

CONSOLIDATED REPORT AND ACCOUNTS '24





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1. Executive Board of Director's Report







1. Executive Board of Director's Report

General Meeting of Shareholders

Charmain

Francisco Xavier Ferreira da Silva

Secretaries

Helena Isabel Nunes Menúria Neves Francisco Paula Alexandra Silva dos Santos Viegas

Executive Board of Directors

Charmain

Afonso Ribeiro Pereira de Sousa

Deputy Charmain

António Miguel Rendeiro Ramalho Branco Amaral

Members

Luís Miguel da Rocha Barradas Ferreira Marília Boavida Correia Cabral

General and Supervisory Board

Charmain

Carlos António Antolin da Cunha Ramalho

Members

Alexandre Wende Dias da Cunha José Manuel Lopes Neves de Almeida Maria Paula Toscano Figueiredo Marcelino Sofia Luísa Corrêa Henriques Cardoso de Meneses Frère

Statutory Auditor

Ernest & Young Audit & Associados - SROC, SA, represented by António Filipe Dias da Fonseca Brás

2. Main Financial indicators 🗶







2. Main financial indicators

Indicators (Euros)	2020	2021	2022	2023	2024
Net interest income	29.257.925	31.602.344	36.901.008	43.214.580	43.159.801
Net income from financial operations	5.258.393	6.912.047	(4.429.704)	1.629.559	999.813
Net fees and commissions income	10.977.132	14.266.301	15.043.479	15.135.201	17.914.209
Other operating income / (losses)	1.821.454	905.795	3.845.099	570.713	2.005.337
Net operating revenue	47.314.904	53.686.487	51.359.882	60.550.053	64.079.160
Staff costs	(11.514.418)	(12.536.944)	(13.230.441)	(14.860.102)	(15.759.913)
Other administrative costs	(6.312.052)	(7.315.663)	(8.023.731)	(8.922.919)	(9.509.047)
Overheads	(17.826.470)	(19.852.607)	(21.254.172)	(23.783.021)	(25.268.960)
Depreciation	(1.674.258)	(1.563.974)	(1.915.148)	(2.036.210)	(2.771.132)
Net provisions and impairments	(9.283.534)	(5.523.572)	(8.144.700)	(4.006.862)	(4.274.719)
Income from investment in associate companies and joint ventures	-	-	102.542	81.431	139.278
Income before taxes	18.530.641	26.746.334	20.148.404	30.805.391	31.903.627
Provision for taxes	(4.626.826)	(7.727.619)	(2.913.587)	(8.335.578)	(8.781.610)
Net profit attributable to non-controlling interests	69.045	81.754	72.504	1.329.754	1.514.414
Net income for the year	13.834.770	18.936.961	17.162.313	21.140.058	21.607.603
Comprehensive Income	15.710.556	17.084.338	5.029.074	29.693.718	25.043.991
Net credit extended (1)	644.437.591	712.718.687	669.117.543	659.901.130	664.398.678
Loans and advances to customers	401.376.720	413.379.017	420.124.250	428.373.128	411.983.637
Securitised loans	243.060.871	299.339.670	248.993.293	231.528.002	252.415.041
Funds attracted	753.579.712	914.973.245	816.962.203	707.372.385	831.256.845
Equity	141.685.811	157.465.537	149.384.724	185.460.753	206.924.744
Net assets	923.903.525	1.104.104.283	997.274.082	928.034.733	1.076.743.054
Transformation Ratio (Loans and advances to customers / Resources from Customers)	67,0%	59,9%	66,1%	64,5%	50,7%
Liquidity Coverage Ratio (LCR)	232,3%	173,4%	169,2%	238,5%	373,7%
Cost-to-income ratio	41,2%	39,9%	45,1%	42,6%	46,8%
Net interest income (as % of net operating revenue)	61,8%	58,9%	71,8%	71,4%	67,4%
Provisions and Impairments (as % of net operating revenue)	19,6%	10,3%	15,9%	6,6%	6,7%
Common Equity Tier 1 ratio (CeT1)	16,7%	17,0%	19,0%	23,9%	24,9%
Total capital ratio	17,0%	17,1%	19,0%	23,9%	24,9%
RWAs (as % of Total Assets)	82,4%	76,8%	78,1%	80,8%	66,8%

3. Banco Invest 🗶





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3. Banco Invest

Who we are

Banco Invest, S.A. (Banco Invest or the Bank) was incorporated in 1997 as Banco Alves Ribeiro, S.A., with head office in Lisbon and share capital of 20 million euros, wholly owned by the Alves Ribeiro Group.

In October 2005, the name was changed to Banco Invest, seeking to unequivocally reflect its Mission: to be recognised by the market as the financial institution that best meets the needs of private, corporate or institutional customers, in all the financial products that distance themselves from a routine bank relationship, and require greater involvement, proposing solutions which traditional banking, with its standardised offer, is unable to provide.

Banco Invest is a specialised and flexible bank, with highly qualified experts, devoted to the offer of sophisticated investment and savings operations. In a globalised and sophisticated world, investment opportunities are increasingly complex, requiring higher levels of specialisation and monitoring, which do not fall within the typical standardised offer of retail banks.

Since its foundation, the Bank has based its performance on principles of Ethics, Innovation, Independence and Security, values that cut across all areas of the Bank's operations. These values have allowed the Bank to achieve, since its incorporation, a sustained growth performance and levels of financial solidity far above the average of the national banking sector. At the end of 2024, the Bank's solvency ratio stood at 27,9%, including net income for 2024, and Resources from Customer totalled 820.9 million euros, representing an annual average growth of 14,7% since 2008.

What we do

Banco Invest is specialised in the management of the Savings and Investments of its private, corporate and institutional customers, offering an open and independent structure, with a global and diversified offer of products and services.

The Bank's operations are currently divided into six main business areas: Asset Management, Brokerage, Specialised Credit, Institutional Custody, Corporate Finance and Treasury and Capital Markets. In addition, through its subsidiaries Bicredit and Invest Gestão de Activos, the bank also grants auto loans and manages collective investment undertakings, respectively.

Throughout the year, the Bank continued to reinforce its commercial capacity through its external network of **Private Financial Advisors** and a **physical distribution network**. The external network of **Private Financial Advisors** has

extensive professional experience in banking and financial services, spread across various regions of the country. In turn, the physical distribution network is made up **Private Banking** units, located at the Bank's headquarters, and **5 Investment Centers** in Lisbon, Oporto, Leiria, Braga and Funchal.

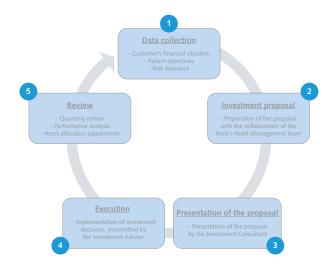
Banco Invest's **Asset Management** Department includes Discretionary Portfolio Management, Investment Consultancy, the issue of Structured Products and the Distribution of Investment Funds managed by third parties.

Asset Management



Discretionary Portfolio Management and Investment Consulting services are provided in accordance with each Client's risk profile and the intended level of return. In both cases, management is based on the principles of Asset Allocation and the advantages of diversification and investment in the medium and long term. The investment process depends on the objectives, risk tolerance and time horizon of each Client.

In the particular case of Investment Consulting, the service is based on a high degree of proximity to the Client, namely in the assessment of their investment objectives and in the periodic and detailed monitoring of the investment portfolio, in a continuous process of interaction with the Consultant.



The Asset Management department structures and manages the Structured Products issued by the Bank, namely structured deposits. It is also responsible for the production of research and material supporting the sale of products on offer to Bank customers.

Structured Products



For the remaining geographies and asset classes, Banco Invest selects and distributes investment funds managed by other management companies (third party funds), offering its Customers around 1.000 investment funds managed by the most prestigious national and international management companies. The offer includes the various asset classes and geographical regions, providing a wide range of diversification alternatives for different risk profiles. Most of these investment funds are available on the Bank's website. Clients can search and compare products independently or subscribe to thematic portfolios. Through Invest Trends, the Bank offers 42 thematic portfolios that reflect market trends and investment strategies that provide long-term growth potential. The portfolios are exclusively composed of investment funds and constructed by Banco Invest's Asset Management team.

Through Invest Trends, Banco Invest offers investment solutions in areas such as Sustainability, New Trends and Lifestyle, among others.



IT'S EASY, INTUITIVE AND CONVENIENT



Banco Invest also distributes funds managed by Invest Gestão de Activos - Sociedade Gestora de Organismos de Investimento Colectivo, S.A (Invest Gestão de Activos), a company wholly owned by the Bank. At the end of 2024, Invest Gestão de Activos managed four mutual funds - Alves Ribeiro PPR, Invest Ibéria, Smart Invest and Invest Tendências Globais, marketed exclusively by Banco Invest.

The **Brokerage** area includes the brokerage and intermediation of shares, bonds, exchange traded funds and derivatives (CFDs, FX, Options and Futures). Banco Invest is present in the Prime Brokerage and Online Brokerage segments.

*

In the Prime Brokerage segment, the Bank offers a premium service, whereby Customers benefit from a direct relationship with traders. Traders' activity includes technical analyses, namely analyses of trends and of theoretically ideal levels of subscription and sale of securities, as well as the management of Customers' orders.

In the Online Brokerage segment, Bank customers can give orders through the website, from a desktop or mobile phone, or through the Invest Bond Trader, Invest Trader, Invest Btrader Plus and Invest Btrader Next trading platforms.

BTRADER NEXT

Trade on the world's financial markets with the largest CFD offer

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Intuitive interface, configurable to the needs of experienced traders or beginner investors

Over 10,000 financial assets available, including 300 currency pairs

Standard recognition of technical figures

BTRADER PLUS

Trade like a professional investor on an innovative platform

Multi-product platform, with professional tools and advanced training

Direct Market Access (DMA), ensuring best prices and execution

Invest in over 120 markets globally from a single account

Trade from market depth and charts

INVEST TRADER

Access financial markets with no minimum account opening

Trade directly with the world's major stock markets

Real-time security depth and vault, with continuous ticker trades

No custodian fees

Fast and simple order execution

INVEST BOND TRADER

Bond platform with access through Invest Online

All trades are automatically integrated into your account

1,000+ government and private bonds available in Europe, US and Emerging Markets

Full information on every issue

Firm pricing and validity orders

Invest BTrader







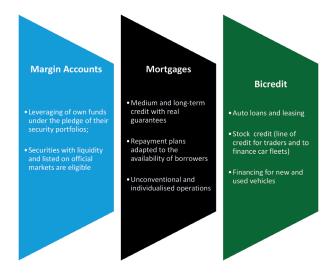


The **Institutional Custody** area serves management companies of collective investment undertakings in securities, real estate and venture capital. In addition



to custody, the services offered include financial intermediation, risk hedging and management products and asset management for institutional customers. Banco Invest stands out as one of the main banks providing Institutional Custody services to independent management companies, with a market share above its share in the banking sector.

The **Specialised Credit** area is committed to providing credit products adapted to the specific needs of our clients. In the area of investment credit, the Bank offers margin accounts on competitive terms for the specific segment of capital market investors. The bank is also present in the area of auto loans, where it operates through its subsidiary Bicredit.



The Corporate Finance area, operating under the **Invest Corporate Finance** brand, is composed of a team with more than 30 years of experience in domestic and cross-border transactions. The services offered include Corporate Finance Advisory Services (e.g. Mergers and Acquisition Consulting, Valuation of Companies and Strategic and Financial Consulting, among others) and and Capital Market Transaction Advisory Services (e.g. Bond Issuance, Syndicated Loans, Project Finance and Commercial Paper, among others). Banco Invest is an exclusive member for Portugal of IMAP, an international network of merger and acquisition advisory services with a presence in 51 countries. In 2024, operations carried out by the IMAP network came to approximately 30 billion US dollars.

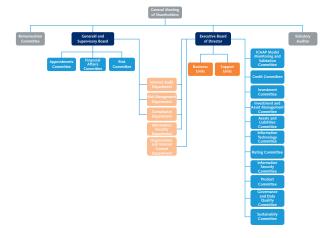
The **Treasury and Capital Markets** area focuses its activity on liquidity and balance sheet management, optimisation of the use of funding and management of Banco Invest's equity and bond portfolio.

The management of liquidity seeks to optimise the structure of the balance sheet in order to maintain the temporal structure of maturities between assets and liabilities under control, taking into account the foreseeable growth of the Bank. Management is also conditioned by the need to maintain a prudent level of liquidity to accommodate market stress situations. Liquidity risk is managed in such a

way as to keep pace with the growth of the Bank's assets and to ensure that cash requirements are met without incurring abnormal losses, while maintaining in the portfolio marketable assets that constitute a sufficient liquidity reserve. The definition of overall and partial risk limits is based on statistical methodologies for quantifying risk, credit risk analysis - rating, stress tests and concentration limits per asset, per sector and per country.

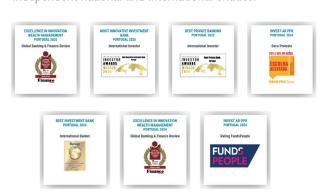
The Financial Department is responsible for the management of the Cash Flow and Own Portfolio, according to the policies defined by the Bank's Investment Committee (CIB). The CIB, comprising the heads of the various areas, determines overall guidelines governing the Bank's positioning. The Financial Department then manages the Bank's exposure to each market risk, within the defined risk limits.

The Bank's Governance Model



Awards

Banco Invest's good performance continued to be publicly acknowledged in several areas of financial activity, by independent national and international entities.



In both 2024 and in 2025, Banco Invest received the Excellence in Innovation Wealth Management Portugal Award from the Global Banking & Finance Review and the Best Investment Bank Portugal Award, in recognition of its achievements at the International Banker Awards 2024.

In 2025, the Bank was also awarded the Most Innovative Investment Bank 2025 Award by International Investor Magazine for the first time, which was an important milestone in its history.

With regard to its Products, throughout 2024, Invest AR PPR was once again awarded the FundsPeople Rating Certificate as Investment Product of the Year. In addition, this Fund once again received Deco Proteste's 'Right Choice' Seal.

Macroeconomic background

Global economy

In 2024, global disinflation continued, despite showing some resistance in the last few months of the year, According to the latest estimates from the International Monetary Fund (IMF), average global inflation is expected to fall from 5,8% in 2024 to 4,3% and 3,6% in 2025 and 2026, respectively, At the same time, against a backdrop of falling interest rates by major central banks, the global economy remained remarkably resilient in 2024, with the US economy standing out, In this context, the world economy is expected to grow by 3,2% in 2024, in line with the previous year, and to accelerate slightly to 3,3% in 2025.

Estimates for GDP growth and inflation

	Real C	GDP Gro	wth	Inflation	1		
Q424 ₍₁₎	2024	2025	2026	Dec/24(2	2024	2025	2026
	3,2%	3,3%	3,3%		5,8%	4,3%	3,6%
2,5%	2,8%	2,7%	2,1%	2,9%	3,0%	1,9%	2,1%
0,9%	0,8%	1,0%	1,4%	2,4%	2,4%	2,0%	2,0%
(0,2%)	(0,2%)	0,3%	1,1%	2,6%	2,4%	2,0%	2,0%
0,6%	1,1%	0,8%	1,1%	1,3%	2,3%	1,6%	1,8%
3,5%	3,1%	2,3%	1,8%	2,8%	2,8%	1,9%	2,0%
2,7% 1	1,9%(3)	1,9%	2,1%	3,0%	2,4%(4)	2,1%	2,0%
1,4%	0,9%	1,6%	1,5%	2,5%	2,6%	2,1%	2,0%
	4,2%	4,2%	4,3%		7,9%	5,9%	4,7%
5,4%	4,8%	4,6%	4,5%	0,1%	0,4%	1,7%	2,0%
6,2%	6,5%	6,5%	6,5%	5,2%	4,4%	4,1%	4,1%
4,0%	3,7%	2,2%	2,2%	4,8%	4,3%	3,6%	3,1%
0,5%	1,8%	1,4%	2,0%	4,2%	4,7%	3,8%	3,0%
	2,5% 0,9% (0,2%) (0,6% 3,5% 2,7% 1 1,4% 5,4% 6,2% 4,0%	Q424(1) 2024 2,5% 2,8% 0,9% 0,8% (0,2%) (0,2%) 0,6% 1,1% 3,5% 3,1% (2,7% 1,9%(3) 1,4% 6,2% 6,5% 4,8% 6,2% 4,8% 6,2% 4,6% 3,7%	Q424(1) 2024 2025 3,2% 3,3% 2,5% 2,8% 2,7% 0,9% 0,8% 1,0% 0,6% 1,1% 0,8% 3,5% 3,1% 2,3% 2,7% 1,9%(3) 1,9% 4,2% 4,2% 5,4% 4,8% 4,6% 6,2% 6,5% 6,5% 4,0% 3,7% 2,2%	3,2% 3,3% 3,3% 3,3% 2,5% 2,8% 2,7% 2,1% 0,9% 0,8% 1,0% 1,4% 0,6% 1,1% 0,8% 1,1% 3,5% 3,1% 2,3% 1,8% 2,7% 1,9% 2,1% 1,4% 0,9% 1,6% 1,5% 4,2% 4,2% 4,2% 4,2% 4,2% 4,2% 4,2% 4,5% 6,4% 6,5% 6,5% 6,5% 6,5% 6,5% 6,5% 6,5% 2,2% 2,2%	Q424(1) 2024 2025 2026 Dec/24(2) 3,2% 3,3% 3,3% 2,5% 2,8% 2,7% 2,1% 2,9% 0,9% 0,8% 1,0% 1,4% 2,4% 0,6% 1,1% 0,8% 1,1% 1,3% 3,5% 3,1% 2,3% 1,1% 1,3% 3,5% 3,1% 2,3% 1,1% 2,8% 2,7% 1,9%(3) 1,9% 2,1% 3,0% 1,4% 0,9% 1,6% 1,5% 2,5% 4,2% 4,2% 4,3% 5,4% 4,8% 4,6% 4,5% 0,1% 6,2% 6,5% 6,5% 6,5% 5,2% 4,0% 3,7% 2,2% 2,2% 4,8%	Q424(1) 2024 2025 2026 Dec/24(2) 2024 3,2% 3,3% 3,3% 5,8% 2,5% 2,8% 2,7% 2,1% 2,9% 3,0% 0,9% 0,8% 1,0% 1,4% 2,4% 2,4% 0,6% 1,1% 0,8% 1,1% 2,6% 2,4% 0,6% 1,1% 0,8% 1,1% 2,3% 2,8% 2,8% 2,7% 1,9%(3) 1,9% 2,1% 3,0% 2,4% 1,4% 0,9% 1,6% 1,5% 2,5% 2,6% 2,7% 1,9%(3) 1,9% 2,1% 3,0% 2,4% 4,2% 4,2% 4,3% 7,9% 5,4% 4,8% 4,6% 4,5% 0,1% 0,4% 6,2% 6,5% 6,5% 6,5% 6,5% 4,4% 4,0% 3,7% 2,2% 2,2% 4,4% 4,0% 3,7% 2,2% 2,2% 4,8%	Q424(1) 2024 2025 2026 Dec/24(2) 2024 2025 3,2% 3,3% 3,3% 5,8% 4,3% 2,5% 2,8% 2,7% 2,1% 2,9% 3,0% 1,9% 0,9% 0,8% 1,0% 1,4% 2,4% 2,0% 2,0% 0,6% 1,1% 0,8% 1,1% 1,3% 2,3% 1,6% 3,5% 3,1% 2,3% 1,8% 2,8% 2,8% 1,9% 2,7% 1,9%(3) 1,9% 2,1% 3,0% 2,4% 2,1% 1,4% 0,9% 1,6% 1,5% 3,0% 2,6% 2,1% 4,2% 4,2% 4,3% 2,8% 1,9% 2,1% 2,6% 2,8% 1,9% 2,7% 1,9%(3) 1,9% 2,1% 3,0% 2,4% 2,0% 4,2% 4,2% 4,3% 2,5% 2,6% 2,1% 5,4% 4,8% 4,6% 4,5% 0,1% 0,4%

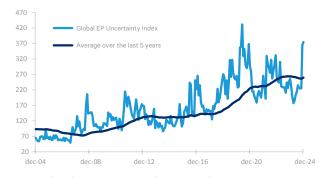
- (1) Year-on-year change. Source: Bloomberg
- (2) Source: Bloomberg
- (3) Source: INE
- (4) Consumer Price Index (CPI). Source: INE

Source: IMF, Jan-25, Oct-24; European Commission, Nov-24. Average inflation over the period.

Despite positive developments in the fight against inflation, the outlook for growth remains conditioned by several factors, in particular geopolitical conflicts, the impact of still restrictive monetary policies, particularly in Europe, and the possible increase in volatility in financial markets, where risk premiums are historically low and public debt stocks are historically high. Adding to these risks is uncertainty about the policies announced by the new US administration, particularly with regard to their impact on global economic trajectories.

Global Economic Uncertainty





Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

United States

The US economy grew by 2,3% (annualised rate) in the fourth quarter of 2024, slowing down from the 3,1% recorded in the previous quarter. The increase in real GDP in the fourth quarter mainly reflected increases in consumer and government spending, which were partially offset by a reduction in investment. Compared to the third quarter, the deceleration in real GDP in the fourth quarter mainly reflected decreases in exports and investment. In year-on-year terms, real GDP expanded by 2,5% in the fourth quarter, 0,2 p.p. less than in the previous quarter. Thus, in 2024 the US economy grew by 2,8%, compared with an increase of 2,9% in 2023.

US GDP (annual change)



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

The annual inflation rate accelerated to 2,9% in December 2024, up from 2,7% in November, maintaining the upward trend seen in the fourth quarter, This increase at the end of the year was partly driven by the base effect from 2023, particularly in the energy sector, Energy costs fell much less (-0,5% vs -3,2% in November), mainly due to petrol (-3,4% vs -8,1%), fuel oil (-13,1% vs -19,5%) and natural gas (4,9% vs 1,8%), In addition, inflation accelerated for food (2,5% vs 2,4%) and transport (7,3% vs 7,1%), and prices fell less for new vehicles (-0,4% vs -0,7%), On the



other hand, inflation slowed for housing (4,6%, the lowest since January 2022) and prices continued to fall for used cars and trucks (-3,3% vs -3,4%), Excluding food and energy costs, the annual inflation rate (underlying) ended the year at 3,2%, down 0,7 percentage points (p,p,) compared to January 2024.

In turn, the unemployment rate ended 2024 at 4,1%, unchanged from the end of the third quarter. The number of unemployed individuals fell by 235.000 to 6,9 million. Meanwhile, the labour force participation rate ended the year at 62,5%.

US Inflation Rate



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

According to the latest IMF estimates, after growing by 2,8% in 2024, the US economy is expected to expand by 2,7% and 2,1% in 2025 and 2026, respectively. Meanwhile, the average inflation rate, which stood at 3,0% in 2024, is expected to fall to 1,9% in 2025 and 2,1% in 2026.

Eurozone

Eurozone GDP grew by 0,9% in the fourth quarter of 2024, year-on-year. Among the bloc's major economies, Germany remained in negative territory, contracting by 0,2%, while Italy and France grew by 0,5% and 0,6%, respectively. On the positive side, Spain stands out, with growth of 3,5% in the fourth quarter, unchanged from the previous quarter.

Eurozone GDP growth rate (in %)



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

The annual inflation rate in the Eurozone accelerated for the third consecutive month, to 2,4% in December 2024, the highest figure since July, compared to 2,2% in November, The increase was largely due to base effects, as last year's sharp falls in energy prices were no longer included in the annual rates, Energy costs rebounded (0,1% vs -2% in November), recording their first positive change since July, and inflation accelerated slightly in services (4% vs 3,9%), In turn, inflation slowed slightly for food, alcohol and tobacco, as the rapid growth in prices for processed food, alcohol and tobacco (2,9% vs 2,8%) was ultimately offset by the slowdown in unprocessed food (1,6% vs 2,3%), Core inflation ended the year at 2,7%, down 0,6 p,p, from January 2024.

Eurozone inflation rate



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

In the labour market, the unemployment rate remained unchanged at 6,3% last December, 0,1 p.p. above the lowest level since records began. For reference, the average unemployment rate in the Eurozone since 1995 stands at 9,3%, with an all-time high of 12,2% in January 2013. In a context of low unemployment, wages rose by an average of 4,4% year-on-year in the third quarter of 2024, slowing slightly from 4,9% in the previous quarter.

According to the latest IMF forecasts, the Eurozone is expected to grow by 0,8% and 1,0% in 2024 and 2025, respectively. The average inflation rate is expected to decline from 2,4% in 2024 to 2,0% in 2025 and 2026.

Emerging Countries

In China, the economy expanded by 5,4% year-on-year in the fourth quarter of 2024, accelerating from 4,7% in the previous quarter, This was the highest growth in the last twelve months, driven by various fiscal and monetary stimuli aimed at boosting confidence and economic activity, In December 2024, the annual inflation rate stood at 0,1%, the lowest since March, Excluding energy and food costs, the underlying annual inflation rate recovered slightly from the previous month, ending the year at 0,4%, According to the IMF, the Chinese economy is expected to grow by 4,6% and 4,5% in 2025 and 2026, respectively.

The Indian economy expanded by 6,2% year-on-year in the fourth quarter of 2024, accelerating from the 5,6% increase in the previous period. In turn, the annual inflation rate continued its downward trend from the fourth quarter, standing at 5,2% in December 2024. According to the IMF, the Indian economy is expected to continue to grow well above average in 2025 and 2026, with an average annual rate of 6,5%.

Brazil's GDP expanded by 4,0% year-on-year in the third quarter of 2024, accelerating from the 3,3% increase in the previous quarter, The annual inflation rate continued the upward trend that began in April (3,7%), rising to 4,8% in December, In response to this movement in prices, the Central Bank raised the Selic interest rate three times, to the current 12,25%, in an attempt to limit inflation expectations, On the other hand, the unemployment rate continued to fall, standing at 6,1% in November (7,9% in March 2024), This figure signals the good performance of the labour market and reinforced the Central Bank's action and the adoption of a more restrictive monetary policy, According to the latest IMF estimates, the Brazilian economy is expected to grow at an annual rate of 2,2% in 2025 and 2026.

Finally, a reference to the Mexican economy, which ended the year under the threat of increased trade tariffs from the new US administration. In year-on-year terms, real GDP expanded by 0,5% in the fourth quarter of 2024, slowing down from the 1,7% recorded in the previous quarter. The annual inflation rate fell significantly in the second half of the year (5,6% in July), ending the year at 4,2%. Unlike its Brazilian counterpart, the Central Bank cut interest rates in December to 10,0%. This was the fifth interest rate cut this year, after the peak of 11,25% reached in 2023. According to the IMF, Mexico's GDP is expected to grow by 1,4% in 2025, accelerating to 2,0% in 2026.

Portuguese Economy

According to the National Institute of Statistics (INE), national GDP, in real terms, recorded a year-on-year change of 2,7% in the fourth quarter of 2024, 0.7 p.p. higher than in the previous quarter. The positive contribution of domestic demand to the year-on-year change in GDP increased in the fourth quarter as a result of the acceleration in private consumption. The contribution of net external demand to year-on-year GDP growth remained negative, reflecting stronger growth in imports of goods and services compared to exports.

Compared to the third quarter of 2024, GDP increased by 1,5% in volume, following growth of 0,3% in the previous quarter. The positive contribution of domestic demand to quarter-on-quarter GDP growth declined in the fourth quarter due to lower investment, mainly reflecting the negative contribution of changes in inventories, largely associated with the behaviour of international trade flows. In fact, imports of goods and services recorded a chain decrease in the fourth quarter, leading to a positive contribution from net external demand, after being negative in the previous two quarters.

For 2024 as a whole, GDP grew by 1,9% in volume, following a 2,5% increase in 2023. Domestic demand made a positive contribution to the annual change in GDP volume, higher than in the previous year, reflecting the acceleration in final consumption expenditure, while investment slowed down. The contribution of net external demand was negative in 2024, after being positive in the previous two years, with imports of goods and services accelerating in volume, while exports maintained growth close to that observed in the previous year.

Portugal's GDP growth rate



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

With regard to inflation, according to INE, the Consumer Price Index (CPI) recorded an average annual variation of 2,4%, lower than the rate recorded in 2023 (4,3%).





Excluding energy and unprocessed food from the CPI, the average rate of change stood at 2,5% (5,0% in the previous year). The year-on-year rate of change in the total CPI remained relatively stable throughout the year, reaching a low of 1,9% in August and a high of 3,0% in December, in contrast to the significant slowdown seen in 2023.

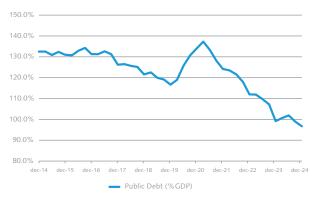
In turn, the Harmonised Index of Consumer Prices (HICP) recorded an average rate of change of 2,7% in 2024 (5,3% in the previous year). The year-on-year rate of change stood at 3,1% in December, 0.4 p.p. higher than in November and 0.7 p.p. higher than the figure estimated by Eurostat for the euro area. Excluding unprocessed food and energy, the HICP in Portugal reached a year-on-year change of 3,0% in December, higher than the corresponding rate for the euro area (estimated at 2,8%).

Also, according to INE, in December 2024, the employed population (around 5,1 million people) increased by 1,3% year-on-year. In turn, the unemployed population, estimated at 352.000 people, increased by 1,8% in the same period. The unemployment rate was estimated at 6,4%, unchanged from the same month in 2023.

According to the Directorate-General for the Budget (DGO), by December 2024, the General Government (GG) had a positive budget balance of 354,1 million euros, which represents a decrease of 7.2 billion euros compared to the same period last year, as a result of expenditure (9,2%) increasing more than revenue (2,5%). Adjusted for the effect of the transfer of liabilities from the CGD Staff Pension Fund to CGA, the GG budget balance fell by around 4.2 billion euros. The primary balance stood at 7.3 billion euros, 3.97 billion euros less than in 2023.

Thus, according to the Bank of Portugal, thanks to the positive trajectory of public accounts, at the end of December, public debt stood at 270.7 billion euros and is expected to end 2024 at 95,3% of GDP.

Portugal's Public Debt, as a % of GDP



Source: Bloomberg, Invest Gestão de Activos. Values up to 31-Dec-24

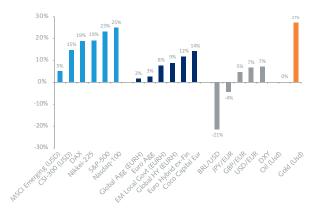
Finally, according to the latest estimates from the European Commission, the national economy, after growing by 1,7%

in 2024, is expected to expand by 1,9% and 2,1% in 2025 and 2026, respectively. In turn, the average annual inflation rate is expected to decrease to 2,1% in 2025 and to 2,0% in 2026.

Financial Markets

In 2024, in the United States, the S&P-500 and Nasdaq-100 indices recorded gains of +23,3% and +24,9% in USD, respectively. In sector terms, gains were led by the Technology sector (+35,7%), followed by the Discretionary Consumption (+29,1%) and Financial (+28,4%) sectors. Return dispersion remained particularly high, with the Healthcare and Materials sectors recording variations of +0,9% and -1,8%, respectively, as opposed to the so-called 'Magnificent 7', which, on average, appreciated by 66,9%.

Financial Markets in 2024



Source: Bloomberg, Invest Gestão de Activos. Values on 31-Dec-24

In Europe, the Stoxx-600 and EuroStoxx-50 indices rose by +6,0% and +8,3%, respectively, Among the main markets, the German DAX index stood out with a gain of +18,8% and the Spanish IBEX-35 with a gain of +14,8% since the beginning of the year, At the sectoral level, the Banking (+26,0%), Telecommunications (+16,2%) and Industrial (+13,8%) sectors stood out positively, the latter benefiting from investment in defence and industrial equipment in a context of growing geopolitical tensions, On the negative side, the Food and Beverage (-12,3%) and Automotive (-12,2%) sectors stood out.

Among emerging markets (+5,1%, measured by the MSCI Emerging Markets Index, in USD), the outperformers were the Chinese (CSI-300 +11,6% USD) and Indian (S&P BSE Sensex, +9,9% USD) markets. Conversely, the underperformers were the Brazilian (IBOV, -29,5% USD) and Mexican (MEXBOL, -30,0% USD) markets, among the main ones, penalised by the sharp depreciation of their respective currencies.

In bond markets, the year was marked by high volatility in sovereign debt yields, particularly in the United States. In fact, the resilience of the US economy and fears about the effects of the policies announced by President Donald Trump, particularly on inflation and public debt, led to a reassessment of the timing and scale of interest rate cuts by the Fed and, consequently, to a rise in yields during the last quarter of the year. As a result, 2-year and 10-year Treasuries ended the year at 4,24% and 4,57%, after changes of -1 bp and +69 bp, respectively. In the eurozone, where the economy remains weaker, the ECB cut interest rates four times (bringing the deposit rate to 3,00%) and German 2-year Bund yields fell -32 bp to 2,08%, while 10-year yields rose +34 bp to 2,37%. In both economic blocs, yield curves normalised (with higher yields at longer maturities), with markets discounting lower probabilities of recession and greater uncertainty about the future evolution of inflation.

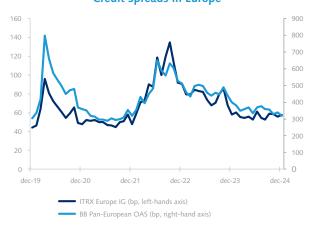
Public Debt Yields (USA and Eurozone)



Source: Bloomberg, Invest Gestão de Activos. Values on 31-Dec-24

In the private debt segments, despite their low levels at the beginning of 2024 and geopolitical uncertainty, credit spreads ended the year with further gains. High Yield spreads fell by 45 bp in the United States and by 81 bp in Europe, to 311 bp and 318 bp, respectively. In the Investment Grade segment, declines were slight, with spreads narrowing to 50 bp (-7 bp) and 58 bp (-1 bp), respectively. As a result, global High Yield and Investment Grade indices appreciated +8,9% and +1,7% in EUR since the beginning of the year.

Credit Spreads in Europe



Source: Bloomberg, Invest Gestão de Activos. Values on 31-Dec-24

In the foreign exchange markets, the year saw gains for the US dollar (USD) against the world's major currencies. The USD gained 6,6% against the EUR and 11,7% against the JPY. Against a backdrop of revised expectations for future interest rates, the Dollar Spot Index rose 7,1%.



Finally, commodity prices rose by an average of +2.6%, as measured by the S&P GSCI Spot index in USD, in 2024. The main driver of this gain was the price of gold, which rose by +26.9%, largely driven by geopolitical tensions. Agricultural Products and Industrial Metals recorded slight changes (-1,0% and +3.6%, respectively), and the energy sector lost -0.8%, in line with the evolution of oil prices (WTI +0.1%, Brent -3.1%).

5. Business

The National Banking Sector

In an overview of the Portuguese banking sector for June 2024, the Portuguese Banking Association (APB) highlights that the national banking system continued to improve its profitability, in a context of high global political uncertainty and economic slowdown, with capital reaching historically high levels and liquidity levels remaining robust. The improvement in the banking sector's profitability resulted from an increase in net operating revenue and a decrease in provisions and impairments, which more than offset the increase in operating costs. In turn, the increase in net operating revenue was mainly due to the rise in net interest income, although this increase was more moderate than in the previous year, due to the combination of the following effects: i) growth in interest received, reflecting the transmission of interbank market interest rates and the positive performance of the loan portfolio; and ii) a significant increase in interest charges, due to higher interest rates on deposits from individuals.

However, the association warns that the sector faces a challenging context from an economic, competitive and regulatory point of view, highlighting: i) the necessary continuation of the digital transformation of financial services, ii) the transition to a sustainable economy and the incorporation of these challenges into risk management and iii) the strengthening of operational resilience in the face of threats arising from increasingly sophisticated cyberattacks.

According to the APB, in the first nine months of 2024, total assets in the national banking sector increased by 5,0% compared to December 2023, due to a sharp increase in the debt securities portfolio, mainly consisting of public debt securities, an increase in central bank reserves and loans to customers. In this context, there was an improvement in asset quality, with the sector's non-performing loan (NPL) ratio falling slightly to 2,6%, down 0,1 percentage points (p.p.) compared to the end of 2023. Thus, the Portuguese banking sector continued its downward trend in NPLs that has been recorded since 2014 (16,6%).



On the liabilities side, in the first nine months of 2024 there was a 5,3% increase in customer deposits compared to the end of 2023, with a notable increase in term deposits, especially in the individual segment, in a context of a rise in the average remuneration offered on these products. In turn, there continued to be a decrease in the weight of financing obtained from the Eurosystem, a trend that has been observed since 2021 with the repayment of TLTRO III loan operations by banks.

The Loan-to-Deposit Ratio continued its downward trend, which has been observed since 2010, due to growth in deposits (+5,3% compared to the end of 2023) outpacing growth in loans to customers (+1,7% compared to the end of 2023). At the end of September 2024, the sector's average Loan-to-Deposit Ratio decreased by 2.7 p.p. to 75,3% (78,0% at the end of 2023) and the Liquidity Coverage Ratio (LCR) increased to 270,1% (+20.2 p.p. compared to December 2023).

During this period, the national banking sector's solvency ratio rose to 20,4% (+0.8 p.p. compared to the end of 2023) and the sector's Common Equity Tier 1 (CET1) ratio totalled 17,7% (+0.6 p.p. compared to December 2023).

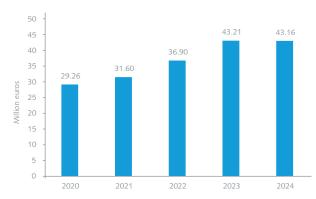
In this context, the national banking system's return on equity (ROE) in the first nine months of 2024 totalled 16,1% (compared to 14,8% in 2023) and ROA increased to 1,5% (compared to 1,3% in 2023).

Balance Sheet and Net Income

In this context, Banco Invest recorded an increase in return on assets, with ROA reaching 2,3% (0.2 p.p. more than in 2023), above the national banking sector average. In turn, despite the growth in net income in 2024, ROE decreased to 11,7% (compared to 14,2% in 2023) due to the significant increase in equity.

Net interest income decreased slightly (-0,1% or -0.05 million euros) to 43.16 million euros, essentially due to the decline in interest rates in international markets.

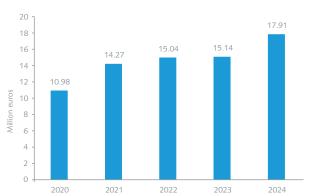




Source: Banco Invest

Net commissions increased by 2.8 million euros (18,4%) to 17.9 million euros, reflecting the growth in the Bank's commercial activity in the different business areas in which it operates.

Net Commissions



Source: Banco Invest

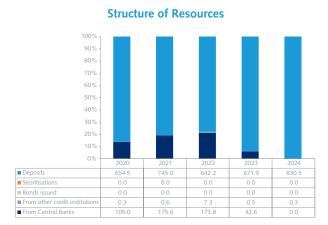
Net income from financial operations decreased by 0.6 million euros to 1.0 million euros, of which 0.9 million euros relate to gains from the fair value portfolio.

Operating income grew by 3.5 million euros (5,8%) to 64.1 million euros, with the increase in net commissions being enough to offset the slight decline in net interest income and the decrease in net income from financial operations.

Impairments for the year totalled 4.2 million euros in 2024, compared to 3.8 million euros in the previous year. In 2024, loan impairments were increased by 3.5 million euros (2.8 million euros in 2023), mainly related to the car loan portfolio and in line with expectations for this segment. Impairment of other assets in 2024 was reinforced by 0.7 million euros (1 million euros in 2023) relating to properties received as repayment of loans.

Net assets grew by 148.7 million euros (16,0%) to 1,076.7 million euros, with a notable increase in cash and balances with central banks (+131.8 million euros) and financial assets at fair value through other comprehensive income (+28.1 million euros), and the decrease in non-current assets held for sale (–18.0 million euros), mainly due to the spin-off of the lending business under the Crédito Económico Popular (CEP) brand in November 2024.

Liabilities increased by 127.2 million euros (17.1%) to 869.8 million euros, mainly due to the strong growth in customer funds (+156.6 million euros or 23,6% compared to 2023). Conversely, Banco Invest no longer holds any financing from the Eurosystem, with Resources from Central Banks decreasing by 42.6 million euros compared to 2023.



Source: Banco Invest

The total capital ratio and the Common Equity Tier I ratio, including the net profit for 2024, totalled 27,9% (compared to 23,9% in the previous year), positioning Banco Invest as one of the most solid financial institutions operating in Portugal.

It should be noted that on 2 April, the US president announced the implementation of a set of tariffs on products imported from various countries. Although negotiations between the US and the affected countries are still ongoing, there has been volatility in the capital and financial markets.

The Executive Board of Directors believes that capital and liquidity levels are adequate to absorb any impacts.

In operating terms, the distribution of income and of the main balance sheet items, in 2024 and 2023, was as follows:

Distribution by Operating Segments

Indicators (Thousands euros)

		2024			2023	
	Commercial	Markets	Total	Commercial	Markets	Total
Net interest income	44.648	(1.488)	43.160	50.351	(7.136)	43.215
Income from equity instruments	-	-	-	-	-	-
Net fees and commissions income	17.914	-	17.914	15.135	-	15.135
Net gains / (losses) from assets and liabilities assessed at fair value through profit and loss	-	867	867	-	5.517	5.517
Income from financial assets at fair value through other comprehensive income	-	(285)	(285)	-	(3.612)	(3.612)
Other operating revenue and other	2.423	-	2.423	295	-	295
Net operating revenue	64.985	(906)	64.079	65.781	(5.231)	60.550
Staff costs and general administrative costs	(24.575)	(694)	(25.269)	(23.045)	(738)	(23.783)
Amortisations and depreciations	(2.771)	-	(2.771)	(2.032)	(4)	(2.036)
Provisions and impairment	(4.514)	239	(4.275)	(6.243)	2.236	(4.007)
Equity method	139	-	139	81	-	81
Income before taxes	33.264	(1.361)	31.903	34.543	(3.737)	30.805
Taxes	(9.155)	374	(8.781)	(9.347)	1.011	(8.336)
Non-controlling interests	1.514	-	1.514	(1.330)	-	(1.330)
Consolidated net income for the year	22.595	(987)	21.608	23.866	(2.726)	21.139
Financial assets held for trading	-	28.489	28.489	-	25.286	25.286
Financial assets not held for trading mandatorily at fair value through profit or loss	-	19.805	19.805	-	17.963	17.963
Financial assets at fair value through other comprehensive incomel	-	143.172	143.172	_	115.083	115.083
Loans and advances to customers	411.984	-	411.984	428.373	-	428.373
Debt securities	-	252.415	252.415	-	231.528	231.528
Resources from Central Banks	-	-	-	-	42.649	42.649
Resources from credit institutions	-	704	704	-	493	493
Resources from customers and other loans	820.854	-	820.854	664.231	-	664.231
Non-subordinated debt securities issued	-	-	-	-	-	-

Source: Banco Invest The 'Markets' segment includes the Own Portfolio



Asset Management

Investment Funds of Invest Gestão de Activos – SGOIC, S.A.

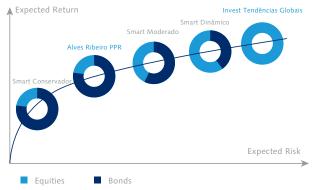
Invest Gestão de Activos - SGOIC, SA (Invest GA) currently manages four mutual funds and two real estate investment funds:

- Invest Ibéria Fundo de Investimento Mobiliário Aberto de Accões (Invest Ibéria);
- Alves Ribeiro PPR / OICVM Fundo de Investimento Mobiliário Aberto de Poupança Reforma (Alves Ribeiro PPR);
- Smart Invest PPR / OICVM Fundo de Investimento Mobiliário Aberto de Poupança Reforma (Smart Invest PPR):
- Invest Tendências Globais PPR / OICVM Fundo de Investimento Mobiliário Aberto de Acções de Poupança Reforma (Invest Tendências Globais PPR);
- Inspirar Fundo de Investimento Imobiliário Fechado;
- Tejo Fundo de Investimento Imobiliário Fechado.

In recent years, Invest GA has complemented its range of Retirement Savings Funds with the launch of Smart Invest PPR (January 2021) and Invest Tendências Globais PPR (July 2022), strengthening its position as a recognised manager of medium- to long-term savings products, which are increasingly important as retirement supplements, in a context of progressive ageing of the Portuguese population and growing pressure on the public pension system.

As such, Invest GA's PPR offer currently includes different solutions tailored to different investment needs and objectives: two actively managed funds, Alves Ribeiro PPR and Invest Tendências Globais PPR, with around 25% and 100% exposure to equities, respectively, and a passively managed fund, Smart Invest PPR, compoased of three subfunds with 20%, 45% and 70% exposure to equities, as shown below.

PPR offer of Invest Gestão Activos - SGOIC



Source: Invest GA. For illustrative purposes only

In 2024, total assets under management by Invest Gestão de Activos – SGOIC increased by 82.0 million euros (+29,0%) to 365.1 million euros. Over the last five years, the annual growth rate has been 29,5%. Of this total, 324.9 million euros relate to mutual funds (FIM) and 40.2 million euros to real estate investment funds (FII).

Amounts under management



Source: Invest Gestão de Activos

Mutual funds

The Alves Ribeiro - Plano Poupança Reforma Fund ended 2024 with a 7,0% increase in value.

The bond component, corresponding to approximately 62,8% of the average portfolio throughout the year, was the main contributor to this positive performance, with a 7,2% increase in value in 2024. As a result, this asset class contributed +4.4% to the total return.

The equity component (26,3%) of the average portfolio) contributed +3,9% to total return, after a 14,3% increase in value. Among the different geographies, as in the previous year, US equities stood out, with a 26,4% increase in value (a positive contribution of 225 basis points to the fund's total return).

In turn, the contribution of the 'Alternative Investments' component was positive by 24 basis points. Average exposure decreased to 3,7%, mainly as a result of growth in the fund's total assets without a corresponding increase in this asset class.

Since the fund was launched in November 2001, its annualised return has been 6,1%, net of commissions. Over the last 10 years, the annualised return has been 5,2%, the highest among PPR funds with similar risk, according to APFIPP.

The **Invest Ibéria** fund ended 2024 with a valuation of 11,2%. Over the same period, the IBEX-35 and PSI-20 indices varied by +14,8% and -0,3%, respectively.

In relative terms, compared to the Iberian indices, the Fund's return was therefore very positive in 2024 (11,2% vs 7,2%). The domestic equity component, corresponding to approximately 42,8% of the average portfolio throughout

the year, declined by -2,55%, contributing negatively by approximately -61 basis points to the Fund's total return. In turn, the allocation to the Spanish market (55,1% of the average portfolio) contributed 13,6%, resulting from an average appreciation of 25,2%.

Since the Iberian strategy was launched in December 2016, the Fund has recorded a gain of 25,4%, compared with +37,8% and +23,2% for the IBEX-35 and PSI-20 indices, respectively, over the same period.

The **Smart Invest** fund is a passive management product, composed of three sub-funds, providing investors with diversified access to the main markets and asset classes in a low-cost and tax-efficient manner. Management is carried out using a robot-advisory model, ensuring automatic rebalancing of portfolios for investors.

In 2024, the annual returns of the sub-funds reflect the strong performance of the financial markets, particularly for shareholders, in a year marked by strong gains in technology stocks and the start of interest rate cuts by major central banks. As a result, Smart Conservador gained 3,8%; Smart Moderado gained 7,0%; and Smart Dinâmico appreciated 12,2% in 2024.

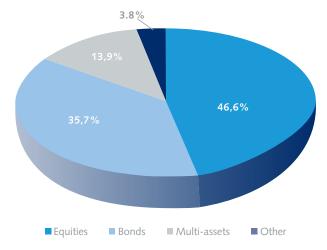
Finally, since the start of its activity on 1 July 2022 until the end of 2024, the Invest Tendências Globais fund posted a cumulative return of +54,6%. The fund invests in companies exposed to four main trends with attractive medium to long-term growth potential: i) Digitalisation, ii) New Consumer Trends, iii) Demographic Changes and iv) Energy Transition. Among these trends, the focus is on investing in companies with: high returns on invested capital (ROIC), achieved on a recurring basis; competitive advantages that are difficult to replicate; efficient capital allocation; low levels of debt; potential for above-average growth in their sector; management teams with a positive track record; and good ESG (Environmental, Social and Governance) ratings. In 2024, the fund's return was 22.4%. one of the best among all national mutual funds, according to APFIPP.

Third Party Investment Funds

In 2024, the amount distributed from investment funds managed by third parties (not including the Institutional business) increased by 22,4% to 263 million euros. This change mainly reflected gains in developed financial markets, particularly in equities, against a backdrop of easing inflationary pressures and interest rate cuts by major central banks, as well as optimism about the development and adoption of Artificial Intelligence (AI). Of the total third-party funds distributed by Banco Invest in the fourth quarter of the year, approximately 47% corresponded to equity funds (-4.6 p.p. compared to the end of 2023), 36% to bond funds (+3.7 p.p.) and 14% (-0.5 p.p.) to multi-asset funds.

Distribution of Third Party Investment Funds





Source: Banco Invest Average values 4th Quarter 2024

At the end of the year, the Bank's offer included investment funds from 25 management companies, covering all asset classes, geographies and investment strategies. Among the latter, throughout the year, the Bank increased its offer of global thematic funds as an alternative to the main geographical and sectoral benchmarks, focusing on trends considered to have high potential in the medium to long term.

Discretionary Management

In 2024, the markets delivered another year of exceptional returns, with the MSCI World and Bloomberg Euro Corp ex-Fin Hybrid indices rising 26,2% and 12,2% in EUR. Inflation fell to close to official targets, economic growth proved more resilient than expected, particularly in the United States, corporate results were in line with expectations and Central Banks began to cut interest rates.

In this context, the portfolios under discretionary management ended 2024 with returns of between +4,1% (Conservative Profile) and +8,9% (Dynamic Profile). Since the start of activity, the median net returns after commissions by risk profile ranged from +1,3% (Conservative Profile) to +3,8% (Dynamic Profile).



Return and Risk



Source: Banco Invest median net returns and volatilities by risk profile since the start of activity.

Values on 31-Dec-24

Structured Products

During 2024, the Bank continued its activity of issuance of structured products for Private Customers and financial derivatives for Institutional Customers.

In the Private Customers segment, amounts issued increased by 30,1%. Growth in amounts issued therefore

Investment Consulting

In 2024, the Bank continued to develop its Investment Advisory service, recording a 33,8% increase in the amount under advisory. In a context of high uncertainty surrounding the evolution of the world's main economies and financial markets, the Bank continues to identify a growing demand for professional and specialised advice.

remained robust, in a context of continuing high interest rates and rising stock markets, factors that maintained the attractiveness of this type of product, aimed mainly at more conservative customers seeking investments with guaranteed capital and returns indexed to shares.

Among the issues carried out, the following are noteworthy:









Among the structured products that matured during the year, the following stand out:











With regard to Institutional Clients, the Bank continued to serve domestic banks with risk coverage for their own issues. At the end of 2024, the portfolio under management amounted to 83.7 million euros, down 17,5% on the previous year, consisting solely of equity option swaps.

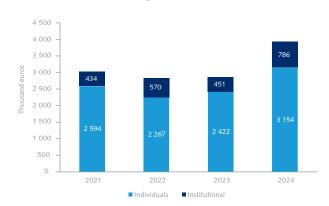
Brokerage

During 2024, brokerage commissions grew 34% over the previous year to around 3.9 million euros.

By type of client, the Private Customers segment grew 30% in 2024, representing around 80% of total brokerage commissions from clients. In the Institutional Customers segment, total brokerage commissions grew around 74% compared to 2023.

In the Private Customers segment, online trading continued to predominate, accounting for around 85%. The Btrader platforms grew 34,3%. The Prime Brokerage segment, which serves more sophisticated clients with access to the market room, grew 12,4%.

Brokerage commissions



Source: Banco Invest

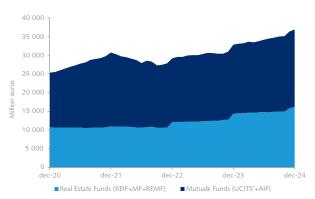


Financial Services and Institutional Custody

According to figures released by the CMVM, the value under management by collective investment undertakings in transferable securities (UCITS) and alternative investment funds (AIFs) totalled 20.843 billion euros at the end of 2024, up 2.209 billion euros (+11.9%) compared to the same period in 2023.

In turn, the value under management by real estate investment funds (REIFs), special real estate investment funds (SREIFs) and real estate asset management funds (REMFs) reached 16.303 million euros, up 1.880 million euros (+13,0%) compared to the end of 2023.

Mutual and Real Estate Funds, value under management in Portugal



Source: CMVM

The Bank strengthened its position as a leading depositary bank for independent management companies of collective investment undertakings operating in the domestic market.

As at 31 December 2024, the Bank provided depositary services to 99 collective investment undertakings ('CIUs'), managed by various management entities, predominantly alternative investment undertakings.

At the end of 2024, the total assets of the CIUs to which the Bank provides depositary services exceeded 5 billion euros.

The Bank continues to grow strongly in this area, reflecting the market's recognition of the quality of the services provided and the growth and success of our clients.

Corporate Finance

Throughout the year, under the Invest Corporate Finance brand, Banco Invest acted as Arranger and Lead Manager in around 40 commercial paper issuance transactions, totalling 327 million euros. In the bond segment, the transactions in which Banco Invest participated exceeded 482 million euros.

Several Advisory and Euro Commercial Paper issues were also carried out, for both private companies and public entities.

Invest Corporate Finance



Financial assets at amortised cost Loans and advances to customers (non-securitised)

The subsidiary Bicredit granted loans for vehicle purchases of close to 90 million euros, with the motorcycle segment accounting for around 5% of the total. In the used car loan segment, performance was similar to that seen in 2023, both in terms of the number of vehicles financed and the amount financed. New car financing grew strongly in relative terms compared to the previous year, although this segment accounted for only 3% of total car loans. Commercial activity was lower than the market, with a slight loss of market share for Bicredit among ASFAC members. In the used car financing market, Bicredit's main market, the institution ended 2024 with a market share of slightly less than 5% in terms of number of contracts. At the end of 2024, the gross loan portfolio (excluding expenses/ income with deferred charges/income and the difference between the purchase value and exposure value of the card portfolio acquired in 2023, which totalled 12.7 million euros as at 31 December 2024 and 10.4 million euros as at 31 December 2023) totalled 345.1 million euros, with no significant changes compared to the end of the previous year, despite the expected reduction in the card portfolio, which ended 2024 representing only 1,1% of the total portfolio (compared to 2,7% at the end of 2023).

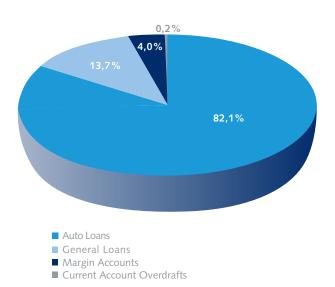
At the end of 2024, general credit, which essentially consists of financing guaranteed by real estate assets, and which includes financial leasing operations, medium and long-term loans and current account loans, totalled 57.1 million euros (-15.9 million euros compared to 2023), with the Bank also having personal guarantees from the respective debtors or guarantors in the vast majority of operations. Real estate collateral is subject to periodic reassessments by certified and independent Technical Appraisers, in accordance with standards that reflect the evolution of the corresponding regional real estate markets, nature of properties, use and liquidity potential.

Gross margin loans totalled 16.6 million euros (compared to 24.1 million euros in 2023).

In November 2024, under the Sale and Purchase Agreement (SPA) entered into between Alves Ribeiro – Investimentos Financeiros, SGPS, SA (majority shareholder of Banco Invest) and Kruso Kapital S.p. A of the Banca Sistema Group relating to the sale of the lending business under the Crédito Económico Popular (CEP) brand, a balance sheet split was carried out at Banco Invest, with the following assets and liabilities being transferred to the new company:

Item	Value in euros
Cash and deposits at	
Central Banks	973.711,25
Financial assets at	
amortised cost	16.049.239,59
Gross loans	16.219.894,59
Impairment	(170.655,00)
Other tangible assets	1.052.766,96
Other assets	542.663,58
TOTAL ASSETS	18.618.381,38
Resources from other	
credit institutions	17.300.000,00
Other liabilities	1.308.381,38
TOTAL LIABILITIES	18.608.381,38
Equity	10.000,00
TOTAL EQUITY	10.000,00
TOTAL LIABILITIES + EQUITY	18.618.381,38

Total loans and advances to customers (non-securitised)



Fonte: Banco Invest

Financial assets at amortised cost Securitised loans

At the end of 2024, total gross performing loans came to 660.4 million euros, of which 37,8% was securitised. In fact, the Bank has given priority to the concession of loans to medium-sized and large companies through securitised loans, considering their greater liquidity and lower raising and funding costs. Of this amount, about 19,4% was invested in government bonds and the remainder in corporate bonds. The largest sectoral exposures were to the Mortgage Banking (24,9%), ABS Auto Loans (11,6%),





Senior Banking (11,6%) and Non-Cyclical Consumer (6,3%) sectors.

Capital Markets

In the capital markets, the combination of the start of interest rate cuts by the main Central Banks and optimism about the growth of the big technology companies led to strong share price rises (MSCI World, +17,0% in USD). HERERERE Among bonds, gains were more significant in riskier segments, with the Global High Yield rising 9,2% in USD. Investment-grade bonds, on the other hand, lost 1,7% in USD (Global Aggregate). Among commodities (+2,6% as measured by the S&P GSCI Index in USD), gold stood out with a strong appreciation (+26,9% in USD).

Liquidity and Funding

Coverage Ratio clearly above the minimum required. Banco Invest's Liquidity Coverage Ratio in December 2024 was 439,7%, well above the legal minimum (100%).

Excluding interest payable, Resources from Customers grew 23,2% (+153.2 million euros) to 812.6 million euros, with particular emphasis on Resources from Private Customers, which grew 25,0% (+124.3 million euros), and Resources from Companies, which grew 42,5% (+41,0 million euros). At the end of 2024, the Private Customers segment represented about 76,5% of Resources from Customers.

Resources from Customers (excluding interest payable)



Source: Banco Invest

Capital Markets

The Bank actively manages various market risks: equities, bonds, interest rates, exchange rates and related derivatives.

• Equity Risk

The Bank intervenes in the equity markets through the Portfolio at Fair Value through Profit or Loss (JVR), according to two main approaches or strategies.

In the first approach, from a medium-term perspective, the operations undertaken are defined and approved by the Bank's Investment Committee and are based on the combination of a fundamental analysis of sectors and companies. In addition to a battery of macroeconomic and sectoral indicators, share evaluation models are used, together with a comparison of expected returns on equities and bonds.

In turn, the second approach is based on a short-term perspective, with a view to achieving a pre-established objective.

The strategies, risk limits and the trading portfolio budget are approved before the year commences by the Bank's Investment Committee, and the manager may intervene in the market, throughout the year, within the parameters previously defined.

Interest Rate Risk of the Securities Portfolio

In a context of continued uncertainty regarding the evolution of interest rates and bond yields, the average duration of the Bank's securities portfolio remained virtually unchanged, from 3.9 years at the end of 2023 to 4 years at the end of 2024. In turn, the interest rate risk of the securities portfolio, measured by basis point value (BPV), increased from 126 thousand euros at the end of 2023 to 144 thousand euros at the end of 2024, as a result of the strategy defined by the Bank's Investment Committee (CIB), which resulted in moderate growth in the securities portfolio.

PVBP Interest Rate

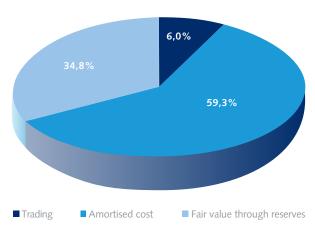


Source: Banco Invest

• Bond Risk

At the end of 2024, the Bank's bond portfolio, excluding Notes held by the Bank originated by Bicredit (a subsidiary of the Bank), amounted to 411.9 million euros, characterised by high geographical diversification. Sovereign debt accounted for around 15,5% of the total portfolio, with Spanish public debt being the largest exposure to sovereign debt, representing 4,7% of the total portfolio, followed by Portuguese public debt with a weight of 2,5% (1,5% in 2023).

Breakdown of the Bond Portfolio

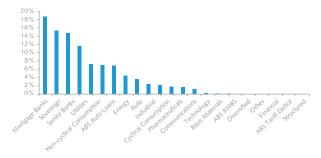


Source: Banco Invest

In geographical terms, European issuers accounted for 89,1% of the bond portfolio. In turn, the weight of emerging countries decreased to 2,8% of the total, with North American and Asian issuers accounting for 5,9% and 2,2%, respectively. By sector, the largest exposures were to Mortgage Banks (18,9%), Sovereign (15,5%), Senior Banks (14,8%) and Utilities (11,6%).

Sectoral allocation of the Bond Portfolio

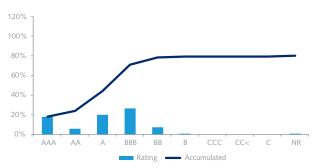




Source: Banco Invest

With regard to the assessment of risks in the debt securities portfolio, the Bank mainly uses external ratings. At yearend, 88,6% of the total portfolio had a rating equal to or higher than BBB.

Distribution of the Bond Portfolio by credit rating



Source: Banco Invest

Distribution of the Bond Portfolio by credit rating and by type of portfolio

5.11			Portfolio		
Rating Bonds	Amortised cost	Fair Value through OCI	Trading	Total	Accumulated
AAA	34,4%	5,9%	4,1%	22,7%	22,7%
AA	5,7%	8,3%	20,3%	7,5%	30,1%
Α	20,4%	34,8%	15,3%	25,1%	55,3%
BBB	23,3%	50,9%	29,9%	33,3%	88,6%
BB	15,0%	0,0%	6,1%	9,2%	97,8%
В	1,2%	0,0%	6,1%	1,1%	98,9%
CCC	0,0%	0,0%	0,0%	0,0%	98,9%
CC	0,0%	0,0%	0,0%	0,0%	98,9%
С	0,0%	0,0%	0,0%	0,0%	98,9%
NR	0,0%	0,0%	18,3%	1,1%	100,0%
Total	100,0%	100,0%	100,0%	100,0%	

Source: Banco Invest



• Foreign Exchange Risk

Foreign exchange management is essentially centred on hedging the positions in dollars, sterling and Swiss francs. In terms of balance sheet exposure, the Bank's foreign exchange activity remained low-level.

Volatility Risk

The "Volatility Portfolio" is part of Banco Invest's own portfolio investment policy aimed at managing the market risks arising from the issue of structured products and other financial derivatives for third parties. These products can take three main forms: Structured Deposits (term deposits issued by the Bank, with guaranteed capital and remuneration indexed to one of more financial assets), Structured Products, with or without guaranteed capital, and with remuneration indexed to one or more financial assets) and Financial Derivatives (swaps and options).

Most of the products issued by the Bank are managed internally, within its own portfolio. This means that the Bank assumes the risk of the remuneration payable for the products, such that the correct hedging of this risk is extremely important in order to preserve the estimated margin for the products. In other words, the objective of portfolio management is the hedging of risk, ensuring that the expected margin of the products is not undermined.

Exposure limits are defined in terms of the amount used to hedge structured products and derivatives issued by the Bank, in the dynamic risk management process known as Delta Hedging. These limits are defined by the Bank's Investment Committee and reviewed annually.

At the end of 2024, the maximum expected loss of the Portfolio, with a confidence interval of 99,9% and a time horizon of 10 days, calculated by Monte-Carlo simulations, amounted to 224 thousand euros, for a Notional of 177.0 million euros. The Delta was approximately 5.2 million euros.

Volatility Portfolio

	Dec-24	Dec-23
Stress-test 10 days I 99,99%	(223.838)	(211.343)
Delta	(5.160.053)	(6.013.843)
Vega	(1.839)	16.896
Notional	176.946.553	180.984.020

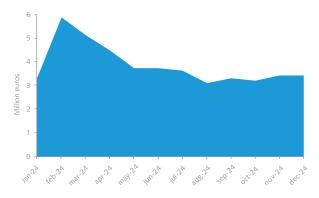
Source: Banco Invest Values in euros.

Market Risk

The Bank's trading portfolio (excluding Volatility Risk) ended with an Expected Shortfall, with a confidence interval of 97,5%, of 3.2 million euros. During the year, the monthly Expected Shortfall remained relatively stable, ranging from

a minimum of 2.9 million euros to a maximum of 5.5 million euros, as a result of the strategy defined by the Executive Board of Directors for this portfolio.

Expected-Shortfall of the Trading Portfolio (excluding Volatility Risk)



Source: Banco Invest

Environmental Responsibility

Banco Invest is aware of the growing relevance of climate and environmental risks to banking activity, as set out in the European Central Bank's Guide to climate and environmental risks, published on 27 November 2020, and subsequently incorporated into the supervisory expectations for less significant institutions, communicated in Circular Letter No. CC/2021/00000010.

In this context, the Bank has defined a two-year Climate and Environmental Risk Initiatives Plan to address the aforementioned supervisory expectations, scheduling its implementation by the end of 2025.

During 2024, the Bank implemented a number of initiatives in this area, namely:

- o Creation, in September 2024, of a Sustainability Committee, whose main function is to support the Executive Board of Directors in its strategy and positioning on sustainability, particularly with regard to climate and environmental risk management. During 2024, two meetings of this Committee were held;
- o Preparation and dissemination of the Bank's Climate and Environmental Risk Management Policy, which establishes the criteria for identifying, assessing, mitigating and monitoring climate and environmental risks, in particular in the Bank's investment and financing decision-making processes (own portfolio and non-securitised loan portfolio), as well as the governance structure responsible for managing climate and environmental risks, including a three-line defence model in this area;
- Classification of the Bank's securitised and nonsecuritised credit portfolios in terms of Environmental Rating ('E'), in accordance with the methodologies

- set out in the Bank's Climate and Environmental Risk Management Policy;
- Materiality analysis and prioritisation of climate and environmental risk factors, with the definition of monitoring indicators in the different risk categories
 credit, liquidity, market, operational, compliance, business model, real estate and reputational;
- o Assessment of the impact of climate and environmental risks in the short, medium and long term and their impact on liquidity and regulatory ratios;
- Definition of the risk appetite for 2025, incorporating limits arising from climate and environmental risks (Rating E limit for securitised and non-securitised credit portfolios and limits for monitoring risk indicators);
- o With regard to Bicredit Car Loan Portfolio, considering that the car financing sector is facing new challenges arising from environmental and climate concerns, with increased regulatory requirements related to sustainability and the transition to greener mobility, a specific Environmental and Climate Risk Policy was drawn up for this entity, which has an impact on the Strategic Plan and on the definition of the assumptions and estimates applied in the Company's budget.
- o Bicredit's Strategic Plan for 2025 took into account, particularly in defining its assumptions, the transition to greener mobility, considering the specific nature of the business and the ongoing commitment to technology as a sustainable means of supporting communication with various stakeholders, particularly customers and business partners, and streamlining and automating internal processes.

Also in this context, the following initiatives are underway and are expected to be implemented by the end of 2025:

- Assessment and quantification of the impact of climate and environmental risks in terms of credit risk and integration into the capital adequacy process (ICAAP);
- o Assessment of the identification of material climate and environmental risks and the possibility of integrating these factors into the Bank's stress testing programme;
- o Assessment of the implementation of differentiated pricing for Banco Invest customers with better environmental risk.

By 2027, the Bank will also discuss and adopt the Guidelines on the management of environmental, social and governance (ESG) risks (EBA/GL/2025/01), issued on 08 January 2025.

6. Transactions with members of the Executive Board of Directors and the General and Supervisory Board



The Legal Framework of Credit Institutions and Financial Companies forbids the Bank from granting credit to members of its governing bodies, or to its related parties, either directly or indirectly, under any form, including the provision of guarantees.

However, the above does not apply to transactions of a social nature or purpose or arising from the personnel policy, as well as to loans granted as a result of the use of credit cards associated with the deposit account, under similar conditions to those practised with other customers of a similar profile and risk.

As at 31 December 2024, the balances under the Assets item relating to members of the Executive Board of Directors and the General and Supervisory Board refer to funding granted to a member of the Executive Board of Directors under the personnel policy, in the total amount of 163.276 euros.

Members of the management or supervisory body, directors and other employees of the Bank may not participate in the assessment and decision-making of operations in which they, their spouses, or persons with whom they live in a civil partnership, relatives, siblings or first-degree relatives, or companies or other collective entities that they directly or indirectly control, have a direct or indirect interest.

Principles relating to transactions with related parties

The Bank applies the following rules in transactions with related parties:

- (a) Transactions are always subject to prior analysis by the Compliance Department and the Risk Management Department, which issue the respective written opinions;
- (b) Transactions are subsequently reviewed by the General and Supervisory Board, which also issues a prior written opinion;
- (c) The Executive Board of Directors, after obtaining the prior opinions of the compliance function and the risk management function and the General and Supervisory Board, ensures that transactions are carried out under market conditions and are approved by at least twothirds of its members.

7. Risk Control

The risk strategy is reviewed annually and defines the principles and limits for the management of the different risks arising from the Bank's activity, which are formalised in its overall risk appetite.

Risk control at Banco Invest is carried out at the highest level. All risk limits – market, credit, liquidity and operational



– are defined and approved by the Bank's Executive Board of Directors. At the same time, there are functional bodies – Investment Committee, ALCO Committee, Credit Committee, IT Committee, Investment and Asset Management Committee, Rating Committee, Product Committee, ICAAP Model Monitoring and Validation Committee, Information Security Committee, Governance and Data Quality Committee and Sustainability Committee – which work together to control the previously defined approval processes, procedures and information circuits, ensuring compliance with the limits set by the Executive Board of Directors.

Independently, in accordance with the requirements set out in Notice 3/2020 of the Bank of Portugal, issued in July 2020, there is also a Risk Management function, whose head reports directly to the Executive Board of Directors, focusing its activities, among other things, on the preparation of audits on compliance with the risk models used by the Bank in different business areas and the verification of the adequacy of these models in assessing and mitigating risks, in accordance with the risk policies issued by the Executive Board of Directors.

The risk control system developed at Banco Invest allows monitoring and continually assessing the risk of each functional area through risk matrices that ensure the timely prevention of unwanted situations for the Bank and the immediate adoption of corrective measures, if any unwanted situations are detected at a later stage.

The aim of the implemented system is to cover all Bank products, activities, processes and systems in order to permit the identification and prioritisation of all the material risks and the documentation of the associated assessment, follow-up and control processes.

The Risk Management process also involves the systematic monitoring of the size and composition of the Bank's assets and liabilities, which can change according to the activities of the customers and market conditions.

In addition, there is a Risk Committee composed of three members of the General and Supervisory Board, whose main mission is to advise the Executive Board of Directors on risk tolerance and risk management strategy.

There is also an ICAAP Model Monitoring and Validation Committee whose main responsibilities are: i) monitoring and confirming the validity of ICAAP models and analysing their suitability in line with reality and in accordance with the regulatory requirements in force; ii) proposing changes to the models and their methodologies to the Board of Directors; iii) whenever necessary, proposing to the Board of Directors the outsourcing of external model validation; and iv) monitoring the models, taking into account the provisions of the ICAAP Model Validation Policy.

Market Risk

Market risk control is designed to assess and monitor the potential devaluation of the Bank's assets, and the consequent reduction of profits, caused by an adverse movement of the market values of financial instruments, interest rates and/or exchange rates.

The Bank's securities portfolios are segmented according to investment objectives and their accounting treatment. The Bank calculates and monitors the market risk of all the portfolios it holds, defining risk limits per portfolio, considering the potential impacts of each one, both on results and on shareholders' equity.

Management rules subject each portfolio to restrictions in terms of size, composition, assets and risk levels. Risk limits are defined for credit exposure - concentration by country, activity segment and rating - as well as in terms of market and liquidity.

Additionally, thresholds are defined for internal capital requirements calculated under the models used in the Internal Capital Adequacy Assessment Process (ICAAP).

For assessment and quantification of market risk the bank uses the following indicators:

- Expected Shortfall, estimating for the trading portfolio, with a confidence interval of 97,5%, the expected loss in a bad period, i.e. the value of the expected loss whenever it exceeds the VaR value;
- -Jump to Default, also estimating for the trading portfolio the default risk of this portfolio depending on the credit quality of the various securities in the portfolio;
- -Present Value of Basis Point (BPV), which consists of determining the potential loss in the Bank's results caused by a one basis point change in interest rates;
- Economic value of the banking book, which is determined as the net fair value of the assets and liabilities in the balance sheet, sensitive to the interest rate and the fair value of the items.

In addition, the Bank resorts to the periodic undertaking of stress tests, which involve the simulation of adverse historical and/or hypothetical scenarios for each portfolio and a sensitivity analysis based on changes in various factors, to measure the impact on assets, results and solvency.

The stress test programme in place at the institution is based on the EBA's wide stress tests and is also an integral part of the annual assessment of the ICAAP process, in order to assess its adequacy for the development of economic activity.

Overall trading risks are kept in check using diversification strategies by asset class, bearing in mind the correlation between several markets and assets.

The Investment Committee is responsible for setting exposure limits for the Bank's own portfolio, monitoring the management performance of trading portfolios and defining investment guidelines. On a daily basis, the Risk Management Department reports on the evolution of the Expected-Shortfall of the trading portfolio and, on a

monthly basis, on the other models for calculating internal capital requirements.

Monthly concentration limits by market, by asset, by sector and by rating notation, proposed by the Investment Committee and approved by the Executive Board of Directors, are monitored and reported by the Accounting and Control Department (Middle Office Area).

All these indicators are also included in the risk matrices of the Risk Management Department, where they are analysed. This information is permanently available on the front-end of the Risk Management Department and accessible to the members of the Governing Bodies. In addition, quarterly meetings are held with the Executive Board of Directors and the General and Supervisory Board to assess progress and take measures to mitigate risks, if necessary.

Credit Risk

Credit risk control involves assessing the degree of uncertainty and monitoring the possibility of a loss caused by the customer/counterparty's breach of its contractual obligations towards the Bank. Credit risk assumes a special purpose in banking activity, not only due to its materiality, but because of its connection with other risks as well.

In the loan concession activity, aimed at guaranteeing the correct determination of the risk profile of operations, the analysis and decision process passes through the autonomous opinions of the risk analysis area, the Credit Department and at least two executive members of the Bank's Board of Directors, being supported by a battery of external and internal information elements considered relevant to the substantiated decision of any loan proposal.

The consistency of the collateral is determined by systematic assessments conducted by duly certified external technicians, subject to regular periodic reassessments. The integrity of the said collateral is safeguarded by insurance policies, covering common risks, whose sufficiency in terms of capital and validity is permanently monitored by the Bank.

The impairments of the loan portfolio are calculated monthly, based on a collective analysis of the loan portfolio, and on the individual analysis of the larger loans and those that are in default. The impairment in the loans subject to collective analysis is calculated based on a proprietary model, duly validated by the external auditors, which estimates the probabilities of default and the amount of expected losses, based on information relative to the portfolio's past behaviour.

For internal capital requirements and investment limits, the credit risk of the securities portfolio is calculated and monitored using the Credit Value-at-Risk methodology. This model calculates the maximum expected loss, with a given level of confidence, resulting from defaults in the portfolio. The maximum loss is calculated based on historical default probabilities and recovery rates (loss given default) obtained from the main rating agencies for securities with credit ratings similar to those held in the portfolio.

In terms of credit concentration risk, comprehensive analyses of the portfolio (securitised and non-securitised credit) are carried out, measuring exposure by sector of activity and the largest individual exposures.

Internal capital requirements related to credit risk (securitised, non-securitised, counterparty and concentration) are calculated and reported monthly by the Risk Management Department.

As already mentioned, stress tests are also carried out based on the EBA's wide stress tests, where, in defined historical and/or hypothetical scenarios, credit risk is also assessed, and consequently the impact on impairment, results and solvency.

In addition, with regard to counterparty credit risk, on a daily basis, the Accounting and Control Department assesses the liabilities of each functional area towards their respective counterparties and confirms compliance with the established limits and the authorisation levels used in the approval of transactions.

Liquidity Risk

Liquidity risk control is designed to evaluate and monitor the possibility of a loss stemming from the Bank's inability, at a given time, to finance its assets in order to meet its financial commitments on the scheduled dates.

Liquidity risk is evaluated on the basis of the assets and liability tables that allow the Bank's cash flow to be monitored and its cash requirements over a forecasting period of five years to be determined. Mismatch analyses and stress tests are undertaken to determine safe liquidity levels to cope with unexpected events.

To finance its short-term activity and ensure liquidity management with adequate levels of security, the Bank has securities reporting lines negotiated with various banks, in addition to permanently raising funds from customers. There is also a list of authorised counterparties and their approved exposure limits.

The Bank holds a portfolio of high-quality liquid assets (HQLA) that allows it to manage its liquidity needs with high levels of security. In addition, a very significant percentage of the securities held by the Bank are eligible for financing from the Central Bank (74%).

The ALCO Committee monitors the Bank's liquidity, defines funding policies and strategies, and analyses the Institution's Solvency Ratio.

The Risk Management Function collaborates with the Executive Board of Directors to define the liquidity risk policy and liquidity risk appetite and to define and monitor liquidity risk indicators, as well as integrating the stress tests in force at the institution into the ILAAP process.

Operating Risk

Operating risk arises from the probability of there being losses resulting from the inadequacy or failure of internal procedures, systems, people or from external events.

The aim of controlling operating risk is to prevent possible failures in the Bank's internal control system that may give rise to fraud or unauthorised transactions, as well as avoid





the possibility of the results of the Bank being negatively affected by the occurrence of an event that is not inherent to its activity.

Banco Invest's business is subject to several prevention and control mechanisms to mitigate the risk of the occurrence of losses of an operational nature, among which the following are worthy of mention:

- Code of Conduct and Ethics and Internal Regulations of the Bank;
- Internal Regulations;
- Physical and logical access control;
- Reports of exceptions;
- Business continuity plan.

The Bank has internal procedures that define the scope of responsibility of each area involved in the daily operation of the institution, the circuits of information and deadlines to be met, mitigating the possibility of the occurrence of operating losses.

The process for recording and monitoring operational risk events is defined in the Operational Risk Management Procedures Manual. The Bank has a database for recording reported and detected events, which is constantly monitored by the Risk Management Department. Management information on these events is analysed by the Bank's management and supervisory bodies on a quarterly basis.

In addition, the Internal Audit Department carries out audits in accordance with its Activity Plan to assess the control systems in place, in order to ensure compliance with Internal Regulations and reduce the likelihood of errors in the recording and accounting of various operations.

8. Future Prospects

The Bank will continue to focus on providing quality service in the area of investment and savings, differentiating itself through the training and know-how of its employees, the specialisation of its offer and the added value of its products and services, marketed at a fair price and always in compliance with regulations.

In line with environmental challenges and carbon emission reduction, the Bank will continue to incorporate sustainability criteria and climate risk monitoring into its business policies and strategies, including in the areas of lending and investment.

The Bank will step up its investment in digitalisation, automating back-office and front-office processes, reducing the number of people involved in processes, shortening their execution time and reducing the operational risk inherent in its activity.

In addition, the bank will continue to invest in cybersecurity through the implementation of a set of procedures that will increase the Bank's operational resilience.

9. Subsequent Events

To date, no relevant material fact, with an impact on the Bank's activity, has occurred.

10. Net Income and its Appropriation

The year's accounts reflect the business carried on by Banco Invest within the established guidelines and its effects on the balance sheet and on results. The financial statements have been externally audited by a prestigious firm of auditors which has issued an opinion thereon and is presented hereunder.

Consolidated net income came to 21.607.603 euros.

Individual net income came to 22.560.090 euros. It is proposed that this amount be appropriated as follows:

11. Acknowledgements

The Executive Board of Directors of Banco Invest would like to take this opportunity to extend its appreciation and gratitude:

- To all our Customers for their preference and trust, which constitute the Bank's greatest encouragement in confronting the challenges it faces;
- To the Bank of Portugal and the Securities Market Commission for their attention given to the Bank;
- To the Board of the General Meeting, and its Chairman in particular, for the availability shown in the performance of such important duties;
- To the Supervisory Body and the Firm of Statutory Auditors, for their cooperation and support in the management of the Bank's business;
- To those employees who, with a sense of responsibility and a spirit of dedication, have worked hard to achieve the established goals with full regard for the ethical, human and corporate values assumed and shared within the company.

Lisbon, 24 April 2025

The Executive Board of Directors

4. Financial Statements







Consolidated income statement for the year ended 31 December 2024

(Amounts in euros)

	Notes	2024	2023
Interest and similar income		70.079.756	59.924.118
Interest and similar charges		(26.919.955)	(16.709.539)
NET INTEREST INCOME	3	43.159.801	43.214.579
Net fees and commissions income	4	17.914.209	15.135.201
Gains / (losses) on financial operations at fair value through profit or loss	5	867.003	5.517.370
Net gains / (losses) from foreign exchange		418.243	(276.247)
Income from financial assets at fair value through other			
comprehensive income		(285.433)	(3.611.564)
Income from sales of other assets	6	1.167.448	649.799
Other operating income / (losses)	7	837.889	(79.086)
NET OPERATING REVENUE		64.079.160	60.550.052
Staff costs	8	(15.759.913)	(14.860.102)
Other administrative costs	9	(9.509.047)	(8.922.919)
Depreciations and amortisations	10	(2.771.132)	(2.036.210)
TOTAL OPERATING COSTS		(28.040.092)	(25.819.231)
OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENTS		36.039.068	34.730.821
Impairment of financial assets at amortised cost	11	(3.481.495)	(2.806.499)
Impairment of financial assets at fair value through			
other comprehensive income	12	(11.021)	130.391
Impairment of other assets	13	(694.074)	(1.123.208)
Other provisions	14	(88.129)	(207.545)
NET OPERATING INCOME		31.764.349	30.723.960
Share of profit of associates accounted for using the equity method	15	139.278	81.431
Income before taxes		31.903.627	30.805.391
Income taxes			
Current	28	(8.611.201)	(7.571.912)
Deferred	29	(170.409)	(763.666)
Net income after income taxes		23.122.017	22.469.813
Net income for the year attributable to:			
Bank's Shareholders		21.607.603	21.140.059
Non-controlling interests	41	1.514.414	1.329.754
NET INCOME FOR THE YEAR		23.122.017	22.469.813

The Notes are an integral part of these financial statements.

Consolidated statement of comprehensive income for the year ended 31 December 2024



(Amounts in euros)

	Notes	2024	2023
Consolidated net income / (loss)		23.122.017	22.469.813
Items that may be reclassified to the income statement			
Revaluation reserves of financial assets at fair value through other comprehensive income:			
Revaluation of financial assets at fair value through			
other comprehensive income	38	2.305.426	6.282.489
Impact on taxes	28	(606.441)	(1.633.447)
Impairment	38	11.021	(130.391)
Impact on taxes	28	(2.810)	33.902
Transfer to profit or loss due to disposal	38	285.433	3.611.564
Impact on taxes	28	(72.785)	(939.007)
		1.919.844	7.225.110
Items that may not be reclassified to the income statement			
Revaluation reserves of financial assets at fair value through other comprehensive income:			
Revaluation of financial assets at fair value through			
other comprehensive income	38	2.879	(1.629)
Impact on taxes	28	(749)	424
Result not recognised in income statement		2.130	(1.205)
Consolidated comprehensive income		25.043.991	29.693.718
Non-controlling interests		1.514.414	1.329.754
Consolidated comprehensive income attributable to the Bank's shareholders		23.529.577	28.363.964

The Notes are an integral part of these financial statements.





(Amounts in euros)

			(Amounts in euros
	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and deposits at Central Banks	17	150.830.813	19.061.291
Loans and advances to credit institutions repayable on demand	18	36.254.664	41.692.934
Financial assets at amortised cost			
Loans and advances to credit institutions	21	1.008.817	1.005.245
Loans and advances to customers		411.983.637	428.373.128
Debt securities	22	252.415.041	231.528.002
Financial assets at fair value through profit and loss			
Financial assets held for trading	19	28.488.980	25.286.356
Financial assets not held for trading mandatorily at fair value through profit or loss		19.805.102	17.962.885
Financial assets at fair value through other comprehensive income	20	143.171.634	115.082.716
Investments in subsidiaries, associated companies and joint ventures	23	70.751	31.473
Non-current assets held for sale	25	2.075.788	20.040.184
Investment properties	24	6.780.279	6.449.508
Other tangible assets	26	7.244.380	7.452.722
Intangible assets	27	1.040.459	1.062.076
Current tax assets	28	6.172.803	3.252.506
Deferred tax assets	29	1.612.384	2.465.578
Other assets	30	7.787.521	7.288.129
Total Assets		1.076.743.053	928.034.733
LIABILITIES			7_0.00 00
Financial liabilities at amortised cost			
Resources at Central Banks	31		42.648.698
Resources from credit institutions	33	704.437	492.906
Resources from customers and other loans	34	820.854.327	664.230.781
Financial liabilities at fair value through profit or loss	34	020.034.327	004.230.781
Financial liabilities held for trading	32	9.698.081	2.029.292
Non-current liabilities held for sale	35	2.020.001	1.175.126
Provisions	36	1.170.561	1.082.432
Current tax liabilities	28	8.397.570	6.285.097
Other liabilities	37	28.993.333	24.629.648
Total Liabilities	37	869.818.309	742.573.980
EQUITY			
Share capital	38	47.500.000	47.500.000
Revaluation reserves	39	(826.521)	(2.748.495)
Other reserves and retained earnings	22	127.283.852	109.153.793
Net income for the year attributable to the Bank's shareholders		21.607.603	21.140.059
Total equity attributable to the Bank's shareholders		195.564.934	175.045.357
Non-controlling interests	41	11.359.810	10.415.396
Total Equity		206.924.744	185.460.753
Total Liabilities and Equity		1.076.743.053	928.034.733
1 /			

The Notes are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024

(Amounts in euros)

		Revaluation reserves	reserves		Othe	Other reserves and retained earnings	sgu				
	Share capital	Fair value reserves	Deferred taxes	Total	Legal reserve	Other reserves and retained earnings	Total	Net income for the year attributable to the	Equity attributable Non-controlling to the Bank's interests	Non-controlling interests	Total
	Note 38	Note 39	Note 29					Bank's shareholders	shareholders	Note 41	
Balances as at 31 December 2022	47.500.000	(13.476.217)	3.503.817	(9.972.400)	10.935.958	82.569.861	93.505.819	17.162.313	148.195.732	1.188.991	149.384.723
Distribution of profit for 2022											
Profit appropriation	ı	ı			1.715.931	15.446.382	17.162.313	(17.162.313)	ı		,
Comprehensive income for 2023	ı	9.762.033	(2.538.128)	7.223.905	•	ı	ı	21.140.059	28.363.964	1.329.754	29.693.718
Incorporation of BiCredit	ı	ı				ı	1			7.896.651	7.896.651
Distribution of reserves to shareholders	ı	ı				(1.500.000)	(1.500.000)		(1.500.000)	ı	(1.500.000)
Other			1		,	(14.339)	(14.339)		(14.339)	ı	(14.339)
Balances as at 31 December 2023	47.500.000	(3.714.184)	965.689	(2.748.495)	12.651.889	96.501.904	109.153.793	21.140.059	175.045.357	10.415.396	185.460.753
Distribution of profit for 2023											
Profit appropriation	ı	1			2.166.337	18.973.722	21.140.059	(21.140.059)	1	1	,
Comprehensive income for 2024	ı	2.604.759	(682.785)	1.921.974				21.607.603	23.529.577	1.514.414	25.043.991
Distribution of reserves to shareholders	ı					(3.000.000)	(3.000.000)		(3.000.000)	(570.000)	(3.570.000)
CEP split			1	1	ı	(10.000)	(10.000)		(10.000)		(10.000)
Balances as at 31 December 2024	47.500.000	(1.109.425)	282.904	(826.521)	14.818.226	112.465.626	127.283.852	21.607.603	195.564.934	11.359.810	206.924.744

The Executive Board of Directors





Consolidated cash flow statements for the year ended 31 December 2024

(Amounts in euros)

			(Amounts in euros)
	Notes	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Income from interest and commissions		89.115.793	82.234.940
Payment of interest and commissions		(27.462.860)	(13.488.433)
Payments to staff and suppliers		(25.348.374)	(23.528.245)
Payments of short-term and low-value leasing		(34.445)	(148.189)
Income tax (payable)/receivable		(9.419.025)	(1.883.480)
Other payments related to the operating activity		838.100	7.897.614
Operating income before changes in operating assets		27.689.189	51.084.207
(Increases) / reductions in operating assets:			
Financial assets at fair value through profit and loss		2.225.460	14.437.145
Dividends received		383.748	2.080.432
Financial assets at fair value through other comprehensive income		(25.082.963)	82.297.218
Financial assets at amortised cost		(6.944.051)	(10.218.831)
Non-current assets held for sale		17.268.749	1.355.697
Other assets		(920.680)	(4.490.549)
		(13.069.737)	85.461.1120
Increases / (reductions) in operating liabilities:			
Resources at central banks		(41.510.000)	(135.000.000)
Resources from other credit institutions		211.532	(6.761.605)
Resources from customers		153.284.383	25.067.974
Other liabilities		5.533.085	(7.113.558)
		117.519.000	(123.807.189)
Cash net of operating activities		132.138.452	12.738.130
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase and sale of tangible and intangible assets		(941.583)	(1.397.411)
Dividends from financial holdings	23	100.000	75.000
Cash net of investment activities		(841.583)	(1.322.411)
CASH FLOW FROM FINANCING ACTIVITIES:			
Distribution of reserves to shareholders		(3.570.000)	(1.500.000)
Payments related to lease liabilities	26	(1.367.879)	(1.087.024)
Cash net of financing activities		(4.937.879)	(2.587.024)
Net increase / (decrease) in cash and equivalents		126.358.990	8.828.695
Cash and equivalents at the start of the year		60.757.472	51.928.777
Cash and equivalents at the end of the year		187.116.462	60.757.472
		126.358.990	8.828.695
Details of Cash and cash equivalents:			
Cash in hand	17	317.637	486.859
Demand Deposits at the Bank of Portugal		150.501.343	18.570.265
Cheques payable	18	12.461	169.200
Demand deposits		36.285.021	41.531.148
		187.116.462	60.757.472

The Notes are an integral part of these financial statements.

5. Notes to the Financial Statements







1. INTRODUCTORY NOTE

Banco Invest, S.A. (Group, Bank or Banco Invest) is a limited liability company with its registered office in Lisbon. The Bank was incorporated on 14 February 1997 under the name Banco Alves Ribeiro, S.A., and started trading on 11 March 1997. The incorporation of the Bank was authorised by the Bank of Portugal on 4 December 1996. The Bank changed its name to its current designation on 16 September 2005.

The deed of merger by incorporation of Probolsa – Sociedade Corretora, S.A. into the Bank was executed on 22 December 2004. (Probolsa). In the wake of this process, the merged company was wound up and all its rights and obligations were transferred to the Bank. For accounting purposes the merger took effect on 1 January 2004, with the Probolsa assets and liabilities having been transferred to the Bank on the basis of their net book value as at that date.

The Bank is registered with the Commercial Registry Office of Lisbon as a legal person under the unique number 503 824 810, with the legal entity identifier (LEI Code) 529900GZL0HS66P9SW37 and its head office at Avenida Engenheiro Duarte Pacheco, Torre 1 - 11° andar, 1070-101 Lisboa.

The Bank is 99,59% held by Alves Ribeiro - Investimentos Financeiros, Sociedade Gestora de Participações Sociais, S.A. and its statements are consolidated using the full consolidation method.

The corporate object of the Bank is to undertake financial transactions and to provide related services with such latitude as the law allows. It is primarily engaged in the asset management, capital markets, and loan and development capital business.

The Bank has six branches, located in Lisbon, Oporto, Leiria and Braga.

The entities included in the consolidated financial statements are shown in Note 49.

The consolidated financial statements as at 31 December 2024 were approved by the Executive Board of Directors on 24 April 2025. The financial statements are presented in euros and rounded to the nearest euro.

The Bank's financial statements as at 31 December 2024 are pending approval by the General Meeting. However, the Executive Board of Directors believes that these financial statements will be approved without significant changes.

2. MATERIAL ACCOUNTING POLICIES

2.1.1. Basis of presentation

The Bank's 2024 and 2023 annual consolidated financial statements have been prepared on a going concern basis.

In accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 and Bank of Portugal Notice 1/2005, the Bank's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union (EU). The IFRS include the standards issued by the International Accounting Standards Board (IASB) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor bodies.

2.1.2. Consolidation principles

The consolidated financial statements include the accounts of Banco Invest and the entities it directly or indirectly controls (Note 50), including special purpose entities.

Under the requirements of IFRS 10, the Bank considers that it exercises control when it is exposed or holds rights to the variable returns generated by a specific entity (designated as a "subsidiary") and has the ability, through its power over and the ability to direct the relevant activities of the entity, to affect the amount of its returns (de facto power).

The accounts of subsidiaries were consolidated using the full consolidation method, eliminating significant transactions and balances between the entities being consolidated. In addition, consolidation adjustments have been made where applicable to ensure the consistent application of the Group's accounting criteria.

Third party shareholdings in subsidiaries are recorded in the "Non-controlling interests" item under shareholders' equity.



The consolidated profit is the aggregation of the net income of Banco Invest and its subsidiaries, in proportion to the effective shareholding, after consolidation adjustments, that is, the elimination of dividends received and gains or losses arising from transactions between companies included in the consolidation.

2.2. Comparability of information

The Bank adopted IFRS and interpretations of mandatory application for the financial years beginning on or after 1 January 2024. The accounting policies have been applied in the Bank, and are consistent with those used in the preparation of the prior year's financial statements.

The financial statements were prepared in accordance with the historical cost principle, modified by the application of fair value for derivative financial instruments, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The preparation of financial statements in accordance with IFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the value of assets, liabilities, income and costs. The estimates and associated assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for judgements on the values of assets and liabilities whose valuation is not evident from other sources. Actual results may differ from estimates. The issues involving a higher degree of judgement or complexity, or where assumptions and estimates are considered to be significant, are presented in the accounting policy described in Note 2.21.

The balances included in the financial statements for 31 December 2023 are presented exclusively for comparative purposes.

2.3. Conversion of foreign currency balances and transactions

The Bank's accounts are prepared in accordance with the currency used in the economic sphere of operation (termed "operating currency"), that is, the Euro.

Transactions in foreign currency are recorded based on exchange rates on the date of the transaction. Assets and liabilities expressed in foreign currency are converted into euros at the exchange rate displayed in each balance sheet date.

Exchange rate differences arising from currency translation are recognised in the income statement.

2.4. Financial instruments

a) Financial Assets

1. Classification, initial recognition and subsequent measurement

At initial recognition, financial assets are classified into one of the following categories:

- i) Financial assets at amortised cost;
- ii) Financial assets at fair value through other comprehensive income; and
- iii) Financial assets at fair value through profit or loss.

Classification is carried out taking into account the following aspects:

- the business model defined for the management of the financial asset; and
- the contractual cash flow characteristics of the financial asset.

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Business Model Evaluation

With reference to 1 January 2018, the Bank carried out an assessment of the business model in which the financial instrument is held, at portfolio level, as this approach best reflects how the assets are managed and how information is made available to management.

Financial assets held for trading and financial assets designated at fair value through profit or loss are measured at fair value through profit or loss because they are not held either for the collection of contractual cash flows nor for the collection of contractual cash flows and sale of those financial assets.

Assessment of whether the contractual cash flows correspond only to the receipt of principal and interest (SPPI - Solely Payment of Principal and Interest).

For the purposes of this evaluation:

- "principal" is defined as the fair value of the financial asset at initial recognition;
- "interest" is defined as the counterpart for the time value of money, for the credit risk associated with the amount outstanding over a given period of time and for other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as a profit margin ("spread").

In evaluating the financial instruments in which contractual cash flows refer exclusively to the receipt of principal and interest, the Bank considered the original contractual terms of the instrument. This evaluation includes the analysis of the existence of situations in which the contractual terms may modify the periodicity and amount of cash flows sothat they do not comply with the SPPI - Solely Payments of Principal and Interest. In the evaluation process, the Bank took into consideration:

- contingent events that may change the periodicity and amount of cash flows;
- characteristics that result in leverage;
- prepayment and maturity extension terms;
- clauses that may limit the Bank's right to claim cash flows in relation to specific assets (e.g. contracts with clauses preventing access to assets in the event of default "non-recourse asset"); and
- characteristics that may change the compensation for the time value of money.

In addition, a prepayment is consistent with the SPPI criterion, if:

- the financial asset is acquired or originated with a premium or discount to its contractual nominal value;
- the early payment represents substantially the nominal amount of the contract plus accrued but unpaid contractual interest (this may include reasonable compensation for the early payment); and
- the fair value of the prepayment is insignificant at initial recognition.

i) Financial assets at amortised cost;

A financial asset must be measured at amortised cost if it meets both of the following conditions:

- the financial asset is held within the framework of a business model whose primary objective is to hold assets to collect their contractual cash flows; and
- the contractual cash flows occur on specific dates and correspond only to principal repayments and interest payments on the outstanding principal (SPPI).

This category includes:

- Amounts and deposits at other credit institutions;
- Loans and advances to customers;
- Debt securities managed based on a business model whose purpose is to receive their contractual cash flows (government bonds, corporate bonds and commercial paper).

Amounts and deposits at other credit institutions and loans and advances to customers are recognised on the date the funds are made available to the counterparty (settlement date).

Debt securities are recognised on the trade date, i.e. the date on which the Bank undertakes to acquire them.

Financial assets at amortised cost are initially recorded at fair value plus costs directly attributable to the transaction and subsequently measured at amortised cost. In addition, they are subject, from their initial recognition, to the measurement of impairment losses.



Interest on financial assets at amortised cost is recognised under "Interest and similar income" based on the effective interest rate method.

Gains or losses generated at the time of derecognition are recorded under "Gains/(losses) on derecognition of financial assets and liabilities at amortised cost".

ii) Financial assets at fair value through other comprehensive income;

A financial asset must be measured at fair value through other comprehensive income if it meets both of the following conditions:

- The financial asset is held within the framework of a business model whose objective is the collection of contractual cash flows and the sale of that financial asset; and
- The contractual cash flows arise on specific dates and correspond only to principal repayments and interest payments on the outstanding principal (SPPI).

In addition, at initial recognition of an equity instrument, which is neither held for trading nor a contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Bank may irrevocably elect to classify it under "Financial assets at fair value through other comprehensive income" (FVOCI). This option is exercised on a case-by-case, investment-by-investment basis and is only available for financial instruments that comply with the definition of equity instruments provided for in IAS 32 and may not be used for financial instruments whose classification as an equity instrument under the scope of the issuer is made under the exceptions provided for in paragraphs 16A to 16D of IAS 32.

Debt instruments at fair value through other comprehensive income are initially recorded at fair value, plus transaction costs, and subsequently measured at fair value. Changes in the fair value of these assets are recorded against other comprehensive income and, at the time of their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific profit or loss item. In addition, they are subject, from their initial recognition, to the measurement of impairment losses.

Equity instruments at fair value through other comprehensive income are initially recognised at fair value, plus transaction costs, and subsequently measured at fair value. Changes in the fair value of these financial assets are recorded against other comprehensive income. Dividends are recognised in profit or loss when the right to receive them is attributed.

No impairment is recognised for equity instruments at fair value through other comprehensive income, with the respective accumulated gains or losses recorded in changes in fair value being transferred to retained earnings at the time of derecognition.

iii) Financial assets at fair value through profit or loss

An asset is classified in the category of "Financial assets at fair value through profit or loss" (FVPL) if the business model defined by the Bank for its management or the characteristics of its contractual cash flows do not meet the conditions described above to be measured at amortised cost, nor at fair value through other comprehensive income (FVOCI).

The Bank classified financial assets at fair value through profit or loss under the following items:

- Financial assets held for trading

The financial assets classified under this item are acquired with the purpose of short-term selling; at initial recognition they are part of a portfolio of identified financial instruments for which there is evidence of a recent pattern of short-term profit taking; or fall within the definition of a derivative (except for hedging derivatives). Financial assets are recognised on the date of the transaction.



- Financial assets not held for trading mandatorily at fair value through profit or loss

This item classifies debt instruments whose contractual cash flows do not correspond only to principal repayments and interest payments on the outstanding principal (SPPI).

Considering that the transactions carried out by the Bank in the normal course of its business are in market conditions, the financial assets at fair value through profit or loss are initially recognised at fair value, with the costs or income associated with the transactions recognised in profit or loss at inception. Subsequent changes in the fair value of these financial assets are recognised in profit or loss.

The accrual of interest and the premium/discount (when applicable) is recognised under "Interest and similar income", based on the effective interest rate for each transaction, as well as the accrual of interest from derivatives associated to financial instruments classified in this category. Dividends are recognised in profit or loss when the right to receive them is attributed.

Trading derivatives with a positive fair value are included in the item "Financial assets held for trading", while trading derivatives with a negative fair value are included in the item "Financial liabilities held for trading".

2. Reclassification between categories of financial assets

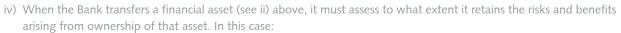
Financial assets are reclassified to other categories only if the business model used in their management is changed. In this case, all affected financial assets are reclassified. Reclassification is applied prospectively from the reclassification date and therefore previously recognised gains, losses (including impairment gains or losses) or interest are not restated.

Reclassification of investments in equity instruments measured at fair value through other comprehensive income or financial instruments designated at fair value through profit or loss is not allowed.

In 2024 and 2023, there were no reclassifications between categories of financial assets.

3. Modification and derecognition of financial assets

- (i) The Bank derecognises a financial asset when, and only when:
 - the contractual rights to the cash flows of the financial asset expire; or,
 - it transfers the financial asset as set out in (ii) and (iii) below and the transfer meets the conditions for derecognition in accordance with (iv).
- ii) The Bank transfers a financial asset if, and only if, one of the following situations occurs:
 - it transfers the contractual rights to receive the cash flows of the financial asset; or
 - it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions in (iii).
- (iii) When the Bank retains the contractual rights to receive the cash flows of a financial asset (referred to as the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (referred to as the 'eventual recipients'), the Bank treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:
 - the Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts arising from the original assets. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;
 - the Bank is prohibited, by the terms of the transfer contract, from selling or pledging the original asset other than as security to the final recipients for the obligation to pay them cash flows; and,
 - the Bank has an obligation to remit any cash flow it collects on behalf of the final recipients without significant delays. Furthermore, it is not entitled to reinvest these cash flows, except in the case of investments in cash or cash equivalents (as defined in IAS 7 Cash Flow Statements) during the short settlement period between the date of receipt and the date of the required delivery to the final recipients, and the interest received as a result of these investments is passed on to the final recipients.





- if the Bank transfers substantially all the risks and benefits of ownership of the financial asset, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained with the transfer;
- if the Bank retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset;
- if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:
 - (a) if the Bank has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained with the transfer;
 - (b) if the Bank has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.
- v) The transfer of risks and benefits referred to in the preceding paragraph is evaluated by comparing the Bank's exposure, before and after the transfer, to the variability in the amounts and timing of the net cash flows resulting from the transferred asset.
- (vi) Whether or not the Bank has retained control (see (iv) above) of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control. In all other cases, the entity is deemed to have retained control.

Purchased or originated credit impairment assets

Purchase or originated credit impaired financial assets (POCI) are assets that present objective evidence of credit impairment on initial recognition. An asset is credit-impaired if one or more events have occurred with a negative impact on the estimated future cash flows of the asset.

The following event leads to the origination of a POCI exposure: financial assets arising from a recovery process, where there have been changes to the terms and conditions of the original contract, which presented objective evidence of impairment that resulted in its derecognition and recognition of a new contract that reflects the credit losses incurred.

On initial recognition, POCIs are not impaired. Instead, lifetime expected credit losses are incorporated into the calculation of the effective interest rate. Consequently, on initial recognition, the gross book value of POCIs is equal to the net book value before being recognised as POCIs (difference between the initial balance and total discounted cash flows).

Write offs

When considering the risk of loss due to default, the Bank fully complies, when recognising impairments, with the guidelines of Circular Letter 02/2014/DSP, replaced by Circular Letter CC/2018/0000062 of 14-11 of the Bank of Portugal, which reflects the Bank of Portugal's understanding of the reference criteria for measuring expected credit losses in the context of the application of IFRS 9.

The Credit Recovery Department monitors overdue exposures that meet the requirements for classification as irrecoverable and drafts a classification proposal and prepares the corresponding files.

An exposure to credit risk is classified as irrecoverable under the following conditions:

- i. In enforcement proceedings, when the case is dismissed, due to a lack of seizable assets of the defendants (Debtor or Guarantors);
- ii. In Insolvency proceedings, when of a limited nature (lack of seizable assets of the insolvent debtor), following a decision on the verification and ranking of claims;
- iii. In Insolvency Plans or Credit Recovery Procedures when, based on the approved repayment plan, there is a full or partial writing off of the acknowledged debts;
- iv. Overdue loans for more than two years in a scenario of total impairment, i.e. when the Bank, after undertaking all recovery efforts considered adequate and gathered available evidence, justifiably concludes that there are no reasonable expectations of recovery of the amounts at risk.



The following are objective indicators of the uncollectability of a debt:

- . The circumstance of a Debtor or Guarantors whose whereabouts are unknown;
- ii. The fact that the out-of-court initiatives undertaken by the Bank, duly confirmed and deemed appropriate, proved ineffective in establishing a plan to restructure or recover the amounts at risk;
- iii. The confirmation that the Debtor or Guarantors do not have a steady income to substantiate its seizure;
- iv. Evidence, supported by the land register or vehicle registration, that the Debtor and Guarantors' assets, if any, has prior covenants or encumbrances that lead to conclude (in accordance with its probable realisation value) that their seizure, if carried out, would not enable the Bank to recover its credit;
- v. The assessment that the enforcement of the debt, if possible, is not economically viable (unfavourable cost-benefit ratio) due to the cost and waiting time of court proceedings.

Contracts considered uncollectible are 100% covered by impairment and are usually written off in full.

In addition to the write-offs mentioned above, the Company also carries out operational write-offs, usually partial write-offs, the main purpose of which is to ensure that the weight of non-performing contracts in the loan portfolio remains below 5%. Partial write-offs can be applied to contracts that fulfil the following conditions: i) have been in NPL for more than 12 months; ii) have been cancelled in litigation; iii) have not received any payments in the last 12 months. The part subject to write-off has no economic value, with the maximum limit being the value of the impairment recognised..

Significant increase in credit risk (SICR)

The significant increase in credit risk (SICR event) is determined according to a set of mostly quantitative, but also qualitative criteria. These criteria are mainly based on customers' risk levels and their evolution, with a view to detecting significant increases in PD (Probability of default), complemented by other types of information in which customers' behaviour towards entities in the financial system stands out.

Exposures are essentially monitored 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 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.

The variables for determining SICR (significant increase in credit risk) are grouped into the following categories:

- Financial difficulties of the issuer or debtor (downgrading of the rating, deterioration of the financial situation, existence of defaults in the Central Liabilities Database of the Bank of Portugal, legal actions by third parties, etc.);
- Non-compliance with contractual clauses, defaults or delays in the payment of interest or principal on loans contracted with the Bank;
- Restructuring or plans to restructure the debtor's exposures due to risk deterioration;
- Other indicators identified with specific clients as part of the monitoring of client activity. Other indicators identified with specific customers as part of the monitoring of customer activity.

With regard to the car loan segment, a significant increase in risk is considered to exist when at least one of the following conditions is met:

- a) The loan shows signs of impairment, namely:
 - when principal or interest is overdue by 31 to 90 days;
 - when the principal or interest is up to 30 days overdue, if the customer has also asked to be included in PARI (Default Risk Action Plan);
 - when the customer has a credit in default with another creditor in the Centralisation of Credit Risks of the Bank of Portugal (CRC).
 - when the customer has debts to the Tax Administration / Social Security, is on the foreclosure list or has bounced cheques in the last 6 months;
 - The principal and interest are overdue at the end of the month in which any of the first 3 instalments are due.
- b) The performing credit is classified as restructured due to the debtor's financial difficulties.
- c) Other credits that are not in SICR but where the clients or guarantors have some SICR exposure at Bicredit.

Definition of default



The probability of default of Banco Invest, S.A.'s loan portfolio is calculated using a binomial logistic linear regression model, using independent variables that describe the contracts in the portfolio. These variables are extracted from Banco Invest, S.A.'s credit contract management system, which is consolidated on a monthly basis.

The model is calibrated with the institution's default history and then used to predict, with a certain probability, the future state of current loans (individually characterised by a combination of values in the domain of the independent variables used)

A second model relates the probability of default to a set of macroeconomic variables used to define expected, pessimistic and optimistic scenarios for the Portuguese economy. This model captures a requirement from the regulator to predict the variation in the probability of default in these scenarios, producing a weighted value in the scenarios.

With regard to the car loan segment, an exposure is considered to be in default when at least one of the following conditions is met:

- a) Credit more than 90 days overdue in the payment of principal and interest.
- b) Credit classified as restructured for non-performing financial difficulties;
- c) There is a low probability that the debtor will fulfil its credit obligations to the institution in full, with repayment of the debt dependent on the creditor calling in any guarantees received. The following situations are considered to fall within this definition:
 - If an asset write-off or debt cancellation occurs;
 - Insolvency of the debtor or the start of bankruptcy/insolvency proceedings;
 - If the client is undergoing a Special Revitalisation Process (PER) or a Special Process for Payment Agreement (PEAP);
 - There has been a repossession or voluntary surrender of the financed vehicle or its non-consensual disposal;
 - The contract is in the litigation stage, this being the first stage of the contracts in which the prospect is of execution of the promissory note and legal proceedings.

Credits can only be demobilised from default classification if they do not show any of the following during a period of 12 consecutive months (cure period):

- A record of any of the conditions for classification as a credit in default;
- A delay in the payment of principal and interest of more than 30 days, this being verified by monitoring the new financial plan after restructuring.

In addition, the cure period only starts to run once any grace period for principal or principal and interest that the contract has benefited from as a result of restructuring or a moratorium has ended.

Restructurings and renegotiations

Some of the restructurings or renegotiations involve classifying the client's exposure as default, particularly when there is a significant economic loss, when an atypical payment plan is defined (e.g. grace periods), when there are increases in exposure or when an individual analysis concludes that the restructuring does not make it possible to demonstrate repayment of the debt within a reasonable timeframe.

Specific cure periods are established for this type of situation. Restructurings or renegotiations due to risk degradation that are not considered to be in default are classified in stage 2, with probationary periods also established, which will be restarted whenever the customer observes a new restructuring or renegotiation due to risk degradation or default.

As soon as each of the Stage 3 classification criteria is no longer met, a minimum cure period must elapse, during which the operations maintain the classification in default (Stage 3).

Exposures that are considered to be in the cure period, i.e. for 12 months after restructuring due to financial difficulties, will also be classified as non-performing. The probationary period starts counting again if at least one of the following conditions is met during the probationary period:

- i) they are again subject to restructuring measures;
- ii) they are in default for more than 30 days, and
- iii) registration of conditions classifying the credit as impaired (risk signals).



The probationary period will be 24 months, which is a period in which there is no arrears of more than 30 days and there is no record of conditions classifying the credit as in default, impaired or non-performing.

Determining stages

Stages correspond to the classification of exposures by homogeneous group in terms of fulfilment or non-fulfilment status or risk profile. The following are considered to be differentiated risk classes/stages for impairment purposes:

Stage 1 - Exposures in which there has been no significant increase in credit risk since their initial recognition are classified in this stage, as are all those in default for up to 30 days, as well as those which, having been in stage 3 or 2, have exceeded the respective quarantine and probation periods, where applicable;

Stage 2 - Exposures in which there has been a significant increase in credit risk since their initial recognition, but which are not impaired (in arrears for more than 30 and up to 90 days, or which show signs of impairment, or which have been marked as restructured after overcoming the quarantine period) are classified in this stage; and

Stage 3 - Exposures marked as default, impaired or non-performing are classified in this stage, which include:

- a) the Debtor is more than 90 days in arrears;
- b) credit restructured due to financial difficulties classified as non-performing; and
- c) the Bank considers that, if the collateral is not foreclosed, there is a low probability that the Debtor will fulfil its obligations in full.

4. Impairment losses

As part of the adoption of IFRS 9, the model applied is based on expected losses.

The Bank recognises impairment for expected credit losses ("ECLs") for the following financial instruments:

- Financial assets at amortised cost

Impairment losses on financial assets at amortised cost reduce the balance sheet value of these financial assets against the item "Impairment of financial assets at amortised cost" - in the income statement.

- Debt instruments at fair value through other comprehensive income

Impairment losses on debt instruments at fair value through other comprehensive income, in stages 1 and 2, are recognised in the income statement under "Impairment of financial assets at fair value through other comprehensive income", against other comprehensive income (they do not reduce the carrying amount of these financial assets).

- Financial guarantees

Impairment losses associated with financial guarantees are recognised in liabilities under "Provisions for guarantees and other commitments", against "Other provisions" (in the income statement).

Financial guarantees are periodically analysed to determine the credit risk to which they are exposed and, where appropriate, to estimate the amount of impairment to be constituted. In this process, criteria similar to those established for quantifying impairment losses on debt instruments valued at amortised cost are applied.

- Debt instruments

At each reporting date, the Bank recognises impairment based on an expected loss over 12 months or an expected loss up to the end of the maturity of debt instruments (lifetime), depending on whether there has been a significant increase in the credit risk of the debt instrument since initial recognition. Changes in impairment are recognised in costs and income.

For debt instruments where there has been no significant increase in credit risk since initial recognition, the expected loss resulting from a possible default event in the next 12 months from the reporting date (Stage 1) is calculated.

For debt instruments that have been subject to a significant increase in credit risk since initial recognition, the expected loss resulting from a possible default event during the life of the financial instrument (Stage 2 and 3) must be calculated.



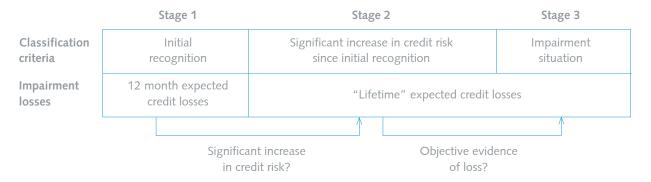
In subsequent periods, if the credit quality of the debt instruments improves so that there is no longer a significant increase in risk since initial recognition, the Bank reverts to the impairment calculation based on 12-month expected losses.

Debt instruments that have an investment grade rating from an external rating agency benefit from the low credit risk exception and are therefore not considered to have a significant increase in risk, whatever the variation in the rating since initial recognition.

Debt instruments are classified as stage 3 if there is objective evidence of impairment, i.e. if one or more events have an impact on the future cash flows of the obligation.

5. Classification of financial instruments by stages

The Bank determines the expected credit losses of each operation on the basis of the deterioration of credit risk since its initial recognition. For this purpose, operations are classified into stages in the terms explained above under 'Determining stages' and schematised in the figure below.



For this purpose, operations are classified into one of the following three stages:

- Stage 1: the operations in which there is no significant increase in credit risk since its initial recognition are classified in this stage. Impairment losses associated with operations classified in this stage correspond to expected credit losses resulting from a potential loss event that may occur within 12 months after the calculation date.
- Stage 2: the operations in which there is a significant increase in credit risk since its initial recognition but are not impaired are classified in this stage. Impairment losses associated with operations classified in this stage correspond to the expected credit losses resulting from all potential loss events up to maturity, applied to the projection of contractual cash-flows lifetime expected credit losses.

The significant increase in credit risk is assessed through qualitative and quantitative evidence. The assessment of the significant increase in credit risk also involves comparing the current level of risk of an exposure with the level of risk at origination.

- Stage 3: impaired operations are classified in this stage. Impairment losses associated with operations classified in this stage correspond to the expected credit losses resulting from the difference between the amount outstanding and the present value of the cash flows that are estimated to be recovered from the exposure (lifetime expected credit losses).

In operational terms, the Group has two complementary models for calculating impairments:

- i) for General Credit, and
- ii) For Auto Loans.



i) For General Credit

The calculation process is autonomised for exposures subject to Collective Analysis and for exposures subject to Individual Analysis.

The values at risk (EAD) take into account not only the amounts due (principal, interest and other charges) but also the capital falling due and, in the case of active contracts, the respective interest accrued since the last due date up to the date on which the impairments are calculated.

The calculation of the Probability of Default (PD) for one year or until maturity (lifetime) is based on a logistic binomial linear regression model, using independent variables extracted from the portfolio management utility, covering the entire historical period on the system.

The Loss Given Default (LGD) is based on the historical record of operations closed at a loss, and on the loss forecast for operations considered unproductive (without regular payment of interest or amortisation of capital), taking into account the associated collateral, its probable time and realisation value.

Three prospective analysis scenarios are considered: (i) base, (ii) favourable and (iii) unfavourable, with the final result being weighted by the estimated probability of occurrence for each of these scenarios.

The exposures classified in stages1 or 2 are subject to the calculation of impairment by Collective Analysis - in which PD and LGD are determinant - unless they had previously been subject to calculation by Individual Analysis, which justifies the continued use of this method.

On the other hand, exposures classified in Stage 3 are subject to impairment calculation by Individual Analysis - in which the following are determinant:

- a) the Value at Risk (EAD);
- b) the present value of the probable net realisable value of the collateral;
- c) the probable time to realisation; and
- d) the effective interest rate of the contract and also, regardless of the stage in which they are classified:
 - i) exposures with a value of more than 300.000 euros;
 - ii) which after 31 December 2017 have been subject to impairment calculation using the individual analysis method and
 - iii) exposures subject to a legal moratorium process, as long as the effects arising from it remain active.

The probable realisation value of the collateral, in the case of General Credit, is determined by periodic and regular evaluations, carried out by external and CMVM accredited evaluators, whose final result will be subject to a haircut according to its seniority date, as set out in Annex II of circular letter CC/2018/00000062 of the Bank of Portugal. In the case of the Lending Activity, its evaluation is performed by Official Evaluators, accredited by INCM, according to the weight and precious metal content of the pledged objects and their official value, calculated both at the time the loan is granted and in all monthly impairment calculation periods.

If the process of calculation of impairment by the Individual Analysis method does not determine the quantification of any impairment, a minimum impairment will still be calculated by applying the value at risk of a one-year PD and its LGD.

ii) For Auto Loans

Bicredit presents the following model for calculating loan impairments.

The determination and evolution of the impairment parameters to be applied to the Auto Loan portfolio has been guided by permanent monitoring of the evolution of the loans in the portfolio, considering its characteristics, namely that it is a portfolio with a high level of granularity and homogeneity, with a significant dispersion of customers, mainly limited to the granting of financing in the form of loans repayable in monthly instalments, centred on the financing of medium or low-end used vehicles, which leads to the application of collective analysis methods.

The calculation of the expected credit loss (ECL) is based on estimates of the probability of default (PD) and loss after default (LGD), whose calculation process was developed in accordance with IFRS 9, with the collaboration of the

consultancy Deloitte Risk Advisory, S.A., based on the existing data history (since the start of the activity, still within the structure of Banco Invest, S.A., in September 2016, with 2017 being the first full year).



The impairment calculation model applied takes into account, among other things:

- the characteristics of the portfolio, taken into account in its segmentation and in the methodologies for calculating the parameters;
- the segmentation of the portfolio by risk classes and stages, respecting the rules for classifying contracts as Significant Risk Increase, Restructured (performing and non-performing) and NPL/Default (non-performing loans).

The classification of exposures by stage/risk class - in accordance with a set of implemented and automated classification and transition rules - as well as the calculation of impairment, are applied contract by contract and are carried out on a monthly basis, making it possible to regularly assess exposure to credit risk and its evolution.

In 2024, from the reference date of 31 October 2024, the PD calculation started to have a forward-looking component and in the LGD model, due to business developments, namely the sale of NPL contracts (the first sale having been made in 2024), the sale of loans was introduced as a recovery strategy and the consequent analysis and redefinition of the Workout and recalibration of the model was carried out.

With the history that existed at the time and the aforementioned changes to the models for calculating impairment parameters, the assumptions that had supported the administrative increases applied to PD and LGD until that date no longer existed (no forward-looking component in calculating PD and reduced history for calculating LGD). The average PD per risk class of the automobile segment continues to be applied to the portfolio of cards and credit lines resulting from the purchase made in 2023, considering its small size and the fact that it has a high amortisation rate. With regard to LGD, auto portfolio rates are now 25% higher, as is the case with stock loans and any personal loans in the portfolio.

In the stock credit segment, where the term of the financed invoices is less than one year, for performing contracts, the 12-month accumulated PD estimated for auto financing to the end customer is applied, as this is considered to be the best estimate available, given the specific nature and small size of this segment.

A loss rate of 100% is applied to contracts considered uncollectible (contracts in "CNI" status).

Once the impairment amounts have been calculated and validated, they are reported for accounting purposes.

Impairment models are developed and reviewed regularly by the Risk and Finance Department of this business area, taking into account the historical evolution of the portfolios themselves and other relevant elements for monitoring credit risk and internal and external factors affecting the determination of expected loss. These models comply with International Financial Reporting Standard No. 9 (IFRS 9) and Bank of Portugal Circular Letter No. 62/2018.

The parameters used to calculate the ECL are also updated at least once a year. However, considering the recent introduction of the forward-looking component in PD estimation, it is expected that the review will continue to be carried out on a semi-annual basis for at least another year. With regard to sensitivity analyses, the periodicity applied is at least once a year.

b) Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation at settlement to deliver cash or another financial assets, regardless of its legal form. Financial liabilities are derecognised when the underlying obligation is settled, expires or is cancelled.

Upon initial recognition, financial liabilities are classified as financial liabilities at amortised cost.

The financial liabilities that were not classified at fair value through profit or loss, nor correspond to financial guarantee contracts, are measured at amortised cost.



The category "Financial liabilities at amortised cost" includes central bank resources, resources from credit institutions, resources from customers and other loans and non-subordinated debt securities.

Initial recognition and subsequent measurement

Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Interest on financial liabilities at amortised cost is recognised under "Interest and similar charges". Based on the effective interest rate method.

Financial guarantees

Financial guarantees are contracts that require the issuer to make payments to compensate the holder for losses incurred as a result of a breach of the contractual terms of debt instruments, namely the payment of the respective principal and/or interest.

Issued financial guarantees are initially recognised at fair value. Subsequently, these guarantees are measured at the higher of (i) the fair value initially recognised and (ii) the amount of any obligation arising from the guarantee contract, measured at the balance sheet date. Any change in the value of the obligation associated with financial guarantees issued is recognised in profit or loss.

If they are not designated at fair value through profit or loss at initial recognition, financial guarantee contracts are subsequently measured at the higher of the following values:

- the provision for losses determined in accordance with the criteria described in the section on impairment losses of financial assets;
- the amount initially recognised, less, where appropriate, the cumulative amount of income recognised in accordance with IFRS 15 Revenue from Contracts with Customers.

The ECL of financial guarantee contracts that are not designated at fair value through profit or loss is presented under "Provisions".

Reclassification between categories of financial liabilities

Reclassifications between categories of financial liabilities are not allowed.

c) Equity instruments

An issued financial instrument is classified as an equity instrument only if (i) the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer; and, (ii) the instrument will or may be settled in the issuer's own equity instruments and is either a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments or a derivative that will be settled by the issuer only by exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

An equity instrument, regardless of its legal form, evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Costs directly attributable to the issue of equity instruments are recognised in equity as a deduction to the amount issued. Amounts paid or received related to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions made on behalf of equity instruments are deducted from equity as dividends when declared.

Preference shares are considered as equity instruments if they do not contain a repayment obligation and dividends, not cumulative, are only paid if and when declared by the Group.

d) Derivatives



The Bank carries out derivative transactions as part of its business with a view to satisfying the needs of its customers and to reduce its exposure to prices, foreign exchange and interest rate fluctuations.

Derivatives are recorded at fair value on the date of acquisition. Furthermore, they are shown in off-balance sheet items for their notional value.

Subsequently, they are measured at their fair value. Fair value is calculated:

- Based on prices in asset markets (e.g. relating to the futures traded on organised markets);
- Based on models that incorporate valuation techniques accepted on the market, including discounted cash flows and option valuation models.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract. If the host contract included in the hybrid contract is considered a financial asset, the classification and measurement of the entire hybrid contract is carried out in accordance with the criteria described for financial assets at fair value through profit or loss.

Embedded derivatives in contracts that are not considered financial assets are treated separately whenever the economic risks and benefits of the derivative are not related to those of the host contract, provided that the hybrid instrument (as a whole) is not initially recognised at fair value through profit or loss. Embedded derivatives are recorded at fair value with subsequent changes in fair value recognised in profit or loss for the period and presented in the trading derivatives portfolio.

Trading derivatives

Derivatives for trading are those derivatives that are not associated with effective hedge relations, including:

- Derivatives acquired to manage risk in assets or liabilities recorded at fair value through profit or loss, rendering the use of hedge accounting unnecessary;
- Derivatives acquired to hedge risk that are not effective hedges;
- Derivatives acquired for trading purposes.

Trading derivatives are stated at fair value, with gains and losses being recognised daily in income and costs for the year. Trading derivatives with a positive fair value are included under "Financial assets held for trading", while trading derivatives with a negative fair value are included under "Financial liabilities held for trading".

2.5. Recognition of interest

Interest income and expense for financial instruments measured at fair value and at amortised cost are recognised under "Interest and similar income" or "Interest and similar costs" (net interest income), using the effective interest rate method. Interest at the effective interest rate on financial assets at fair value through other comprehensive income is also recognised in net interest income.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the instrument (or, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider any impairment losses. The calculation includes all fees paid or received considered as included in the effective interest rate, transaction costs and all premiums or discounts directly related with the transaction, with the exception of financial assets and liabilities at fair value through profit or loss.



Interest income recognised in profit or loss associated with contracts classified in stage 1 or 2 is calculated by applying the effective interest rate of each contract to its gross carrying amount. The gross carrying amount of a contract are is its amortised cost before deduction of impairment. For financial assets included in stage 3, interest is recognised in the income statement based on their net book value (less impairment). Interest is always recognised prospectively, i.e. for financial assets that enter stage 3, interest is recognised on the amortised cost (net of impairment) in subsequent periods.

For purchase or originated credit impairment assets (POCIs) the effective interest rate reflects the expected credit losses in determining the expected future cash flows to be received from the financial asset.

2.6. Non-current assets held for sale and investment properties

2.6 1. Non-current assets held for sale

Non-current assets, or groups of assets and liabilities to be sold, are classified as held for sale whenever it is likely that their balance sheet value may be recovered by selling rather than by their continued use. The following requirements must be met so that an asset (or group of assets and liabilities) can be classified under this item:

- High probability of sale;
- The asset is available for immediate sale in its current state at a reasonable price relative to its current fair value:
- The sale is expected to take place within one year of classifying the asset in this item.

In those cases in which the asset is not sold within a year, the Bank assesses if the requisites continue to be fulfilled, namely the sale did not occur for reasons unconnected with the Bank, which undertook all the actions necessary for the sale to take place and that the asset continues to be actively publicised and at reasonable sales prices according to market circumstances.

Assets recorded under this item are valued at acquisition cost or fair value, whichever is lower, and adjusted by the costs incurred in the sale. The fair value of these assets is determined based on independent expert valuations and is not subject to amortisation. Impairment may be aggravated depending on the age of the property in the portfolio.

2.6.2. Investment properties

The Group classifies as investment properties those properties held for rental or capital appreciation or both. Investment properties are initially recognised at acquisition cost, including directly related transaction costs, and subsequently at fair value. Changes in fair value determined at each balance sheet date are recognised in profit or loss, based on periodic valuations carried out by independent entities specialised in this type of service. Investment properties are not subject to amortisation.

Given that these are assets whose fair value level in the IFRS 13 hierarchy corresponds mainly to level 3, the subjectivity of some of the assumptions used in the valuations and the fact that there are external indications with alternative values, the Group carries out internal analyses of the assumptions used in the valuations of these assets, which may imply additional adjustments to their fair value.

Transfers to and from the Investment property item may occur whenever there is a change in the use of the property. When transferring investment properties to own-use properties, the estimated cost for accounting purposes is the fair value at the date of the change in use. If a property used for own services is classified as investment property, the Group records this asset in accordance with the policy applicable to properties used for own services until the date of its transfer to investment property and subsequently at fair value, with the difference in value recognised in revaluation reserves on the date of transfer. If a property is transferred from Other assets to Investment properties, any difference between the fair value of the asset on that date and the previous carrying amount is recognised in profit or loss for the period.





Gains and losses on the disposal of investment properties resulting from the difference between the realisable value and the book value are recognised in profit or loss for the year. All income and expenses generated from investment properties, other than the changes in fair value mentioned above, are also recognised in profit or loss for the year.

Investment properties recorded arise only from non-banking activities (Investment Funds).

2.7. Other tangible assets

Other tangible assets are recorded at acquisition cost, less accumulated depreciation and impairment losses. Repair, maintenance and other expenses associated with their use are recognised as costs for the year under "General administrative expenses".

Depreciation is calculated using the straight-line method and recorded in costs for the year on a systematic basis over the estimated useful life of the asset, which corresponds to the period during which the asset is expected to be available for use, which is:

	Years of useful life
Premises	50
Leasehold expenses	4 - 10
Furniture and materials	8
Machines and tools	5 - 8
IT equipment	3 - 8
Fixtures and fittings	5 - 8
Vehicles	4
Safety equipment	8 - 10

Land and artistic heritage are not subject to depreciation.

Whenever the net book value of tangible assets is greater than its recoverable value, under the terms of IAS 36 – "Impairment of assets", it is recognised as an impairment loss with an impact on profit or loss for the year. Impairment losses can be reversed, also with effect on the profit and loss for the year, if there is an increase in the recoverable amount of the asset in subsequent periods.

2.8. Leases

IFRS 16 establishes new requirements regarding the scope, classification and measurement of leases:

- from the lessor's perspective, leases continue to be classified as finance leases or operating leases;
- from the lessee's perspective, the standard defines a single accounting model for lease agreements that results in the recognition of a right-of-use asset and a lease liability for all lease agreements, except for leases with a term of less than 12 months or for leases of low-value assets where the lessee may opt for the exemption from recognition provided for in IFRS 16. In this case, the lease payments associated with these contracts should be recognised as expenses.

The Bank has opted not to apply this standard to short-term lease contracts of less than or equal to one year and to lease contracts where the underlying asset has little value, considering for this purpose the amount of 5.000 euros, and has exercised the option not to apply this standard to leases of intangible assets.



Lease definition

The definition of a lease focuses on control of the identified asset, i.e. a contract constitutes or contains a lease if it conveys the right to control the use of an identified asset, i.e. obtaining substantially all the economic benefits of using it and the right to direct the use of that identified asset during a certain period of time in exchange for consideration.

Impacts from the lessee's perspective

At the beginning of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract or part of a contract that conveys the right to use an asset (the underlying asset) for a certain period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset which may be specified explicitly or implicitly and must be physically distinct or represent substantially all the capacity of a physically distinct asset. Even if an asset is specified, the Bank does not have the right to use an identified asset if the supplier has the substantive right to replace this asset during its period of use;
- the Bank has the right to obtain substantially all the economic benefits from the use of the identified asset, throughout its entire period of use; and
- the Bank has the right to direct the use of the identified asset. The Bank has this right when it has the most relevant decision-making rights to change the way and purpose for which the asset is used during its entire period of use. In cases where the decision on how and for what purpose the asset is used is predetermined, the Bank has the right to direct the use of the asset if:
 - the Bank has the right to make use of the asset (or order others to make use of the asset in the manner that it determines) throughout its entire period of use, where the supplier does not have the right to change these instructions on the asset's use; or
 - the Bank designed the asset (or specific aspects of the asset) in a manner that previously determines how and for what purpose the asset shall be used throughout its entire period of use.

The Bank recognises for all leases, except for leases with a term of less than 12 months or leases relating to assets of low unit value:

- A right-of-use asset, initially measured at cost, taking into account the Net Present Value (NPV) of the lease liability, plus payments made (fixed and/or variable) less lease incentives received, termination penalties (if reasonably certain), as well as any estimated costs to be borne by the lessee for dismantling and removing the underlying asset and/or restoring the site where it is located. It is subsequently measured in accordance with the cost model (subject to depreciation/amortisation in accordance with the lease term of each contract and impairment tests);
- A lease liability initially recorded at the present value of future lease cash flows (NPV), which includes:
 - Fixed payments deducted from any lease incentives receivable;
 - Variable lease payments that depend on an index or rate, measured initially and using the index or rate at the start of the contract;
 - Amounts expected to be paid by the lessee under residual values guarantees;
 - The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and,
 - Penalty payments for termination of the lease, if the lease term reflects the exercise of a termination option by the lessee. Given that it is not possible to easily determine the interest rate implicit in the lease (paragraph 26 of IFRS 16), lease payments are discounted at the lessee's incremental borrowing rate, which incorporates the risk-free interest rate curve (swap curve), plus a risk spread of the Bank, applied to the weighted average term of each lease agreement. For fixed-term contracts, this date is considered the end date of the lease; for other contracts without a fixed term, the term during which the contract will be enforceable is assessed. In assessing enforceability, the specific clauses of the contracts are taken into account, as well as the legislation in force regarding urban leases.

Subsequently, lease payments are measured as follows:

- By increasing their carrying amount to reflect the interest accrued thereon;
- By decreasing its carrying amount to reflect lease payments; and
- The carrying amount is remeasured to reflect any revaluations or changes in the lease, as well as to incorporate the revision of fixed lease payments in substance and the revision of the lease term.

The Bank re-evaluates a lease liability and calculates the related adjustment to the right-of-use asset whenever:

- There is a change in the lease term or in the valuation of a purchase option for the underlying asset, in which case the lease liability is remeasured, discounting the revised lease payments and using a revised discount rate;



- There is a change in the amounts payable under a residual value guarantee, or in future lease payments resulting from a change in an index or rate used to determine those payments, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments results from a change in variable interest rates, in which case a revised discount rate should be used); and,
- A lease contract is modified, but the modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Bank did not make any adjustments for the periods presented.

Right-of-use assets are depreciated/amortised from the effective date to the end of the useful life of the underlying asset, or to the end of the lease term if this is earlier. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use asset reflect the fact that the Group will exercise a purchase option in the future, the right-of-use asset shall be depreciated/amortised from the effective date until the end of the useful life of the underlying asset. Depreciation/amortisation starts on the effective date of the lease.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments resulting from a change in an index or rate, when there is a change in the Bank's estimate of the amount expected to be paid with a residual value guarantee, or whenever the Bank changes its assessment of whether or not to exercise a purchase, extension or termination option.

Whenever the lease liability is remeasured, the Bank recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero or there is another reduction in the measurement of the lease liability, the Bank recognizes that reduction in the income statement.

The entries in the Bank's financial statements are presented as follows:

- In the income statement:
 - (i) recording under Net interest income the interest expenses related to lease liabilities;
 - (ii) recording under Other expenses the amounts related to short-term lease contracts and low-value asset lease contracts; and,
 - (iii) recording under Depreciation the depreciation cost related to right-of-use assets.
- In the balance sheet:
 - (i) recording under Other tangible assets the recognition of right-to-use assets; and,
 - (ii) recording under Other liabilities the amount of recognised lease liabilities.
- In the cash flow statement, Cash flows arising from operating activities Payments (cash) to employees and suppliers includes amounts related to short-term lease contracts and low-value asset lease contracts and the Decrease in other liabilities includes amounts related to payments of lease liability capital, as detailed in the cash flow statements.

2.9. Financial leases

From the lessee's perspective, finance lease contract were recorded on the date they started as assets and liabilities at the fair value of the leased property, which was equivalent to the present value of the lease payments due. Lease payments were made up of the financial charge and the amortisation of the outstanding principal. Finance charges were charged to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.10. Inrangible assets

This item essentially includes costs incurred with the acquisition, development or preparation for use of software used in the Bank's business operations. Intangible assets are recorded at acquisition cost, less accumulated amortisation and impairment losses.

Amortisation is recorded as costs in the year on a systematic basis over the estimated useful life of the asset, which corresponds to a period of 3 years.

Software maintenance costs are accounted as a cost in the year in which they are incurred.

2.11. Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Financial investments in associates

Associated companies are entities over which the Bank has significant influence, but not control over their financial and operating policies. It is assumed that the Bank exercises significant influence when it holds more than 20% of the voting rights of the associate. If the Bank holds, directly or indirectly, less than 20% of the voting rights, it is assumed that the Bank does not have significant influence, except when such influence can be clearly demonstrated.

The existence of significant influence by the Bank is usually evidenced in one or more of the following ways:

- representation on the Board of Directors or equivalent governing body;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- interchange of the management team;
- provision of essential technical information.

These assets are recorded at acquisition cost and are subject to periodic impairment tests.

Impairment

The recoverable amount of investments in subsidiaries and associates is assessed annually, regardless of the existence of impairment indicators. Impairment losses are calculated based on the difference between the recoverable amount of investments in subsidiaries and associates and their book value. Impairment losses identified are charged against results and subsequently, if there is a reduction of the estimated impairment loss, the charge is reversed, in a subsequent period. The recoverable amount is determined based on the higher between the assets value in use and the fair value deducted of selling costs, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks.

2.12. Income taxes

The Bank is 99,59% held by Alves Ribeiro – Investimentos Financeiros, SGPS, S.A., and is subject to corporate income tax (IRC) under the Special Taxation Regime for Groups of Companies provided for in Article 69 et seq. of the respective code. The perimeter of the group covered by this scheme includes the following companies:

- Alves Ribeiro Investimentos Financeiros, SGPS, S.A.;
- Banco Invest, S.A.;
- Invest Gestão de Activos Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.; (Invest Gestão de Activos);
- US Gestar Gestão de Imóveis, S.A. (US Gestar).

In 2024, Bicredit did not meet the conditions to be included in the Special Taxation Regime for Groups of Companies, calculating its income tax independently, because it was incorporated in 2023.

The taxable profit of the Group of which Alves Ribeiro – Investimentos Financeiros, SGPS, S.A. is the parent company is calculated by adding together the taxable profits and tax losses calculated individually and is taxed at a rate of 21%. In accordance with Article 14 of the Local Finance Law, municipalities may decide on an annual surcharge of up to 1,5% on taxable income subject to and not exempt from corporate income tax.

In addition, taxable profits are also subject to a state surcharge as follows:

- 3% for taxable profits between 1.500.000 and 7.500.000 euros;
- 5% for taxable profits between 7.500.000 and 35.000.000 euros; and
- 9% for taxable profits of more than 35.000.000 euros;

Under Article 51-C of the Corporate Income Tax Code, distributed profits and reserves, as well as capital gains and losses realised by the Bank through the transfer of capital shares for consideration, do not contribute to the determination of its taxable profit, provided that all of the following requirements are met: (i) the Bank holds a stake of not less than 10% of the share capital or voting rights in the entity distributing the profits, or in the entity subject to transfer for consideration, and provided that the stake has been held for a period of not less than 12 months (or, in the case of dividends, if held for less time, is maintained for the time necessary to complete that period); (ii) the taxpayer is not covered by the tax transparency regime; (iii) the entity distributing the profits or reserves, or whose capital is subject to a transfer for consideration, is subject to and not exempt from corporate income tax, a tax referred to in Article 2 of Council Directive

2011/96/EU of 30 November, or a tax of an identical or similar nature to corporate income tax and the applicable legal rate is not less than 60% of the IRC rate; (iv) the entity distributing the profits or reserves, or the entity subject to the transfer for consideration, is not resident in a tax haven.



Total taxes on the profits recorded include current and deferred taxes.

Current tax corresponds to the value payable calculated based on the taxable profits for the year. Taxable profits differ from the accounting result, since it excludes various costs and income that will only be deductible or taxable in subsequent financial years, or that were not deductible or taxable in previous financial years, as well as costs and income that will never be deductible or taxable according to the tax laws in force.

Deferred tax is related to the temporary differences between the amounts of the assets and liabilities for accounting reporting purposes and the respective amounts for taxation purposes, as well as results from tax benefits obtained and from differences between the taxable and the accounting result.

Deferred tax liabilities are recognised for all temporary taxable differences in the future.

As set out in the accounting standards, deferred tax assets are recognised for deductible temporary differences, conditioned by the existence of reasonable expectations of sufficient future taxable profits for those deferred tax assets to be used. At each reporting date, those deferred tax assets are reviewed and adjusted in accordance with the expectations relative to their future use.

The main situations for the Bank that give rise to temporary differences are impairments and provisions not accepted for tax purposes and increases in value of financial assets at fair value through other comprehensive income.

Deferred tax assets and liabilities are measured by using the tax rates that are expected to be in force at the date of the reversion of the corresponding temporary differences, based on the tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date. As at 31 December 2024, the Bank used a rate of 25,5% (2025: 26%).

Corporate income tax (current or deferred) is shown in the profit and loss for the year, except where the transactions giving rise to it have been carried in other shareholders' equity items (in the case of revaluation of financial assets at fair value through other comprehensive income). In these cases, the corresponding tax is also carried against shareholders' equity and does not affect net income for the year.

2.13. Provisions, contingent assets and contingent liabilities

Provisions

Provisions are recognised when (i) the Bank has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain liabilities); (ii) it is probable that settlement will be required; and (iii) a reliable estimate can be made of the amount of the obligation.

Provisions are measured in accordance with the principles set out in IAS 37 with regard to the best estimate of the expected cost, the most likely outcome of ongoing actions and considering the risks and uncertainties inherent in the process.

In cases where the effect of discounting is material, provisions correspond to the present value of expected future payments, discounted at a rate that considers the risk associated with the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate and are reversed through profit or loss in proportion to the payments that are not probable.

Provisions are derecognised through their use in the obligations for which they were originally created, or in the case that these obligations cease to exist.

Contingent assets

Contingent assets are not recognised in the financial statements, being disclosed when it is probable that there will be a future economic inflow of resources.



Contingent liabilities

Contingent liabilities are not recognised in the financial statements, being framed under IAS 37 and disclosed whenever the possibility of an outflow of resources encompassing economic benefits is not remote.

The Bank records a contingent liability when:

- i) It is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or,
- (ii) is a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or,
 - (b) the amount of the obligation cannot be measured with sufficient reliability.

2.14. Employees' benefits

Liabilities with employees' benefits are recognised in accordance with the principles established by IAS 19 - Employee Benefits.

The Bank has not subscribed to the Collective Bargaining Agreement in effect for the banking industry since its staff is covered by the General Social Security Scheme. For this reason, the Bank had no liabilities for pensions or retirement pension supplements or other long-term benefits in respect of its employees as at 31 December 2024 and 2023.

Short-term benefits, including productivity bonuses paid to staff for their performance, are recorded in "Personnel costs" in the financial year to which they relate, in accordance with the accruals principle.

2.15. Commissions

Commissions received for credit operations and other financial instruments, especially commissions on the origination of transactions, are recognised as earnings over the transaction period.

Commissions for services provided are usually recognised as earnings over the period the service is provided or on a one-off basis, if they arise from single acts.

2.16. Amounts deposited

Amounts deposited, namely customers' securities, are recorded at fair value in off-balance sheet items.

2.17. Cash and equivalents

For the preparation of the cash flow statements, the Bank considers all the items of "Cash and balances at central banks" and "Claims on other credit institutions", with less than three months maturity and which can be immediately mobilised with insignificant risk of change in value, as "Cash and equivalents".

Cash and cash equivalents exclude deposits of a mandatory nature made with Central Banks.

2.18. Offsetting

Financial assets and liabilities are offset and recognised at their net book value in the balance sheet when the Bank has a legal right to offset the amounts recognised and the transactions can be settled at their net value.

2.19. Insurance contracts

Banco Invest is authorised by the Insurance and Pension Funds Supervisory Authority (ASF) to carry out insurance mediation activities in the category of Tied Insurance Intermediary, in accordance with Article 8(a)(i) of Decree-Law No.144/2006, of 31 July, carrying out insurance mediation activities in the life and non-life branches.

As part of its activity, the Bank sells insurance contracts, without assuming the associated risk. As remuneration for the insurance mediation services provided, it receives commissions for the mediation of insurance contracts.



With regard to life insurance, the Bank receives commissions as remuneration for insurance mediation services that are recognised as income. This income is recorded as receivables under other assets as it is generated, against the commissions received, regardless of when it is received.

For non-life insurance, the remuneration (commission) is recorded as deferred income and the income is recognised monthly in the income statement according to the monthly premiums received from customers.

2.20. Share-based payment

IFRS 2 establishes the accounting treatment for transactions where payment is made through shares. The entity may record an increase in equity if the transactions for goods and/or services are received through equity-settled share-based payments; or a liability if the transactions for goods and/or services are received through cash-settled share-based payments.

2.21. Critical accounting estimates and issues of judgement most relevant to the application of the accounting policies.

The Bank's Board of Directors has had to provide some estimates in the application of the accounting criteria described above. The estimates with the biggest impact on the Bank's individual financial statements are listed below.

Classification and measurement - IFRS 9

The classification and measurement of the financial assets depends on the results of the SPPI test (analysis of the characteristics of the contractual cash flows, to conclude if the same correspond solely to payments of principal and interest on the outstanding principal) and of the business model test.

The Bank determines the business model based on the way groups of financial assets are managed collectively to achieve a specific business objective. This assessment requires judgement, since the following aspects, among others, have to be considered:

- the way in which the performance of the assets is assessed;
- the risks that affect the performance of assets and the way in which those risks are managed; and
- the way in which the asset managers are remunerated.

The Bank monitors the financial assets measured at amortised cost and at fair value through other comprehensive income that are derecognised prior to their maturity, to understand the reasons underlying their disposal and determine if they are consistent with the objective of the business model defined for those assets. This monitoring is included in the Bank's continuous assessment process of the business model of the financial assets remaining in portfolio, to determine if the latter is adequate and, if not, whether there was a change in the business model and, as a result, a prospective change of the classification of those financial assets.

Determination of impairment losses on Financial Assets - IFRS 9

Impairment losses in loans granted are calculated in accordance with the method defined in Note 2.4. and 46. As such, the calculation of impairment in individually analysed assets results from a specific assessment carried out by Banco Invest, using its knowledge of customers' circumstances and the guarantees associated with the operations in question. The determination of impairment losses for financial instruments involves judgements relative to the following aspects, among others:

Significant increase in credit risk

Impairment losses correspond to the expected losses on a 12-month horizon for the assets in stage 1, and to the expected losses considering the probability of a default event occurring at some point up to the maturity date of the financial instrument for the assets in stage 2 and 3. An asset is classified in stage 2 whenever there is a significant increase in credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Bank takes into consideration qualitative and quantitative, reasonable and sustainable information.



Business model evaluation:

The classification and measurement of the financial assets depends on the characteristics of the contractual cash flows of the financial asset and the definition of the business model. The Bank determines its business model based on how it wants to manage its financial assets and its business objectives. The Bank monitors whether the classification of the business model is appropriate based on the analysis of the early derecognition of the assets at amortised cost or at fair value through equity, evaluating whether a prospective change of the classification is necessary.

Definition of groups of assets with common credit risk characteristics:

When expected credit losses are measured in a collective model, financial instruments are grouped based on the same risk characteristics. The Bank monitors the adequacy of the credit risk characteristics in order to ensure that the reclassification of assets is carried out appropriately, in the event of a change in the credit risk characteristics.

Models and assumptions used:

The Bank uses various models and assumptions to measure the estimated expected credit losses. Judgement is applied in the identification of the most appropriate model for each type of assets, as well as to determine the assumptions used in these models, including the assumptions related to the main credit risk drivers.

Probability of default:

The probability of default represents a determining factor in the measurement of the expected credit losses. The probability of default corresponds to an estimate of the probability of default within a certain time period, whose calculation is based on historical data, assumptions and expectations regarding future conditions.

Determination of impairment losses on non-current assets held for sale

Non-current assets held for sale are measured at acquisition cost or fair value, whichever is lower, less the costs incurred by the sale, as mentioned in Note 2.7.

The fair value of these assets is calculated based on evaluations carried out by independent entities specialised in this type of service. The evaluation reports are analysed internally, namely by comparing the sales values with the revalued real estate values in order to maintain updated the parameters and processes of assessment of market developments.

The use of alternative methodologies and of different assumptions may result in a different level of fair value with an impact on the recognised balance sheet value.

Determination of fair value of investment properties

The fair value of these assets is determined based on valuations conducted by independent specialised entities using market, income or cost methods. The valuation reports are analysed internally, namely by comparing the sale values with the revalued values of the properties in order to keep the valuation parameters and processes up to date with market developments.

Determination of income tax

Current and deferred taxes are determined by the Bank using the rules established by the tax regulations in force. In certain situations, the tax law may not be sufficiently clear and objective, and more than one interpretation may arise. In these cases, the amounts recorded result from the Bank's best understanding of the correct classification of its operations, which is, however, subject to review by the Tax Authorities.

2.22 Subsequent events

The Bank analyses events occurring after the balance sheet date, i.e., favourable and/or unfavourable events that occur between the balance sheet date and the date on which the financial statements were authorised/approved. Two types of events can be identified in this context:

- a) those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and
- b) those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

Events occurring after the date of the financial statements that are not considered to be adjusting events, if significant, are disclosed in the notes to the financial statements.

3. NET INTEREST INCOME





	2024	2023
Interest from deposits at Central Banks and at credit institutions	530.218	2.010.998
Interest from investments in credit institutions	2.247.596	100.370
Interest from loans and advances to customers		
Domestic loans	43.487.181	38.631.914
Foreign loans	266.059	333.131
Other loans and receivables – debt securities	7.531.681	7.170.598
Interest from past due loans	1.227.969	1.059.292
Interest from financial assets held for trading		
Securities	519.381	406.913
Derivative instruments	2.659.890	2.534.922
Interest from financial assets at fair value through other comprehensive income		
Securities	3.152.403	1.746.614
Interest from debtors and other financial investments	187.793	441.617
Other interest and similar income	65.473	(10.116)
Commissions received associated to amortised cost		
Credit operations	4.566.024	5.951.439
Interest on hedging derivatives	4.158.691	-
Margin adjustment - IFRS9	(520.603)	(453.574)
	70.079.756	59.924.118
Interest and similar charges		
Interest on resources from Central Banks	562.976	2.788.017
Interest on resources from other credit institutions		
Abroad	12.841	22.250
Interest on resources from customers and other loans	22.369.479	13.513.226
Interest charges related to lease liabilities	284.958	3.374
Other interest and similar charges	-	333.161
Other commissions paid		
Commissions paid associated to amortised cost	167.753	49.511
Interest on hedging derivatives	3.521.948	_
	26.919.955	16.709.539
	43.159.801	43.214.579

Interest is accounted for using the effective interest method, as described in the accounting policies (Note 2), except for interest on financial instruments held for trading.

The Interest on loans and advances to customers item includes the amount of 1.502.807 euros (31 December 2023: 1.187.253 euros) related to income from customers classified in stage 3.

The change in the "Commissions paid associated with amortised cost" item corresponds to commissions and other costs accounted for using the effective interest method, as referred to in the accounting policies (Note 2).



The "Interest charges related to lease liabilities" item corresponds to the amount of interest on lease liabilities recognised under IFRS 16, as described in accounting policy 2.8.

The margin adjustment corresponds to the correction of the measurement of interest on Stage 3 operations, based on their net carrying amount (Note 2.5).

4. INCOME FROM SERVICES AND COMMISSIONS

In 2024 and 2023 this item was made up as follows:

	2024	2023
Services and commissions received		
Guarantees provided	23.036	25.314
Services provided	19.602.162	16.073.199
Transactions carried out on behalf of third parties	888.765	853.746
	20.513.963	16.952.259
Services and commissions paid		
Banking services provided by third parties		
Bank commissions	799.777	810.024
Bank of Portugal	4.085	2.979
Transactions carried out on behalf of third parties	187.031	140.101
Business procurement commissions	901.535	731.846
Other commissions	707.326	132.108
	2.599.754	1.817.058
	17.914.209	15.135.201

The "For services rendered" item includes commissions associated with auto loans – essentially services provided after the granting of credit – in the amount of 1.188.467 euros (2023: 1.557.329 euros). Also included are commissions for setting up operations, in the amount of 2.125.399 euros (2023: 2.310.164 euros), which includes commissions associated with corporate finance projects; management fees of the fund management company in the amount of 2.353.568 euros (2023: 1.797.185 euros); and insurance mediation commissions 2.237.121 euros (2023: 1.577.794 euros), relating to the auto loans sector.

The "Bank commissions" item includes the commissions paid to Euroclear which came to 259.105 euros in 2024 (2023: 195.880 euros).

5. NET INCOME FROM FINANCIAL OPERATIONS

In 2024 and 2023 this item was made up as follows:



	2024	2023
Gains / (losses) in financial operations at fair value through profit or loss		
Income from financial assets held for trading	(3.000.887)	1.439.167
Income from financial assets not held for trading mandatoril at fair value through profit or loss	3.812.263	4.044.505
Income from assets and liabilities designated at fair value through profit and loss	55.627	33.698
	867.003	5.517.370
Net gains / (losses) from foreign exchange	418.243	(276.247)
Income from financial assets at fair value through other comprehensive income	(285.433)	(3.611.564)
	999.813	1.629.559

a. Gains / (losses) in financial operations at fair value through profit or loss

In 2024 and 2023 this item was made up as follows:

	2024	2023
Income from assets and liabilities assessed at fair value through profit or loss		
Securities		
Issued by residents		
Bonds	88.640	166.519
Investment units	4.688.813	4.597.242
Issued by non-residents		
Bonds	1.380.979	2.561.806
Shares	1.841.427	825.593
Investment units	34.284	28.123
Derivatives		
Swaps		
Interest rate swaps	143.021	(523.385)
Futures		
On interest rates	3.946.803	5.213.101
On equities	35	-
On foreign currencies	1.444.364	2.304.766
Options		
On equities	4.702.399	1.738.146
Gold	87.429	33.898
	18.358.194	16.945.809



	2024	2023
Losses from assets and liabilities assessed at fair value through profit or loss		
Securities		
Issued by residents		
Bonds	(489)	(49)
Investment units	(735 051)	(580 404)
Issued by non-residents		
Bonds	(96.690)	(61.300)
Shares	(1.345.448)	(463.032)
Investment units	(175.783)	(456)
Investment units		
Swaps		
Interest rate swaps	(4.093.253)	(1.777.450)
Futures		
On interest rates	(4.186.960)	(4.779.143)
On equities	(39)	-
On foreign currencies	(1.634.340)	(2.054.385)
Options		
On equities	(5.191.336)	(1.712.021)
Gold	(31.802)	(199)
	(17.491.191)	(11.431.439)
	867.003	5.514.370

b. Income from financial assets at fair value through other comprehensive income

In 2024 and 2023 this item was made up as follows:

	2024	2023
Revaluation of the spot currency position	419.220	(279.852)
Revaluation of the forward currency position	(977)	3.605
	418.243	(276.247)

c. Net gains / (losses) from foreign exchange

In 2024 and 2023, the balance of this item corresponds entirely to the results of the revaluation of the Bank's spot and forward foreign currency positions and is presented as follows:

	2024	2023
Debt instruments		
Residents		
Other bonds	-	284
Non-residents		
Other bonds	(285.433)	(3.611.848)
	(285.433)	(3.611.564)

6. INCOME FROM SALES OF OTHER ASSETS

In 2024 and 2023 this item was made up as follows:

	2024	2023
Non-current assets held for sale	1.157.360	712.195
Other tangible assets	159.673	57.900
Gold and precious metals	20.373	25.299
Other	(169.958)	(145.595)
	1.167.448	649.799

The Non-current assets held for sale item reflects gains and losses from the sale of properties recovered by the Bank. During 2024, 32 properties were sold for 2.378.456 Euros (2023: 2.143.500 euros), having generated gains totalling 1.157.360 euros (2023: 712.195 euros).

The Other tangible assets item refers to the results obtained from the sale of vehicles which were recorded under Other tangible assets.

The Other item refers to gains recorded on the disposal of securities in the investment portfolio at amortised cost.

7. OTHER OPERATING INCOME / (LOSSES)

In 2024 and 2023 this item was made up as follows:

	2024	2023
Other operating income		
Reimbursement of expenses	97.583	67.844
Recovery of loans	713.986	295.760
Income from provision of sundry services	17.891	13.983
Rents	278.471	156.188
Other	765.230	494.383
	1.873.161	1.028.158
Other operating expenses		
Other taxes		
Special contribution on the banking sector	(461.579)	(561.980)
Other indirect taxes	(253.534)	(154.065)
Other operating expenses and losses		
Contributions to the Resolution Fund	(106.717)	(241.291)
Levies and donations	(88.365)	(84.231)
Contributions to the Deposit Guarantee Fund	(3.005)	(6.837)
Other operating expenses and losses	(122.072)	(58.840)
	(1.035.272)	(1.107.244)
	837.889	(79.086)





The Rents item reflects rents received from properties recovered by the Bank that are leased and rents from properties owned by Fundo Tejo that are leased. Recovered properties are disclosed in Note 25, while properties owned by Fundo Tejo are disclosed in Note 24.

With the publication of Law 55 - A/2010, of 31 December, the Bank is subject to the banking sector contribution scheme. The banking sector contribution is levied on:

- a) Liabilities deducted from tier 1 and tier 2 capital and from the deposits covered by the Deposits Guarantee Fund. The following are deducted from liabilities:
 - Elements that according to the applicable accounting standards are recognised as shareholders' equity;
 - Liabilities associated to defined benefit plans;
 - Provisions;
 - Liabilities resulting from the revaluation of derivatives;
 - Deferred income, excluding those related to borrowing operations; and
 - Liabilities resulting from assets not derecognised in securitisation operations.
- b) The notional amount of off-balance sheet derivative financial instruments determined by taxpayers.

The rates applicable to the tax bases defined in points (a) and (b) above vary between 0,01% and 0,05% and 0,00010% and 0,00020%, respectively, depending on the amount calculated.

During 2013, the Bank initiated its contribution to the Resiolution Fund, which was created by Decree-Law No. 31-A/2012, of 10 February, and which introduced a resolution regime in the General Regime for Credit Institutions and Financial Companies, approved by Decree-Law No. 289/92, of 31 December.

The measures provided for in the new scheme seek to, on a case-by-case basis, recover or prepare ordered liquidation of credit institutions and certain investment companies undergoing financial difficulty and they provide for three phases of intervention by the Bank of Portugal, namely corrective intervention, interim administration and resolution phases.

Accordingly, the main mission of the Resolution Fund consists of providing financial support in the application of resolution measures adopted by the Bank of Portugal.

In 2024 and 2023, the Bank recorded a periodic contribution to the banking sector of 390.579 euros and 475.530 euros, respectively.

Under Law 27-A/2020 of 27 July, an additional solidarity contribution was created for the banking sector. In 2024, the Bank's contribution corresponded to 71.000 euros (2023: 86.449 euros).

Under the terms of article 153-H of the General Regime for Credit Institutions and Financial Companies that transposed articles 100, no. 4, sub-paragraph a), and 103, no. 1, of Directive 2015/59/EU of the European Parliament and of the Council, of 15 May 2014, and article 20, of the Delegated Regulation (EU) no. 2015/63 of the Commission, of 21 October 2014 ("Delegated Regulation"), in 2015 the ex-ante contribution to the Single Resolution Fund (FUR) in the amount of 101.582 euros was made. It is incumbent on the Bank of Portugal, as the resolution authority, to determine these contributions in proportion to the risk profile of the participating institutions, based on the information provided by those same institutions and on the methodology defined in the Delegated Regulation. In 2024 and 2023 the contribution came to 106.717 euros and 139.327 euros, respectively.

8. STAFF COSTS

In 2024 and 2023 this item was made up as follows:



	2024	2023
Salaries and earnings		
Governing Bodies	1.572.220	1.729.654
Employees	11.060.542	10.140.661
Social Security charges		
Charges related to remunerations:		
Social Security	2.723.055	2.621.217
Other compulsory social charges:		
Other	140.650	184.282
Other staff costs		
Other	263.446	184.288
	15.759.913	14.860.102

As at 31 December 2024 and 2023, the average number of employees in the service of the Bank, broken down by professional category, was as follows:

	2024	2023
Directors	12	9
Executives and managers	59	63
Technical staff	200	235
Administrative staff	6	6
	277	313

Under Article 47 of Bank of Portugal Notice 3/2020, remuneration paid in 2024 is broken down as follows:

	Aggregated remuneration
Governing bodies	1.790.924
Internal control functions	942.140
Other identified employees	758.764
Total	3.491.828
Fixed remuneration	3.158.828
Variable remuneration	333.000
Deferred remuneration payable in 2024	-
	3.491.828



9. OTHER ADMINISTRATIVE COSTS

In 2024 and 2023 this item was made up as follows:

	2024	2022
	2024	2023
Water, energy and fuel	370.181	372.665
Consumables	45.417	49.038
Publications	4.635	4.766
Hygiene and cleaning materials	2.273	1.663
Other third party services	17.791	18.604
Leases and rentals	37.284	150.851
Communications	1.082.964	1.082.727
Travel and accommodation	303.656	272.749
Advertising and publications	1.147.446	1.026.645
Maintenance and repair	441.025	523.439
Transport	11.294	2.968
Staff training	86.572	66.779
Insurance	125.214	127.091
Specialised services	4.948.523	3.221.431
Other third party services	884.772	2.001.503
	9.509.047	8.922.919

The Specialised services item includes the fees of the Statutory Auditor for the statutory audit of the Bank's accounts and other services for the years ended 31 December 2024 and 2023, as follows:

	2024	2023
Statutory audit of the accounts	90.340	92.766
Work arising from the role of Statutory Auditor required by regulations and / or specific request of supervisory bodies	53.500	44.630
Other non-audit services invoiced	-	35.500
	143.840	172.896

The Specialised services item also includes the litigation and notary costs which in 2024 came to 341.477 Euros (2023: 350.305 Euros) and IT costs which in 2024 came to 1.103.326 Euros (2023: 1.020.520 Euros).

The Bank opted not to recognize lease liabilities for short-term leases and/or low-value items, as referred to in note 2.8. As such, the costs related to leases and rentals came to 37.284 euros in 2024 (2023: 150.851 euros), relating to low-value asset contracts.

The Maintenance and repairs item includes the operating expenses of Fundo Tejo's properties, as per Note 24.

10. DEPRECIATIONS AND AMORTISATIONS

In 2024 and 2023 this item was made up as follows:



	2024	2023
Intangible assets		
Software	415.403	226.924
Tangible assets		
Real estate	114.680	112.049
Furniture and materials	27.503	27.424
Machines and tools	5.773	5.107
IT equipment	258.295	240.192
Fixtures and fittings	9.590	6.940
Safety equipment	63	121
Vehicles	566.652	456.717
Rights of use	1.373.173	960.736
	2.771.132	2.036.210

11. IMPAIRMENT OF FINANCIAL ASSETS AT AMORTISED COST

In 2024 and 2023 this item was made up as follows:

	2024	2023
Cash and deposits at Central Banks		
Allocation for the year	-	181.366
Reversal for the year	-	(243.766)
Loans and advances to credit institutions		
Allocation for the year	726	1.184
Reversal for the year	(1.972)	(1)
Amounts and deposits at other credit institutions		
Allocation for the year	47.486	9.923
Reversal for the year	(12.260)	(9.732)
Loans and advances to customers		
Allocation for the year	17.439.875	18.919.332
Reversão do exercício	(12.462.967)	(13.415.609)
Ajustamento à margem	(520.603)	(453.574)
Recovery of credits written off	(758.426)	(76.804)
Debt securities		
Allocation for the year	94.468	464.915
Reversal for the year	(344.832)	(2.570.735)
	3 481.495	2 806.499

The margin adjustment corresponds to the correction of the measurement of interest on Stage 3 operations, based on their net carrying amount (Note 2.5). This adjustment is also reflected in Note 3.



The increase in the "Recovery of loans written off from assets" item is due to the sale of loans written off from assets, which resulted in a gain of 599.000 euros.

12. IMPAIRMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In 2024 and 2023 this item was made up as follows:

	2024	2023
Impairment of financial assets at fair value through other comprehensive income		
Allocation for the year	26.851	6.196
Reversal for the year	(15.830)	(136.587)
	11.021	(130.391)

13. IMPAIRMENT OF OTHER ASSETS

In 2024 and 2023 this item was made up as follows:

	2024	2023
Impairment for non-current assets held for sale		
Allocation for the year	815.227	1.332.094
Reversal for the year	(147.344)	(253.790)
	667.883	1.078.304
Impairment of other assets		
Allocation for the year	62.212	108.034
Reversal for the year	(36.021)	(63.130)
	26.191	44.904
	694.074	1.123.208

14. OTHER PROVISIONS

In 2024 and 2023 this item was made up as follows:

	2024	2023
Provisions for guarantees and other commitments		
Allocation for the year	167.386	224.572
Reversal for the year	(174.168)	(258.179)
Other provisions		
Allocation for the year	205 766	432.276
Reversal for the year	(155.855)	(191.124)
	88.129	207.545

15. EQUITY ACCOUNTED INCOME



The amount of 139.278 euros (2023: 81.431 euros) refers to the financial holding in Crest Capital Partners - Sociedade de Capital de Risco, S.A.

16. EARNINGS PER SHARE

In 2024 and 2023 this item was made up as follows:

	2024	2023
Net income No. of average shares over the period	21.607.603 9.500,000	21.140.059
Basic earnings per share	2,2745	2,2253

17. CASH AND DEPOSITS AT CENTRAL BANKS

This item was made up as follows:

	31 December 2024	31 December 2023
Cash in hand	317.637	486.859
Demand Deposits at the Bank of Portugal	150.501.343	18.570.265
Interest receivable	11.833	4.167
	150.830.813	19.061.291

Demand deposits at the Bank of Portugal aim to comply with the minimum cash reserve requirements of the European System of Central Banks (ESCB). These deposits are non-interest-bearing and exceed the minimum requirement of 2% of deposits and debt securities with a maturity of up to two years, excluding deposits and debt securities of institutions subject to the ESCB minimum reserve system.

18. AMOUNTS AND DEPOSITS AT OTHER CREDIT INSTITUTIONS

This item was made up as follows:

	31 December 2024	31 December 2023
	31 December 2024	31 December 2023
Cheques payable		
In Portugal	12.461	169.200
Demand deposits		
In Portugal	11.348.622	18.321.857
Abroad	24.936.399	23.209.291
Impairment losses	(42.818)	(7.414)
	36.254.664	41.692.934

The item Cheques payable represents essentially cheques drawn by third parties on other credit institutions that are due for collection. The balances of this item are settled in the first days of the following month.



19. FINANCIAL ASSETS HELD FOR TRADING AND FINANCIAL ASSETS NOT HELD FOR TRADING MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

This item was made up as follows:

	31 Dec	cember 2024	31 Decer	mber 2023
	Financial assets held for trading	Financial assets not held for trading mandatorily at fair value through profit or loss	Financial assets held for trading	Financial assets not held for trading mandatorily at fair value through profit or loss
Debt instruments				
Other residents				
Credit institutions	490.155	-	472.100	-
Non-residents				
Foreign public issuers	7.410.580	-	4.380.749	
Credit institutions	5.756.522	-	1.805.856	-
Companies	6.235.077	-	11.498.702	
	19.892.334	-	18.157.407	-
Interest receivable	177.787	-	190.357	
	20.070.121	-	18.347.764	
Equity instruments				
Residents				
Investment units	-	19.599.166	-	17.752.19
Other	-	205.936	-	210.694
Non-residents				
Shares	4.077.707	-	5.999.220	
Investment units	315.283	-	291.408	
	4.392.990	19.805.102	6.290.628	17.962.885
Derivatives				
Swaps				
Interest rate	5.364	-	646.513	
Options embedded				
in structured deposits	-	-	1.451	
Options				
Equities	1.041.193	-	-	
Contracts for difference	2.979.312		-	
	4.025.869	-	647.964	
	28.488.980	19.805.102	25.286.356	17.962.885



The composition of (non-resident) debt instruments, excluding public issuers and credit institutions, as at 31 December 2024 and 2023, by sector of activity, was as follows:

	31 December 2024	31 December 2023
Manufacturing industries	2.148.377	2.055.615
Electricity, gas, steam, hot and cold water and cold air	2.311.960	3.048.420
Water supply, sewerage, waste management and remediation activities	-	433.910
Construction	947.940	914.750
Wholesale and retail trade; repair of motor vehicles and motorbikes	-	485.695
Transportation and storage	-	185.126
Information and communication activities	-	433.095
Financial and insurance activities	-	1.965.788
Real estate activities	826.800	1.025.613
Administrative and support services activities	-	950.690
	6.235.077	11.498.702

As at 31 December 2024 and 2023, the nominal value of the debt instruments was as follows:

	31 December 2024	31 December 2023
Other residents		
Credit institutions	500.000	500.000
Non-residents		
Foreign public issuers	7.653.783	4.939.558
Credit institutions	9.800.000	5.900.000
Companies	6.650.000	13.150.000
	24.603.783	24.489.558



As at 31 December 2024 and 2023, the transactions with derivatives were valued in accordance with the criteria in Note 2.4. On these dates, the breakdown of the notional amount and carrying amount was as follows:

	2024			
	Notional amount		Book value	
	Derivatives from trading	Finantial assets held for trading	Finantial liabilitiesheld for trading	Total
			(Note 20)	
Derivatives (OTC)				
Over the counter (OTC)				
Swaps	00.664.570	F 264	(2 207 770)	(2.202.44.4)
Interest rate	83.664.570	5.364	(3.397.778)	(3.392.414)
Options embedded	02 204 002		(2.220.004)	(2.220.004)
in structured deposits	93.281.983	-	(3.320.991)	(3.320.991)
Options	4.0.44.400	1 0 1 1 1 0 0		4 0 4 4 4 0 0
Equities	1.041.193	1.041.193	_	1.041.193
Contracts for difference	16.189.479	2.979.312	(2.979.312)	-
	194.177.225	4.025.869	(9.698.081)	(5.672.212)
Traded on the stock exchange				
Futures				
Interest rate	49.563.024	-	-	-
Foreign exchange	1.873.700	-	-	-
	51.436.724	-	-	-
	245.613.949	4.025.869	(9.698.081)	(5.672.212)



		2023				
	Notional amount		Book value			
	Derivatives from trading	Finantial assets held for trading	Finantial liabilitiesheld for trading	Total		
			(Note 20)			
Derivatives						
Over the counter (OTC)						
Swaps						
Interest rate	101.374.338	646.513	(221.612)	424.901		
Options embedded						
in structured deposits	79.609.684	1.451	(1.807.680)	(1.806.229)		
	180.984.022	647.964	(2.029.292)	(1.381.328)		
Traded on the stock exchange						
Futures						
Interest rate	75.573.094	-	-			
Foreign exchange	9.394.530	-	-	-		
	84.967.624	-	-			
	265.951.646	647.964	(2.029.292)	(1.381.328)		

The distribution of derivative transactions as at 31 December 2024 and 2023, by times to maturity, was as follows (by notional amount):

		2024				
	<= 3 months	> 3 months <= 6 months	> 6 months <= 1 year	> 1 year <= 5 years	> 5 years	Total Accounts
Derivatives						
Over the counter (OTC)						
Swaps						
Interest rate	15.883.881	14.425.109	19.625.288	33.730.292	-	83.664.570
	15.883.881	14.425.109	19.625.288	33.730.292	-	83.664.570
Options embedded						
in structured deposits	13.277.518	6.883.404	32.216.222	40.904.839	-	93.281.983
Options						
Equities	-	-	192.443	848.750	-	1.041.193
Contracts for difference	16.189.479	-	-	-	-	16.189.479
Futures						
Interest rate	15.250.474	12.736.100	17.408.638	4.167.812	-	49.563.024
Foreign exchange	1.873.700	-	-	-	-	1.873.700
	17.124.174	12.736.100	17.408.638	4.167.812	-	51.436.724
	62.475.052	34.044.613	69.442.591	79.651.693	-	245.613.949



	2023					
	<= 3 months	> 3 months <= 6 months	> 6 months <= 1 year	> 1 year <= 5 years	> 5 years	Total Accounts
Derivatives						
Over the counter (OTC)						
Swaps						
Interest rate	15.633.253	15.643.972	20.162.834	49.934.279	-	101.374.338
	15.633.253	15.643.972	20.162.834	49.934.279	-	101.374.338
Options embedded						
in structured deposits	8.483.589	7.133.814	37.239.242	26.753.039	-	79.609.684
Futures						
Interest rate	20.264.144	15.988.500	24.864.925	14.455.525	-	75.573.094
Foreign exchange	9.394.530	-	-	-	-	9.394.530
	29.658.674	15.988.500	24.864.925	14.455.525	-	84.967.624
	53.775.516	38.766.286	82.267.001	91.142.843	-	265.951.646

The distribution of derivative transactions by counterparty type as at 31 December 2024 and 2023 was as follows:

	2024	2023
Over the counter (OTC)		
Swaps		
Interest rate		
Financial institutions	83.664.570	101.374.338
Options embedded in structured deposits		
Customers	93.281.983	79.609.684
Options		
Customers	1.041.193	-
Contracts for difference	16.189.479	-
	194.177.225	180.984.022
Traded on the stock exchange		
Futures		
Interest rate	49.563.024	75.573.094
Foreign exchange	1.873.700	9.394.530
	51.436.724	84.967.624
	245.613.949	265.951.646

The Financial assets not held for trading mandatorily at fair value through profit or loss / equity instruments item resulted from the reclassification on 1 January 2018 of the investment fund units, given that their characteristics did not allow them to be classified in comprehensive income in accordance with accounting policy 2.4.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME



This item was made up as follows:

	31 December 2024	31 December 2023
Debt instruments		
Other residents		
Other national public issuers	5.131.470	175.672
Credit institutions	2.037.260	2.035.240
Companies	4.315.850	3.602.440
Non-residents		
Foreign public issuers	21.477.004	12.913.104
Credit institutions	35.687.356	35.253.468
Companies	72.756.671	60.034.420
	141.405.611	114.014.344
Interest receivable	1.766.023	1.068.372
	143.171.634	115.082.716

The Financial assets at fair value through other comprehensive income item also includes two equity instruments with a carrying amount of zero.

As at 31 December 2024, the impairment of financial assets at fair value other through comprehensive income amounted to 93.420 euros (2023: 82.399 euros), according to Note 38.

The composition of (non-resident) debt instruments, excluding public issuers and credit institutions, as at 31 December 2024 and 2023, by sector of activity, was as follows:

	31 December 2024	31 December 2023
Manufacturing industries	35.766.760	28.483.320
Electricity, gas, steam, hot and cold water and cold air	22.005.880	12.542.040
Water supply, sewerage, waste management and remediation activities	4.020.796	3.421.031
Wholesale and retail trade; repair of motor vehicles and motorbikes	1.486.365	1.469.295
Transportation and storage	2.632.850	2.589.775
Information and communication activities	3.385.095	6.182.940
Financial and insurance activities	-	1.021.230
Administrative and support services activities	3.458.925	2.364.870
Human health and social support activities	-	1.959.919
	72.756.671	60.034.420



As at 31 December 2024 and 2023, the nominal value of the debt instruments was as follows:

	31 December 2024	31 December 2023
Other residents		
Other national public issuers	5.200.000	200.000
Credit institutions	16.000.000	2.000.000
Companies	4.300.000	3.500.000
Non-residents		
Foreign public issuers	21.600.100	13.200.100
Credit institutions	35.700.000	36.200.000
Companies	74.476.250	63.250.000
	157.276.350	118.350.100

As described in the accounting policy referred to in Note 2.4, the portfolio of financial assets at fair value through other comprehensive income is presented at market value, with the respective fair value recorded against fair value reserves (Note 39).

As at 31 December 2024 and 2023, the potential gains and losses on financial assets at fair value through other comprehensive income were as follows:

	31 December 2024	31 December 2023
Debt instruments		
Other residents		
Portuguese public debt	(4.967)	(25.203)
Other bonds	174.206	168.630
Non-residents		
Foreign public issuers	116.787	(100.526)
Other bonds	(1.440.743)	(3.794.233)
	(1.154.717)	(3.751.332)
Equity instruments	(48.128)	(45.249)
Net potential gains (Note 38)	(1.202.845)	(3.796.581)

In 2024, the Bank had recognised impairment losses of 93.420 euros (2023: 82.399 euros).

As at 31 December 2024 and 2023, the portfolio of financial assets at fair value through other comprehensive income, excluding interest receivable, broken down by stage and level, as defined in IFRS 9, is as follows:

		31 December 2024					
	Stage 1	Stage 1 Stage 2		Total			
	Gross value	Gross value	Gross value				
Financial assets at fair value through other comprehensive income	141.405.611	-	-	141.405.611			
		31 Dece	ember 2023				
	Stage 1	Stage 2	Stage 3	Total			
	Gross value	Gross value	Gross value	rotai			
Financial assets at fair value through other comprehensive income	114.014.344	_	_	114.014.344			

In 2024, there are no debt securities pledged as collateral for borrowings from central banks, Interbolsa and Clearnet (2023: 47.837.919 euros).

21. LOANS AND ADVANCES TO CREDIT INSTITUTIONS





Impairment showed the following movement:

		2024				
	Balance as at	Net			Balance as at	
	31-12-2023	Appropriations	Uses	Other	31-12-2024	
Impairment of Deposits at credit institutions:	2.620	(1.246)	-	-	1.374	

		2023					
	Balance as at	Net			Balance as at		
	31-12-2022	Appropriations	Uses	Other	31-12-2023		
Impairment of Deposits at credit institutions:	2.600	20	-	-	2.620		

The times to maturity of deposits at other credit institutions were as follows:

	31 December 2024	31 December 2023
3 months to 1 year	1.008.817	1.005.245
	1.008.817	1.005.245

In 2023 and 2024, investments totalling 400.000 euros pledged as collateral.





22. FINANCIAL ASSETS AT AMORTISED COST

a) Loans and advances to customers

This item was made up as follows:

	31 December 2024	31 December 2023
Domestic loans		
Property leasing transactions	17.314.137	21.979.043
Medium and long-term loans	19.157.328	23.709.510
Current account loans	20.543.980	27.031.480
Consumption and auto loans	334.927.123	329.685.099
Equipment finance lease transactions	-	38.064
Current account overdrafts	16.535.453	16.178.143
	408.478.021	418.621.339
Foreign loans		
Current account overdrafts	800.137	7.936.578
	409.278.158	426.557.917
Past due principal and interest	6.578.575	11.036.233
Total performing loans and past due loans	415.856.733	437.594.150
Interest receivable	2.972.294	2.747.118
Commissions associated to amortised cost		
Deferred charges	21.105.572	20.515.391
Deferred income	(7.228.157)	(7.083.652)
	13.877.415	13.431.739
	432.706.442	453.773.007
Impairment		
Impairment for non-securitised loans	(20.722.805)	(25.399.879)
	(20.722.805)	(25.399.879)
	411.983.637	428.373.128

As at 31 December 2024, the holders of a qualified shareholding in the Bank's share capital and entities controlled by them, identified in the Board of Directors' report and in Note 44, and to whom the Bank had granted credit, represented in aggregate terms 17% (8.089.429 euros) of the share capital (2023: 31%, 14.886.218 euros).

Commissions associated with amortised cost refer to the net value of commissions paid and commissions received for credit operations, deferred in accordance with the effective rate method, as referred to in Note 2.4.

Overdue loans and interest refers to the capital, interest and other expenses of overdue and uncollected instalments.

In September 2016, the Bank began granting auto loans. At the end of 2024, the amount of credit granted amounted to 343.252.501 euros (2023: 339.655.531 euros), excluding past due principal and interest and accrued interest.





	2024					
	Balance as at 31-12-2023	Net Appopriations	Charge-off	Others	Balance as at 31-12-2024	
Impairment of financial assets at amortised cost - Non-securitised loans and advances to customers	25.399.879	4.976.909	(9.653.983)	-	20.722.805	

	2023						
	Balance as at 31-12-2022	Net Appopriations	Charge-off	Others	Balance as at 31-12-2023		
Impairment of financial assets at amortised cost - Non-securitised loans and advances to customers	27.854.439	5.503.723	(7.858.970)	(99.313)	25.399.879		

As at 31 December 2024 and 2023, the breakdown of times to maturity of loans and advances to customers, excluding past due loans, is as follows:

	31 December 2024	31 December 2023
Up to 3 months	18.579.472	25.094.668
3 months to 1 year	19.183.999	21.470.158
1 to 5 years	89.494.670	95.339.041
More than 5 years	282.020.017	284.654.050
	409.278.158	426.557.917

As at 31 December 2024 and 2023, the total loan portfolio broken down by stage, as defined in IFRS 9, is as follows:

		31 December 2024					
	Sta	ıge 1	Sta	ge 2	Stage 3		
	Gross value	Impairment	Gross value	Impairment	Gross value	Impairment	Total
Loans and advances to customers							
Property leasing transactions	15.553.264	(1.319.747)	698.219	(365.367)	1.136.768	(36.908)	15.666.229
Medium and long-term loans	16.756.983	(3.686.539)	495.029	(18.423)	1.916.976	(105.701)	15.358.325
Current account loans	20.543.980	(330.406)	-	-	-	-	20.213.574
Consumption and auto loans	299.488.089	(1.500.263)	25.538.866	(3.688.853)	16.392.969	(9.375.000)	326.855.808
Current account overdraft	16.978.360	(172.884)	289.446	(54.930)	67.784	(67.784)	17.039.992
	369.320.676	(7.009.839)	27.021.560	(4.127.573)	19.514.497	(9.585.393)	395.133.928



	31 December 2023						
	Sta	age 1	Sta	ge 2	Stag	ge 3	Table
	Gross value	Impairment	Gross value	Impairment	Gross value	Impairment	Total
Loans and advances to customers							
Property leasing transactions	20.254.854	(2.581.584)	548.650	(404.779)	1.212.970	(95.845)	18.934.266
Medium and long-term loans	21.549.861	(4.095.412)	213.766	(173.218)	2.084.030	(841.752)	18.737.275
Current account loans	27.031.480	(352.525)	-	-	-	-	26.678.955
Consumption and auto loans	300.248.762	(1.916.383)	23.188.716	(3.835.059)	17.073.662	(10.990.912)	323.768.786
Equipment finance lease transaction	ons 38.064	(9.180)	-	-	34.614	(34.614)	28.884
Current account overdrafts	23.793.613	(24.416)	286.046	(15.345)	35.062	(31.856)	24.043.104
	392.916.634	(8.979.500)	24.237.178	(4.428.401)	20.440.338	(11.994.979)	412.191.270

(does not include interest receivable and commissions associated with amortised cost)

As at 31 December 2024 and 2023, the breakdown of past due loans by age is as follows:

	2024	2023
Up to 3 months	93.703	629.873
3 months to 1 year	196.484	2.445.685
More than 1 year	6.288.388	7.960.675
	6.578.575	11.036.233

As at 31 December 2024 and 2023, the breakdown of past due loans by type of guarantee was as follows:

	2024	2023
Mortgage guarantee or financial leasing (property)	85.374	175.577
Other real guarantees	-	34.615
No guarantee	6.493.201	10.826.041
	6.578.575	11.036.233



As at 31 December 2024 and 2023, the breakdown of performing loans and past due loans and the fair value of the underlying guarantees by type of loan was as follows:

		2024					
	Performing	Past due	Total	Fair value of associated guarantees			
Loans and advances to customers							
Property leasing transactions	17.314.137	74.114	17.388.251	48.526.728			
Medium and long-term loans	19.157.328	11.660	19.168.988	45.898.356			
Current account loans	20.543.980	-	20.543.980	6.068.188			
Consumption and auto loans	334.927.123	6.492.801	341.419.924	-			
Current account overdrafts	17.335.590	-	17.335.590	111.714.481			
	409.278.158	6.578.575	415.856.733	212.207.753			

		2023					
	Performing	Past due	Total	Fair value of associated guarantees			
Loans and advances to customers							
Property leasing transactions	21.979.043	37.431	22.016.474	58.623.390			
Medium and long-term loans	23.709.510	138.147	23.847.657	57.942.477			
Current account loans	27.031.480	-	27.031.480	12.122.565			
Consumption and auto loans	329.685.099	10.826.041	340.511.140	-			
Equipment finance lease transactions	38.064	34.614	72.678	-			
Current account overdrafts	24.114.721	-	24.114.721	168.131.981			
	426.557.917	11.036.233	437.594.150	296.820.413			

The Bank uses physical and financial collateral as instruments to mitigate credit risk. Physical collaterals correspond mainly to mortgages on residential properties within the scope of loan operations and medium and long-term loans, or to the legal property in the case of real estate leasing operations. In order to reflect their market value, these collaterals are reviewed regularly based on evaluations conducted by certified, independent appraisers. The financial collaterals are re-evaluated based on market values of their assets, when available, and certain depreciation coefficients are applied to reflect their volatility.



The breakdown of the loan portfolio, as at 31 December 2024 and 2023, by sector of activity, was as follows:

		2024	
	Performing loans	Past due loans	Total
Individuals	301.273.268	5.328.853	306.602.121
Wholesale and retail trade; repair of motor vehicles and motorbikes	21.250.421	190.028	21.440.449
Financial and insurance activities	19.440.349	-	19.440.349
Real estate activities	9.330.009	7.833	9.337.842
Public administration and defence; mandatory social security	32.341	-	32.341
Extractive industries	21.757	3.239	24.996
Manufacturing industries	5.617.298	67.535	5.684.833
Construction	10.631.598	255.431	10.887.029
Agriculture, livestock, hunting, forestry and fishing	3.992.021	29.215	4.021.236
Administrative and support services activities	4.221.120	63.171	4.284.291
Consultancy, scientific, technical and similar activities	2.399.239	34.079	2.433.318
Human health and social support activities	2.127.478	18.418	2.145.896
Hotels, restaurants and similar	6.953.755	92.779	7.046.534
Water supply, sewerage, waste management and remediation activities	489.266	2.323	491.589
Other activities and services	12.198.047	232.543	12.430.590
Transportation and storage	6.710.426	193.576	6.904.002
Arts, entertainment, sports and recreational activities	1.239.416	42.997	1.282.413
Education	580.739	561	581.300
Electricity, gas, steam, hot and cold water and cold air	20.029	284	20.313
Information and communication activities	749.581	15.710	765.291
Activities of households as employers of domestic staff			
and production activities	-	-	-
Total loans	409.278.158	6.578.575	415.856.733

		2023	
	Performing loans	Past due loans	Total
Individuals	300.098.969	9.191.086	309.290.055
Wholesale and retail trade; repair of motor vehicles and motorbikes	26.034.954	248.696	26.283.650
Financial and insurance activities	32.169.975	-	32.169.975
Real estate activities	10.229.507	47.765	10.277.272
Public administration and defence; mandatory social security	35.284	-	35.284
Extractive industries	28.226	-	28.226
Manufacturing industries	6.254.063	101.383	6.355.446
Construction	9.086.680	433.131	9.519.811
Agriculture, livestock, hunting, forestry and fishing	3.999.503	48.768	4.048.271
Administrative and support services activities	3.868.777	71.514	3.940.291
Consultancy, scientific, technical and similar activities	3.578.306	84.947	3.663.253
Human health and social support activities	2.198.749	16.079	2.214.828
Hotels, restaurants and similar	6.677.914	185.928	6.863.842
Water supply, sewerage, waste management and remediation activities	441.716	580	442.296
Other activities and services	12.818.076	311.530	13.129.606
Transportation and storage	6.459.263	211.776	6.671.039
Arts, entertainment, sports and recreational activities	1.169.820	74.737	1.244.557
Education	579.426	215	579.641
Electricity, gas, steam, hot and cold water and cold air	9.485	-	9.485
Information and communication activities	807.354	8.098	815.452
Activities of households as employers of domestic staff			
and production activities	11.870	-	11.870
Total loans	426.557.917	11.036.233	437.594.150



To comply with the requirements for disclosure of IFRS 16 – Leasings, the Bank prepared for the financial leasing portfolio, with reference to 31 December 2024 and 2023, the reconciliation between the minimum leasing payments and their present value, for each one of the periods defined in the standard, presented in the following table:

3.163.046	3.868.979
10.562.500	12.525.592
10.626.258	14.565.471
24.351.804	30.960.042
(7.037.667)	(8.942.935)
17.314.137	22.017.107
1.955.068	2.389.906
7.284.712	8.270.929
8.406.886	11.356.273
17.646.666	22.017.108
(1.108.272)	(2.261.321)
16.538.394	19.755.787
	24.351.804 (7.037.667) 17.314.137 1.955.068 7.284.712 8.406.886 17.646.666 (1.108.272)

As at 31 December 2024 and 2023 the Bank's the Bank's finance lease portfolio did not contain any contracts whose residual value was guaranteed by third parties, nor were there any contingent rents.

The loan portfolio includes contracts resulting from a formal restructuring with customers and the consequent provision of new financing to replace the previous ones. In 2024, there were 338 such restructurings due to customer financial difficulties, totalling 6.523.567 euros (2023: 5.310.297 euros).

The restructuring may result from an increase in collateral and/or the settlement of part of the loans and imply an extension of maturities or a change in the interest rate. The analysis of restructured loans, by sector of activity, is as follows:

	2024			
	Performing loans	Past due loans	Total	Impairment
Administrative and support services activities	-	10.083	10.083	4.298
Arts, entertainment, sports and				
recreational activities	4.492	15.591	20.083	10.703
Human health and social support activities	9.018	-	9.018	5.105
Real estate activities	529.280	-	529.280	58.896
Agriculture, livestock, hunting, forestry and fishing	793.014	-	793.014	54.754
Hotels, restaurants and similar	971.054	9.426	980.480	52.065
Wholesale and retail trade; repair of motor				
vehicles and motorbikes	458.263	364	458.627	39.912
Construction	56.127	-	56.127	11.856
Education	10.145	-	10.145	5.878
Manufacturing industries	628.578	9.193	637.771	331.235
Other activities and services	98.917	12.959	111.876	56.008
Individuals	2.499.909	148.831	2.749.537	1.126.004
Transportation and storage	44.913	9.511	54.424	30.605
Consultancy, scientific, technical and similar activities	10.953	-	10.953	1.367
Total loans	6.114.663	215.958	6.431.418	1.788.686



	2023			
	Performing loans	Past due loans	Total	Impairment
Administrative and support services activities	-	20.060	20.060	9.839
Arts, entertainment, sports and recreational activities	27.338	17.299	44.637	27.364
Real estate activities	584.642	8.290	592.932	200.258
Agriculture, livestock, hunting, forestry and fishing	1.371.238	14.799	1.386.037	560.032
Hotels, restaurants and similar	255.514	20.553	276.067	28.657
Wholesale and retail trade; repair of motor vehicles and motorbikes	13.307	121.321	134.628	125.353
Construction	37.760	-	37.760	1.636
Manufacturing industries	688.133	6.120	694.253	28.110
Other activities and services	82.762	15.318	98.080	53.429
Individuals	1.500.479	417.925	1.918.404	-
Transportation and storage	31.112	1.651	32.763	19.950
Total loans	4.592.285	643.336	5.235.621	1.054.628

The restructured loans are subject to an impairment analysis resulting from the reassessment of expectations to meet new cash flows inherent to the new contract terms, discounted at the original effective interest rate and considering new collaterals.

The Bank has implemented a process for marking operations restructured due to customers' financial difficulties. Information on operations restructured due to financial difficulties is available in the Bank's information systems and plays an important role in credit analysis processes, in marking customers in default and in the impairment determination process. In particular, there are several default triggers related to restructuring due to financial difficulties (restructuring with loss of value, arrears of more than 30 days for customers with restructured operations and implementation of grace periods exceeding 24 months).

The operations marked as restructured due to customers' financial difficulties, maintain the referred marking, during a period of quarantine of not less than 12 months, during which the regularity of the fulfilment of the obligations is monitored monthly. After this period, although they are no longer classified as restructured due to non-compliance, they are carried over to a monthly probationary period of not less than 24 months.

Value at Risk comprises, by exposure, amounts past due and unpaid (principal, interest and other charges), amounts falling due (principal not yet due) and accrued interest not yet due (from the last due date to the balance sheet date).

The classification of Non Performing Loans includes, i) in addition to exposures marked as restructured due to Customers' financial difficulties, active contracts: ii) with credit overdue for more than 90 days, iii) exposures without credit overdue or overdue for less than 90 days, but in a cure period; iv) exposures where credit overdue, regardless of seniority, represents more than 20% of the exposure value at risk, v) exposures for which signs of risk are identified, even without credit overdue (request for PER or PI, enforcement by third parties of collateral that mitigates the risk of exposure to our Bank). And, of course, vi) exposures associated with credit contracts terminated due to default and still in the judicial enforcement phase.

As at 31 December 2024, the amount of NPLs was 19.851.266 euros (31 December 2023: 20.696.292 euros).

The portfolio includes loans which, due to the customer's financial difficulties, were subject to changes in the initial terms of the contract in the amount of 5.821.873 euros (31 December 2023: 12.546.015 euros), which show an impairment of 1.734.001 euros (31 December 2023: 1.784.204 euros).

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b. Debt securities

This item was made up as follows:



	31 December 2024	31 December 2023
Debt securities		
Portuguese public debt or public companies	3.341.737	3.334.466
Other residents		
Credit institutions	24.400.005	21.231.269
Companies	26.655.191	36.373.855
Commercial paper	4.991.725	14.000.000
Interest receivable	737.543	946.990
Non-residents		
Government Debt	54.432.773	62.999.181
Credit institutions	65.640.371	50.472.383
Companies	70.428.703	40.066.591
Interest receivable	2.060.239	2.626.356
	252.688.287	232.051.091
Impairment		
Other loans and receivables – debt securities	(273.246)	(523.089)
	(273.246)	(523.089)
	252.415.041	231.528.002

The composition of the (non-resident) debt securities, excluding public issuers and credit institutions, as at 31 December 2024 and 2023, by sector of activity was as follows:

	31 December 2024	31 December 2023
Manufacturing industries	19.911.148	18.787.673
Electricity, gas, steam, hot and cold water and cold air	9.491.954	9.897.096
Transportation and storage	6.121.142	5.026.795
Information and communication activities	3.723.348	3.736.167
Financial and insurance activities	30.181.465	614.976
Real estate activities	-	1.004.340
Administrative and support services activities	999.646	999.544
	70.428.703	40.066.591



As at 31 December 2024, the debt securities portfolio, excluding interest receivable, broken down by stage, as defined in IFRS 9, is as follows:

		31 December 2024					
	Sta	Stage 1		Stage 2		Stage 3	
	Gross value	Gross value	Gross value	Gross value	Gross value	Gross value	Total
Debt securities	252.688.287	(273.246)	-	-	-	-	252.415.041
	252.688.287	(273.246)	-	-	-	-	252.415.041

		31 December 2023						
	Sta	Stage 1		Stage 2		Stage 3		
	Gross value	Gross value	Gross value	Gross value	Gross value	Gross value	Total	
Debt securities	231.030.067	(334.089)	1.021.024	(189.000)	-	-	231.528.002	
	231.030.067	(334.089)	1.021.024	(189.000)	-	-	231.528.002	

In 2024, there are no debt securities pledged as collateral for borrowings from central banks (2023: 49.354.129 euros).

The fair value of debt securities in this portfolio as at 31 December 2024 is 245.087.215 euros (2023: 213.674.289 euros).

23. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at 31 December 2024 and 2023, the balance of this item corresponds to the Bank's stake in Crest Capital Partners S.A., in which it holds 10% and a senior manager of Banco Invest sits on the Board of Directors as a non-executive member, which gives it significant influence, amounting to 70.751 euros and 31.473 euros, respectively.

The main data on the activity of the holding can be summarised as follows:

Company	Activity	Head office	Effective shareholding (%)
Crest Capital Partners - Sociedade de Capital de Risco, S.A.	Venture capital funds management	Portugal	10%

On these dates, the most significant financial data taken from the financial statements of this entity can be summarised as follows:

Crest Capital Partners - Sociedade de Capital de Risco, S.A.	31 December 2024	31 December 2023
Net assets	3.323.624	1.572.667
Net equity	1.707.512	1.064.731
Net income	1.392.781	814.311
Total income	5.101.680	3.878.142

(Latest financial information available)

In 2023 dividends were distributed by the subsidiary Crest Capital Partners S.A., in which the Bank received 100.000 euros (2023: 75.000 euros).

The reconciliation between the financial information and the carrying amount is presented as follows:

	2024	2023
Opening balance	31.473	25.042
Net income (10%)	139.278	81.431
Dividends	(100.000)	(75.000)
Closing balance	70.751	31.473

24. INVESTMENT PROPERTIES

This item shows properties owned by Fundo Tejo, with the following movements:

	2024	2023
Opening balance	6.449.508	6.271.600
Revaluations	330.771	177.908
Closing balance	6.780.279	6.449.508

The value of property rents amounts to 74.218 euros (2023: 72.054 euros), according to Note 7. In turn, direct operating costs, namely repair and maintenance costs, amounted to 9.255 euros (2023: 112.275 euros), according to Note 9.

25. NON-CURRENT ASSETS HELD FOR SALE

This item was made up as follows:

	31 December 2024	31 December 2023
Real estate	5.499.779	7.484.008
Impairment	(3.423.991)	(3.619.441)
Lending credit	-	16.175.617
	2.075.788	20.040.184





a. Real estate

The movement of this heading during the 2024 and 2023 financial years can be presented as follows:

					2024				
	31 Dece	mber 2023					31	December 202	24
	Gross value	Impairment	Acquisitions	Disposals	Impairment Reinstatements/ (Appropriations)	Use of Impairment	Gross value	Impairment	Net value
Real estate	7.484.008	(3.619.441)	100.200	(2.084.429)	Note 13 (667.884)	863.334	5499.779	(3.423.991)	2.075.788

					2023				
	31 Dece	mber 2022					31	December 202	:3
	Gross value	Impairment	Acquisitions	Disposals	Impairment Reinstatements/ (Appropriations)	Use of Impairment	Gross value	Impairment	Net value
Real estate	8.350.529	(2.764.156)	744.702	(1.641.223)	Note 13 (1.078.304)	223.019	7.484.008	(3.619.441)	3.864.567

As at 31 December 2024 and 2023, the breakdown of non-current assets held for sale is as follows, according to the Bank acquisition date:

		2024			2023	
Year of acquisition	Goss value	Impairment	Net value	Gross value	Impairment	Net value
prior to 2015	2.548.082	(1.767.251)	780.831	2.964.701	(1.595.803)	1.368.898
2015	27.718	(13.859)	13.859	27.718	(6.930)	20.788
2016	309.133	(212.979)	96.154	1.006.553	(493.607)	512.946
2017	801.076	(673.829)	127.247	853.996	(629.026)	224.970
2018	165.537	(129.704)	35.833	175.818	(112.590)	63.228
2019	579.888	(434.954)	144.934	704.888	(395.760)	309.128
2020	-	-	-	-	_	-
2021	123.865	(98.350)	25.515	764.132	(244.996)	519.136
2022	152.000	(38.000)	114.000	211.500	_	211.500
2023	692.480	(55.065)	637.415	774.702	(140.729)	633.973
2024	100.000	-	100.000	-	-	-
	5.499.779	(3.423.991)	2.075.788	7.484.008	(3.619.441)	3.864.567

The real estate held in portfolio for more than 1 year corresponds to real estate that in spite of the commercial efforts undertaken by the Bank to proceed with its immediate sale, has still not been sold, due mainly to the current climate of the real estate market. The Bank continues to make efforts to dispose of these properties in the short term.

During 2024, the Bank recorded net gains on the disposal of properties received in lieu of payment totalling 1.157.360 euros (2023: net gains of 712.195 euros) (Note 6).

Impairment is presented as follows:



		202	23	
	Balance as at 31-12-2022	Net Appropriations	Uses	Balances as at 31-12-2023
Impairment of other assets				
Non-current assets held for sale	2.764.156	1.078.304	(223.019)	3.619.441

b. Lending credit

In November 2024, under the Sale and Purchase Agreement (SPA) entered into between Alves Ribeiro – Investimentos Financeiros, SGPS, SA (majority shareholder of Banco Invest) and Kruso Kapital S.p. A of the Banca Sistema Group relating to the sale of the lending business under the Crédito Económico Popular (CEP) brand included in Banco Invest's balance sheet, a split of Banco Invest's balance sheet was carried out, with the following assets and liabilities being transferred to the new company:

Cash and deposits at Central Banks	973.711,25
Financial assets at amortised cost	16.049.239,59
Gross loans	16.219.894,59
Impairment	(170.655,00)
Other tangible assets	1.052.766,96
Other assets	542.663,58
TOTAL ASSETS	18.618.381,38
Resources from other credit institutions	17.300.000,00
Other liabilities	1.308.381,38
TOTAL LIABILITIES	18.608.381,38
Other reserves	10.000,00
TOTAL EQUITY	10.000,00
TOTAL LIABILITIES AND EQUITY	18.618.381,38

The new company, named Pignus - Crédito Económico Popular, S.A., owned by Alves Ribeiro - Investimentos Financeiros, SGPS, SA after the split, was subsequently sold to Kruso Kapital S.p.A.





26. OTHER TANGIBLE ASSETS

Changes in the "Other tangible assets" items during 2024 and 2023 were as follows:

					2024						
	31 Dece	31 December 2023				Outflows	WS			31 Decei	31 December 2024
Description	Gross	Accumulated depreciation	Acquisitions	Depreciation for the year	Transfers	Transfers - CEP Gross value Deprec	s - CEP Depreciation	Disposals and write-offs Gross value Depreciation	l write-offs Depreciation	Gross	Accumulated depreciation
Real estate Premises	866.014	(295.866)	- 80	(13.400)			7 0 1 1 1	- (73 000)	- 70 69	866.014	(309.266)
	2.803.481	(1.707.336)	10.984	(114.680)			15.911	(73.999)	63.014	2.740.466	(1.743.091)
Equipment											
Furniture and materials	559.187	(425.244)	17.052	(27.503)	136	1	1.006	(29.128)	21.686	547.247	(430.055)
Machines and tools	51.698	(42.451)	2.919	(5.773)	13	(2.919)	2.019	(454)	454	51.257	(45.751)
IT equipment	1.499.887	(1.219.626)	409.303	(258.295)	(13)	(737)	2.441	(203.026)	203.026	1.705.414	(1.272.454)
Fixtures and fittings	376.215	(334.541)	15.354	(9.590)	(136)	(8.634)	2.406	(3.043)	3.043	379.756	(338.682)
Vehicles	2.587.580	(1.426.345)	382.485	(566.652)		1	1	(611.577)	657.737	2.358.488	(1.335.260)
Safety equipment	9.578	(9.464)	1	(63)	ı	1	1	ı	ı	9.578	(9.527)
	5.084.145	(3.457.671)	827.113	(867.876)		(12.290)	7.872	(847.228)	885.946	5.051.740	(3.431.729)
Other tangible assets											
Artistic assets	41.364	1	,	1	1	1	1	1	1	41.364	1
Under construction		1	1	1	ı	1	1	1	1	1	'
	41.364	1	1	ı	1	1				41.364	
Right-of-use - IFRS 16											
Real estate	5.884.398	(1.195.659)	1.083.132	(1.373.173)	1	1	273.512	(486.840)	400.260	6.480.690	(1.895.060)
Other	21.157	(21.157)	ı	,	ı	ı	1	(21.157)	21.157	ı	1
	13.834.545	(6.381.823)	1.921.229	(2.355.729)	ı	(12.290)	297.295	(1.429.224)	1.370.377	14.314.260	(7.069.880)



26. OTHER TANGIBLE ASSETS

Changes in the "Other tangible assets" items during 2024 and 2023 were as follows:

					2023						
	31 De	31 December 2022				Outflows	OWS			31 Decei	31 December 2023
	Gross	Accumulated	A 2 militing A	Depreciation	Tuberd	Transfers - CEP	s - CEP	Disposals and write-offs	d write-offs	Gross	Accumulated
Describation	value	depreciation	Scoursinons	for the year	IIdiisieis	Gross value Depreciation	Depreciation	Gross value Depreciation	Depreciation	value	depreciation
Real estate											
Premises	866.014	(282.663)	1	(13.203)	1	1	1	1	1	866.014	(295 866)
Leasehold expenses	3.362.009	(2.775.078)	43.102	(98.846)	94.246	(1.561.890)	1.462.454	ı		1.937.467	(1 411 470)
	4.228.023	(3.057.741)	43.102	(112.049)	94.246	(1.561.890)	1.462.454			2.803.481	(1 707 336)
Equipment											
Furniture and materials	547.961	(442.830)	22.667	(27.424)	40.977	(52.418)	45.010	ı	1	559.187	(425 244)
Machines and tools	85.604	(69.446)	1.837	(5.107)	855	(36.598)	32.102	ı	1	51.698	(42 451)
IT equipment	1.346.535	(1.017.517)	123.245	(240.192)	32.010	(42.941)	38.083	1	1	1.499.887	(1.219.626)
Fixtures and fittings	497.683	(481.201)	40.193	(6.940)	1	(161.661)	153.600	1	1	376.215	(334.541)
Vehicles	2.363.242	(1.149.148)	403.858	(456.717)	1	(67.317)	67.317	(112.203)	112.203	2.587.580	(1 426 345)
Safety equipment	9.578	(9.343)	1	(121)	1	1	1	1	1	9.578	(9.464)
	4.850.603	(3.169.485)	632.838	(736.501)	73.842	(360.935)	336.112	(112.203)	112.203	5.084.145	(3 457 671)
Other tangible assets											
Artistic assets	41.364	1	1	1	1	1	1	ı	1	41.364	1
Under construction	3.459	1	164.629	1	(168.088)	1	1	1	1	1	1
	44.823	1	164.629	1	(168.088)			1		41.364	
Right-of-use - IFRS 16											
Real estate	6.611.583	(3.726.630)	3.897.669	(960.736)	1	(2.084.979)	1.042.490	(2.539.875)	2.449.217	5.884.398	(1 195 659)
Other	21.157	(21.157)	ı	1	1	-		1		21.157	(21.157)
	15.756.189	(9.975.013)	4.738.238	(1.809.286)		(4.007.804)	2.841.056	(2.652.078)	2.561.420	14.314.260	(6 381 823)



The Right of use item essentially corresponds to leased properties (branches and central buildings) and a residual number of printers, which are amortised in accordance with the lease term of each contract, as described in accounting policy 2.9.

Interest expenses relating to lease liabilities amount to 284.958 euros (2023: 3.374 euros), according to Note 3. The total cash outflow for leases amounts to 1.367.879 euros (2023: 1.087.024 euros).

27. INTANGIBLE ASSETS

The movement in the "Intangible assets" items during 2024 and 2023 was as follows:

			2024				
	31 December 2023					31 Dece	mber 2024
Description	Gross value	Accumulated depreciation	Acquisitions	Transfers	Depreciation for the year	Gross value	Accumulated depreciation
Intangible assets							
Software	3.465.432	(3.012.486)	224.602	265.606	(415.403)	3.955.640	(3.427.889)
Intangible assets in progress	609.130	-	169.184	(265.606)	-	512.708	-
	4.074.562	(3.012.486)	393.786	-	(415.403)	4.468.348	(3.427.889)

2023									
	31 December 202	2			Out	puts		31 De	cember 2023
Description	Gross value	Accumulated depreciation	Acquisitions	Transfers	CI Gross value	EP Depreciation	Depreciation for the year	Gross value	Accumulated depreciation
Intangible assets Software Intangible assets in progress	3.266.874 253.534	(2.795.213)	64.304 499.501	143.905 (143.905)	(9.651) -	9.651 -	(226.924)	3.465.432 609.130	(3.012.486)
	3.520.408	(2.795.213)	563.805	-	(9.651)	9.651	(226.924)	4.074.562	(3.012.486)

28. CURRENT TAX ASSETS

The balances of income tax assets and liabilities as at 31 December 2024 and 2023 are as follows:

	2024	2023
Deferred tax assets / (liabilities)		
Tax assessed	(6.296.334)	(5.135.791)
Tax benefit	141.952	2.186
Surcharge	(821 467)	(195 873)
State surcharge	(824.145)	(761.830)
Autonomous taxation	(246.526)	(171.060)
Other	(351.050)	(22.729)
	(8.397.570)	(6.285.097)
Payments on account	2.496.201	470.642
Additional payments on account	3.401.703	2.561.452
Tax withheld at source	274.899	220.412
	6.172.803	3.252.506
	(2.224.767)	(3.032.591)



Current tax is calculated based on taxable income for the year, which differs from the accounting result due to adjustments to taxable income arising from costs or earnings not relevant for tax purposes, or which will only be considered in other accounting periods. The main situations giving rise to these adjustments are related to the Banking Sector Contribution, the fair value of financial instruments and the difference in credit impairment compared to the amounts relevant for tax purposes. In 2019, Law 98/2019 of 4 September was published, which establishes a new regime for impairments of credit institutions and other financial institutions for tax periods beginning on or after 1 January 2019.

Articles 28-A and 28-C of the Corporate Income Tax Code now provide for the deductibility, for the purposes of determining taxable profit, of impairment losses for credit risk on securities and other investments (with certain exceptions), provided they are accounted for in accordance with the applicable accounting and regulatory standards (the reference to the rules/limits defined in a regulatory decree - which, in turn, referred to the minimum limits established in Bank of Portugal Notice 3/95 - which determined the tax acceptance or non-acceptance of such impairments has been eliminated).

The provisions of the revoked Bank of Portugal Notice 3/95 ("Notice 3/95"), as amended before its revocation by Bank of Portugal Notice 5/2015, shall continue to apply to impairment losses for specific credit risk recorded in tax periods prior to the application of the regime that have not yet been accepted for tax purposes.

With regard to impairment losses for specific credit risk recorded after the entry into force of Law 98/2019 of 4 September, an optional "adjustment period" of 5 years (up to and including 2023) was created, during which credit institutions and other financial institutions may continue to apply the previous tax regime, namely the limits set out in Bank of Portugal Notice 3/95 and other applicable tax rules.

In this regard, there is also the possibility of early adoption of the new tax regime (the "definitive regime"), an option subject to notification by institutions to the Director-General of the Tax and Customs Authority by the end of the tenth month of the current tax period.

The Bank opted to adhere to the new regime for impairments of credit institutions and other financial institutions with reference to the 2019 tax period, meaning that it is the application of the definitive regime that has an impact on its estimate of current taxes from that period onwards.

In general terms, according to that diploma:

(i) impairment losses for credit risk recorded in tax periods beginning on or after 1 January 2019 shall be recognised for the purposes of determining taxable income, with rare exceptions;

(ii)impairment losses for credit risk recorded in previous tax periods continue to be subject to the tax framework previously in force, i.e. the minimum limits established in Banco de Portugal Notice 3/95.

(iii) reversals of impairment losses should be allocated to those impairment losses that were not fiscally relevant and, of these, to the oldest.

The exceptions referred to in point (i) refer to impairment losses on loans and other rights granted to natural or legal persons who hold more than 10% of the taxpayer's capital, as well as impairment losses on loans and other rights granted to entities in which the taxpayer holds a stake of more than 10% (this occurs when the loans were granted after the acquisition of the stake).



Tax expenses recorded in the income statement, as well as the tax burden, measured by the ratio between the provision for income taxes and profit for the year before taxes, can be presented as follows:

	2024	2023
Current taxes		
For the year	8.397.570	6.285.097
Corrections from previous years	213.632	1.286.815
	8.611.202	7.571.912
Deferred taxes		
Entry and reversal of temporary differences	170.409	763.666
Total tax recognised in profit or loss	8.781.611	8.335.578
Income before taxes	31.903.627	30.805.391
Tax burden	27,53%	27,06%

Pursuant to current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years, except for financial years in which tax losses are carried forward, in which case the expiration period is the end of the period for which that right exists. As such, the Bank's tax returns for the years 2020 to 2024 may still be subject to review and the taxable amount to possible corrections.

However, in the opinion of the Bank's Executive Board of Directors, no correction with a significant impact on the financial statements as at 31 December 2024 is expected to occur.

The reconciliation between the nominal and effective rate of tax in 2024 and 2023 is given below:

	2	2024		2023
	Rate	Tax	Rate	Tax
Income before taxes		31.903.627		30.805.391
Tax at nominal rate	22,50%	7.178.316	22,50%	6.931.213
State surcharge	2,58%	824.145	2,47%	761 830
		8.002.461		7.693.043
Impairment not accepted for tax purposes	0,00%	-	0,00%	-
Costs not accepted for tax purposes:				
Write-ups	(0,01%)	(4.052)	(0,01%)	(4.342)
Tax benefits	(0,44%)	(141.952)	(0,02%)	(5.488)
Gains and losses	0,00%	-	(1,66%)	(510.534)
Autonomous taxation	0,77%	246.526	0,34%	104.719
Banking sector contribution	0,30%	96.932	0,41%	126.446
Other	1,82%	581.696	3,02%	931.734
	27,53%	8.781.611	27,06%	8.335.578

29. DEFERRED TAX ASSETS





The breakdown of changes in deferred taxes in 2024 and 2023 was as follows:

			2024		
	Balance as at 31-12-2023	Change in Income	Transfers	Change in Reserves	Balance as at 31-12-2024
Deferred tax assets					
Impairment of credit not recognised for tax purposes	1.496.448	1.421.810	-	-	2.918.258
Impairment of securities	31.924	(22.915)	-	-	9.009
Financial assets available for sale	1.357.639	-	-	(583.072)	774.567
Impairment of properties recovered	488.445	27.445	-	-	515.890
Miscellaneous impairment	6.812	(6.812)	-	-	-
Provisions	225.179	35.851	-	-	261.030
	3.606.447	1.455.379	-	(583.072)	4.478.754
Deferred tax liabilities					
Revaluation of Investment Units	(752.365)	(1.625.788)	-	-	(2.378.153)
Financial assets at fair value through other					
comprehensive income	(388.503)	-	-	(99.713)	(488.216)
	(1.140.868)	(1.625.788)	-	(99.713)	(2.866.369)
	2.465.579	(170.409)	-	(682.785)	1.612.384

2023				
Balance as at	Change in		Change in	Balance as at
31-12-2022	Income	Transfers	Reserves	31-12-2023
450.662	1.045.786	-	-	1.496.448
31.924	-	-	-	31.924
3.559.222	-	3.447	(2.205.030)	1.357.639
196.629	291.816	-	-	488.445
6.812	-	-	-	6.812
1.739.942	(1.514.763)	-	-	225.179
5.985.191	(177.161)	3.447	(2.205.030)	3.606.447
(162.413)	(586.505)	(3.447)	-	(752.365)
(55.405)	-	-	(333.098)	(388.503)
(217.818)	(586.505)	(3.447)	(333.098)	(1.140.868)
5.767.373	(763.666)	-	(2.538.128)	2.465.578
	31-12-2022 450.662 31.924 3.559.222 196.629 6.812 1.739.942 5.985.191 (162.413) (55.405) (217.818)	Balance as at 31-12-2022 Change in Income 450.662 1.045.786 31.924 - 3.559.222 - 196.629 291.816 6.812 - 1.739.942 (1.514.763) 5.985.191 (177.161) (162.413) (586.505) (55.405) - (217.818) (586.505)	Balance as at 31-12-2022 Change in Income Transfers 450.662 1.045.786 - 31.924 - - 3.559.222 - 3.447 196.629 291.816 - 6.812 - - 1.739.942 (1.514.763) - 5.985.191 (177.161) 3.447 (162.413) (586.505) (3.447) (55.405) - - (217.818) (586.505) (3.447)	Balance as at 31-12-2022 Change in 10come Change in 17ransfers Change in Reserves 450.662 1.045.786 - - 31.924 - - - 3.559.222 - 3.447 (2.205.030) 196.629 291.816 - - 6.812 - - - 1.739.942 (1.514.763) - - 5.985.191 (177.161) 3.447 (2.205.030) (162.413) (586.505) (3.447) - (55.405) - - (333.098) (217.818) (586.505) (3.447) (333.098)



2.465.578

1.612.385



In 2023 and 2024, there are no deferred taxes that do not depend on future profitability.

BEPS 2.0 note

In October 2021, as part of the Base Erosion and Profit Shifting ('BEPS 2.0') project of the Organisation for Economic Cooperation and Development ("OECD"), approximately 137 OECD/G20 members, representing more than 90% of global GDP, reached a global agreement on reforming the international tax system, through which a general framework for a global minimum tax regime called 'Pillar II' was approved.

Pillar II of BEPS 2.0, which was enshrined at European level in Council Directive (EU) 2022/2523 of 15 December 2022, imposed a global minimum tax rate of 15% on large multinational companies and large national groups, which may result in the payment of a supplementary tax.

In the Portuguese context, it should be noted that, in July 2023, the preliminary draft transposing Council Directive (EU) 2022/2523 of 15 December 2022 was made available for broad consultation. Law 41/2024 of 8 November, which transposes this directive, was published in the Official Gazette (Official Gazette).

As at 31 December 2024, the Alves Ribeiro Group, to which Banco Invest belongs, does not anticipate any impacts arising from the implementation of the Pillar II rules, as it does not meet the eligibility criteria, namely because it does not have consolidated annual revenues exceeding 750 million euros in two of the last four financial years.

30. OTHER ASSETS

As at 31 December 2024 and 2023, this item was made up as follows:

	31 December 2024	31 December 2023
Debtors and other financial investments		
Debtors by transactions on futures	152.363	463.557
Debtors by swap transactions and guarantees	1.321.518	143.496
Other sundry debtors	503.240	1.112.329
Impairment of sundry debtors	(216.956)	(189.866)
	1.760.165	1.529.516
Other		
Gold and other precious metals	6.811	-
	6.811	-
Income receivable		
Interest receivable	23.978	-
Commissions	1.309.286	1.154.857
	1.333.264	1.154.857
Deferred charges		
Rents	57.466	47.262
Insurance	1.795	11.646
Other	628.551	352.892
	687.812	411.800
Other accruals and deferrals		
Stock market transactions pending settlement	3.551.762	3.166.324
Lending transactions pending adjustment	447.707	1.025.632
	3.999.469	4.191.956
	7.787.521	7.288.129

The "Debtors for futures transactions" item reflects margin accounts for futures contracts, which correspond to deposits made by the Bank as collateral.



As at 31 December 2024 and 2023, "Stock market transactions pending settlement" reflect transactions carried out on behalf of third parties, financial settlement of which took place after the balance sheet date.

The change in "Assets transactions pending settlement" is essentially due to the decrease in the Telemarketing insurance activity associated with auto loans.

The movement in impairment is as follows:

		2024		
	Balance as at 31-12-2023	Net Charges	Other	Balance as at 31-12-2024
Impairment of other assets				
Other assets	189.866	26.191	899	216.956
		2023		
	Balance as at	Net		Balance as at
	31-12-2022	Charges	Other	31-12-2023
Impairment of other assets				
Other assets	144.962	44.904	-	189.866

31. RESOURCES FROM CENTRAL BANKS

As at 31 December 2024 and 2023 this item was made up as follows:

	31 December 2024	31 December 2023
Resources from the Bank of Portugal	-	41.510.000
Interest payable	-	1.138.698
	-	42.648.698

As at 31 December 2023, the "Resources from the Bank of Portugal" item corresponds to resources obtained through the discounting of securities with the European Central Bank.

As at 31 December 2023, the times to maturity of resources obtained from the Bank of Portugal are as follows:

	31 December 2024	31 December 2023
3 months to 1 year		42.648.698
	-	42.648.698

Resources obtained from the Bank of Portugal in force on 31 December 2023 are secured by the pledge of securities from the Bank's own portfolio (Note 42).



As at 31 December 2023, resources from central banks include 41.5 million euros relating to financing obtained under the European Central Bank's (ECB) Third Targeted Longer-Term Refinancing Operations (TLTRO III) on 18 June 2020, 17 March 2021, 23 September 2021 and 16 December 2021.

Based on the terms of this programme, compared to the market price of other loans with similar collateral, the Bank concludes that TLTRO III does not contain significant benefits with respect to market price and financial liability accounts, and therefore the TLTRO III Programme is fully considered as an indexed rate instrument under IFRS 9.

The effective interest rate on these instruments includes the bonus during the special interest period (the bank met its lending targets throughout the life of the operations) and reflects the bank's determination at initial recognition of the final amount of interest receivable at maturity.

32. FINANCIAL LIABILITIES HELD FOR TRADING

As at 31 December 2024 and 2023, this item relates to derivatives recorded at fair value offset against profit or loss (Note 5) and is broken down as follows:

	31 December 2024	31 December 2023
Interest rate swaps	3.397.778	221.612
Options	3.320.991	1.807.680
Contracts for difference	2.979.312	-
	9.698.081	2.029.292

Contracts for difference are instruments that allow investors to speculate on changes in the price of an asset. In this type of contract, the buyer agrees to pay the difference between the current value of an asset and its value on the date of the contract.

33. RESOURCES FROM CREDIT INSTITUTIONS

As at 31 December 2024 and 2023, this item was made up demand deposits and other resources from other credit institutions as follows:

	31 December 2024	31 December 2023
Demand deposits and other resources Credit institutions in Portugal	704 437	492 906
0.04.0.1.04.14.10.10.11.7.0.14.15.4.1	704.437	492.906

34. RESOURCES FROM CUSTOMERS AND OTHER LOANS

As at 31 December 2024 and 2023, this item was made up as follows:



	31 December 2024	31 December 2023
At sight		
Demand deposits	251.409.551	215.456.819
With agreed maturity dates		
Term deposits	472.009.423	366.634.155
Structured deposits	89.134.625	77.178.242
	561.144.048	443.812.397
	812.553.599	659.269.216
Interest payable		
Interest on customer resources	8.300.728	4.961.565
	820.854.327	664.230.781

Under the terms of the law, the Deposit Guarantee was established to guarantee the reimbursement of funds deposited in Financial Institutions. The criteria that apply to the calculation of the annual contributions to said Fund are defined in Bank of Portugal Notice 11/94.

As at 31 December 2024 and 2023, the times to maturity of customers' resources are as follows:

	31 December 2024	31 December 2023
Up to 3 months	210.310.927	109.714.307
3 months to 1 year	308.513.413	294.748.880
1 to 5 years	42.278.708	39.265.474
More than 5 years	41.000	83.736
	561.144.048	443.812.397

35. NON-CURRENT ASSETS HELD FOR SALE

This item reflects the lending activity, which was transferred during the 2024 financial year. This item is broken down as follows:

	31 Dezembro 2024	31 Dezembro 2023
Liabilities		
Non-current liabilities held for sale	-	1.175.126
	-	1.175.126



36. PROVISIONS

Changes in Banco Invest's provisions and impairment during 2024 and 2023 were as follows:

	2024				
	Balance as at			Balance as at	
	31-12-2023	Appropriation	Reversal	31-12-2024	
Other provisions					
Provisions for guarantees and other commitments	64.859	167.386	(174.168)	58.077	
Other provisions	1.017.573	250.766	(155.855)	1.112.484	
	1.082.432	418.152	(330.023)	1.170.561	

			2023		
	Balance as at 31-12-2022	Appropriation	Reversal	Uses	Balance as at 31-12-2023
Other provisions					
Provisions for guarantees and other commitments	98.466	224.572	(258.179)	-	64.859
Other provisions	6.692.088	432.276	(191.124)	(5.915.667)	1.017.573
	6.790.554	656.848	(449.303)	(5.915.667)	1.082.432

The Other provisions item includes the accumulated results up to 31 December 2023 of future minority shareholders in the amount of 1.012.167 euros (31 December 2023: 866.075 euros) of the Invest Corporate Finance business segment. The use of the amount of 5.776.651 euros in 2023 corresponds to the accumulated results up to 31 December 2022 of the auto loan business segment, within the scope of the creation of the new company Bicredit.

37. OTHER LIABILITIES

As at 31 December 2024 and 2023, this item was made up as follows:



	31 December 2024	31 December 2023
Creditors and other resources		
Creditors by transactions on futures	-	408.503
Public Administration Sector		
Tax withheld at source	3.958.669	1.365.172
VAT payable	80.700	232.922
Social Security contributions	315.473	304.842
Advances on account, third parties	64.155	56.033
Sundry creditors		
Suppliers	588.807	337.071
Other creditors	3.827.909	4.764.556
	8.835.713	7.469.099
Deferred income		
Rents	36.048	5.839
Commissions	2.865.529	1.379.775
	2.901.577	1.385.614
Interest payable		
Staff costs	2.421.940	2.346.344
General administrative costs	510.700	542.747
Rent charges	4.872.189	4.685.069
Other	119.961	87.643
	7.924.790	7.661.803
Other accruals and deferrals		
Stock market transactions pending settlement	3.504.522	3.368.665
Other transactions pending settlement	5.826.731	4.744.467
	9.331.253	8.113.132
	28.993.333	24.629.648

The "Creditors for futures operations" item reflects the counterpart of the margin accounts for customer futures contracts, as explained in Note 31.

The "Other creditors" item includes insurance premiums relating to auto loans payable to insurance companies in the amount of 647.949 euros (31 December 2023: 615.387 euros).

The "Securities transactions pending settlement" item reflect transactions carried out on behalf of third parties, financial settlement of which took place after the balance sheet date. The increase in this item is mainly due to the increase in transactions carried out by customers.

As at 31 December 2024, the Rent charges item, amounting to 4.872.189 euros (2023: 4.685.069 euros), corresponds to the value of lease liabilities recognised under IFRS 16 and as described in accounting policy 2.8.



The minimum future payments relating to non-cancellable operating leases of real estate, by maturity, are as follows:

	31 December 2024	31 December 2023
Capital Income		
Up to 1 year	969.814	778.618
1 to 5 years	3.169.415	2.986.852
5 to 10 years	921.878	107 628
	5.061.107	3.873.098
Costs to be accrued in Net interest income	(188.918)	(920.817)
	4.872.189	2.952.281

38. SHARE CAPITAL

As at 31 December 2024 and 2023, the Bank's shareholding structure is as follows:

	31 December 2024			31 December 2023		
Entity	Number of shares	Amount	%	Number of shares	Amount	%
Alves Ribeiro - IF, SGPS, S.A. (Common Shares)	9.461.500	47.307.500	99,59%	9.461.500	47.307.500	99,59%
Outros	38.500	192.500	0,41%	38.500	192.500	0,41%
	9.500.000	47.500.000	100%	9.500.000	47.500.000	100%

The nominal value per share is 5 euros.

39. REVALUATION RESERVES

As at 31 December 2024 and 2023, revaluation reserves are made up as follows:

	31 December 2024	31 December 2023
Revaluation reserves		
Reserves arising from fair value valuation		
From financial assets at fair value through other comprehensive income	(1.109.424)	(3.714.183)
Reserves for deferred taxes		
From financial assets at fair value through other comprehensive income	282.903	965.688
	(826.521)	(2.748.495)

Revaluation reserves

Fair value reserves



The fair value reserve reflects the potential gains and losses in financial assets at fair value through other comprehensive income (Note 19), net of the corresponding tax (Note 29). The changes, during 2024 and 2023, in the fair value reserve are analysed as follows:

Deleger er et					
Balance as at 31-12-2023	Acquisition	Change in Fair Value	Disposal	Retained earnings	Balance as at 31-12-2024
(3.625.603)	287.233	1.572.737	499.096	-	(1.266 537)
(125.730)	103.862	58.258	75.429	-	111.819
(45.249)	-	(2.879)	-	-	(48.128)
(3.796.582)	391.095	1.628.116	574.525	-	(1.202.846)
		2.593	3.736		
76.687	17.746	(1.108)	(11.317)	-	82.008
5.712	8.934	(872)	(2.362)	-	11.412
82.399	26.680	(1.980)	(13.679)	-	93.420
(3.714.183)	417.775	1.626.136	560.846	-	(1.109.426)
	(3.625.603) (125.730) (45.249) (3.796.582) 76.687 5.712 82.399	(3.625.603) 287.233 (125.730) 103.862 (45.249) - (3.796.582) 391.095 76.687 17.746 5.712 8.934 82.399 26.680	(3.625.603) 287.233 1.572.737 (125.730) 103.862 58.258 (45.249) - (2.879) (3.796.582) 391.095 1.628.116 2.593 76.687 17.746 (1.108) 5.712 8.934 (872) 82.399 26.680 (1.980)	(3.625.603) 287.233 1.572.737 499.096 (125.730) 103.862 58.258 75.429 (45.249) - (2.879) - (3.796.582) 391.095 1.628.116 574.525 2.593.736 76.687 17.746 (1.108) (11.317) 5.712 8.934 (872) (2.362) 82.399 26.680 (1.980) (13.679) (3.714.183) 417.775 1.626.136 560.846	(3.625.603) 287.233 1.572.737 499.096 - (125.730) 103.862 58.258 75.429 - (45.249) - (2.879) (3.796.582) 391.095 1.628.116 574.525 - 2.593.736 76.687 17.746 (1.108) (11.317) - 5.712 8.934 (872) (2.362) - 82.399 26.680 (1.980) (13.679) -

		Change in Fair Value				
	Balance as at 31-12-2022	Acquisition	Change in Fair Value	Disposal	Retained earnings	Balance as at 31-12-2023
Miscellaneous bonds	(11.376.259)	1.165.253	3.499.496	3.085.907	-	(3.625.603)
Public debt securities	(2.266.173)	246.592	512.054	1.381.797	-	(125.730)
Shares	(46.878)	-	1.629	-	-	(45.249)
Net potential gains	(13.689.310)	1.411.845	4.013.179	4.467.704	-	(3.796.582)
			9.89	2.728		
Miscellaneous bonds	163.445	18.176	(2.120)	(102.814)	-	76.687
Public debt securities	49.649	3.780	-	(47.717)	-	5.712
Provisions and impairment	213.094	21.956	(2.120)	(150.531)	-	82.399
	(13.476.216)	1.433.801	4.011.059	4.317.173	-	(3.714.183)
			9.76	2.033		

The revaluation reserve item includes, in 2024, impairment of 93.420 euros (2023: 82.399 euros) in fair value changes.



40. LEGAL RESERVE AND OTHER RESERVES

As at 31 December 2024 and 2023, the breakdown of the reserves and retained earnings items is as follows:

	2024	2023
Legal reserve	14.818.226	12.651.889
Other reserves and retained earnings	112.465.626	96.501.904
	127.283.852	109.153.793
Nei income for the year	21.607.603	21.140.059

There are no dividends payable in 2025 and 2024.

Legal reserve

Under current legislation, the Bank shall allocate no less than 10% of its net profits for each financial year to the formation of a legal reserve, up to a limit equal to the share capital or the sum of the free reserves and retained earnings, whichever is higher. The legal reserve cannot be distributed, except in the event that the Bank is wound up, and may only be used to increase share capital or offset losses, once other reserves have been used up.

Other reserves

Other reserves include:

Free reserve

By resolution of the General Meeting held in 2024, the Bank distributed free reserves in the amount of 3.000.000 euros to the shareholder Alves Ribeiro Investimentos Financeiros, SGPS, S.A., as holder of ordinary shares.

Credit reserve

Due to the revocation of Bank of Portugal Notice 3/95, which abolished provisions and replaced them with impairment losses, this situation generated a credit reserve in the amount of 8.628.717 euros. The value reflects the changeover of the credit provisions to credit impairments.

Merger reserve

The deed of merger by incorporation of Probolsa – Sociedade Corretora S.A. (Probolsa) into the Bank was executed on 22 December 2004. (Probolsa). In the wake of this process, the merged company was wound up and all its rights and obligations were transferred to the Bank. For accounting purposes the merger took effect on 1 January 2004, with the Probolsa assets and liabilities having been transferred to the Bank on the basis of their net book value as at that date. The difference between the accounting value of assets and liabilities transferred and the book value of the Bank's shareholding in Probolsa was recorded in the "Merger reserve" item. This reserve cannot be distributed, except in the event that the Bank is wound up, and may only be used to increase share capital or offset losses, once other reserves have been used up.

41. NON-CONTROLLING INTERESTS

Non-controlling interests are broken down as follows:



	2023			
	Balances as at	Net income	Distribution of	Balances as at
Fundo Especial de Investimento Imobiliário Fechado Tejo	1.188.991	-	39.748	1.228.739
BiCredit, Sociedade Financeira de Crédito, S.A.	-	7.896.651	1.290.006	9.186.657

42. GUARANTEES AND OTHER COMMITMENTS

The Bank provides custody, wealth management, investment management and advisory services which involve making buying and selling decisions regarding various types of financial instruments. For specific services rendered, profitability targets and levels are established for the assets under management. These assets under management are not included in the financial statements.

As at 31 December 2024 and 2023, guarantees and commitments are recorded in off-balance sheet items and are broken down as follows:

	2024	2023
Guarantees and stand-by-letters of credit provided		
Guarantees and stand-by-letters of credit provided	1.379.274	1.491.343
Assets pledged as collateral	30.480.125	97.592.049
	31.859.399	99.083.392

The "assets pledged as collateral" item refers to securities delivered by the Bank as collateral for funds borrowed from Central Banks or other Credit Institutions. As at 31 December 2024 and 2023, this item corresponded entirely to securities pledged to the Bank of Portugal with a haircut.

Resolution Fund

As part of a series of legislative changes that included the publication of Decree-Law 24/2013, the Resolution Fund ('FR') was created. The mission of this entity is to provide financial support to the resolution measures applied by the Bank of Portugal, as the national resolution authority, and to carry out all the other tasks entrusted by law within the scope of execution of such measures.

The following are participating institutions of the RF:

- The credit institutions with registered office in Portugal (with the exception of the associated mutual agricultural credit banks of the Central Mutual Agricultural Credit Bank);
- Investment firms which carry out trading activities on their own account in one or more financial instruments or underwriting and placement of financial instruments with a guarantee;





- The branches in Portugal of credit institutions authorised in countries that are not members of the European Union or that do not belong to the European Economic Area;
- The branches of Portugal of financial institutions authorised in countries that are not members of the European Union and that undertake trading activities on own account of one or more financial instruments or the underwriting and placement of financial instruments on a firm commitment basis;
- The relevant companies for payment systems subject to the supervision of the Bank of Portugal.

Banco Invest is one of the participating entities of the RF. As provided for in Decree-Law 31-A/2012 which created the RF, the resources of the Resolution Fund come from the payment of the contributions due by the institutions participating in the Fund and from the contribution on the banking sector. In addition, it is also foreseen that when such resources prove to be insufficient to meet its obligations, other means of funding may be used, namely: (i) special contributions from credit institutions; and (ii) borrowed funds.

BES / Novo Banco

The Board of Directors of the Bank of Portugal decided, on 3 August 2014, to apply a resolution measure to Banco Espírito Santo, S.A. ("BES"), resulting in the transfer of the majority of the business and assets of BES to Novo Banco S.A. In line with the Community regulatory framework, the capitalisation of Novo Banco was ensured by the Resolution Fund.

Following the resolution measure applied to Banco Espírito Santo, S.A. (BES), in August 2014, the Bank of Portugal determined that Novo Banco, S.A. required capital of 4.9 billion euros to be provided by the Resolution Fund in accordance with the legislation in force. Considering that the Resolution Fund only had own resources of approximately 377 million euros, the subscription of capital was made via two loans:

- 3.9 billion euros from the Portuguese State; and
- 700 million euros from eight participating institutions in the Fund (not including the Bank).

Based on the exceptional nature of the resolution measure, and the need for the RF to have the necessary funds to implement said measure, the Management Commission of the RF, at a meeting held on 3 August 2014, decided to submit to the Ministry of Finance a proposal for the financing of that measure which foresaw (i) the obtainment of a loan granted by the State of 4.4 billion euros, (ii) the collection of a special contribution from the participating institutions of the Fund, in the amount of 135 million euros, and (iii) the use of the RF's own resources, in the amount of 365 million euros.

However, a number of participating institutions of the RF expressed their willingness to, within a short period, grant a loan to the Fund, which permitted reducing the amount of the State loan by 500 million euros, replace the special contribution initially foreseen and provide the Fund with the means to cover the first interest payments due of the State loan. Subsequently, the Management Commission of the RF decided that the previous financing request submitted to the Ministry of Finance should be revised and that, alternatively, a State loan in the amount of 3.9 billion euros should be requested.

In summary, the financial support granted by the RF for the paying-up of the share capital of Novo Banco, S.A., in the amount of 4.900 million euros resulted from:

- A loan granted by the State in the amount of 3.900 million euros;
- A loan granted by a group of participating credit institutions of the RF (Caixa Geral de Depósitos, S. A., Banco Comercial Português, S. A., Banco BPI, S. A., Banco Santander Totta, S. A., Caixa Económica Montepio Geral, Banco Popular, S. A., Banco BIC Português, S. A. and Caixa Central do Crédito Agrícola Mútuo, CRL), in the amount of 700 million euros; and
- Mobilisation of 365 million euros corresponding to available resources of the Fund, namely from revenues from contributions paid to date by the financial sector, including the proceeds from the contribution on the banking sector.

 However, with the completion of the sale of the RF's stake in Novo Banco, S.A. in October 2017, Lone Star acquired a 75% stake through the injection of 1 billion euros, with the other 25% remaining with the RF.

The conditions agreed in the sale process of Novo Banco, S.A. also included a contingent capitalisation mechanism, under which the Resolution Fund undertakes to make payments to Novo Banco, S.A. if certain cumulative conditions are met, relating to: i) the performance of a defined set of assets and ii) the evolution of the bank's capitalisation levels.

The Resolution Fund announced that the amount to be paid to Novo Banco in 2019 and 2018 by the Resolution Fund, relative to the accounts of 2018 and 2017, came to 1.149 million euros and 792 million euros, respectively.

Banif - Banco Internacional do Funchal, S.A.



The Board of Directors of the Bank of Portugal deliberated, on 19 December 2015, the application of a resolution measure to Banif – Banco Internacional do Funchal, S.A ("Banif"), within the scope of which most of the activity of Banif and the majority of its assets and liabilities - with the exception of problematic assets that were transferred to an asset management vehicle - were transferred to Banco Santander Totta, S.A.. (Oitante), created specifically for that purpose, and whose sole shareholder is the Resolution Fund Fund. To that end, Oitante issued bonds representative of the debt of this vehicle, amounting to 746 million euros, which were acquired in full by Banco Santander Totta, with a guarantee of the Resolution Fund and a counterguarantee of the Portuguese State having been provided.

The operation involved an estimated amount of 2.255 million euros of public funds to cover future contingencies, of which 489 million euros was financed by the Resolution Fund and 1.766 million euros directly by the Portuguese State. The mentioned state support is deducted of the amount owed by Banco Santander Totta for the acquisition of the pool of assets, liabilities and activity of the former Banif. The 489 million euros secured by the Resolution Fund were financed through a State loan.

General aspects

To repay the loans received and other liabilities it may be required to assume relative to the abovementioned resolution measures, the Resolution Fund is financed by from the periodic and special contributions of the participating institutions (including the Bank) and from the contribution on the banking sector. Under article 153-I of Decree-Law 345/98, of 9 November, if the resources of the Resolution Fund are insufficient to meet its obligations, participating institutions may be called upon, via a separate statute, to make special contributions. The amounts, instalments, deadlines and other terms of those contributions shall also be defined by said statute.

Within the context of the entry into force of the Single Resolution Fund (Decree-Law 23-A/2015, of 26 March), the periodic and special contributions made are intended to safeguard obligations undertaken, or to be undertaken, by the Resolution Fund following the resolution measures adopted until 31 December 2014.

In a press release of 28 September 2016, the Resolution Fund announced that it reached an agreement with the Ministry of Finance to review the loan of 3.900 million euros originally granted by the 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 aimed to ensure its capacity to meet its obligations through its regular income, regardless of the contingencies that the Resolution Fund is exposed to. That same day, the Minister of Finance's Office also announced that increases in liabilities arising from the materialisation of future contingencies will determine the adjustment of the maturity of the loans of the State and of the Banks of the Resolution Fund, in order to maintain the contributory effort required from the banking sector at current levels.

According to the press release of the Resolution Fund of 21 March 2017:

- "The conditions of the loans obtained by the Fund for the financing of the resolution measures applied to Banco Espírito Santo, SA and Banif Banco Internacional do Funchal, SA have been changed." These loans amount to 4.953 million euros, of which 4.253 million euros were granted by the Portuguese State and 700.000 thousand euros were granted by a syndicate of banks.
- "Those loans are now due in December 2046, without prejudice to the possibility of early repayment based on the use of revenues from the Resolution Fund. The maturity will be adjusted so as to guarantee the ability of the Resolution Fund to fully meet its obligations based on regular income and without the need for special contributions or any other extraordinary contributions."
- "The review of the loan conditions aimed to ensure the sustainability and financial balance of the Resolution Fund, based on a stable, predictable and affordable cost for the banking sector".
- "The new conditions allow for full payment of the Resolution Fund's liabilities and their remuneration, without the need for special contributions or any other extraordinary contributions from the banking sector".

On the date of approval of these financial statements, the Bank does not have information that allows it to reliably estimate the effects on the Resolution Fund arising from the sale of the shareholding in Novo Banco, S.A. or of the various contingent liabilities undertaken by the Fund.

Notwithstanding the possibility provided for in applicable legislation for the collection of special contributions, given the recent developments regarding the renegotiation of the conditions of the loans granted to the Resolution Fund by the Portuguese State and by a syndicate of banks, CEMG included, and the public announcements made by the Resolution Fund and by the



Minister of Finance which state that this possibility will not be used, the financial statements, as at 31 December 2024, reflect the expectation of the Bank's Board of Directors that the institutions participating in the Resolution Fund will not be required to make special contributions or any other extraordinary contributions to finance the resolution measures applied to BES and Banif.

43. ASSETS UNDER MANAGEMENT AND CUSTODY

Assets under management and custody are as follows:

	2024	2023
Assets under management and custody		
Portfolio management	13.659.956	14.911.587
Fund management	365.126.843	283.115.762
	378.786.799	298.027.349

44. RELATED PARTIES

As defined in IAS 24, the companies detailed below, the members of the Board of Directors and key management personnel are considered related parties of the Bank. The first line directors are considered key management personnel. In addition to the members of the Board of Directors and the key management personnel, people close to them (family relationships) and entities they control or in whose management they exercise significant influence are also considered related parties.

In accordance with Portuguese law, and specifically Article 109 of the General Regime for Credit Institutions and Financial Companies (RGICSF), holders of a qualified shareholding in Banco Invest, S.A., as well as companies directly or indirectly controlled or that are in a group relationship with them are also considered related parties.

Governing bodies - members of the Executive Board of Directors:

- Afonso Ribeiro Pereira de Sousa (Chairman);
- António Miguel R. R. Branco Amaral (Deputy Chairman);
- Luís Miguel Barradas Ferreira (Member); and
- Marília Boavida Correia Cabral (Member).

Governing bodies - members of the General and Supervisory Board:

- Carlos António A. da Cunha Ramalho (Chairman);
- José Manuel L. Neves de Almeida (Member);
- Alexandre Wende Dias da Cunha (Member);
- Maria Paula Toscano Figueiredo Marcelino (Member) e
- Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère (Member).

Governing bodies - members of the General Meeting:

- Francisco Ferreira da Silva (Chairman);
- Helena Francisco (Secretary); and
- Paula Viegas (Secretary).

Subsidiaries or associates:

- Fundo Especial de Investimento Imobiliário Fechado Tejo ("Fundo Tejo");
- BiCredit, Sociedade Financeira de Crédito, S.A. ("BiCredit");
- Invest Gestão de Activos Sociedade Gestora de Fundos de Investimento mobiliário, S.A..

Shareholders and entities controlled by the latter:

AR France Invest SGPS (ARFI);

Silk Road Paris 1;

X

Silk Road Paris Gestion and Service;

ALRISA Sociedade Imobiliária, S.A.;

Alves Ribeiro - Investimentos Financeiros, SGPS, S.A. - Parent company of the Financial Group;

Alves Ribeiro Consultoria de Gestão, S.A.;

Alves Ribeiro, S.A.;

Alves Ribeiro Internacional SGPS S.A.;

Amoreiras Center Soc. Imobiliária, S.A.;

Lerimo, SGPS, S.A.;

Lerimo - Sociedade de Investimento e Consultoria Técnica S.A.;

Monvest - Urbanização Gestão Imóveis, Lda.;

MS - Participações, SGPS, S.A.;

Mundicenter II - Gestão de Espaços Comerciais, S.A.;

Mundicenter III - Consultoria e Serviços S.A.;

Mundicenter - Espaços Comerciais Multiusos S.A.;

Mundicenter, S.A.;

SOTIF - Sociedade de Investimento e Consultoria S.A.;

SOTIF, SGPS, S.A.;

US Gestar - Gestão de imóveis, S.A. (US Gestar); and

VALRI, SGPS, S.A..

Other related entities:

- Bugio Finance N.º1;
- Happy Side Sociedade Unipessoal, Lda.;
- FN Consultoria e Investimentos, S.A.
- Iberparticipa, S.A.
- KENMEI Investimentos, S.A.
- Soromenho & Ramos, Lda.;
- AR4I Imobiliário E Gestão, S.A.
- M&V Ginásio, Lda.;
- Netmais Consultores em Internet e Telecomunicações, Lda.;
- SOMORAIS Sociedade De Investimento e Gestão Imobiliária, Lda.;
- Quinta das Tílias, Lda.;
- Crest Capital Partners Sociedade de Capital de Risco, S.A.
- João Goulão Pediatria Cirúrgica, Lda.;
- Sodaso Sociedade de Mediação Imobiliária, Lda.;
- DROGARIA MILÉNIO C. Retalho Ferragens Tinta Vidro, Mat. construção, Lda.;
- Senhora do Mar Consultoria e Gestão de Projetos, Lda.;
- MA2L Mediação De Seguros, Lda.;
- Vocábulo Positivo, Lda.;
- MVM SEGUROS Mediação de Seguros, Lda.;
- Luis Portela Sociedade Agrícola, Unipessoal, Lda.;
- CAFOCA Consultoria e Gestão de Projetos, Unipessoal, Lda.;
- TACHOS Panelas & Afins Restaurantes, Lda.;
- VAR Sociedade de Consultoria Técnica e Investimento S.A.
- SCO Sociedade de Investimento e Consultoria S.A.;
- MDZAR Consultoria e Imobiliário, S.A.;
- Chiripa S.A.;
- Kraken S.A.;
- AEBT Autoestradas Baixo Tejo, S.A.;
- ARB Construções Ltda (Brasil);
- Transoceânica S.A. (Angola);
- Construções ARC, S.A.;
- Liscenter Centros Comerciais de Lisboa, S.A.;
- Urbaminho Urbanizações do Minho, S.A.;
- Mundiaveiro Sociedade Imobiliária, S.A.;
- Vialojas Sociedade Imobiliária, S.A.;
- Mundiparque Parques Comerciais e de Lazer, S.A.;
- VilaOeiras Sociedades Imobiliária, S.A.;
- Servassiste Serviços de Assistência e Manutenção, Lda.;
- CPA Actividades Educativas, S.A.;
- ARFH HOTELS, S.A.;



- AVEDON, S.A.;
- ALR PATRIMOINE;
- Luis Branco Amaral Serviços Médicos, Lda.;
- Clinica Médica Dra. Ivone Mirpuri, Lda.;
- Notlim Companhia Imobiliária de Belém, Lda.;
- Quinta dos Penedinhos
- Vumba Projectos e Investimentos Financeiros, Lda.;
- Vumba Exploração Florestal Agro Pecuária e Turismo, S.A.
- Cunha & Castro, Lda.;
- Fair Bazaar Plataforma Sustentável, Lda.;
- Belém Critério Unipessoal, Lda.;
- Apoiar Associação Portuguesa de Apoio a África;
- Hefesto Sociedade de Titularização de Créditos, S.A.;
- Vargem das Colmeias, Lda.;
- GiantProgress, Lda.;
- RIFT Consultoria De Gestão, S.A.;
- Brisa- Auto Estradas de Portugal;
- J. Vasconcelos, Lda.;
- Táticas Didáticas, Lda.;
- António Carlos Marcelino UNIP, Lda.;
- Metriang, Lda.;
- Multimétrica Estudos de Mercado, Lda.;
- MGEN Portugal Companhia de Seguros, S.A.

The company Motor Park - Comércio de Veículos Automóveis, S.A. was liquidated in January 2023.

Transactions with related entities, excluding governing bodies





	31 December 2024	31 December 2023
Interest and similar income		
Alves Ribeiro - Investimentos Financeiros, SGPS, S.A.	693.603	324.920
US Gestar	26.307	25.287
Management Bodies and relatives of related parties	386.307	710
Interest and similar charges		
VALRI, SGPS, S.A.	291.354	105.351
SOTIF, SGPS, S.A.	42.583	21.437
MS - Participações, SGPS, S.A.	136.740	80.251
LERIMO, SGPS, S.A.	8.072	958
SCO - Sociedade investimento e consultoria	14.331	5.401
SOTIF - Soc. Invest Consultoria Técnica SA	13.679	2.098
Var - Soc. Consultoria Técnica e Inv, SA	7.528	4.014
Alves Ribeiro, S.A.	-	88.472
Mundicenter, S.A.	39.200	145.482
Management Bodies and relatives of related parties	501.696	70.856

The amount of rents recorded under IFRS16 paid to Alrisa in 2024, amounts to 721.548 euros (2023: 563.757 euros).

Balances with the Governing Bodies

As at 31 December 2024, the amount of Resources from Customers of Governing Bodies came to 257.290 euros (31 December 2023: 289.488 euros).

As at 31 December 2024, the amount of loans granted to members of the Executive Board of Directors, members of the General and Supervisory Board and the General Meeting was 163.400 euros (31 December 2023: 191.618 euros), with the same conditions applied as to other employees. Interest and similar charges amount to 5.650 euros (2023: 8.062 euros).

Remuneration Policy

The Remuneration Commission, made up of three shareholder representatives and elected in General Assembly, determines the remuneration policy of the members of the governing bodies of Banco Invest, as well as the social security schemes and of other supplementary contributions.

The remuneration policy was submitted for approval by the General Meeting, following a proposal by the Board of Directors and an opinion from the Remuneration Committee, in accordance with the following guidelines:

- a) Achieving the desired alignment of interests between the members of the governing bodies and the company;
- b) Promoting and ensuring consistency with sound and prudent risk management that does not encourage excessive and imprudent risk-taking incompatible with the Bank's long-term interests; and
- c) Compatibility with the risk profile, risk appetite, business strategy, objectives, values and long-term interests of Banco Invest.



The remuneration policy is summarised as follows:

- a) The fixed remuneration of identified employees should reflect their professional experience and organisational responsibility and should represent between 75% and 100% of their total remuneration;
- b) The fixed component of remuneration shall remunerate the executive members of the management body for the responsibilities inherent in their functions and for their specific skills, and shall constitute between 65% and 100% of the overall remuneration;
- c) Variable remuneration should adequately reflect the performance of the individual staff member in the previous year, the business unit and the overall results of the Bank;
- d) Non-executive members of the management body and members of the supervisory body shall receive a fixed remuneration that is not linked in any way to the performance or results of the Bank;
- e) The Remuneration Committee is solely responsible for assessing the performance of the members of the management and supervisory bodies and consequently determining their remuneration, while the Board of Directors is responsible for assessing the performance of other identified employees and determining their remuneration;
- f) The Remuneration Committee is responsible for supervising the remuneration awarded to identified employees.

The latest version of the remuneration policy was approved at the General Meeting held on 29 January 2025 and can be consulted on Banco Invest's website.

Balances with related entities, excluding governing bodies

As at 31 December 2024 and 2023, the main balances with related entities were as follows:



	31 December 2024	31 December 2023
Loans and advances to customers		
Alves Ribeiro - Investimentos Financeiros, SGPS, S.A.	6.759.080	11.427.353
US Gestar	389.000	515.081
Related parties and relatives	941.349	1.312.451
Resources from customers		
Alves Ribeiro, SA	16.818	9.093
VALRI, SGPS, S.A.	11.356.313	10.061.281
SOTIF, SGPS, S.A.	2.760.976	2.584.866
MS - Participações, SGPS, S.A.	1.055.430	7.585.221
US Gestar	119.954	88.078
Fundo Inspirar	-	3.667.390
LERIMO, SGPS, S.A.	307.890	411.285
Alves Ribeiro Consultoria de Gestão, S.A.	211.588	141.955
Alves Ribeiro - Investimentos Financeiros, SGPS, S.A.	7.947.950	141.526
Mundicenter, S.A.	103.753	3.876
Alrisa Sociedade Imobiliária, SA	1.345.322	1.546.679
Var - Soc. Consultoria Técnica e Inv, SA	226.665	221.344
SCO - Sociedade investimento e consultoria	756.946	674.215
SOTIF - Soc. Invest Consultoria Técnica SA	557.036	246.045
Monvest - Urbanização Gestão Imóveis, Lda.	2.725	2.725
Vumba Projectos e Investimentos Financeiros, Lda.	219	219
Crest Capital Partners - Sociedade de Capital de Risco, S.A.	16.685	7.979
Management Bodies and relatives of related parties	22.149.258	22.412.026

45. SOLVENCY

The Bank maintains a conservative policy with respect to own funds management, maintaining a solvency ratio above the minimum levels required by the regulatory authorities. The Bank maintains a capital base composed exclusively by shareholders' equity, in addition to the capacity to issue several debt instruments.

The Bank's own funds are monitored monthly to assess the institution's degree of solvency, with variations in relation to previous periods and the existing margin between real values and minimum capital requirements being analysed.

The procedures adopted to calculate the Bank's prudential ratios and limits are based on the regulations issued by the Bank of Portugal, the same being applicable to all the matters that fall within the scope of the supervisory functions of the banking system. Those standards represent the legal and regulatory framework of the various matters of prudential nature.



In accordance with the calculation method indicated above, and considering the net income for the year ended 31 December 2024 and 2023 (both ratios include the income for the year), the Bank presents the following consolidated ratios:

	2024	2023
Common Equity Tier 1 capital (includes profit for the year)	178.867.310	158.006.549
Complementary capital	-	-
Total Own Funds	178.867.310	158.006.549
RWA	718.813.738	749 583 828
Capital ratios		
Common Equity Tier 1	24,88%	21,08%
Total capital ratio	24,88%	21,08%

46. RISK MANAGEMENT

Authorised risk limits and exposure levels are established and approved by the Board of Directors, bearing in mind the overall strategy of Banco Invest and its market positioning.

The institution's risk management procedure respects the due separation of functions and complementarity of operation of each of the areas involved. Proper cooperation between the Investment Committee, the Credit Division and the Planning and Control Division ensures compliance with the limits set by the Board of Directors.

The disclosures required by IFRS 7 – Financial Instruments: Disclosures are presented below, regarding the main types of risks inherent to the Bank's business.

Credit risk

Credit risk is the possible loss of value of the Bank's assets through the non-fulfilment of a contract, insolvency or the inability of individuals or corporate persons to honour their commitments with Banco Invest.

The identification, assessment, follow-up and permanent control of credit risk leads to prompt monitoring. This permits the anticipation of a potential default, with the risks arising from all the Institution's activities being covered, at both the individual credit level and in terms of the Bank's entire portfolio.

Loans granted for the purchase of motor vehicles are intended for the purchase of new and used vehicles, with financing terms of up to 10 years.

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As at 31 December 2024 and 2023, the maximum exposure to credit risk by type of financial instrument was summarised as follows:

	2024				
	Book value	Provisions and impairment	Net value		
Assets					
Deposits at Central Banks	150.830.813	-	150.830.813		
Amounts and deposits at other credit institutions	36.297.482	(42.818)	36.254.664		
Financial assets held for trading:					
Securities	20.070.121	-	20.070.121		
Derivatives	4.025.869	_	4.025.869		
Financial assets at fair value through other					
comprehensive income	143.171.634	-	143.171.634		
Financial assets at amortised cost					
Loans and advances to credit institutions	1.009.503	(686)	1.008.817		
Loans and advances to customers	432.706.442	(20.722.805)	411.983.637		
Debt securities	252.688.287	(273.246)	252.415.041		
Other assets					
Debtors and other financial investments	2.243.363	(216.956)	2.026.407		
	1.043.043.514	(21.256.511)	1.021.787.003		
Off-balance sheet					
Guarantees provided	1.379.274	(64.859)	1.314.415		
	1.044.422.788	(21.321.370)	1.023.101.418		

	2023				
	Book value	Provisions and impairment	Net value		
Assets					
Deposits at Central Banks	19.057.124	-	19.057.124		
Amounts and deposits at other credit institutions	41.700.348	(7.414)	41.692.934		
Financial assets held for trading:					
Securities	18.347.764	-	18.347.764		
Derivatives	647.964	-	647.964		
Financial assets at fair value through others					
comprehensive income	115.082.716	-	115.082.716		
Financial assets at amortised cost					
Loans and advances to credit institutions	1.007.865	(2.620)	1.005.245		
Loans and advances to customers	453.773.007	(25.399.879)	428.373.128		
Debt securities	232.051.091	(523.089)	231.528.002		
Other assets					
Debtors and other financial investments	1.719.382	(189.866)	1.529.516		
	883.387.261	(26.122.868)	857.264.393		
Off-balance sheet					
Guarantees provided	1.491.343	(64.859)	1.426.484		
	884.878.604	(26.187.727)	858.690.877		



Credit quality of financial assets without defaults or impairments

The Bank's loan portfolio, based on the information contained in the preceding Notes, includes three major homogeneous groups:

- One consisting of real estate financing operations for acquisition or own construction, aimed at the business sector, with long-term maturities and secured by legal ownership (in real estate finance lease operations) or first mortgages (in the case of mortgage loans) on the properties financed;
- The second group of loans consists of auto loans, aimed at businesses and individuals, with medium-term maturities;
- A third less significant group, formed by financing operations for margin accounts, with the pledge of securities portfolios, listing on an official market and liquidity, and also very short-term operations with pledging of precious metals.

This third group of loans, due to its short term and very short term nature, has an excellent turnover, allowing for a quick portfolio revitalisation. Rigorous risk monitoring policy and very prudent collateral eligibility policy, limited by a regulated market that is fluid, lead to significantly reduced exposure to risk.

The same cannot be said for real estate loans, which because of their long term maturity lead to a portfolio marked by operations that originate in different periods of time and therefore have different degrees of exposure to risk.

As such, while it is true that the policy for granting new loans has adapted to successive economic climate scenarios, in line with more prudent policies, with regard to the existing portfolio, the main challenge that the Bank faced was implementing effective means for managing the portfolio in terms of monitoring, managing and evaluating risk.

Notwithstanding, the Bank will maintain and continue to reinforce the measures required to preserve the quality and integrity of its loan portfolio.

1. Regarding the risk management policy

With an experienced team, consolidated policies and over 21 years of operation, the Bank boasts a series of resources that allows for:

- Monitor signs of impairment or risk in real time;
- Check daily for situations of total or partial non-compliance with contractual obligations, whether financial or of any other nature;
- Automatic adjustment of the internal risk rating;
- Automatic issue of alerts sent to the Customer Managers and Credit Department, Recovery Department and Legal Department;
- Issuing and sending to Holders and their Guarantors, notifications related to non-compliance with explanation of origin, maturity date, charges owed, means of settlement and consequences of non-compliance;
- Maintain a historical record of all events, steps taken and their results.

In credit risk management, the Bank complies with the following, in accordance with the Procedures Manual in force:

- Permanent monitoring of the highest risks in terms of value;
- Monitoring of sectoral concentration risk, acting within the safeguarding of its legitimate rights and the integrity of credit guarantees, in compliance with applicable legislation, and seeking ways that favour whenever possible negotiated and extrajudicial solutions.

Practical application of specific legislation aimed at protecting bank customers that are in a difficult economic situation, within the scope of the PARI or PERSI scheme, always and when applicable, constitutes regular procedure for the Bank.

Impairment signs:

Exposures with signs of impairment are those with at least one of the following conditions:

- a) Default for a period exceeding 30 days and up to 90 days (see notes 1, 2 and 3);
- b) Credit restructured due to financial difficulties of the debtor classified as performing;
- c) Impairments recognised at more than 50% of the exposure, determined by the formula (impairments in the previous month/value at risk in the month);
- d) Any credit fraud identified before the default is recognised;
- e) Credit where the borrower, through monthly monitoring, meets at least two of the following criteria: i. Registration of at least one credit in default in the Bank of Portugal's Centralisation of Credit Risks; ii. Debts to the Tax Authority (AT) or Social Security (SS); iii. Record of unjustified commercial incidents; iv. Record of unjustified bounced cheques in the last 6 months.

With regard to auto loans, the portfolio results from auto loan operations aimed at businesses and, above all, individuals, with medium-term maturities.

Thus, while it is true that the new lending policy has been adapted to successive economic scenarios and is in line with the most stringent prudential policies, the main challenge facing the Company in relation to the existing portfolio was the implementation of effective portfolio management measures in the areas of monitoring, management and risk assessment.



Nevertheless, Bicredit will maintain and continue to strengthen measures aimed at preserving the quality and integrity of its loan portfolio.

With an experienced team and consolidated policies, Bicredit has a range of resources that enable it to:

- Monitor signs of impairment or risk in real time;
- Check daily for situations of total or partial non-compliance with contractual obligations, whether financial or of any other nature;
- Automatically issue alerts to Customer Managers and the Credit, Recovery and Legal Departments;
- Issuing and sending to Holders and their Guarantors, notifications related to non-compliance with explanation of origin, maturity date, charges owed, means of settlement and consequences of non-compliance;
- Maintain a historical record of all events, steps taken and their results.

In credit risk management, the Company complies with:

- The ongoing monitoring of the highest risks, in terms of value and timing of default, particularly in the first instalments of the contract;
- Monitoring of sectoral concentration risk, acting within the safeguarding of its legitimate rights and the integrity
 of credit guarantees, in compliance with applicable legislation, and seeking ways that favour, whenever possible,
 negotiated and out-of-court solutions.

The practical application of specific legislation aimed at protecting bank customers in difficult economic situations, under the PARI or PERSI regime, whenever applicable, is part of the Company's regular procedures.

Loans are considered impaired if, during monthly monitoring, at least one of the following conditions is met:

- a) The principal or interest is overdue by 31 to 90 days;
- b) The principal or interest is up to 30 days overdue, if the customer has also asked to be included in PARI (Default Risk Action Plan);
- c) The customer has a credit in default with another creditor in the Bank of Portugal's Central Credit Register (CCR).
- d) The customer has debts to the Tax Authorities / Social Security;
- e) The customer is registered in the list of enforcement proceedings;
- f) The customer has bounced cheques in the last 6 months;
- g) The principal and interest are overdue at the end of the month of maturity of any of the first 3 instalments of the credit contract.

2. Loan write-off policy

When considering the risk of loss due to default, the Bank fully complies with the guidelines set out in Circular Letter 02/2014/DSP, replaced by Circular Letter No. CC/2018/0000062, dated 14 November, issued by the Bank of Portugal, in recognising impairments.

The Credit Recovery Department monitors overdue exposures that meet the requirements for classification as irrecoverable and drafts a classification proposal and prepares the corresponding files .

An exposure to credit risk is classified as irrecoverable under the following conditions:

- i. In enforcement proceedings, when the case is dismissed, due to a lack of seizable assets of the defendants (Debtor or Guarantors);
- ii. In Insolvency proceedings, when of a limited nature (lack of seizable assets of the insolvent debtor), following a decision on the verification and ranking of claims;
- iii. In Insolvency Plans or Credit Recovery Procedures when, based on the approved repayment plan, there is a full or partial writing off of the acknowledged debts;
- iv. Overdue loans for more than two years in a scenario of total impairment, i.e. when the Bank, after undertaking all recovery efforts considered adequate and gathered available evidence, justifiably concludes that there are no reasonable expectations of recovery of the amounts at risk.

The following are objective indicators of the uncollectability of a debt:

- i. The circumstance of a Debtor or Guarantors whose whereabouts are unknown;
- ii. The fact that the out-of-court initiatives undertaken by the Bank, duly confirmed and deemed appropriate, proved ineffective in establishing a plan to restructure or recover the amounts at risk;
- iii. The confirmation that the Debtor or Guarantors do not have a steady income to substantiate its seizure;



iv. Evidence, supported by the land register or vehicle registration, that the Debtor and Guarantors' assets, if any, has prior covenants or encumbrances that lead to conclude (in accordance with its probable realisation value) that their seizure, if carried out, would not enable the Bank to recover its credit.

The assessment that the enforcement of the debt, if possible, is not economically viable (unfavourable cost-benefit ratio) due to the cost and waiting time of court proceedings.

3. Impairment reversal policy

Reversal of impairments that have already been recognised in the loan portfolio shall only occur in specific justified situations of reduction of potential risk of loss, namely:

- Upon full or partial payment of values at risk;
- Upon reinforcement of loan collateral;
- Following justified alteration of impairment calculation parameters:
 - i) reduction of expected default, reduction of loss probability, in the case of calculation of impairment in a collective manner;
 - ii) increase of the market value of the collateral, reduction of the effective costs of maintaining and/or realising collateral, reduced market rates applied to the updating of the probable value of realising collateral, in the event of calculating impairment via individual analysis.
- 4. Description of the restructuring measures applied to past due loans, control and monitoring mechanisms

Credit restructuring measures are defined on a case by case basis in accordance with the risk analysis in question. They shall be based on a specific credit dossier to be submitted for approval in accordance with the applicable Manual.

They may include: i) extension of the repayment deadline; ii) granting of a grace period for the principal; iii) deferral of repayment of part of the financed amount toward the end of maturity or iv) capitalisation of the overdue amount.

Whenever possible, the Bank seeks to obtain reinforcement of loan guarantees and/or payment of past due interest.

Restructured credit is marked and monitored pursuant to Bank of Portugal terms and depending on the difficulties of the Debtor, the corresponding credit impairments are then calculated via individual analysis.

As at 31 December 2024 and 2023, the Bank's loan portfolio according to the stages defined in note 2.4 is as follows:

		2024		
		Risk Category		
Type of contract	Stage 1	Stage 2	Stage 3	Total
Current accounts	20.213.574	-	-	20.213.574
Medium and long-term loans	13.070.444	476.606	1.811.275	15.358.325
Property leasing	14.233.517	332.852	1.099.860	15.666.229
Consumer credit and auto loans	297.987.826	21.850.013	7.017.969	326.855.808
Current account overdrafts	16.805.476	234.516	-	17.039.992
	362.310.837	22.893.987	9.929.104	395.133.928

		2023		
Type of contract	Stage 1	Stage 2	Stage 3	Total
Current accounts	26.678.955	-	-	26.678.955
Medium and long-term loans	17.454.449	40.548	1.242.278	18.737.275
Property leasing	17.673.270	143.871	1.117.125	18.934.266
Equipment leasing	28.884	-	-	28.884
Consumer credit and auto loans	298.332.379	19.353.657	6.082.750	323.768.786
Current account overdrafts	23.772.197	270.701	3.206	24.046.104
	383.940.134	19.808.777	8.445.359	412.194.270

The commissions associated to loans and accrued interest were not considered in the preparation of these tables.

The main collaterals received by the Bank relative to the financial assets identified above are as follows:



- In the case of medium and long-term loans, the collateral is generally comprised by a first mortgage of urban real property, a situation that is also common in loans associated with a current account regime.
- In one-off situations, the Bank also obtains commercial liens on financial assets, composed by liquid assets or securities quoted in official markets, as well as net intangible assets subject to current market valuation such as, for example, goodwill rights over pharmacy establishments.
- In general and considering the maturity date of the operations, independently of the form of ownership, the obtainment of personal guarantees (acceptances or sureties) is common practice.

The assets purchased for financial leasing operations, or received as mortgage guarantee, are covered in the event of an accident or act of God, via multi-risk insurance with the corresponding rights in favour of the Bank.

The Bank's loan portfolio is segmented according to nature, specific characteristics and types of collateral, as stated above.

As such, the following are submitted to a process of evaluation and calculation by homogeneous and autonomous groups: i) loans of a real estate nature and origin, ii) credit in margin accounts, guaranteed by securities portfolios, iii) loans with precious metals as collateral, and iv) auto loans.

In the impairment calculation process, Banco Invest integrates the general principles defined in International Financial Reporting Standards and complies with the provisions of the Bank of Portugal contained in Circular Letter CC/2018/00000062 (which revokes Circular Letter CC/2018/0000006 and 02/2014/DSP).

The definition of exposures to be analysed, collectively and individually, complies with these provisions. It should be noted that the Bank submits the following groups of credit risk exposures to individual analysis in the mortgage loan portfolio, in addition to exposures classified as NPL and Stage 3, regardless of the absence of default, signs of impairment or risk, or even the stage in which they are classified: i) exposures considered significant (values at risk exceeding 300.000 euros); ii) exposures that, as at 31 December 2022, were subject to a legal moratorium; iii) exposures marked as NPL after the expiry of the cure period; iv) exposures marked as restructured due to the financial difficulties of the debtor, after the expiry of the quarantine and probation periods; and v) any exposures to Group entities or related entities.

It should be noted that in the impairment calculation process, not only are any amounts overdue and unpaid considered at risk, but also the outstanding principal and accrued interest that has not yet matured.

However, when calculating the execution amount of collateral, i.e. the probable amount of the realisation of the credits, the costs related to their realisation are considered, as regulated by the Bank of Portugal. In the particular case of real estate, said realisation value, less probable expenses related to maintenance and sale, is updated at the interest rate of the associated contract for the amount of time estimated for its recovery and sale.

Given the significance of real estate guarantees in the Bank's overall loan portfolio, it should be noted that, with a view to ensuring the integrity of the guarantee, the Bank has established and effectively implemented a policy of requiring multi-risk insurance on real estate, with the exception of rights in the event of compensation. The Bank takes out such insurance on a preventive basis, on its own initiative, whenever the financing agreements are in a situation of continued default, litigation or the real estate is recovered to settle own credit.

Maintenance of the recovered property when settling own credit is also assured by the Bank as a means of preserving its realisation amounts.

There is a well-defined practice of regular revaluation - based on objective and independent criteria - of the collaterals associated to credit operations with default, or recovered property when settling own credit, in order to guarantee that the records of the Bank reflect, at any moment, the realisation potential that is associated to them.

In relation to the credit risk control associated with capital markets, derivative product and exchange rate transactions, the Bank maintains procedures established through the investment approval process, the control of the fulfilment of strategies defined by the Board of Directors and the Investment Committee and the regular follow-up of the composition and evolution of the securities portfolio, which permit the adequate monitoring of the credit risk associated with the securities held in portfolio.

As of September 2016, the Bank began to grant loans for the acquisition of vehicles. Loans are granted in this segment for the acquisition of new and used vehicles, with financing maturities of up to 120 months.





The Bank undertakes a mark-to-market revaluation, at any moment, of its exposure to derivative, exchange rate and capital market products, thus evaluating its potential and global exposure and the fulfilment of the exposure limits defined by sector and by country.

As at 31 December 2024 and 2023, the credit risk associated with the Bank's security portfolio, can be demonstrated via the rating, being presented as follows:

					2024					
					Ratings					
	AAA	AA	Α	ВВВ	ВВ	В	ССС	С	N.R.	Total
Assets										
Financial assets held for trading	999.458	4.989.175	2.953.220	7.877.484	2.464.543	477.927	-	-	308.314	20.070.121
Financial assets at fair value through other comprehensive income	6.754.323	19.587.615	43.538.240	73.291.456	-	-	-	-	-	143.171.634
Financial assets at amortised cost - Debt securities	63.005.223	35.109.507	58.477.112	54.615.341	39.732.683	1.475.175	-	-	-	252.415.041
	70.759.004	59.686.297	104.968.572	135.784.281	42.197.226	1.953.102	-	-	308.314	415.656.796
					2023					
					Ratings					
	AAA	AA	A	BBB	BB	В	ССС	С	N.R.	Total
Assets										
Financial assets held for trading	-	-	1.635.407	10.958.788	4.951.243	467.057	-	-	335.269	18.347.764
Financial assets at fair value through other comprehensive income	5.706.597	13.164.828	38.496.166	56.772.298	942.827	-	-	-	-	115.082.716
Financial assets at amortised cost - Debt securities	32.754.078	27.697.225	48.862.595	66.622.630	52.794.332	2.797.142	-	-	-	231.528.002
	38.460.675	40.862.053	88.994.168	134.353.716	58.688.402	3.264.199	-	_	335.269	364.958.482

N.R. – Not Rated

In preparation of this disclosure, relative to 2024 and 2023, the internal rating attributed by the Bank and the rating attributed by an external company specialised in risk assessment was considered.

As at 31 December 2024 and 2023, the exposure by country associated to the Bank's security portfolio, is presented as follows:

	2024					2	2023	
	Banks	Public Debt	Other	Total	Banks	Public Debt	Other	Total
Portugal	36.728.730	10.311.788	36.335.065	83.375.583	29.802.171	5.347.473	52.952.325	88.101.969
Spain	18.441.207	27.666.363	9.792.445	55.900.015	16.885.096	40.081.256	7.163.926	64.130.278
Netherlands	-	-	34.258.301	34.258.301	-	986.881	27.355.323	28.342.204
Italy	6.773.521	4.421.908	7.159.799	18.355.228	8.279.954	4.348.372	5.325.612	17.953.938
Great Britain	-	-	-	-	-	-	15.451.012	15.451.012
U.S.A.	5.027.872	-	9.817.103	14.844.975	5.760	-	5.998.871	6.004.631
Germany	-	-	15.173.231	15.173.231	2.287.783	-	14.680.273	16.968.056
France	25.762.192	4.733.824	34.015.873	64.511.889	23.396.058	4.204.651	15.560.312	43.161.021
Other	42.809.286	45.725.293	40.702.995	129.237.574	31.828.544	30.316.647	22.700.182	84.845.373
	135.542.808	92.859.176	187.254.812	415.656.796	112.485.366	85.285.280	167.187.836	364.958.482

Equity instruments and derivatives were not considered in the elaboration of these tables.



As at 31 December 2024 and 2023, the financial instruments subject to impairment require Elements laid down in IFRS 9, analysed by stage, are detailed in the following table:

		2024		
		Risk category		
Category	Stage 1	Stage 2	Stage 3	Total
Deposits at Central Banks	150.830.813	-	-	150.830.813
Amounts and deposits at other credit institutions	36.254.664	-	-	36.254.664
Financial assets at amortised cost				
Loans and advances to credit institutions	1.008.817	-	-	1.008.817
Loans and advances to customers	362.310.837	22.893.987	9.929.104	395.133.928
Debt securities	252.415.041	-	-	252.415.041
Financial assets at fair value through other				
comprehensive income	143.171.634	-	-	143.171.634
	945.991.806	22.893.987	9.929.104	978.814.897
Guarantees and other commitments	70.217.226	-	-	70.217.226
		2023		

		2023		
Category	Stage 1	Stage 2	Stage 3	Total
Deposits at Central Banks	19.057.124	-	-	19.057.124
Amounts and deposits at other credit institution	ns 41.692.934	-	-	41.692.934
Financial assets at amortised cost				
Loans and advances to credit institutions	1.005.245	-	-	1.005.245
Loans and advances to customers	383.940.134	19.808.777	2.365.609	406.114.520
Debt securities	230.695.978	832.024	-	231.528.002
Financial assets at fair value through other				
comprehensive income	115.082.716	-	-	115.082.716
	791.474.131	20.640.801	2.365.609	814.480.541
Guarantees and other commitments	41.832.866			41.832.866

Below are the transfers and movements in the stages that occurred in 2024 and 2023:

Impairment

	Stage 1	Stage 2	Stage 3
Balance as at 31 December 2023	9.158.937	4.355.081	11.990.195
Increases due to origination and acquisition	456.630	123.223	(71.105)
Decrease due to reimbursement	703.732	(101.159)	(3.509.232)
Variations in credit risk changes	(1.877.890)	(101.197)	8.503.109
Write offs	(1.431.571)	(148.376)	(7.327.575)
Balance as at 31 December 2024	7.009.839	4.127.573	9.585.393



	Stage 1	Stage 2	Stage 3
Balance as at 31 December 2022	9.427.597	4.279.338	14.147.503
Increases due to origination and acquisition	2.565.580	245.227	473.257
Decrease due to reimbursement	(1.304.206)	(262.497)	(2.215.302)
Variations in credit risk changes	(1.675.671)	191.786	7.386.240
Write offs	(36.800)	(25.453)	(7.796.719)
Balance as at 31 December 2023	8.976.500	4.428.401	11.994.979

Exposure

Transferências de <i>Stage</i>								
	To Stage 2	To Stage 1	To Stage 3	To Stage 2	To Stage 3	To Stage 1		
	from	from	from	from	from	from		
	Stage 1	Stage 2	Stage 2	Stage 3	Stage 1	Stage 3		
Exposure 2023	23.898.409	9.431.316	6.141.325	4.736.739	6.396.484	753.341		
Exposure 2024	15.042.199	5.203.725	4.156.850	6.114.725	1.725.464	236.471		

At 31 December 2024 and 2023, the main parameters used in the credit loss models of a real estate origin are detailed in the following table:

		2024		
	Probabi	Real estate credit lity of passing from .	to	
No. of years	Stage 1 Stage 3	Stage 1/2 Stage 3	Stage 2 Stage 3	
1	5,15%	6,97%	23,46%	PD over 1 year
2	8,56%	9,65%	26,21%	
3	6,83%	9,05%	23,27%	PD lifetime
4	6,18%	9,48%	19,02%	i D meanie
5	7,93%	9,02%	17,38%	

		2023		
		Real estate credit		
	Probabi	lity of passing from .	to	
No. of years	Stage 1 Stage 3	Stage 1/2 Stage 3	Stage 2 Stage 3	
1	4,64%	6,51%	24,60%	PD over 1 year
2	6,24%	9,13%	26,10%	
3	6,64%	9,02%	22,41%	PD lifetime
4	8,26%	9,77%	18,79%	10 memie
5	8,52%	9,89%	20,42%	

Loss Given Default (LGD) for real estate loans as at 31 December 2024 is 62,91% (31 December 2023: 43,10%).

As at 31 December 2024 and 2023, the main parameters used in the credit loss models for the auto portfolio are detailed in the following table:



	2024		
	Average PD	Average LGD	Average ECL
Stage 1	1,1%	47,0%	0,5%
Stage 2	30,5%	47,0%	14,3%
Stage 3	100,0%	62,1%	62,1%

	2023		
	Average PD	Average LGD	ECL média
Stage 1	1,3%	49,5%	0,6%
Stage 2	33,4%	49,2%	16,4%
Stage 3	100,0%	65,5%	65,5%

Sensitivity analysis of the amount of impairment to changes in the main assumptions

Considering the types of Bank portfolios, as explained above in the report, the process of calculation of impairment is broken down by loans under individual analysis and those under collective analysis, where for the former the associated impairment is essentially dependent on the value of the associated collateral, while for the group of loans analysed collectively the impairment levels tend to be particularly sensitive to the probability of default associated with each segment.

In this context, the sensitivity tests carried out are broken down by the factors mentioned above, depending on the type of analysis performed and the type of credit associated, with the impacts obtained in relation to the impairment recorded on 31 December 2024 and 2023 presented in the following tables:

2024									
Time of anotik	Impairme	ent before the	shock	Shoc	<	Impairme	ent after the s	hock	Variation
Type of credit	Individual	Collective	Total	Collateral	PD	Individual	Collective	Total	%
General real estate credit	5.607.133	537.850	6.144.983	(11.90%)	30%	5.816.922	634.975	6.451.897	7 5%
Auto loans	-	14.416.994	14.416.994	-	30%	-	15.926.265	15.926.26	5 10%
TOTAL	5.607.133	537.850	6.144.983			5.816.922	634.975	6.451.897	7

			2023	3					
Time of availt	Impairme	ent before the	shock	Shoc	k	Impairme	nt after the s	hock	Variation
Type of credit	Individual	Collective	Total	Collateral	PD	Individual	Collective	Total	%
General real estate credit	8.331.218	257.691	8.588.909	9 (11,9%)	30%	9.944.966	426.788	10.371.754	1 19%
Loans with precious metals as collateral	42.507	56.806	99.313	3 (13,5%)	30%	78.859	73.134	151.993	3 53%
Auto loans	-	16.414.221	16.414.22	1 -	30%	- 1	18.057.058	18.057.058	3 10%
TOTAL	8.373.725	16.828.584	25.202.309	9		10.023.825	18.556.980	28.580.80	5

This table does not take into account impairment and provisions for overdrafts on demand deposits and includes provisions for guarantees and other commitments.



With regard to the assumptions used in the sensitivity analysis, for loans subject to individual analysis, in the general loan segment, an 11,9% devaluation of the associated collateral was considered, corresponding to the highest annual devaluation historically observed in this segment over the last ten years, while for the loan segment secured by precious metals, a 13,5% devaluation of the collateral was used, which corresponds to the largest intra-annual devaluation of the gold price over the last ten years.

For loans subject to collective analysis, a similar shock was considered for all segments, corresponding to a 30% increase in the associated probability of default.

Liquidity risk

Liquidity risk is the possibility that an entity may not be able to meet its commitments through an inability to access the market in a sufficient amount and at a reasonable cost.

The risk control policy is subordinate to the overall strategy of the Bank, and aims to adequately finance its assets, increase them and detect any loss of liquidity.

The policies and procedures that control and limit liquidity risk regularly review the limits of the liquidity positions for different time frames, analysing simulations using different scenarios to permit effective liquidity management.

The Financial Department is responsible for the effective implementation of the risk strategy and all the liquidity policies established and approved by the Board.

Times to maturity

As at 31 December 2024 and 2023, the breakdown of the times to maturity of the financial instruments was as follows:

			2024					
	At sight	Up to 3 months	3 months 1 year	From 1 to 5 years	More than 5 years	Indeterminate	Other (1)	Total
Assets								
Cash and deposits at Central Banks	8.830.813	142.000.000	-	-	-	-	-	150.830.813
Amounts and deposits at other credit institution	s 33.553.664	-	-	-	2.701.000	-	-	36.254.664
Financial assets held for trading	-	4.021.385	1.013.537	13.378.704	5.682.365	4.392.989	-	28.488.980
Financial assets not held for trading mandatorily at fair value through profit or loss	-	-	-	-	-	19.805.102	-	19.805.102
Financial assets at fair value through other comprehensive income	-	3.023.359	21.317.534	77.155.786	41.674.955	-	-	143.171.634
Financial assets at amortised cost								
Loans and advances to credit institutions	-	-	608.817	-	400.000	-	-	1.008.817
Loans and advances to customers	53.801.715	14.290.510	67.430.275	164.549.183	96.899.165	2.341.029	12.671.760	411.983.637
Debt securities	-	14.981.791	12.483.653	132.189.507	92.760.090	-	-	252.415.041
Other Assets	-	-	-	-	-	1.760.165	-	1.760.165
	96.186.192	178.317.045	102.853.816	387.273.180	240.117.575	28.299.285	12.671.760	1.045.718.853
Liabilities								
Resources from other credit institutions	332.937	371.500	-	-	-	-	-	704.437
Resources from customers and other loans	251.398.925	210.310.923	308.513.416	42.278.709	41.000	-	8.311.354	820.854.327
Financial liabilities held for trading	-	5.891.889	2.153.584	1.652.608	-	-	-	9.698.081
	251.731.862	216.574.312	310.667.000	43.931.317	41.000	-	8.311.354	831.256.845
Liquidity gap	(155.545.670)	(38.257.267)	(207.813.184)	343.341.863	240.076.575	28.299.285	4.360.406	214.462.008



			2023					
	At sight	Up to 3 months	3 months 1 year	From 1 to 5 years	More than 5 years	Indeterminate	Other (1)	Total
Assets								
Cash and deposits at Central Banks	6.561.291	12.500.000	-	-	-	-	-	19.061.291
Amounts and deposits at other credit institution	ıs 41.692.934	-	-	-	-	-	-	41.692.934
Financial assets held for trading	-	176.323	873.112	12.072.290	5.874.004	6.290.627	-	25.286.356
Financial assets not held for trading mandatorily at fair value through profit or loss	-	-	-	-	-	17.962.885	-	17.962.885
Financial assets at fair value through other comprehensive income	-	-	8.371.000	70.505.491	36.206.225	-	-	115.082.716
Financial assets at amortised cost								
Loans and advances to credit institutions	-	-	1.005.245	-	-	-	-	1.005.245
Loans and advances to customers	52.681.197	12.286.808	41.389.316	200.587.871	111.071.041	-	10.356.895	428.373.128
Debt securities	-	54.323.490	11.932.824	101.076.553	64.195.135	-	-	231.528.002
Other Assets	-	-	-	-	-	1.529.516	-	1.529.516
	100.935.422	79.286.621	63.571.497	384.242.205	217.346.405	25.783.028	10.356.895	881.522.073
Liabilities								
Resources from Central Banks	-	-	42.648.698	_	-	-	-	42.648.698
Resources from other credit institutions	492.906	-	-	_	-	-	-	492.906
Resources from customers and other loans	209.546.747	118.100.836	292.262.350	39.265.474	83.736	-	4.971.638	664.230.781
Financial liabilities held for trading	-	20.944	885.575	1.122.773	-	-	-	2.029.292
	210.039.653	118.121.780	335.796.623	40.388.247	83.736	-	4.971.638	709.401.677
Liquidity gap	(109.104.231)	(38.835.159)	(272.225.126)	343.853.958	217.262.669	25.783.028	5.385.257	172.120.396

(1) - The "Other" column includes interest receivable and payable, and deferred sums already received and paid.

The main assumptions used to draw up the tables above are the following:

- the projected contractual cash flows of interest associated with financial assets and liabilities were not considered;
- for equity instruments their maturity was considered indeterminate, having been included in the "Indeterminate" column;
- in financial assets held for trading and assets at fair value through other comprehensive income, it was considered that debt instruments were only settled on the earlier of their maturity date and call date; and
- in loans and advances to customers it was considered that the principal repayment was made in full on the date of the last credit instalment.

The short-term liquidity gap is financed by resorting to the interbank monetary market, where the Bank has access to credit lines that allow it to finance this gap, and through discounts on securities issued by the ECB, which allows it to have access to immediate liquidity.

The short-term liquidity gap is associated to the funding of the Bank's bond portfolio. The total value of the securities portfolio is greater than the short-term gap. The Bank may at any moment reduce it by selling securities in the market. The said gap thus results from a strategic decision of the Bank to finance its securities portfolio in an efficient manner in economic terms and not from a structural deficiency of liquidity. The portfolio has been mainly financed through repurchase agreements with the European Central Bank. However, Banco Invest has repurchase agreements with various banking institutions.



Market risk

Banco Invest's business through financial instruments entails the assumption or transfer of one or several kinds of risk.

Market risks are those which arise from keeping financial instruments whose value can be affected by market fluctuations. Market risks include:

- a) Exchange rate risk: this arises from fluctuations in foreign currency exchange rates;
- b) Interest-rate risk: this arises from fluctuations in market interest rates;
- c) Price risk: this arises from changes in market prices, either due to factors specific to the instrument or to factors that affect all the instruments traded on the market.

The control of market risk aims to assess and monitor the potential losses associated with changes in the price of the Bank's assets, discretionary portfolio management and the consequent loss of profits from an adverse movement of market prices. This assessment is conducted by defining procedures and limits for global portfolios and product categories. Strategies, positions and limits are assessed daily to generate income through trading and assets and liability management, while simultaneously controlling exposure to market risk.

Exchange risk

Exchange risk is the result of fluctuations in exchange rates, whenever there are "open positions" in these currencies.

The exchange rate activity of Banco Invest is of secondary importance and residual. The daily foreign currency balances and transactions carried out in foreign currency are controlled on a daily basis by the Operations Department and the Market Room.

Only US dollar and pound transactions have any relevance, with transactions in other currencies being almost non-existent.

As at 31 December 2024 and 2023, the breakdown of financial instruments by currency was as follows:

			2024 Currency		
	Euros Gross	US Dollars	Pound	Other	Total
Assets					
Cash and deposits at Central Banks	150.830.813	-	-	-	150.830.813
Amounts and deposits at other credit institutions	33.124.971	2.717.929	252.398	159.366	36.254.664
Financial assets held for trading	26.033.139	2.209.395	96.181	150.265	28.488.980
Financial assets not held for trading mandatorily at fair value through profit or loss	19.805.102	-	-	-	19.805.102
Financial assets at fair value through other comprehensive income	143.171.634	-	-	_	143.171.634
Financial assets at amortised cost	660.545.207	4.861.976	312	-	665.407.495
Other Assets	1.729.578	24.906	1.538	4.143	1.760.165
	1.035.240.444	9.814.206	350.429	313.774	1.045.718.853
Liabilities					
Financial liabilities held for trading	9.698.081	-	-	-	9.698.081
Resources from other credit institutions	676.876	27.561	-	-	704.437
Resources from customers and other loans	809.676.415	10.902.405	208.727	66.780	820.854.327
	820.051.372	10.929.966	208.727	66.780	831.256.845
Net exposure (Currency Position)	215.189.072	(1.115.760)	141.702	246.994	214.462.008



			2023 Currency		
	Euros Gross	US Dollars	Pound	Other	Total
Assets					
Cash and deposits at Central Banks	19.061.291	-	-	-	19.061.291
Amounts and deposits at other credit institutions	38.844.708	2.533.934	185.789	128.503	41.692.934
Financial assets held for trading	21.636.605	3.152.890	311.260	185.601	25.286.356
Financial assets not held for trading mandatorily at fair value through profit or loss	17.962.885	-	-	_	17.962.885
Financial assets at fair value through other comprehensive income	115.082.716	-	-	_	115.082.716
Financial assets at amortised cost	645.772.206	11.965.888	3.168.281	_	660.906.375
Hedging derivatives	-	_	-	-	
Other Assets	1.346.816	172.941	4.142	5.617	1.529.516
	859.707.227	17.825.653	3.669.472	319.721	881.522.073
Liabilities					
Resources from Central Banks	42.648.698	-	-	-	42.648.698
Financial liabilities held for trading	2.029.292	-	-	-	2.029.292
Resources from other credit institutions	466.966	25.940	-	-	492.906
Resources from customers and other loans	656.132.698	7.742.058	267.447	88.578	664.230.781
	701.277.654	7.767.998	267.447	88.578	709.401.677
Net exposure (Currency Position)	158.429.573	10.057.655	3.402.025	231.143	172.120.396

The Bank considers that a 5% increase in the market exchange rates of the main currencies that the Bank is exposed to would not have a significant impact on the financial statements as at 31 December 2024 and 2023.

Interest rate risk

Interest rate risk relates to the impact that interest rate changes have on income and on the entity's asset value. This risk arises from the varying times to maturity or re-appreciation of assets, liabilities and off-balance sheet positions with respect to the entity, in light of changes in the interest rate curve slope. Interest rate risk therefore corresponds to the risk that the present value of future cash flows of a financial instrument may fluctuate due to changes in market interest rates.

Management of the interest rate risk is subordinate to the overall strategy of the Bank, which aims to minimise the impact of interest rate changes on the Bank's overall profits.

Risk management has a special emphasis on the medium and long-term horizon, to the detriment of short-term interest rate risk management.

The short-term interest rate risk basically arises from the mismatch of payments between the institution's liabilities and its loan assets.

Medium and long-term interest rate risk is managed using the IRRBB (Internal Rate Risk in The Banking Book) model developed internally to assess the interest rate risk of the banking book.

In addition, the Bank's bond investment policy on interest rates provides for a limit in terms of BPV (Present Value of Basis Point) approved by the Bank's Investment Committee for portfolios at amortised cost and fair value through other comprehensive income.

The results of the IRRBB model and the monitoring of the approved PBP limits are analysed monthly by the ALCO Committee.



As at 31 December 2024 and 2023, the type of exposure to interest rate risk xan be summarised as follows:

		20)24	
	Not subject to interest rate risk	Fixed rate	Variable rate	Total
Assets				
Cash and deposits at Central Banks	317.637	-	150.513.176	150.830.813
Amounts and deposits at other credit institutions	613 156	-	35.641.508	36.254.664
Financial assets held for trading				
Securities	4.392.991	20.069.242	879	24.463.112
Derivatives	-	-	4.025.868	4.025.868
Financial assets not held for trading mandatorily				
at fair value through profit or loss	19.805.102	-	-	19.805.102
Financial assets at fair value through other				
comprehensive income	-	140.159.119	3.012.515	143.171.634
Financial assets at amortised cost				
Loans and advances to credit institutions	-	-	1.008.817	1.008.817
Loans and advances to customers	14.913.596	202.054.997	195.015.044	411.983.637
Debt securities	-	198.670.546	53.744.495	252.415.041
Other Assets	-	-	1.760.165	1.760.165
	40.042.482	560.953.904	444.722.467	1.045.718.853
Liabilities				
Financial liabilities held for trading	-	1.328.117	8.369.964	9.698.081
Resources from other credit institutions	-	-	704.437	704.437
Resources from customers and other loans	-	32.641.133	788.213.194	820.854.327
	-	33.969.250	797.287.595	831.256.845
	40.042.482	526.984.654	(352.565.128)	214.462.008
Off-balance sheet				
Derivatives (notional value)				
Swaps	-	-	83.664.570	83.664.570
Options	94.323.176	_	-	94.323.176
Futures	1.873.700	-	49.563.024	51.436.724
	96.196.876	-	133.227.594	229.424.470



		2023		
	Not subject to interest rate risk	Fixed rate	Variable rate	Total
Assets				
Cash and deposits at Central Banks	486.860	-	18.574.431	19.061.291
Amounts and deposits at other credit institutions	1.468.443	-	40.224.491	41.692.934
Financial assets held for trading				
Securities	6.290.628	18.342.005	5.759	24.638.392
Derivatives	-	-	647.964	647.964
Financial assets not held for trading mandatorily				
at fair value through profit or loss	17.962.885	-	-	17.962.885
Financial assets at fair value through other				
comprehensive income	-	115.082.716	-	115.082.716
Financial assets at amortised cost				
Loans and advances to credit institutions	-	-	1.005.245	1.005.245
Loans and advances to customers	13.180.533	216.714.699	198.477.896	428.373.128
Debt securities	-	213.829.865	17.698.137	231.528.002
Other Assets	-	-	1.529.516	1.529.516
	39.389.349	563.969.285	278.163.439	881.522.073
Liabilities				
Resources from Central Banks	-	-	42.648.698	42.648.698
Financial liabilities held for trading	-	927.409	1.101.883	2.029.292
Resources from other credit institutions	-	-	492.906	492.906
Resources from customers and other loans	-	39.349.211	624.881.570	664.230.781
	-	40.276.620	669.125.057	709.401.677
	39.389.349	523.692.665	(390.961.618)	172.120.396
Off-balance sheet				
Derivatives (notional value)				
Swaps	-	-	101.374.338	101.374.338
Options	79.609.684	-	-	79.609.684
Futures	9.394.530	-	75.573.094	84.967.624
	89.004.214	-	176.947.432	265.951.646

The variable rate concept includes all transactions with maturity times of less than one year, and all others whose rate can be redefined in terms of market indicators, including the swaps whose remuneration is indexed to the performance of certain underlying assets (shares and market indices, among others).



As at 31 December 2024 and 2023, the exposure to interest rate risk was broken down into the following periods:

				2024			
	At sight	Up to 3 months	3 months 1 year	From 1 to 5 years	More than 5 years	Other (1)	Total
Assets							
Cash and deposits at Central Banks	8.818.980	142.011.833	-	-	-	-	150.830.813
Amounts and deposits at other credit institutions	36.254.664	-	-	-	-	-	36.254.664
Financial assets held for trading							
Securities	-	880	1.013.537	12.813.203	6.242.501	4.392.991	24.463.112
Derivatives	-	4.020.505	5.363	-	-	-	4.025.868
Financial assets not held for trading mandatorily at fair value through profit or loss	19.805.102	_	_	-	_	_	19.805.102
Financial assets at fair value through other comprehensive income	-	5.534.585	18.902.212	75.520.878	43.213.959	-	143.171.634
Financial assets at amortised cost							
Loans and advances to credit institutions	-	-	608.817	-	400.000	-	1.008.817
Loans and advances to customers	107.397.593	107.959.262	28.974.353	32.281.761	40.817.332	132.676.137	411.983.637
Debt securities	-	64.223.871	8.755.532	95.773.849	83.661.789	-	252.415.041
Other Assets	-	-	-	-	-	1.760.165	1.760.165
	134.153.538	323.750.936	58.259.814	216.389.691	174.335.581	138.829.293	1.045.718.853
Liabilities							
Financial liabilities held for trading	-	5.427.671	2.942.294	1.328.116	-	-	9.698.081
Resources from other credit institutions	704.437	-	-	-	-	-	704.437
Resources from customers and other loans	251.398.925	210.310.928	308.513.411	42.278.709	41.000	8.311.354	820.854.327
	252.103.362	215.738.599	311.455.705	43.606.825	41.000	8.311.354	831.256.845
	(117.949.824)	108.012.337	(253.195.891)	172.782.866	174.294.581	130.517.939	214.462.008

				2023			
	At sight	Up to 3 months	3 months 1 year	From 1 to 5 years	More than 5 years	Other (1)	Total
Assets							
Cash and deposits at Central Banks	6.557.125	12.504.166	-	-	-	-	19.061.291
Amounts and deposits at other credit institutions	41.692.934	-	-	-	-	-	41.692.934
Financial assets held for trading							
Securities	-	5.760	-	12.039.996	6.302.008	6.290.628	24.638.392
Derivatives	-	676	647.288	-	-	-	647.964
Financial assets not held for trading mandatorily at fair value through profit or loss	17.962.885	_	-	-	-	-	17.962.885
Financial assets at fair value through other comprehensive income	-	-	3.442.435	73.955.281	37.685.000	-	115.082.716
Financial assets at amortised cost							
Loans and advances to credit institutions	-	-	1.005.245	-	-	-	1.005.245
Loans and advances to customers	107.397.593	121.533.477	32.116.318	74.811.737	35.007.843	57.506.160	428.373.128
Debt securities	-	53.025.890	11.751.539	97.974.227	68.776.346	-	231.528.002
Other Assets	-	-	-	-	-	1.529.516	1.529.516
	175.452.754	187.069.969	48.962.825	258.781.241	147.771.197	65.326.304	881.522.073
Liabilities							
Resources from Central Banks	-	-	42.648.698	-	-	-	42.648.698
Financial liabilities held for trading	-	20.271	1.081.612	927.409	-	-	2.029.292
Resources from other credit institutions	492.906	-	-	-	-	-	492.906
Resources from customers and other loans	209.546.747	118.100.841	292.262.345	39.265.474	83.736	4.971.638	664.230.781
	210.039.653	118.121.112	335.992.655	40.192.883	83.736	4.971.638	709.401.677
	(34.586.899)	68.948.857	(287.029.830)	218.588.358	147.687.461	60.354.666	172.120.396

^{(1) -} The "Other" column includes fixed-rate credit.

According to the methodology described in Bank of Portugal Instruction 10/2024, the impact on own funds arising from a 200 bps shock to the interest rate curve comes to 25.691.426 euros (2018: 16.517.167 euros).

Concentration risk



Concentration risk is conceptually encompassed within credit risk. The Bank has integrated metrics to systematically identify aggregate exposure in relation to a customer, geographical and sectoral exposure, and concentration risk appetite limits.

Concentration in customers or "large exposures"

The Bank monitors compliance with regulatory limits (25% of Tier 1) and internal concentration risk appetite limits. As at 31 December 2024 and 2023, no regulatory limits were exceeded.

Concentration by geographical area and counterparty

The breakdown of the risk of financial assets and guarantees and sureties provided, by geographical area, is as follows:

	2024		
	Portugal	Rest of the European Union	Rest of the World
Financial assets held for trading	500.483	20.252.617	7.735.880
Financial assets not held for trading mandatorily at fair value through profit or loss	19.085.102	-	-
Financial Assets at fair value through other comprehensive income	11.569.072	117.057.416	14.545.146
Financial Assets at amortised cost - Debt securities	71.311.398	134.904.626	46.199.017
Financial assets at amortised cost - Loans and advances	411.701.231	-	282.406

	2023		
	Portugal	Rest of the European Union	Rest of the World
Financial assets held for trading	1.124.903	18.198.558	5.962.895
Financial assets not held for trading mandatorily at fair value through profit or loss	17.962.885	-	-
Financial Assets at fair value through other comprehensive income	4.271.312	95.836.925	14.974.479
Financial Assets at amortised cost - Debt securities	83.353.609	110.894.404	37.279.989
Financial assets at amortised cost - Loans and advances	427.879.677	-	493.451





As at 31 December 2024 and 2023, the distribution by economic sector is as follows:

2024						
	Financial assets held for trading	Financial assets not held for trading mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost - Debt securities	Financial assets at amortised cost - Loans and advances	
Agriculture, forestry and fisheries	-	-	-	-	1.992.626	
Extractive industries	-	-	-	-	13.877	
Manufacturing industries	5.859.157	-	41.196.801	39.229.732	4.287.267	
Production and distribution of electricity, gas, steam and air conditioning	4.853.880	_	32.362.496	16.129.150	6.877	
Water supply	82.333	-	4.033.926	-	418.562	
Construction	956.406	-	-	-	6.084.020	
Wholesale and retail trade	22.029	-	1.487.983	-	14.831.912	
Transportation and storage	603.775	-	7.615.050	6.204.021	5.768.156	
Accommodation and food service activities	3.627	-	-	-	3.846.551	
Information and communication	303.485	-	3.419.071	3.730.163	1.202.206	
Financial and insurance assets	6.934.067	19.805.102	38.169.464	126.536.743	19.414.663	
Real estate activities	922.764	-	-	-	8.608.854	
Consultancy, scientific, technical and similar activities	-	-	-	-	1.352.551	
Administrative and support services activities	-	-	3.522.295	4.976.810	2.907.862	
Public administration and defence, mandatory social security	7.942.395	-	11.364.548	50.474.708	25.898	
Education	-	-	-	-	427.840	
Human health services and social work activities	_	-	-	5.133.714	1.461.892	
Artistic, entertainment and recreational activities	5.062	-	-	-	810.147	
Other services	-	-	-	-	821.118	
Institutions	-	-	-	-	318.848.057	
Individuals	-	-	-	-	18.852.701	
	28.488.980	19.805.102	143.171.634	252.415.041	411.983.637	

2023							
	Financial assets held for trading	Financial assets not held for trading mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost - Debt securities	Financial assets at amortised cost - Loans and advances		
Agriculture, forestry and fisheries	-	-	-	-	2.513.134		
Extractive industries	46.048	-	987.394	-	30.540		
Manufacturing industries	5.611.639	-	32.108.875	40.397.860	5.355.194		
Production and distribution of electricity, gas, steam and air conditioning	5.798.564	-	23.301.628	21.801.165	9.833		
Water supply	476.204	-	3.436.764	-	420.863		
Construction	1.038.012	-	-	-	5.302.62		
Wholesale and retail trade	708.757	-	1.472.408	-	22.955.199		
Transportation and storage	830.761	-	3.622.107	10.122.437	6.058.88		
Accommodation and food service activities	83.841	-	-	-	3.689.34		
Information and communication	1.353.081	-	6.238.795	10.804.325	2.349.009		
Financial and insurance assets	5.898.686	17.962.885	38.075.249	78.527.103	22.493.650		
Real estate activities	1.188.603	-	-	1.210.024	9.989.80		
Consultancy, scientific, technical and, similar activities	-	-	-	-	1.902.00		
Administrative and support services activities	968.841	-	2.386.538	3.564.124	2.880.80		
Public administration and defence, mandatory social security	1.265.309	-	1.458.518	59.922.631	28.82		
Education	-	-	-	-	347.90		
Human health services and social work activities	18.010	-	1.994.440	5.178.333	1.695.49		
Artistic, entertainment and recreational activities	-	_	-	-	876.56		
Other services	-	-	-	-	864.683		
Institutions	-	-	-	-	1.000.00		
Individuals	-	-	-	-	337.608.77		
	25.286.356	17.962.885	115.082.716	231.528.002	428.373.128		

Fair value



The Bank calculates the fair value of financial instruments based on market prices. Where there is no market price, fair value is calculated using in-house models based on specific assumptions that vary in accordance with the financial instruments to be valued. Under exceptional circumstances, when it is not possible to reliably determine the fair value, assets are valued at historical cost.

The main considerations in the calculation of the fair value of financial assets and liabilities are:

- "Cash and deposits at Central Banks" and "Claims on other credit institutions": Given the short-term nature of these assets, the accounting value is considered a reasonable estimate of their fair value;
- "Amounts owed by and resources from other credit institutions" and "Resources from Central Banks": The calculation of fair value assumes that transactions are settled on the maturity dates and are updated in the "cash flows", using the rates curve created in the closing days of the year. Bearing in mind the maturity dates of the transactions and type of interest rate, Banco Invest estimates that the difference between the fair value and the book value is not significant;
- "Loans and advances to customers". Almost all loans and advances to customers bear interest at rates linked to the Euribor rate, the majority being re-fixed in the short-term. Regarding the portfolio spreads in force, the Bank considers that the current loan business takes place at a residual pace (and values) relative to the dimension of the portfolio, and that the transactions undertaken, as well as the respective spreads attributed, are affected by the specific characteristics of each transaction, not being representative of the remaining loan portfolio.
- In any case, given that the spreads currently in force are higher than the average spread of the loan portfolio, the Bank calculated the fair value of the portfolio considering an additional spread of 1%. Based on this analysis, application of the fair value in the "Loans and advances to customers" item would result in a decline in its value of approximately 1.474.638 euros (31 December 2023: 2.198.139 euros).
- It is important to point out that loan operations with pledges on financial assets and loans attributed to employees and Group companies were not included in this analysis.
- "Resources from customers and other loans": For term deposits of less than a year, the accounting value is considered a reasonable estimate of fair value. For other deposits, the contracted spreads do not differ much from those practised in the most recent operations;
- "Financial assets and liabilities held for trading" and "Financial assets at amortised cost": These instruments are already recorded at fair value, calculated according to:
 - Prices in an active market;
 - Indicative prices provided by the financial information media, namely Bloomberg, largely through the Bloomberg Generic index;
 - Valuation methods and techniques, where there is no active market, supported by:
 - mathematical calculations based on recognised financial theories; or,
 - prices calculated based on similar assets or liabilities traded in active markets or based on statistical estimates or other quantitative methods;
 - Indicative prices provided by issuers, essentially for those cases in which, given the specific characteristics of the security, it was not possible to use the valuation methods described above;
 - Acquisition cost when it is considered to be similar to the fair value.

A market is considered active, and therefore liquid, when transactions take place regularly.



As at 31 December 2024 and 2023, the calculation of the fair value of the financial assets and liabilities of the Bank can be summed up as follows:

		2024			
	Financial i	nstruments valued	at fair value		
	Prices in an	Valuation techr	niques based on:		
	active market	Market data	Other		Book
	(Level 1)	(Level 2)	(Level 3)	Total	value
Assets					
Cash and deposits at Central Banks	150.830.813	-	-	150.830.813	150.830.813
Amounts and deposits at other credit institutions	36.254.664	-	-	36.254.664	36.254.664
Financial assets held for trading					
Securities	24.154.797	308.314	-	24.463.111	24.463.111
Derivatives	-	-	4.025.869	4.025.869	4.025.869
Financial assets not held for trading mandatorily at fair value through profit or loss	-	-	19.805.102	19.805.102	26.983.615
Financial assets at fair value through other comprehensive income	143.171.634	-	-	143.171.634	143.171.634
Loans and advances to credit institutions	1.008.817	-	-	1.008.817	1.008.817
Loans and advances to customers	-	-	411.983.637	411.983.637	411.983.637
Debt securities - amortised cost	188.879.572	56.386.531	4.999.397	250.265.500	252.313.379
	544.300.297	56.694.845	440.814.005	1.041.809.147	1.051.035.539
Liabilities					
Financial liabilities held for trading					
Derivatives	-	-	7.660.822	7.660.822	7.660.822
Resources from credit institutions	704.437	-	-	704.437	704.437
Resources from customers and other loans	820.854.327	-	-	820.854.327	820.854.327
	821.558.764	-	7.660.822	829.219.586	829.219.586

		2023			
	Financial i	nstruments valued a	at fair value		
	Prices in an	Valuation techn	iques based on:		
	active market (Level 1)	Market data (Level 2)	Other (Level 3)	Total	Book value
Assets					
Cash and deposits at Central Banks	19.061.291	-	-	19.061.291	19.061.291
Amounts and deposits at other credit institutions	41.692.934	-	-	41.692.934	41.692.934
Financial assets held for trading					
Securities	24.303.122	335.270	-	24.638.392	24.463.111
Derivatives	-	-	647.964	647.964	4.025.869
Financial assets not held for trading mandatorily at fair value through profit or loss	_	-	17.962.885	17.962.885	19.805.102
Financial assets at fair value through other comprehensive income	115.082.716	-	-	115.082.716	143.171.634
Loans and advances to credit institutions	1.005.245	-	-	1.005.245	1.005.245
Loans and advances to customers	-	-	428.373.128	428.373.128	428.373.128
Debt securities - amortised cost	181.854.984	30.384.590	14.029.840	226.269.414	252.415.041
	383.000.292	30.719.860	461.013.817	874.733.969	934.013.355
Liabilities					
Financial liabilities held for trading					
Derivatives	-	-	2.029.292	2.029.292	2.029.292
Resources from credit institutions	492.906	-	-	492.906	492.906
Resources from customers and other loans	664.230.781	-	-	664.230.781	664.230.781
	664.723.687	-	2.029.292	666.752.979	666.752.979

Level 3 reconciliation is presented as follows:



Level 3	2024	2023
Opening balance	31.992.725	25.634.898
Reimbursement of Commercial Paper	(14.029.840)	(8.021.793)
Reimbursement of Commercial Paper	4.999.397	14.029.840
Acquisition of investment units	-	980.000
Repayment of share capital of investment units	(2.261.579)	(2.426.120)
Dividends received from investment units	(383.748)	(2.080.432)
Redemption of investment units	-	-
Reclassification from level 2	-	207.920
Valuation of investment units - recognised in profit or loss	4.487.544	3.668.412
Closing balance	24.804.499	31.992.725

The main assumptions used to draw up the tables above are the following:

Level 1

Level 1 valuation prices produce the most reliable evidence of fair value.

This category includes, in addition to financial instruments traded on a regulated market, bonds and units in investment funds valued on the basis of prices disclosed through trading systems.

Level 1 fair value classification is used when:

- i) there is a firm daily executable price for the financial instruments in question, or;
- ii) there is a quotation available on market information systems that aggregate multiple prices from different players (e.g. BGN, CBBT), or;
- iii) the financial instruments have been classified at level 1 for at least the last 15 trading days.

Level 2

When there are no quoted prices in active and liquid markets, publicly available market information that reflects the assumptions used by market participants in determining the price of the asset or liability should be used for valuation purposes. That is, valuation methods and techniques that use mainly observable market data should be used, namely:

- i) Units in collective investment undertakings that are mainly composed of assets or liabilities traded on a regulated market should be valued at the last net asset value disclosed by the management entity;
- ii) Defensive pricing services and mainly generated through market inputs disseminated by specialised entities.
- iii) The valuation of securities in the process of admission to listing shall be based on the valuation of securities of the same type, issued by the same entity and admitted to listing, taking into account the fungibility and liquidity characteristics between the issues. Thus, these assets will be discounted by 10% of the daily market price of the security of the same type;
- iv) Money market instruments, valued at their purchase price;
- v) Other techniques for non-derivative instruments that mainly depend on publicly available market data (interest rate curves, exchange rates, credit curves, etc.).

Level 3

When Level 1 and Level 2 prices are not available, the fair value of financial instruments shall be determined using non-observable market information, namely by using techniques and methods for which there is no exact consensus on the criteria to be defined, namely:

i) comparative analysis of prices of financial instruments with similar risk and return profiles, types, seniority or other similar factors, observable in an active and liquid market;



- ii) impairment tests, using performance indicators of the underlying transactions (e.g. probability of default rates of the underlying assets, delinquency rates, rating developments, etc.);
- iii) they are valued based on the NAV (Net Asset Value) disclosed by the managers of real estate investment funds and other funds not listed on a regulated market (e.g. Venture Capital).

Specifically, with regard to shares, valuation may be based on the issuer's last known book value, adjusted, where applicable, by a liquidity premium and the known expected results for the current financial year. If the book value is unknown, the asset shall be valued at zero.

Level 3 assets are valued at least once a month, taking into account all relevant information about the issuer and market conditions at the valuation date, and taking into account the estimated realisable value.

Derivative financial instruments held by customers are valued at fair value, taking into account the risk elements associated with the underlying asset of the derivative, such as volatility and market and liquidity risk premiums for assets with similar characteristics.

Regarding the securities valued through the internal model, the assumptions used were those that the Bank considered to be adequate to reflect the market value of those financial assets at the balance sheet date, including the market base interest rate, a spread reflecting the risk of each security calculated based on the rating and an expected date of reimbursement.

Short-term investments in commercial paper, recorded in the trading portfolio, are valued at amortised cost, which does not differ significantly from fair value.

Investment properties constitute a group of assets held by Fundo Tejo, corresponding to level 3 in the IFRS 13 fair value hierarchy. Fair value is determined based on periodic valuations carried out by independent specialist entities.

The properties presented under non-current assets held for sale in the amount of 2.076 thousand euros, in accordance with IFRS 5, are subject to valuations using the market and income methods, applied in accordance with the specific situation of the asset. The valuations of real estate are carried out by independent and specialised entities. As at 31 December 2024, the fair value of non-current assets held for sale in accordance with the levels defined in IFRS 13 is level 3 and amounts to 4.956 thousand euros.

47. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

As at 31 December 2024 and 2023, contingent liabilities and commitments are recorded in off-balance sheet items and are broken down as follows:

	2024	2023
Guarantees and stand-by-letters of credit provided	31.859.399	99.083.392
Commitments to third parties	70.217.226	39.462.315
Amounts deposited	1.093.891.081	884.228.320
Assets under management and custody		
Wealth management	378.786.799	298.027.349

48. PROVISION OF INSURANCE AND REINSURANCE MEDIATION SERVICES



Under the terms of Article 4 of the Regulatory Standard of the Portuguese Insurance Institute 15/2009-R, of 12 January 2010, regarding the disclosure requirements applicable to the Company in its capacity as an insurance intermediary, the following information must be provided.

Subparagraph a) Recognition of income and expenses

In the course of its business, Bicredit carries out insurance mediation.

With regard to life insurance, the Group receives commissions as remuneration for insurance mediation services that are recognised as income. This income is recorded as receivable under other assets as it is generated against commissions received, regardless of when they are received.

With regard to non-life insurance, the remuneration (commission) relating to premiums paid for the full amount was recorded as deferred income, with the income being recognised monthly in the income statement based on the monthly premiums received from customers.

Sub-paragraph b) Total remuneration received, broken down by nature and type

The following tables show the amounts of remuneration received by nature and type of remuneration in 2024 and 2023:

	Commissions	Fees	Other remuneration
2024 Insurance Net Remuneration			
Nature - Cash	2.075.915	-	-
Nature - Kind	-	-	-
2023 Insurance Net Remuneration			
Nature - Cash	1.587.289	-	-
Nature - Kind	-	-	-

Subparagraphs (c) and (d) Total commissions, broken down by branches and insurance companies

The commissions received by insurer and branch (Life or Non-Life) in 2024 and 2023 are as follows:

	Entity	Commissions
2024 Insurance Net Remuneration		
Life Branch	Real Vida Seguros, S.A.	1.811.486
Non-Life Branch	Mapfre Assistência, S.A. 258	
Non-Life Branch	Ibero Assistência, S.A.	
Life Branch	Metlife D.A.C.	4.144
Non-Life Branch	Metlife Europe Insurance D.A.C.	3.220
2023 Insurance Net Remuneration		
Life Branch	Real Vida Seguros, S.A.	1.471.004
Non-Life Branch	Mapfre Assistência, S.A.	106.790
Non-Life Branch	Ibero Assistência, S.A.	9.496

Real Vida Seguros reports remuneration exceeding 25% of the total in 2024 and 2023.



Subparagraph e) Amounts in "customer" accounts

In its insurance mediation activity, the Bank does not assume any credit or default risk, i.e., if the customer fails to pay the insurance, except in specific and, to date, immaterial situations, the insurer will refund the exact amount that was not received.

Subparagraphs (f) and (g) Indication of aggregate values included in accounts receivable and payable

The amounts in accounts payable and receivable arising from business relationships with insurance companies as at 31 December 2024 and 31 December 2023 are broken down as follows:

	2024	2023
Other Assets		
Debtors and other financial applications		
Other debtors - insurance company	17.828	686
Other debtors - insurance	5.101	5.092
Income receivable		
Insurance collection commissions receivable	411.548	335.654
Other accruals and deferrals		
Insurance premiums to be invoiced	104.434	331.902
Other Liabilities		
Deferred income	34.248	109.501
Other accounts payable	647.949	615.387

Accounts payable as at 31 December 2024 and 31 December 2023 are broken down as follows (amounts expressed in euros):

Entity	2024	2023
Real Vida Seguros, S.A.	522.560	371.013
Mapfre Assistência, S.A.	125.389	244.374
	647.949	615.387

Subparagraph (h) Analysis of receivables past due at the reporting date

Seniority	2024	2023
Up to 6 months	4.430	4.514
From 6 to 12 months	-	83
More than 12 months	672	496
Total	5.101	5.092

As mentioned above, there is no material risk to the company in the event of non-payment of insurance by the customer, as the insurer assumes responsibility for refunding any unpaid amounts.

Subparagraphs (i), (j), (k) and (l) shall not apply to the company



In 2023, the insurance portfolio was transferred to Bicredit, a financial institution that will specialise in consumer credit, namely auto loans (according to Note 52), in which the Bank is the majority shareholder.

49. RECENTLY ISSUED ACCOUNTING STANDARDS

Standards, interpretations, amendments and revisions that came into force during the year

The following standards, interpretations, amendments and revisions endorsed by the European Union are mandatory for the first time in the financial year beginning on 1 January 2024:

Amendments to IAS 1 - Classification of liabilities as current and non-current and Non-current liabilities with covenants

These amendments clarify the existing guidance in IAS 1 on the classification of financial liabilities as current or non-current, clarifying that the classification should be assessed based on the right of an entity to defer payment at the end of each reporting period.

In particular, the amendments (i) clarify the concept of "settlement" by indicating that if an entity's right to defer settlement of a liability is subject to the fulfilment of future covenants, the entity has the right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period; and (ii) clarify that the classification of liabilities is not affected by the entity's expectation (based on whether or not the right exists, disregarding any probability of exercising or not exercising that right), or by events occurring after the reporting date, such as the breach of a covenant.

If the right to defer settlement for at least twelve months is subject to certain conditions after the balance sheet date, those criteria shall not affect the right to defer settlement for the purpose of classifying a liability as current or non-current.

This amendment shall apply retrospectively.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier finance arrangements

These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures aim to clarify the characteristics of a supplier finance arrangement and introduce additional disclosure requirements when such arrangements exist. The disclosure requirements are intended to help users of financial statements understand the effects of supplier finance arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

Amendments to IFRS 16 - Lease liability in a sale and leaseback

This amendment to IFRS 16 Leases introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" in accordance with the principles of IFRS 15, with the greatest impact when some or all of the lease payments are variable lease payments that do not depend on an index or rate.

In subsequently measuring the lease liability, the seller-lessor shall determine the "lease payments" and "revised lease payments" so that they do not recognise gains/(losses) on the right-of-use asset they retain. This amendment shall apply retrospectively.

The Bank did not record any significant changes in the adoption of this amendment.

Standards, interpretations, amendments and revisions that come into force in future years

The following standards, interpretations, amendments and revisions, which are mandatory for future financial years, had been endorsed by the European Union at the date of approval of these financial statements:



Amendments to IAS 21 - The effects of changes in foreign exchange rates: Lack of exchangeability

Applicable in the European Union for financial years beginning on or after 01 January 2025

This amendment aims to clarify how to assess the exchangeability of a currency, and how to determine the exchange rate when it is not exchangeable for a long period.

The amendment specifies that a currency should be considered exchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange or market mechanism in which an exchange operation creates enforceable rights and obligations.

If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate on the measurement date of the transaction. The objective is to determine the exchange rate that would be applicable, at the measurement date, for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustments.

The amendments are effective for periods beginning on or after 1 January 2025. Early adoption is permitted, but the transition requirements applied must be disclosed.

The Bank did not early adopt any of these standards in its financial statements for the twelve-month period ended 31 December 2024. No significant impacts on the financial statements are expected to arise from their adoption.

Standards, interpretations, amendments and revisions not yet endorsed by the European Union

The following standards, interpretations, amendments and reviews, of mandatory application in future financial years, had not been endorsed by the European Union as at the date of approval of these financial statements:

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments result mainly from the review of IFRS 9 Financial Instruments (Post Implementation Review – PIR IFRS 9) and clarify the following aspects relating to financial instruments:

- A financial liability is derecognised on the "settlement date", i.e. when the related obligation is settled, cancelled, expires or the liability otherwise qualifies for derecognition. However, the possibility is introduced for an entity to choose to adopt an accounting policy that allows a financial liability that is settled through an electronic payment system to be derecognised before the settlement date, provided that certain conditions are met.
- How an entity should assess the characteristics of contractual cash flows of financial assets that include variables relating to environmental, social and governance (ESG) factors and other similar contingent characteristics.
- Additional disclosures are required for financial assets and liabilities subject to a contingent event (including ESG variables) and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for periods beginning on or after 1 January 2026. Early adoption is permitted.

This amendment shall apply retrospectively. However, an entity is not obliged to restate the comparative period, and the potential impacts of applying this amendment are recognised in retained earnings in the year in which the amendment is applicable.

Amendments to IFRS 9 and IFRS 7 - Contracts negotiated with reference to electricity generated from renewable sources

The amendments refer specifically to renewable energy purchase agreements whose source of production is dependent on nature, so that supply cannot be guaranteed at specific times or volumes.

In this regard, these amendments clarify the application of the "own use" requirements in energy purchase agreements, as well as the fact that hedge accounting is permitted when these contracts are used as hedging instruments.

The amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted, except for the guidance on hedge accounting, which shall be applied prospectively to new hedging relationships designated on or after the date of initial application.



Annual Improvements to IFRS (Volume 11)

Improvements are introduced periodically to clarify and simplify the application of international standards through minor amendments that are not considered urgent.

The main amendments included in this volume refer to:

- IFRS 1 (Hedge accounting on first-time adoption of IFRS): This amendment aims to update the cross-references in paragraphs B5 and B6 of IFRS 1 First-time Adoption of International Financial Reporting Standards for the eligibility criteria for hedge accounting in IFRS 9 to paragraphs 6.4.1(a), (b) and (c).
- IFRS 7 (Gain or loss on derecognition): This amendment aims to update the language on unobservable market data included in paragraph B38 of IFRS 7 Financial Instruments: Disclosures, as well as to add references to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
- IFRS 7 (Implementation guidelines): Several paragraphs relating to the implementation guidelines for IFRS 7 have been amended for consistency and clarity.
- IFRS 9 (Derecognition of lease liabilities): This amendment clarifies that when a financial liability is extinguished in accordance with IFRS 9, the lessee shall apply paragraph 3.3.3 of IFRS 9 and recognise the gain or loss that results from that derecognition.
- IFRS 9 (Transaction price): With this amendment, the reference to "transaction price" in paragraph 5.1.3 of IFRS 9 is replaced by "amount determined by applying IFRS 15".
- IFRS 10 (Determination of 'de facto' agent): Amendment made to paragraph B74 of IFRS 10, which clarifies that the relationship described in that paragraph is only one example of several possible relationships between the investor and other parties acting as de facto agents. The purpose of this amendment is to remove the inconsistency with the requirement in paragraph B73 that an entity should use its judgement in assessing whether other parties can act as 'de facto' agents.
- IAS 7 (Cost method): Replacement of the term "cost method" by "at cost" in paragraph 37 of IAS 7 following the deletion of the definition of "cost method".

The amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted.

IFRS 18 - Presentation and disclosure in financial statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements and comes in response to requests from investors seeking information on financial performance. With the introduction of the new requirements of IFRS 18, investors will have access to more transparent and comparable informationabout the financial performance of companies, with the aim of improving investment decisions.

IFRS 18 essentially introduces three sets of new requirements to improve the disclosure of financial performance:

- Comparability of the income statement: IFRS 18 introduces three defined categories for income and expenses operating, investing and financing to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating profit. The new structure and subtotals will give investors a consistent starting point for analysing company performance, making it easier to compare them.
- Transparency of performance measures defined by management: IFRS 18 requires additional information to be disclosed on specific performance indicators related to the income statement, known as performance measures defined by management.
- Aggregation and disaggregation of items in the financial statements: IFRS 18 establishes guidelines on how items in the income statement should be aggregated.

IFRS 18 comes into force for financial years beginning on or after 1 January 2027 and is to be applied retrospectively. Early adoption is permitted provided that the option is disclosed.



IFRS 19 - Subsidiaries not subject to public financial reporting: Disclosures

IFRS 19 allows eligible entities to prepare IFRS financial statements with lower disclosure requirements than those required by the IFRS, while maintaining the obligation to apply all the measurement and recognition requirements of the IFRS.

The reduction in disclosures defined by IFRS 19 covers most IFRS standards. Entities are eligible if they: (i) are subsidiaries of a group that prepares consolidated financial statements in accordance with IFRS for public disclosure; and (ii) are not subject to public financial reporting requirements because they do not have debt or equity securities listed, are not in the process of being listed, or do not have as their primary activity the holding of assets on a fiduciary basis.

IFRS 19 becomes effective for financial years beginning on or after 1 January 2027 and its application is optional. Early application is permitted. Entities that adopt early must disclose and align disclosures in the comparative period with those of the current period.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Bank in the twelve-month period ended 31 December 2024. No significant impacts on the financial statements are expected to arise from their adoption.

50. GROUP COMPANIES

The main information on the business of the Bank's subsidiaries, as well as the consolidation method employed, may be summed up as follows:

Company	Activity	Head Office	Effective shareholding (%)	Consolidation method	
Banco Invest, S.A.	Bank	Lisbon	n.a.	n.a.	
Invest Gestão de Activos - SGFIM , S.A.	Mutual fund management	Lisbon	100%	Full	
Fundo Tejo	Real estate purchase and sale	Lisbon	86,5%	Full	
BiCredit, Sociedade Financeira de Crédito, S.A.	Financial Credit Companies	Lisbon	81,0%	Full	
Bugio Finance N.º 1	Securitisation vehicle	Lisbon	81,0%	Full	

As at 31 December 2024 and 2023, the more significant financial highlights of the respective individual financial statements can be summed up as follows:

	2024			2023		
Company	Net assets	Net equity	Net income	Net assets	Net equity	Net income
Banco Invest, S.A.	1.061.276.168	197.054.286	22.560.091	912.585.654	175.582.221	21.663.363
Invest Gestão de Activos - SGFIM, S.A.	8.093.451	7.514.563	1.523.411	6.432.102	5.991.153	1.093.236
Fundo Tejo	10.043.237	9.923.595	977.618	8.972.992	8.945.976	147.444
BiCredit, Sociedade Financeira de Crédito, S.A.	358.444.751	54.454.395	8.479.964	360.130.660	48.974.431	7.413.110

(latest financial information available)

The consolidated result shows the following contributions:



	31 December 2024	31 December 2023
Individual results		
Banco Invest, S.A.	22.560.091	21.663.363
Invest Gestão de Activos	1.523.411	1.093.236
Fundo Tejo	977.618	147.444
BiCredirt	8.479.964	7.413.100
	33.541.084	30.317.153
Adjustments		
Write-off of equity method - Invest Gestão de Activos	(1.523.411)	(1.078.896)
Write-off of equity method - BiCredit	(6.868.770)	(6.004.619)
Write-off of valuation of the Fundo Tejo Investment Units	(977.618)	(147.444)
Securitisation operation	(1.120.787)	(617.172)
Other adjustments	71.519	791
Income after taxes and before non-controlling interests	23.122.017	22.469.813
Income attributable to minority interests	(1.514.414)	(1.329.754)
Consolidated net income for the year	21.607.603	21.140.059

51. RELEVANT FACTS

In 2024, the lending business segment was sold under the Crédito Popular Económico (CEP) brand to the Banca Sistema Group.

52. SUBSEQUENT EVENTS

In addition to the matters disclosed in the other notes and in accordance with the accounting policy in note 2.22, no events occurred after the date of the financial statements and up to the date of their approval.

6. Statutory Auditors' Report







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(Translation from the original document in Portuguese language. In case of doubt, the Portuguese version prevails)

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Banco Invest, S.A ("the Group"), which comprise the Consolidated Balance Sheet as of December 31, 2024 (showing a total of 1,076,743,053 euros and a total equity of 206,924,744 euros, including a net profit for the year of 21,607,603 euros), and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Banco Invest, S.A. as of December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)as endorsed 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 guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics

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 judgment, were of most significance in our audit of the financial statements of the current period. 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.

The key audit matters in the current year audit are the following:

1. Impairment for loans and advances to customers

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As presented in the balance sheet the value of loans and advances to customers amounted to 20,722,805 euros, with an impairment loss of 3,697,879 euros recognized during the financial year under impairments of financial assets at amortized cost. The details of impairment related to loans and advances to customers, as well as the accounting policies, methodologies, concepts, and assumptions applied, are disclosed in the notes to the financial statements (Note 2.4 a))	Our audit approach included, among others, the execution of the following procedures: Understand, evaluate the design and test the operational effectiveness of internal control procedures over the process of impairment losses quantification to the credit portfolio; Perform analytical review procedures on the impairment related to loans and advances to customers, comparing to the previous period and to defined expectations, including





Description of the most significant assessed risks of material misstatement

For the calculation of this estimate regarding the impairment loss on loans and advances to customers portfolio, management exercised significant judgment, including the assessment of the business model, the evaluation of a significant increase in credit risk, the classification of exposures as defaulted, the definition of groups of assets with similar credit risk characteristics, and the use of models and parameters. For material exposures assessed on an individual basis, impairment is determined based on the judgment of the Group's credit risk specialists. In addition to the complexity of the models, their application requires processing a substantial volume of data, which may raise concerns regarding data quality and availability.

Given the degree of subjectivity and complexity involved, particularly in a rapidly changing macroeconomic environment, the use of alternative approaches, models, or assumptions could have a material impact on the estimated impairment amount, which leads us to consider this matter as a key audit matter.

Summary of our response to the most significant assessed risks of material misstatement

understanding of the changes occurred in the credit exposures;

- ➤ Sampling a group of exposures individually assessed for impairment to test the assumptions used by the management bodies of the Group, to quantify impairment. This analysis included information of the financial situation of the debtors and the valuation reports of collateral. Inquiry with the Group's specialists to obtain an understanding of the defined recovery strategy and the assumptions applied;
- ▶ Understanding and assessing the design of the expected credit loss calculation model, testing the calculation, comparing the information used in the model with source data through reconciliations prepared by the Group, analysing the assumptions applied to address data gaps, comparing the parameters used with the outputs of estimation models, and reconciling the model results with the amounts recorded in the financial statements;
- ➤ Test the reasonableness of the parameters used in the impairment calculation, highlighting the following procedures performed:
 - Understanding the methodology formalized and approved by management and comparing it with the one actually applied;
 - ii) Understanding the changes to the models used by the Group to determine the parameters applied in the expected credit loss calculation and the resulting impact on those parameters;
 - Testing, for the Group's loans and advances to customers" portfolio, the application of the rules for assessing a significant increase in credit risk and, on a sampling basis, validating that classification;
 - iv) Inquiries with the Group's specialists responsible for the models and inspection of internal audit and regulatory reports; and
 - Analysis of the work performed by the validation and internal audit functions regarding collective impairment models.
- Review of the Credit Committee meeting minutes; and
- Analysis of the disclosures in the Annex to the financial statements relating to this matter, based on the requirements of international financial reporting standards and accounting records.



Other matters

We were appointed as Statutory Auditors of Banco Invest, S.A. (the parent entity of the Group) on September 12, 2024. The financial statements for the year ended December 31, 2023 were audited by another firm of Statutory Auditors, whose Legal Certification of Accounts, dated May 9, 2024, contained no qualifications or emphasis of matter.

As this is a first-year audit, we performed a set of transition procedures with the predecessor auditor in accordance with ISA 510 - Initial Audit Engagements - Opening Balances

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that present a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- ▶ the preparation of the Management Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated 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 based on 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:

- identify and assess the risks of material misstatement of the consolidated 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;
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 Group '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 Group to cease to continue as a going concern;



- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, 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;
- From the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures we took to eliminate those matters or the related safeguards we applied.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Banco Invest, S.A. (Group's Parent Entity) for the first time by decision of the sole shareholder on September 12, 2024, for a mandate from 2024 to 2026;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group on May 5, 2025;
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Group in conducting the audit; and



- We inform that, in addition to the audit, we provided the Group with the following services permitted by applicable laws and regulations:
 - o Issuance of the report on the impairment of the credit portfolio in accordance with Banco de Portugal Instruction No. 18/2018;
 - Issuance of the opinion on the safeguarding of clients' assets in accordance with Article 304-C(4) of the Portuguese Securities Code;
 - o Gap Assessment of the Digital Operational Resilience Regulation (DORR); and
 - Agreed-upon procedures for reviewing the client and transaction screening system regarding the filtering of clients, originators, and beneficiaries.

Lisbon, May 5, 2025

Ernst & Young Audit & Associados - SROC, S.A. Sociedade de Revisores Oficiais de Contas Represented by:

(Signed)

António Filipe Dias da Fonseca Brás - ROC nº 1661 Registered with the Portuguese Securities Market Commission under license nr. 20161271







REPORT AND OPINION OF THE GENERAL AND SUPERVISORY BOARD FOR THE FINANCIAL YEAR 2024

To the Shareholders of Banco Invest, S.A.

In accordance with Article 420(1)(g) of the Commercial Companies Code, it is our duty as members of the General and Supervisory Board of Banco Invest, S.A. to submit the Report of our supervisory activity and the opinion on the management report, consolidated accounts and proposals presented by the Executive Board of Directors of Banco Invest, S.A. for the year ended 31 December 2024.

As part of our duties, we established contact with the Executive Board of Directors, obtained clarifications and gathered information from the Bank's relevant departments, including, but not limited to, the internal control functions, as well as from the External Auditor. We inquired about the Company's activities and the management of its business and analysed the financial information as at 31 December 2024, performing the checks deemed appropriate in order to develop a reasonable understanding of the activities of Banco Invest, S.A. and to express our opinion.

We verified compliance with the law and the Company's Articles of Association, confirmed the regularity of the accounting records and the supporting documentation, confirmed that the accounting policies adopted by the Company and the disclosures included in the Notes to the Financial Statements give a true and fair view of the consolidated assets and liabilities and the consolidated profit and loss, and carried out other procedures deemed necessary in the circumstances.

After closing the consolidated accounts, we reviewed the financial statements, namely the management report prepared by the Executive Board of Directors, as well as the consolidated financial statements presented, comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated statement of comprehensive income, and the corresponding Notes to the Financial Statements.

We have taken note of the Statutory Auditor's Report of the Company's consolidated accounts, without emphasis or reservations, issued by Ernst & Young Audit & Associados – SROC, S.A., dated 5 May 2025, and we agree with its content.

We have always obtained the documentation and clarifications requested from the Executive Board of Directors and the competent departments, for which we are grateful, concluding that:

- a) The consolidated financial statements provide a fair understanding of the Company's consolidated financial situation and consolidated results;
- b) The accounting policies adopted and disclosures are appropriate;





c) The management report presents the evolution of the Company's business and situation, in accordance with the legal and statutory provisions.

In light of the work undertaken, we are of the opinion that the Company's Annual General Meeting should approve:

- a) The Management Report and Consolidated Accounts for the year ended 31 December 2024;
- b) The proposal for the appropriation of profits contained in the aforementioned Management Report.

Finally, we would like to highlight and express our gratitude for the excellent cooperation we received in the performance of our duties from the Company's Executive Board of Directors and the departments with which we had the opportunity to interact.

Lisbon, 5 May 2025

The General and Supervisory Board



8. Summary of the Self-Assessment Report on the adequacy and effectiveness of the organisational culture and the governance and internal control systems

SUMMARY OF THE SELF-ASSESSMENT REPORT ON THE ADEQUACY AND EFFECTIVENESS OF THE ORGANISATIONAL CULTURE AND THE GOVERNANCE AND INTERNAL CONTROL SYSTEMS



The Self-Assessment Report ('Report'), prepared in accordance with the provisions of Article 54 of Bank of Portugal Notice 3/2020 ('Notice'), in force since 16 July 2020, and Bank of Portugal Instruction 18/2020 ('Instruction') contains the results of the assessment carried out by Banco Invest, S.A. ('Bank' or 'Banco Invest') regarding the adequacy and efficiency of the Bank's organisational culture and its governance and internal control systems, including remuneration practices and policies and other matters addressed in the Notice, with reference to 30 November 2024.

The Self-Assessment Report includes an overview of the Bank's organisational structure, as well as the changes made to its governance model and organisational structure during the reporting period, namely the adoption of the dualistic or German model for internal governance, as described in Article 278(1)(c) of the Commercial Companies Code ('CSC').

The Report includes a comprehensive analysis of internal control deficiencies identified as a result of the work carried out by the Bank's internal control functions, the External Auditor, the Supervisory Entities and External Entities, including a description and characterisation of deficiencies outstanding as at the reporting date.

The Report also includes the self-assessment/independence reports of those responsible for Risk Management, Compliance and Internal Audit, in accordance with Articles 27, 28 and 32 of the Notice, respectively. In these self-assessment/independence reports, each function presents its organisational structure, powers and responsibilities, and the independence of each internal control function is confirmed by the respective managers, confirming that there are no incidents. In addition, each report identifies the outstanding deficiencies detected in each internal control function, with a number of outstanding deficiencies relating to the risk management and compliance functions. There are no outstanding deficiencies in the Internal Audit function.

The Report includes the assessment of the Executive Board of Directors and the General and Supervisory Board of the Bank, pursuant to Articles 56 and 57 of the Notice, on the adequacy and effectiveness of the organisational culture:

- The Executive Board of Directors prepares its assessment of the adequacy and effectiveness of the Bank's organisational culture and governance and internal control systems, including remuneration practices and policies and other matters dealt with under the Notice, also analysing the set of existing deficiencies.
- As a result of this assessment, the Executive Board of Directors concludes that: i) the classification assigned to the deficiencies identified, according to the methodology defined by the Bank, as level F3 "High" or level F4 "Severe" is reasonable; ii) the control functions operate independently, adequately and effectively complying with the requirements set out in the Notice; and iii) the outsourcing of specific operational tasks of the internal control functions complies with the provisions of Article 36 of Notice 3/2020, as it is considered that they will contribute to greater efficiency of the tasks, which are classified as tasks that may be outsourced.



- In addition, and taking into account the main aspects identified with regard to the development and improvement of the Internal Control System, the Executive Board of Directors sets out in its assessment a set of ongoing tasks aimed at strengthening security processes and information systems. Therefore, considering the current and potential impacts of the outstanding deficiencies, the aspects identified by the Bank of Portugal in its Self-Assessment Report for November 2023 and the administrative offence proceedings described in the Self-Assessment Report, the Executive Board of Directors concludes that the organisational culture and its governance and internal control systems, including the Bank's remuneration practices and policies, are adequate and effective. The Executive Board of Directors considers that a number of deficiencies have already been addressed, including the situations identified in relation to administrative offence proceedings, and that the mitigating controls currently in place for outstanding deficiencies ensure the quality of the processes to which they relate, without calling into question the adequacy and effectiveness of the Bank's organisational culture and governance and internal control systems.
- The General and Supervisory Board's assessment of the adequacy and effectiveness of the Bank's organisational culture and its governance and internal control systems was based on the cumulative evidence obtained: in the monitoring work carried out by the General and Supervisory Board in relation to the Bank's internal bodies and in the work carried out in accordance with its responsibilities throughout the reference period; in the Self-Assessment Report prepared by the Executive Board of Directors; in the work carried out by KPMG, the entity contracted to perform procedures to support the supervisory body in the self-assessment process of the adequacy and effectiveness of the Institution's organisational culture and its governance and internal control systems; in the activity carried out by the internal control functions, by the Organisation and Internal Control Department, by the Chief Information Security Officer and by the Accounting and Control Department, and in the reports and activities carried out by the supervisory bodies; in monitoring the work carried out by the External Auditor and other external entities and in the discussions and meetings held with the Executive Board of Directors and with the various managers of the various organisational units referred to in the Notice.
- Therefore, based on the work carried out and the evidence gathered, the General and Supervisory Board concludes, considering the impact of the deficiencies classified as level F3 "High" and F4 "Severe", or others that collectively call into question the Bank's risk profile, on the adequacy and effectiveness of the organisational culture in place at the Bank and its governance and internal control systems, in all materially relevant aspects, in accordance with the requirements set out in the Notice, although there is room for improvement. The General and Supervisory Board considers that the Bank's control environment has evolved in recent years, reaching a level that is considered acceptable, but that there is still room for improvement, particularly in the areas of systems risks and information security. In addition, it is the understanding of the GSB that the outstanding deficiencies do not call into question the adequacy and effectiveness of the organisational culture and governance and internal control systems, given that the controls currently in place for the outstanding deficiencies are considered to ensure the quality of the respective processes or the mitigation of the respective risks.

In addition, the General and Supervisory Board concludes that:

- i. the assessment of the status of implementation of the measures defined in the reference period to correct the deficiencies detected is reasonable;
- ii. the quality of performance and independence of the internal control functions, including outsourced operational tasks, is adequate. The General and Supervisory Board considers that the outstanding deficiencies detected in the risk management function do not call into question the quality of the performance and adequate independence of that function, given that most of the situations identified have already been remedied and/or the action plans defined to mitigate them are already being implemented.





iv. All public disclosure requirements arising from applicable legislation and regulations and relating to the matters covered by the Notice were adequately fulfilled during the reference period.



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