 2024 the main ratings assigned by international rating agencies to Banco BPI were the following:

	Long-term debt	Short-term debt	Outlook	Date of last review	Mortgage covered bonds rating
DBRS Rating Limited					AA
Fitch Ratings	A- [1]	F2	Stable	13-12-2024	
Moody's Investors Service	A2 [2]	P-1	Stable	19-11-2024	Aaa
Standard & Poor's Global Ratings	A- [3]	A-2	Stable	15-11-2024	

[1] Long-term issuer default rating

[2] Long term Debt Rating / Issuer rating

[3] Long Term Issuer Credit Rating

At 31 December 2023 the main ratings assigned by international rating agencies to Banco BPI were the following:

	Long-term debt	Short-term debt	Outlook	Date of last review	Mortgage covered bonds rating
DBRS Rating Limited					AA
Fitch Ratings	BBB+ [1]	F2	Stable	30-06-2023	
Moody's Investors Service	Baa1 [2]	P-2	Stable	22-11-2023	Aaa
Standard & Poor's Global Ratings	BBB+ [3]	A-2	Stable	08-01-2023	

[1] Long-term issuer default rating

[2] Long term Debt Rating / Issuer rating

[3] Long Term Issuer Credit Rating

In the event of a downgrade of the current credit rating, additional collateral must be delivered to certain counterparties, or there are early redemption clauses. The breakdown of the impact on liquidity deriving from 1, 2 and 3-notch downgrading (not cumulative) is shown below:

Liquidity sensitivity to credit rating changes at 31 December 2024

	Downgrade 1 notch	Downgrade 2 notches	Downgrade 3 notches	Downgrade 4 notches
Trading in derivatives (CSA agreements)				1 376

Liquidity sensitivity to credit rating changes at 31 December 2023

	Downgrade 1 notch	Downgrade 2 notches	Downgrade 3 notches	Downgrade 4 notches
Trading in derivatives (CSA agreements)			1 294	

Note: Unaudited amounts

Asset encumbrance

This note includes information about encumbered and unencumbered assets, as defined by Banco de Portugal in Instruction 11/2021, of 28 July. The amounts disclosed are median values for the last four quarters, as set forth on the EBA Guidelines (EBA/RTS/2017/03) and on the Implementing Regulation (UE) 2021/637. The information below concerns the prudential supervision perimeter, as defined in Regulation (EU) no. 575/2013, CRD IV / CRR.

An encumbered asset is considered as an asset explicitly or implicitly pledged as security, or subject to an agreement to secure, collateralise, or improve the credit quality in any operation from which it cannot be freely withdrawn.

At 31 December 2024, the breakdown of assets by encumbered and unencumbered was as follows:

Encumbered assets	Book value	Fair value
Portuguese sovereign debt securities		
Commitments to the Deposit Guarantee Fund and Investors Compensation Scheme	156 504	139 375
Total Portuguese sovereign debt	**156 504**	**139 375**
Credit operations		
Funding from the European Investment Bank (EIB) collateralised by mortgage bonds	437 334	
Funding from the European Central Bank (ECB) collateralised by covered bonds		
Bonds collateralised by mortgage loans	2 118 263	
Total credit operations	**2 555 597**	
Other assets		
Derivatives	23 665	
Other collateral	118 018	
Total other assets	**141 683**	
Total amount of encumbered assets	**2 853 784**	

Unencumbered assets	Book value	Fair value
Equity instruments	482 995	482 995
Debt instruments	8 262 671	7 961 506
Credit	27 213 897	
Other assets	1 227 643	
Total amount of unencumbered assets	**37 187 207**	

At 31 December 2023, the breakdown of assets by encumbered and unencumbered was as follows:

Encumbered assets	Book value	Fair value
Portuguese sovereign debt securities		
Debt securities sold with repurchase agreement	1 648 238	1 554 544
Commitments to the Deposit Guarantee Fund and Investors Compensation Scheme	201 794	176 077
Total Portuguese sovereign debt	**1 850 032**	**1 730 621**
Credit operations		
Funding from the European Investment Bank (EIB) collateralised by mortgage bonds	432 483	
Funding from the European Central Bank (ECB) collateralised by covered bonds	595 570	
Bonds collateralised by mortgage loans	1 887 674	
Total credit operations	**2 915 727**	
Other assets		
Derivatives	62 399	
Other collateral	184 285	
Total other assets	**246 684**	
Total amount of encumbered assets	**5 012 443**	

Unencumbered assets	Book value	Fair value
Equity instruments	505 643	505 643
Debt instruments	6 920 961	6 565 471
Credit	26 002 202	
Other assets	1 222 750	
Total amount of unencumbered assets	**34 651 556**	

The encumbered assets included in this table correspond to operations that were given as a guarantee or collateral, without being derecognised from the Bank's assets, such as securities sold with repurchase agreements and securities delivered to the European Central Bank to guarantee financing from this entity.

As defined in Commission Implementing Regulation (EU) no. 451/2021 of 17 December 2020, assets included in the liquidity pool deposited in the European Central Bank and not used, or credit operations associated with mortgage covered bonds and Public Sector covered bonds and securitisations not placed on the market, are not considered encumbered assets.

At 31 December 2024 and 2023, the fair value of the encumbered collateral received was as follows:

	31-12-2024		31-12-2023	
	Fair value of collateral received			
	Encumbered	Free	Encumbered	Free
Debt securities				
Sovereign debt		56 197		2 098
Financial companies		88 919		80 129
Total debt securities		145 116		82 227
Other assets (derivatives)	79		5 598	

This table includes the amount of collateral received that does not meet the conditions for recognition in the balance sheet, such as securities received as collateral for repo operations. These assets may or may not be reusable and provided as collateral in other operations.

At 31 December 2024 and 2023, the liabilities associated with encumbered assets and collaterals received were as follows:

	31-12-2024		31-12-2023	
	Associated and contingent liabilities	Assets and collateral received	Associated and contingent liabilities	Assets and collateral received
Financial Liabilities				
Derivatives	56 768	47 423	96 170	164 951
Deposits				
Funding from the European Central Bank			440 994	595 570
Funding from the European Investment Bank (EIB)	457 739	445 687	467 586	440 532
Debt securities sold with repurchase agreement	42 426	49 332	1 968 302	2 171 440
Other deposits	228		5 730	
Securities issued				
Bonds collateralised by mortgage loans	1 818 252	2 256 963	1 125 666	1 450 100
Securitisation operations		12 000		12 000
	2 375 413	**2 811 405**	**4 104 448**	**4 834 593**
Other encumbrance sources				
Commitment to the Deposit Guarantee Fund		5 804	38 714	51 094
Commitment to the Investor Compensation Scheme	9 749		9 315	
European Central Bank liquidity facility	85 230	85 230	79 069	79 069
	94 979	**91 033**	**127 098**	**130 163**
Total amount of encumbrance sources	**2 470 392**	**2 902 439**	**4 231 546**	**4 964 756**

Residual maturity of operations

The tables below show the breakdown of certain balance sheet items by contractual term to maturity, under normal market conditions:

Term to maturity of operations at 31 December 2024

	On demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Assets						
Interbank and Central Banks		3 113 056	3 231	116 925		3 233 212
Loans and advances to Customers	34 579	3 043 863	3 805 725	9 556 757	21 240 167	37 681 091
Fixed income portfolio	1 860	40 880	1 507 100	5 042 494	1 744 324	8 336 658
Liabilities						
Interbank and Central Banks		(245 449)	(462 770)	(3 443)		(711 662)
Customer deposits	(4 283 765)	(7 410 300)	(7 268 185)	(6 495 877)	(5 237 276)	(30 695 403)
Issuances[1]		(522 921)	(359 293)	(3 871 404)	(846 569)	(5 600 187)
Lease liabilities (IFRS 16)		(3 933)	(19 557)	(80 273)	(17 741)	(121 503)
Derivatives		(27 512)	24 186	57 714	23 630	78 018

[1] Assuming that the reimbursement will be made on the date of the first call option.

Term to maturity of operations at 31 December 2023

	On demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Assets						
Interbank and Central Banks	139	2 039 274	25 473	20 687		2 085 573
Loans and advances to Customers	78 436	2 884 641	3 881 975	9 476 435	20 698 568	37 020 055
Fixed income portfolio		67 436	492 293	5 532 217	1 347 175	7 439 121
Liabilities						
Interbank and Central Banks	(3 377)	(560 136)	(26 198)	(464 779)	(910)	(1 055 400)
Customer deposits	(4 294 280)	(4 036 878)	(8 811 730)	(7 252 785)	(5 135 836)	(29 531 509)
Issuances[1]		(530 716)	(364 149)	(2 796 152)		(3 691 017)
Lease liabilities (IFRS 16)		(3 910)	(19 712)	(90 811)	(30 692)	(145 125)
Derivatives		(48 799)	(5 564)	44 190	27 414	17 241

[1] Assuming that the reimbursement will be made on the date of the first call option.

3.3.4 Market risk

Overview

The market risk perimeter covers Banco BPI's trading portfolio as defined for risk purposes in accordance with regulatory recommendations.

Market risk cycle

Monitoring and measurement of market risk

On a daily basis, the responsible departments realise and monitor the transactions in portfolio, calculate how changes in the market will affect the positions held (daily marked-to-market results), quantify the market risk taken and monitor compliance with the established limits. The results of these activities are compiled into daily position reports, which include the quantification of risks and the utilisation of risk limits, and these are distributed to the various levels in the hierarchy. As a general rule, there are two types of measurements which constitute a common denominator and market standard for the measurement of market risk:

Sensitivity: Sensitivity represents risk as the impact a slight change in risk factors has on the value of positions, without providing any assumptions about the probability of such a change (e.g. one of the most common methods used to measure interest rate sensitivity is to project a change of one basis point in the interest rates curve).

Value-at-risk (VaR): The benchmark market risk measurement is VaR, with a confidence level of 99% and a two-week (10 business days) time horizon based on a parametric model where the return on the risk factors considered follow a zero average normal distribution and the standard deviation is obtained from an historical series of values observed over one year. The diversification effect is considered based on correlations between the returns of the various factors considered (interest rates, exchange rates, equity prices). Total VaR results from the aggregation of VaR arising from fluctuations in interest rates, exchange rates and equity prices, taking into account the diversification effect.

The table below shows the values of average VaR at 99% with a time horizon of two weeks (10 business days) in accordance with BPI's different risk factors. As can be seen, the value of the risk is immaterial, given the limited expression of open positions in the trading book.

	Total	Interest Rate	Exchange Rate
2024 average VAR	40	33	17
2023 average VAR	91	84	28

In 2024 the average and the maximum value of the VaR at 99% with a time horizon of two weeks in BPI's trading activities was 40 and 114 th.euros, respectively.

Capital requirements for market risk are determined based on the standardised approach, in accordance with Regulation (EU) 575/2013 of 26 June 2013, of the European Parliament and of the Council. The values calculated are insignificant, given the low representativeness of the portfolio, except for foreign-exchange risk. It should be noted that BPI's foreign-exchange risk, which covers the entire balance sheet of the bank and not just the positions in the trading portfolio, mainly derives from its equity holdings in financial institutions outside the Eurozone and not from its current activity.

Mitigation of market risk

BPI's trading portfolio is mainly composed of open positions arising from its regular commercial relationship with clients, which are hedged by the Bank in the market. The necessary monitoring and control of the market risks assumed involve a structure of risk limits that are controlled by means of indicators such as Value at Risk (VaR) or Value of a basis point (Vo1).

The risk factors are managed using economic hedges on the basis of the return/risk ratio determined by market conditions and expectations, always within the assigned limits. Many of these hedges are back-to-back.

Beyond the trading portfolio, hedge accounting is used, which eliminates potential accounting mismatches in the balance sheet and the income statement caused by the different treatment of hedged instruments and those used to hedge in the market. Limits are established and monitored for each hedge, normally expressed as the ratio between the sensitivity of the hedging items and the sensitivity of the hedged items.

3.4. Actuarial risk

Overview

Banco BPI's Pension Fund is managed by BPI Vida e Pensões (management company). Banco BPI, as a member, defines the Pension Fund's Risk Management Policy, which provides the framework for the management company's activity, while also monitoring and supervising this company's activity and independently validating the actuarial assumptions defined for the Fund.

Actuarial risk cycle

Monitoring, measurement and mitigation of actuarial risk

The risk in the Pension Fund of Banco BPI, managed by BPI Vida e Pensões, is followed and monitored at levels 1 and 2 of the risk appetite framework (RAF), which sets target and tolerance levels.

The Pension Fund's risks are analysed and measured continuously and jointly so as to monitor the Fund's funding level (the funding risk is that with the greatest impact on the Member), both by the risk team of BPI Vida e Pensões (as the Management Company) and by Banco BPI, which monitors the risks and quantifies their impacts on the Member, annually factoring them in in the ICAAP exercise, and determining whether or not it is necessary to allocate economic capital to the Pension Fund. The ICAAP analyses the Pension Fund’s asset and liability risk.

In so far as the Fund's asset portfolio basically comprises shares, bonds (exclusively public debt), mutual fund participation units (investment funds and exchange traded funds), and real estate, the risks inherent in the Fund's assets are those specifically inherent in the various types of investment (credit risk, market risk, liquidity risk, etc.). The Fund's liabilities, which are liabilities for the payment of pensions, are subject to various risks that may have a negative impact on their value: inflation rate, growth of salaries and pensions, increase in the average life expectancy, discount rate.

Thus, active management of the investment portfolio risks and prudent management of the Pension Fund's actuarial assumptions (defined annually within the scope of the actuarial valuation), both from a long-term perspective and in accordance with the duration of the Fund's liabilities, are the most effective tools for correct mitigation of the Fund's underlying risks. Both assets and liabilities must be managed in accordance with the existing risk policies of both the Management Company and the Member.

For further information on actuarial risk, see note 22 on the pension fund.

3.5. Operational risk

Overview

BPI has adopted the definition of operational risk provided in the regulation in force (Regulation (EU) no. 575/2013 of the European Parliament and of the Council, of 26 June 2013): "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk." This definition excludes strategy and reputational risks.

In BPI's risk catalogue, as defined in the Internal Control Policy, operational risk is broken down into several subcategories which, due to their specific nature, justify allocating their management to specialised areas: conduct and compliance, legal and regulatory, technological and other operational risks.

Recognising the importance of managing the risks to which financial entities are exposed, BPI has a strict management policy whose principles are enshrined in the general risk management policies. The operational risk management model has the following specific objectives:

- to identify and pre-empt the existing operational risks arising from internal and external factors, so as to increase control over BPI's results (reducing volatility), by adopting measures to sustainably mitigate and reduce operational losses;
- to ensure BPI’s long-term continuity, namely through business continuity and technological contingency plans, managing the factors that may pose a risk to its survival;
- to promote the establishment of continuous improvement systems for operational processes and in the control structure in place at BPI, so as to facilitate decision-taking on risk;
- to promote a culture of management of operational risk based on risk awareness, responsibility, commitment and service quality;
- to comply with the regulatory framework and the requirements for application of the chosen management and calculation models, including the capital consumption requirements.

Operational risk management cycle

Operational risk management at BPI is supported by risk-sensitive policies, processes, tools and methodologies, and carried out in accordance with best market practices, at three interconnecting fronts:

- identification and assessment of operational risk;
- operational risk events;
- mitigation of operational risk.

Each Division under the aegis of the Executive Committee is responsible for identifying the operational risk inherent in the activities carried out by the respective areas by means of a self-assessment process.

The materialisation of operational risks (operational risk events) should be taken into account for the purpose of new identification of risks or reassessment of risks already identified and considered under a critical perspective for purposes of identification of mitigation measures.

Therefore, within the scope of the identification and monitoring of operational risk events, all the Bank's Divisions and Units, as the first line of defence, have as main responsibilities to i) promptly record these events in the internal database, and ii) incorporate the knowledge obtained through the critical analysis of these occurrences into the risk management cycle.

BPI’s operational risk management model establishes that it is the responsibility of Divisions to detect any situations that trigger the need to assess whether it is pertinent, opportune and feasible to devise risk Mitigation Measures. These measures are planned and implemented to reduce or eliminate the probability of a future occurrence of a certain risk and/or the severity of its impacts.

The Non-Financial Risks area, which is part of the Risk Management Division, is responsible, as a second line of defence (2LoD), for assisting the Divisions in the assessment of operational risk and monitoring the corresponding processes, collecting inputs that will enrich the operational risk evaluation process. It is also responsible for assessing the consistency of event records, compiling and critically analysing information to enhance the quality of the analysis of event patterns in order to improve risk management, monitoring and tracking mitigation actions through to implementation, and assisting the first line of defence (1 LoD) in the assessment, monitoring and tracking of Operational Key Risk Indicators (KRIs). As the second line of defence (2 LoD), the operational risk management team is also responsible for ensuring the quality of the overall operational risk management process, verifying its compliance with internal policies and external guidelines, and implementing specific operational risk controls. This function also provides guidance on the design and review of operational risk processes and controls to be established in the operational risk management units. The second line of defence also monitors the risk appetite and ensures operational risk reporting, implements the non-financial risk assessment model, proposes risk appetite levels and ensures prudential reporting.

Risks of an operational nature

The risks in the Corporate Catalogue of Risks of an operational nature, and identified as such in the regulatory framework, are described below.

3.5.1 Risk of conduct and compliance

The risk of conduct and compliance is defined as the risk arising from the application of action principles that are contrary to the interests of its Customers or other stakeholders, actions or omissions by the Bank that are not compliant with the legal and regulatory framework or the internal policies, standards and procedures. The objective of BPI is to minimise the probability of this risk occurring and, if it does, to promptly detect, report and address the weaknesses.

The management of conduct and compliance risk is undertaken across the entire institution, which, through its employees, must ensure compliance with the rules and legislation in force and apply adequate procedures for the performance of their daily activities.

The values and basic principles of conduct contained in Banco BPI's Code of Ethics, which apply to the general staff and the Members of the Corporate Bodies, contribute towards an adequate and integral management of the risk of conduct and compliance, on the one hand, and to quality, trust, and social commitment, on the other, steered by the following guiding principles: compliance with the legislation, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.

3.5.2 Legal and regulatory risk

Legal and regulatory risk is defined in the Risk Catalogue as the risk of "potential losses or reduction in the Bank's profitability as a result of legislative changes, an incorrect implementation of said legislation in BPI's processes, its inadequate interpretation in different operations, the incorrect management of judicial or administrative requests or complaints and complaints received".

At stake is thus the risk of potential losses or reduction in the Bank's profitability deriving (i) from failure to identify in a timely manner legislative or regulatory changes, (ii) from the inadequate interpretation and/or incorrect implementation of applicable legal and regulatory rules, including changes in the interpretation or application of such rules by the competent authorities or (iii) from the incorrect management or treatment of complaints received or of judicial actions, administrative processes or tax proceedings to which the Bank is a party.

In the realm of legal and regulatory risks mitigation, special attention is paid to: the legal framework and the identification of any misalignments with the law and/or legislation in force; the likelihood of changes in the legal/regulatory framework and their consequences; the clarification of the nature of contractual relationships and or their interpretation by the counterparties; the analysis of products and their legal status; and the identification/proposal of measures capable of reducing possible litigation risks for Banco BPI.

In this context, the main legal and regulatory changes with an impact on the Bank are Decree-Law no. 91/2023 of 11 October, which establishes the measure to temporarily fix the instalment of credit agreements for the purchase or construction of permanent housing and reinforces the extraordinary measures and support for mortgage loans. This measure does not preclude the application of Decree-Law no. 80-A/2022 of 25 November, which establishes measures to mitigate the effects of the increase in interest rates on credit agreements for the purchase or construction of permanent housing with an outstanding amount of less than or equal to 300 thousand euros, nor does it affect the application of the temporary interest subsidy measure established by Decree-Law no. 20-B/2023 of 22 March, which provides for exceptional assistance to families to pay rent and instalments on credit agreements. Finally, we also note Decree-Law No. 44/2024 of 10 July, on the public housing guarantee for young people.

The operating principles underlying the management of legal and regulatory risk are designed to ensure Banco BPI's adequate interpretation of and compliance with the applicable legal and regulatory rules, as well as with the rules and policies of the CaixaBank Group that also apply to its subsidiaries. Moreover, they aim to ensure compliance with Banco BPI's internal rules, the guidelines, recommendations and determinations issued by Supervisors / Regulators and the rulings of the courts, as well as to anticipate and prevent negative impacts for Banco BPI arising from any legislative changes.

3.5.3 Technology risk

Within the framework of regulatory operational risk, technology risk is defined as the risk of material or potential loss due to inadequate or failed technology infrastructure, due to cyber-attacks or other circumstances, and the inability to make changes to the ICT (Information and Communication Technologies) in a timely and cost-effective manner, compromising the availability, integrity, accessibility and security of infrastructure and data. This risk is divided into 5 ICT taxonomies:

1 Availability of ICT;

2 Security of ICT;

3 Changes to ICT;

4 Integrity of IT Data;

5 Governance and ITC strategy.

BPI uses a technological risk management and control methodology that is integrated in the 3 lines of defence internal governance model. This methodology is based on the corporate framework for the management of non-financial risks and is formalised in the technological risk management policy.

Technological risk assessment is carried out systematically and reported periodically to the senior bodies. The measurement of technological risk will be incorporated into a periodically monitored RAF indicator, calculated from individual indicators related to the different taxonomies of technological risk.

From the technological standpoint, to prevent impacts caused by failures in IT infrastructures, BPI has implemented recovery mechanisms based on high availability solutions for both hardware and software applications and data. Banco BPI has defined criteria concerning the criticality for the business, which allow critical assets to be inventoried in the context of technological risk. The readiness and efficacy of the response of these mechanisms applied to the critical assets is systematically gauged through an annual testing plan.

Banco BPI also maintains response plans, internal regulations, and controls to deal with the different areas of Information Security - availability, integrity and confidentiality - of which we highlight the following implemented within the scope of the technological risk management framework: governance, cybersecurity, incident management, access control, fraud and information leakage.

3.5.4 Other operational risks

Within the scope of Operational Risk, this means the risk of losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, outsourcing risk, business continuity risk and other risk factors related to external events or external fraud.

Operational risk that arises from operating processes and external events is managed across all areas of BPI. This implies identifying, assessing, managing, controlling and reporting the operational risks of their activity and cooperating with the Bank's operational risk management area in the implementation of the management model.

Specifically, Operational Continuity refers to the capability of an organisation to continue delivery of products or services at acceptable predefined levels following a disruptive incident. Therefore, Operational Continuity management at BPI consists in identifying potential threats to the organisation and its activity, providing a framework for building organisational resilience and the capability for an effective response that safeguards the interests of its key stakeholders, its reputation, brand, and value - creating activities.

As concerns business continuity risk, Banco BPI developed an Operational Continuity Management System which has been certified by the ISO22301 international standard since 2021. This management system is one of the pillars that supports and ensures the resilience of the planning, operation, assessment and continuous improvement of operational continuity management.

In accordance with the requirements of the new Digital Operational Resilience Regulation, Banco BPI has strengthened its level of digital operational resilience in terms of the security of the network and information systems that support its operational processes.

4. SOLVENCY MANAGEMENT

The following table shows the composition of Banco BPI own funds on 31 December 2024 and 2023:

	31-12-2024		31-12-2023	
	Amount	%	Amount	%
CET1 instruments	**3 293 329**		**3 198 454**	
Accounting shareholders' equity (without AT1)	3 735 987		3 699 729	
Dividends payable 1	(446 033)		(516 992)	
AVA adjustments	(1 480)		(1 190)	
Impact of transition to IFRS 9	4 855		16 908	
CET1 Deductions	**(429 508)**		**(528 693)**	
Intangible assets and goodwill	(61 483)		(69 920)	
Pension funds´ assets			(35 404)	
Deferred taxes assets and financial investments	(345 937)		(369 706)	
Other deductions	(22 088)		(53 663)	
CET1	**2 863 821**	**14.3 %**	**2 669 762**	**14.1 %**
AT1 Instruments	280 733		275 000	
TIER 1	**3 144 554**	**15.7 %**	**2 944 762**	**15.5 %**
TIER2 Instruments	445 923		446 491	
TIER 2	**445 923**	**2.2 %**	**446 491**	**2.4 %**
CAPITAL TOTAL	**3 590 477**	**17.9 %**	**3 391 253**	**17.9 %**
Other instruments eligible for MREL[2]	1 949 978		1 149 596	
MREL[3]	**5 540 455**	**27.7 %**	**4 540 849**	**23.9 %**
RWA	**20 029 290**		**18 983 490**	

[1] In 2024 the dividend paid to the shareholder was determined in accordance with the upper limit of BPI's dividend policy. In 2023 the dividend paid to the shareholder corresponded to the maximum distributable amount.

[2] In 2024, two MREL-eligible senior non-preferred bonds were issued: 700 million euros in March 2024 to compensate for the loss of eligibility of the 450 million euro issue of March 2020; and 550 million euros in December 2024 to increase MREL-eligible liabilities.

At 31 December 2024, the MREL LRE ratio is 13.0%.

Note: unaudited amounts

Considering the phased-in transition to IFRS9, at 31 December 2024, Banco BPI had a Common Equity Tier 1 (CET1) ratio of 14.3%, a Tier 1 ratio of 15.7% and a Total ratio of 17.9%.

Banco BPI's current solvency levels comfortably meet the imposed capital requirements, there being therefore no limitation on the distribution of dividends or payments relating to additional Tier 1 instruments.

The following chart sets out a summary of the minimum regulatory capital requirements on a consolidated basis at 31 december 2024 and 2023:

	31-12-2024		31-12-2023	
	Amount	%	Amount	%
BAS III minimum requirements[1]				
CET1	1 871 706	9.34 %	1 628 097	8.58 %
Tier1	2 243 499	11.20 %	1 980 478	10.43 %
Total Capital	2 739 224	13.68 %	2 450 320	12.91 %

[1] Includes the minimum required under Pillar 1, of 4.5%, 6% and 8% for CET1, Tier 1 and Total Capital, respectively; the Pillar 2 requirement of 1.9% (1.07% for CET1, 1.43% for Tier 1 and 1.90% for Total Capital); the 2.5% capital conservation buffer; the 0.5% O-SII (other systemically important institution) buffer; the countercyclical buffer, revised quarterly, of 0% for Portugal and, from the specific perspective of BPI, also taking into account exposures to other countries, of 0.04% in December 2024; the sectoral systemic risk buffer, required from 1 October 2024 and reviewed biannually, resulting in a requirement of 0.74% for BPI in December 2024. From 1 January 2025, the Pillar 2 requirement is 2%.

Note: unaudited amounts

The following table summarises the minimum MREL requirements applicable to Banco BPI in accordance with the Bank of Portugal's notification of April 2024:

	Requirement as % of RWAs (incl. CBR)[2]		Requirement as % of LRE[3]	
	2024	2023	2024	2023
MREL[1]	**23.01 %**	22.44 %	**5.91 %**	5.91 %

[1] The minimum requirement for own funds and eligible liabilities (MREL) for Banco BPI in 2024 is 19.23% of RWA plus CBR and 5.91% of LRE. The Bank of Portugal notified Banco BPI in January 2025 of the MREL requirement to be met from the date of notification. According to the decision of the Single Resolution Board (SRB), Banco BPI must comply with the MREL requirement of 21.42% of RWAs, plus CBR and 5.91% of the total leverage ratio exposure. On 31 December 2024, Banco BPI met the MREL requirements.

[2] CBR: combined buffer requirement, equal to the sum of the capital conservation buffer, O-SII buffer, countercyclical buffer, and sectoral systemic risk buffer; 3.78% in December 2024.

[3] LRE: leverage ratio exposure.

Note: unaudited amounts.

The following table shows the breakdown of the leverage ratio of BPI on 31 december 2024 and 2023:

	31-12-2024		31-12-2023	
	Amount	**%**	**Amount**	**%**
Exposure	42 515 698		39 733 429	
Leverage ratio		**7.4 %**		**7.4 %**

Note: unaudited amounts

The changes in own funds are as follows:

Change in own funds

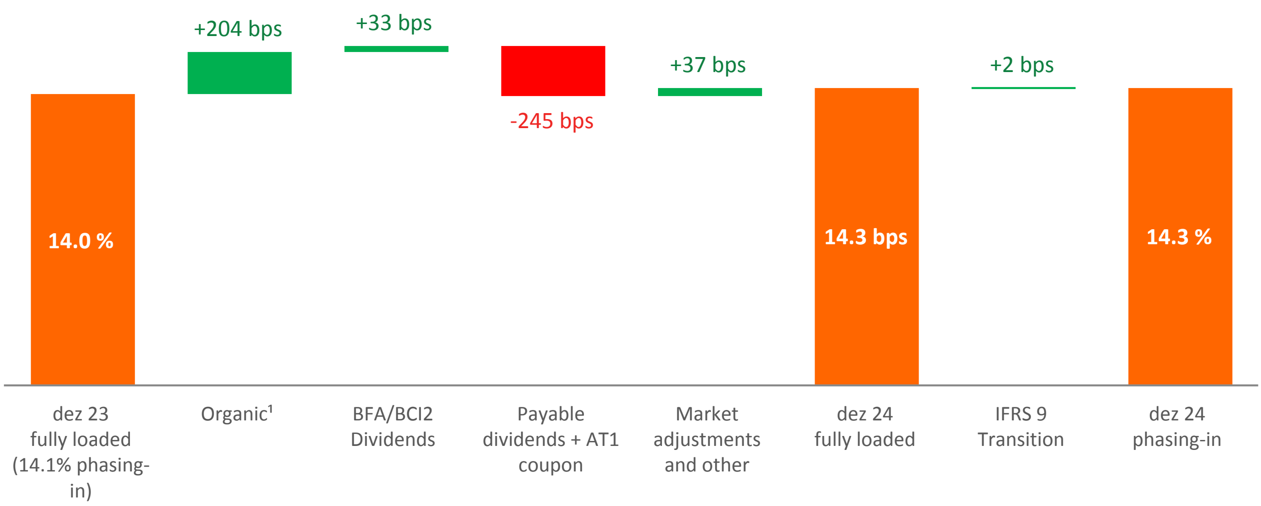
	31-12-2024		31-12-2023	
	Amount	**%**	**Amount**	**%**
CET1 at beginning of period	**2 669 762**	**14.1 %**	**2 553 175**	**14.8 %**
Changes in CET1 instruments	**94 874**		**(130 082)**	
Profit/(loss)	588 242		523 973	
Dividends payable	(446 033)		(516 992)	
Reserves	(34 992)		(129 820)	
AVA and IFRS9 adjustments	(12 343)		(7 244)	
Changes in CET1 deductions	**99 185**		**246 669**	
Intangible assets and goodwill	8 437		1 363	
Pension funds´ assets (excess funding)	35 404		101 582	
Financial investments	20 438		89 583	
Deferred tax assets	3 330		17 388	
Other CET1 deductions	31 576		36 753	
CET1 at end of period	**2 863 821**	**14.3 %**	**2 669 762**	**14.1 %**
Additional Tier 1 at beginning of period	**275 000**	**1.4 %**	**275 000**	**1.6 %**
Changes in AT1 instruments	**5 733**			
Subordinated issues [1]	275 000			
Issues' buyback [1]	(275 000)			
Other[2]	5 733			
Additional Tier 1 own funds at end of period	**280 733**	**1.4 %**	**275 000**	**1.4 %**
Tier 2 own funds at beginning of period	**446 491**	**2.4 %**	**442 597**	**2.6 %**
Changes in TIER2 instruments	**-568**		**3 894**	
Subordinated issues				
Issues' buyback				
Other[2]	(568)		3 894	
Tier2 at end of period	**445 923**	**2.2 %**	**446 491**	**2.4 %**

Note: Unaudited amounts

[1] In 2024, 275 million euros of AT1-eligible subordinated perpetual debt was issued and was carried out the early repayment of an issue of similar value and nature.

[2] In 2024, following the EBA/REP/2024/11 report, the ECB issued a recommendation to use the book value of the security issues eligible for capital. In this way, BPI now considers accrued and unpaid interest on each issue eligible in the calculation of AT1 and Tier 2 (6 million euros and 9 million euros, respectively).

Evolution of the CET1 ratio in 2024:



[1] Considers the income from the banking and insurance businesses in Portugal and the change in credit risk weighted assets.
[2] Includes the dividends received in Portugal in 2024 from BFA and BCI.
Note: Unaudited amounts.

In 2024, the CET1 ratio increased by 23 bps, from 14.1% to 14.3%. Annual organic growth was +204 bps, with net income in Portugal offsetting the growth in risk-weighted assets. Dividends payable (446 million euros) and the payment of the AT1 coupon, accounted for -245 bps, while market and other adjustments had an impact of +37 bps. The adoption of the IFRS9 prudential transitional arrangements, which ended on 31 December 2024, represented +2 bps, i.e., the fully loaded CET1 is 14.3%.

At 31 December 2024, Banco BPI had an MDA buffer (capital buffer without limitations on results distribution) of 425 bps, i.e., 781 million euros.

The detail of risk weighted assets and breakdown by calculation method is given below:

Detail of risk-weighted assets by method

	31-12-2024		31-12-2023	
	Risk-weighted assets	**%**	**Risk-weighted assets**	**%**
Credit risk[1]				
Standardised Approach	13 100 231	65 %	12 499 944	66 %
IRB Approach	3 709 099	19 %	3 581 880	19 %
Equity holdings risk				
Simple method	873 727	4 %	830 176	4 %
Market risk				
Standardised Approach	264 424	1 %	268 009	1 %
Operational risk				
Standardised Approach	2 081 808	10 %	1 803 481	10 %
	20 029 290	**100 %**	**18 983 490**	**100 %**

Includes credit valuation adjustments (CVA), deferred tax assets (DTA) and securitizations.

Note: Unaudited amounts

5. DIVIDEND DISTRIBUTION

Dividend policy

In line with the articles of association of Banco BPI (Article 26- 3): "The General Shareholders' Meeting shall decide on the long-term dividend policy proposed by the Board of Directors, which shall justify any deviations from that policy."

For compliance with this statutory rule, Banco BPI's long-term dividend policy was approved by the sole Shareholder on 14 November 2024, as follows:

1. General principle

Subject to a proposal to be submitted by the Board of Directors to the General Meeting, distribution of a dividend for the financial year equivalent to a value between 65% and 75% of the net income reported in the individual accounts in Portugal for the year to which it relates, plus 100% of the dividends received from BPI's equity holdings in Angola and Mozambique. The exact amount proposed will be determined based on a prudent judgement that balances the Bank's current situation with the need to maintain at all times adequate levels of liquidity and solvency.

"Dividends received' should be understood as dividends received in euro in Portugal in the financial year in question, regardless of the year to which they relate.

2. Conditioning factor

The distribution principle set out in the previous item shall be subject to:

- Compliance with the capital ratios at any time applicable to the Bank, whether under Pillar 1 or Pillar 2, as well as with other applicable legal provisions, namely those governing what is considered the "maximum distributable amount ";
- Respect for the findings and guidelines of the Bank's ICAAP and RAF at any time in force;
- The absence of circumstances that justify, in the Board of Directors' reasoned opinion, submitting to the Shareholders' resolution the distribution of a dividend of a different amount from that resulting from the application of the rule referred to in point 1.

The 2024 net profit distribution, approved by the Board of Directors, is as follows:

	2024
Net income reported in the individual accounts of Banco BPI	588 242
Application of 2024 individual net profit	
To dividends	446 033
To legal reserve	58 824
To other reserves	83 385
Individual profit of Banco BPI in 2024	**588 242**
Pay-out ratio for dividend distribution purposes	**76 %**

The dividend to be distributed corresponds to the upper limit of the dividend policy (75% of the net profit from the activity in Portugal plus 100% of the dividends received from BPI's equity holdings in Angola and Mozambique).

6. SEGMENTS

The objective of business segment reporting is to allow supervision and management of BPI's activity and income. The information is broken down into the various lines of business according to the Bank's organizational structure. To define and segregate segments, the inherent risks and management characteristics of each segment are considered. The information reporting used by management is essentially prepared on an accounting basis supported by the IFRS. Their preparation relies on i) the same presentation principles used for the Bank's management information, and ii) the same accounting principles and policies used to prepare the annual financial statements.

At 31 December 2024, BPI's segment reporting considers the following segments:

- **Commercial Banking**

Banco BPI's operations are focused mainly on commercial banking in Portugal, making an extensive offer of financial products and services available to retail, corporate and institutional Customers. Commercial banking includes:

- Individuals, Businesses, Premier and inContact Banking is responsible for the commercial activity with individual Customers, entrepreneurs, and small businesses, undertaken through a multichannel distribution network. This network comprises traditional Branches (for individuals, entrepreneurs and small businesses), Premier Centres (provide a financial advisor to individual customers), inTouch Centres (which offer a dedicated account manager accessible by phone or digital channels, during an extended timetable), AGE Centre (remote service to young Customers from 18 to 25), Connect Centre (remote Customer service), Citizen Centre (which serves foreign Customers), and DayOne Centre (for start-ups).
- Private Banking and Wealth: provides discretionary management and financial advisory services to high net worth individual Customers.
- Corporate and Institutional Banking: provides a specialised service to companies and institutions, through Corporate Centres (for medium-sized companies), one Real Estate Business Centre, Corporate Intouch Centres (remote service) and Corporate and Institutional Banking Centres - CIB Centres (which address the needs of Institutional Customers and the largest national enterprise groups).

This segment also includes the Bank's balance sheet management and other residual segments (representing less than 10% of total income and results of the Bank).

- **Corporate Centre**

This segment includes:

- the income generated by associated companies in Portugal, net of the financing cost. During 2023, BPI Suisse and Cosec were sold, and Unicre was reclassified from Associated companies and joint ventures to the portfolio of Financial Assets at fair value through other comprehensive income. The income generated by these operations was allocated to the corporate centre segment (Note 34).
- the income associated to participation units in credit recovery and private equity funds, and to investments in shares, net of the financing cost.
- the remuneration of BPI's excess capital, calculated as the difference between BPI's CET 1 (excluding the capital allocated to the holdings in BFA and BCI) and a reference value of 12.5% on 31 December 2024 and 11.5% on 31 December 2023.
- non-recurrent operating expenses (essentially early retirement and termination costs) and expenses of a corporate nature (structural expenses associated with the corporate bodies) and the interest income/(expense) on the net asset (net liability) for post-employment benefits.

- **BFA and BCI**

Includes the activity developed in Mozambique by Banco Comercial e de Investimentos, S.A.R.L. (associated company) and the results associated to the equity holding in Banco de Fomento Angola, classified in the portfolio of equity instruments at fair value through other comprehensive income.

At 31 December 2024, the income statement by business segment of BPI was as follows:[1]

	Reportable Segments			Other segments		
	Commercial Banking	Corporate Centre	**Domestic activity**	BFA [2]	BCI	**Banco BPI**
1.Interest income	1 684 727	2 502	**1 687 229**	2 069		**1 689 298**
2.Interest expense	(710 293)		**(710 293)**			**(710 293)**
3.Net interest income [1+2]	**974 434**	**2 502**	**976 936**	**2 069**		**979 005**
4.Dividend income	1	8 311	**8 312**	45 185		**53 497**
5.Equity accounted income		19 755	**19 755**		40 259	**60 014**
6.Fee and commission income	355 550		**355 550**			**355 550**
7.Fee and commission expenses	(28 931)		**(28 931)**			**(28 931)**
8.Net fee and commission income [6+7]	**326 619**		**326 619**			**326 619**
9.Gains/(losses) on financial assets and liabilities and other	30 364	(3 740)	**26 624**	(5 131)	1 007	**22 500**
10.Other operating income and expenses	(21 500)		**(21 500)**	(3 779)		**(25 279)**
11.Gross income [3+4+5+8+9+10]	**1 309 918**	**26 828**	**1 336 746**	**38 344**	**41 266**	**1 416 356**
12.Staff expenses	(238 205)	(74 431)	**(312 636)**			**(312 636)**
13.Other administrative expenses	(175 825)	(2 245)	**(178 070)**			**(178 070)**
14.Depreciation and amortisation	(64 012)	(390)	**(64 402)**			**(64 402)**
15.Operating expenses [12+13+14]	**(478 042)**	**(77 066)**	**(555 108)**			**(555 108)**
16.Net operating income [11+15]	**831 876**	**(50 238)**	**781 638**	**38 344**	**41 266**	**861 248**
17.Impairment losses and other provisions	(28 821)		**(28 821)**	122		**(28 699)**
18.Other impairments and provisions	(8 180)		**(8 180)**			**(8 180)**
19.Gains and losses in other assets	1 297		**1 297**		(8 961)	**(7 664)**
20.Net income before income tax [16+17+18+19]	**796 172**	**(50 238)**	**745 934**	**38 466**	**32 305**	**816 705**
21.Income tax	(259 216)	24 439	**(234 777)**	962	5 352	**(228 463)**
22.Net income [20+21]	**536 956**	**(25 799)**	**511 157**	**39 428**	**37 657**	**588 242**

[1] Income statement structure presented in accordance with Banco BPI management information.

[2] Interest income corresponds to interest on term deposits held at BFA relating to dividends to be transferred to Portugal.

At 31 December 2024 the breakdown of gross income and main items on the balance sheet of the Commercial Banking segment is as follows:

	Gross income	Financial assets at amortised cost	Financial liabilities at amortised cost - Deposits
Retail Banking, Businesses, Premier and InTouch	661 886	18 090 054	20 798 905
Private Banking	55 752	201 103	2 895 737
Corporate and Institutional Banking	279 381	11 710 518	6 539 541
Other	312 899	5 342 633	985 305
	1 309 918	**35 344 308**	**31 219 488**

At 31 December 2023, the income statement by business segment of BPI was as follows[1]:

	Reportable Segments			Other segments		
	Commercial Banking	Corporate Centre[2]	**Domestic activity**	BFA[3]	BCI	**Banco BPI**
1.Interest income	1 427 396	12 460	**1 439 856**	5 908		1 445 764
2.Interest expense	(496 830)		**(496 830)**			(496 830)
3.Net interest income [1+2]	**930 566**	**12 460**	**943 026**	**5 908**		**948 934**
4.Dividend income	1	1 976	**1 977**	72 561		74 538
5.Equity accounted income		18 699	**18 699**		41 898	60 597
6.Fee and commission income	320 026		**320 026**			320 026
7.Fee and commission expenses	(28 580)		**(28 580)**			(28 580)
8.Net fee and commission income [6+7]	**291 446**		**291 446**			**291 446**
9.Gains/(losses) on financial assets and liabilities and other	21 839	(523)	**21 316**	(42 370)	(220)	(21 274)
10.Other operating income and expenses	(41 257)	(38 714)	**(79 971)**	(5 805)		(85 776)
11.Gross income [3+4+5+8+9+10]	**1 202 595**	**(6 102)**	**1 196 493**	**30 294**	**41 678**	**1 268 465**
12.Staff expenses	(241 885)	(41 494)	**(283 379)**			(283 379)
13.Other administrative expenses	(164 935)	(4 540)	**(169 475)**			(169 475)
14.Depreciation and amortisation	(72 894)	(442)	**(73 336)**			(73 336)
15.Operating expenses [12+13+14]	**(479 714)**	**(46 476)**	**(526 190)**			**(526 190)**
16.Net operating income [11+15]	**722 881**	**(52 578)**	**670 303**	**30 294**	**41 678**	**742 275**
17.Impairment losses and other provisions	(50 950)		**(50 950)**	(130)		(51 080)
18.Other impairments and provisions	(3 090)		**(3 090)**			(3 090)
19.Gains and losses in other assets	374	6 886	**7 260**			7 260
20.Net income before income tax [16+17+18+19]	**669 215**	**(45 692)**	**623 523**	**30 164**	**41 678**	**695 365**
21.Income tax	(202 754)	22 882	**(179 872)**	11 344	(2 865)	(171 393)
22.Net income [20+21]	**466 461**	**(22 810)**	**443 651**	**41 508**	**38 813**	**523 972**

[1] Income statement structure presented in accordance with Banco BPI management information.

[2] Includes 9 304 th.euros corresponding to the capital gain on the sale of BPI Suisse.

[3] Interest income corresponds to interest implicit in the current amount of the extraordinary dividend, recognized in June 2021, received on june 2022 and 2023.

At 31 December 2023 the breakdown of gross income and main items on the balance sheet of the Commercial Banking segment is as follows:

	Gross income	Financial assets at amortised cost	Financial liabilities at amortised cost - Deposits
Retail Banking, Businesses, Premier and InTouch	571 499	17 416 661	19 580 176
Private Banking	45 515	169 481	3 059 457
Corporate and Institutional Banking	254 882	11 351 407	6 222 110
Other	330 699	5 578 699	1 451 439
	1 202 595	**34 516 248**	**30 313 182**

7. DISCLOSURE OF THE REMUNERATION OF THE CORPORATE BODIES

On 14 November 2024, CaixaBank, as the sole shareholder, approved the "Remuneration Policy of the Members of Banco BPI's Management and Supervisory bodies" applicable to the members of the Bank's corporate bodies.

In accordance with Banco BPI's Articles of Association, the members of the corporate bodies shall have a fixed remuneration and the members of the Executive Committee may receive, in addition to a fixed remuneration, a variable remuneration determined in accordance with the criteria defined in the remuneration policy for the members of the supervision and management bodies.

The remuneration of the non-executive members of the Board of Directors (Non-Executive Directors) consists exclusively of a fixed remuneration, paid monthly, which does not include any variable remuneration and is therefore not dependent on Banco BPI's results.

For Non-Executive Directors who are members of the Audit Committee, the Risk Committee or the NARC, a supplementary fixed remuneration adds on to the basic remuneration.

The actual remuneration of the Non-Executive Directors (including the Chair and Vice-Chair of the Board of Directors) and the Members of the Audit Committee, and the remuneration due for the participation of Directors in the Committees of the Board of Directors is determined at the beginning of each term of office by resolution of the General Meeting.

The Remuneration Policy defines the limits for the total annual remuneration attributable to the members of the management and supervision bodies. For the 2023/2025 term of office, the following limits apply to the total annual remuneration to be awarded, with the remuneration for each member of the bodies indicated below being distributed by resolution of the General Meeting, with due regard for the principles and rules established in the Remuneration Policy.

I. Non-executive Directors:

a) For serving on the Board of Directors: 1 550 000 euros.

b) For serving on committees of the Board of Directors: 630 000 euros.

c) For serving on the Audit Committee: 260 000 euros.

II. Executive Directors:

a) Fixed component: 4 000 000 euros.

b) Variable Component (variable remuneration in the form of bonus): 2 200 000 euros.

The remuneration of the Executive Directors is made up of a fixed component and a variable component, the latter in the form of a bonus. The variable component in the form of a bonus is in turn composed of a part in cash and another part in financial instruments, preferably CaixaBank shares, attributed in the framework and under the terms of the Remuneration Policy.

On the date of attribution of the Variable Remuneration (hereinafter the "Initial Payment Date"), 40% of its amount will be paid, of which 50% in cash and 50%t in financial instruments, which will be immediately transferred to the ownership of the Executive Director.

The remaining amount, corresponding to 60% of the Variable Remuneration attributed, is subject to a 5-year deferral period and will be paid out over the following 5 years, subject to the conditions set out in this Policy, as follows:

- 1/5 12 months after the Initial Payment Date
- 1/5 24 months after the Initial Payment Date
- 1/5 36 months after the Initial Payment Date
- 1/5 48 months after the Initial Payment Date
- 1/5 60 months after the Initial Payment Date

Each instalment of Deferred Variable Remuneration is paid 30% in cash and 70% in instruments.

Fixed remuneration earned in 2024

In 2024, the overall fixed remuneration of the members of the Board of Directors totalled 4 531 304 euros.

(amounts in euros)

Board of Directors	Member of the BD	Risk Committee	Audit Committee	Nominations, Evaluation and Remuneration Committee
Afonso Fuzeta Eça [3]	157 292			
Ana Rosas Oliveira [4]	157 292			
António Lobo Xavier	69 223		46 398	
Cristina Rios Amorim	78 122	55 678		46 398
Diogo Sousa Louro	411 337			
Fernando Ulrich	750 000			
Francisco Artur Matos	575 000			
Gonzalo Gortazar	62 700			
Javier Pano Riera	62 700	46 398		61 220
Joana Oliveira Freitas	62 700	11 084	46 398	42 377
João Oliveira e Costa	825 000			
Maria Fátima Bertoldi	62 700	46 398	49 362	
Maria Inês Valadas	18 113	13 404	13 404	
Natividad Capella	62 700		46 398	
Susana Trigo Cabral	423 976			
Francisco Manuel Barbeira [1]	95 085			
Pedro Barreto [1]	82 780			
Sandra Santos [2]	20 900		15 466	13 301

[1] Ceased to hold office on 19 February 2024.

[2] Ceased to hold office on 1 May 2024.

[3] Took office on 30 July 2024. In addition to the amount reported as “Fixed Remuneration”, received the amount of 125,012 euros for the position of Executive Manager prior to taking office as Executive Director.

[4] Took office on 30 July 2024. In addition to the amount reported as “Fixed Remuneration”, received the amount of 130 246 euros earned in the position of Executive Manager prior to taking office as Executive Director.

Remuneration of the members of the Social Responsibility Committee in 2024

The overall remuneration of the members of the Social Responsibility Committee in 2024 totalled 241 270 euros. The individual amounts were as follows:

(Amounts in euros)	Fixed remuneration
Artur Santos Silva	55 678
António Morais Barreto	46 398
José Pena Amaral	46 398
Maria Isabel Jonet	46 398
Rafael Chueca Blasco	46 398

Variable remuneration

CAs referred, the members of the Board of Directors who are members of the Executive Committee may be entitled to receive a variable remuneration. This variable remuneration is dependent upon the performance of the members of the Executive Committee during a given year, and its attribution is usually decided and made during the first half of the following year.

Variable remuneration relative to the performance of the members of the Executive Committee in 2024

The variable remuneration for performance in 2024 shall be subject to a decision to be taken in the first half of 2025, under the terms referred to hereinabove. However, and in accordance with the applicable accounting rules, it was assumed in Banco BPI's 2024 financial statements that the variable remuneration to be attributed to the members of the Executive Committee in the first half of 2025, with reference to financial year 2024, would amount to 1.3 million euros.

Variable remuneration relative to the performance of the members of the Executive Committee in financial years before 2024

In addition, portions of variable remuneration were paid in 2024 to the members of the Executive Committee for their performance in years prior to 2024, the payment of which had been subject to deferral under the terms referred to hereinabove.

This remuneration therefore rewards performance in previous years, but it was paid in 2024 under the rules on deferral provided for in the Remuneration Policy.

Accordingly, the variable remuneration approved by the Nominations, Evaluation and Remuneration Committee on 14 March 2024 relative to performance in 2023 totalled 1.7 M.euros, of which 708 576 euros was paid in 2024 and 1 062 864 euros with payment phased over from 2025 to 2030.

Variable remuneration relative to 2023

(Amounts in euros)	Amount attributed	Amount paid in 2024	Deferred amount to be paid in stages from 2025 to 2029 (one fifth in each year)
João Oliveira Costa	441 750	176 700	265 050
Francisco Artur Matos	312 170	124 868	187 302
Susana Trigo Cabral[2]	202 911	81 165	121 746
Diogo Sousa Louro[1]	202 911	81 165	121 746
Ana Rosas Oliveira[4]	104 073	62 444	41 629
Afonso Fuzeta Eça[4]	60 711	36 427	24 284
Francisco Manuel Barbeira[3]	302 630	121 052	181 578
Pedro Barreto[3]	309 070	123 628	185 442

[1] Took office on 7 September 2023
[2] Took office on 26 July 2023.
[3] Ceased to hold office on 19 February 2024.
[4] Took office on 30 July 2024. The amounts reported include deferred remuneration earned during the period in office as Executive Manager.

The amounts referred in the above table, i.e., both those paid in 2024 and those whose payment was deferred, are paid 38% in cash and 62% in kind (the latter, in CaixaBank shares, valued at 4.7437[1] euros per share). The amounts paid in kind are subject to a retention period of 12 months starting from their date of attribution.

Amounts paid/available in 2024 by reference to performance in the 2018, 2019, 2021, 2022 and 2023 financial years:

(Amounts in euros)	In cash					In equity instruments				
	2018	2019	2021	2022	2023	2018	2019	2021	2022	2023
Afonso Fuzeta Eca[1,5]				1 800	18 214				4 200	18 213
Alexandre Lucena Vale	7 948	5 245				7 948	16 315			
Ana Rosas Oliveira[1,5]			4 606	3 166	31 222			4 606	7 386	31 222
Diogo Sousa Louro[2,5]			3 500	2 700	40 583			11 842	6 300	40 582
Farinha Morais	9 000	7 637				9 000	16 212			
Francisco Artur Matos			9 000	10 923	62 434			19 764	25 488	62 434
Francisco Manuel Barbeira[3]	11 340	6 344	12 960	10 923	60 526	11 340	17 414	23 785	25 488	60 526
Ignacio Alvarez Rendueles	12 240	10 336	12 960	10 494		12 240	21 406	28 964	24 486	
Joao Oliveira Costa	14 691	10 876	14 400	15 458	88 350	14 691	21 946	35 803	36 068	88 350
Jose Pena Amaral	7 980	7 238				7 980	18 308			
Pablo Forero	13 200	12 432				13 200	26 569			
Pedro Barreto[3]	13 754	10 336	12 960	10 923	61 814	13 754	21 406	24 013	25 488	61 814
Susana Trigo Cabral[4,5]			4 347	3 310	40 583			12 534	7 723	40 582

[1] Took office on 30 July 2024.
[2] Took office on 7 September 2023.
[3] Ceased to hold office on 19 February 2024.
[4] Took office on 26 July 2023.
[5] The amounts reported include deferred remuneration earned during the period in office as Executive Manager.

Taking into consideration the crisis created by the Covid-19 pandemic, the members of the Executive Committee of the Board of Directors waived their performance bonuses corresponding to performance in the 2020 financial year.

Long-term incentives

General Features

Banco BPI, in alignment with CaixaBank, has implemented a conditional variable remuneration scheme (Long-term Incentives Plan - LTI) linked to the 2019-2021 Strategic Plan for the Executive Board Members and a restricted group of Key Employees. The 1st and 3rd cycles of this plan, corresponding to the years 2019 and 2021, were thus implemented. As was the case with variable remuneration, in 2020 the members of the Executive Committee of the Board of Directors waived the LTI corresponding to the 2nd cycle of the plan associated to the 2019-2021 Strategic Plan.

The conditional variable remuneration scheme (Long-term Incentives Plan - LTI) linked to the 2022-2024 Strategic Plan was integrated in the variable remuneration subject to the assessment of compliance with Multi-Year Metrics defined by the Sole Shareholder in the year of attribution of the variable remuneration

[1] Share price on the working day prior to the award.

The Plan
The Plans consisted in a Variable Remuneration Scheme that combined short- and long-term metrics based on the Strategic Plan. They provided for the allocation of a certain number of Units to each beneficiary, free of charge and multi-yearly, which, providing the requirements established in the Regulation are met, will subsequently serve as a basis to determine the number of shares to be delivered (in 2023 and 2025).

Supplementary pensions or early retirement schemes
The members of the management body who are or have been Executive Directors (or, under the previous governance model, members of the Management body) benefit from the pension plan applicable to Banco BPI's Employees in general under the same circumstances, to the extent that they were Banco BPI Employees before holding those positions and their employment suspended was suspended, under the terms of the law.

The members of the management body who were Executive Directors in the 2014/2016 term of office or who were members of this body (or, under the previous governance model, members of the Management body) in earlier terms of office, also enjoy a defined benefit scheme, a supplementary retirement benefit, as approved at the Bank's General Council meeting of 25 July 1995, which provides them with a retirement supplement the monthly amount of which depends on their monthly income as Executive Directors and on the number of years served in said positions.

The rules which govern the aforesaid benefit are set out in the Retirement Entitlement Regulations for the Members of the Management Board, approved at the above-mentioned General Council meeting.

There is a provision that the pensions paid under the Social Security which fall within any one of the following three categories shall be deducted from the pensions paid under the Executive Directors' plan:

- those relating to functions performed at BPI;
- those relating to functions performed at third party entities at BPI's indication and which BPI has recognised for that purpose;
- the pensions paid under other BPI pension plans.

Executive Directors are also entitled to a defined contribution supplementary pension benefit. The members of the management and supervision bodies who are not nor have ever been Executive Directors (or, under the previous governance model, members of the Management body) are not entitled to any retirement benefit attributed by the Bank.

A sum of 1 601 thousand euros, corresponding to the present value of past service liabilities, was allocated to the Executive member of the Board of Directors who at 31 December 2024 was the beneficiary of a defined contribution pension plan:

(Amounts in thousand euros)	Amount
João Oliveira e Costa	1601

In 2024, the annual cost of retirement and survivor's pensions calculated based on the actuarial valuation of 31 December 2024, was 151 th.euros:

(Amounts in thousand euros)	Amount
João Oliveira e Costa	151

A sum of 3173 th.euros, corresponding to the amount of liabilities on the date of departure, was allocated to the former executive member of the Board of Directors who left office on 19 February 2024 and is a beneficiary of a defined pension plan:

(Amounts in thousand euros)	Amount
Pedro Barreto	3173

In 2024, the annual cost of retirement and survivor's pensions of the former executive member of the Board of Directors who left office on 19 February 2024, calculated based on the actuarial valuation of 31 December 2024, was 39 th.euros:

(Amounts in thousand euros)	Amount
Pedro Barreto	39

A sum of 104 th.euros, corresponding to the present value of past-service liabilities, was allocated on the date of departure to the former executive member of the Board of Directors who left office on 19 February 2024 and is a beneficiary of a pension plan under the Collective Wage Agreement ("ACT") and/or the Social Security:

(Amounts in thousand euros)	Amount
Francisco Manuel Barbeira	104

An amount of 1 910 th.euros, corresponding to the present value of past-service liabilities, was allocated to the Board members who are beneficiaries of a pension plan under the ACT and/or the Social Security:

(Amounts in thousand euros)	Amount
Francisco Artur Matos	119
Diogo Sousa Louro	206
Susana Trigo Cabral	1409
Ana Rosas Oliveira	175
Afonso Fuzeta Eça	1

8. CASH AND CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Cash	233 000	285 416
Demand deposits at Bank of Portugal	2 964 806	1 497 752
Other demand deposits	88 017	72 651
Interest on demand deposits at Bank of Portugal	231	409
	3 286 054	**1 856 228**

The caption 'Demand deposits at Bank of Portugal' includes funds intended to meet the requirements of the Eurosystem's Minimum Reserves System and overnight deposits made through the Eurosystem's deposit facility. The component of the deposits intended to meet the minimum reserve requirements is currently not remunerated. The investments under the overnight liquidity absorption mechanism is currently remunerated at 3.00%. If the surplus funds were not placed with the Eurosystem, the remuneration rate would be 0%. The minimum cash reserve corresponds to 1% of the amount of deposits and debt securities issued maturing in up to 2 years, excluding liabilities to other institutions subject to and not exempt from the same minimum cash reserve system and the liabilities to the European Central Bank and national central banks that participate in the euro.

9. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

Financial assets held for trading

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Trading derivatives	55 465	51 875
Debt securities		
Bonds issued by other foreign entities		4 238
	55 465	**56 113**

Financial assets held for trading are measured at fair value, which includes credit risk and related losses, and represents the Bank's maximum exposure to credit risk.

Financial liabilities held for trading

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Trading derivatives	57 232	58 115
	57 232	**58 115**

9.1. Trading derivatives (assets and liabilities)

The detail of this heading is as follows:

	31-12-2024			31-12-2023		
	Notional value	Book value		Notional value	Book value	
		Assets	Liabilities		Assets	Liabilities
Foreign currency purchase / sale						
Foreign currency purchases against euros	497 270	11 033	121	538 974	1 875	2 295
Foreign currency purchases against foreign currencies	727	4	4	621	6	5
Sale of foreign currencies against euros	174 735	17	9 118	128 925	1 325	603
Share options						
Bought	125 712	277				
Issued			277			
Interest rate options						
Bought	1 061 955	4 432	120	766 308	9 714	12
Issued	1 063 249	1 895	2 382	778 652	1 375	6 489
Collar	2 010 659	3 620	4 120	982 806	2 221	2 435
Currency options						
Bought	2 985	38		20 950	352	
Issued	3 000		39	9 664		151
Collar	798 593	5 660	5 686	736 525	1 831	1 876
Other share and interest rate transactions						
Interest rate swaps	2 667 998	28 489	35 365	2 078 474	33 176	44 249
	8 406 883	**55 465**	**57 232**	**6 041 899**	**51 875**	**58 115**
Of which: contracted in non-organised markets	8 406 883	55 465	57 232	6 041 899	51 875	58 115

The Bank usually hedges the market risk associated with derivatives contracted with customers by contracting symmetric derivatives on the market and records both in the trading portfolio. Thus, the market risk of these operations can be considered to be insignificant.

At 31 December 2024 and 2023, the trading derivatives balance sheet captions include 1 726 th.euros and 1 567 th.euros of Credit Valuation Adjustments (CVAs) and 398 th.euros and 398 th.euros of Debit Valuation Adjustments (DVAs), respectively (Note 37.1).

10. NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Equity instruments		
Shares in Portuguese companies	8 635	8 104
Shares in foreign companies	2 911	1 586
Participation units of Portuguese issuers	21 320	33 688
Participation units of foreign issuers	12 012	12 041
	44 878	**55 419**
Debt securities		
Bonds issued by other Portuguese entities	50	47
	50	**47**
	44 928	**55 466**

Non-trading financial assets mandatorily at fair value through profit or loss are measured at fair value, which includes credit risk and respective losses, and represents the Bank's maximum exposure to credit risk.

In 2024 and 2023 the movement in the caption ‘equity instruments - non-trading financial assets mandatorily at fair value through profit or loss’ was as follows:

	2024	2023
Balance at beginning of the year	**55 419**	**67 806**
Purchases	2 414	1 516
Sales and other	(9 958)	(13 340)
Gains/(loses) recognised as profit/(loss) and other	(2 998)	(563)
Balance at end of the year	**44 878**	**55 419**

In 2024 and 2023 the movement in the caption ‘debt securities - non-trading financial assets mandatorily at fair value through profit or loss’ was as follows:

	2024	2023
Balance at beginning of the year	**47**	**5 703**
Sales and other		(5 626)
Gains/(loses) recognised as profit/(loss)	3	(30)
Balance at end of the year	**50**	**47**

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This caption is made up as follows:

	31-12-2024	31-12-2023
Equity instruments		
Shares in Portuguese companies	129 205	123 512
Shares in foreign companies	310 039	345 654
	439 244	**469 166**
Debt securities		
Bonds issued by Portuguese government entities		
Treasury Bills	147 262	
Treasury Bonds	75 755	75 998
Bonds issued by foreign government entities	717 540	708 168
	940 557	**784 166**
	1 379 801	**1 253 332**

In year 2024 the movement in the caption ‘equity instruments at fair value through other comprehensive income’ was as follows:

	31-12-2023	Purchases and other	Sales and other	Gains/(losses) recognised under other comprehensive income	Potential Gains/(losses) recognised under other comprehensive income and exchange variation	31-12-2024
Banco de Fomento Angola, S.A.	338 800				(34 200)	304 600
Other	130 366	430	(3 811)	1 831	5 829	134 645
	469 166	430	(3 811)	1 831	(28 371)	439 245

In 2023 the movement in BPI' consolidated and individual balance sheet caption ‘equity instruments at fair value through other comprehensive income’ was as follows:

	31-12-2022	Purchases and other [1]	Sales and other [1]	Gains/(losses) recognised under other comprehensive income	Potential Gains/(losses) recognised under other comprehensive income and exchange variation	31-12-2023
Banco de Fomento Angola, S.A.	410 800				(72 000)	338 800
Other	79 333	33 081	(870)	(526)	19 348	130 366
	490 133	33 081	(870)	(526)	(52 652)	469 166

[1] Includes amount of the reclassification of Unicre from the caption Investments in Joint Ventures and Associated Companies

BFA's valuation estimate is based on discounted future cash flow methodologies, plus multiples methodologies based on comparable banks.

In the first half of 2024, BFA approved the distribution of 50% of the 2023 results, in the amount of AKZ 83.8 billion. The dividend attributed to BPI (41.6 million euros net of withholding tax, at the exchange rate on the date of recognition) was received in Angola, and an interest-bearing deposit was set up at a net rate of 10.8%. By the end of 2024, BPI had received all the dividends in Portugal (36.5 million euros), plus 1.4 million euros in interest on the aforementioned term deposit, received at the beginning of January 2025.

Also in the 1st half of 2024, BPI received in Portugal the 3rd and final instalment of the distribution of free reserves approved by BFA's General Meeting of June 2021, amounting to AKZ 21.3 billion (23 million euros). BPI also received 1.6 million euros in interest on the local currency term deposit held between the receipt of dividends in Angola and their repatriation to Portugal.

The value change of the holding in BFA in 2024 (34 million euros) was essentially due to:

- the distribution of the 2023 dividend;
- the revision of estimates and macroeconomic scenario, reflecting the more unfavourable outlook for the evolution of the AKZ;
- Time value (i.e. updating of the valuation reference date).

The main assumptions underlying BFA's valuation model are the following:

Main assumptions underlying BFA's valuation (DDM)

	31-12-2024	31-12-2023
Projection period	5 years	5 years
Discount rate (Cost of capital)[1]	20.9 %	20.6 %
Target capital ratio	21.0 %	27.0 % in 2023; 21.0 % from 2024 onward

[1] Calculated based on the interest rate of US treasury bonds, plus country and market risk premium.

In order to determine whether there were significant changes in the estimated fair value of financial instruments classified in level 3 as a result of changes in one or more base parameters of the valuation model, Banco BPI made a sensitivity analysis on the estimated fair value of BFA determined by the Dividend Discount Method (DDM), as shown below:

Sensitivity analysis to the valuation of BFA (DDM)

	Baseline scenario	Sensitivity scenario (KoE)		Sensitivity scenario (Objective capital ratio)		Sensitivity scenario (Change in AKZ/USD until 2027)	
(in million euros)		**+1 p.p.**	**-1 p.p.**	**+1 p.p.**	**-1 p.p.**	**-20 %**	**+20%**
Estimated value for 48.1% of BFA	305	293	317	298	311	268	336
Change versus baseline scenario		-11	13	-7	7	-36	32

In 31 December 2024 the movement in the caption ''Debt securities at fair value through other comprehensive income'' was as follows:

	Quantity (unit value)	Acquisition value	Book value	Net gain/(loss)
Debt securities				
Bonds issued by Portuguese government entities				
Treasury Bills	150 000 000	147 176	147 262	(50)
Treasury Bonds	75 000 000	85 335	75 755	(1 140)
Bonds issued by foreign government entities	725 000 000	762 102	717 540	(28 211)
		994 613	**940 557**	**(29 401)**

In 31 December 2023 the movement in the caption ''Debt securities at fair value through other comprehensive income'' was as follows:

	Quantity (unit value)	Acquisition value	Book value	Net gain/(loss)
Debt securities				
Bonds issued by Portuguese government entities				
Treasury Bonds	75 000 000	85 335	75 998	(2 732)
Bonds issued by foreign government entities	725 000 000	762 102	708 168	(42 054)
		847 437	**784 166**	**(44 786)**

In 2024 the movement in the caption 'Debt securities at fair value through other comprehensive income' was as follows:

	Total[1]
Balance at 31-12-2023	**784 166**
Purchases	147 176
Gains/(losses) recognised under other comprehensive income	15 385
Accrued interest	(6 170)
Balance at 31-12-2024	**940 557**

[1] The totality of the assets that make up this heading are in Stage 1.

At 31 December 2024 the Bank holds a portfolio of medium-long term public debt with nominal value of 950 million euros with an average residual maturity of approximately 3 years. The sovereign debt portfolio is made up of Spanish, Italian and EU public debt securities.

In 2023 the movement in the caption 'Debt securities at fair value through other comprehensive income' was as follows:

	Total[1]
Balance at 31-12-2022	**953 439**
Gains/(losses) recognised under other comprehensive income	45 024
Sales and redemptions	(227 558)
Gains/(loses) recognised as profit/(loss)	7 048
Accrued interest	6 213
Balance at 31-12-2023	**784 166**

[1] The totality of the assets that make up this heading are in Stage 1.

12. FINANCIAL ASSETS AT AMORTISED COST

The detail of financial assets at amortised cost at 31 December 2024 and 2023, is as follows:

31-12-2024

	Nominal value	Accrued interest	Discount premium	Impairment	Book value
Debt securities	8 192 573	41 693	(148 261)	(15 651)	8 070 354
Loans and advances					
Central Banks and credit institutions	892 886	4 496		(12)	897 370
Customers	26 694 992	171 989		(488 869)	26 378 112
	35 780 451	**218 178**	**(148 261)**	**(504 532)**	**35 345 836**

31-12-2023

	Nominal value	Accrued interest	Discount premium	Impairment	Book value
Debt securities	7 404 915	45 488	(111 563)	(19 356)	7 319 484
Loans and advances					
Central Banks and credit institutions	1 257 556	3 391		(132)	1 260 815
Customers	26 311 705	164 644		(515 947)	25 960 402
	34 974 176	**213 523**	**(111 563)**	**(535 435)**	**34 540 701**

12.1. Debt securities

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Sovereign debt		
Portuguese sovereign debt	1 112 602	1 134 050
Foreign sovereign debt	2 206 927	2 054 285
	3 319 529	**3 188 335**
Customer debt		
Other Portuguese public issuers	753 088	712 762
Other Portuguese issuers	3 207 512	2 896 978
Other foreign issuers	805 876	540 765
	4 766 476	**4 150 505**
Impairment	**(15 651)**	**(19 356)**
	8 070 354	**7 319 484**

The detail of debt securities at amortised cost at 31 December 2024 is as follows:

	Quantity	Acquisition value	Book value
Sovereign debt			
Portuguese sovereign debt	1 055 000 000	1 197 943	1 112 602
Foreign sovereign debt	2 195 000 000	2 257 554	2 206 927
	3 250 000 000	**3 455 497**	**3 319 529**
Customer debt			
Other Portuguese public issuers	748 655 000	748 655	753 088
Other Portuguese issuers	3 193 106 521	3 184 549	3 207 512
Other foreign issuers	802 364 625	803 861	805 876
	4 744 126 146	**4 737 065**	**4 766 476**
	7 994 126 146	**8 192 562**	**8 086 005**
Impairment			**(15 651)**
	7 994 126 146	**8 192 562**	**8 070 354**

The detail of debt securities at amortised cost at 31 December 2023 is as follows:

	Quantity	Acquisition value	Book value
Sovereign debt			
Portuguese sovereign debt	1 055 000 000	1 197 943	1 134 050
Foreign sovereign debt	2 045 000 000	2 088 774	2 054 285
	3 100 000 000	**3 286 717**	**3 188 335**
Customer debt			
Other Portuguese public issuers	708 355 000	708 355	712 762
Other Portuguese issuers	2 881 036 884	2 869 589	2 896 978
Other foreign issuers	537 382 275	540 254	540 765
	4 126 774 159	**4 118 198**	**4 150 505**
	7 226 774 159	**7 404 915**	**7 338 840**
Impairment			**(19 356)**
	7 226 774 159	**7 404 915**	**7 319 484**

In 31 December 2024, Banco BPI holds medium and long-term public debt portfolio with a nominal amount of 3 226 million euros with an average residual maturity of 2 years. The foreign sovereign debt portfolio is made up of Spanish, Italian, American, and European Union public debt securities.

Customer debt securities at amortised cost include essentially issues of commercial paper and bonds of Corporate Banking and Institutional Banking Customers associated to Banco BPI's commercial loans portfolio.

The portfolio of Customer debt securities at amortised cost includes securities designated as interest rate hedged assets, the fair value change of which at 31 December 2024 and 2023 amounted to (6 410) th.euros and (10 425) th.euros, respectively.

At 31 December 2024 and 2023, Customer debt securities included operations allocated to the Cover Pool given as collateral for Covered Bonds issued by Banco BPI (Note 19), namely 59 794 th.euros and 26 332 th.euros, respectively, allocated as collateral for public sector bonds.

In 2024 the movement in the caption Debt securities at amortised cost was as follows:

	Debt securities	Of which:		
		Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2023	**7 338 840**	**7 294 218**	**33 220**	**11 402**
Exposure increases / reductions	748 587	768 796	(19 937)	(273)
Transfers:				
From stage 1		(2 020)	2 020	
Write-offs	(1 422)			(1 422)
Balance at 31-12-2024	**8 086 005**	**8 060 995**	**15 303**	**9 707**

In 2023 the movement in the caption Debt securities at amortised cost was as follows:

	Debt securities	Of which:		
		Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2022	**7 482 343**	**7 420 592**	**49 798**	**11 953**
Exposure increases / reductions	(143 503)	(126 374)	(16 578)	(551)
Balance at 31-12-2023	**7 338 840**	**7 294 218**	**33 220**	**11 402**

In 2024 the movement in impairments due to expected loss on debt securities at amortised cost was as follows:

	Debt securities	Of which: Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2023	**(19 356)**	**(5 576)**	**(2 441)**	**(11 339)**
Increase / (reversal) of impairments [1]	2 903	531	1 542	830
Transfers:				
Stage 1		42	(42)	
Sales	802			802
Balance at 31-12-2024	**(15 651)**	**(5 003)**	**(941)**	**(9 707)**

[1] Includes 55 th.euros related to impairments for canceling part of the interest on loans in stage 3, included in the net interest income.

In 2023 the movement in impairments due to expected loss on debt securities at amortised cost was as follows:

	Debt securities	Of which: Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2022	**(15 589)**	**(3 294)**	**(1 871)**	**(10 424)**
Increase / (reversal) of impairments [1]	(3 767)	(2 282)	(570)	(915)
Balance at 31-12-2023	**(19 356)**	**(5 576)**	**(2 441)**	**(11 339)**

[1] Includes 62 th.euros related to impairments for canceling part of the interest on loans in stage 3, included in the net interest income.

12.2. Loans and advances

Loans and advances - Central Banks and other Credit Institutions

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Loans and advances to Credit Institutions in Portugal		
Cheques for collection	23 632	43 097
Loans	491 750	428 750
Reverse repurchase agreements	8 694	19 188
Other	774	115
Other loans and advances	135 859	3 202
Interest receivable and commissions relating to amortised cost	4 306	1 720
	665 015	496 072
Placements with international financial organizations	36 625	
Placements with other Credit Institutions abroad		
Very short term applications		223 984
Deposits	40 038	210 021
Cheques for collection	281	197
Loans	80 699	375
Reverse repurchase agreements	48 073	79 489
Other loans and advances		228 519
Interest receivable and commissions relating to amortised cost	190	1 672
Debtors for futures operations	26 461	20 618
	232 367	764 875
Impairment	(12)	(132)
	897 370	**1 260 815**

As of 31 December 2023, the detail of securities received as collateral associated with repurchase agreements is as follows:

	31-12-2023		
	Nominal amount	Valuation	Fair value
Securities received as collateral	105 150	(3 790)	101 360

As of 31 December 2024 there were no securities received as collateral associated with repurchase agreements.

Loans and advances - Customers

This caption is made up as follows:

	31-12-2024	31-12-2023
Loans to Customers		
Companies		
Loans	6 788 130	6 875 522
Loans on current account	715 305	649 446
Demand deposits - overdrafts	157 211	165 422
Invoices received - factoring	1 243 470	1 426 887
Finance leases	466 847	426 727
Real estate leasing	444 714	438 743
Car finance	349 833	323 051
Other loans	54 037	76 308
Individuals	16 589 536	16 036 913
Other loans and advances [1]	57 898	57 330
Impairment	(488 869)	(515 947)
	26 378 112	**25 960 402**

[1] The caption "Other loans and advances" essentially refers to margin accounts.

At 31 December 2024 and 2023, the caption 'Loans and advances to Customers' included operations allocated to the Cover Pool given as collateral for Covered Bonds issued by Banco BPI (Note 19), namely:

- 8 783 577 th.euros and 8 642 829 th.euros, respectively, allocated as collateral to mortgage bonds;
- 728 741 th.euros and 782 643 th.euros, respectively, allocated as collateral to public sector bonds.

The portfolio of Loans to Customers includes Loans designated as interest rate hedged assets, the fair value change of which at 31 December 2024 and 2023 amounted to (40 627) th.euros and (58 156) th.euros, respectively (Note 13).

In BPI's balance sheet, the breakdown of loans and advances to Customers by activity is as follows:

	31-12-2024		31-12-2023	
	Gross amount	Impairment	Gross amount	Impairment
Public sector	1 315 783	(931)	1 362 211	(1 098)
Other financial corporations and individual entrepreneurs (financial business)	171 520	(1 527)	186 843	(1 017)
Non-financial corporations and individual entrepreneurs (non-financial business)	8 790 142	(294 182)	8 890 383	(304 779)
Real estate development	77 592	(472)	73 062	(2 240)
Civil construction	381 346	(8 670)	388 520	(11 100)
Other	8 331 204	(285 040)	8 428 801	(291 439)
Large companies	2 304 786	(131 287)	2 620 792	(133 183)
Small and medium-sized companies	6 026 418	(153 753)	5 808 009	(158 256)
Individuals	16 589 536	(192 229)	16 036 912	(209 053)
Homes	15 232 733	(103 088)	14 557 894	(115 618)
Consumer spending	1 344 053	(88 242)	1 466 504	(92 549)
Other	12 750	(899)	12 514	(886)
	26 866 981	**(488 869)**	**26 476 349**	**(515 947)**

The movement in the caption Loans and advances to Customers in 2024 was as follows:

	Loans and advances	Of which:		
		Stage 1	Stage 2	Stage 3
Balance at 31-12-2023	**26 476 349**	**23 805 178**	**2 135 168**	**536 003**
Exposure increases / reductions	472 420	897 985	(358 480)	(67 086)
Transfers				
From stage 1:		(796 724)	731 540	65 184
From stage 2:		651 619	(779 862)	128 243
From stage 3:		8 185	49 079	(57 264)
Write-offs	(25 780)	(4)	(3)	(25 773)
Sales	(56 008)	(1)		(56 007)
Balance at 31-12-2024	**26 866 981**	**24 566 239**	**1 777 442**	**523 300**

The movement in the caption Loans and advances to Customers in 2023 was as follows:

	Loans and advances	Of which: Stage 1	Stage 2	Stage 3
Balance at 31-12-2022	**25 986 083**	**23 862 233**	**1 559 357**	**564 493**
Exposure increases / reductions	578 967	855 392	(205 292)	(71 133)
Transfers				
From stage 1:		(1 385 723)	1 292 282	93 441
From stage 2:		466 803	(573 986)	107 183
From stage 3:	1	6 476	62 816	(69 291)
Write-offs	(18 376)	(1)	(2)	(18 373)
Sales	(70 326)	(2)	(7)	(70 317)
Balance at 31-12-2023	**26 476 349**	**23 805 178**	**2 135 168**	**536 003**

The movement in impairments due to expected loss on Loans and advances to Customers in 2024 was as follows:

	Impairments for loans and advances	Of which: Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2023	**(515 947)**	**(78 890)**	**(106 113)**	**(330 944)**
Impairment / reversal of impairment due to changes in credit risk	(76 056)	11 218	(5 644)	(81 630)
Impairment allowance for new financial assets[1]	(36 151)	(24 917)	(4 306)	(6 928)
Reversal of impairments due to reimbursements and recoveries[1]	69 903	13 449	8 922	47 532
Net impairment [2]	(42 304)	(250)	(1 028)	(41 026)
Write-offs	25 780	4	3	25 773
Sales	43 602			43 602
Transfers and other		(5)	(3)	8
Balance at 31-12-2024	**(488 869)**	**(79 141)**	**(107 141)**	**(302 587)**

[1] Includes automatically renewed operations.

[2] Includes 2 498 th.euros related to impairments to offset part of the interest on credits in stage 3, included in net interest income.

The movement in impairments due to expected loss on Loans and advances to Customers in 2023 was as follows:

	Impairments for loans and advances	Of which: Stage 1:	Stage 2:	Stage 3:
Balance at 31-12-2022	**(519 264)**	**(81 141)**	**(106 979)**	**(331 144)**
Impairment / reversal of impairment due to changes in credit risk	(85 182)	16 934	(3 109)	(99 007)
Impairment allowance for new financial assets[1]	(36 842)	(25 266)	(4 838)	(6 738)
Reversal of impairments due to reimbursements and recoveries[1]	61 460	10 580	8 808	42 072
Net impairment [2]	(60 564)	2 248	861	(63 673)
Write-offs	18 376	1	2	18 373
Sales	45 505	2	6	45 497
Transfers and other			(3)	3
Balance at 31-12-2023	**(515 947)**	**(78 890)**	**(106 113)**	**(330 944)**

[1] Includes automatically renewed operations.

[2] Includes 3 476 th.euros related to impairments to offset part of the interest on credits in stage 3, included in net interest income.

12.3. Written-off loans

Written-off loans

The movement in written off loans in 2024 and 2023 was as follows:

	31-12-2024	31-12-2023
Balance at beginning of period	**636 352**	**679 502**
Increases:		
Written-off loans	25 780	18 377
Other	294	
Decreases:		
Recovery of written-off principal and interest	(3 227)	(3 971)
Amount received on sale of written-off loans	(3 836)	(6 573)
Remission of written-off credits due to disposals	(17 403)	(47 972)
Other		(3 011)
Balance at end of period	**637 960**	**636 352**

Written-off loans because its recovery was deemed to be remote are recognised under the off-balance sheet caption “Written-off loans”.

In 2024, Banco BPI sold a portfolio of non-performing loans for a global amount of 28 million euros, of which 21 million euros in written-off loans (recognised in off-balance sheet items), 1 million euros in other off-balance sheet balances and 6 million euros in loans net of impairments (51 million euros in loans and 45 million euros in impairments). This operation generated proceeds of 13 million euros, of which 9 million euros from the reversal of impairments and 4 million euros from the recovery of written-off loans (Note 33).

In 2023, Banco BPI sold a portfolio of non-performing loans for a global amount of 64 million euros, of which 51 million euros in written-off loans (recognised in off-balance sheet items), 2 million euros in other off-balance sheet balances and 10 million euros in loans net of impairments (65 million euros in loans and 55 million euros in impairments). This operation generated a result of 19 million euros, of which 7 million euros from the recovery of written-off loans (Note 33).

13. DERIVATIVES – HEDGE ACCOUNTING

The detail of hedging derivatives is as follows:

	31-12-2024			31-12-2023		
	Notional Amount	**Assets**	**Liabilities**	**Notional Amount**	**Assets**	**Liabilities**
Interest rates	6 831 589	1 305	6 032	4 990 903	2 554	5 262
By type of counterparty:						
Of which: OTC - credit institutions	3 748 725	1 305	5 502	2 163 751	2 528	4 624
Of which: OTC - other financial companies	3 082 864		530	2 827 152	26	638

The residual time to maturity of hedging items at 31 December 2024, was as follows:

	Notional Amount					
	< 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Total**
Fair value hedges	**89 285**	**806 813**	**1 041 909**	**4 486 595**	**406 987**	**6 831 589**
Credit (loans and debt securities)	2 000	7 000	282 865	473 046	406 987	1 171 898
Term Deposits	87 285	349 813	759 044	113 549		1 309 691
Debt issues		450 000		3 900 000		4 350 000

The residual time to maturity of hedging items at 31 December 2023 was as follows:

	Notional Amount					
	< 1 month	**1-3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Total**
Fair value hedges	**208 742**	**733 525**	**626 624**	**2 952 584**	**469 428**	**4 990 903**
Credit (loans and debt securities)	10 642	9 000	94 375	570 216	469 428	1 153 661
Term Deposits	198 100	224 525	532 249	1 182 368		2 137 242
Debt issues		500 000		1 200 000		1 700 000

Hedging items - Fair value hedges

Hedged risk	Hedging instrument used	Hedged item	31-12-2024			2024		31-12-2023			2023	
			Hedging instrument value			Fair value change in hedging instruments in the period	Gains/(losses) from hedge accounting, net	Hedging instrument value			Fair value change in hedging instruments in the period	Gains/(losses) from hedge accounting, net
			Notional	Assets	Liabilities			Notional	Assets	Liabilities		
Transformation from fixed to floating	Interest rate swaps	Credit (loans and securities)	1 171 897	296	3 429	(18 106)	2 494	1 153 661	606	3 689	(40 474)	2 038
		Term deposits	1 309 692	1 009	2 603	31 652	9 105	2 137 242	1 948	1 573	69 437	7 663
		Debt issues	4 350 000			16 902	97	1 700 000			54 073	(698)
			6 831 589	**1 305**	**6 032**	**30 448**	**11 696**	**4 990 903**	**2 554**	**5 262**	**83 036**	**9 003**

Hedged items - Fair value hedges

Hedged risk	Hedging instrument used	Hedged item	31-12-2024				2024	31-12-2023				2023
			Hedged instrument		Accumulated fair value adjustments in the hedged item		Fair value change in hedged items in the period	Hedged instrument		Accumulated fair value adjustments in the hedged item		Fair value change in hedged items in the period
			Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities	
Transformation from fixed to floating	Interest rate swaps (IRS and CCS)	Credit (loans and securities)	756 313		(47 036)		20 600	821 172		(68 581)		42 512
		Term Deposits		1 180 058		(2 049)	(22 548)		4 817 920		(30 648)	(61 773)
		Debt issues		1 773 976		18 078	(16 805)		1 704 947		1 273	(54 771)
			756 313	**2 954 034**	**(47 036)**	**16 029**	**(18 753)**	**821 172**	**6 522 867**	**(68 581)**	**(29 375)**	**(74 032)**

14. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The detail of investments in associates is as follows:

	Effective holding (%)		Book value	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Investments in associates				
Banco Comercial e de Investimentos, S.A.	35.7 %	35.7 %	184 610	160 874
Companhia de Seguros Allianz Portugal, S.A.	35.0 %	35.0 %	71 578	59 866
Impairment			(8 961)	
			247 227	**220 740**

The movement that occurred in investments in associates during 2024 was as follows:

	Book Value	Goodwill	Impairment[1]	Total
Balance at 31-12-2023	**215 467**	**5 273**		**220 740**
Net profit / (loss) for the year	60 014		(8 961)	
Dividends [2]	(39 208)			
Exchange difference	9 444			
Changes in associates' other comprehensive income	4 512			
Other	686			
Balance at 31-12-2024	**250 915**	**5 273**	**(8 961)**	**247 227**

[1] Corresponds to an impairment on BCI equity holding.

[2] Corresponds to dividends from BCI and Allianz.

The movement that occurred in investments in associates during 2023 was as follows:

	Book Value	Goodwill	Impairment	Total
Balance at 31-12-2022	**264 820**	**18 467**	**(5 661)**	**277 626**
Net profit / (loss) for the year	60 597		(1 568)	
Dividends [1]	(41 290)			
Exchange difference	(5 392)			
Unicre reclassification	(28 582)	(13 194)	5 661	
Cosec reclassification	(39 361)		1 568	
Changes in other comprehensive income in joint ventures and associates	3 884			
Other	791			
Balance at 31-12-2023	**215 467**	**5 273**		**220 740**

[1] Corresponds to dividends from BCI and Allianz.

The amount of goodwill resulted from the acquisition of equity holdings in BCI Mozambique (5 273 th.euros).

The breakdown of profit or loss of investments in associates accounted for using the equity method is as follows:[1]

	31-12-2024	31-12-2023
Banco Comercial e de Investimentos, S.A.	40 259	41 898
Companhia de Seguros Allianz Portugal, S.A.	19 755	18 102
Unicre - Instituição Financeira de Crédito, S.A.		597
	60 014	**60 597**

[1] Banco BPI's subsidiaries and associates contribution to the profit or loss is detailed in Note 36.

At 31 December 2024 the financial information relating to BPI's associated companies is broken down as follows:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Banco Comercial e de Investimentos, S.A.[1]	2 246 800	1 239 105	2 766 836	216 348
Companhia de Seguros Allianz Portugal, S.A.	354 101	1 074 800	459 250	765 213

	Net income from continuing operations	Net profit/(loss) from continuing operations	Other comprehensive income	Total comprehensive income[2]
Banco Comercial e de Investimentos, S.A.[1]	116 265	116 265	(292)	115 973
Companhia de Seguros Allianz Portugal, S.A.	n.d.	54 744	2 914	57 658

[1] Amounts converted to euros at the exchange rate of 31 December 2024.

[2] Corresponds to the sum of net profit/(loss) from continuing operations and other comprehensive income.

At 31 December 2023 the financial information relating to BPI's associated companies is broken down as follows:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Banco Comercial e de Investimentos, S.A.[1]	1 856 680	1 120 538	2 288 040	252 698
Companhia de Seguros Allianz Portugal, S.A.	385 193	1 022 070	487 043	739 854

	Net income from continuing operations	Net profit/(loss) from continuing operations	Other comprehensive income	Total comprehensive income [2]
Banco Comercial e de Investimentos, S.A.[1]	115 802	115 802	1 191	116 994
Companhia de Seguros Allianz Portugal, S.A.	n.d.	55 203	16 011	71 214

[1] Amounts converted to euros at the exchange rate of 31 December 2023.

[2] Corresponds to the sum of net profit/(loss) from continuing operations and other comprehensive income.

15. TANGIBLE ASSETS

The movement in tangible assets in 2024 and 2023 was as follows:

	2024					2023				
	Buildings	Equipment and other	Tangible assets in progress	IFRS 16 rights of use[1]	Total	Buildings	Equipment and other	Tangible assets in progress	IFRS 16 rights of use[1]	Total
Gross amount										
Balance at beginning of period	130 691	305 290	12 870	190 155	639 006	122 145	341 560	20 707	161 913	646 325
Acquisitions		3 837	12 290	411	16 538		2 582	15 955	5 368	23 905
Disposals and write-offs [2]	(12 942)	(29 942)		(5 583)	(48 467)	(5 015)	(47 277)		(19 412)	(71 704)
Transfers and other [3]	5 552	3 701	(14 092)	7 973	3 134	13 561	8 425	(23 792)	42 286	40 480
Balance at end of period	**123 301**	**282 886**	**11 068**	**192 956**	**610 211**	**130 691**	**305 290**	**12 870**	**190 155**	**639 006**
Depreciation										
Balance at beginning of period	89 989	266 234		74 721	430 944	78 710	304 413		64 987	448 110
Depreciation in period	5 809	9 494		20 454	35 757	15 710	8 896		21 298	45 904
Disposals and write-offs [2]	(12 919)	(28 796)		(4 329)	(46 044)	(4 408)	(47 067)		(11 584)	(63 059)
Transfers and other [3]	(1 713)	(935)		207	(2 441)	(23)	(8)		20	(11)
Balance at end of period	**81 166**	**245 997**		**91 053**	**418 216**	**89 989**	**266 234**		**74 721**	**430 944**
Net value at end of period	**42 135**	**36 889**	**11 068**	**101 903**	**191 995**	**40 702**	**39 056**	**12 870**	**115 434**	**208 062**

[1] Right-of-use assets classified under IFRS 16 are exclusively real estate.

[2] In rights of use, it essentially corresponds to the cancellation or renegotiation of contracts.

[3] In 2023, includes 36.6 million euros related to the increase in right of use assets due to the extension of contracts for a further 5 years (until 31/12/2028). These renewable leases, signed on a semi-annual or annual basis, were initially recorded for a term of 5 years ending on 31 December 2023.

16. INTANGIBLE ASSETS

The movement in intangible assets in 2024 and 2023 was as follows:

	2024				2023			
	Automatic data processing software	Intangible assets in progress	Other intangible assets	Total	Automatic data processing software	Intangible assets in progress	Other intangible assets	Total
Gross amount								
Balance at beginning of the year	256 833	19 072	13 263	289 168	256 039	14 845	14 280	285 164
Acquisitions	188	36 782		36 970	91	27 420		27 511
Disposals and write-offs	(31 317)			(31 317)	(21 182)	(1 308)	(1 017)	(23 507)
Transfers and other	37 362	(38 584)		(1 222)	21 885	(21 885)		
Balance at end of period	**263 066**	**17 270**	**13 263**	**293 599**	**256 833**	**19 072**	**13 263**	**289 168**
Amortization								
Balance at beginning of period	170 371		13 263	183 634	162 491		14 280	176 771
Amortization of period	28 645			28 645	27 432			27 432
Disposals and write-offs	(31 070)			(31 070)	(19 552)		(1 017)	(20 569)
Balance at end of period	**167 946**		**13 263**	**181 209**	**170 371**		**13 263**	**183 634**
Net value at end of period	**95 120**	**17 270**		**112 390**	**86 462**	**19 072**		**105 534**

At 31 December 2024 and 2023 intangible assets in progress essentially concern investment in the development of software commissioned by Banco BPI to external entities.

17. OTHER ASSETS

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Accrued income		
Dividends receivable from Banco Comercial e de Investimentos	21 727	25 697
Fees for Allianz's profit sharing	19 168	19 727
Other accrued income	58 019	51 025
	98 914	**96 449**
Deferred expenses		
Rents	1 677	1 620
Other deferred expenses	2 303	2 887
	3 980	**4 507**
Liabilities for pensions and other benefits (Note 22)		
Past service liabilities		1 827 907
Pension fund assets		(1 774 506)
		53 401
Other assets	7 425	8 109
Assets pending settlement	59 955	50 124
Impairments	(452)	
	66 928	**58 233**
	169 822	**212 590**

At 31 December 2024 and 2023, the caption other income receivable includes 49 768 th.euros and 43 619 th.euros, respectively, relating to income receivable from group companies, namely fees for the provision of back office, IT, corporate and financial product marketing services.

As at 31 December 2024, liabilities for pensions and other benefits are recognised under Other liabilities.

At 31 December 2024 and 2023, the amount in the caption 'Credit operations pending settlement' includes:

- 3 095 th.euros and 3 148 th.euros, respectively, relating to taxes paid but which were challenged by Banco BPI, of which:
  - 2 156 th.euros registered after 2020 for VAT-related legal proceedings already decided in favour of Banco BPI and pending receipt of the sums in question;
  - 939 th.euros relating to other proceedings (tax processes of various types).
- 9 853 th.euros and 11 119 th.euros, respectively, concerning transactions pending settlement in respect of services provided to other CaixaBank Group companies.
- 11 388 th.euros and 7 181 th.euros, respectively, for IT processes operational control accounts related to automated services of the commercial network, self-service cash machines, online deposits and cash point.
- 19 571 th.euros and 8 911 th.euros, respectively, relative to financial market transactions awaiting settlement.
- 1 607 th.euros and 7 491 th.euros, respectively, related to operational control accounts in connection with the settlement of deposited amounts.
- 809 th.euros and 3 361 th.euros, respectively, of amounts related to card and POS transactions settled by the Bank.
- 6 538 th.euros and 4 533 th.euros, respectively, in cheques issued for mortgage loan deeds.

18. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Assets received in settlement of defaulting loans		
Buildings	2 527	4 090
Equipment	595	961
Impairment	(2 134)	(3 306)
Other tangible assets		
Buildings	14 160	13 856
Impairment	(1 090)	(1 065)
	14 058	**14 536**
	14 058	**14 536**

The changes in assets received in settlement of defaulting loans and other tangible assets in 2024 were as follows:

	Balance at 31-12-2023			Acquisitions and transfers	Sales and write-offs		Increase / reversals of impairment	Balance at 31-12-2024		
	Gross amount	Impairment	Net value		Gross amount	Impairment		Gross amount	Impairment	Net value
Assets received in settlement of defaulting loans										
Buildings	4 090	(2 849)	1 241	69	(1 632)	551	414	2 527	(1 884)	643
Equipment	961	(456)	505	990	(1 356)	191	15	595	(250)	345
Other tangible assets										
Buildings	13 856	(1 066)	12 790	1 294	(990)		(24)	14 160	(1 090)	13 070
	18 907	**(4 371)**	**14 536**	**2 353**	**(3 978)**	**742**	**405**	**17 282**	**(3 224)**	**14 058**

The changes in assets received in settlement of defaulting loans and other tangible assets in 2023 were as follows:

	Balance at 31-12-2022			Acquisitions and transfers	Sales and write-offs		Increase / reversals of impairment	Balance at 31-12-2023		
	Gross amount	Impairment	Net value		Gross amount	Impairment		Gross amount	Impairment	Net value
Assets received in settlement of defaulting loans										
Buildings	5 590	(3 192)	2 398	387	(1 887)	84	259	4 090	(2 849)	1 241
Equipment	414	(93)	321	1 090	(543)	18	(381)	961	(456)	505
Other tangible assets										
Buildings	13 207	(1 792)	11 415	649			726	13 856	(1 066)	12 790
	19 211	**(5 077)**	**14 134**	**2 126**	**(2 430)**	**102**	**604**	**18 907**	**(4 371)**	**14 536**

At 31 December 2024, the detail of real estate received in settlement of defaulting loans is as follows:

		Buildings			Land		Total
		Housing	Commercial	Other[1]	Urban	Rural	
No. of properties		28	4	6	3	2	**43**
Fair value		2 833	197	651	299	6	**3 986**
Book value		**421**	**45**	**177**			**643**
No. of years in portfolio	< 1 year		22				**22**
	>= 1 year and < 2.5 years	170					**170**
	>= 2.5 years and < 5 years	117		175			**292**
	>= 5 years	134	23	2			**159**

[1] This category includes all buildings that are not exclusively commercial or housing buildings.

At 31 December 2023, the detail of real estate received in settlement of defaulting loans is as follows:

		Buildings			Land		Total
		Housing	Commercial	Other[1]	Urban	Rural	
No. of properties		41	7	9	6	1	**64**
Fair value		3 861	325	867	578	5	**5 636**
Book value		**927**	**53**	**261**			**1 241**
No. of years in portfolio	< 1 year	235	7	20			**262**
	>= 1 year and < 2.5 years	156					**156**
	>= 2.5 years and < 5 years	86	46	211			**343**
	>= 5 years	450		30			**480**

[1] This category includes all buildings that are not exclusively commercial or housing buildings.

19. FINANCIAL LIABILITIES AT AMORTISED COST

The detail of financial liabilities at amortised cost at 31 December 2024 and 2023, is as follows:

31-12-2024

	Nominal value	Accrued interest	Commissions relating to amortised cost	Book value
Deposits				
Credit Institutions	716 676	1 472		718 148
Customers	30 381 042	120 298		30 501 340
Debt securities issued	4 625 000	77 152	(8 364)	4 693 788
Other financial liabilities	232 477			232 477
	35 955 195	**198 922**	**(8 364)**	**36 145 753**

31-12-2023

	Nominal value	Accrued interest	Commissions relating to amortised cost	Book value
Deposits				
Credit Institutions	1 058 985	2 540		1 061 525
Customers	29 169 892	81 765		29 251 657
Debt securities issued	3 075 000	38 924	(7 703)	3 106 221
Other financial liabilities	285 949			285 949
	33 589 826	**123 229**	**(7 703)**	**33 705 352**

19.1. Deposits - Central Banks and Credit Institutions

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Funds of credit institutions in Portugal		
Deposits	57 871	55 020
Interest payable	360	497
	58 231	**55 517**
Funds of credit institutions abroad		
International financial organisations	464 712	464 630
Very short-term funds	82 857	34 755
Deposits	98 710	373 261
Debt securities sold with repurchase agreement		99 892
Other funds	12 526	31 427
Interest payable	1 112	2 043
	659 917	**1 006 008**
	718 148	**1 061 525**

As of 31 December 2023, the detail of securities delivered as collateral associated with repurchase agreements (Note 25) is as follows:

	31-12-2023		
	Nominal amount	Appreciation	Fair value
Securities delivered as collateral	102 050	(1 017)	101 033

As of 31 December 2024, there are no securities delivered as collateral associated with repurchase agreements with Central Banks and Credit Institutions.

19.2. Deposits - Customers

The detail of this heading is as follows:

	31-12-2024	31-12-2023
By type		
Demand deposits	16 013 617	15 798 330
Term deposits	14 318 287	13 306 307
Saving accounts	35 683	52 962
Compulsory deposits	13 377	12 293
Other Customer resources	78	
Interest payable	120 298	81 765
	30 501 340	**29 251 657**
By sector		
Public sector	578 688	577 101
Private sector	29 922 652	28 674 556
	30 501 340	**29 251 657**

The portfolio of Customer deposits at amortised cost includes term deposits designated as interest rate hedged liabilities, the fair value change of which at 31 December 2024 and 2023 amounted to 2 049 th.euros and 30 648 th.euros, respectively.

19.3. Debt securities issued

The detail of this heading is as follows:

	31-12-2024				31-12-2023			
	Issues	Repurchased	Balance	Interest rate[1]	Issues	Repurchased	Balance	Interest rate[1]
Covered bonds	7 850 000	(6 050 000)	1 800 000	3.3 %	7 850 000	(6 350 000)	1 500 000	4.0 %
Senior non-preferred bonds	2 400 000		2 400 000	3.3 %	1 150 000		1 150 000	3.4 %
Interest payable			68 183				29 110	
Commissions relating to amortised cost, net			(8 356)				(7 694)	
			4 259 827				**2 671 416**	
Subordinated bonds	425 000		425 000	6.7 %	425 000		425 000	7.2 %
Interest payable			8 969				9 814	
Commissions relating to amortised cost, net			(8)				(9)	
			433 961				**434 805**	
			4 693 788				**3 106 221**	

[1] Interest rate weighted by the value of the issues at the end of the year.

The portfolio of debt issued at amortised cost includes securities designated as interest rate hedged liabilities, the fair value change of which at 31 December 2024 and 2023 amounted to (18 078) th.euros and (1 273) th.euros, respectively.

The movement in debt securities issued by BPI in 2024 was as follows:

	Covered bonds	Senior non-preferred bonds[1]	Subordinated bonds[1]	Total
Balance at 31 December 2023	**1 500 000**	**1 150 000**	**425 000**	**3 075 000**
Debt issues in the period	2 600 000	1 250 000		3 850 000
Issues redeemed	(500 000)			(500 000)
Repurchases (net of resales)	(1 800 000)			(1 800 000)
Balance at 31 December 2024	**1 800 000**	**2 400 000**	**425 000**	**4 625 000**

[1] These issues were fully subscribed by CaixaBank.

The movement in debt securities issued by BPI in 2023 was as follows:

	Covered bonds	Senior non-preferred bonds[1]	Subordinated bonds[1]	Total
Balance at 31 December 2022	**750 000**	**1 150 000**	**425 000**	**2 325 000**
Debt issues in the period	900 000			900 000
Issues redeemed				
Repurchases (net of resales)	(150 000)			(150 000)
Balance at 31 December 2023	**1 500 000**	**1 150 000**	**425 000**	**3 075 000**

[1] This issue was fully subscribed by CaixaBank.

In 2024, Banco BPI reimbursed three collateralised bonds in the amount of 2 600 000 th.euros, of which two, in the amount of 2 100 000 th.euros, were fully repurchased. In 2024, the Bank made five bond issues, namely two of fixed-rate non-preferred senior notes totalling 1 250 000 th.euros and three of covered bonds in the amount of 2,600,000 th.euros, one of which, in the amount of 1 800 000 th.euros, was fully repurchased.

In 2023, Banco BPI reimbursed three collateralised bonds in the amount of 950 000 th.euros that had been fully repurchased, and issued two collateralised bonds totalling 900 000 th.euros.

The detail of subordinated debt issuance is as follows:

Issue date	Maturity date	Nominal amount	Interest rate	Amount pending redemption	
				31-12-2024	31-12-2023
08-03-2022	08-03-2032	425000	6 month Euribor + 3.30%	425000	425000

Covered Bonds

BPI has two covered bond programmes under the terms of Decree-Law 59 / 2006. Under these programmes, BPI has issued mortgage bonds and public sector bonds, as described below.

In accordance with this law, the holders of covered bonds benefit from a special creditor privilege over the cover pool which acts as guarantee for the debt to which the bondholders will have access in the event of the issuer's insolvency.

Mortgage bonds

The mortgage bonds programme was set up for up to a maximum of 9 000 000 th.euros.

The mortgage bonds are secured by a portfolio of mortgage loans and other assets that together constitute a cover pool.

Assets allocated to the cover pool may include mortgage loans for housing or commercial purposes located in a European Union Member State and other eligible assets, such as deposits at the Bank of Portugal, deposits at financial institutions with ratings equal to or greater than "A-" and other low risk and highly liquid assets. The total value of the other assets cannot exceed 20% of the cover pool. The amount of the allocated mortgage loans cannot exceed 80% of the value of the mortgaged property in the case of residential property, or 60% of the value of the mortgaged property, in the case of commercial property.

The legislation applicable to mortgage bonds imposes prudential limits, which must be met during the period of the bonds:

- The total nominal amount of the outstanding mortgage bonds cannot exceed 95% of the total amount of mortgage loans and other assets allocated to the bonds;
- The average maturity of the outstanding mortgage bonds cannot exceed, at any time, the average maturity of the mortgage loans and other assets allocated to the bonds;
- The total amount of interest payable on the mortgage bonds cannot exceed, at any time, the amount of interest receivable on the mortgage loans and other assets allocated to the mortgage bonds;
- The present value of the liabilities arising from the outstanding mortgage bonds cannot exceed, at any time, the net present value of the cover pool given as collateral of these bonds, after consideration of any financial derivative instruments. This ratio must be maintained when considering a 200 basis points parallel up or down shift of the yield curve.

The credit institutions' risk exposure, except for positions with residual maturity of less than or equal to 100 days, cannot exceed 15% of the total nominal amount of the outstanding mortgage bonds.

At 31 December 2024, the detail of mortgage bonds issued by BPI was as follows:

Issue	Issue date	Maturity date	Nominal amount	Coupon	Interest payment frequency	Reimbursement	Rating Moody's/DBRS	Repurchases
OH-Serie 9	21-05-2010	21-05-2025	350000	Euribor 3 m + 0.65%	Quarterly	Full on expiration date	Aaa/-	350000
OH-Serie 14	30-03-2015	27-03-2025	1250000	Euribor 3 m + 0.50%	Quarterly	Full on expiration date	Baa2/-	1250000
OH-Serie 20	26-09-2018	26-09-2025	250000	Euribor 6 m + 0.30%	Quarterly	Full on expiration date	A1/AA(Low)	
OH-Serie 24	06-08-2022	06-08-2029	2050000	Euribor 3 m + 0.25%	Quarterly	Full on expiration date	Aa2/AA(Low)	2050000
OH - Serie 25	04-07-2023	04-07-2028	750000	3.625% Fixed Rate	Annual	Full on expiration date	Aa2/AA(Low)	
OH - Serie 26	22-02-2024	22-03-2030	500000	3.250% Fixed Rate	Annual	Full on expiration date	Aaa/AA	
OH - Serie 27	27-06-2024	25-06-2032	300000	3.374% Fixed Rate	Annual	Full on expiration date	Aaa/-	
OH - Serie 28	18-12-2024	17-12-2031	1800000	Euribor 3 m + 0.60%	Quarterly	Full on expiration date	Aaa/AA	1800000

At 31 December 2024 and 2023, the cover pool allocated to the mortgage bonds amounted to 8 966 705 th.euros and 8 832 142 th.euros, respectively, of which 8 783 577 th.euros and 8 642 829 th.euros corresponded to credit and accrued interest (Note 12.2).

Public sector bonds

The public sector bonds programme was set up for up to a maximum of 2 000 000 th.euros.

The public sector bonds are secured by a portfolio of loans to public sector entities and other assets that together constitute a cover pool.

Loans granted to central public administrations, regional or local authorities of any EU Member State as well as loans with a specific guarantee from these entities may be allocated to the cover pool.

The prudential limits applicable to the public sector bonds are similar to those applicable to the mortgage bonds, except for the limit on the maximum nominal amount of outstanding bonds in relation to the loans and other assets allocated to the cover pool, which in the case of public sector bonds is 100%.

At 31 December 2024, the detail of public sector bonds issued by BPI was as follows:

Issue	Issue date	Maturity date	Nominal amount	Coupon	Interest payment frequency	Reimbursement	Rating Moody's	Repurchases
OSP-Serie 6	09-06-2022	09-06-2028	450 000	Euribor 3 m + 0.20%	Quarterly	Full on expiration date	Aa3	450 000
OSP-Serie 7	18-12-2023	18-12-2029	150 000	Euribor 3 m + 0.75%	Quarterly	Full on expiration date	Aa2	150 000

At 31 December 2024 and 2023, the cover pool allocated to the public sector bonds amounted to 837 703 th.euros and 826 978 th.euros, respectively, of which 788 535 th.euros and 808 975 th.euros corresponded to credit and accrued interest (Notes 12.1 and 12.2).

The coverage level of the mortgage bonds and public sector bonds is detailed as follows:

	31-12-2024	31-12-2023
Collateralized bonds placed externally	1 800 000	1 500 000
Retained collateralized bonds	6 050 000	6 350 000
Total collateralized bonds (A)	**7 850 000**	**7 850 000**
Portfolio of loans and other assets (B)	9 711 161	9 590 842
Collateralisation (B)/(A)	**124 %**	**122 %**
Overcollateralisation [(B)/(A)-1]	**24 %**	**22 %**

19.4. Other financial liabilities

This caption is made up as follows:

	31-12-2024	31-12-2023
Other Customer funds		
Checks and orders payable	50 203	60 754
Creditors and other resources		
Creditors for futures operations		3 345
Consigned resources	2 352	23 309
Captive account resources	2 715	2 693
Guarantee account resources	1 602	1 684
Public sector		
VAT payable	706	4 620
Tax withheld at source	22 267	15 549
Contributions to the Social Security	3 518	3 406
Other	2 740	2 740
Contributions to other healthcare systems	1 419	1 380
Creditors for factoring agreements	15 362	15 074
Creditors for the supply of goods	(115)	1 381
Subscribed but not paid-up capital in venture capital funds		
Fundo de Recuperação, FCR		2 260
Fundo Pathena SCA Sicar	490	734
Sundry creditors	14 589	18 868
Lease liabilities (IFRS 16)	114 629	128 152
	232 477	**285 949**

The caption ''Other financial liabilities - lease liabilities (IFRS 16)'' shows the present values of future payments to be made by the Bank during the period of the operational leasing agreements. The movement in this heading during 2024 and 2023 is as follows:

	Lease liabilities (IFRS 16)
31-12-2022	**103 597**
Increases/ (Reductions) [1]	46 430
Updates	1 650
Payments	(23 525)
31-12-2023	**128 152**
Increases/ (Reductions)	7 276
Updates	2 823
Payments	(23 622)
31-12-2024	**114 629**

[1] Includes 36.6 million euros related to the increase in lease liabilities due to the extension of contracts for a further 5 years (until 31/12/2028). These renewable leases, signed on a semi-annual or annual basis, were initially recorded for a term of 5 years ending on 31 December 2023.

20. PROVISIONS AND CONTINGENT LIABILITIES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Pending legal issues and tax litigation		
VAT Recovery processes	54	6 511
Tax contingencies and other	20 455	19 742
Impairment and provisions for guarantees and commitments (Note 25)	9 796	11 757
Other provisions	1 853	1 897
	32 158	**39 907**

The movement in provisions in 2024 was as follows:

	Balance at 31-12-2023	Increases	Decreases / Reversals	Amounts used	Balance at 31-12-2024
Pending legal issues and tax litigation	26 253	8 440	(216)	(13 968)	20 509
Commitments and guarantees given	11 757	3 680	(5 641)		9 796
Other provisions	1 897		(44)		1 853
	39 907	**12 120**	**(5 901)**	**(13 968)**	**32 158**

In 2024, the increase in provisions for legal and tax litigation issues includes a 4 800 th.euros provision to cover the contingency arising from the legal proceedings relating to the formula for calculating the *pro rata* seniority bonuses paid in 2016.

The movement in provisions in 2023 was as follows:

	Balance at 31-12-2022	Increases	Decreases / Reversals	Amounts used	Transfers	Balance at 31-12-2022
Pending legal issues and tax litigation	24 162	6 422	(1 568)	(2 763)		26 253
Commitments and guarantees given	12 399	4 531	(5 173)			11 757
Other provisions	12 518		(1 764)	(8 674)	(183)	1 897
	49 079	**10 953**	**(8 505)**	**(11 437)**	**(183)**	**39 907**

20.1. Provisions for pending legal issues and tax litigation

Banco BPI is party to several legal and administrative proceedings arising from the normal course of its business, including claims in connection with lending activities, relationships with employees and other commercial or tax matters.

Based on available information, Banco BPI considers that it had reliably estimated the obligations arising from each case under litigation and that it has recognised, where appropriate, sufficient provisions to reasonably cover the liabilities that may arise as a result of these tax and legal situations. It also considers that any responsibility arising from the said proceedings will not, as a whole, have a material adverse effect on the Bank's businesses, financial position or results of operations.

20.2. Provisions for commitments and guarantees given and other provisions

The heading Commitments and guarantees given includes the provisions for the credit risk of the guarantees and contingent commitments given (Note 25). The heading Other provisions records provisions for specific contingencies.

In 2023, the use of Other provisions includes 8 858 th.euros for an irrevocable commitment in connection with the acquisition of BCI shares.

20.3. Contingent liabilities

Competition Authority

In 2012, the Portuguese Competition Authority (CA), under the powers legally attributed to it, opened administrative infraction proceedings against 15 banks operating in the Portuguese market, including BPI, due to alleged competition restrictive practices.

On 1 June 2015 Banco BPI was served the corresponding notice of illicit act. On 27 September 2017 the Bank presented its defence. Furthermore during the process, and whenever appropriate, Banco BPI appealed against several interlocutory rulings issued by the Competition Authority, which the Bank considered as susceptible of violating its rights.

On 9 September 2019, the CA notified BPI and the other banks of its ruling whereby they had been found guilty. The penalty imposed on BPI was 30 million euros.

In its ruling, the CA:

1 Accuses BPI, as well as the other banks, of having engaged in exchanges of information during the period from May 2002 to March 2013 concerning (i) mortgage loan and consumer loan production volumes, and (ii) the commercial conditions for these types of loans and for loans to small businesses and SME, including spread tables;

2 Considers that such an exchange constitutes an infringement by object, i.e., an infringement which is deemed to have been committed irrespective of whether or not the conduct in question had negative effects on the competition, and therefore it is not necessary to prove such effects; in other words, for the infringement to be deemed as committed, it is sufficient to prove that the conduct is, in the abstract, capable of having adverse effects on competition.

Banco BPI argues that it did not commit the infringement of which it was accused by the CA, and on October 2019, appealed against the aforementioned decision to the Competition, Regulation and Supervision Court, from where the appeal will be filed with the Lisbon Court of Appeal.

In addition to disputing that the exchange of information took place in the manner alleged in the decision imposing the sanction, BPI considers that the information allegedly exchanged, either on account of its form and the time at which such exchange occurred, or on account of its content, was not capable of producing negative effects on the competition, there being no grounds for the assumptions on which the existence of an infringement by object, and therefore the decision imposing the sanction, were based. It is also the understanding of BPI that the alleged exchange of information did not have any negative effects on the market or on consumers, but on the contrary, at least in part, that it had pro-competitive effects.

Together with the above appeal, BPI requested the suspension of the effects of the CA's decision until a final decision is taken on the case. As part of that request for suspension of the effects of the decision, BPI provided a guarantee. On those grounds, the court declared the guarantee validly provided, and in consequence granted suspensive effect to the appeal

The appeal was heard by the Competition, Regulation and Supervision Court, which, on 28 April 2022, issued a decision establishing the facts as proven but not ruling on any sanctions, suspending the process and referring the case to the Court of Justice of the European Union for a preliminary ruling, to which it posed the question of whether the proven facts met the necessary characteristics to constitute an infringement of the rules of the so-called competition "by object" imputed to the banks.

In December 2022 the Bank was informed of the written observations submitted by the European Commission, the EFTA Surveillance Authority (European Free Trade Association), the Portuguese Competition Authority, the Portuguese Public Prosecutor's Office, the Portuguese Republic, the Italian Republic, the Hellenic Republic and Hungary in the context of the preliminary ruling procedure before the Court of Justice of the European Union. Those observations are not unambiguous and are not binding on the Court of Justice of the European Union.

On 22 June 2023, the parties and other interested parties presented oral arguments before the Court of Justice of the European Union (CJEU).

The Advocate General's Opinion was delivered on 5 October as part of the ongoing case before the CJEU. These conclusions represent another intermediate stage in the process and do not amount to a judicial decision, as they in no way bind the CJEU.

On 29 July 2024, the Court of Justice of the European Union ruled on the issues referred to it by the Portuguese Competition, Regulation and Supervision Court.

On 20 September 2024, the Competition, Regulation and Supervision Court issued the relevant (first instance) judgement upholding the fine imposed on the Bank.

As publicly announced, the Bank decided to appeal against this first instance decision, which it did on 15 October 2024.

On 10 February 2025, the Lisbon Court of Appeal ruled that the administrative offense proceedings were time-barred.

On 21 February 2025, the Competition Authority appealed to the Constitutional Court against the decision of the Lisbon Court of Appeal.

In addition, in the first quarter of 2024 three class action lawsuits were filed against the Bank by consumer protection associations seeking compensation for damages suffered by consumers as a result of the alleged antitrust violation claimed by the Portuguese Competition Authority (CA). Two of these class action lawsuits have already been defended by the Bank and the third has been suspended pending a final judgement in the CA case. The Bank does not expect any material impact from these new lawsuits, as it believes that its conduct has not caused any harm to consumers.

It is based on this framework of non-existent grounds for the decision and sentencing being maintained by a final court ruling, that the Bank's Executive Committee of the Board of Directors, backed by the substantiated opinion of external legal consultants, believes that the probabilities of the process ending without the Bank having to pay a fine are higher than the reverse occurring, and therefore no provision for this process has been recognised in the Bank's financial statements as at 31 December 2024.

National Resolution Funds

On 7 July 2016, the Resolution Fund stated that it would analyse and evaluate the necessary steps to be taken following the disclosure of the results of the independent valuation exercise, performed to estimate the level of credit recovery by each creditor class in the hypothetical scenario of a normal insolvency proceeding of BES.

Pursuant to applicable law, if at the completion of BES's winding-up, it is concluded that creditors, whose credits have not been transferred to Novo Banco, suffered a loss higher than the loss they would have hypothetically suffered if BES had initiated its winding up process immediately before the resolution measure was adopted.

Finally, it has surfaced in the media that judicial proceedings against the Resolution Fund have been initiated.

Resolution measure of Banco Espírito Santo, S.A.

On 3 August 2014, Banco de Portugal applied a resolution measure to Banco Espírito Santo, S.A. (BES) pursuant to paragraph b) of number 1 of article 145 C of the General Regulation of Credit Institutions and Financial Companies (RGICSF), in the form of a partial transfer of assets, liabilities, off-balance sheet items and assets under management into a transition bank, Novo Banco, S.A. (Novo Banco), incorporated by a decision of Banco de Portugal on the same date. As part of this process, the Resolution Fund made a capital contribution to Novo Banco in the amount of 4 900 000 th.euros, becoming the sole shareholder.

In this context, the Resolution Fund contracted loans amounting to 4 600 000 th.euros, of which 3 900 000 th.euros granted by the Portuguese State and 700 000 th.euros, to which BPI contributed with 116 200 th.euros, by a banking syndicate.

On 29 December 2015, Banco de Portugal issued a public announcement informing that it had *" (…) made a final adjustment to the perimeter of the assets, liabilities, off-balance-sheet items and assets under management transferred to Novo Banco, namely including:*

a. Clarification that no liabilities have been transferred to Novo Banco that were contingent or unknown on the date the resolution measure was applied to Banco Espírito Santo, S.A.;

b. Retransfer to Banco Espírito Santo, S.A. of the shareholding in BES Finance, which is necessary to ensure full compliance with and application of the resolution measure as regards the non-transfer to Novo Banco of subordinated debt instruments issued by Banco Espírito Santo, S.A.;

c. Clarification that it is the Resolution Fund's responsibility to make neutral for Novo Banco – through compensatory measure – potential negative effects of future decisions, resulting from the resolution process and giving rise to liabilities or contingencies."

<u>*Resolution measure of Banif – Banco Internacional do Funchal, S.A.*</u>

On 19 December 2015, the Board of Directors of Banco de Portugal declared that Banif was failing or likely to fail and decided to start the institution's urgent resolution process through the total or partial sale of its business, which led to Banif's business being sold to Banco Santander Totta, S.A. (BST), on 20 December 2015, for 150 000 th.euros.

Most of the assets that were not sold were transferred to an asset management vehicle, called Oitante, S.A. (Oitante), created specifically for this purpose, the sole shareholder of which is the Resolution Fund. As a way of financing this transfer, Oitante issued debt securities for an initial amount of 746 000 th.euros, to which the Resolution Fund provided a guarantee and the Portuguese State a counter-guarantee.

The operation involved additional support of around 2 255 000 th.euros to cover future contingencies, of which 489 000 th.euros were provided by the Resolution Fund and 1 766 000 th.euros directly by the Portuguese State. The referred state support is net of the amount due by BST for the acquisition of the set of assets, liabilities and business of the former Banif. The 489 000 th.euros provided by the Resolution Fund was funded under a loan agreement with the Portuguese State.

<u>*General matters*</u>

In order to reimburse the loans obtained by the Resolution Fund and any other responsibilities that the Resolution Fund may have to take on with respect to the above-mentioned resolution measures, the Resolution Fund is entitled essentially to the contributions of the participating credit institutions (including the Bank) and to the banking sector contribution ("contribuição sobre o setor bancário").

By a public statement on 28 September 2016, the Resolution Fund announced that it had agreed with the Portuguese Ministry of Finance to revise the terms of the 3 900 000 th.euros loan originally granted by the Portuguese State to the Resolution Fund in 2014 to finance the resolution measure applied to BES. According to the Resolution Fund, the extension of the maturity of the loan was intended to ensure the capacity of the Resolution Fund to meet its obligations through its regular revenues, regardless of the contingencies to which the Resolution Fund is exposed. On the same day, the Office of the Portuguese Minister of Finance also announced that increases in liabilities arising from the materialisation of future contingencies would determine maturity adjustment to the Portuguese State and bank loans to the Resolution Fund in order to maintain the current levels of the required effort regarding the contributions from the banking sector.

In addition, according to the communication of the Resolution Fund on 21 March 2017:

- "The terms of the loans obtained by the Fund to finance the resolution measures applied to Banco Espirito Santo, S.A. and Banif – Banco Internacional do Funchal, S.A. were changed." These loans amount to 4 953 million euros, of which 4 253 million euros granted by the Portuguese State and 700 million euros granted by a banking syndicate, of these, 116 million euros were granted by the Bank.
- "Those loans now mature in December 2046, without prejudice to the possibility of early redemption based on the use of proceeds from the Resolution Fund. The maturity will be adjusted in such terms as guarantee the capacity of the Resolution Fund to fully meet its obligations based on regular revenues and without the need for special contributions or any other extraordinary contributions." The liabilities arising from contracts entered into by the Resolution Fund with the Portuguese State and a syndicate of banks in accordance with the resolution measures of BES and Banif rank pari passu with each other.
- "The revision of the terms of the loans aimed to ensure the sustainability and financial balance of the Resolution Fund, on the basis of a stable, predictable and sustainable burden for the banking sector".
- "The new conditions allow for the full payment of the Resolution Fund's liabilities and respective remuneration, without the need for special contributions or any other extraordinary contributions from the banking sector."

On 31 March 2017, the Bank of Portugal made a communication in which it referred, among others, the following:

- "The Bank of Portugal has today selected LONE STAR to complete the sale of Novo Banco and the Resolution Fund has signed the operation's contract documents."
- "Through the capital injection to be realised, LONE STAR will hold 75% of the share capital of Novo Banco and the Resolution Fund will maintain 25% of the share capital."

- "The terms agreed also include a contingent capital mechanism, under which the Resolution Fund, as a shareholder, undertakes to make capital injections in case certain cumulative conditions are met related to: i) the performance of a specific portfolio of assets of Novo Banco and ii) the capitalisation levels of the bank going forward.
- “The agreed conditions also provide for mechanisms to safeguard the interests of the Resolution Fund and to align incentives, as well as supervision mechanisms, notwithstanding the limitations arising from the application of State aid rules.”
- “The completion of the sale is conditional on the customary regulatory approvals (including by the European Central Bank and the European Commission), and on a liability management exercise, subject to acceptance of the bondholders, which will cover the non-subordinated bonds of Novo Banco, and, through the issuance of new bonds, generate at least 500 million euros of eligible own funds for the calculation of the CET1 ratio.”

On 2 October 2017, the Council of Ministers approved a resolution by which it authorised the conclusion by the Portuguese State, in its role of ultimate guarantor of financial stability, of a framework agreement with the Resolution Fund, for the provision of financial resources to the Resolution Fund, if and when considered necessary for the fulfilment of its contractual obligations under the sale of the 75% stake in Novo Banco, S.A.

The abovementioned framework agreement was signed on the same date and determines that additional funds are to be made available when necessary to ensure compliance with the responsibilities assumed within the scope of the sale process of Novo Banco, while also establishing that the refund of any such funds will be scheduled taking into consideration that one of the objectives of this framework agreement is to ensure the stability of the contributive burden that falls on the banking sector, i.e., to ensure that no special contributions or any other extraordinary contributions are required from the participants of the Resolution Fund.

On 18 October 2017 Banco de Portugal and the Resolution Fund announced the conclusion of the sale of Novo Banco to Lone Star.

On 1 March 2019, after Novo Banco's capital call relative to 2018 had been made public, the Minister for Finance issued a communication where it confirmed “(...) its commitment to the targets assumed and to promoting the stability of the banking sector to allow reaching these targets.”

On 31 May 2021, the Resolution Fund entered into a new loan agreement for 475 million euros with a number of banks in order to meet the Fund's funding needs arising from its commitments to Novo Banco under the Contingent Capital Agreement. Banco BPI participated with 87 410 th.euros in this loan.

Currently it is not possible to predict the possible effects for the Resolution Fund arising from: (i) the sale of the holding in Novo Banco; (ii) the application of the principle that no creditor of the credit institution under resolution may incur in a loss greater than that it would incur if the institution had entered into liquidation; (iii) the guarantee provided to the bonds issued by Oitante; and (iv) other liabilities which the Resolution Fund may have to assume.

Notwithstanding the possibility of collection of special contributions provided for in the applicable legislation, considering the renegotiation of the terms of the loans granted to the Resolution Fund by the Portuguese State and by a syndicate of banks, where the Bank is included, and the public announcements made by the Resolution Fund and the Office of the Portuguese Minister of Finance, which indicate that this possibility will not be used, the financial statements as of 31 December 2024 reflect the BPI’ expectation that will not be required to make any special or extraordinary contribution to finance the resolution measures applied to BES and Banif or any other liability or contingent liability assumed by the Resolution Fund.

Possible changes regarding these issues may have relevant implications on the Bank's financial statements.

Single Resolution Fund

Since 2016, Banco BPI has opted for converting a percentage of the payment to the Single Resolution into irrevocable payment commitments, for which cash collateral has been provided. As at 31 December 2024, the cumulative amount of the irrevocable payment commitments is 19 million euros (Note 25), for which no provision was booked.

21. OTHER LIABILITIES

This caption is made up as follows:

	31-12-2024	31-12-2023
Liabilities for pensions and other benefits[1] (Note 22)		
Past service liabilities	1 813 914	
Pension fund assets	(1 807 528)	
	6 386	
Expenses payable		
Staff Expenses	83 039	81 588
Other administrative expenses	75 287	54 732
Interest payable on Additional Tier 1 issue	5 733	638
Other	13 427	13 180
	177 486	**150 138**
Deferred income		
From guarantees given and other contingent liabilities	1 513	1 306
	1 513	**1 306**
Other adjustment accounts		
Foreign exchange transactions pending settlement	48	177
Liabilities pending settlement	94 532	120 140
Other transactions pending settlement	264 958	391 141
	359 538	**511 458**
	544 923	**662 902**

[1] On 31 December 2023 included in the caption 'Other Assets'.

At 31 December 2024 and 2023, the caption staff expenses includes 20 016 th.euros and 19 226 th.euros in liabilities for end-of-career bonuses and for medical services (SAMS) of former Employees, respectively. The main actuarial assumptions used to calculate these liabilities are the same as those used to calculate employee pension liabilities (Note 22). In 2024 and 2023, 765 th.euros and (1 260) th.euros, respectively, were recognised for actuarial deviations arising from the change in the financial and demographic assumptions used to calculate these liabilities.

As at 31 December 2024 and 31 December 2023, the balance in the caption 'Liabilities pending settlement' includes:

- 22 993 th.euros and 25 697 th.euros, respectively, relating to ATM transactions pending settlement.
- 46 158 th.euros and 50 254 th.euros, respectively, relating to transactions with SIBS pending settlement.

As at 31 December 2024 and 31 December 2023, the caption 'Liabilities pending settlement' includes:

- 186 128 th.euros and 322 144 th.euros, respectively, relating to transfers under SEPA (Single Euro Payment Area).
- 3 612 th.euros and 1 104 th.euros respectively, relating to securities operations pending settlement.
- 24 082 th.euros and 11 653 th.euros, respectively, concerning transactions pending settlement in the Large-Value Gross Settlement System.
- 18 808 th.euros and 23 532 th.euros, respectively, concerning amounts pending settlement under leasing, LTHP and factoring operations.

22. LIABILITIES FOR PENSIONS AND OTHER BENEFITS

Past service liabilities for Pensioners, Employees and Directors that are, or have been, at the service of BPI, are calculated in accordance with IAS 19.

Pension benefits established by BPI are defined benefits based on the last salary earned and length of service, providing for the payment of benefits in the event of retirement due to old age, disability or death. The rules used to calculate these benefits are mainly drawn from the provisions of the Collective Labour Agreement for the Portuguese Banking Sector. There is also a restricted group of management staff that is covered by a supplementary defined benefit pension plan, based on the last salary earned and length of service.

With the publication of Decree-Law no. 1-A / 2011 of 3 January, from 1 January 2011 all banking sector employees who were beneficiaries of "CAFEB – Caixa de Abono de Família dos Empregados Bancários" were integrated into the General Social Security Scheme, being henceforth covered by this scheme for old-age pensions as well as for maternity, paternity and adoption allowances, which the Bank ceased to support. Given the complementary nature of the scheme under the rules of the Collective Labour Agreement for the Portuguese Banking Sector ("ACT"), the Bank continues to cover the difference relative to the amount of the benefits paid under the General Social Security Regime for the eventualities covered and the benefits established in the ACT.

Following the instructions of the National Council of Financial Supervisors (Conselho Nacional dos Supervisores Financeiros), the amount of past service liabilities remained unchanged at 31 December 2010. Current service cost decreased as from 2011 and the Bank became subject to the Single Social Tax (Taxa Social Única - TSU) at the rate of 23.6%.

Disability and survivor pensions and sick leave for these Employees continue to be the Bank's responsibility.

Decree-Law 127/2011 of 31 December established the transfer to the Social Security of liabilities for retirement and survivor pensions of retired personnel and pensioners that were in that situation at 31 December 2011 and were covered by the substitute social security regime included in the collective labour regulations instrument in force for the banking sector (Pillar 1), as well as the transfer to the Portuguese State of the corresponding pension fund assets covering these liabilities. Since the transfer to the Social Security corresponded to a settlement, extinguishing the corresponding liability of Banco BPI, the negative difference (99 507 th.euros) between the amount of the pension fund assets transferred to the Portuguese State and the amount of the liability transferred based on actuarial assumptions used by Banco BPI was fully recognised as a cost in 2011/12. For tax purposes, this cost is recognised over a period of 18 years.

Through its pension fund, Banco BPI retains the liability for payment of (i) the amount of updates to the pensions mentioned above, according to the criteria set out in the ACT; (ii) the complementary benefits to the retirement and survivor pensions assumed by the ACT; (iii) the fixed contribution to the Social and Medical Support Services (SAMS); (iv) death allowance; (v) survivor pensions to children and surviving spouse related to the same Employee and (vi) survivor pension due to the family member of a retired Employee, in which the conditions for being granted occurred as from 1 January 2012.

BPI Vida e Pensões is the entity responsible for the actuarial calculations used to determine the amounts of the retirement and survivor pension liabilities, as well as for managing the respective Pension Funds.

The "Projected Unit Credit" method was used to calculate the normal cost and past service liabilities due to old age, and the "Single Successive Premiums" method was used to calculate the cost of the disability and survivor benefits.

The commitments assumed in the regulations of Banco BPI Pension Plans are funded by Pension Funds and therefore Banco BPI is exposed to risks resulting from the valuation of the liabilities and the value of the related pension funds. Banco BPI's Pension Funds are disclosed in Note 38.

The funding scheme of the Pension Fund is defined in Bank of Portugal Notice no. 4/2005, which establishes the requirement to fully fund (100%) the liabilities with pensions under payment and a minimum of 95% of the past service liabilities for current personnel.

The main actuarial assumptions used to calculate the pension liabilities of the employees are as follows:

	31-12-2024	31-12-2023
Demographic assumptions:		
Mortality Table	TV 88/90-H - 1 year [1] TV 99-01-M - 2 years [2]	TV 88/90-H - 1 year [1] TV 99-01-M - 2 years [2]
Staff turnover	0 %	0 %
Decreases	by mortality	by mortality
Financial assumptions		
Discount rate		
Start of the year	3.2 %	3.8 %
Year-end	3.4 %	3.2 %
Pensionable salaries growth rate [3]	1.25% [4]	1.25% [4]
Pensions growth rate	0.75% [5]	0.75% [5]

[1] Life expectancy considered for men was 1 year longer than considered in the mortality table used.

[2] Life expectancy considered for women was 2 years longer than considered in the mortality table used.

[3] The mandatory promotions under the current ACT and the projected seniority payments are considered separately, i.e., directly in the estimate of salaries evolution, corresponding to an increase of approximately 0.5%.

[4] Pensionable salaries estimated growth rate in 2027 and following years. The rates considered for 2025 at 31 December 2024 and 2023 were 3.0% and 2.5%, respectively. The rates considered for 2026 at 31 December 2024 and 2023 were 2.0% and 1.25%.

[5] Pensions estimated growth rate in 2027 and following years. The rates considered for 2025 at 31 December 2024 and 2023 were 2.5% and 2.0%, respectively. The rates considered for 2026 at 31 December 2024 and 2023 were 1.5% and 0.75%.

The actual results obtained in relation to the main financial assumptions were:

	31-12-2024	31-12-2023
Pensionable salaries growth rate [1]	4.06%	5.75%
Pensions growth rate [2]	3.00%	4.50%
Pension fund assets' return rate	3.43 %	8.10%

[1] Calculated based on average pensionable salary changes for current Employees present at the beginning and at the end of the year (includes changes in remuneration levels, the effect of mandatory promotions due to time of service and seniority payments and does not consider new admissions and leavers).

[2] Corresponds to the ACT table update rate.

At 31 December 2024 and 2023, the number of pensioners and Employees covered by the pension plans funded by the pension funds was as follows:

	31-12-2024	31-12-2023
Retired pensioners		
Retired pensioners	7 374	7 300
Survivor pensioners	1 890	1 882
Current Employees	4 228	4 373
Former Employees (clause 98 of the ACT)	3 473	3 416
	16 965	**16 971**

The past service liabilities for Pensioners and Employees of BPI and respective coverage by the Pension Fund show the following composition:

	31-12-2024	31-12-2023	31-12-2022	31-12-2021	31-12-2020
Total past service liabilities	(1 763 197)	(1 724 024)	(1 514 370)	(1 888 471)	(1 907 391)
Net assets of the Pension Fund	1 757 585	1 780 457	1 713 552	1 944 373	1 782 477
Contributions to be transferred to the Pension Fund				549	90 068
Coverage surplus/(shortfall)	(5 612)	56 433	199 182	56 451	(34 846)
Coverage ratio of liabilities	100%	103%	113%	103%	98%

The return of the pension fund in 2024 was +3.4%.

At 31 December 2024, total past service liabilities include 163 448 th.euros in liabilities for medical services (SAMS) and 8 026 th.euros in liabilities for death allowance.

At 31 December 2023, total past service liabilities include 169 015 th.euros in liabilities for medical services (SAMS) and 7 873 th.euros in liabilities for death allowance.

In accordance with Decree-Law 12/2006 of 20 January, only in very special conditions is it possible to return excess funding, so it is assumed that any excess will be used to reduce future contributions.

In 2024 the movement in the present value of past service liabilities and in the Employee's pension fund was as follows:

	Total past service liabilities	Net assets of the pension fund	Net (Assets)/Liabilities for pensions and other benefits
Amount at 31 December 2023	**(1 724 024)**	**1 780 457**	**56 433**
Recognised as profit/(loss)	**(94 095)**	**58 555**	**(35 540)**
Current service cost (Note 31)	5 054		5 054
Liabilities' interest cost	(55 335)		(55 335)
Income on plan assets computed based on the discount rate		58 555	58 555
Early retirements	(44 537)		(44 537)
Voluntary terminations	723		723
Recognised in shareholders' equity (Note 23)	**(24 151)**	**(2 354)**	**(26 505)**
Deviation in pension funds return		2 156	2 156
ACTV table update	(10 979)		(10 979)
Change in financial and demographic assumptions			
Change in discount rate	45 552		45 552
Change in salary and pension growth rates	(30 817)		(30 817)
Impact on ACT table from the national minimum wage increase	(13 807)		(13 807)
Deviation in mortality	(9 409)		(9 409)
Deviation in pensions paid		(4 510)	(4 510)
Deviation in pensions 98ª clause	(1 225)		(1 225)
Other deviations	(3 466)		(3 466)
Other	**79 073**	**(79 073)**	
Employee contributions	(3 762)	3 762	
Pensions payable (estimate)	82 835	(82 835)	
Amount at 31 December 2024 (Note 21)	**(1 763 197)**	**1 757 585**	**(5 612)**

In 2023 the movement in the present value of past service liabilities and in the Employee's pension fund was as follows:

	Total past service liabilities	Net assets of the pension fund	Net (Assets)/Liabilities for pensions and other benefits
Amount at 31 December 2022	**(1 514 370)**	**1 713 552**	**199 182**
Recognised as profit/(loss)	**(74 679)**	**63 538**	**(11 141)**
Current service cost (Note 31)	5 346		5 346
Liabilities' interest cost	(55 804)		(55 804)
Income on plan assets computed based on the discount rate		63 538	63 538
Early retirements	(25 094)		(25 094)
Voluntary terminations	873		873
Recognised in shareholders' equity (Note 23)	**(205 521)**	**73 913**	**(131 608)**
Deviation in pension funds return		75 974	75 974
ACTV table update	(10 142)		(10 142)
Change in financial and demographic assumptions			
Change in discount rate	(131 856)		(131 856)
Change in salary and pension growth rates	(18 295)		(18 295)
Impact on ACT table from the national minimum wage increase	(15 471)		(15 471)
Disability pensions	(8 960)		(8 960)
Deviations in pensions paid		(2 061)	(2 061)
Other deviations	(20 797)		(20 797)
Other	**70 546**	**(70 546)**	
Employee contributions	(3 709)	3 709	
Pensions payable (estimate)	74 255	(74 255)	
Amount at 31 December 2023 (Note 17)	**(1 724 024)**	**1 780 457**	**56 433**

The movement in deviations in 2024 and 2023 was as follows:

Amount at 31 December 2022	**(85 569)**
Deviation in pension funds return	75 974
ACTV table update	(10 142)
Change in discount rate	(131 856)
Change in salary and pension growth rates	(18 295)
Impact on ACT table from the national minimum wage increase	(15 471)
Deviation in disability pensions	(1 390)
Deviation in mortality	(8 960)
Deviation in pensions paid	**(2 061)**
Other deviations	**(19 407)**
Amount at 31 December 2023	**(217 177)**
Deviation in pension funds return	2 156
ACTV table update	(10 979)
Change in discount rate	45 552
Change in salary and pension growth rates	(30 817)
Impact on ACT table from the national minimum wage increase	(13 807)
Deviation in disability pensions	(1 849)
Deviation in mortality	(9 409)
Deviation in pensions paid	(4 510)
Deviation in pensions 98ª clause	(1 225)
Other deviations	(1 617)
Amount at 31 December 2024	**(243 682)**

At 31 December 2024 and 2023, Banco BPI's Employees' Pension Funds comprised the following assets:

	31-12-2024		**31-12-2023**	
	Value	**%**	**Value**	**%**
Liquidity	9 434	0.5 %	19 985	1.1 %
Commercial paper			3 261	0.2 %
Fixed-rate bonds [1]	972 022	55.3 %	1 044 483	58.7 %
Variable-rate bonds [1]	465	0.0 %	508	0.0 %
Real Estate	362 606	20.6 %	369 538	20.8 %
Investment funds	413 058	23.5 %	342 683	19.2 %
	1 757 585	**100.0 %**	**1 780 457**	**100.0 %**

[1] Listed securities

The sensitivity analysis to a change in the main financial assumptions for the entire period covered by the actuarial valuation (and not just a change in a given year) would result in the following impact on the present value of past service liabilities [1]:

	(decrease)/increase	
	%	**Amount**
Change in discount rate		
0.25% increase	-3.1 %	(54 894)
0.25% decrease	3.3 %	57 870
Change in salaries growth rate [2]		
0.25% increase	0.7 %	12 723
Change in pensions growth rate [3]		
0.25% increase	3.3 %	57 517
Mortality Table		
+1 year	3.2 %	56 895

[1] The calculation method and assumptions were the same as used for the calculation of the liabilities, except for the assumption under analysis.

[2] The change in the increase in salaries applies only to the pensionable salaries component of the pension plan foreseen in ACT for the banking sector, there being no change in the growth rate of the pensionable salaries for Social Security pension purposes, since what is considered is the maximum risk in the wage evolution component.

[3] The change in the pension increase applies to pensions and supplements provided by the Bank, as well as to pensions transferred to the Social Security, for whose future revisions the Bank remain responsible.

The average duration of the pension liability for Banco BPI Employees is 13 years, including both current and retired Employees.

The main actuarial assumptions used to calculate the pension liabilities of Board members are as follows:

	31-12-2024	31-12-2023
Demographic assumptions:		
Mortality Table	TV 88/90-H - 1 year [1] TV 99-01-M - 2 years [2]	TV 88/90-H - 1 year [1] TV 99-01-M - 2 years [2]
Staff turnover	0%	0%
Decreases	by mortality	by mortality
Financial assumptions:		
Discount rate		
Start of the year	3.2 %	3.8 %
Year-end	3.4 %	3.2 %
Pensionable salaries growth rate	0.75% [3]	0.75% [3]
Pensions growth rate	0.75% [4]	0.75% [4]

[1] Life expectancy considered for men was 1 year longer than considered in the mortality table used.

[2] Life expectancy considered for women was 2 years longer than considered in the mortality table used.

[3] Pensionable salaries estimated growth rate in 2027 and following years. The rates considered for 2025 at 31 December 2024 and 2023 were 2.5% and 2.0%, respectively. The rates considered for 2026 at 31 December 2024 and 2023 were 1.5% and 0.75%, respectively.

[4] Pensions estimated growth rate in 2027 and following years. For 2025 an effective CPI rate of 2.4% was considered, as per pension plan rules. For 2026 a rate of 1.5% was considered.

The liabilities for past services of Board members and respective coverage by the Pension Fund show the following evolution:

	31-12-2024	31-12-2023	31-12-2022	31-12-2021	31-12-2020
Present value of past service liabilities	(50 717)	(50 482)	(47 467)	(54 704)	(56 887)
Net assets of the Pension Fund	49 943	47 450	47 157	55 929	55 654
Contributions to be transferred to the Pension Fund			209		588
Coverage surplus/(shortfall)	(774)	(3 032)	(101)	1 225	(645)
Coverage ratio of liabilities	98 %	94 %	100 %	102 %	99 %

The return of the pension fund in 2024 was +7.1%.

In 2024 the movement in the present value of past service liabilities for Directors and in the pension fund was as follows:

	Total past service liabilities	Net assets of the pension fund	Net (Assets)/Liabilities for pensions and other benefits
Amount at 31 December 2023	**(50 482)**	**47 450**	**(3 032)**
Recognised as profit/(loss)	**(1 839)**	**1 659**	**(180)**
Current service cost (Note 31)	(191)		(191)
Liabilities' interest cost	(1 648)		(1 648)
Income on plan assets computed based on the discount rate		1 659	1 659
Recognised in shareholders' equity (Note 23)	**(1 871)**	**1 406**	**(465)**
Deviation in pension funds return		1 711	1 711
ACTV table update	(23)		(23)
Change in financial and demographic assumptions			
Change in discount rate	955		955
Change in salary and pension growth rates	(672)		(672)
Deviation in pensions paid		(305)	(305)
Other deviations	(2 131)		(2 131)
Other	**3 475**	**(572)**	**2 903**
BPI contributions		2 903	2 903
Pensions payable (estimate)	3 475	(3 475)	
Amount at 31 December 2024 (Note 21)	**(50 717)**	**49 943**	**(774)**

In 2023 the movement in the present value of past service liabilities for Directors and in the pension fund was as follows:

	Total past service liabilities	Net assets of the pension fund	Net (Assets)/Liabilities for pensions and other benefits
Amount at 31 December 2022	**(47 467)**	**47 157**	**(310)**
Recognised as profit/(loss)	**(1 896)**	**1 730**	**(166)**
Current service cost (Note 31)	(180)		(180)
Liabilities' interest cost	(1 716)		(1 716)
Income on plan assets computed based on the discount rate		1 730	1 730
Recognised in shareholders' equity (Note 23)	**(4 687)**	**1 921**	**(2 766)**
Deviation in pension funds return		1 991	1 991
ACTV table update	(10)		**(10)**
Change in financial and demographic assumptions			
Change in discount rate	(2 775)		(2 775)
Change in salary and pension growth rates	(815)		(815)
IPC change	(729)		(729)
Deviation in pensions paid		(70)	(70)
Other deviations	(358)		(358)
Other	**3 568**	**(3 358)**	**210**
BPI contributions		210	210
Pensions payable (estimate)	3 568	(3 568)	
Amount at 31 December 2023 (Note 17)	**(50 482)**	**47 450**	**(3 032)**

The movement in deviations during 2023 and 2024 was as follows:

Amount at 31 December 2022	**(16 018)**
Deviation in pension funds return	1 991
Change in financial and demographic assumptions	
Change in discount rate	(2 775)
Change in salary and pension growth rates	(815)
Change in ACT table	(10)
IPC change	(729)
Deviation in pensions paid	(70)
Other deviations	(361)
Amount at 31 December 2023	**(18 787)**
Deviation in pension funds return	1 711
Change in financial and demographic assumptions	
Change in discount rate	955
Change in salary and pension growth rates	(672)
Change in ACT table	(23)
Deviation in pensions paid	(305)
Other deviations	(2 132)
Amount at 31 December 2024	**(19 253)**

At 31 December 2024 and 2023, the Pension Funds of BPI's Directors comprised the following assets:

	31-12-2024		31-12-2023	
	Value	%	Value	%
Liquidity	346	0.7 %	1 298	2.7 %
Commercial paper		0.0 %	2 519	5.3 %
Fixed-rate bonds[1]	14 523	29.0 %	17 841	37.5 %
Variable-rate bonds[1]	10	0.0 %	11	0.0 %
Investment funds	35 064	70.2 %	25 781	54.3 %
	49 943	**99.9 %**	**47 450**	**99.8 %**

[1] Listed securities.

The sensitivity analysis to a change in the main financial assumptions for the entire period covered by the actuarial valuation (and not just a change in a given year) would result in the following impact on the present value of past service liabilities [1] :

	(decrease)/increase	
	%	Value
Change in discount rate		
0.25% increase	-2.3 %	(1 158)
0.25% decrease	2.4 %	1 206
Change in salaries growth rate [2]		
0.25% increase	-0.1 %	(40)
Change in pensions growth rate [3]		
0.25% increase	1.9 %	939
Mortality Table		
+1 year	3.5 %	1 800

[1] The calculation method and assumptions were the same as used for the calculation of the liabilities, except for the assumption under analysis.

[2] The change in the increase in salaries applies only to the pensionable salaries component of the pension plan foreseen in ACT of the banking sector, there being no change in the growth rate of the pensionable salaries for Social Security pension purposes, since what is considered is the maximum risk in the wage evolution component.

[3] The change in the pension increase applies to pensions and supplements provided by the Bank, as well as to pensions transferred to the Social Security, for whose future revisions the Bank remains responsible.

The average duration of the pension liability for Banco BPI Directors is 9.4 years (9.6 years in 2023), including both current and retired Directors.

23. SHAREHOLDERS' EQUITY

Capital

At 31 December 2024 and 2023, Banco BPI's share capital was 1 293 063 th.euros, represented by 1 456 924 237 ordinary dematerialised registered shares with no nominal value.

Equity instruments issued other than capital

In 2019, Banco BPI issued 275 000 th.euros, with a flat rate of 6.5%, in Additional Tier 1 Undated Deeply Subordinated Notes - Series 1132 under the EMTN Programme, which qualify as Additional Tier I Capital for the Tier 1 ratio, under the terms of Directive 2013/36/EU (CRD IV – Capital Requirements Directive). In 2024, Banco BPI exercised the early redemption option on this issue.

Also in 2024, Banco BPI made a new issue of a similar nature and amount to the redeemed issue, with a fixed coupon of 7.125% (Additional Tier 1 (Undated Deeply Subordinated Notes) - Series 1137 of the EMTN Programme). Redemption of the notes is possible from 16 November 2029 (first early repayment date) and thereafter on any interest payment date, subject to authorisation by the competent authorities.

The interest on these notes is recognised under "Other reserves" on account of its payment being discretionary. The notes were fully purchased by CaixaBank.

Accumulated other comprehensive income

The main movements in Accumulated other comprehensive income are shown in detail in the tables of statements of profit and loss and other comprehensive income.

Changes in accumulated other comprehensive income - 2024

	31-12-2023	Valuation gains / (losses)	Realized gains/(losses) in equity instruments	Taxes	31-12-2024
Items that will not be reclassified to profit or loss	**(361 220)**	**(53 397)**	**(1 296)**	**11 447**	**(404 466)**
Actuarial gains/ (losses) on defined benefit pension plans	(289 863)	(26 206)		11 786	(304 283)
Fair value changes of equity instruments measured at fair value through other comprehensive income	(72 024)	(26 692)	(1 296)	(339)	(100 351)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	(36)	(499)			(535)
Tangible assets	703				703
Items that may be reclassified to profit or loss	**(69 892)**	**29 841**		**(5 063)**	**(45 114)**
Foreign currency translation	(37 732)	9 444			(28 288)
Debt securities classified as fair value financial assets through other comprehensive income	(30 902)	15 385		(5 063)	(20 580)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	(1 258)	5 012			3 754
	(431 112)	**(23 556)**	**(1 296)**	**6 384**	**(449 580)**

Changes in accumulated other comprehensive income - 2023

	31-12-2022 Restated [1]	Valuation gains / (losses)	Amounts transferred to income statement (before taxes)	Realized gains/ (losses) in equity instruments	Taxes	31-12-2023
Items that will not be reclassified to profit or loss	**(205 850)**	**(189 333)**		**767**	**33 196**	**(361 220)**
Actuarial gains/ (losses) on defined benefit pension plans	(187 494)	(135 633)			33 264	(289 863)
Non-current assets and disposal groups classified as held for sale						
Fair value changes of equity instruments measured at fair value through other comprehensive income	(19 193)	(53 144)		381	(68)	(72 024)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	134	(556)		386		(36)
Tangible assets	703					703
Items that may be reclassified to profit or loss	**(103 178)**	**44 705**	**4 723**		**(16 142)**	**(69 892)**
Foreign currency translation	(29 895)	(5 512)	(2 325)			(37 732)
Debt securities classified as fair value financial assets through other comprehensive income	(66 832)	45 024	7 048		(16 142)	(30 902)
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	(6 451)	5 193				(1 258)
	(309 028)	**(144 628)**	**4 723**	**767**	**17 054**	**(431 112)**

[1] Corresponds to the movement in other comprehensive income in 2022 restated for first-time application of IFRS 17 and IFRS 9 by Companhia de Seguros Allianz Portugal, S.A., an associated company of BPI. (Note 1.4).

Retained earnings and other reserves

This caption is made up as follows:

	31-12-2024	31-12-2023
Retained earnings		
Legal reserve	407 971	350 528
Other reserves and retained earnings	1 843 143	1 908 738
Reserves of fully consolidated companies		5 388
Profit/(loss) recognised in equity instruments at fair value through other comprehensive income	15 890	14 594
	2 267 004	**2 279 248**
Other reserves		
Merger reserve	1 665	1 665
Interest payable on Additional Tier 1 issue	(95 120)	(76 619)
Reserves of equity accounted companies	130 713	109 510
	37 258	**34 556**

The equity headings "Retained earnings" and "Other reserves" contain:

- the equity heading "Retained earnings" includes, at the close of the financial year, the undistributed gains from the appropriation of the profit/loss of fully consolidated entities, income from the sale of equity instruments recorded in the portfolio at fair value through other comprehensive income, and the impacts of the first-time application of accounting standards, among others.
- The equity item "Other reserves" includes, at year end, the impacts of the first-time application of accounting standards, the appropriation of the profit/loss of equity accounted entities net of dividends distributed to fully consolidated entities and the remuneration of issues that meet certain characteristics.

In accordance with Article 97 of the General Law on Credit Institutions and Financial Companies, approved by Decree-Law no. 298/92 of 31 December and amended by Decree-Law no. 201/2002 of 26 September, Banco BPI must appropriate at least 10% of its net income each year to a legal reserve until the amount of the reserve equals the greater of the amount of share capital or the sum of the free reserves plus retained earnings.

24. TAX POSITION

24.1. Tax assets and liabilities

The breakdown of tax assets and liabilities is as follows:

Tax assets

	31-12-2024	31-12-2023
Current tax assets	144 749	27 934
Deferred tax assets	124 999	142 562
	269 748	**170 496**

Tax liabilities

	31-12-2024	31-12-2023
Current tax liabilities	252 939	178 767
Deferred tax liabilities	5 540	32 113
	258 479	**210 880**

24.2. Income taxes

At 31 December 2024 and 2023, the cost of income tax recognised in the income statement, as well as the tax burden, measured as the ratio of the tax charge to the Profit or loss (-) from before tax [1], were as follows:

	31-12-2024	31-12-2023
Profit or loss before tax	**816 705**	**695 366**
Profit or loss (-) of equity accounted companies	(60 014)	(60 597)
Other		3 340
Profit or loss (-) for the period subject to tax	**756 691**	**638 109**
Current taxes	(235 568)	(163 183)
Deferred taxes	9 967	(8 677)
Recognition and reversal of temporary differences	9 967	(8 677)
Corrections of previous years	(1 697)	715
Current taxes reassessment (IFRIC 23)	(1 165)	(248)
Taxes in profit or loss	**(228 463)**	**(171 393)**
Average tax rate [2]	**30.0 %**	**26.8 %**

[1] Excluding results of companies accounted for using the equity method.

[2] Corresponds to the amount of current and deferred taxes on taxable income for the year

The reconciliation between the nominal income tax rate and the average tax rate, in accordance with IAS 12, at 31 December 2024 and 2023, as well as the reconciliation between the tax cost/gain and the product of multiplying the accounting profit by the average tax rate, are as follows:

	31-12-2024		31-12-2023	
	Tax rate	Value	Tax rate	Value
Net income before income tax[1]		**756 691**		**638 109**
Income tax computed based on the nominal tax rate	31.0 %	234 574	30.8 %	196 570
Capital gains and impairments in equity holdings, net	0.4 %	2 778		
Non taxable dividends	(2.2 %)	(16 456)	(3.6 %)	(22 991)
Taxable temporary differences (BCI and BFA)	(0.6 %)	(4 482)	0.7 %	4 768
Provisions for tax contingencies	0.4 %	3 184		
Temporary differences with pensions and death benefit	(0.2 %)	(1 823)	(1.8 %)	(11 609)
Correction of previous years	0.3 %	2 572	0.1 %	550
Autonomous taxation	0.1 %	761	0.1 %	868
Banking sector contribution	0.9 %	7 017	1.3 %	8 176
Remuneration of AT1 instruments issue	(0.8 %)	(5 735)	(0.9 %)	(5 541)
State surtax	0.2 %	1 179	0.1 %	502
Tax rate change	0.4 %	2 721	%	
Other non taxable income and expenses	0.1 %	1 008		(148)
	30.0 %	**227 298**	**26.8 %**	**171 145**

[1] Excluding results of companies accounted for using the equity method.

24.3. Deferred tax assets and liabilities

In accordance with IAS 12, deferred tax assets and liabilities are recognised to the extent that it is probable that taxable profits will be available in the future against which they can be utilised. Accordingly, Banco BPI prepared future taxable income projections to support the deferred tax assets accounted for, namely regarding the consumption of reportable tax losses.

Deferred tax assets and liabilities correspond to the amount of tax recoverable and payable in future periods resulting from temporary differences between the amount of assets and liabilities on the balance sheet and their tax base. Deferred tax losses carried forward and tax credits are also recognised as deferred tax assets.

Deferred tax assets and liabilities were measured at the tax rates that are expected to apply to the period when the asset is expected to be realised or the liability settled. The tax rate applied to the 2024 and 2023 deferred taxes was 30% and 31%, respectively.

Pursuant to Law No. 45-A/2024 of 31 December approving the State Budget for 2025, the general corporate income tax rate was reduced from 21% to 20% as of 1 January 2025. As a result of this change, the Bank adjusted its deferred tax assets and liabilities from 31% to 30%.

The movement in deferred tax assets in 2024 was as follows:

	31-12-2023	Increases	Decreases	31-12-2024
Taxed provisions and impairments	35 815	2 638	(8 618)	29 835
Tax deferral of the impact of the partial transfer of pension liabilities to the Social Security	10 308		(1 993)	8 315
Early retirements	12 178		(3 697)	8 481
Actuarial deviations	49 432		(2 116)	47 316
Voluntary terminations programme	3 047	2 281	(1 775)	3 553
End-of-career bonus	2 702	202	(474)	2 430
Financial instruments at fair value	14 500	3	(4 927)	9 576
Other	14 580	3 074	(2 161)	15 493
	142 562	**8 198**	**(25 761)**	**124 999**

The movement in deferred tax assets in 2023 was as follows:

	31-12-2022	Increases	Decreases	31-12-2023
Tax losses	2 951		(2 951)	
Taxed provisions and impairments	46 204	1 717	(12 106)	35 815
Social Security	12 023		(1 715)	10 308
Early retirements	24 595		(12 417)	12 178
Actuarial deviations	49 877		(445)	49 432
Voluntary terminations programme	3 192	818	(963)	3 047
End-of-career bonus	2 431	511	(240)	2 702
Financial instruments at fair value	30 567	95	(16 162)	14 500
Other	6 529	11 141	(3 090)	14 580
	178 369	**14 282**	**(50 089)**	**142 562**

At 31 December 2024, BPI's balance sheet included deferred tax assets in the amount of 124 999 th.euros, of which:

i 26 466 th.euros are eligible to benefit from the Special Regime applicable to Deferred Tax Assets approved by Law no.61/2014, of 26 August;

ii 98 532 th.euros depend on the existence of future taxable profits (not eligible for the Special Regime), including:
- 8 998 th.euros related to impairments for loans and guarantees;
- 16 579 th.euros relating to other taxed impairments and provisions;
- 72 776 th.euros related to Employee benefits (actuarial deviations, transfer to Social Security, early retirements, end-of-career premium and compensations and other benefits payable under the voluntary termination programme) and to securities revaluation;

The movement in deferred tax liabilities in 2024 was as follows:

	31-12-2023	Increases	Decreases	31-12-2024
Taxable temporary differences in subsidiaries and associated companies (BCI)	11 858		(8 323)	3 535
Financial instruments at fair value	1 311		(60)	1 251
Pension fund	17 997		(17 997)	
Other	947		(193)	754
	32 113		**(26 573)**	**5 540**

The movement in deferred tax liabilities in 2023 was as follows:

	31-12-2023	Increases	Decreases	31-12-2024
Taxable temporary differences in subsidiaries and associated companies (BCI)	11 874		(16)	11 858
Financial instruments at fair value	1 187	124		1 311
Pension fund	61 886		(43 889)	17 997
Other	1 128		(181)	947
	76 075	**124**	**(44 086)**	**32 113**

Profits distributed to Banco BPI by subsidiaries and associated companies are not taxed in Banco BPI as a result of application of the regime established in article 51 of the Corporation Income Tax Code, which provides for the elimination of double taxation of profits distributed.

In this context, Banco BPI does not recognise deferred tax assets or liabilities for deductible or taxable temporary differences relating to investments in associated companies, since the stake held by BPI has exceeded 10% and been held for more than one year, which enables it to be considered in the Participation Exemption regime, except for Banco Comercial e de Investimentos, in which the deferred tax liabilities relating to taxation in Mozambique, of all the distributable profits, are recognised.

BEPS (Base Erosion and Profit Shifting) Pillar 2 is an OECD initiative for individual countries to introduce rules to ensure a minimum effective tax rate of 15% on the income of large multinational groups with global consolidated revenues of 750 million euros or more.

Following the BEPS initiative, the European Union introduced EU legislation (Council Directive (EU) 2022/2523 of 15 December 2022), which was transposed in Portugal by Law No. 41/2024 of 8 November, creating the Global Minimum Tax Regime ("RIMG"). The RIMG applies to tax years beginning on or after 1 January 2024, except for the rules regarding the supplementary tax for Under-taxed Profits Rule (UTPR), which only apply to tax years beginning on or after 1 January 2025.

Article 4 of Law No. 41/2024 establishes safeguard provisions that provide that the supplementary tax calculated for a jurisdiction is equal to zero if any of the conditions set out in paragraph 1 of the same article is met in each of the tax years starting no later than 31 December 2026 and ending no later than 30 June 2028.

The Bank has assessed the potential impact of the implementation of the RIMG in Portugal, having concluded that it must meet the eligibility criteria for the application of these rules, as it is part of a multinational group (the Caixabank Group) with consolidated annual income of more than 750 million euros in two of the last four financial years.

The entities of the Caixabank group in Portugal will have to comply with the safeguard provisions set out in Article 4 of the RIMG, and therefore no material impact is expected for the Bank during the period in which these safeguards apply.

The Bank continues to monitor the development of BEPS legislation in Portugal and in other countries where BEPS-related rules have been introduced, in order to assess the potential future impact on its results, financial position and cash flows.

25. OFF-BALANCE SHEET ITEMS

This caption is made up as follows:

	31-12-2024	31-12-2023
Loan commitments given		
Irrevocable credit lines	18 797	10 945
Securities subscribed	1 200 601	909 103
Revocable commitments	3 024 377	2 985 730
	4 243 775	**3 905 778**
Financial guarantees given		
Financial guarantees and sureties	76 009	96 907
Financial standby letters of credit	8 963	16 758
	84 972	**113 665**
Other commitments given		
Non-financial guarantees and sureties [1]	2 097 543	1 918 995
Non-financial standby letters of credit	80 367	12 468
Documentary credits	116 811	113 777
Term liabilities for annual contributions to the Resolution Fund	18 529	18 529
Potential liability to the Investor Compensation Scheme	9 829	9 350
Other irrevocable commitments	2 817	2 433
Other commitments given	61 551	651
	2 387 447	**2 076 203**
	6 716 194	**6 095 646**
Assets pledged as collateral		
European System of Central Banks	6 067 668	6 394 549
Investors Compensation Scheme	5 407	4 849
European Investment Bank	325 413	378 771
Repos		101 033
	6 398 488	**6 879 202**
Guarantees received		
No associated collateral	17 263 589	17 632 799
With real estate collateral	31 678 764	30 446 099
With other collateral	1 770 998	1 849 819
	50 713 351	**49 928 717**
Securities deposit and custody responsibilities	**36 723 465**	**29 498 864**

[1] At 31 December 2024 and 2023, this caption includes performance guarantees of 829 688 th.euros and 709 182 th.euros, respectively.

In 2023, Banco BPI opted to make a payment of 38 714 thousand euros to the Deposit Guarantee Fund (DGF) in cash settlement of the irrevocable commitment for the liability of annual past contributions to the DGF. This payment was recognised in the income statement under "Other operating income and expenses" (Note 30). As a result, in off-balance sheet items, the term Liabilities for annual contributions to the DGF were cancelled and the collateral securities associated with this commitment were released.

At 31 December 2024 and 2023, the detail of securities delivered as collateral is as follows:

	31-12-2024			31-12-2023		
	Nominal amount	Appreciation	Fair value	Nominal amount	Appreciation	Fair value
Securities delivered as collateral	6 414 417	(26 311)	6 388 106	6 875 931	(5 129)	6 870 802

The breakdown by stage of the exposure and impairment in guarantees and commitments at 31 December 2024 is as follows:

	Exposure				Impairments			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loan commitments given	4 141 266	99 393	3 116	4 243 775	864	626	984	2 474
Financial guarantees given	83 363	1 268	341	84 972	778	44	332	1 154
Other commitments given	2 304 529	43 074	11 485	2 359 088	1 290	1 475	3 404	6 169
	6 529 158	143 735	14 942	6 687 835	2 932	2 145	4 720	9 797

Note: Excludes term liabilities for annual contributions to the deposit guarantee fund and resolution fund, and potential liability to the investor compensation scheme.

The breakdown by stage of the exposure and impairment in guarantees and commitments at 31 December 2023 is as follows:

	Exposure				Impairments			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loan commitments given	3 796 641	98 713	10 424	3 905 778	616	1 247	10	1 873
Financial guarantees given	111 940	1 366	359	113 665	581	12	324	917
Other commitments given	1 981 081	51 091	16 152	2 048 324	2 144	1 215	5 609	8 968
	5 889 662	151 170	26 935	6 067 767	3 341	2 474	5 943	11 758

Note: Excludes term liabilities for annual contributions to the deposit guarantee fund and resolution fund, and potential liability to the investor compensation scheme.

The amounts shown under Guarantees received represent the amounts provided to guarantee credit originally granted, when concerning real estate guarantees and/or personal guarantees. Securities delivered as collateral are recognised at their current revaluation value. In note 3.2 Credit risk, the value of Guarantees received is classified by stage, and is shown up to the amount of the associated loan net of impairments.

BPI is only obliged to pay the sum of guarantees and contingent liabilities if the counterparty guaranteed fails to comply with its obligations, at the moment of default. The Bank believes that most of these commitments will reach maturity without materialising.

With respect to contingent commitments given for loans, BPI has undertaken to facilitate funds to Customers through drawdowns on credit lines and other commitments, whenever it is requested to do so and subject to compliance with certain conditions. The Bank believes that a large portion of them will expire prior to drawdown, either because they will not be requested by Customers or because the necessary conditions will not be met by the Customers.

The detail of “Loan commitments given” is as follows:

	31-12-2024		31-12-2023	
	Available	Limits	Available	Limits
Credit institutions	31 990	193 600	49 823	278 600
Public sector	120 590	298 058	227 629	424 355
Other sectors	4 091 195	9 845 605	3 628 326	9 882 036
	4 243 775	**10 337 263**	**3 905 778**	**10 584 991**

The table below details the contractual maturities of the loan commitments given at 31 December 2024 :

	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years
Drawable by third parties	1 262 984	274 657	788 015	1 287 891	630 228

The table below details the contractual maturities of the loan commitments given at 31 December 2023 :

	< 1 month	1-3 months	3-12 months	1-5 years	> 5 years
Drawable by third parties	1 299 669	269 890	556 443	1 123 372	656 404

26. NET INTEREST INCOME

This caption is made up as follows:

	31-12-2024	31-12-2023
Interest income		
Financial assets held for trading	96 458	83 033
Non-trading financial assets mandatorily at fair value through profit or loss		356
Financial assets at fair value through other comprehensive income	9 248	10 018
Financial assets at amortised cost		
Debt securities	171 623	140 290
Loans and advances - central banks and other credit institutions	60 042	44 664
Loans and advances - Customers	1 210 377	1 041 506
Derivatives - Hedge accounting, interest rate risk		
Asset hedging operations	26 489	25 552
Interest on demand deposits at Central Banks	89 805	62 464
Interest on deposits of Central Banks (liabilities)		15
Interest on pension liabilities net of the amount of the fund	3 231	7 748
Other[1]	1 826	7 922
Commissions received relating to amortised cost	20 199	22 196
	1 689 298	**1 445 764**
Interest expense		
Financial liabilities held for trading	(91 301)	(79 065)
Financial liabilities at amortised cost		
Deposits - Central Banks	(14)	(16 380)
Deposits - Credit Institutions	(36 784)	(69 585)
Deposits - Customers	(361 622)	(147 015)
Debt securities issued	(149 918)	(84 030)
Interest on lease liabilities (IFRS 16)	(2 823)	(1 650)
Derivatives - Hedge accounting, interest rate risk		
Liability hedging operations	(67 022)	(98 005)
Interest on deposits at Credit Institutions and other (assets)		(52)
Other	(618)	(667)
Commissions paid relating to amortised cost	(191)	(370)
	(710 293)	**(496 830)**
Net interest income	**979 005**	**948 934**

[1] At 31 December 2023 includes 3 121 th.euros relating to the accrual of the financial effect of the amount receivable in 2023 from the distribution of free reserves from BFA (Note 11 and 27).

The detail of the average return on assets and liabilities is as follows:

	31-12-2024	31-12-2023
Average return on assets		
Demand deposits at Banco de Portugal	3.34%	3.13%
Financial assets at fair value through other comprehensive income - debt securities	1.08%	0.96%
Financial assets at amortised cost		
Loans and advances - Credit Institutions	3.29%	2.70%
Loans and advances - Customers[1]	4.20%	3.60%
Average return on liabilities		
Financial liabilities at amortised cost		
Deposits - Central Banks	3.96%	3.38%
Deposits - Credit Institutions	3.94%	3.33%
Deposits - Customers	1.21%	0.51%
Debt securities issued [2]	3.49%	2.51%
Subordinated liabilities	7.16%	6.56%

[1] Includes debt securities.

[2] Does not include subordinated liabilities.

27. DIVIDEND INCOME

The detail of this heading is as follows:

	31-12-2024	31-12-2023 [1]
Financial assets at fair value through other comprehensive income		
Banco de Fomento Angola, S.A.	45 185	72 561
Unicre - Instituição Financeira de Crédito, S.A.[2]	4 110	
SIBS - Sociedade Interbancária de Serviços	3 788	1 602
Other	414	375
	53 497	**74 538**

[1] In 2023, Banco BPI's separate financial statements included 28 999 th.euros, 12 291 th.euros and 4 185 th.euros in dividends from Banco Comercial e de Investimentos, Allianz and Unicre, respectively.

[2] In the first half of 2023, Unicre was reclassified from 'Investments in joint ventures and associates' to 'Financial Assets at fair value through other comprehensive income – equity instruments' (Notes 1.1 and 14).

28. FEE AND COMMISSION INCOME AND EXPENSES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Fee and commission income		
On guarantees provided	14 513	13 854
On commitments to third parties	5 612	3 625
On insurance brokerage services	101 771	84 112
On other banking services provided	204 109	193 551
On operations performed on behalf of third parties	13 301	12 989
Other	4 758	681
Refund of expenses	6 309	5 206
Income from provision of sundry services	5 177	6 008
	355 550	**320 026**
Fee and commission expenses		
For guarantees received	(148)	(47)
On financial instruments transactions	(258)	(293)
On banking services provided by third parties	(8 217)	(7 906)
On operations performed by third parties	(1 973)	(1 977)
Commission-equivalent expenses	(5 248)	(5 284)
Other	(13 087)	(13 073)
	(28 931)	**(28 580)**

In 2024, the heading 'Commissions for insurance mediation services includes 16,097 th.euros relating to the early settlement of Allianz's participation in the results of mortgage insurance policies.

In 2023 this heading includes 1,479 th.euros and (4) th.euros, respectively, relating to Income and Expenses from fees and commissions of BPI Suisse.

At 31 December 2024 and 2023, income from insurance or reinsurance brokerage services provided is broken down as follows:

	31-12-2024	31-12-2023
Life		
Savings	26 601	24 433
Housing	37 452	21 690
Consumer	2 758	2 749
Other	12 432	11 940
	79 243	**60 812**
Non life		
Housing	9 574	8 652
Consumer	696	3 175
Other	12 258	11 473
	22 528	**23 300**
	101 771	**84 112**

At 31 December 2024 and 2023, remunerations for insurance brokerage services were fully received in cash, and about 99% and 98%, respectively, of the fee and commission income relates to insurance brokerage services for Allianz and BPI Vida e Pensões.

29. GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net	**212**	**(7 197)**
Financial assets at fair value through other comprehensive income		
Debt securities		(7 048)
Financial assets at amortised cost		
Debt securities	184	(158)
Other	28	9
Gains or (-) losses on financial assets and liabilities held for trading, net	**5 084**	**6 832**
Trading derivatives	2 277	2 130
Debt securities	2 807	4 702
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	**(3 402)**	**(417)**
Debt securities	3	3
Equity instruments	(3 405)	(420)
Gains or (-) losses from hedge accounting, net (Note 13)	**11 695**	**9 003**
Hedging derivatives	30 448	83 035
Hedged items	(18 753)	(74 032)
Exchange differences [gain or (-) loss], net	**8 911**	**(29 495)**
	22 500	**(21 274)**

At 31 December 2024 and 2023, the caption foreign exchange differences includes (5 131) th.euros and (42 370) th.euros resulting from the revaluation of the exposure in kwanzas relative to the dividends from Banco de Fomento Angola, between the attribution date and the date of payment and transfer to Portugal.

30. OTHER OPERATING INCOME AND EXPENSES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Other operating income		
Service provision agreements with CaixaBank Group companies	7 980	6 622
Gains on finance leases	15 089	10 496
Other operating income	2 006	1 215
	25 075	**18 333**
Other operating expenses		
Special tax on banks	(19 146)	(22 308)
Additional solidarity tax on banks	(3 491)	(4 066)
Contributions to the Deposit Guarantee Fund	(122)	(38 966)
Contribution to the Resolution Fund	(4 511)	(4 764)
Contributions to the Single Resolution Fund	2	(10 407)
Contribution to the Investor Compensation Scheme	(3)	(5)
Losses on finance leases	(13 460)	(9 733)
Other operating expenses	(5 644)	(7 934)
Taxes on dividends and interest	(3 815)	(5 926)
Other taxes	(164)	
	(50 354)	**(104 109)**

In 2023, the caption Contributions to the Deposit Guarantee Fund (DGF) includes 38 714 th.euros corresponding to the cash settlement of the commitment for the liability of annual past contributions to the DGF (Note 25).

At 31 December 2024 and 2023, the caption “Taxes on dividends and interest” includes 3 615 th.euros and 5 805 th.euros, respectively, referring to taxes withheld in Angola on dividends from BFA.

31. STAFF EXPENSES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Staff expenses		
Remuneration	(196 135)	(198 007)
Other mandatory social costs	(49 578)	(50 840)
Pension costs		
Current service cost (note 22)	4 863	5 166
Other	(516)	(336)
Other staff costs	(6 045)	(7 456)
	(247 411)	**(251 473)**
Costs with early retirements and terminations		
Early retirements	(59 311)	(30 464)
Voluntary terminations	(5 914)	(1 442)
	(65 225)	**(31 906)**
	(312 636)	**(283 379)**

In 2023, this heading includes (812) th.euros relating to BPI Suisse staff expenses.

In 2024, Banco BPI recognised costs with early retirements and voluntary terminations totalling 65 225 th.euros, under agreements accepted by and entered into with around 236 Employees. In 2023, Banco BPI recognised costs with early retirements and voluntary terminations totalling 31 906 th.euros, under agreements accepted by and entered into with around 149 Employees.

In 2024 and 2023, the average headcount is broken down as follows:

	31-12-2024			31-12-2023		
	Men	**Women**	Of which: With disability above 33%	**Men**	**Women**	Of which: With disability above 33%
Directors[1]	4	1		5		
Senior management	410	290	21	445	289	19
Other management staff	1 298	1 943	107	1 337	2 013	112
Other employees	107	213	16	95	179	13
	1 819	**2 447**	**144**	**1 882**	**2 481**	**144**

[1]Executive Directors of Banco BPI.

In 2023, the average headcount includes 4 men and a 1 woman relative to BPI Suisse.

In 2024 and 2023, the headcount is broken down as follows:

	31-12-2024			31-12-2023		
	Men	**Women**	Of which: With disability above 33%	**Men**	**Women**	Of which: With disability above 33%
Directors[1]	4	2	1	5	1	
Senior management	378	282	22	428	288	18
Other management staff	1 301	1 899	100	1 295	1 982	105
Other employees	121	247	20	92	172	11
	1 804	**2 430**	**143**	**1 820**	**2 443**	**134**

[1]Executive Directors of Banco BPI.

32. OTHER ADMINISTRATIVE EXPENSES

The detail of this heading is as follows:

	31-12-2024	31-12-2023
General administrative expenses		
Supplies		
Water, energy and fuel	(5 394)	(5 574)
Consumables	(1 313)	(1 672)
Other	(331)	(457)
Services		
Rents and leases [1]	(14 329)	(11 082)
Communications and IT	(69 096)	(65 497)
Travel, lodging and representation	(3 990)	(3 633)
Advertising and publishing	(13 456)	(12 499)
Maintenance and repairs	(14 885)	(11 482)
Insurance	(1 091)	(1 027)
Fees	(1 887)	(1 198)
Legal expenses	(2 381)	(1 734)
Security and cleaning	(5 679)	(6 994)
Information services	(3 189)	(2 903)
Studies, consultancy and auditing	(12 495)	(11 306)
Clearing and ATM system	(2 215)	(2 513)
Outsourcing	(14 589)	(15 649)
Subscriptions and donations	(983)	(1 045)
Other taxes	(2 493)	(2 356)
Other	(8 274)	(10 854)
	(178 070)	**(169 475)**

[1] This item includes 981 th.euros in rents and leases not considered under IFRS 16.

The detail of remunerations paid to auditors and respective network[1], according to the nature of the services provided and the company providing them, in 2024, is as follows:

31 December 2024	**Banco BPI**
PwC - SROC fees	
Audit	873
Other services	
Other non-audit services required by law	458
Other non-audit services	11
	1 342
Fees of other companies of the PwC network	
Other services	55
	55
CMVM fees	**36**
	1 433

[1] In accordance with the definition of network given by the European Commission in its Recommendation no. C(2002) 1873, of 16 May 2002.

The detail of remunerations paid to auditors and respective network[1], according to the nature of the services provided and the company providing them, in 2023, is as follows:

31 December 2023	**Banco BPI**
PwC - SROC fees	
Audit	840
Other services	
Other non-audit services required by law	373
Other non-audit services	52
	1 265
Fees of other companies of the PwC network	
Other services	
Other non-audit services	51
	51
CMVM fees	**35**
	1 351

[1] In accordance with the definition of network given by the European Commission in its Recommendation no. C(2002) 1873, of 16 May 2002.

The breakdown of payments to suppliers, relating to goods and services acquired in 2024 and 2023 is as follows:

	31-12-2024	31-12-2023
Amounts outstanding	270	4 841
Amount of payments made	415 814	369 232
	416 084	**374 073**
Average supplier payment period in days	33	29

In 2023, this heading includes (372) th.euros relating to BPI Suisse Other administrative expenses.

33. IMPAIRMENT OR (-) REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Financial assets at amortised cost		
Loans and advances		
Net allowances		
Credit Institutions	120	(120)
Customers	(39 806)	(57 089)
Recovery of loans written off from assets	7 063	10 544
Expenses associated with recovery of loans	(995)	(1 228)
Debt securities		
Net allowances	2 958	(3 829)
	(30 660)	**(51 722)**

In 2024, Banco BPI sold a portfolio of non-performing loans for a global amount of 28 million euros, of which 21 million euros in written-off loans (recognised in off-balance sheet items), 1 million euros in other off-balance sheet balances and 6 million euros in loans net of impairments (of which 51 million euros in loans and 45 million euros in impairments) (Note 12). This operation generated proceeds of 13 million euros, of which 9 million euros from the reversal of impairments and 4 million euros from the recovery of written-off loans.

In 2023, Banco BPI sold a portfolio of non-performing loans for a global amount of 64 million euros, of which 51 million euros in written-off loans (recognised in off-balance sheet items), 2 million euros in other off-balance sheet balances and 10 million euros in loans net of impairments (65 million euros in loans and 55 million euros in impairments) (Note 12). This operation generated a result of 19 241 th.euros, of which 13 272 th.euros corresponding to the reversal of impairments, 6 127 th.euros to the recovery of written-off loans, net of expenses associated with this operation, and -158 th.euros to capital gains on the sale.

34. GAINS OR (-) LOSSES ON DERECOGNITION OF INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES, NET

The movement in this caption in 2024 and 2023 was as follows:

	31-12-2024	31-12-2023
Gains or (-) losses on derecognition of Investments in subsidiaries, joint ventures and associates, net		
Sale of equity holding in BPI Suisse [1]		9 304
Sale of equity holding in Cosec (Note 14) [2]		(1 771)
Reclassification of the equity holding in Unicre to 'Financial assets at fair value through other comprehensive income – equity instruments' (Note 14) [3]		921
		8 454

[1] The Gain/(loss) on the sale of BPI Suisse recognised in Banco BPI's separate accounts was 14 934 th.euros.

[2] The Gain/(loss) on the sale of Cosec recognised in Banco BPI's separate accounts was 30 743 th.euros.

[3] The Gain/(loss) on the reclassification of Unicre recognised in Banco BPI's separate accounts was 27 001 th.euros.

35. PROFIT OR (-) LOSS FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE NOT QUALIFYING AS DISCONTINUED OPERATIONS

This caption is made up as follows:

	31-12-2024	31-12-2023
Profit or (-) loss on assets received in settlement of defaulting loans		
Real Estate	1 661	1 216
Equipment	(316)	(51)
Impairments on assets received in settlement of defaulting loans		
Real Estate	390	986
Equipment and other	15	(381)
	1 750	**1 770**

36. PROFIT

In 2024 and 2023, the contribution of Banco BPI and its subsidiaries and associates to the net income was as follows:

	31-12-2024	31-12-2023
Banks		
Banco BPI, S.A.	530 830	459 332
Banco Comercial e de Investimentos, S.A.R.L.	37 657	38 813
Asset management		
BPI (Suisse), S.A. [1]		9 546
Insurance		
Cosec - Companhia de Seguros de Crédito, S.A. [1]		(3 340)
Companhia de Seguros Allianz Portugal, S.A.	19 755	18 102
Other		
Unicre - Instituição Financeira de Crédito, S.A. [2]		1 518
	588 242	**523 971**

[1] Sold in 2023.

[2] Reclassified in the first half of 2023 from 'Investments in joint ventures and associates' to 'Financial Assets at fair value through other comprehensive income - equity instruments' (Notes 11 and 14).

37. INFORMATION ON FAIR VALUE

The fair value of financial instruments is estimated, whenever possible, on the basis of prices in an active market. A market is considered active, and therefore liquid, when it is accessed by equally knowledgeable counterparties and where transactions are carried out on a regular basis. For financial instruments for which there is no active market, due to lack of liquidity or regular transactions, valuation methods and techniques are used to estimate fair value.

37.1. Fair value of financial instruments recorded in the balance sheet at fair value

Financial instruments on the balance sheet at fair value are classified into levels using the hierarchy defined in IFRS 13.

Debt securities and equity instruments

- **Level 1:** This category includes, in addition to financial instruments listed on regulated markets, bonds and participating units in harmonised funds, valued based on prices / quotations in active markets, published in trading platforms, taking into account also the liquidity and quality of the prices.

  The classification of fair value in level 1 is made automatically by SIVA ("Asset Valuation Integrated System") whenever the financial instruments are traded in an active market, considering, for this purpose, that this is the case when:

  i financial instruments are priced daily by at least 6 contributors, at least three of them with firm offers, or there is a multi-contributed price (price formed by several firm offers from contributors available in the market) (active market), or;

  ii such financial instruments have been classified as level 1, in accordance with the rule referred to in the preceding paragraph, in at least 50% of the last 30 calendar days.

  For financial instruments that do not have a history in the 30 days calendar available in the system, allocation of fair value level will be carried out taking into account the history available in SIVA.

- **Level 2:** Financial instruments that have not been traded on an active market or that are valued by reference to valuation techniques based on market data for financial instruments having the same or similar characteristics in accordance with the rules referred to below are considered as level 2. Level 2 fair value classification is determined automatically by SIVA in accordance with the following rules:

  a) Financial instruments are classified daily in Level 2 if they are:

  i. Quoted by less than 6 contributors, regardless of the type of price, or;
  ii. valued based on models using inputs which are mainly observable in the market (such as interest rate curves or exchange rates), or;
  iii. valued based on third party indicative purchase prices, based on observable market data, and
  iv. have been classified as level 1 and level 2, in accordance with the rules mentioned above, in at least 50% of the last 30 calendar days.

  b) For financial instruments that do not have a history in the 30 days calendar available in the system, allocation of fair value level will be carried out taking into account the history available in SIVA.

- **Level 3:** Financial instruments are classified as Level 3 when they do not meet the criteria to be classified as Level 1 or Level 2, or if their value is the result of inputs not based on observable market data, namely:

  a) financial instruments not admitted to trading on a regulated market, which are valued based on valuation models for which there is no generally accepted market consensus as to the inputs to be used, namely:

  i. valuation based on Net Asset Value of non-harmonized funds, updated and disclosed by their managing companies;
  ii. valuation based on indicative prices disclosed by the entities involved in the issue of certain financial instruments, without an active market; or
  iii. valuation based on impairment tests, using indicators of the performance of the underlying operations (degree of protection by subordination of notes held, delinquency rates of the underlying assets, evolution of ratings, among others).

  b) financial instruments valued at indicative purchase prices based on theoretical models, disclosed by specialized third parties.

Automatic classification proposed by SIVA relating to the level of fair value is made on the day of measurement, being supervised by a specialized team, in order to ensure that the classification of the fair value level is considered the most appropriate, according to the principles set forth herein.

Derivative financial instruments

Financial derivative transactions in the form of foreign exchange contracts, interest rate contracts, contracts on shares or share indices, inflation contracts or a combination of these, are carried out in over-the-counter (OTC) markets and in organized markets (mainly stock exchanges). For over-the-counter derivatives (swaps and options), the valuation is based on generally accepted methods, always giving priority to market values.

- **Level 1:** This category includes futures and options and other derivative financial instruments traded on regulated markets.

- **Level 2:** Level 2 includes derivative financial instruments traded on over-the-counter markets.

  The derivatives classified in this level are valued by discounting the cash flows of the operations, using interest rate market curves deemed appropriate for the currency concerned, at the time of the calculation. The interest rates are obtained from reliable sources of information (e.g. Bloomberg or Reuters). The same interest rate curves are used in the projection of non-deterministic cash flows such as interest calculated from indices. The rates for required specific periods are determined by appropriate interpolation methods.

The valuation of options is carried out using statistical models that consider the market value of the underlying assets and their volatilities (considering that the latter are not directly observable in the market). The theoretical models used to value derivatives with an optional component are of two types:

i. For simpler options the Black-Scholes model and similar are used (these models are commonly used by the market in the valuation of this type of operation). The unobservable market inputs (implied volatility of the underlying assets) are collected from Bloomberg.

ii. For exotic options or complex derivatives incorporating optional elements for which there are no valuation models available, the Bank contracts specialised entities that perform the valuation of these operations based on specific models that they develop using criteria and methodologies generally accepted by the sector for these types of instruments. At 31 December 2023 and 2022, there were no outstanding operations of this type, therefore it was not necessary to resort to these entities' valuations.

In accordance with the policy defined by Banco BPI for the management of exposures in options, no significant open positions are maintained, the risk being managed mainly through "back-to-back" hedges and portfolio hedges. Thus, the impact of changes in the inputs used in the valuation of options on the Bank's income statement tends to be negligible.

Valuations thus obtained are, in the case of interbank transactions, valued against those used by the counterparties and whenever there are significant differences, the models or assumptions are reviewed.

- **Level 3**: In line with the CaixaBank Group's classification policy, Banco BPI does not classify derivative financial instruments in Level 3.

The detail of the financial assets measured at fair value on the balance sheet, broken down by levels, is as follows:

	31-12-2024					31-12-2023				
	Book value	Fair value				Book value	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial assets held for trading	**55 465**	**55 465**		**55 465**		**56 113**	**56 113**		**51 875**	**4 238**
Derivatives	55 465	55 465		55 465		51 875	51 875		51 875	
Debt securities						4 238	4 238			4 238
Non-trading financial assets mandatorily at fair value through profit or loss	**44 928**	**44 928**	**2 911**		**42 017**	**55 466**	**55 466**	**1 586**		**53 880**
Equity instruments	44 878	44 878	2 911		41 967	55 419	55 419	1 586		53 833
Debt securities	50	50			50	47	47			47
Financial assets at fair value through other comprehensive income	**1 379 801**	**1 379 801**	**941 239**		**438 562**	**1 253 332**	**1 253 332**	**785 040**		**468 292**
Equity instruments	439 244	439 244	682		438 562	469 166	469 166	874		468 292
Debt securities	940 557	940 557	940 557			784 166	784 166	784 166		
Derivatives - Hedge accounting	**1 305**	**1 305**		**1 305**		**2 554**	**2 554**		**2 554**	
Total	**1 481 499**	**1 481 499**	**944 150**	**56 770**	**480 579**	**1 367 465**	**1 367 465**	**786 626**	**54 429**	**526 410**

The detail of financial liabilities measured at fair value on the balance sheet, broken down by levels, is as follows:

	31-12-2024					31-12-2023				
	Book value	Fair value				Book value	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial liabilities held for trading	**57 232**	**57 232**		**57 232**		**58 115**	**58 115**		**58 115**	
Derivatives - Hedge accounting	**6 032**	**6 032**		**6 032**		**5 262**	**5 262**		**5 262**	
Total	**63 264**	**63 264**		**63 264**		**63 377**	**63 377**		**63 377**	

The movement in level 3 financial assets at fair value and financial liabilities held for trading, in 2024 and 2023, was as follows:

	31-12-2024					31-12-2023				
	Financial assets and liabilities held for trading		Non-trading financial assets mandatorily at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Financial assets and liabilities held for trading		Non-trading financial assets mandatorily at fair value through profit or loss		Financial assets at fair value through other comprehensive income
	Debt securities	Trading derivatives[1]	Equity instruments	Debt securities	Equity instruments	Debt securities	Trading derivatives[1]	Equity instruments	Debt securities	Equity instruments
Balance at beginning of the period	**4 238**		**53 833**	**47**	**468 292**	**4 185**	**1 473**	**66 568**	**5 703**	**489 184**
Total profit or (-) loss	(7)		(5 595)	3	(26 349)	53		(3 138)	(30)	(53 103)
Losses or gains	(7)		(5 595)	3	1 831	53		(3 138)	(30)	
Adjustments to equity					(28 180)					(53 103)
Purchases					430			1 090		33 081
Reclassification to/from level 3							(1 473)			
Liquidations and other	(4 231)		(6 271)		(3 811)			(10 687)	(5 626)	(870)
Balance at end of the period			**41 967**	**50**	**438 562**	**4 238**		**53 833**	**47**	**468 292**

[1] Net value

The methodology used to classify by levels derivatives valued using market information on products with similar characteristics has been changed and these are now classified in Level 2. Accordingly, 36,104 th.euros of financial assets held for trading – derivatives, and 34 387 th.euros of financial liabilities held for trading – derivatives, were reclassified from Level 3 to Level 2 in the 2023 financial statements.

The main valuation techniques, assumptions and inputs used in fair value estimation for levels 2 and 3 by type of financial instruments are as follows:

Valuation methodologies and inputs

		Instrument type	Valuation method	Main assumptions
Financial assets and liabilities held for trading	Derivatives[1]	Swaps	Discounted cash flow method [2]	Interest rate curves
		Exchange rate options	Black-Scholes model	Implicit volatilities
		Interest rate options	Normal method	Probability of default for calculation of CVA and DVA
	Debt securities		Discounted cash flow method [2]	Interest rate curves Risk premiums Comparable assets3 Prices observed on the market
Non-trading financial assets mandatorily at fair value through profit or loss	Equity instruments		Net asset value	Equity book value
	Debt securities		Discounted cash flow method [2]	Interest rate curves Risk premiums Comparable assets3 Prices observed on the market
Financial assets at fair value through other comprehensive income	Equity instruments		Discounted Cash Flow (DCF) Dividend Discount Model (DDM) Net asset value Equity book value	Risk free interest rate Risk premiums Beta coefficients Market comparables Perpetuity growth rates
	Debt securities		Discounted cash flow method [2]	Interest rate curves Risk premiums Comparable assets3 Net asset value Nominal amount
Derivatives - Hedge accounting	Swaps[1]		Discounted cash flow method [2]	Interest rate curves Implicit volatilities Probability of default for calculation of CVA and DVA

1 The valuation of derivatives is adjusted to consider the counterparty credit risk when the exposure lies with the Bank, and the Bank's credit risk when the exposure lies with the counterparty (CVA - Credit Valuation Adjustment and DVA - Debit Valuation Adjustment).

[2] Discounted cash flow method (net present value): this model uses the cash flows of each instrument, which are established in the different contracts, and discounts them to calculate the present value.

[3] Comparable assets (similar asset prices): comparable financial instrument prices, or market benchmark indices are employed to calculate return from purchase price to current valuation, making subsequent adjustments to take into account the differences between the measured asset and the one taken as reference. It can also be assumed that the price of an instrument is equivalent to the price of another instrument.

Credit Risk Valuation Adjustments

Credit Valuation Adjustments (CVA) and Debit Valuation Adjustment (DVA) are incorporated in the valuation of over-the-counter (OTC) derivatives due to the risk associated to the counterparty's and own credit risk exposure, respectively.

The CVA is calculated bearing in mind the expected exposure with each counterparty in each future maturity. The CVA for an individual counterparty is equal to the sum of the CVA for all maturities. Adjustments are calculated by estimating the counterparty's exposure at default (EAD), probability of default (PD) and loss given default (LGD) for all derivatives traded under the same contract with Banco BPI with close-out netting (under the same netting set). Similarly, DVA is calculated by multiplying the expected negative exposure by the probability of default and by the LGD of Banco BPI.

To calculate PD and LGD, counterparty credit market data are used (Credit Default Swaps), when such information is available. Where such information is not available, PD and LGD are calibrated through market data, using for the purpose the counterparty's rating and sector, or historical PD data.

Changes in the value of the CVA and DVA adjustments are recognised in “Gains/(losses) on financial assets and liabilities held for trading” in the income statement. The table below shows the changes to these adjustments.

CVA and DVA Changes

	31-12-2024		31-12-2023	
	CVA	DVA	CVA	DVA
Opening balance	**1 567**	**398**	**1 852**	**1 277**
Additions/changes in derivatives	265	80	(191)	(635)
Cancellation or maturity of derivatives	(106)	(80)	(94)	(244)
Closing balance	**1 726**	**398**	**1 567**	**398**

37.2. Fair value of financial instruments recorded in the balance sheet at amortized cost

The fair value of financial instruments recorded in the balance sheet at amortised cost is determined by Banco BPI through valuation techniques.

The valuation techniques used are based on market conditions applicable to similar operations as of the date of the financial statements, such as the value of their discounted cash flows based on interest rates considered as most appropriate, namely:

- For cash flows associated with Financial assets at amortised cost - loans and advances -, the fair value is estimated using the present value method. The first step is to conduct a projection of all principal and interest flows associated with the contractual terms of these products. This projection is refined through an in-house early repayment model, which is calibrated using historical data available internally. The fair value is then determined by discounting the respective cash flows using the risk-free interest rate curve.
    - the methodology presented takes into account both the effect of updating market interest rates and the credit risk associated with loans and advances;
    - The estimate of expected lifetime losses due to deterioration in the credit quality of each counterparty is included;
    - in loans benchmarked to a floating interest rate, the change in fair value depends on the change in the contractual interest rate as it adjusts to market conditions, and on the evolution of the respective discount factor. in fixed rate-loans, the fair value is directly related to the difference between the contractual interest rate and the market interest rate;
- Deposits: The fair value is determined using the present value method. A projection is made of the expected cash flows defined in the various contracts.
- Bonds issues (financial liabilities at amortised cost - amounts representing debt issued): for instruments classified in Level 3, the fair value is determined using the present value method based on the expected cash flows established for the different issues and then discounted taking into account the following:
    - market interest rates at valuation date;
    - own credit risk

- Other financial liabilities: The fair value is the carrying amount, as these are mostly short-term operations. In the case of liabilities associated with right-of-use assets, the present value of future lease payments is presented during the mandatory period of the contract;

For cash operations (namely Cash and cash balances at central banks and other demand deposits, and deposits included in Financial liabilities at amortised cost), the expected cash flows are estimated using an internal model calibrated on the basis of available internal historical information. This modelling estimates the sensitivity of the remuneration of these products to market interest rates and the time of permanence of these balances on the balance sheet. The estimated cash flows are discounted using an interest rate curve constructed by adding to the risk-free curve a credit spread derived from the generic probabilities of loss associated with the credit rating.

Under the balance sheet headings Other assets and Other liabilities, the fair value corresponds to the respective balance sheet value.

Note that the fair value presented for these financial instruments may not correspond to their realizable value in a sale or liquidation scenario, as it was not determined for that purpose.

The fair value of the financial assets at amortised cost on the balance sheet, broken down by levels, is as follows:

	31-12-2024					31-12-2023				
	Book value	Fair value				Book value	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial assets at amortised cost										
Debt securities	8 070 354	7 921 021	3 371 420	329 958	4 219 643	7 319 484	7 042 344	3 208 511	266 516	3 567 317
Loans and advances	27 275 482	29 387 598			29 387 598	27 221 217	29 230 983			29 230 983
Central Banks and Credit Institutions	897 370	970 398			970 398	1 260 815	1 361 476			1 361 476
Customers	26 378 112	28 417 200			28 417 200	25 960 402	27 869 507			27 869 507
Total	**35 345 836**	**37 308 619**	**3 371 420**	**329 958**	**33 607 241**	**34 540 701**	**36 273 327**	**3 208 511**	**266 516**	**32 798 300**

In 2024, the methodology for classifying loans and advances to central banks and credit institutions by level was changed and is also applied to the 2023 figures. The new methodology uses the risk-free interest rate curve to update the principal and interest flows, with the above-mentioned adjustments for early amortisation and expected life-time losses; the previous methodology used the weighted average of the reference rates contracted by the Bank for similar operations over the previous month to discount the cash flows, with no adjustments for early amortisation and expected life-time losses.

The fair value of financial liabilities at amortised cost on the balance sheet, broken down by levels, is as follows:

	31-12-2024					31-12-2023				
	Book value	Fair value				Book value	Fair value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Financial liabilities at amortised cost										
Deposits	31 219 488	30 106 364			30 106 364	30 313 182	28 981 490			28 981 490
Credit Institutions	718 148	752 097			752 097	1 061 525	1 093 499			1 093 499
Customers	30 501 340	29 354 267			29 354 267	29 251 657	27 887 991			27 887 991
Debt securities issued	4 693 788	4 887 938			4 887 938	3 106 221	3 217 396			3 217 396
Other financial liabilities	232 477	232 477			232 477	285 949	285 948			285 948
Total	**36 145 753**	**35 226 779**			**35 226 779**	**33 705 352**	**32 484 834**			**32 484 834**

In 2024, the formula for calculating the fair value of deposits was adjusted, and was also applied to the 2023 figures.

37.3. Fair value of assets received in settlement of defaulting loans

The detail of this heading is as follows:

	31-12-2024	31-12-2023
Gross amount	2 527	4 090
Impairment	1 884	2 849
Book value (Note 18)	643	1 241
Fair value	3 986	5 636

In the particular case of real estate assets repossessed from loans recovery, their fair value is obtained by requesting the appraisal value from external appraisal experts. These appraisers maximise the use of observable market data and other factors that market participants would consider when pricing, limiting the use of subjective considerations and unobservable or non-checked data. The fair value of these assets, based on the fair value hierarchy, is therefore classified as Level 2.

38. RELATED PARTIES

In accordance with IAS 24, the entities considered to be related to Banco BPI are:

- those in which the Bank has direct or indirect significant influence over their management and financial policies (Associated companies) and pension funds;
- Caixabank, which holds the entire share capital of Banco BPI, and the companies controlled by the Caixabank Group;
- the members of the key management personnel of Banco BPI, such being considered for this purpose the executive and non-executive members of the Board of Directors and Supervisory Board and individual persons and companies related with them.

In accordance with these criteria, BPI's related parties at 31 December 2024, are the following

Name of related entity	Registered office	Effective holding	Direct holding
Shareholders of Banco BPI			
Grupo CaixaBank	Spain	100.0 %	
Associated entities of Banco BPI			
Banco Comercial e de Investimentos, S.A.	Mozambique	35.7 %	35.7 %
Companhia de Seguros Allianz Portugal, SA	Portugal	35.0 %	35.0 %
Pension Funds of BPI Employees			
Fundo de Pensões Banco BPI	Portugal	100.0 %	
Fundo de Pensões Aberto BPI Acções	Portugal	5.5 %	
Fundo de Pensões Aberto BPI Valorização	Portugal	29.5 %	
Fundo de Pensões Aberto BPI Segurança	Portugal	14.9 %	
Fundo de Pensões Aberto BPI Garantia	Portugal	6.2 %	
Members of the board of directors and supervisory board of BPI			
Fernando Ulrich			
Cristina Rios Amorim			
Afonso Fuzeta Eça			
Ana Rosas Oliveira			
António Lobo Xavier			
Diogo Sousa Louro			
Fátima Barros			
Francisco Artur Matos			
Gonzalo Gortázar Rotaeche			
Inês Valadas			
Javier Pano Riera			
Joana Oliveira Freitas			
João Pedro Oliveira e Costa			
Natividad Capella			
Susana Trigo Cabral			
PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. represented by José Manuel Henriques Bernardo and Cláudia Sofia Parente Gonçalves da Palma			

In accordance with these criteria, BPI's related parties at 31 December 2023, are the following

Name of related entity	Registered office	Effective holding	Direct holding
Shareholders of Banco BPI			
Grupo CaixaBank	Spain	100.0 %	
Associated entities of Banco BPI			
Banco Comercial e de Investimentos, S.A.	Mozambique	35.7 %	35.7 %
Companhia de Seguros Allianz Portugal, SA	Portugal	35.0 %	35.0 %
Pension Funds of BPI Employees			
Fundo de Pensões Banco BPI	Portugal	100.0 %	
Fundo de Pensões Aberto BPI Acções	Portugal	4.9 %	
Fundo de Pensões Aberto BPI Valorização	Portugal	27.2 %	
Fundo de Pensões Aberto BPI Segurança	Portugal	13.0 %	
Fundo de Pensões Aberto BPI Garantia	Portugal	5.8 %	
Members of the board of directors and supervisory board of BPI			
Fernando Ulrich			
António Lobo Xavier			
João Pedro Oliveira e Costa			
Cristina Rios Amorim			
Diogo Sousa Louro			
Fátima Barros			
Francisco Artur Matos			
Francisco Barbeira			
Gonzalo Gortázar Rotaeche			
Javier Pano Riera			
Joana Oliveira Freitas			
Natividad Capella			
Pedro Barreto			
Sandra Santos			
Susana Trigo Cabral			
PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. represented by José Manuel Henriques Bernardo and Cláudia Sofia Parente Gonçalves da Palma			

At 31 December 2024 the total amount of assets, liabilities, capital and off-balance sheet commitments relating to transactions with Shareholders of Banco BPI, associated companies, pension funds of BPI Employees, members of the Board of Directors and companies in which these hold significant influence were broken down as follows:

	Shareholders of Banco BPI[1]	Associated entities	Pension Funds of BPI Employees	Members of the Board of Directors of Banco BPI	Companies in which the Members of the Board of Directors of Banco BPI have significant influence[2]
Assets					
Cash and cash balances at central banks and other demand deposits	823				230
Financial assets held for trading	16 419				
Non-trading financial assets mandatorily at fair value through profit or loss - equity instruments	2 911				
Financial assets at fair value through other comprehensive income - equity instruments	560				88 234
Financial assets at amortised cost					
Debt securities					431 920
Loans and advances - central banks and other credit institutions	209 723				
Loans and advances - Customers	91 937			1 173	36 863
Derivatives - Hedge accounting	1 010				
Tangible assets	119				58
Other assets	54 507	41 932			
	378 009	**41 932**		**1 173**	**557 305**
Liabilities					
Financial liabilities held for trading	18 223				
Financial liabilities at amortised cost					
Deposits - Credit Institutions	4 435	1 604			24
Deposits - Customers	150 509	19 129	23 242	20 174	32 432
Debt securities issued	2 867 767				
Other financial liabilities	(45)	61			13
Derivatives - Hedge accounting	2 603				
Provisions - Commitments and guarantees given		1			44
Other liabilities	32 666	12		5 402	1 113
	3 076 158	**20 807**	**23 242**	**25 576**	**33 626**
Capital					
Equity instruments issued other than capital	275 000				
	275 000				
Off-balance sheet items					
Loan commitments given					
Revocable commitments	28 015			65	33 718
Irrevocable commitments					297 300
Financial guarantees given					
Guarantees and sureties given	240	1 296			38 630
Other commitments given					
Guarantees received					45 000
Liabilities for services provided					
Deposit and safekeeping of valuables	10 350 384	915 257	2 112 854	2 499	77 985
Foreign exchange transactions and derivative instruments					
Purchase	2 896 195				200 000
Sale	(1 766 704)				(200 000)
	11 508 130	**916 553**	**2 112 854**	**2 564**	**492 633**

[1] Includes the CaixaBank Group and the companies which it controls.

[2] Includes the companies in which the Members of the Board of Directors have significant influence, not included in other categories.

At 31 December 2023 the total amount of assets, liabilities, capital and off-balance sheet commitments relating to transactions with Shareholders of Banco BPI, associated companies, pension funds of BPI Employees, members of the Board of Directors and companies in which these hold significant influence were broken down as follows:

	Shareholders of Banco BPI CaixaBank Group [1]	Associated entities	Pension Funds of BPI Employees	Members of the Board of Directors of Banco BPI	Companies in which the Members of the Board of Directors of Banco BPI have significant influence [2]
Assets					
Cash and cash balances at central banks and other demand deposits	289				229
Financial assets held for trading	25 687				
Non-trading financial assets mandatorily at fair value through profit or loss - equity instruments	1 586				
Financial assets at fair value through other comprehensive income - equity instruments	560				70 800
Financial assets at amortised cost					
Debt securities					660 573
Loans and advances - central banks and other credit institutions	192 437				
Loans and advances - Customers	81 243			790	65 439
Derivatives - Hedge accounting	1 949				
Tangible assets	103				126
Other assets	51 547	45 607		1	
	355 401	**45 607**		**791**	**797 167**
Liabilities					
Financial liabilities held for trading	6 721				
Financial liabilities at amortised cost					
Deposits - Credit Institutions	23 329	847			35
Deposits - Customers	154 844	18 832	41 837	14 179	33 522
Debt securities issued	1 596 250				
Other financial liabilities	516	82			(20)
Derivatives - Hedge accounting	1 573				
Provisions - Commitments and guarantees given		1			67
Other liabilities	20 110	16		5 062	782
	1 803 343	**19 778**	**41 837**	**19 241**	**34 386**
Capital					
Equity instruments issued other than capital	275 000				
	275 000				
Off-balance sheet items					
Loan commitments given					
Revocable commitments	44 278			36	67 388
Irrevocable commitments					152 000
Financial guarantees given					
Guarantees and sureties given	403	664			27 330
Other commitments given					
Guarantees received					
Liabilities for services provided					
Deposit and safekeeping of valuables	8 590 472	948 729	2 013 155	2 188	87 158
Other	698				
Foreign exchange transactions and derivative instruments					
Purchase	1 821 522				365 385
Sale	(1 087 171)				(289 525)
	9 370 202	**949 393**	**2 013 155**	**2 224**	**409 736**

[1] Includes the CaixaBank Group and the companies which it controls.

[2] Includes the companies in which the Members of the Board of Directors have significant influence, not included in other categories.

At 31 December 2024, the total amount of results relating to transactions with Shareholders of Banco BPI, associated companies, pension funds of BPI Employees, members of the Board of Directors and companies in which these hold significant influence were broken down as follows:

	Shareholders of Banco BPI CaixaBank Group [1]	Associated entities	Pension Funds of BPI Employees	Members of the Board of Directors of Banco BPI	Companies in which the Members of the Board of Directors of Banco BPI have significant influence [2]
Gains/(losses) recognised under other comprehensive income					
Interest on equity instruments issued other than capital	(18 501)				
	(18 501)				
Results					
Net interest income	(76 254)	(108)	1	(349)	(417)
Dividend income					3 788
Fee and commission income	54 464	62 578		1	115
Fee and commission expenses	(14 250)				(2 349)
Gains or (-) losses on financial assets and liabilities held for trading, net	(8 562)				
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	479				
Gains or (-) losses from hedge accounting, net	1 673				
Other operating income	7 250	5			
Other operating expenses	10 167	6			(3 969)
Staff expenses				(7 269)	(7)
Other	(32 446)	(16)	(9 353)	(1 727)	(2 595)
Provisions or (-) reversal of provisions - Commitments and guarantees given					22
Impairment or (-) reversal of impairment on financial assets not measured at fair value through					274
	(57 479)	**62 465**	**(9 352)**	**(9 344)**	**(5 138)**

[1] Includes the CaixaBank Group and the companies which it controls.

[2] Includes the companies in which the Members of the Board of Directors have significant influence, not included in other categories.

At 31 December 2023, the total amount of results relating to transactions with Shareholders of Banco BPI, associated companies, pension funds of BPI Employees, members of the Board of Directors and companies in which these hold significant influence were broken down as follows:

	Shareholders of Banco BPI CaixaBank Group [1]	Associated entities	Pension Funds of BPI Employees	Members of the Board of Directors of Banco BPI	Companies in which the Members of the Board of Directors of Banco BPI have significant influence [2]
Gains/(losses) recognised under other comprehensive income					
Interest on equity instruments issued other than capital	(17 875)				
	(17 875)				
Results					
Net interest income	(45 301)	(7)	5	(143)	(221)
Dividend income					1 602
Fee and commission income	50 427	47 865		3	205
Fee and commission expenses	(15 187)				(2 629)
Gains or (-) losses on financial assets and liabilities held for trading, net	(17 372)				
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	197				
Gains or (-) losses from hedge accounting, net	4 751				
Other operating income	6 574	5			
Other operating expenses	10 424			(1)	(3 812)
Administrative expenses					
Staff expenses				(6 773)	
Other	(34 313)	(140)		(1 652)	(1 240)
Provisions or (-) reversal of provisions - Commitments and guarantees given					32
Impairment or (-) reversal of impairment on financial assets not measured at fair value through					(294)
	(39 800)	**47 723**	**5**	**(8 566)**	**(6 357)**

[1] Includes the CaixaBank Group and the companies which it controls.

[2] Includes the companies in which the Members of the Board of Directors have significant influence, not included in other categories.

Operations with CaixaBank Group companies are part of the Bank's regular business activity and are carried out on arm's length terms. The most significant operations included in this note are the following:

- In 2019 Banco BPI approved an overdraft to Caixabank Payments & Consumer E.F.C. E.P., S.A. with a ceiling of 175 000 th.euros, a commitment fee of 0.40% and interest rate at the 12-month Euribor + 0.80%. At 31 December 2024 and 2023 the unused amount of the credit was 15 015 th.euros and 29 999 th.euros, respectively.
- In March 2020 Banco BPI issued senior non-preferred debt in the amount of 450 000 th.euros, with a coupon of 0.875% and yield equivalent to the 5-year swap rate plus a spread of 130 basis points, fully subscribed by CaixaBank. This transaction was booked under 'financial liabilities measured at amortised cost - debt securities issued', and at 31 December 2024 and 2023 amounts to 453 188 th.euros and 452 842 th.euros, respectively (Note 19.3).
- In October 2021 Banco BPI issued senior non-preferred bonds in the amount of 700 000 th.euros, variable coupon of 6-month EURIBOR + 0.95%, and maturity in 2027, fully subscribed by the shareholder CaixaBank. This transaction was booked under 'financial liabilities measured at amortised cost - debt securities issued', and at 31 December 2024 and 2023 amounts to 706 724 th.euros and 708 594 th.euros, respectively (Note 19.3).
- In the first half of 2022, Banco BPI redeemed in advance a subordinated bond issue fully subscribed by the shareholder Caixabank in the amount of 300 000 th.euros, maturing in 2027. On the other hand, Banco BPI issued subordinated bonds in the amount of 425 000 th.euros, variable coupon of 6-month EURIBOR + 3.30%, and maturity in 2032, fully subscribed by the shareholder CaixaBank. These transactions are booked under 'financial liabilities measured at amortised cost - debt securities issued', and at 31 December 2024 and 2023 amount to 433 969 th.euros and 434 814 th.euros, respectively (Note 19.3).
- In March 2024 Banco BPI issued senior non-preferred bonds in the amount of 700 000 th.euros and fixed coupon of 4.182%, fully subscribed by CaixaBank. This transaction is booked under 'financial liabilities measured at amortised cost - debt securities issued', and at 31 December 2024 amounts to 723 098 th.euros (Note 19.3).
- In September 2024, Banco BPI exercised the early redemption option of 275,000 th.euros of Additional Tier 1 (AT1) capital instruments and made a new issue of a similar nature and amount with fixed coupon of 7.125%, fully subscribed by Caixabank. The value of this operation is recognised in the caption "Equity instruments issued, except for share capital", and its remuneration is recognised under "Other reserves (Note 23).
- In December 2024 Banco BPI issued senior non-preferred bonds in the amount of 550 000 th.euros and fixed coupon of 3.077%, fully subscribed by CaixaBank. This transaction is booked under 'financial liabilities measured at amortised cost - debt securities issued', and at 31 December 2024 amounts to 550 788 th.euros (Note 19.3).

39. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with the International Financial Reporting Standards (IFRS) as endorsed by the European Union, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

Statutory Audit Report and Auditors' Report

(Free translation from a report originally issued in Portuguese language. In case of doubt, the Portuguese version will always prevail)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Banco BPI S.A. (the Bank), which comprise the balance sheet as at December 31, 2024 (which shows total assets of Euros 41.071.593 thousand and total shareholders' equity of Euros 4.010.987 thousand including a net profit of Euros 588.242 thousand), the statement of income, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Banco BPI, S.A. as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law, we are independent of the Bank and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Key Audit Matter	Summary of the Audit Approach
Impairment losses on financial assets at amortized cost – loans and advances to customers *Measurement and disclosures related to impairment losses on financial assets measured at amortized cost - loans and advances to customers - presented in notes 2.7, 12.2 and 33 attached to the financial statements of the Bank* The constitution of this key matter for the purposes of our audit is justified by the significant expression of financial assets at amortized cost and impairment losses. This process requires a set of complex assumptions and judgments from the Bank's management in relation to the identification of clients with a significant increase in credit risk or in default, as well as the determination of impairment losses amount. As at December 31, 2024, the gross balance amount of loans and advances to customers amounted to Euros 26.866.981 thousand and the corresponding impairment losses recognised at that date amounted to Euros 488.869 thousand. Impairment losses on loans and advances to customers are determined by management on an individual basis, through a case-by-case analysis of a significant component of the loans and advances to customers portfolio, and for the remaining portfolio those losses are determined through a collective analysis. For the most significant exposures, evaluated in terms of the total amount of responsibilities to the Bank and the possible existence of signs of default, the Bank performs (i) an individual staging analysis, in order to corroborate the indicative allocation of automatic stage (stages 1, 2 and 3), and (ii) an individual impairment measurement analysis. The individual impairment analysis is only performed for exposures classified as stage 3, for which the amount of impairment is determined through a detailed analysis of the economic and financial position of each customer, having as reference (i) the estimated future cash flows for the fulfilment of their responsibilities; and/or (ii) the appraisal of the collateral received in the scope of the loan granted, whenever the recovery is	The audit procedures developed included the identification, understanding and evaluation of policies and procedures established by the Bank for the impairment losses on the loans and advances to customers portfolio determination process as well as the key controls related to the approval, recording and monitoring of credit risk, and to the timely identification, measurement and recording of impairment losses. On a sample basis, we have analysed a group of clients within the Bank's individual analysis perimeter, based on the criteria defined in internal normative, with the objective of: (i) reviewing the conclusions and results obtained by the Bank in the individual staging analysis and impairment measurement; (ii) obtain our own judgment over the existence of situations of significant increase in credit risk or default; and (iii) assess how the impairment losses were timely identified, measured and recognised by management. In this process, it was also confirmed that the perimeter of individual analysis included all the exposures that met the criteria defined by the Bank in its internal normative. Thus, for a sample of exposures representative of the credit population subject to individual analysis classified in stage 3 by the Bank as at December 31, 2024, the procedures we have developed consisted of: (i) reviewing the available documentation on credit processes; (ii) verifying the adequacy of the cash flows used to determine impairment losses with those reflected in the client contractual support; (iii) analysing the contractual support and the most relevant collaterals and confirming the registration of them in favour of the Bank; (iv) analysing the most recent appraisals of collaterals when available; (v) examining the criteria for determining the significant increase in credit risk (stage 2) and classification under impairment (stage 3) on an individual basis; (vi) reviewing the incorporation of forward looking

Key Audit Matter	*Summary of the Audit Approach*
anticipated through the lieu, foreclosure and/or sale of the collateral, less the costs inherent to its recovery and sale. For exposures not covered by the individual impairment analysis, the Bank developed collective analysis models to determine expected impairment losses, in light of the requirements of IFRS 9, which include namely the classification of exposures in different stages according to the evolution of their credit risk since the date of its recognition, and not according to the credit risk at the reporting date (stages 1, 2 or 3). These internal models are based on the internal historical information of defaults and recoveries and in order to be representative of the current economic context and simultaneously incorporate a perspective of future economic evolution, use available forward looking prospective information for a set of relevant macroeconomic and financial variables. Considering these macroeconomic data, potential scenarios are developed that allow estimating the impairment expected loss for each segment of the Bank loans and advances portfolio based on a probability of occurrence. The specificity and uncertainty of the current macroeconomic and geopolitical situation led to an increase in the complexity of determining impairment losses. In these circumstances, the internal models developed by the Bank were adapted in order to incorporate new criteria and other assumptions, namely the updating of prospective information, through post model adjustments, in order to reflect the potential effects of the current macroeconomic context, characterized by the persistence of a high degree of geopolitical uncertainty, with risks predominantly of an external nature, as well as the expected relationship between such information and the Bank risk parameters related to the collective analysis models. In this context, changes in the assumptions or methodologies used by the Bank in the analysis and in the quantification of impairment losses of loans and advances to customers, as well as different recovery strategies, may condition the estimation of recovery flows and timing of their receipt and may have a material impact on the	information; (vii) analysing the discounted cash flows underlying the impairment determination; (viii) assessing the evolution of exposures; and (ix) understanding the views of the Bank regarding the economic and financial situation of the clients, as to the predictability of expected cash flows of the respective businesses, as well as the prospects of collectability of credits. Whenever we concluded for the need to review some assumption used by management, we recalculated the estimated amount of impairment and compared the results obtained with those calculated by the Bank, in order to assess the existence of possible material significant divergences. For the portfolio whose impairment is assessed through the collective model, we developed specific procedures with the objective of evaluating how the assumptions considered by management include all the risk variables, considering the available historical information regarding the performance and recoveries of the Bank's loan portfolio, namely: (i) the review of the methodological documentation for the development and validation of the models; (ii) the analysis of the documentation regarding the risk parameters backtesting exercise when available; (iii) the review and testing of portfolio segmentation; (iv) the analysis of the Bank's definition of default and the criteria applied in the classification of staging, on a sample basis; (v) the review and testing of the main risk parameters, as well as the available forward looking information and its update through the estimated economic effects, including the analysis of the methodologies defined by the Bank for the determination of the post model adjustments; (vi) the critical analysis of the main assumptions and sources of information used in the future recoveries incorporated in the LGD (“Loss Given Default”), including the test of historical recoveries incorporated in this calculation, on a sampling basis; and (vii) the recalculation of Expected Credit Loss (“ECL”) for the loans and advances portfolio, with reference to December 31, 2024. Additionally, for a sample of relevant loans portfolio sales conducted during the year, our procedures also included obtaining the supporting documentation of such transactions and the analysis of the impact reflected in the Bank’s

Key Audit Matter	*Summary of the Audit Approach*
impairment losses amount recognised in each moment.	financial statements. Our audit procedures also included the review of the disclosures regarding loans and advances to customers, as well as their respective impairment losses, presented on the Bank's accompanying notes to the financial statements, considering the applicable accounting standards.
Fair value of financial instruments at fair value not listed in an active market – level 3 of the fair value hierarchy *Measurement and disclosures related to the fair value of financial instruments not listed in an active market, classified as level 3 of the fair value hierarchy and presented in notes 2.2 and 37.1 attached to the financial statements.* Due to its relevance on the Bank's financial statements context and its degree of judgement, the assessment of the fair value of financial instruments not listed in an active market classified at level 3 of the fair value hierarchy was considered a key matter in our audit. As at December 31, 2024, the balance sheet's value of financial assets valued based on techniques that use variables which are not observable on the market and, therefore, are classified on the level 3 of the fair value hierarchy, is Euros 480.579 thousand. For the financial instruments classified at level 3 of the fair value hierarchy, when observable market data is not available, the valuation of such instruments is inherently subjective and the Bank determines the fair value using valuation models based on discounted cash flows techniques, considering the Bank's internal criteria, which usually involve a high degree of judgment by the management in defining the assumptions and inputs to be used. As at December 31, 2024, the financial instruments thus classified as are composed by debt securities and equity instruments. From the mentioned assets, Banco de Fomento Angola, S.A. stands out, being classified as "financial assets at fair value through other comprehensive income – equity instruments" and its fair value	Our audit procedures included the identification and comprehension of key controls implemented by the Bank underlying the fair value assessment methodologies, and the selection and determination of the main assumptions and inputs used in the fair value assessment for financial instruments not quoted in an active market and classified as level 3 of the fair value hierarchy. For a sample of financial instruments whose measurement was substantially based on non-observable data (level 3 of the fair value hierarchy), our procedures also included (i) the understanding of methodologies, main assumptions and inputs used by the Bank; (ii) an evaluation whether the models developed by the Bank and the assumptions and inputs used are reasonable in the circumstances, by comparing the observed data with market information collected from external and independent sources, when available, and (iii) the analytical review of the fair value of those financial instruments, comparing it with the previous period and with the latest financial information and the respective audit reports, whenever available. Our audit procedures also included the review of the disclosures regarding financial instruments not listed in an active market and classified as level 3 of the fair value hierarchy, presented in the notes attached to the financial statements, taking into account the applicable accounting standards.

Key Audit Matter	Summary of the Audit Approach
amounts to Euros 304.600 thousand, as at December 31, 2024. In this context, any change in the assumptions and measurement techniques used by the management may have material impacts on the assessment of these financial instruments' fair value recognised in the Bank's financial statements.	
Employees post-employment benefits *Measurement and disclosures related to employees' post-employment benefits presented in notes 2.11, 17, 21, 22, and 31 attached to the Bank's financial statements* As at December 31, 2024, the liabilities resulting from past services of the Bank in relation to its directors, employees and pensioners amounted to Euros 1.813.914 thousand, mainly covering retirement and survivors' pensions, disability, health care and death benefits, in particular those foreseen in the Collective Bargaining Agreement ("Acordo Coletivo de Trabalho") for the banking sector. These liabilities are mostly financed by the pension fund, whose asset value at the end of the 2024 financial year amounts to Euros 1.807.528 thousand. These liabilities are estimated based on actuarial valuations performed by an actuary certified by the Insurance and Pension Funds Supervisory Authority ("ASF"). These valuations incorporate a set of financial and actuarial assumptions, such as the discount rate, inflation rate, mortality table, pension and wages growth rates, among others, defined by management and adjusted to the characteristics of the post-employment benefits and to the population of administrators, employees and bank pensioners, and to the current and future behaviour of these variables. In the specific case of the discount rate used in the actuarial studies, it is determined based on the market rates for high-quality entities in terms of credit risk, denominated in the currency in which the benefits will be paid (euros) and with a similar maturity to the duration of the payment of the plan's benefits.	The audit procedures developed included the identification and understanding of the key controls instituted by the Bank to ensure that the information collected and provided to the independent actuary is correct and complete to calculate the plan's liabilities and funding needs, as well as the adequacy of the plans' assets fair value estimation process. The audit work included the analysis of the actuarial study prepared by the independent actuary with reference to December 31, 2024, the verification, on a sample basis, of the data included in the actuarial studies and holding meetings with the management and the independent actuary in order to identify the methodologies and options considered in the definition of the main financial and actuarial assumptions adopted. Given the relevance of the judgments required from management, we proceeded to evaluate the reasonableness of the main assumptions, comparing them with the data that we obtained independently, when available. Moreover a compliance review was performed on: (i) the beneficiaries historical information used for the purpose of calculating responsibilities; (ii) the accounting recognition of plan cuts or liquidations, of costs related to past services and of other changes in assumptions and estimates that occurred during the year; and (iii) the fair value of the fund's assets, calculating it independently for a sample of assets.

Key Audit Matter	Summary of the Audit Approach
In this context, future changes in the assumed financial and actuarial assumptions may give rise to material impacts on the measurement of the liabilities related to pensions and other post-employment benefits as well as on the assets held to cover these liabilities. This subject was considered a key matter for the purposes of our audit.	Our audit procedures also included the review of the disclosures on the pensions and other post-employment benefits in the notes to the financial statements of the Bank, taking into account applicable and current accounting standards.
Contingent Liabilities *Measurement and disclosures related to contingent liabilities presented in notes 2.17 and 20.3 attached to the Bank's financial statements*	
The notes to the financial statements disclose the contingent liabilities that may represent a possible obligation for the Bank arising from past events. The occurrence of these obligations depends on one or more future events that are not entirely under the Bank's control. From the contingent liabilities disclosed in note 20.3 attached to the Bank's financial statements as of December 31, 2024, we would like to highlight the administrative penalty from Competition Authority and class actions: In 2012, the Competition Authority initiated an administrative infraction proceeding against a group of banks, including Banco BPI, due to alleged competition restrictive practices. On September 9, 2019, the Competition Authority notified the banks of its decision, in which it was decided for their conviction, resulting in a penalty attributed to Banco BPI of Euros 30 million. The Bank considers that it did not commit this infringement, having appealed against the aforementioned decision to the Competition, Regulation and Supervision Court ("CRSC") on October 23, 2019. In May 2020, by decision of the aforementioned Court, Banco BPI provided a guarantee of part of the penalty attributed, which is provisional in nature, providing that it is pending a decision on the judicial impugnation presented by the Bank. On April 28, 2022, the CRSC issued a decision in which it examined that the facts were proven but did not rule on any guarantee, suspending the process and proceeding with a preliminary ruling	The audit procedures developed for this matter included the identification and understanding of the processes and key controls implemented by the Bank, regarding the identification and monitorization of the contingent liabilities. Given the relevance and complexity of the judgements required to management, we performed in our audit, among others, the following procedures regarding the Competition Authority: (i) the review of the minutes of the Bank's management Bodies, (ii) an analysis of the Bank's assessment of the nature and status of the said proceedings, which justifies the non-recording of provisions, and (iii) an assessment of the information obtained from the Bank external lawyers of who accompany the process, as well as the review of the interpretation of applicable legislation with the involvement of experts in the matters under consideration. We also analysed the available information regarding the developments on these matters that occurred as from December 31, 2024. Our audit procedures also included the review of the disclosures regarding contingent liabilities, presented in the Bank's attached notes to the financial statements, taking into account the applicable accounting standards.

Key Audit Matter	*Summary of the Audit Approach*
to the Court of Justice of the European Union ("CJEU"), to the which raised the question of knowing whether the facts given as proven gather the necessary characteristics to be able to constitute the infraction of the rules of competition called "by object" imputed to the banks. On July 29, 2024, the CJEU delivered its judgment declaring that the matter under consideration should be classified as an infringement by object. Following this, in September 2024, the CRSC delivered its final judgment upholding the fine imposed on the banks. In response to this first-instance decision, Banco BPI lodged an appeal, and on February 10, 2025, the administrative offence proceedings were declared time-barred by the Lisbon Court of Appeal. Additionally, during the first quarter of 2024, three class actions were brought against the Bank by consumer protection associations ("class actions"), seeking compensation for damages caused to consumers resulting from the alleged competition infringement attributed by the Competition Authority. Two of these class actions have already been contested by the Bank, while the third is suspended. The financial statements as at December 31, 2024 reflect the management's expectation that the probabilities of the process initiated by the Competition Authority and class actions ending without the Bank having to pay a penalty are higher than the alternative scenario. The contingent liabilities may evolve differently from the originally expected, given that they are subject to a continuous revision in order to assess if the possibility of a cash outflow became probable. In these circumstances, the assessment of these contingent liabilities implies that the Bank's management uses estimates and complex judgements regarding the probability of materialisation and measurement of the responsibilities that may arise from the litigations and contingencies in which the Bank is involved and, therefore, this matter was considered relevant to our audit.	

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Bank in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;

b) the preparation of the Directors' report, including the Corporate governance report, in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Bank's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Bank's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Bank's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

h) confirm to the supervisory board that we comply with the relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may be perceived as threats to our independence and, where applicable, actions taken to eliminate threats of the safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law and verifying that the non-financial statement was presented.

Report on other legal and regulatory requirements

Director's report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Director's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Bank, no material misstatements were identified. As set forth in paragraph 7 of article No. 451 of the Portuguese Company Law, this opinion is not applicable to the non-financial statement included in the Director's report.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate governance report includes the information required under article No. 29.º-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs c), d), f), h), i) and l) of the No.1 of that article.

Non-financial information

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Bank included in its Director's report the non-financial statement set forth in article No. 66-B of the Portuguese Company Law.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of the Bank in the Shareholders' General Meeting of April 26, 2017 for the period from 2018 to 2020, having remained in functions until the current period. Our latest appointment occurred at the General Meeting of December 19, 2024 for the period from 2025 to 2026.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. In the planning and execution of our audit in accordance with ISAs, we have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Bank's supervisory board on this same date.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 and that we remain independent of the Bank in conducting our audit.

March 7, 2025

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Cláudia Sofia Parente Gonçalves da Palma, ROC (no. 1853)
Registered in CMVM with the no. 20180003

Independent limited assurance report on Banco BPI, S.A.'s Sustainability Statement

(Free translation from a report originally issued in Portuguese language. In case of doubt, the Portuguese version will always prevail)

To the Board of Directors,

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Banco BPI, S.A. (the "Banco BPI" or "Bank"), included in "Sustainability Statements" of the Management Report (the "Sustainability Statement"), as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement, as at December 31, 2024, is not prepared, in all material respects:

- in accordance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in section "Impacts, risks, and opportunities management (IRO)"; and
- in accordance with the disclosures set out in the Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"), included in subsection "Taxonomy" from the environmental section of the Sustainability Statement.

Basis for conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "*Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board of International Federation of Accountants and the remaining standards and technical and ethical orientations of the Institute of Statutory Auditors.

The procedures carried out in a limited assurance engagement vary in nature and moment and are more limited than those carried out in a reasonable assurance engagement. As a result, the comfort level obtained in a limited assurance engagement is substantially lower than the comfort level achieved in a reasonable assurance engagement. Our responsibilities under those standards are described in the "Auditor's responsibilities"

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the code (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethics code of the Institute of Statutory Auditors.

Responsibilities of management and supervisory board for the Sustainability Statement

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS (the "Process") and for disclosing this Process in the section "Impacts, risks, and opportunities management (IRO)" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Bank's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Bank's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for:

- preparing the Sustainability Statement in compliance with the ESRS;
- preparing the Sustainability Statement in compliance with the disclosures set out in the Taxonomy Regulation, included in subsection "Taxonomy" from the environmental section of the Sustainability Statement;

- designing, implementing and maintaining the internal controls that the Board of Directors determines that are necessary to enable the preparation of the Sustainability Statement free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and defining the assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Bank's sustainability reporting process.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process set out in section "Impacts, risks, and opportunities management (IRO)".

Our other responsibilities in respect of the Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures on the matters where it is determined that material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing Bank's internal documentation regarding its Process.
- Evaluated whether the evidence obtained from our procedures with regarding the Process implemented by the Bank was consistent with the description of the Process set out in section "Impacts, risks, and opportunities management (IRO)".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Bank's reporting processes relevant to the preparation of its Sustainability Statement by undertaking an understanding of the Bank's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Bank's internal control;
- Evaluated whether the material information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information that is disclosed in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Evaluated the methods, assumptions and data used by the Bank for developing material estimates and forward-looking information;
- Obtained an understanding of the Bank's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement; and
- Evaluated methodological options, assumptions and data used by the Bank to determine the taxonomy indicators, as well as the completeness of qualitative and quantitative components of the report in accordance with the Taxonomy Regulation.

Other matters

The comparative information included in the Sustainability Statement of the Bank as at December 31, 2023 was not subject to an assurance engagement.

Our conclusion is not modified in respect of this matter.

March 7, 2025

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Cláudia Sofia Parente Gonçalves da Palma, ROC no.1853
Registered with the Portuguese Securities Market Commission under no. 20180003

REPORT AND OPINION OF THE AUDIT COMMITTEE

- 2024 -

(This report is a free translation to English from the original Portuguese version.
In case of any inconsistency the Portuguese version shall prevail.)

For compliance with the provisions of Article 423-F(1)(g) of the Commercial Companies Code (CCC), the Audit Committee of Banco BPI, S.A. (Banco BPI or Bank), as the supervisory body, hereby issues:

- the Report on its supervision activity conducted during 2024; and
- the Opinion on the Report, Accounts and Proposals presented by the Board of Directors of Banco BPI relative to the 2024 financial year.

I. Report on the supervision activity conducted during 2024

1. Introduction

As regards the Bank's internal governance, 2024 marked the first full year of the new mandate of Banco BPI's governing bodies for the period of 2023-2025. We recall that the fit & proper process was completed in the second half of 2023 (on 31 August) with the appointment by the Sole Shareholder of the new members of the Board of Directors and Audit Committee.

In the same context, we note the changes occurred in 2024 in (i) the composition of the Board of Directors, with the resignation of three directors, as detailed in the Governance Report, and (ii) in the Articles of Association of Banco BPI, stemming from the proposal approved by resolution of the Sole Shareholder on 14 November.

These changes had an impact on the Audit Committee, starting with its composition, due to the resignation in March of Sandra Santos from her positions as a Non-Executive Director of the Board of Directors, including as a member of the Audit Committee, and her replacement by Inês Valadas, who was appointed by the Sole Shareholder in September 2024, following the conclusion of the fit & proper process.

Moreover, the approved wording of the Bank's Articles of Association also has an impact on the Audit Committee's activities as it involves, *inter alia*, the duration of the term of office of the External Auditor/Statutory Auditor. In the new wording, the External Auditor/Statutory Auditor is now elected for an initial term of office of a minimum of two years and a maximum of four years and may be re-elected once or more for terms of a minimum of one year and a maximum of four years, subject to legal limits. The specific duration of each term of office is determined by the General Meeting on the proposal of the Audit Committee.

In November 2024, in compliance with Article 31(9) of Notice 3/2020, the Audit Committee approved its Multiannual Plan for the three-year period 2025-2027, which provides a reference framework for the matters to be assessed and the actions to be carried out by the Committee during the period of the Plan. The document lists all the areas of activity considered strategic during the reference period, as well as those that, although not strategic in nature and carried out on a recurring basis, are essential for the Audit Committee to fully fulfil its mission, ensuring effective, efficient and high-quality internal supervision.

As to its activity, the Audit Committee held a total of twelve meetings in 2024. Eleven of these meetings were ordinary, with one extraordinary meeting being held with the Risk Committee to analyse in detail issues regarding ICAAP and ILAAP. All the meetings were held in person, with the possibility of videoconferencing.

Besides its members, the heads of the Control Functions (Risk Management Division - RMD, Compliance Division - CD, and Internal Audit Division - IAD) also participated in all the meetings of the Audit Committee as permanent guests, without voting rights.

In addition, the following regularly attended the meetings of the Audit Committee:

- The partners in PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. (PwC) responsible for the audit team allocated to Banco BPI, as well as some of this team's specialist auditors;
- The heads of several divisions of Banco BPI, namely: Accounting and Planning Division (APD), Finance Division (FD), People and Talent Division (PTD), Legal Division (LD), Credit Division (CD), Procurement Division (PD), and also the new Risk Model Validation Unit (RMVU);
- IAD Area Managers to present the internal audit reports for which they are responsible.

Some members of the Executive Committee of the Board of Directors (ECBD), namely the Chief Financial Officer and the Chief Risk Officer, were also present at Audit Committee meetings, according to the topics under discussion.

In accordance with Banco BPI's governance model, the members of the Audit Committee are members of the Board of Directors, albeit with no executive functions, and therefore they attend all the meetings of the Board of Directors.

On another level, the Chair of the Audit Committee participated in the annual supervisory meeting with the Joint Supervisory Team (JST) of the European Central Bank (ECB) and the Bank of Portugal (BoP), held in December 2024. At this meeting, the Chair of the Audit Committee provided the Supervisor with clarifications on the functioning and activities of this Committee, in particular with regard to its monitoring of the internal control functions in the several aspects of its activity and to the implementation of the recommendations of the Supervisors and of the external auditor as well as regarding to the implementation of other internal control recommendations issued by the Bank's control functions. The Chair of the Audit Committee also shared, with the JST, the supervisory body's forward-looking expectations regarding the emerging risks, challenges and opportunities for Banco BPI in 2025, in a global macroeconomic framework that remains marked by conflicts in Europe and the Middle East with still uncertain impacts on the world economy and the financial market in particular.

2. Powers and responsibilities of the Audit Committee

The Audit Committee is Banco BPI's supervisory body, exercising the powers and responsibilities conferred on it by its Terms of Reference, the Bank's Articles of Association, and the applicable law, namely Article 423-F of the Commercial Companies Code (CSC).

During 2024, in the performance of its duties, the Audit Committee approved an update to its Terms of Reference with a view to (i) formalising its involvement in the decision-making process of relevant operations, regarding which it is informed prior to the decision of the Board of Directors, and (ii) validating the closure of the recommendations issued to the Internal Audit Function (IAF), after confirmation by CaixaBank's internal audit function.

Pursuant to these Terms of Reference, the Audit Committee is responsible in particular for:

- supervising the Company's management;
- watching over compliance with legal and regulatory provisions, the Company's articles of association and the rules issued by the supervision authorities, as well as with the general policies, standards and practices instituted internally;
- defining the terms under which it coordinates with the Risk Committee, among others, the works to be developed and the latter's reporting to assist the Audit Committee in the performance of its duties;
- monitoring the status and evolution of all the risks to which the Bank is subject, for which it relies on the assistance of the Risk Committee, and the works, analyses and recommendations submitted to it by the latter in this respect;
- confirming the adequacy of the accounting policies, criteria and practices adopted, supervising compliance therewith, and verifying that the supporting documents are in order;
- monitoring the statutory audit;
- issuing an opinion on the report and proposals presented by management;
- supervising the process of preparation and disclosure of financial and non-financial information, namely with regard to sustainability;
- monitoring the effectiveness of the internal control, internal audit, and risk management systems;
- assessing and overseeing the independence of the Statutory Auditor (Statutory Auditing Firm), namely whenever the latter provides additional services to the Company;

- receiving notice of irregularities occurred within the company, reported by shareholders, employees or others;
- performing all other duties assigned to it by law.

Therefore, of the various activities developed by the supervisory body during the 2024 financial year, the following deserve special mention:

a) Supervising the Company's management

During 2024, the Audit Committee monitored the activity developed by the Bank's executive management, namely reviewing in its meetings the minutes of the ECBD meetings, raising questions and requesting clarifications that, at each moment, appeared relevant to the exercise of its duties.

The supervisory work was also performed through the participation of the Audit Committee’s members in the meetings of the Board of Directors, of which they are non-executive members.

In addition, during the year, some members of the ECBD attended Audit Committee meetings, namely those with the finance and with the risk portfolios, with whom specific issues, in particular related to financial information and to the financial statements, as well as to the risk management, were discussed and clarified. In this regard, mention should also be made to the holding of monthly meetings between the Chair of the Audit Committee and the Director responsible for Risk, enabling close and permanent monitoring of matters relating to the evolution and management of the risks to which the Bank is exposed.

The permanent articulation between the Audit Committee and the other Committees of Banco BPI's Board of Directors, in particular the Risk Committee (RC) and the Nominations, Evaluation and Remuneration Committee (NERC), with which the Audit Committee shares some of its Members, is also worth noting. This collaboration promotes greater interaction among the committees' members, deepens their knowledge of the matters under analysis, and in result raises the quality of the assessment and discussion of these matters at the Audit Committee's meetings.

This articulation was further expressed through the maintenance in 2024 of a joint meeting tradition between the Audit Committee and the Risk Committee, for an in-depth analysis of matters of mutual interest and responsibility, such as the Bank's ILAAP and ICAAP exercises.

It should also be noted that, throughout the year, the Audit Committee requested and received all the information and clarifications it deemed relevant and necessary for the exercise of its duties, both statutory and legal, without any hindrances to its activities or to the effective discharge of its functions.

b) **Watching over compliance with legal and regulatory provisions, the Company's articles of association and the rules issued by the supervision authorities, as well as with the general policies, standards and practices instituted internally**

As part of this remit, during 2024 the Audit Committee monitored the various areas of the Bank, ensuring compliance with legal and regulatory requirements, the Articles of Association, the rules issued by the supervisory authorities and the general policies and practices established internally.

This task was accomplished among others, through the presentation and assessment in this Committee of new proposals or revisions/updates to the various internal policies of Banco BPI either as a result of legal and regulatory changes or viewing corporate alignment and updating with the CaixaBank Group.

In this context, particular mention should be made of the following policies for which proposals, whether for new or revised/updated policies, were submitted to the Audit Committee for its opinion:

(i) Credit, Capital and Solvency, Financial and Non-Financial Risks

- Reputational Risk Management Policy
- Outsourcing Risk Management Policy
- Information Reliability Management and Control Policy
- Internal Control Policy
- Information Security General Policy
- Operational Continuity Policy
- Market Risk Management Policy
- Policy for the Risk of Deterioration of Intangible Assets and Tax Assets
- Model Risk Management Policy
- Risk Models' Validation Policy
- Structural Rates Risk Management Policy
- Business Profitability Management Policy
- Banco BPI Pension Funds' Risk Management Policy
- Financial and Actuarial Risks Management Policy
- Internal Governance and Control Policy
- Sustainability Risk Management Policy
- Operational Continuity Policy

- Operational Risk Management Policy

(ii) Conduct and Compliance Risk, Legal and Regulatory Risk and Reputational Risk

- AML&CTF and Management of Sanctions and Restraining Measures Policy
- Best Execution Policy
- Commercial Communication Policy
- Policy on the Treatment of Policyholders, Insured Persons, Beneficiaries and Injured Third Parties
- Legal and Regulatory Risk Management Policy
- Product Governance Policy
- Credit Intermediaries Remuneration Policy
- Policy on Competition Law
- Criminal Compliance Corporate Policy
- Complaints and Grievances Handling Policy
- Whistleblowing Policy
- Policy on Conflicts of Interest for the Securities Markets
- Suppliers Code of Conduct

(iii) Remuneration

- BPI Long-Term Dividend Policy
- General Remuneration Policy
- Remuneration Policy for Identified Staff
- Remuneration Policy for Management and Supervisory Bodies

(iv) Corporate Governance

- Policy on the Selection and Assessment of the BD, Audit Committee and Key Function Holders
- Succession Policy for members of the Board of Directors and Audit Committee and Key Function Holders
- Policy on the Relationship with the External Auditor /Statutory Auditor

Also of note was the approval of updates to the internal audit function regulations, proposed by the Internal Audit Department (IAD), as well as the approval of the review/update of the internal control framework, proposed by the RMD - Internal Control and Business (RMD ICB), both within the framework of these areas' reporting responsibilities to the Audit Committee.

As part of this remit, the Audit Committee took note of the reports produced by the IAD, following internal audits on various internal processes and procedures assessing, among others, compliance with regulations, reviewed and challenged their assessment, content and, where appropriate, the proposed mitigation measures. In addition, the regular presence in its meetings of the IAD Area Managers responsible for the issues under review enhanced the technical detail of the clarifications provided to the Audit Committee on the severity of the recommendations issued, as well as on the agreed implementation deadlines or other related aspects.

Finally, the Audit Committee also fulfilled this duty through a regular and systematic monitoring of the Bank's activities on the basis of the reports submitted to it by different areas of the Bank, namely the Legal Division (LD), the People and Talent Division (PTD), and the Sustainability Division (SD).

c) Defining the terms under which the Audit Committee coordinates with the Risk Committee, among others, the works to be developed and the latter's reporting to assist it in the performance of its duties. Monitoring the status and evolution of all the risks to which the Bank is subject, for which it relies on the assistance of the Risk Committee, and the works, analyses and recommendations submitted to it by the latter.

During 2024, the Audit Committee maintained permanent contact with the other Committees that form part of the Bank's governance model, and in particular with the Risk Committee, with which it shares some of its Members, which, as previously referred, has enabled it to gain a deeper understanding of the issues analysed in both Committees.

The Audit Committee's intervention at this level essentially involved following up and monitoring the activities of the second lines of defence (2LoD) - risk management function and compliance function -, assessing and issuing an opinion (whenever applicable) on various risks in the Bank's Risk Catalogue, as well as on several documents prepared by the RMD and the RMVU, and also the CD, in their different aspects.

In this context, supported by the Relevant Transactions Regulations and the intervention of the Risk Committee, the Audit Committee discussed its involvement in the decision-making process of such transactions and agreed to take note of these transactions after receiving the opinion of the Risk Committee and prior to the decision of the Board of Directors. It was also in liaison with the Risk Committee that the Audit Committee was informed of the Statute of the Risk Management Function approved by the Risk Committee.

Moreover, in 2024 the Audit Committee monitored Banco BPI's risk profile annual (self)-assessment exercise (risk assessment), reviewing its results and main conclusions.

It also assessed and discussed the proposal to revise the Bank's risk catalogue, monitoring the updating, the performance and the evolution of the metrics included in risk catalogue that are distributed as follows:

- Financial Risks
    - i) Loans
    - ii) Liquidity and Funding
    - iii) Actuarial
    - iv) Structural Rates
    - v) Market
- Operational Risks
    - i) Conduct and Compliance
    - ii) Legal and Regulatory
    - iii) Technology
    - iv) Other operational risks
- Cross-cutting Risks
    - i) Business profitability
    - ii) Solvency
    - iii) Model
    - iv) Reputational

Finally, the Audit Committee, in coordination with the Risk Committee, monitored and appraised the 2023 annual ICAAP and ILAAP exercises and respective results, and also took note of Banco BPI's 2024 Recovery Plan, which includes, among others, the different risk scenarios assumed by the Bank and the corresponding projections.

d) Watching over the adequacy of and supervising compliance with the accounting policies, criteria and practices adopted, and ascertaining that the documents that support them are in order, monitoring the statutory audit, and issuing an opinion on the report, accounts and proposals presented by the Board

As part of these responsibilities, the Audit Committee followed up the financial information produced by the Bank monitoring its monthly evolution, reported by the APD at each meeting.

It also reviewed the periodic reports prepared by the APD on the main judgements and estimates used by the Bank in the preparation of its financial statements, namely annual and semi-annual.

These documents, which were thoroughly reviewed by the Audit Committee, include not only a comparative analysis of the evolution of the various headings of the financial statements, but also estimates, projections, judgements, accounting policies and critical assumptions, which may be complex, subject to uncertainty or that depend on decisions taken that have a significant impact on the magnitudes and financial information disclosed by Banco BPI. Whenever appropriate, the Audit Committee questioned the behaviour of the various headings and obtained more detailed information from the APD and/or from the Board Director with the financial portfolio, taking advantage of her attendance of this Committee's meetings, as referred above.

At the same time, during 2024, the Audit Committee analysed the information periodically provided to it by PwC, as the Bank's Statutory Auditing Firm, which allowed it to monitor the evolution of the services provided by PwC and to better understand situations that, in its opinion, should deserve greater attention from the Bank in the framework of the statutory audit.

In this context, and by way of example, the Audit Committee:

- took note of the limited review on the Group Reporting Forms for the 1st, 2nd and 3rd quarters of 2024;
- took note of the conclusions of the full audit of the Group Reporting Forms - consolidated accounts as at 31/12/2024 -, monitored the closing process of Banco BPI's 2024 accounts, and, in this context, took note of the Additional Report to the Supervisory Body issued by PwC.
- took note of PwC's Audit Plan for 2024 as presented in the document entitled "Planning and strategy, significant risks and audit approach", which included the topic of sustainability and non-financial reporting under the CSRD (Corporate Sustainability Reporting Directive);
- oversaw the preparation of the audit of the 2024 financial statements, including the independent verification of the sustainability information, in which PwC highlighted the key audit issues.

In short, the Audit Committee closely monitored the work carried out by PwC during the 2024 financial year through PwC's regular attendance of the Committee Meetings, where, as referred, it (i) presented the annual activity plan and the details of the planning and strategy of the audit work, highlighting the risks and the audit approach adopted, with the presence of the auditors specialised in each of the covered areas, (ii) reported on the conclusions (preliminary and final) of the audit reports and the work carried out, including regular follow-ups on audit matters; and (iii) clarified, whenever requested, any doubts raised by the Audit Committee and/or by the permanent and non-permanent guests.

In this context, and in compliance with the applicable internal regulations, specifically the Policy on the Relationship with Banco BPI's External Auditor/Statutory Auditor, the Audit Committee received the APD's assessment of the Statutory Auditor's performance during the 2024 financial year and how they contributed to both the quality of the audit and the integrity of the financial information disclosed by the Bank, as also as the assessment of their independence.

From this report and also on the basis of the regular interactions maintained with the Statutory Auditor throughout the year, the Audit Committee highlights, in particular, PwC's adequate planning of the audit procedures, which contributed to ensure their proper and efficient implementation, and also their customary clarity in the presentation to the Audit Committee of the main conclusions of the works produced, allowing it to be informed at all times about the main issues analysed by PwC in the context of the audit procedures and about any aspects that might involve some risk at this level.

As a result, at the end of 2024, the Audit Committee proposed and recommended to the Sole Shareholder the reappointment of PwC as Banco BPI's Statutory Auditor for the 2025-2026 term of office, which was approved on 19 December.

In the context of its relationship with the Statutory Auditor, the Audit Committee took note during the year of several reports issued by them, including the following:

- Report on the process of quantification of the loan impairment portfolio with reference to 31/12/2023 and 30/06/2024;
- Addendum (additional chapter) to the report on the impairment quantification process with reference to 31/12/2023, concerning the process of identifying mortgage loans restructured due to financial difficulties, at the request of the Bank of Portugal;
- Report viewing the certification of the information for the Contribution to the Resolution Fund;
- Annual independent limited assurance report on the safeguarding of assets;
- Audit report on the portfolio of loans granted by Banco BPI under the Financial Instrument for Urban Rehabilitation and Revitalisation (IFFRU) in 2023;
- Semi-annual reports on the process of monitoring deficiencies in the preparation and disclosure of financial information.

In addition, the Audit Committee issued an opinion on Banco BPI's 2023 annual report.

Finally, the Audit Committee reviewed the report prepared by the Bank's Legal Division (LD) on the calculation of Corporate Income Tax and Deferred Taxes.

e) **Supervising the process of preparation and disclosure of financial and non-financial information, namely with regard to sustainability**

The supervisory body also monitored the processes of preparation of prudential and financial reports within the framework of Banco BPI's Internal Control Framework, which formalises the procedures to be implemented by the teams responsible for the management and control of Information Reliability Risk.

These procedures concretise the duties and responsibilities set forth in Banco BPI's Internal Control Policy, which transposes for the Bank the requirements of the Internal Governance Guidelines on this matter.

Following the 3 lines of defence model, the teams accountable for the first line are responsible for implementing controls that are monitored and validated by the second line of defence (2LoD), which, based on their certification, prepares periodic validation reports. In addition, the third line of defence (3LoD) is responsible for carrying out periodic audits of the main prudential reports, including FINREP and COREP.

In this context, it is worth highlighting the (i) Information Governance Policy and (ii) the Information Reliability Management and Control Policy, the latter updated in May 2024 and also covering non-financial information. It should be noted that while the first policy formalises the principles, roles and responsibilities within the framework of information governance, establishing the 2 LoD for Data Integrity, the second formalises Banco BPI's principles, roles and responsibilities within the framework of the reliability of financial and non-financial information.

In order to mitigate the reliability risk of the information that Banco BPI makes available to its Clients, the Sole Shareholder and the market, the Bank has the following instruments:

i) the above-mentioned Information Reliability Risk Management Policy, approved by the Board of Directors, which establishes the perimeter of the information subject to the policy, the governance and control framework based on the 3 Lines of Defence model and the control and verification criteria that must be used for the correct operation of the Information Internal Control System (the following item); and

ii) a formally established Financial Information Internal Control System (FIICS) to guarantee the sufficiency and operation of the established controls and the timely correction of any detected weaknesses.

The FIICS is defined as a set of processes carried out to provide reasonable assurance about the reliability of information. These processes include the identification of risks and controls, self-assessment exercises, and a process of certification that the existing controls are effectively performed. During 2024, the detailed results of the periodic certification of these controls were reported to the Audit Committee on a quarterly basis.

It is worth noting that after the aforementioned certifications, no significant incidents were found that had (or could have had) a significant impact on Banco BPI's financial statements during the relevant periods.

In light of the FIICS certification results, it was possible to conclude at the end of each period that the process of preparing the financial information was robust and functioned effectively.

Finally, with regard to the sustainability statements, the Audit Committee was informed by the SD of the regulatory requirements laid down in the directive on sustainability reporting (CRSD) and the processes developed to comply with them, and, also in this context, the status of the independent verification of the sustainability information (for 2024) prepared by PwC as the Bank's External Auditor. In this respect, the Audit Committee notes that this Directive has not been transposed into Portuguese law and welcomes Banco BPI's decision to voluntarily maintain the publication of its sustainability statements and the subsequent validation by the External Auditor, which did not identify any material impact.

f) Monitoring the effectiveness of the internal control, internal audit, regulatory compliance and risk management systems

The supervisory body continued to pay particular attention to the guidelines issued by the Supervisor on internal control and risk control issues, having reviewed the corresponding procedures in place at Banco BPI, and also monitored the empowerment of the internal control functions to ensure that they have the necessary resources to carry out their duties properly.

This assessment was based on the close monitoring of the work carried out by the three internal control functions - risk management function, compliance function and internal audit function - under the aegis of the Risk Management Division (RMD), Compliance Division (CD) and Internal Audit Division (IAD), and also by the Risk Model Validation Unit (RMVU), which was set as an autonomous unit in the revised Internal Control Policy, approved by the Board of Directors in June 2024.

Concerning issues relating to Banco BPI's Internal Control System, the Audit Committee ensured:

- the following-up of the supervisory activities carried out by the European Central Bank (ECB) and the Bank of Portugal (BoP), including through the Joint Supervisory Team (JST), monitoring the degree of implementation of the ensuing recommendations;
- the analysis of the information provided by the RMD and the RMVU, particularly with regard to the follow-up, monitoring and control of risks, benefiting in this case from the fact that some members of the Audit Committee are also members of the Risk committee, which enables synergies and a better knowledge and preparation of the various risk issues and respective control;
- the monitoring and analysis of the information provided by the CD, namely concerning the evolution of compliance gaps and respective remediation processes implemented throughout the year with a view to their resolution and closure;
- the analysis and monitoring of the evolution of the stock of recommendations issued by

internal audit in the context of the Quarterly Report of Recommendations issued by the IAD and presented by this Division;

- the review of the reports issued by the IAD following its audits to various areas and processes of the Bank, monitoring the status of the recommendations issued as a result of these actions and the respective degree of implementation.

In addition, the Audit Committee closely monitored the progress of the activity developed by the three internal control functions, namely through their regular reports on the degree of fulfilment of the respective Annual Activity Plans, including about the adequacy of their human and technological resources.

This monitoring activity benefited from the presence at all Audit Committee meetings of the heads of the Internal Control Functions, who are now permanent guests at the Committee's meetings, albeit without voting rights, and are often called upon to answer questions from the Audit Committee members on the issues under discussion.

It should also be noted that within the scope of its powers and responsibilities under Bank of Portugal Notice no. 3/2020, the Audit Committee, as the supervisory body of Banco BPI, oversaw on a monthly basis the monitoring of the implementation of internal control recommendations and also those issued by the Statutory Auditor and the Supervisors, based on a framework created by the Bank to identify and follow up on open recommendations. This information is regularly reported to the Audit Committee, as well as to the Bank's other governing bodies.

Banco BPI's new Governance and Internal Control Policy, approved by the Board of Directors in October, formalised the detachment of the Internal Control and Business area within the RMD (DGR ICB), which now reports functionally to the Audit Committee. This area, which, among others, is responsible for monitoring the implementation of the recommendations, submitted for approval of the Audit Committee a proposed review/update to the internal control framework, including a methodological revision of the classification of these recommendations.

Also within its remit, the DGR ICB provided the Audit Committee with semi-annual monitoring reports on the outsourcing of internal control functions, thereby strengthening the Committee's oversight of the effectiveness of the internal control systems.

The following Audit Committee interventions are also worth noting:

a. **Regarding the IAD**: during 2024, the Audit Committee, as the first reporting line of the internal audit function, monitored the activity of this Division and participated in the following processes:

    - Issuance of an opinion on the Internal Audit Function's Global Assessment Report and Self-Assessment Report under Bank of Portugal's Notice 3/2020;
    - Monitoring and follow-up of the approved Internal Audit Strategic Plan (2022-2024);
    - Review and opinion on the Internal Audit Plan for 2024 and respective budget;

- Approval of the IAD's objectives for 2024:
- Approval of the IAD's Training Plan for 2024;
- Revision of the Internal Audit Function (IAF)'s Terms of Reference, with the approval of the resulting internal regulations;
- Evaluation of the fulfilment of objectives by the IAF (2023);
- Assessment of the performance and objectives of the Head of the IAF;
- Assessment of the quality of performance and appropriate independence of the IAF (2023);
- Approval of the IAF's proposals for subcontracting the provision of external services through co-sourcing;
- Review of the Quality Assurance and Improvement Programme (QAPI) annual report, which describes the activities carried out in 2023 to maintain the Internal Audit Division's quality control, and includes, in addition to measures to guarantee the independence of the function, more specific measures such as surveys on the quality of the IAD.

The Audit Committee also assessed on a monthly basis the internal audit reports issued and their conclusions regarding the audits conducted to various internal services and processes of the 1LoD and 2LoD and also of the Governing Bodies, monitoring the process of implementation of the ensuing recommendations within the deadlines defined for the purpose. The Audit Committee also took note of the conclusions of the various audits carried out by the IAD in connection to the implementation of the IRB project.

b. **Regarding the RMD**: during 2024, the Audit Committee monitored the evolution of the activity carried out by this Division.

Firstly, it issued an opinion on the RMD's Annual Plan of Activities for 2024, which was framed within the objectives of the Strategic Plan approved for 2023-2025, keeping abreast of the RMD's activity monitoring reports, including benchmarking against the approved objectives.

It also issued an opinion on the Risk Management Function Report, issued in compliance with the provisions of Bank of Portugal Notice no. 3/2020.

In addition, it followed up and monitored the activities of this function, including its strategic projects, assessing and issuing an opinion (where applicable) on the various risks in the Bank's Risks Catalogue, as well as on various documents prepared by the RMD, in their different aspects, including:

i) Risk Strategic Processes:

- Periodic monitoring reports on RAF (Risk Appetite Framework) / RAS (Risk Appetite Statement) indicators;
- Presentation of Banco BPI's annual risk assessment exercise;
- Revision of the Risks Catalogue.

ii) Credit risk:

- Monthly evolution of loan portfolio indicators
- Pricing quarterly monitoring
- IRB project monitoring and follow-up reports, including interactions with the Supervisor.

iii) Solvency and Capital Risk:

- ICAAP 2023
- 2LoD and 3LoD validation

iv) Liquidity and Funding Risk:

- ILAAP 2023
- 2LoD and 3LoD validation
- 2024 Recovery Plan

It should be noted that, as part of the ICAAP and ILAAP regulatory exercises, the Audit Committee analysed and challenged the results of incorporating the impact of climate risks into ESG parameters and the calculation of capital requirements.

v) Operational Risk:

- Update to Operational Risk governance
- Non-financial Risks Report

vi) Model Risk:

- Summary of Validation Risk Activities

Also within the framework of the risk management function, the Audit Committee issued an opinion on the proposals to review/update the internal policies and regulations (listed in b) above) relating to the financial and non-financial risks monitored by this function. It also took note of the communications with the Supervisor and assessed the reports, status updates and/or recommendations issued following the inspections of Banco BPI carried out by the Supervisory entities in relation to the matters within the RMD's remit.

c. **Regarding the CD**: the Audit Committee monitored the development of the activity carried out by this Division during 2024.

Having issued an opinion on the CD's Annual Activity Plan for 2024 at the end of 2023, the Audit Committee monitored its implementation throughout 2024, in particular through the CD's reports, including benchmarking against approved targets. The Audit Committee also issued a favourable opinion on this internal control function's Activity Plan for 2025.

Throughout the year, the Committee also followed the supervisory activity on matters conducted by the CD, where the updating of the Bank's internal regulatory framework viewing compliance with the laws and regulations in force deserves a note.

In this context, as part of the review/update of internal policies and regulations (listed in b) above), the Audit Committee assessed and provided its prior opinion on the risks monitored by the Compliance Function, namely (i) conduct and compliance risk, (ii) legal and regulatory risk and (iii) reputational risk.

Moreover, the Audit Committee analysed and, where appropriate, issued a prior opinion on the following documents prepared by this Division as 2LoD for the risks indicated:

- Annual Compliance Report summarising the activities carried out during 2023, for compliance with Article 28(1)(o) of Bank of Portugal Notice 3/2020
- Quarterly reports on the activities carried out by the Division during the 1st, 2nd and 3rd quarters of 2024, monitoring not only the evolution of Compliance gaps and their closure, but also the evolution of the various activities carried out in the areas of (i) financial crime compliance, (ii) regulatory compliance, (iii) the evolution of outstanding findings and recommendations issued by supervisors and auditors, among others
- The 2023 Report on the application of the Internal Code of Conduct on Securities Markets (ICC) - the frequency of this report was changed in 2023 to annual
- Report on the management and monitoring of complaints for compliance with the provisions of Article 28(1)(j) of Bank of Portugal Notice 3/2020
- Annual Compliance Function Report on the Internal Control System of Banco BPI for compliance with Article 28(1)(p) of Bank of Portugal Notice 3/2020
- Banco BPI's annual Prevention of Money Laundering and Terrorist Financing Reports, in accordance with Article 83 of the Bank of Portugal Notice and Article 17 of the CMVM Regulation 2/2020
- Plan for the Prevention of the Risks of Corruption and Related Offences, in accordance with Decree-Law No. 109-E/2021, to monitor the risks inherent in Banco BPI's activities and the state of implementation/execution of the action plans;
- Monitoring Report on the Management and Handling of Grievances and Complaints;
- Key Impact Statements

- Reports and recommendations made following inspections of Banco BPI by Supervisory or Regulatory entities

In accordance with the Related-Party Transactions Policy, which establishes a new governance model for the approval of transactions involving related parties in which the Bank participates, the Audit Committee (as well as the risk management and compliance functions) issued its opinion on several transactions prior to their approval by the management body.

g) Assessing and overseeing the independence of the Statutory Auditor (Statutory Auditing Firm), namely whenever the latter provides additional services to the Company

Under its legal and regulatory powers, in 2024 the Audit Committee approved (i) the fee proposal for the annual renewal of PwC's services as Banco BPI's Statutory Auditor for 2024, in accordance with the 2021-2024 mandate, a process that took place in February, and (ii) the fee proposal for the reappointment of PwC as Banco BPI's Statutory Auditor for a new two-year term (2025 and 2026), a process that took place in February, with the favourable resolution of the Sole Shareholder taking place in December, as mentioned above (these fees will only be effective from the start of the term).

The fees include "Audit Services", "Non-audit services required by law of the Statutory Auditor", and "Non-audit services not required by law of the Statutory Auditor".

Pursuant to the applicable legal provisions, namely Article 423-F(1)(o) of the CCC, the Audit Committee verified the conditions of independence of Banco BPI’s Statutory Auditors to provide "Non-audit services not required by law of the Statutory Auditor” and approved the contracting of such services from the Statutory Auditor or members of its network, controlling the relative weight of the fees due in this context in order to ensure compliance with the established regulatory limits.

Hence the amount of fees approved by the Audit Committee in 2024 for "Non-audit services not required by law of the Statutory Auditor” (and naturally not prohibited) represented:

- 14% of the total Statutory Auditor fees in 2024; and
- 16% of the average Statutory Auditor fees for Audit Services in the three previous years, which is below the maximum legal limit of 70%.

h) Receiving notice of irregularities occurred within the Company and reported by shareholders, employees or others

Banco BPI has a specific, independent and self-governing procedure to receive, handle, and file reports of irregularities, which is defined in its internal regulations, specifically in the "Banco BPI's Whistleblowing Policy”. This procedure is in strict compliance with the provisions of Article 35(1) of Notice 3/2020.

Overall, the purpose of this Policy is to establish and regulate the principles and procedures that Banco BPI must adhere to when managing the entire process of reporting any irregularities for which there is compelling evidence of violations committed within the Bank's activity and which, due to their severity, may potentially cause financial imbalances. Such irregularities may concern the behaviour of its management and/or supervisory bodies, Employees, or accounting organisation.

Under the terms of the applicable law, responsibility for receiving reports of irregularities is entrusted to the supervisory body, without prejudice to the fact that, within the framework of the aforementioned 'Banco BPI Whistleblowing Policy', Banco BPI's CD, acting in liaison with the Audit Committee, was vested with the responsibility for managing and dealing with reports of irregularities received.

The revision of this Policy, approved in 2024, updated the basic principles of the Whistleblowing System, among others, identifying the guarantees given to those who make a report. Within this framework, reports of external irregularities can be submitted in writing through any of the following channels:

i) Caixabank Group's Whistleblowing Channel, available on Banco BPI's intranet and official website;

ii) e-mail to the address provided on Banco BPI's website (comunicacao.irregularidades@bancobpi.pt); or

iii) by post in a sealed envelope addressed to the *Direção de Compliance – Área de Ética e Riscos Regulatórios* at the following address: Avenida Casal Ribeiro, nº 59, 14º andar, 1049-053 Lisboa.

Pursuant to Article 116.AA (7) of the General Law on Credit Institutions and Financial Companies ("RGICSF"), detailed information on the communications received by this means and their processing is presented in a specific report, the minimum content of which complies with the provisions of Article 8 of Bank of Portugal Instruction no. 18/2020.

In this context, at the end of 2024, the Audit Committee took note of the Ethical Values, Conflicts of Interest and Criminal Model Report (which included information on the irregularities reported) submitted by the CD, and issued the Annual Whistleblowing Report, in fulfilment of the provisions of Bank of Portugal Notice 3/2020.

i) Fulfilling all other duties assigned to it by law

During 2024, the Audit Committee performed its duties and responsibilities under the law and the Company's Articles of Association, and in particular, in accordance with the provisions of Notice 3/2020, issued a prior opinion on the proposed revision/updating of the Policy on the Relationship with the External Auditor /Statutory Auditor, approved by unanimous resolution of the Sole Shareholder in November and available on Banco BPI’s website (at https://www.bancobpi.pt).

In compliance with the same Notice, the Audit Committee held a training session in 2024 for its members and the staff involved in the process of selecting and appointing the Statutory Auditor and contracting non-prohibited services, covering the matters and responsibilities assigned to them by law and the Policy.

In carrying out its duties, the Audit Committee was not hampered in any way, having obtained the information and clarifications it deemed necessary to request from the Bank's other governing bodies and departments, always relying on their full co-operation.

II. Opinion on the Report, Accounts and Proposals presented by the Board of Directors of Banco BPI for the 2024 financial year

Within the scope of the powers conferred on it by law, in particular under Article 423-F(1)(g) of the Commercial Companies Code, the Audit Committee:

- Oversaw the preparation throughout 2024 of the financial statements' supporting documents, namely meeting with the heads of the Accounting and Planning Division in order to obtain detailed information on the preparation and closing of the annual accounts, and to seek any clarification needed for the discharge of its functions;
- Regularly met with the heads of the Bank's Internal Control Functions, having, whenever appropriate, requested relevant information and clarifications as necessary for the proper performance of its duties, particularly with regard to compliance with applicable legislation and regulations;
- Regularly met with the Statutory Auditor, monitoring the progress of their work throughout the year, having, whenever appropriate, requested relevant clarifications as needed for the performance of its duties, which enabled it to obtain an assessment of the annual accounts as at their closing date and a progress report on the audit works;
- Analysed the Statutory Auditors' Additional Report to the Audit Committee, drafted under the terms of Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April on specific requirements for the statutory audit of public interest entities;
- Examined the following documents prepared with reference to financial year 2024, which deserved its agreement:
  - The Management Report;
  - The proposed application of the results determined for financial year 2024, included in the Management Report;
  - The Bank's Financial Statements - which include the year-end Balance Sheet, the Income Statements, the Statements of Changes in Shareholders' Equity and the Cash Flow Statements – and the respective Notes;
  - Banco BPI's Corporate Governance Report; and
  - The Statutory Certification of Accounts and the Auditors Report, both concerning Banco BPI's individual financial statements, issued by PwC with no reservations or qualifications.

Upon examination of the referred documents, each of the members of the Audit Committee hereby declares that, to the best of their knowledge, the aforementioned financial information was prepared in conformity with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial position and the results of the Bank, and that the Management Report faithfully describes the evolution of the businesses and performance and position of the Bank and contains a description of the main risks and uncertainties faced by the Bank.

Accordingly, the Audit Committee is of the opinion that, with respect to the 2024 financial year, **Banco BPI's Management Report**, the **Proposed Application of Results** contained therein, the **Financial Statements**, the respective **Statutory Certification of Accounts** and also the **Corporate Governance Report**, are in conformity with the applicable legal, statutory and accounting requirements.

As such, and in view of the above, the Audit Committee recommends approval by the Shareholder of:

a) The Management Report and remaining accounting documents of Banco BPI relative to 31 December 2024;

b) The Proposed Application of Banco BPI's results for financial year 2024, in the amount of 588 242 061 euros, in the following terms:

Net Profit in financial year 2024	*588 242 061 euros*
To Legal Reserve[1]	58 824 206 euros
To Dividends:	446 033 103 euros
To other Reserves	83 384 752 euros

10 March 2025

The Audit Committee

Fátima Barros

António Lobo Xavier

Inês Valadas

Joana Freitas

Natividad Capella

[1] As provided for in Art. 97 (1) of the Legal Framework of Credit Institutions and Financial Companies ("RGICSF").

Summary of Self-Assessment Report on the adequacy and effectiveness of the organisational culture and the governance systems of Banco BPI

(This report is a free translation to English from the original Portuguese version.
In case of any inconsistency the Portuguese version shall prevail.)

This chapter is presented under the terms and for the purposes of Article 60(1) of Notice no. 3/2020 (the "Notice") of the Bank of Portugal (BoP).

The self-assessment report on the adequacy and effectiveness of the organisational culture and of the governance and internal control systems in force at Banco BPI (the "Report") was prepared under the terms of Articles 54 and 55 of the aforementioned Notice and of BoP Instruction no. 18/2020 (the "Instruction").

Pursuant to Article 2 of the said Instruction, the Report was prepared with reference to 30 November 2024, and was approved by the Board of Directors on 18 December 2024. In compliance with the CMVM Regulation no. 9/2020, this Report was also submitted to this Entity.

The Report contains the results and conclusions of the assessment on the adequacy and effectiveness of Banco BPI's organisational culture and governance and internal control systems, including the remuneration and all other practices and policies dealt with in the Notice.

The Report essentially refers to the organisational culture and to the governance and internal control systems in place at the date of the Report and, where applicable, to the period between 1 December 2023 and 30 November 2024, and its aim is to explain:

- How Banco BPI complies with the provisions of BoP Notice no. 3/2020 and Instruction no. 18/2020, including the BoP's response to a series of questions on these regulations, issued in December 2021;
- The internal control deficiencies as at 30 November 2024, including those arising from external entities; and
- The Board of Directors (BD) assessment of the adequacy and effectiveness of the organisational culture in place and of its governance and internal control systems.

The Report describes in detail the functions of the Governing Bodies, their regulations and composition, as well as the Selection and Assessment Policy for Members of the Management and Supervisory Bodies and Key Function Holders, and the Succession Plan.

Banco BPI's organisational structure is also described, namely its collegiate bodies and internal control functions, as well as its material, technical and human resources and its Policies and other relevant internal regulations.

In what concerns the conduct, values, organisational culture and risk, the Report details the basic principles laid down in Banco BPI's Code of Ethics and the actions taken in this area by the Board of Directors and the Audit Committee (AuC), as management and supervisory bodies, respectively, as well as the conduct policies and the training and awareness-raising activities carried out with a view to build up the skills of Banco BPI's human resources. In this context, detailed reference is made to Banco BPI's annual training plan and the subjects covered, in particular the mandatory training on values and rules of conduct, which applies to all Employees and is a condition for receiving variable remuneration. In particular, the training sessions and the number of participants in each session are indicated.

The Report also notes the incorporation into Banco BPI's internal regulations of the requirement for a periodic independent external assessment of the conduct and values of the institution and its governing bodies, and establishes its frequency (every three years), thus fulfilling the obligations set out in BoP Notice 3/2020. We recall that, in accordance with the Notice, this assessment stems from the need for institutions to foster an organisational culture based on high ethical standards, which, cumulatively:

- Promotes an integrated risk culture that covers every activity area of the institution and ensures the identification, assessment, monitoring and control of the risks to which the institution is or might be exposed;
- Promotes responsible and prudent professional conduct, to be observed by all staff and members of the Management and Supervisory Bodies, based on high ethical standards enshrined in the institution's own codes of conduct;
- Contributes to strengthening the institution's levels of confidence and reputation both internally and in the relationships with customers, investors, supervisory authorities and other third parties.

The Report presents the strategic risk management processes and the internal control framework, structured on the basis of the 3 lines of defence rationale adopted by Banco BPI, and in alignment with the requirements of Notice 3/2020. The internal control framework consists of a severity classification methodology applied to all recommendations, regardless of the control function or external entity issuing them, in order to meet the requirements of the BoP Notice and Instruction.

The Report details the internal control deficiencies outstanding as at 30 November 2024, including those originating from external entities, and presents their evolution during the reference period, highlighting in particular the number of deficiencies issued and implemented, as a demonstration of Banco BPI's commitment to strengthening its internal control system.

This document also addresses the outsourcing of services by the internal control areas, emphasising that all outsourced services are screened for compliance with the existing Policy, classified in accordance with the methodology for assessing criticality and associated risks, and adequately monitored in light of the risks involved.

The Report identifies the information production and treatment processes, as well as the model in place for the management of business continuity, also remarking the independent assessment of the processes for obtention, production and processing information and information flows required by Notice 3/2020.

Also, in accordance with the requirements of the Notice, the Report describes how Banco BPI adresses the matters involving related parties, relevant transactions, conflicts of interest and whistleblowing.

In this respect, it should be noted that during 2024, the control functions issued opinions on proposed transactions involving related parties and on transactions considered to be relevant, in accordance with the definition in force and the relevant Regulations duly approved by Banco BPI.

Banco BPI's Remuneration Policies, for the Employees in general and also for the Management and Supervisory Bodies and the Identified Staff, are described in the Report.

The Bank's Self-Assessment Report also contains the annual Reports of the risk management, compliance and internal audit functions, as provided in Articles 27, 28 and 32 of the Notice.

Additionally, in compliance with the provisions of Article 55(a) and Article 56 of the Notice, the Audit Committee (AuC), based on the analysis and monitoring developed during the reference period, issued its assessment report on the adequacy and effectiveness of Banco BPI's organisational culture and governance and internal control systems.

Therefore, following the work done, the AuC concluded that Banco BPI's organisational culture and its governance and internal control systems in force on 30 November 2024, including the remuneration practices and policies, are adequate, effective, and ensure compliance with the applicable regulatory requirements, considering Banco BPI's size and alignment with the commercial strategy and risk appetite.

The AuC also considers that: i) the actions carried out during the reporting period within the framework of Banco BPI's governance and internal control systems, with a view to achieving full compliance with Notice 3/2020, contribute to strengthening the adequacy and effectiveness of the Bank's organisational culture and governance and internal control systems; ii) the internal control recommendations do not have a material impact on Banco BPI's organisational culture or on BPI's governance and internal control systems; (iii) the methodology approved by the AuC for classifying the severity of the recommendations, in particular those classified as F3 "high" and F4 "severe", continues to be adequate both for the recommendations issued by the 2LoD and by the external entities (including the external auditor and supervisors), and for those issued by the Bank's internal audit; (iv) during the reference period, the internal control functions performed their activities with an adequate level of effectiveness and independence, and the AuC has no evidence that this effectiveness and independence were compromised by the fact that certain (operational) tasks were occasionally outsourced; v) Banco BPI has implemented, with reference to 30 November 2024, the mechanisms that ensure the reliability of the processes for the preparation of prudential and financial reports; vi) the existing control procedures in the information preparation and disclosure process, in force on 30 November 2024, adequately and effectively ensure, in all materially relevant aspects, the reliability of the information disclosed to the public by Banco BPI; and vii) Banco BPI adequately ensures, in all material respects, compliance with the disclosure requirements to which it is subject.

Finally, the Board of Directors of Banco BPI considered that the Bank's organisational culture and its governance and internal control systems in force in the period of 1 December 2023 to 30 November 2024, including the remuneration practices and policies, are adequate, effective, and ensure compliance with the applicable regulatory requirements, taking into account the Bank's size and alignment with the commercial strategy and risk appetite.

27 January 2025

Audit Committee

Statement of the Board of Directors

DECLARATION REFERRED TO IN ARTICLE 29-G (1) C)
OF THE SECURITIES CODE

Article 29-G (1) (c) of the Securities Code prescribes that each one of the persons responsible for the company issues a declaration, the content of which is defined therein.

The Members of Banco BPI's Board of Directors, identified here by name, individually subscribe to the declaration transcribed as follows[1]:

"I declare in the terms and for the purposes of article 29-G (1) (c) of the Securities Code that, to the best of my knowledge, the directors' report, the annual accounts, the statutory audit certification and other documents forming part of Banco BPI, S.A.'s annual report, all relating to the 2024 financial year, were prepared in conformity with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial situation and the results of that company, and that the directors' report provides an accurate account of that company's business, performance and financial position, as well as containing a description of the principal risks and uncertainties which it confronts."

BOARD OF DIRECTORS

Chairman	Fernando Ulrich
Deputy-Chairman	Cristina Rios Amorim
Members	Afonso Fuzeta Eça
	Ana Rosas Oliveira
	António Lobo Xavier
	Diogo Sousa Louro
	Fátima Barros
	Francisco Artur Matos
	Gonzalo Gortázar Rotaeche
	Inês Valadas
	Javier Pano Riera
	Joana Freitas
	João Pedro Oliveira e Costa
	Natividad Capella
	Susana Trigo Cabral

26 February 2025

This is a translation from the Portuguese original. In the event of any inconsistency the Portuguese version shall prevail.

1) The Audit Committee members signed a statement with the same content. Within the scope of the documents for which they are responsible, the External Auditors have signed an equivalent declaration.

CORPORATE GOVERNANCE REPORT

This report is a free translation to English from the original Portuguese version.
In case of any inconsistency the Portuguese version shall prevail.

I - INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND GOVERNANCE OF THE COMPANY

This report was drawn up under the terms of Article 70(2)(b) of the Portuguese Commercial Companies Code and Article 29-H of the Portuguese Securities Code.

1. Banco BPI's share capital is fully held by CaixaBank, S.A.

2. All the shares representing the share capital are of a single class and series, conferring identical rights on their holders, including voting and profit-sharing rights, and are not admitted to trading on any regulated market.
   There are no restrictions of any nature whatsoever on the transferability of shares, which is fully free.
   There is no system in place for employee participation in Banco BPI's share capital.

3. The Company has a single shareholder. There is no shareholders agreement.

4. Under the terms of the Company's Articles of Association, each share is entitled to one vote.

5. The Company is organically structured according to the model provided for in Article 278(1)(b) of the Commercial Companies Code, commonly referred to as the "Anglo-Saxon Model", having as corporate bodies the General Meeting, the Board of Directors and the Audit Committee, and there is also a Statutory Auditor ("*Revisor Oficial de Contas - ROC*").

   CaixaBank, as sole shareholder, approved the following amendments to the Bank's Articles of Association, by resolution dated 14 November 2024: i) the deletion of Article 4(2), which provided for the authorisation granted to the Board of Directors to resolve on share capital increases, valid until 26 April 2017; and ii) the amendment of the rule on the duration and renewal of the Statutory Auditor's terms of office, established in Article 10.
   Pursuant to Article 10 of Banco BPI's Articles of Association, as amended, the members of the governing bodies, with the exception of the Statutory Auditor, are elected for a term of three years and may be re-elected once or more, subject to the legal limits. The Statutory Auditor is elected for an initial term of office of a minimum of two years and a maximum of four years and may be re-elected once or more for terms of a minimum of one year and a maximum of four years, subject to legal limits. The specific duration of each mandate is set by the General Meeting.

   The current members of Banco BPI's governing bodies, with the exception of the Statutory Auditor and the co-opted members listed below, were appointed on 31 August 2023 by CaixaBank, as the sole shareholder of Banco BPI, for the term corresponding to the years 2023/2025, having taken office on 7 September 2023, the date on which the Board of Directors approved the composition of the Executive Committee of the Board of Directors and other committees of the Board of Directors. This appointment was made following the corresponding authorisation to hold office granted by the European Central Bank on 15 August 2023.

   On 19 February 2024, Ana Rosas Oliveira and Afonso Fuzeta Eça were co-opted as members of the Board of Directors and members of the Executive Committee of the Board of Directors for the current three-year term of office (2023/2025), following the resignation of Pedro Barreto and Francisco Manuel Barbeira from their positions as members of the Board of Directors and members of the Executive Committee of the Board of Directors, submitted on the same date. These co-optations were ratified by CaixaBank, as the sole shareholder, on 7 March 2024. The co-opted directors, Ana Rosas Oliveira and Afonso Fuzeta Eça, took office as members of the Board of Directors and members of the Executive Committee of the Board of Directors on 30 July 2024, after obtaining authorisation from the European Central Bank.

   On 26 March 2024, Inês Valadas was co-opted as a member of the Board of Directors and member of the Risk Committee for the current three-year term 2023/2025, following the resignation of Sandra Santos as a member of the Board of Directors, Chairman of the Nominations, Evaluation and Remuneration Committee and member of the Audit Committee, with effect from 30 April 2024. By resolution of 18 April 2024, CaixaBank, as sole shareholder, ratified the co-option of Inês Valadas and appointed her as a member of the Audit Committee. Inês Valadas took office as a member of the Board of Directors, of the Risk Committee and of the Audit Committee on 17 September 2024, after obtaining authorisation from the European Central Bank.

On 31 December 2024, the mandate of the Statutory Auditor for the four-year period 2021-2024 expired. On 19 December 2024, CaixaBank, in its capacity as sole shareholder, approved, under the terms of Article 10(3) of the Articles of Association and following the proposal submitted by the Audit Committee, the reappointment of the Company's Statutory Auditor for a term of two years, corresponding to the 2025/2026 biennium, under the following terms:

- Member in Office: PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., represented by José Manuel Henriques Bernardo;
- Alternate: Ana Maria Ávila de Oliveira Lopes Bertão.

The following changes were also made to the composition of the Board of Directors and its committees during 2024:

- on 26 March 2024, the Board of Directors appointed Joana Oliveira Freitas as Chairman of the Nominations, Evaluation and Remuneration Committee, while remaining a member of the Audit Committee and ceasing to hold office as a member of the Risk Committee;
- by resolution dated 18 April 2024, CaixaBank, as sole shareholder, appointed Cristina Rios de Amorim as Vice-Chairman of the Board of Directors, replacing António Lobo Xavier, who remained a member of the Board of Directors.

Under the Company's Articles of Association, the Board of Directors is composed of a minimum of 9 and a maximum of 17 members, elected by the General Meeting (GM), who shall appoint the Chairman from among them and, if deemed appropriate, one or more Vice-Chairmen.

The current Board of Directors, appointed to serve in the 2023-2025 term of office, is composed of 15 members - 6 executive and 9 non-executive. The number of non-executive members is considered to be adequate to the size of Banco BPI and the complexity of the risks inherent to its activity, allowing it to efficiently perform the functions entrusted to it.

It is the duty of the Board of Directors to exercise any and all powers to manage and represent the Company, as well as to define its major strategic lines and general policies.

In the performance of its duties, the Board of Directors is responsible for the following tasks (non-exhaustive list):

a) To define and approve the policies and codes required for Banco BPI's good governance;
b) To approve the strategic plan and operating plans and budgets, both annual and multi-annual, and any amendments thereto, and to regularly monitor their implementation;
c) To prepare the accounting documents and the proposal for allocation of profit, to be submitted to the General Meeting.
d) To take the initiative to propose any amendments to the articles of association and capital increases, as well as to bond issues that do not fall within its powers, submitting the corresponding proposals to the General Meeting.

The Board of Directors is also responsible for carrying out any other actions as may be required or convenient for the pursuance of all businesses included in the Company's corporate object, namely to appoint proxies to perform certain acts or categories of acts, defining the scope of their mandates.

To ensure that it operates in a proper manner, the Board of Directors shall:

a) delegate to an Executive Committee the day-to-day management of the Company, subject to legal limits and the limits to be established by the resolution establishing such delegation;
b) co-opt directors to fill any vacancies that may occur;
c) appoint a Company Secretary and an Alternate Secretary;
d) adopt its own internal rules of procedure, which include the rules of procedure of the Executive Committee of the Board of Directors, the Risk Committee, the Nominations, Evaluation and Remuneration Committee, and the Social Responsibility Committee.

The Single Rules of Procedure of the Board of Directors and its Committees (Single Rules of Procedure) were approved at the meeting of the Board of Directors on 24 October 2023.

The Board of Directors meets at least every two months and whenever convened by its Chairman or by any two Directors (it normally meets monthly, except in August).

It is the duty of the Chairman of the Board of Directors to co-ordinate the activities of this body, presiding at its meetings and ensuring that its resolutions are implemented.

Under the terms of the Articles of Association, the Board of Directors may designate as Honorary Chairmen of the Company individuals who have served as Chairmen of the Board of Directors and who, in that position, have made an exceptional contribution to the pursuit of the Company's interests.

Under this designation the Board of Directors may assign to the Honorary Chairmen, under such terms as it sees fit: (a) Duties involving the institutional representation of the Company; b) Duties involving providing advice to the Board of Directors and its Chairman as well as collaboration on the maintenance of the best possible relations between the Company's bodies and between the latter and the shareholders.

In addition to the general rules laid down by the law, the rules defined in the Selection and Assessment Policy for the members of the Board of Directors, Audit Committee and Key Function Holders also apply to the appointment and replacement of Directors.

Pursuant to its Rules of Procedure (which are included in the Single Rules of Procedure) and the aforementioned Policy, it is the responsibility of the Nominations, Evaluation and Remuneration Committee to assess the performance of the executive directors. This assessment shall take into account not only the criteria set forth in this Policy, but also the achievement of the corporate and individual objectives established for the period under assessment.

Any changes to Banco BPI's Articles of Association require the approval by two thirds of the votes cast at a General Meeting expressly convened for the purpose, as set forth in Article 29 thereof. Banco BPI's Articles of Association (Articles 30(1) and 29(2), respectively) also provide that a qualified majority of seventy five percent of the votes cast at a General Meeting is required to approve the winding-up of the Company, and the change of the rule under which that special majority is required.

6. The Board of Directors comprises an Audit Committee composed of a minimum of 3 and a maximum of 5 non-executive members appointed under the same terms as the members of the Board. The Audit Committee currently comprises 5 members. Its composition is considered to be adequate to the size of Banco BPI and the complexity of the risks inherent to its activity, allowing it to efficiently perform the functions entrusted to it. The Audit Committee, which is the Bank's supervisory body, is responsible for the following tasks (non-exhaustive list):
   a) To supervise the Company's management;
   b) To watch over compliance with legal and regulatory provisions, the Company's articles of association and the rules issued by the supervision authorities, as well as with the general policies, standards and practices instituted internally;
   c) To define the terms under which it coordinates with the Risk Committee, among others, the works to be developed and the latter's reporting to assist the Audit Committee in the performance of its duties;
   d) To monitor the situation and evolution of all the risks to which the Bank is subject, for which it counts on the assistance of the Risk Committee, and the works, analyses and recommendations submitted to it by the latter in this respect;
   e) To watch over the adequacy of and supervise compliance with the accounting policies, criteria and practices adopted, and ascertain that the documents that support them are in order;
   f) To monitor the statutory audit;
   g) To issue an opinion on the Report, Accounts and Proposals presented by the Board;
   h) To supervise the process of preparation and disclosure of financial and non-financial information, namely with regard to sustainability;
   i) To monitor the effectiveness of the internal control, internal audit, and risk management systems;
   j) To assess and oversee the independence of the Statutory Auditor (Statutory Auditing Firm), namely whenever the latter provides additional services to the Company;
   k) To receive notice of irregularities occurred within the Company and reported by shareholders, employees or others;
   l) To perform all other duties assigned to it by law.

The Audit Committee carries out control activities within its legal and regulatory remit and maintains an approved and up-to-date multi-annual activity plan.

The Committee is also responsible for monitoring the implementation of the Policy on the Relationship with the Statutory Audit / Statutory Audit Firm and for the selection process of the Bank's Statutory Audit / Statutory Audit Firm.

The Audit Committee may at any time request any document or information, written or oral, that it considers relevant for the exercise of its functions directly from the Board of Directors' committees, the structural units, or from any employee of the institution, in particular from the Internal Control Functions (Risk Management Division, Compliance Division and Internal Audit Division), without the need for any prior request or communication to the Board of Directors, which cannot prevent the Audit Committee from having direct access to the information or document in question.

The Audit Committee meets at least every two months and whenever its Chairman deems it necessary or any of its members requests it in writing (it normally meets monthly, except in August), and, without prejudice to other activities carried out in the exercise of its competencies, draws up an annual report on its supervisory action, which supports the issuance of an Opinion on the Annual Report presented by Banco BPI's Board of Directors.

The Chairman of the Board of Directors may participate, without the right to vote, in the Audit Committee meetings, whenever a matter is on the agenda for which discussion his or her presence is relevant and he or she has been invited by the Chairman of the Audit Committee.

The Members of the Executive of the Board of Directors and other senior officers of Banco BPI may also take part in the meetings of the Audit Committee, without voting rights, whenever this is deemed necessary and is requested by the Chairman of the Audit Committee. The Audit Committee meetings are also attended by the heads of the internal control functions, who are permanent guests of the Audit Committee, although without voting rights.

The External Auditor shall attend the meetings of the Audit Committee at least once a quarter and also i) whenever their presence is requested by the Chairman of the Audit Committee and/or ii) whenever they so wish, for which purpose they shall inform the Chairman of the Audit Committee.

The Rules of Procedure of the Audit Committee were approved on 17 December 2020 and subsequently revised on 25 March 2021, 29 June 2021, 26 September 2023 and 17 September 2024.

7. The Board of Directors comprises an Executive Committee (ECBD) composed of a minimum of 3 and a maximum of 11 members, to which the day-to-day management of the Company is delegated, with the broadest powers necessary or convenient for carrying out banking activities under the terms and to the extent established by law, subject to the following limitations:

The following operations shall not result in financial involvement with any single entity (or if that entity forms part of a group that for internal risk analysis corresponds to a single risk group, then with that group) corresponding to more than 15% of Banco BPI's consolidated Shareholders' Equity, as reported in the latest budget approved for 31 December of the year in question:

a) Lending or financing operations;
b) Remunerated provision of personal guarantees;
c) Subscription, acquisition, disposal or encumbrance of shareholdings in any companies, other than shareholdings in Banks and Insurance Companies;
d) Acquisition, disposal or encumbrance of any other securities.

The above rule shall not apply to operations resulting in financial involvement exceeding 15% of the Bank's consolidated Shareholders' Equity (such as defined in the Risk Appetite Framework - RAF at any time approved by the Board of Directors), if the debtor is a Sovereign State or if, due to any other circumstance, the Bank is exposed to Sovereign risk as a result of such operations. Such operations may therefore be decided by the Executive Committee of the Board of Directors, which in any case must obtain the favourable opinion of the Risk Committee prior to taking such decision. For this purpose, sovereign risk shall be understood as the exposure to the credit risk of any entity under Direct Administration of a Sovereign State or to the risk of any other entity or transaction for which a Sovereign State is responsible, whether as a result of the legal regime of that entity or of the Sovereign State having provided a personal guarantee to that transaction.

The following shall also be excluded from the delegation of powers in the Executive Committee of the Board of Directors:

a) Decisions concerning debt relief or delivery in accord and satisfaction in lieu of payment, when concerning debts to the Bank of persons that are, under the applicable law, Politically Exposed Persons or holders of other political or public offices.
b) Without prejudice to the next paragraph, decisions to acquire equity holdings (i) in companies with assets exceeding €150 million or (ii) when the equity holding to be acquired, by itself or together with previous acquisitions, involves an acquisition sum of €25 million or more;
c) Decisions to encumber or dispose of shareholdings whose acquisition value exceeds €25 million.

Where the urgency or exceptional nature of the operation so require, and the acquisition amount of the equity holding does not exceed €50 million, the acquisition may be decided upon by the Executive Committee of the Board of Directors, which shall inform the Board of Directors about it as soon as possible.

As provided in its Rules of Procedure (which are part of the Single Rules of Procedure), the resolutions of the Executive Committee of the Board of Directors are taken by an absolute majority of votes, the Chairman having a casting vote. The Executive Committee meets whenever convened by its Chairman or by two of its other members, watching over the evolution of the corporate businesses on an ongoing basis. As a rule, the Executive Committee meets on a weekly basis.

Three specialised committees operate within the scope of the Board of Directors:

a) the **Risk Committee**, which, without prejudice to the powers of the Audit Committee in these matters, is responsible for advising and proposing to the Board of Directors Banco BPI's risk policy and, in this context, for advising on risk appetite and global risk strategy on sustainability issues and for monitoring the performance of the Risk Management and Compliance functions. The Risk Committee comprises a minimum of 3 and a maximum of 5 members of the Board of Directors who are not members of the Executive Committee of the Board of Directors. The Risk Committee currently comprises 4 members and its Chairman does not chair any other Committee of the Board of Directors. The Risk Committee composition is considered to be adequate to the size of the Bank and the complexity of the risks inherent to its activity, allowing it to efficiently perform the functions entrusted to it. The Rules of Procedure of the Risk Committee are part of the Single Rules of Procedure.

b) the **Nominations, Evaluation and Remuneration Committee**, whose duties include issuing opinions on the filling of vacancies in the corporate bodies and on the choice of Directors to be appointed to the Executive Committee, and also on the assessment and setting of the latter's remuneration, as well as issuing opinions, amongst others, on the policies relating to the appointment and succession to positions on Banco BPI's corporate bodies and senior management and on the remuneration policies to be defined for these positions and for Banco BPI's other employees. The Nominations, Evaluation and Remuneration Committee comprises a minimum of 3 and a maximum o' 5 members of the Board of Directors who are not members of the Executive Committee of the Board of Directors. It currently comprises 3 members. The Rules of Procedure of the Nominations, Evaluation and Remuneration Committee are part of the Single Rules of Procedure.

c) The **Social Responsibility Committee** is responsible for submitting proposals to the Board of Directors and giving its opinion on all activities carried out by the Bank and in association with the Bank in the field of Social Solidarity, including, in particular, solidarity, education, culture, research and science. The Social Responsibility Committee is composed of a minimum of 3 and a maximum of 5 members who are not necessarily members of the Board of Directors. It currently comprises 5 members. The Rules of Procedure of the Social Responsibility Committee are part of the Single Rules of Procedure.

9. The Company's corporate governance model as at 31 December 2024 is as follows:

Governing bodies of Banco BPI:

Board of the General Meeting
Chairman
Luís Graça Moura
Secretary
João Avides Moreira

Audit Committee
Chairman
Fátima Barros
Members
António Lobo Xavier
Inês Valadas
Joana Freitas
Natividad Capella

Statutory Auditor (*)
Member in Office
PricewaterhouseCoopers & Associados, SROC, Lda., represented by José Manuel Bernardo or Cláudia Sofia Parente
Alternate
Ana Maria Ávila de Oliveira Lopes Bertão

Board of Directors
Chairman
Fernando Ulrich
Vice-Chairman
Cristina Rios Amorim
Members
Afonso Fuzeta Eça
Ana Rosas Oliveira
António Lobo Xavier
Diogo Sousa Louro
Fátima Barros
Francisco Artur Matos
Gonzalo Gortázar Rotaeche
Inês Valadas
Javier Pano Riera
Joana Freitas
João Pedro Oliveira e Costa
Natividad Capella
Susana Trigo Cabral

Company Secretary
Member in Office
Miguel Morais Leitão
Alternate
João Baptista da Silva

Risk Committee
Chairman
Cristina Rios Amorim
Members
Fátima Barros
Inês Valadas
Javier Pano Riera

Executive Committee of the Board of Directors
Chairman
João Pedro Oliveira e Costa
Members
Afonso Fuzeta Eça
Ana Rosas Oliveira
Diogo Sousa Louro
Francisco Artur Matos
Susana Trigo Cabral

Nominations, Evaluation and Remuneration Committee
Chairman
Joana Freitas
Members
Cristina Rios Amorim
Javier Pano Riera

Social Responsibility Committee
Chairman
Artur Santos Silva
Members
António Barreto
Isabel Jonet
José Pena do Amaral
Rafael Chueca

* On 19 December 2024, CaixaBank, in its capacity as sole shareholder, approved the reappointment of the Company's Statutory Auditor for a term of two years, corresponding to the 2025/2026 biennium, under the following terms: Member in Office: PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., represented by José Manuel Henriques Bernardo; Alternate: Ana Maria Ávila de Oliveira Lopes Bertão.

Positions held by the members of the Board of Directors and of the Audit Committee in other companies as at 31 December 2024

Name	Position	Positions in commercial companies	Other positions
Fernando Ulrich	Chairman of the Board of Directors	Non-executive Director at CaixaBank, S.A.	Does not hold any other positions
Cristina Rios Amorim	Vice-Chairman of the Board of Directors Chairman of the Risk Committee Member of the Nominations, Evaluation and Remuneration Committee	Non-executive member of the Board of Directors of Amorim, Sociedade Gestora de Participações Sociais, S.A. Non-executive Chairman of the Board of Directors of Amorim Investimentos e Participações, SGPS, S.A. Executive Director, CFO and CSO at Corticeira Amorim, SGPS, S.A.	Member of the Board of BCSD Portugal – Business Council for Sustainable Development Member of the Board in representation of Corticeira Amorim, SGPS, S.A., and of AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado
Afonso Fuzeta Eça	Executive Director	Non-executive Director at SIBS, SGPS, S.A. Non-executive Director at SIBS Forward Payment Solutions, S.A.	Does not hold any other positions
Ana Rosas Oliveira	Executive Director	Does not hold other positions in commercial companies	Member of the Board of Curators of Fundação AEP, in representation of Banco BPI, S.A. Member of the General Board of COTEC PORTUGAL- Associação Empresarial para a Inovação, in representation of Banco BPI, S.A.
António Lobo Xavier	Non-executive Director Member of the Audit Committee	Non-executive Director at NOS SGPS, S.A. Non-executive Director at BA Glass – Serviços de Gestão e Investimentos, S.A. Chairman of the General and Supervisory Board of EDP-Energias de Portugal, S.A. Non-executive Vice-Chairman of Sogrape, SGPS, S.A.	Chairman of the Board of the General Meeting of Têxtil Manuel Gonçalves, S.A. Chairman of the Board of the General Meeting of Mysticinvest, Holding S.A. Member of the Board of Curators of the Belmiro de Azevedo Foundation Member of the Board of Curators of the Francisco Manuel dos Santos Foundation Member of the Council of State
Diogo Sousa Louro	Executive Director	Does not hold other positions in commercial companies	Does not hold any other positions
Fátima Barros	Non-executive Director Chairman of the Audit Committee Member of the Risk Committee	Non-executive Director at Brisa Concessão Rodoviária, S.A. Member of the Supervisory Board of Warta – Retail & Services Investments B.V.	Non-Executive Director at Francisco Manuel dos Santos Foundation
Francisco Artur Matos	Executive Director	Does not hold other positions in commercial companies	Does not hold any other positions
Gonzalo Gortázar Rotaeche	Non-executive Director	CEO of CaixaBank, S.A. Non-executive Chairman of the Board of Directors of CaixaBank Payments & Consumer, EFC, S.A.	Does not hold any other positions
Inês Valadas (*)	Non-executive Director Member of the Audit Committee Member of the Risk Committee	Executive Member of the Board of Directors of Vodafone Portugal – Comunicações Pessoais, S.A.	Does not hold any other positions

Javier Pano Riera	Non-executive Director Member of the Risk Committee Member of the Nominations, Evaluation and Remuneration Committee	Non-executive Vice-Chairman of the Board of Directors of CECABANK, S.A.	Chief Financial Officer of CaixaBank, S.A.
Joana Freitas	Non-executive Director Chairman of the Nominations, Evaluation and Remuneration Committee Member of the Audit Committee	Non-executive Director at EDA – Electricidade dos Açores, S.A. Executive Director of EDP – Gestão da Produção de Energia, S.A.	Chairman of the Comité de Generation and Environment of Eurelectric – Federation of the European Electricity Industry Member of the Board of International Hydropower Association
João Pedro Oliveira e Costa	Chairman of the Executive Committee of the Board of Directors	Does not hold other positions in commercial companies	Does not hold any other positions
Natividad Capella	Non-executive Director Member of the Audit Committee	Non-executive Director at VidaCaixa, S.A.U., Non-executive Director at CaixaBank Wealth Management Luxembourg S.A.	Head of Corporate Risk Management Function & Planning at CaixaBank, S.A.
Susana Trigo Cabral	Executive Director	Non-executive Director at VIDA CAIXA, S.A.U.	Does not hold any other positions

Independence of the Members of the Board of Directors and Audit Committee

The following table lists the non-executive members of the Board of Directors and Audit Committee who are considered independent according to the rules defined in the Portuguese Companies Code (Article 414(5)) and in the joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (points 89 and 90):

	Board of Directors	Audit Committee	Risk Committee	Nominations, Evaluation and Remuneration Committee	Independence qualification
Fernando Ulrich	Chairman				
Cristina Rios Amorim	Vice-Chairman		Chairman	Member	Independent
António Lobo Xavier	Member	Member			
Fátima Barros	Member	Chairman	Member		Independent
Gonzalo Gortázar Rotaeche	Member				
Inês Valadas (*)	Member	Member	Member		Independent
Javier Pano Riera	Member		Member	Member	
Joana Freitas	Member	Member		Chairman	Independent
Natividad Capella	Member	Member			

Transactions in CaixaBank shares and Banco BPI or CaixaBank bonds made by the members of the Board of Directors and Audit Committee in 2024 (for compliance with art. 447 of the Commercial Companies Code)

The totality of the shares representing the share capital of Banco BPI are held by its single shareholder, CaixaBank, S.A., therefore no transactions on Banco BPI shares were carried out by members of its Board of Directors or Audit Committee in 2024.

No member of the Board of Directors or Audit Committee holds or carried out transactions in Banco BPI or CaixaBank bonds.

The information on transactions with CaixaBank, S.A. shares is provided in the table below:

Members of the management and supervisory bodies appointed for the 2023-2025 term of office, in office since 31 December 2024

	Position at 31 Dec. 2023	Acquisitions 2024	Disposals 2024	Position at 31 Dec. 2024
Fernando Ulrich	0	0	0	0
Cristina Rios Amorim	0	0	0	0
António Lobo Xavier	0	0	0	0
Afonso Fuzeta Eça (1)	4,581 (2)	**26 Feb. 1,069 / €3.929 **25 Mar. 3,843 / €4.743	18 Mar. 4,581 / €4.55	4,912
Ana Rosas Oliveira (1)	70,968(2)	**26 Feb. 1,161 / €2.411 **26 Feb. 1,579 / €2.916 **26 Feb. 1,200 / €3.929 **25 Mar. 3,727 / €4.743	21 Aug. 10,000 / €5.35 27 Aug. 10,000 / €5.40 28 Aug. 15,000 / €5.45 26 Sep. 10,000 / €5.59	33,635
Diogo Sousa Louro	9,862	**26 Feb. 732 / €2.916 **26 Feb. 916 / €3.929 *25 Mar. 4,761 / €4.743 ***25 Mar. 3,830 / €2.178	27 Feb. 5,000 / €4.1470 13 Mar. 2,546 / €4.4800 16 May 2,316 / €4.9000	10,239
Fátima Barros	0	0	0	0
Francisco Artur Matos	19,501	*25 Mar. 1,647 / €3.081 *25 Mar. 7,081 / €4.743 ***25 Mar. 4,942 / €2.178 *30 Apr. 3,992 / €3.601	20 May 19,501 / €4.9707	17,662
Gonzalo Gortázar Rotaeche	828,756	27 Feb. 93,280 / 4.169 29 May 8,809 / 5.136	23 Aug. 161,268 / €5.36 23 Aug. 88,732 / €5.37	680,845
Inês Valadas (3)	0(4)	0	0	0
Javier Pano Riera	28,324	28 Feb. 26,108 / 3.904 30 May 1,969 / 4.897	0	56,401
Joana Freitas	0	0	0	0
João Pedro Oliveira e Costa	29,975	***26 Feb. 1,902 / €3.283 *25 Mar. 2,636 / €3.081 *25 Mar. 9,965 / €4.743 ***25 Mar. 9,827 / €2.178 *24 Apr. 3,793 / €1.580 *29 Apr. 5,101 / €2.880 *30 Apr. 5,650 / €3.601	05 Mar. 1,903 / €4.2895	66,946
Natividad Capella	131,230	29 Feb. 9,417 / € 4.17	0	140,647
Susana Trigo Cabral	61,136	**26 Feb. 1,013 / €2.411 **26 Feb. 840 / €2.916 **26 Feb. 1,109 / €3.929 *25 Mar. 4,673 / €4.743 ***25 Mar. 3,759 / €2.178	0	72,530

* Shares awarded for execution of the Remuneration Policy of the members of the Board of Directors of Banco BPI, relative to Variable Remuneration (“VR”).
** Shares awarded for execution of the Remuneration Policy of the members of the Identified Collective, relative to Variable Remuneration (“VR”).
*** Shares awarded for execution of the Remuneration Policy of the members of the Identified Collective, relative to the Long-Term Incentives Plan (LTI).
(1) In the period between 19 February 2024 and 31 December 2024.
(2) Position on 19 February 2024.
(3) In the period between 26 March 2024 and 31 December 2024.
(4) Position on 26 March 2024.

Members of the management and supervisory bodies appointed for the 2023-2025 term of office, who took office on 7 September 2023 and ceased to hold office on 19 February 2024(1) and 30 April 2024(2)

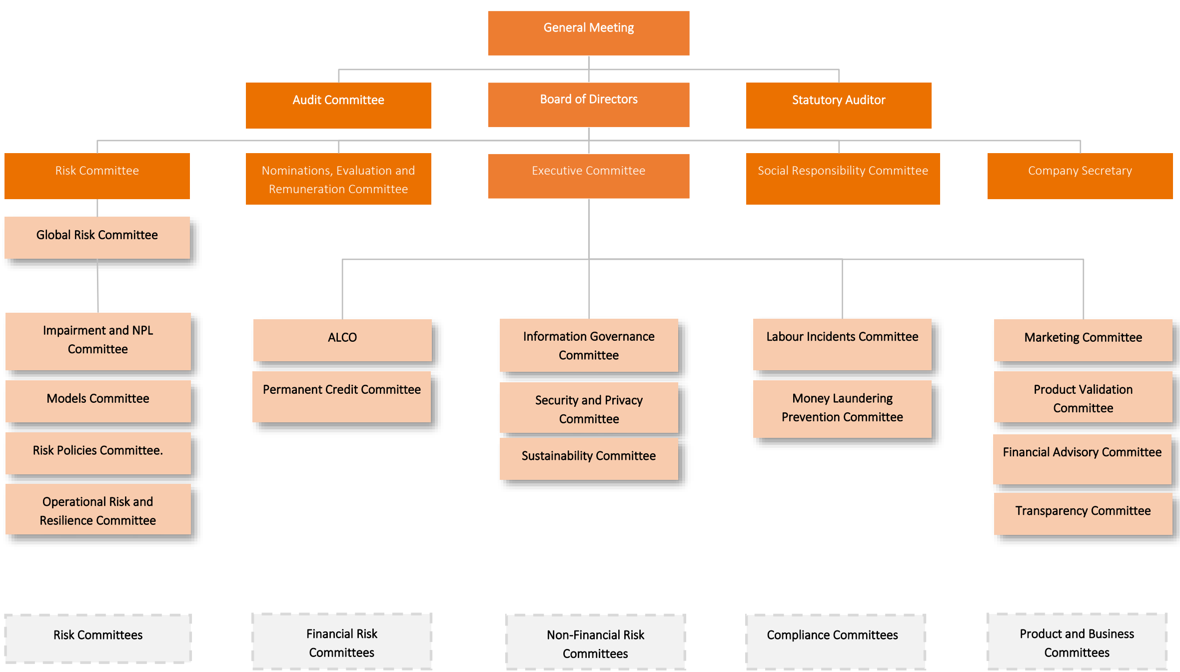
	Position at 31 Dec. 2023	Acquisitions 2024	Disposals 2024	Position at 19 Feb. 2024	Position at 30 Apr. 2024
Francisco Manuel Barbeira (1)	44,940	0	0	44,940	–
Pedro Barreto (1)	43,412	0	0	43,412	–
Sandra Santos (2)	0	0	0	–	0

(1) In the period between 31 December 2023 and 19 February 2024, the date on which he resigned from office.
(2) In the period between 31 December 2023 and 30 April 2024, the date on which the resignation became effective.

Executive Committee	Main areas of responsibility
Chairman João Pedro Oliveira Costa	Communication and Brand; Credit Recovery; Corporate Secretary; People and Talent, Private Banking
Members Afonso Fuzeta Eça	Information Systems; Operations; Channels; Security, Facilities and Logistics; Innovation, Quality and Organisation; Artificial Intelligence
Ana Rosas Oliveira	Corporate and Institutional Banking; Corporate Banking; Corporate and Institutional Marketing; Corporate Experiences; Specialised Financing
Diogo Sousa Louro	Retail and Businesses; Marketing Retail and Businesses, Retail Experiences
Francisco Artur Matos	Risk Management; Compliance; Legal; Sustainability; Management Information and Incentive Systems, Validation and Model Risk Unit
Susana Trigo Cabral	Financial; Credit Admission; Accounting and Planning; Procurement

The Internal Audit Division (IAD) reports functionally to the Audit Committee and Internal Audit Function of CaixaBank, without prejudice to its duty to report to the Chairman of the Board of Directors to enable the latter's adequate fulfilment of their functions.

In addition, there are a set of interdisciplinary Committees that monitor and control all the institution's activity. Banco BPI currently has 16 Committees, set up in accordance with the established Committee Governance Model, with the following structure and reporting lines:



Below is a brief presentation of these Committees:

- The **Risk Committees**, including the **Global Risk Committee**, to which decisions affecting the management areas of all the Bank's risks are delegated, with the exception of the acceptance of new business.
  The Global Risk Committee, which reports to the Risk Committee, is responsible for managing, controlling and monitoring all the risks that Banco BPI may incur, as well as for assessing the implications of these risks for liquidity management, solvency levels and regulatory and economic capital consumption.

  To do so, it analyses the Bank's global risk positioning and establishes policies that optimise risk management, monitoring and control, in line with its strategic objectives. The Global Risk Committee's objectives also include aligning Banco BPI's risk strategy to the guidelines issued by the Board of Directors in the Risk Appetite Framework (RAF), coordinating non-performance mitigation measures and the response to RAF early warning signals, and keeping the Board of Directors informed, through the Risk Committee, of the main activity lines and status of risks at Banco BPI.

  Additionally, the Global Risk Committee assures the Board of Directors and the Corporate Bodies of the existence, design and effective application of the organisation's risk control policies and procedures, assessing Banco BPI's internal control system.

  The Global Risk Committee must also ensure that the CaixaBank Group's corporate policies within its sphere of intervention are implemented and complied with at Banco BPI.

  The Global Risk Committee delegates to the committees listed below, which report directly to it and have the following responsibilities:

  Impairment and NPL Committee:
  Collegiate body whose members take decisions viewing (i) the implementation of Banco BPI's Impairment Policy, and (ii) the definition of the objectives for each party involved in the recovery process, the actions to be taken to achieve them, and the monitoring of the level of achievement of these objectives.

  Models Committee:
  This Committee's scope of action covers all aspects related to the methodology, scope of application, compliance with internal rules and external guidelines, and appropriate use of models, as well as the formal approval of all associated documentation. Due to their potential impact at regulatory and management level, the Models Committee keeps the Global Risk Committee informed of its main decisions.

  Risk Policies Committee:
  Responsible for the definition and implementation of policies aligned to and supporting the Credit Risk Appetite Framework defined for the Group. The Committee is also responsible for ensuring that they are implemented in accordance with the CaixaBank Group's corporate policies. The Risk Policies Committee is therefore responsible for approving Banco BPI's credit risk policies and procedures. However, policies that significantly affect Banco BPI must be ratified through the approval of the Global Risk Committee and the Board of Directors, whenever justified.

  Operational Risk and Resilience Committee:
  This Committee reports to the Global Risk Committee on matters concerning the management of operational risk and business continuity and is responsible for the management, control and monitoring of Banco BPI's operational risk and business continuity within the framework of the relevant policies. To this end, it analyses the global positioning of operational risk and business continuity and proposes policies to optimise their management, monitoring and control in line with Banco BPI's strategic objectives. The Operational Risk and Resilience Committee must also ensure that the Group's corporate policies within its sphere of intervention are implemented and complied with.

- **Financial Risk Committees**, delegated bodies of the Executive Committee of the Board of Directors, which include:

  ALCO Committee, which is responsible for:

  - Managing, controlling and monitoring the Liquidity and Funding risks, Market risk, Interest Rate Risk on the Banking Book (IRRBB) and Exchange Rate risk within the scope of Banco BPI;
  - Streamlining and making more profitable the financial structure of the balance sheet, including Net interest income and Income from Financial Operations;
  - Determining the transfer rates for the various businesses, and monitoring the prices, maturities and volumes of the activities that generate assets and liabilities, in accordance with the policies, risk appetite framework and risk limits approved by the Board of Directors.

  In addition, the ALCO Committee, jointly with the Executive Committee of the Board of Directors, is the sole body with decision-powers with regard to Banco BPI's wholesale funding - usually involving the issue of bonds, cash or synthetic securitisations, loans or equity instruments. Likewise, the ALCO Committee is Banco BPI's only body with powers to approve investments in fixed-income instruments and interest rate or inflation derivatives whose market valuation affects Net Worth and/or regulatory Solvency ratios. Its decisions are binding and it can also issue recommendations for the different business areas.

  The ALCO Committee is also responsible for deciding on matters relating to the Pension Fund, such as the management of assets, the valuation of liabilities and related operational issues.

  All the members of the ALCO Committee must inform the Committee about any matters within their sphere of competence that are liable of affecting the management of risk under the responsibility of the Committee.

  Permanent Credit Committee, which oversees credit approval and recovery issues across all risk segments. Its mission is to monitor and decide on loan granting and recovery, obligatorily analysing all loan exposures (including transactions fully hedged by financial assets eligible for mitigation) within its remit.

- **Non-Financial Risk Committees**, which report to the Executive Committee of the Board of Directors, and include:

  Information Governance Committee:
  The main objective of the Information Governance Committee is to ensure compliance with the BCBS 239 Regulation, namely watching over the coherence, consistency and quality of the information to be disclosed and defining the data management strategy.

  The Committee must also promote the value of information and data as a corporate asset and a critical and differentiating element, and put into practice Banco BPI's Global Information Governance Policy across the entire organisation, on the following fronts:

  - Assignment of responsibilities for the information items, namely concepts and reportings;
  - Standardisation of concepts;
  - Data documentation principles that ensure the centralisation, integrity and consistency of all the information;
  - Processes to assess and improve data quality.

  The Committee is also responsible for supervising and ensuring the correct execution and monitoring of the Information Governance Policy at Banco BPI.

Security and Privacy Committee:
This Committee reports to the Executive Committee of the Board of Directors and its mission is to manage, control and monitor information security at Banco BPI and the entities covered by the General Information Security Policy. To this end, it must analyse the global positioning of information security and propose policies that optimise the management, monitoring and control of information security in line with BPI's strategic objectives.

The Committee's responsibilities also include:

- Ensuring compliance with the requirements of the General Data Protection Regulation, and the effectiveness and consistency of the measures implemented in the Bank. Overseeing the implementation of the General Data Protection Regulation in the Bank, as well as other applicable legislation, and ensuring the dissemination and implementation of the related policies and regulations;
- Ensuring respect for the fundamental right to data protection (enshrined in the European Union Charter of Fundamental Rights) in all activities carried out for compliance with the applicable legislation, the resolution of incidents detected and, where appropriate, leading the implementation of the legislation and law interpretation;
- Ensuring the implementation of and compliance with CaixaBank Group's corporate policies that apply to its scope of activity.

Sustainability Committee:
Banco BPI's Sustainability Committee is responsible for approving and monitoring the Bank's sustainability strategy and practices, as well as for proposing and submitting for the approval of the appropriate governing bodies the relevant sustainability management policies, for supervising the Sustainability Banking Plan, and for promoting the integration of sustainability criteria into Banco BPI's business management and its different areas.

Its mission is to contribute to Banco BPI being recognised for the excellence of its sustainability governance, thus reinforcing its positioning through its Sustainable Banking model.

The Sustainability Committee submits for approval of and keeps the Executive Committee of the Board of Directors regularly informed on the main topics under discussion in the field of sustainability.

- Compliance Committees, which report to the Executive Committee of the Board of Directors, and include:

Money Laundering Prevention Committee:
The Money Laundering Prevention Committee is an AML/CTF internal control body of Banco BPI, with deliberation and decision powers, created with the purpose of establishing and proposing the policy and the procedures to prevent money laundering and terrorist financing and related sanctions, in accordance with CaixaBank group's policies. It is the responsibility of the Money Laundering Prevention Committee to ensure compliance across Banco BPI with the corporate policies that apply to its sphere of intervention.

Labour Incidents Committee:
The mission of this Committee is to analyse all labour incident processes submitted to it, to take decisions within its remit and/or submit proposals for assessment and decision by the Executive Committee of the Board of Directors.

- Product and Business Committees, which report to the Executive Committee of the Board of Directors, and include:

Marketing Committee:
The mission of the Marketing Committee is to coordinate the activities and businesses of the Corporate and Institutional, Private Banking and Wealth, and Individuals, Small Businesses and Premier networks, deciding on, or preparing for decision by other bodies, in line with the Bank's organic policies, standards and powers, all matters that are of common interest to the commercial networks, namely the organisation of the product offer, segment management, price positioning and commercial communication.

Product Validation Committee:
The mission of this Committee is to assess and give an opinion on the matters and risks within its remit relating to the creation, marketing and monitoring of Banco BPI's products, and to ensure the periodic assessment of the product approval and monitoring procedures set out in the Product Governance Policy in force at any given time.

Financial Advisory Committee:
This Committee monitors matters relating to the validation of the offer selection proposed and recommended within the scope of the Investment Advisory Service. The Committee's main objective is to define a common message for all the Private Banking and Wealth Division's commercial teams, through the organised management of messages from all the Bank's financial markets areas, as well as the recommendations issued by the Investment Advisory service.

Transparency Committee:
The mission of this Committee is to monitor all matters that have or may have an impact on the conduct risk underlying the marketing of financial intermediation products and services, with a view to ensuring adequate Customer protection. Therefore, the main task of the Transparency Committee is to decide how Banco BPI should accommodate and ensure compliance with the legal requirements applicable to these matters.

9. Main features of the Company's internal control and risk management systems in relation to the financial reporting process Article 29-H(1)(l) of the Securities Code

Banco BPI's internal control model is based on the three lines of defence, as provided in the EBA's Guidelines on Internal Governance. This model is established in the Governance and Internal Control Policy, where the Risk Management Function (RMF), Compliance function, and Internal Audit function stand out. This policy is deployed within the scope of internal control through the implementation of the 3LoD Model in the Institution for all the risks identified in the Risks Catalogue approved by the Board of Directors. Banco BPI's Internal Control Framework establishes functions and procedures that implement the policy for each of the risks and each of the lines of defence identified.

With regard to the financial information disclosure process, Banco BPI also has a General Information Governance Policy which establishes a multidisciplinary set of structures and systems, plans, policies, principles, guidelines, processes, procedures and controls to address the requirements stemming from the legal and regulatory framework and the established strategies.

Complementing the work carried out by the control functions, Banco BPI also regularly reviews the recommendations of external entities, including the Statutory Auditor, to the governing bodies, with the objective of constantly strengthening the processes of disclosure of financial information.

At Banco BPI, the Risk Management Division (RMD), together with the Validation and Model Risk Unit, which comprise the Risk Management Function (RMF), is responsible for ensuring the implementation of the Internal Control System and the 3LoD Model, as well as for designing and effectively implementing a risk management structure and for reporting on all the Bank's material risks.

The Global Risk Management Policy, approved in November 2021, aims to ensure the application of an effective risk management structure that is consistent with the achievement of Banco BPI's strategic objectives. Additionally, this policy is in line with the requirements of Bank of Portugal Notice no. 3/2020 to the effect that the institution's overall objectives and the specific objectives for each structural unit, in terms of the risk profile and risk tolerance level, are adequately established. The Policy must be reviewed at least annually.

10. The Bank's main business areas

Banco BPI focuses on the commercial banking business in Portugal, offering a broad range of services and financial products to individual, corporate and institutional Customers. The commercial banking business is structured into the following areas:

- Individuals, Businesses, Premier and InContact Banking: commercial operations with individual Customers, entrepreneurs and small businesses, developed through a multi-channel distribution network comprising traditional branches (serving mass-market Customers, entrepreneurs and small businesses), Premier centres (serving high networth Customers or Customers with potential for wealth accumulation), Intouch centres (which offer individual Customers a dedicated account manager accessible by phone or digital channels, during an extended timetable), AGE Centre (remote service to young Customers between the ages of 18 and 25), Connect Centre (remote service to Customers with low commercial potential and involvement), and Citizen Centre (which caters to foreign Customers).
- Private Banking and Wealth: serves individual Customers with considerable financial assets, providing specialised discretionary management and advisory services.
- Corporate and Institutional Banking: provides a specialised service to companies and institutions, through Business Centres, Real Estate Business Centres and Corporate and Business Development commercial areas (which develop remote relationships with groups with turnover of up to €10 M.) and Corporate and Institutional Banking Centres (which address the needs of Institutional Customers and the largest national business groups).

11. Internal Governance and Control System

Banco BPI's corporate governance model establishes a set of corporate bodies that carry out their activity under a system of delegated Committees and Operational Groups that ensure the formalisation of the Bank's principal decisions and the adequate monitoring of relevant matters. Each of these bodies and committees has established common procedures that comply with the best practices at this level, and each has its own regulations, which, among others, set their scope of action, the members that compose them, the decision-making mechanisms and the formalisation procedures. The governance structure is represented in an organisational chart that establishes the reporting lines of each Division and Structural Unit, as well as the mission and functions of each of these departments.

The Bank has an Internal Governance and Control Policy approved by the Board of Directors on 29 October 2024, which formalises the Internal Governance and Internal Control Structure by defining the powers and responsibilities of the Governing Bodies and Internal Control Functions, reflecting the main criteria, principles, objectives, systems, rules of conduct and procedures to which they are subject.

The internal control framework implemented at Banco BPI corresponds to the set of internally defined strategies, policies, systems, processes and procedures to be observed in all the Bank's activities viewing the proper identification, evaluation, monitoring and control of the risks to which the Bank is or may come to be exposed. In addition to the Internal Governance and Control Policy, Banco BPI also has in place an internal control framework, which, together with the policy, formally establish the three lines of defence model and the main control mechanisms for each of the risks in Banco BPI's catalogue. In this context, the responsibilities of the Board of Directors, Audit Committee, Risk Committee, Nominations, Evaluation and Remuneration Committee and Global Risk Committee, as well as the responsibilities of the various control functions, are of particular importance. For each risk in Banco BPI's catalogue, a set of policies has also been defined, which constitute the mechanism by which the governing bodies implement and disseminate their strategic decisions on each risk.

For compliance with the provisions of Bank of Portugal Notice no. 3/2020 and associated Instruction no. 18/2020, Banco BPI's Board of Directors prepares every year its self-assessment report on the adequacy and effectiveness of the organisational culture and the governance and internal control systems. In addition to the opinion of the Board of Directors, this report contains the response given by Banco BPI to the requirements on these matters, including developments occurred over the reporting period. The internal control recommendations identified by the control functions or external entities are also reported and subject to monthly monitoring by the governing bodies.

12. Risk Management Function

The risk management, compliance, and audit functions are institutionally allocated in legal and regulatory terms to the Risk Management Division (RMD), Validation and Model Risk Unit (VMRU), Compliance Division (CD) and Internal Audit Division (IAD), respectively.

The broad lines that govern the organisation and functioning are described below:

a) Risk Management Division (RMD)

The Risk Management Division integrates Banco BPI's Risk Management Function. It reports hierarchically to the Chief Risk Officer and functionally to the Risk Committee and the Head of CaixaBank's risk management function. The RMD comprises the second line of defence, acting independently from the business and support units that integrate the first line of defence. The RMD's mission is to ensure an aggregated and holistic view of all risks to which the Bank is or may be exposed, and to promote the implementation of a sound risk management framework in line with the strategy and approved risk profile. Its scope of action encompasses the entire organisation, and it plays a key instrumental role in the effective implementation of the Risk Management Structure and Policies, providing a global perspective over all the risks.

The functions performed by the various areas of the RMD are designed to fit in the second line of defence roles of follow-up, management and control of the financial activity specific risks, the business model risks and the protection against losses.

In this context, the RMD defines policies and methodologies to deal with the Catalogue risks, which are executed by the first-line risk-taking units, and monitors compliance therewith.

In coordination with the first line, the 2LoD functions develop the overall risk management framework, advise on, and critically validate the control activities performed by the first line of defence and issue their opinion on the risk control environment. Specifically:

- Policies and Rules

– To draw up risk management and control policies, in coordination with the 1LoD, and aligned to the RAF;
– To validate, taking a critical approach, compliance with the internal rules and alignment with the policies;
– To advise on and/or define criteria for compliance with internal rules and regulations on risk management and control.

- Risks

– To carry out and/or validate, taking a critical approach, the identification and assessment of risks, including emerging risks;
– To define the methodology for measuring and quantifying risks;
– To regularly review the results of the risk assessment;
– To make a periodic follow-up of the emerging risks;
– To coordinate and control the adequacy and integrity of the Bank's map of risks [(1)].

- Indicators and controls

– To advise on and/or define criteria for the identification, measurement and implementation of indicators;
– To validate, taking a critical approach, the identification of indicators by the 1LoD and their measurement criteria;
– To advise on and define criteria for the identification, monitoring and assessment of the effectiveness of controls;
– To advise on and/or define criteria for the implementation of controls;
– To make a periodic follow-up of the 1LoD indicators and controls, as well as of the indicators and controls of the 2LoD itself.

- Control weaknesses and action plans

– To validate, taking a critical approach, the identification of weaknesses and the definition, implementation and monitoring of action plans by the 1LoD;
– To support and/or define criteria for the production of action plans by the 1LoD;
– To make a periodic follow-up of the weaknesses identified by the 1LoD, 2LoD or 3LoD and the implementation of action plans by the 1LoD;
– To issue an opinion on the adequacy of the risk control environment.

In addition, the RMF:
– Ensures that all the risks to which the Bank is or may be exposed are properly identified, assessed, monitored and controlled;
– Provides the Governing Bodies with an aggregated view of all the risks to which the entity is or may be exposed;

([1]) The coordination of the map of risks includes the management of the Risks Catalogue, the Risk Assessment process, the Risk Appetite Framework (RAF) and the other processes, tools or indicators that the 2LoD has considered critical to the definition and monitoring of the risks assumed by the Bank in the development of its activity.

– Coordinates the map of risks, which includes the management of the Risks Catalogue, the Risk Assessment process, the Risk Appetite Framework (RAF) and the other processes, tools or indicators that the 2LoD has considered critical to the definition and monitoring of the risks assumed by the Bank in the development of its activity;
– Monitors risk-generating activities, assessing whether they fit within the approved risk tolerance and ensuring the prospective planning of the corresponding capital and liquidity needs in normal and adverse circumstances;
– Monitors compliance with the risk appetite limits approved by the Board of Directors;
– Validates the correct functionality and governance of the risk models, checking their suitability against regulatory and management uses.

The identification and monitoring of model, reputational, legal, and compliance risks are excluded from the scope of responsibility of the GRD.

b) Validation and Model Risk Unit

The Validation and Model Risk Unit (VMRU), together with the GRD, forms part of Banco BPI's Risk Management Function. The VMRU reports hierarchically to the Chief Risk Officer and functionally to the Head of the CaixaBank Group's Validation and Model Risk Division.
As a Model Risk Function, the VMRU ensures an aggregated and holistic view of the Model risk to which the Bank is or may be exposed, promoting the implementation of a sound model risk management framework in line with the strategy and approved risk profile.
As a Validation Function, the VMRU's responsibility is to ensure that the risk analysis models comply with the regulatory rules and standards, in terms of both design and functioning, and that they are a useful and appropriate assessment tool;

c) Compliance Division (CD)

The Compliance Division is responsible for the Compliance Function at Banco BPI, acting as the second line of defence of the risk governance model; it develops an independent, ongoing, effective and cross-cutting action, in line with the legal framework of the Compliance function, monitoring, controlling and managing Conduct, Compliance, Legal, Regulatory and Reputational risks, in accordance with the Bank's internal control framework.

In this context, the Compliance Department's main mission is to manage the risk of Conduct and Compliance, in order to mitigate Banco BPI's application in its operations of criteria that are contrary to the interests of its Clients or other stakeholder groups, or actions or omissions by the Bank that are out of line with the legal and regulatory framework or its internal Policies, standards procedures, codes of conduct, ethical standards and good practices.

In this manner, it seeks to prevent and minimise damages arising from potential sanctions applied to Banco BPI, as well as damages of a reputational nature.

The Compliance Division reports hierarchically to the Chief Risk Officer and functionally to the Risk Committee and the Head of Caixabank's Compliance function. The Compliance Department also produces a series of regular reports for the management and supervisory bodies.

In this context, Conduct and Compliance risk gains expression through a set of risk sub-taxonomies:

- Client protection risk:

Risk of non-compliance with laws and regulations on the protection of Clients' rights and interests in connection to the provision of financial services.

- Market risk:

Risk of non-compliance with laws and regulations on the proper functioning and transparency of the markets in which the Bank operates.

- Integrity risk:

Risk of non-compliance with laws and regulations on the integrity of both the markets in which the group operates and the conduct of its employees.

- **Tax compliance risk:**

Risk of non-compliance with laws and regulations intended to prevent financial institutions from being used as an instrument for fraud and international tax evasion.

- **Data protection and privacy risk:**

Risk of non-compliance with laws and regulations on the protection of personal data and the privacy of individuals.

- **Criminal Risk:**

Risk of non-compliance with laws and regulations, namely with the obligations set out in the regulation on criminal liability of legal persons.

- **Risk of prevention of money laundering and terrorism financing and international sanctions:**

Risk of non-compliance with laws and regulations intended to prevent financial institutions from being used as an instrument for money laundering and terrorist financing, as well as with the regulations and standards concerning the imposition of economic sanctions or trade restrictions on certain countries, governments or individuals for reasons related to the violation of human rights, international law or the commission of certain serious crimes.

The Compliance Division is currently structured into five areas:

- Anti-Financial Crime Compliance (AFCC);
- Client and Markets Protection;
- Ethics and Regulatory Risks;
- Control and Reporting; and
- Compliance Analytics.

In the AFCC area, there are four teams with specific competences in the following areas: client onboarding, monitoring and disengagement; investigations, alerts and communications; international sanctions and correspondence; and external fraud.

d) Internal Audit Department (IAD)

i) Positioning and reporting

Banco BPI’s Internal Audit Function is performed by the Internal Audit Department (IAD), which reports functionally to the Audit Committee and the Head of CaixaBank's Internal Audit function, without prejudice to its duty to report to the Chairman of the Board of Directors to enable the latter's proper fulfilment of their functions. This arrangement ensures the IAD's independence and authority within the institution, in compliance with the regulatory practices set forth in the EBA Guidelines on internal governance (EBA/GL/2021/05).

The mission, authority, position, responsibilities and powers of the Internal Audit Function, as well as the principles, rules and duties that govern its performance are set forth in the Internal Audit Function's Rules of Procedure, approved by the Board of Directors on 26 April 2024, with the prior opinion of the Audit Committee on 20 April 2023 (revised without change in 2024, submitted to the Audit Committee on 23 April 2024).

The IAD is included in the internal audit corporate perimeter of the CaixaBank Group. Therefore, the IAD, as an autonomous unit acting independently in the execution of its works, is aligned with the corporate governance framework, as well as with the audit policies and procedures established at CaixaBank Group's level.

ii) Composition

The IAD's team is composed of employees with adequate capabilities and the necessary expertise and skills for the performance of their functions. The IAD is structured into the following areas:

- Methodologies and Reporting (MetRep), Data Analytics, and Projects - supports the activity of the other areas and of the Division, namely defining and formalising policies, methodologies and circuits or flows to be uniformly applied in the work of the Division's areas, performs the quality control of the work carried out, reports the Internal Audit Function's information to the Governing Bodies and produces management information. It also develops automated data analysis techniques and processes, and indicators.

- Commercial Networks and Business - among others, it performs audits to the activity of the Bank's Commercial Bodies and cross-cutting or thematic audits focused on business processes and sale of products and/or services;

- Markets and Risk - among others, it performs audits on regulatory compliance and compliance with internal policies on credit risk, liquidity and funding risk, interest rate risk on the banking book and market risk. Particularly noteworthy are the regulatory exercises for risk management and control, which are mandatory and regular, and the exercises related to the implementation and monitoring of rating systems and their application for the use of advanced approaches. Its structure includes a Models and Solvency unit, which conducts audits of regulatory compliance and compliance with internal policies on model risk and capital and solvency risk;

- IT and Digital Banking - among others, it performs audits related to technological risk, namely in aspects such as information (including data quality) and communications governance, IT governance processes, data privacy, information security (including cybersecurity) and physical security;

- Financial, Processes, Compliance and Sustainability - among others, it performs audits on conduct and compliance, legal and regulatory, information reliability, reputational and actuarial risks. In particular, there stand out the processes related to human resources, prevention of money laundering and terrorist financing, and sustainability (ESG). In addition, it audits companies hired by Banco BPI to provide internal audit services;

- Fraud and Special Investigations - it makes technical analyses, establishes responsibilities, detects procedural deficiencies and identifies losses, with regard to all irregularities coming to the IAD's attention (namely through internal fraud detection indicators) that point to the practice of internal fraud, including Customer complaints directly addressed to the IAD, or referred to the IAD by other bodies of the Bank, with a view to initiating an investigation process. Where appropriate, it draws up an information report on the investigations carried out, to be submitted to the Labour Incidents Committee.

iii) Mission

The Internal Audit Function is an independent and objective assurance and advisory function designed to add value to and improve the Bank's operations. It contributes to the fulfilment of the Bank's strategic objectives, through a systematic and disciplined approach to the assessment and improvement of the effectiveness of the risk management, control and governance processes. In accordance with the three lines of defence model, Internal Audit acts as the 3rd line of defence, supervising the performance of the first and second lines of defence, with the aim of ensuring a systematic and disciplined approach to the assessment and improvement of the risk and internal governance management/control processes.

iv) Scope of activity

The scope of activity of the Internal Audit Function covers all the entities at any time controlled by Banco BPI, and as such, comprised within the BPI Group.
In addition, it may provide Internal Audit services to entities other than those referred to in the previous paragraph, providing there is an agreement therefor, and these entities are part of the CaixaBank Group.

v) Action principles

In accordance with the three lines of defence (LoD) model, Internal Audit acts as the 3rd LoD, supervising the performance of the 1st and 2nd LoD, with the aim of ensuring a systematic and disciplined approach to the assessment and improvement of the risk management/control and internal governance processes. Through its activity, the Internal Audit Department aims to provide reasonable assurance to the governing bodies about:

- The effectiveness and efficiency of the internal control system in the mitigation of the risks inherent to the Bank's activities;
- Compliance with the legislation in force, namely the regulatory requirements and the adequate implementation of the Internal Control Framework and Risk Appetite Framework;
- Compliance with the internal policies and regulations, including corporate guidelines from CaixaBank, and alignment with the sector's risk appetite and best practices; and
- The integrity, reliability and timeliness of financial, accounting and operational information.

Hence the scope of activity of this function includes assessing:

- The adequacy, effectiveness and implementation of Policies, Regulations and Standards;
- The effectiveness of controls;
- The adequate measurement and monitoring of the 1LoD and 2LoD indicators;

- The existence and correct implementation of action plans for control weaknesses;
- The validation, monitoring and assessment of control by the 2LoD.

When performing audits, the IAD will inform in advance the bodies to be audited (except when the audits involve the safekeeping of assets, where such bodies will only be informed when the audit teams are at their premises), by email, or other means of communication considered opportune and/or appropriate for the case at hand, addressed to the Manager primarily responsible for the audited body, or to the Employee who stand in for him/her in his/her absence.

Where the audit concerns the Area of Fraud and Special Investigations, the IAD is not obliged to provide any information prior to or during the investigations, either to the heads of the bodies in question, or to the line managers of the Employees under investigation.

In the pursuit of its objectives, the IAD must have an impartial attitude, avoiding the existence of conflicts of interest between auditees and auditors. Any limitation to the independence and objectivity of the IAD must be reported to Banco BPI's Board of Directors and Audit Committee.

For the proper performance of the functions entrusted to them, the members of the Division's staff, after obtaining the consent of the Head of the IAD, or of the Employee who stands in for him/her in his/her absence, have unrestricted access to all the places where the activity is carried out, as well as to all the documentation supporting any accounting movements, and also have the power to summon any Employee to be questioned at their places of work or at other premises.

Advisory works, if any, shall take place in accordance with the conditions contracted with the requesting body and always in accordance with the Internal Audit Function Regulations insofar as the terms of the provision of advisory services are concerned.

vi) Responsibilities

Without prejudice to the remaining responsibilities attributed to it under the law, the Internal Audit Function is responsible in particular, in the discharge of the mission entrusted to it, for the following:

a) Drawing up and keeping updated an Audit Plan aimed at examining and assessing the adequacy and effectiveness of the internal governance, the various components of the internal control system of the Institution, as well as the internal control system as a whole;

b) Issuing recommendations based on the results of the assessments made, and monitoring on an ongoing basis any situations identified, with the regularity warranted by the associated risk, so as to ensure that the necessary corrective measures are adequate and timely implemented;

c) Monitoring market developments, legal and regulatory changes, the strategic planning process and respective decisions of the Institution, namely when involving acquisitions, disposals, mergers, or the launch of new activities or products, in order to ensure a timely and appropriate response from the audit activity;

d) Developing its activity in line with the internationally recognised and accepted internal audit principles and with the sector's best practices in this area;

e) Preparing and submitting to the Board of Directors, the Audit Committee and the Risk Committee two annual reports with reference date of 30 November, in accordance with Article 32(1)(c) and (d) of Bank of Portugal Notice no. 3/2020, namely the Overall Assessment Report and the Function’s Internal Self-Assessment Report;

f) Preparing, in accordance with Article 2(1)(e) of Bank of Portugal Instruction no. 18/2020, a follow-up report to the annual self-assessment report validating the classification of the i) deficiencies detected within the scope of the control actions and assessments carried out by the Institution and by its Statutory Auditor and the ii) deficiencies detected by any supervisory authorities, taking into account the methodology defined in the Instruction.

g) Ensuring that Internal Audit staff have sufficient knowledge to assess the risk of internal fraud when carrying out their audits. Internal Audit integrates professionals with experience and specific knowledge of internal fraud to independently assess and analyse the management of the areas responsible for fraud in the Institution.

h) Immediately reporting to the Audit Committee any serious irregularity in management, accounting organisation and supervision, or indications of a breach of the duties set forth in the General Law on Credit Institutions and Financial

Companies (RGICSF), which may have a material impact on the economic or financial situation or on the reputation of the Institution.

I) Attending, without voting rights, such Commissions/Committees, meetings and forums as it deems appropriate without assuming decision-making responsibilities to avoid potential conflicts of interest related to its primary role of assurance.

J) Drawing up a Multi-Annual Strategic Plan for Internal Audit, consistent with that of the Entity, and informing the Audit Committee of its progress.

II – REMUNERATION

Information provided for compliance with the provisions of Article 115-G of the General Law on Credit Institutions and Financial Companies (RGICSF) and Article 47 of Bank of Portugal Notice no. 3/2020.
The full versions of the Remuneration Policy for the Management and Supervisory Bodies, Remuneration Policy for the Identified Collective, and General Remuneration Policy may be consulted on Banco BPI's website at www.bancobpi.pt

The tables below show the remuneration effectively paid in 2024 to the members of the Identified Collective in office as at 31-12-2024, broken down by business area.

a) Aggregate quantitative information on remuneration paid in 2024 to senior management and members of staff whose actions have a material impact on the risk profile of the institution, broken down by business area

Business area:	Total	Non-executive	Executive	Investment banking	Business [1]	Corporate Functions	Control Functions
Number of members	107	9	6	0	17	48	27
Total remuneration (Eur) (includes VR + Fixed Rem.)	17,787,840	1,753,875	3,691,830	0	3,212,017	6,466,464	2,663,654
Variable remuneration (Eur)	3,617,407	0	886,676	0	859,280	1,381,452	489,999

b) Aggregate quantitative information on remuneration paid in 2024, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution

i) Amounts of remuneration attributed during the 2024 financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries

Business area:	Total	Non-executive	Executive	Investment banking	Business[1]	Corporate Functions	Control Functions
Number of members	107	9	6	0	17	48	27
Fixed remuneration (Eur)	14,170,433	1,753,875	2,805,154	0	2,352,737	5,085,011	2,173,655
Variable remuneration (Eur)	3,617,407	0	886,676	0	859,280	1,381,452	489,999

Note: The Fixed Components are the following: 1) Basic remuneration according to the Collective Wage Agreement ("ACT") or remuneration policy; 2) Seniority payments according to the ACT; 3) Allowance for fixed working hours exemption according to the ACT; 4) Remuneration supplements according to the responsibilities inherent to each function.

ii) Amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part;

Business area:	Total	Non-executive	Executive	Investment banking	Business[1]	Corporate Functions	Control Functions
Number of members	107	9	6	0	17	48	27
VR Cash paid in 2024 (Eur)	2,299,990	0	388,552	0	479,154	971,766	460,519
VR Shares paid in 2024 (Eur)	1,317,417	0	498,125	0	380,126	409,687	29,479
VR Upfront (Cash + Shares)	2,962,870	0	562,768	0	691,094	1,226,009	482,999
VR Deferred	1,551,912	0	761,758	0	354,658	402,724	32,772

iii) **Amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years**

Business area:	Total	Non-executive	Executive	Investment banking	Business[1]	Corporate Functions	Control Functions
Number of members	107	9	6	0	17	48	27
VR Cash Deferred (Eur)	893,750	0	472,958	0	202,447	202,213	16,132
VR Shares Deferred (Eur)	2,005,291	0	1,054,174	0	446,786	466,690	37,641

Note: Banco BPI acquires all the financial instruments, deferred or not, in the year in which the allocation occurs.

(1) Includes Corporate Banking, Retail Banking, and Private Banking.

iv) Amounts of deferred remuneration due to vest and paid in the 2024 financial year, and that is reduced through performance adjustment;

There was no reduction through performance adjustments in the amounts of deferred remuneration awarded during the 2024 financial year.

v) Guaranteed variable remuneration awards during the 2024 financial year, and the number of beneficiaries of those awards;

In 2024 Banco BPI did not pay guaranteed variable remuneration relative to remuneration awarded in 2023.

vi) Severance payments awarded in previous periods, that have been paid out during the 2024 financial year;

No severance payments were paid in 2024 that were awarded in previous periods.

vii) Amounts of severance payments awarded during the 2024 financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person;

Severance payment totalling €4.48 million was awarded to 4 members of the Identified Collective for leaving office in 2024. Of this total, €908,625 will be paid to one member in 2025.

viii) Number of Employees that have been remunerated €1 million or more per financial year, with the remuneration between €1 million and €5 million broken down into pay bands of €500 000 and with the remuneration of €5 million and above broken down into pay bands of €1 million;

In 2024 there was one employee with total remuneration between €1M and €1.5M.

ix) Total remuneration for each member of the management body or senior management

Members of the Board of Directors in office as at 31 December 2024

Amounts in euros

Board of Directors	Fixed remuneration	2023 Variable Remuneration(1)		Total	
		Awarded	Paid	Awarded	Paid
Fernando Ulrich	750,000	0	0	750,000	750,000
Cristina Rios Amorim	180,198	0	0	180,198	180,198
Afonso Fuzeta Eça(2)	282,304	60,711	36,427	343,014	318,730
Ana Rosas Oliveira(3)	287,538	104,073	62,444	391,611	349,982
António Lobo Xavier	115,621	0	0	115,621	115,621
Diogo Sousa Louro	411,337	202,911	81,165	614,248	492,502
Fátima Barros	158,460	0	0	158,460	158,460
Francisco Artur Matos	575,000	312,170	124,868	887,170	699,868
Gonzalo Gortázar Rotaeche	62,700	0	0	62,700	62,700
Inês Valadas(4)	44,921	0	0	44,921	44,921
Javier Pano Riera	170,318	0	0	170,318	170,318
Joana Freitas	162,559	0	0	162,559	162,559
João Pedro Oliveira e Costa	825,000	441,750	176,700	1,266,750	1,001,700
Natividad Capella	109,098	0	0	109,098	109,098
Susana Trigo Cabral	423,976	202,911	81,165	626,887	505,140

(1) Total variable remuneration awarded in 2024 for performance in 2023.

(2) Took office on 30 July 2024. Includes amounts of Fixed Remuneration totalling €125,012 earned in the position of Executive Manager prior to taking office as Executive Director. The amount for Variable Remuneration also refers to the period during which he was an Executive Director.

(3) Took office on 30 July 2024. Includes amounts of Fixed Remuneration totalling €130,246 earned in the position of Executive Manager prior to taking office as Executive Director. The amount for Variable Remuneration also refers to the period during which he was an Executive Director.

(4) Took office on 17 September 2024.

Members of the Board of Directors who ceased to hold office during 2024

Amounts in euros

Board of Directors	Fixed remuneration	2023 Variable Remuneration[4]		Total	
		Awarded	Paid	Awarded	Paid
Francisco Manuel Barbeira (5)	95,085	302,630	121,052	397,715	216,137
Pedro Barreto (5)	82,780	309,070	123,628	391,850	206,409
Sandra Santos (6)	49,667	0	0	496,67	49,667

(4) Total variable remuneration awarded in 2024 for performance in 2023.

(5) Ceased to hold office on 19 February 2024

(6) Ceased to hold office on 30 April 2024

III – RELATED-PARTY TRANSACTIONS

1. Mechanisms implemented by the Company for the purpose of controlling related-party transactions

Banco BPI's Board of Directors, upon the prior opinion of the Supervisory Body, approved the Related-Party Transactions Policy which defines the activity framework of Banco BPI and the persons and entities included within the policy's scope of application for compliance with the legislation and/or regulations on related-party transactions.

Transactions in which Banco BPI or other entities of its Group participate and which involve related parties, namely the direct or indirect granting of credit, are subject to the discipline defined in the Related-Party Transactions Policy.

To this end, a definition of i) related parties, ii) significant influence, iii) senior management position, iv) Management or Supervisory function, v) control, vi) credit, vii) children, viii) qualifying holding, and ix) Management or Supervisory function, is provided as an annex to this Policy, with reference to the relevant regulatory or legal provision, where applicable.

As a general rule, this Policy establishes that: i) all transactions in which Banco BPI participates and which involve related parties must be carried out on market conditions and be approved by a minimum of 2/3 of the members of the management body, after obtaining the prior opinions of the risk management and compliance functions and of the supervisory body; and ii) the members of the management body, managers, other employees, consultants and BPI's proxies cannot intervene in the appreciation and decision of operations or transactions in which they or their related parties are directly or indirectly interested parties.

In exceptional cases where Banco BPI, on a justified basis, considers that it is impossible to define the market conditions that apply to an operation, it must obtain an opinion from an independent specialised external entity of recognised value, to allow establishing a comparability benchmark between the operation in question and other similar operations, and hence avoid benefiting the related party vis-à-vis another entity which does not have this type of relationship with the institution.

In terms of specific rules, this Policies provides a definition for i) prohibited credit operations and ii) permitted credit operations; and establishes iii) the formalities to be followed in permitted credit operations.

With regard to its governance framework, this Policy sets out the responsibilities attributed to i) the Board of Directors; ii) the first line of defence units (commercial structure, risk management units and operational support units); iii) the Legal Division; iv) the Compliance Division; v) the Internal Audit Division; and vi) the Risk Management Division. This Policy is disclosed internally to all Employees and also on Banco BPI's website at: https://www.bancobpi.pt/grupo-bpi/etica-e-deontologia/politica-de-transacoes-com-partes-relacionadas.

On a quarterly basis, Banco BPI draws up a list of companies that meet the requirements to be classified as "related parties", with confirmation by each member of the Board of Directors, the Statutory Auditor, the Accounting and Planning Division, and CaixaBank. This list is submitted to the Audit Committee for information, approved by the Board of Directors and communicated to the relevant Divisions.

The most significant transactions carried out with CaixaBank in 2024 are described in point 38 of the Notes to the Financial Statements.

2. Indication of the transactions which were subject to control in the year under review

2.1 Lending operations

Information reported for compliance with Articles 85 and 109 of the RGICSF about credit used and guarantees provided by Banco BPI, S.A. at 31 December 2024.

Information reported for compliance with Article 85 of the RGICSF Position at 31 December 2024

Amounts in € thousand	Credit used	Guarantees provided
Fernando Ulrich	0	0
Related entities[1]	124,070	293
Cristina Rios Amorim	0	0
Related entities	55,782	748
Afonso Fuzeta Eça	0	0
Related entities	43,182	5,772
António Lobo Xavier	0	0
Related Entities	773,344	92,794
Fátima Barros	0	0
Related entities	156,611	113,469
Gonzalo Gortázar Rotaeche	0	0
Related entities[1]	94,840	240
Javier Pano Riera	0	0
Related entities[1]	94,840	240
Joana Freitas	0	0
Related Entities	377,968	3,106
Natividad Capella	0	0
Related entities[1]	94,840	240

Notes: "Related Entities" are deemed to be the legal persons controlled by the Director or in which the Director has a qualifying holding, as well as those where he/she is a manager.

(1) Includes loans and guarantees provided to companies related simultaneously with other Directors, of which 94,840 thousand euros in loans and 240 thousand euros in guarantees.

Taking into account that Banco BPI is fully held by CaixaBank and is included in the same consolidation perimeter as CaixaBank, the discipline set forth in Article 109 of the RGICSF does not apply to the transactions with the Bank's sole shareholder.

2.2 Other related-party transactions

The following transactions with related parties were approved by the Board of Directors in 2024, after obtaining the positive opinions of the Compliance Function, Risk Management Function and the Supervisory Body (the Audit Committee):

Transactions 2024

Entity	Date	Nature of transaction
COMPANHIA DE SEGUROS ALLIANZ PORTUGAL S.A.	30/Jan	Renewal of Banco BPI insurance policies
CaixaBank S.A.	30/Jan	Renewal of Uipath licences for Robotisation
BPI GA - SOC GESTORA DE ORGAN DE INV COLETIVO S.A.	27/Feb	Renewal of Services Contract
SABAPORTUGAL-PARQUES ESTACIONAMENTO S.A.	27/Feb	Car parks - BPI retainers
LIZESTACIONAMENTO S.A.	27/Feb	Car parks - BPI retainers
SEMOVEPARK VISEU S.A.	27/Feb	Car parks - BPI retainers
CPE-COMPANHIA PARQUES ESTACIONAMENTO S.A.	27/Feb	Car parks - BPI retainers
BPI GA - SOC GESTORA DE ORGAN DE INV COLETIVO S.A.	20/Mar	Renewal of Services Contract

SABAPORTUGAL-PARQUES ESTACIONAMENTO S.A.	20/Mar	Car parks - BPI retainers
LIZESTACIONAMENTO S.A.	20/Mar	Car parks - BPI retainers
SEMOVEPARK VISEU S.A.	20/Mar	Car parks - BPI retainers
CPE-COMPANHIA PARQUES ESTACIONAMENTO S.A.	20/Mar	Car parks - BPI retainers
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	24/Apr	MDV - Upgrade of SS34 machines to W10
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	24/Apr	Payment for MB services with mandatory card
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	24/Apr	ATM Processing (Addendum)
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	24/Apr	Creation of monthly report to monitor Instant Payments filtering
CaixaBank S.A.	24/Apr	Infrastructure
CaixaBank S.A.	24/Apr	Service Now
CaixaBank S.A.	24/Apr	SAP Audit Management
CaixaBank S.A.	24/Apr	Izolda licenses
COMERCIA GLOBAL PAYMENTS EP, S.L	24/Apr	Side Letter
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	28/May	Cash handling machines (ATM and CDM)
CaixaBank S.A.	28/May	Audit Management Tool
CaixaBank S.A.	28/May	Google Cloud
CaixaBank S.A.	26/June	Information Security 2023
CaixaBank S.A.	25/July	Information Security 2024
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Service Provision with BPI for 2025:
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Annex I - Corporate Services
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Annex II- IT
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Annex III - Call Centre
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Annex IV - Credit Recovery
CAIXABANK PAYMENTS & CONSUMER E F C E P, S.A.U.	18/Sep	Annex V - Operations
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	18/Sep	Installation of ink-stain technology on cash handling machines (ATM and CDM)
CaixaBank S.A.	29/Oct	Citizen Project - Multilingual telephone helpline in Portugal
CaixaBank S.A.	29/Oct	5,999 Defender licences for ID and Azure DP P2
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	29/Oct	ORI5 - SIBS project to support PAY reporting
BPI GA - SOC GESTORA DE ORGAN DE INV COLETIVO S.A.	29/Oct	Sale of Participation Units
CaixaBank S.A.	27/Nov	Wealth Advisory Desk
CaixaBank S.A.	27/Nov	TOD licensing
CaixaBank S.A.	27/Nov	Workiva licensing
CaixaBank S.A.	27/Nov	Tealium
SIBS - FORWARD PAYMENT SOLUTIONS, S.A.	27/Nov	ATM sale (SIBS FPS)
COMPANHIA DE SEGUROS ALLIANZ PORTUGAL S.A.	20/Dec	Seguros Allianz Portugal
IT NOW, SA - BRANCH IN PORTUGAL	20/Dec	Services Contract

CaixaBank S.A.	20/Dec	Information Security
CaixaBank S.A.	20/Dec	Microsoft Licenses
CaixaBank S.A.	20/Dec	Oracle software maintenance
CaixaBank S.A.	20/Dec	UIPATH licensing
CaixaBank S.A.	20/Dec	Datapool Licensing and Services
CaixaBank S.A.	20/Dec	SAP Audit Licensing
CaixaBank S.A.	20/Dec	Google Cloud Infrastructure Services
CaixaBank S.A.	20/Dec	SAP GRC Maintenance
BPI VIDA E PENSOES - COMP SEGUROS, S.A.	20/Dec	DMPN Side Letter
BPI GA - SOC GESTORA DE ORGAN DE INV COLETIVO S.A.	20/Dec	DMPN Side Letter

BANCO BPI, S.A.
Registered at Commercial Registry of Porto
under registration number PTIRNMJ 501 214 534
and tax identification number 501 214 534
Registered office: Avenida da Boavista 1117, 4100-129 Porto, Portugal
Share capital: € 1 293 063 324.98