BANCO MONTEPIO
1Q2022 CONSOLIDATED RESULTS
Unaudited information

Lisbon, 13 May 2022

BANCO MONTEPIO REPORTS A CONSOLIDATED NET INCOME OF €11.4 MILLION IN THE 1Q2022

Third consecutive quarter with positive results, maintaining the growth trend in business origination

- **Consolidated net income** of €11.4 million, an increase of €27.3 million compared to the -€15.9 million recorded in the same period of 2021;
- **Core operating income** increases by 3.4% compared to the first quarter of 2021
- **Loans to customers** (net of impairment) with an increase of 1.1% compared to December 2021;
- **Customer deposits** amounted to €12.8 billion, €55 million more than at the end of December 2021, with the Individuals segment representing 74% of the total;
- **Liquidity buffer** rose to €3.9 billion, reflecting a comfortable liquidity ratios position;
- Reduction of **non performing exposures (NPE)** by 27.9% YoY;
- **Common Equity Tier 1 (CET1)** and **Total Capital ratios** fully implemented at 12.2% and 14.6%, respectively, with a YoY variation of 2.2 p.p. and 2.4 p.p.;
- Number of **active customers in digital channels** increased by 4.4% YoY;
- The net income for the first quarter of 2022 includes the cost of €11.7 million related to mandatory contributions to the banking sector.

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Caixa Económica Montepio Geral, caixa económica bancária, S.A. | Head Office: Rua Castilho, 5, 1250-066 Lisbon
Share Capital: EUR 2,420,000,000 | Registered at the Commercial Registry Office of Lisbon under the single registration and tax identification number 500792615

In the first quarter of 2022, Banco Montepio's **consolidated net income** reached €11.4 million, which compares with -€15.9 million in the same period of 2021, mainly due to the positive contributions of net operating income, operating costs and also the lower allocations to impairments and provisions, in particular those related to credit risk.

Core operating income, comprising net interest income and commissions, evolved favourably between the first quarter of 2021 and of 2022, rising by 3.4%.

Loans and advances to customers (net of impairment) totalled €11,796 million at 31 March 2022, showing an increase of €128 million compared to the amount recorded at the end of 2021.

Customer deposits totalled €12,842 million on 31 March 2022, showing an increase of €302 million (+2.4%) over the €12,540 million recorded at the end of the same period in 2021, despite the maintenance of low interest rate levels.

The aggregate of the balance sheet item Cash and Deposits at Central Banks and the market value of assets eligible to obtain liquidity from the ECB, resulting in the **liquidity buffer**, stood at €3.9 billion, evidencing a comfortable financial position.

Asset quality

- **Cost of credit risk** of 0.1%, compared to 1.0% in the 1Q2021;
- **Reduction of non-performing exposures** (NPE) by €372 million compared to the end of the same period in 2021, with the NPE ratio standing at 7.8%, comparing favourably with 10.7% recorded in the end of March 2021;
- **NPE ratio, net of impairment for credit risk**, stood at 3.6%;
- **Increase in the coverage levels of NPE by impairments** to 53.9% (95.9% if we consider the associated collateral and financial guarantees, in line with that recorded at the end of 2021).

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Capital and liquidity

- ***Common Equity Tier 1* (CET1)** phasing-in ratio at 12.7% (+1.4 p.p. YoY) and fully implemented ratio at 12.2% (+2.2 p.p. YoY);
- **Total Capital ratio** phasing-in at 15.0% (+1.6 p.p. YoY) and fully implemented at 14.6% (+2.4 p.p. YoY);
- **Liquidity coverage ratio (LCR)** stood at 265.7% (+35.7 p.p. YoY);
- **Net Stable Funding Ratio (NSFR)** at 123.8% (+12.6 p.p. YoY).

Operational adjustment

- **Operating costs** decrease by 6.0% YoY;
- The **efficiency ratio**, measured by the ratio between operating costs and operating income, excluding one-off cost with the adjustment plan, decreased to 63.6% (-9.2 p.p. YoY), benefiting from the reduction in costs and the increase in income;
- **Retail network optimisation** with the closure of 37 branches (-12.7% YoY);
- **Reduction of the staff** by 244 (-6.6%) in comparison with the 1Q2021.

Results

Consolidated net income in the first three months of 2022 stood at €11.4 million, comparing favourably with the -€15.9 million recorded in the same period of 2021, determined by the lower net allocations for impairments and provisions of €36.0 million and by the €15.6 million increase in income from financial operations, despite the increase of extraordinary contributions to the banking sector of, in aggregate, €1.9 million (€11.7 million in 1Q2022 compared to €9.8 million in 1Q2021).

Net interest income totalled €57.1 million in the first three months of 2022, compared to €57.9 million in the same period of 2021, reflecting the reduction in the cost of customer deposits, the increase in income from investments and funding and the lower contribution of income from loans and advances to customers.

Net commissions amounted to €30.7 million in the first three months of 2022, € 3.7 million higher than in the same period of 2021 as a result of higher income from market, payment services, credit operations and account maintenance and management fees.

Results from financial operations reached €12.9 million in the first three months of 2022, showing an increase of €15.6 million compared with the same period in 2021, reflecting the higher results from currency revaluation and income from securities.

Other results amounted to -€5.6 million in the first three months of 2022, compared to €2.4 million in the same period of 2021, this evolution having been determined by lower income from the sale of assets of -€5.8 million, and by the increase in contributions to the banking sector (IFRIC 21) of €1.9 million.

Operating costs totalled €60.6 million in the first three months of 2022, which compare with €64.4 million recorded in the same period of 2021, showing a reduction of €3.8 million due to a €3.6 million reduction in personnel costs, taking advantage of the synergies resulting from the implementation of the staff adjustment plan, and to a €0.3 million reduction in depreciation and amortisation, whereas general administrative costs increased by €0.1 million.

Efficiency, measured by the cost-to-income ratio stood at 63.7% in the end of March 2022, which compares with 76.0% registered in the same period in 2021.

As part of the implementation of the **operational adjustment** process, the total number of Banco Montepio Group employees and branches in Portugal decreased by 244 and 37, respectively, compared to the end of March 2021.

The aggregate of **Impairments and Provisions** reached a net amount of €1.2 million in the first three months of 2022, representing an allocation of €36.0 million less than in the same period of 2021, essentially reflecting the performance of Impairment for credit risk and investments in credit institutions.

Loan impairment at the end of March 2022, which considers the individual and collective analysis of the loan portfolio, totalled €2.6 million, determining a cost of risk of 0.1%, which compares favourably with the impairment of €31.0 million and the cost of risk of 1.0% recorded in the same period of 2021.

Other impairments and provisions, **related to other financial assets, other assets and provisions** totalled -€1.4 million at the end of March 2022, compared to €6.2 million booked in the same period of 2021, reflecting the reinforcement of impairments for investment properties and the lower allocations to other financial assets and other provisions.

Balance sheet

Total assets amounted to €19,647 million on 31 March 2022, compared to €19,713 million recorded at the end of 2021, reflecting the evolution observed in Cash and Deposits at Central Banks.

Gross loans to customers totalled €12,316 million at the end of March 2022, showing an increase of €126 million compared to 31 December 2021.

The **quality of the loan portfolio**, assessed by the ratio of non-performing exposures (NPE) to total Gross loans, evolved favourably, with the NPE ratio standing at 7.8% at the end of March 2022, compared to 10.7% in the same period of 2021, reflecting the favourable impact of the measures that have been implemented in the area of loan recovery and the sale of portfolios.

The **coverage of NPE by impairments** stood at 53.9% on 31 March 2022. Considering, in addition to impairments, the **collateral and related financial guarantees**, the coverage of NPE increases to 95.9% at 31 March 2022, compared to 93.8% at the end of March 2021.

At 31 March 2022 the **Securities portfolio** totalled €3,808 million, showing an increase of €472 million (+14.1%) compared to the value at the end of 2021, supported by the growth in the Sovereign Debt holdings. The securities portfolio on 31 March 2022 was comprised of 93.3% sovereign public debt securities compared to 92.3% at the end of 2021.

Customer deposits amounted to €12,842 million on 31 March 2022, showing a favourable evolution compared to the total amount recorded at the end of 2021 by €55 million and of €302 million compared to the end of March 2021.

Equity totalled €1,391 million at the end of March 2022, showing a positive variation of €86 million YoY, evolving favourably compared to the €1,363 million recorded on 31 December 2021 as a result of the positive effect of the net income recorded in the first three months of 2022 and the positive foreign exchange reserves (+€14 million).

Own funds and capital ratios

On 31 March 2022, the **capital ratios** were strengthened, incorporating the effects resulting from the reduction in RWA as well as the positive evolution in the net income for the first three months of 2022.

(million euro)	Mar-21	Dec-21	Mar-22	Change YtD
Common Equity Tier I Capital	1,082	1,122	1,109	(13)
Tier I Capital	1,082	1,122	1,109	(13)
Total Own Funds	1,289	1,328	1,316	(13)
Risk-weighted assets (RWA)	9,598	8,800	8,755	(45)
CRD IV / CRR - *Phasing-in ratios*				
Common Equity Tier I ratio	11.3%	12.7%	12.7%	0.0 p.p.
Tier I ratio	11.3%	12.7%	12.7%	0.0 p.p.
Total Capital ratio	13.4%	15.1%	15.0%	(0.1 p.p.)
CRD IV / CRR - *Fully implemented ratios*				
Common Equity Tier I ratio	10.0%	11.8%	12.2%	0.4 p.p.
Tier I ratio	10.0%	11.8%	12.2%	0.4 p.p.
Total Capital ratio	12.2%	14.2%	14.6%	0.4 p.p.
Leverage ratio				
Leverage ratio - Phasing-in	5.3%	5.6%	5.6%	0.0 p.p.
Leverage ratio - Fully Implementated	4.7%	5.1%	5.3%	0.2 p.p.

Phasing-in ratios in compliance with the rules on the reference date.

The ratios include the period's accumulated net income.

At the end of March 2022, the **Common Equity Tier 1 (CET1) ratio** stood at 12.7%, in line with the ratio reported at the end of 2021, on a phasing-in basis, and at 12.2% (11.8% at the end of 2021) according to the fully implemented rules, comfortably above the minimum regulatory requirements of 9.08%.

The **Total Capital ratio** (phasing-in) moved to 15.0% (compared to 15.1% at the end of 2021) and the fully implemented ratio increased to 14.6% (14.2% at the end of 2021), also above the minimum requirement of 14.01%.

RWA decreased by €45 million at the end of the first quarter of 2022 compared to the end of 2021 as a result of the strategy adopted for the disposal of non-strategic assets and the development of the core business of granting credit in segments with lower risk and lower consumption of RWAs.

Liquidity

In the first three months of 2022, Banco Montepio continued to develop a set of initiatives aimed at maintaining a robust liquidity position, with levels well above the regulatory limits in force and in compliance with the strategic objectives of the Funding and Capital Plan.

The **LCR ratio** reached 265.7% on 31 March 2022, 165.7 p.p. above the minimum regulatory requirement of 100%, evolving favourably compared to the ratio of 264.1% recorded at the end of 2020.

Additionally, Banco Montepio maintains a comfortable funding base, determined by a funding structure with recourse to medium and long-term instruments, which contributed to the **NSFR ratio** reaching 123.8% at 31 March 2022, 23.8 p.p. above the regulatory minimum requirement of 100%, remaining at comfortable levels and in line with the ratio of 125.1% recorded in 2021.

On 31 March 2022, the amount of **Debt issued** reached €1,736 million, compared to €1,834 million recorded at the end of 2021, as a result of the decrease in debt securities (-€103 million), while other subordinated liabilities stood at €222 million, increasing €4 million in comparison to the amount recorded at the end of 2021.

As a result of Banco Montepio's investment strategy in liquid assets, under an integrated management of liquidity and funding sources, the total value of the **portfolio of assets eligible for Eurosystem monetary policy liquidity operations** amounted to € 4,438 million on 31 March 2022, compared to € 3,808 million (+16.5%) at the end of 2021. At the end of March 2022, this portfolio included marketable assets, namely eligible debt instruments, in the amount of €3,951 million, and non-marketable assets, such as credit claims granted to non-financial corporations and public sector entities, namely bank loans and used credit facilities, which comply with specific eligibility criteria, which are valued at €487 million.

The amount of **funding from the European Central Bank (ECB)** obtained through TLTRO-III totalled €2,939.8 million at the end of March 2022, aligned with the amount recorded at the end of 2021. The eligible unencumbered collateral portfolio increased to €1,482 million at the end of the 1Q2021, comparing to €850 million registered at the end of 2021.

Digital transition

The digital transition process has continued in the first quarter of 2022, adjusting the service model and sustainably increasing the Group's efficiency. Thus, on 31 March 2022 the Montepio24 Service, a multichannel platform that integrates distance channels, recorded a 4.4% increase in the number of active customers compared to the end of March 2021, totalling 430,718 users, of which 363,743 in the Individuals segment (+4.4%) and 66,975 in the Corporate segment (+4.1%).

The number of transactions carried out through digital channels on Net24 and App24 increased in the 1Q2021 to 18.3 million, comparing favourably with the 17.5 million at the same period of the previous year, reflecting an increase of 5.0%.

Environmental sustainability

Banco Montepio Group has been active in promoting Sustainable Finance, through the structuring of sustainability bonds (green project bonds and green bonds) and the granting of green loans, thus reinforcing its commitment to climate transition. It has a specialised multidisciplinary team that provides Clients with a service focused on supporting the investment projects of Portuguese companies that wish to act and mitigate the effects of climate change, promoting the transition to a greener economy.

Rating

In a press release dated 9 March 2022, Fitch Ratings reviewed the Outlook of Banco Montepio's rating (Long-Term Issuer Default Rating (IDR)) from negative to positive.

As a result of this revision, the Outlook on the 'AA-' rating of the Covered Bonds issued by Banco Montepio was also reviewed to positive by Fitch Ratings, as disclosed on 10 March 2022.

In April 2022, DBRS Ratings GmbH (DBRS Morningstar) reviewed the Trend of all Banco Montepio's ratings from negative to stable.

These reviews reflect Banco Montepio's significant progress in reducing non-performing assets, the strengthening of capital ratios to levels above regulatory requirements, and also the successful fulfilment of the targets of the operational adjustment plan aimed at strengthening its balance sheet, productivity levels and competitive position, namely as regards the optimisation of the branch network and staff, which will contribute to a sustained improvement in profitability and efficiency.

The ratings assigned to Banco Montepio, with reference to 31 March 2022, are presented in the table below:

***Rating* Agency**	**Covered Bonds (CPT [1])**	**Issuer [(2)] (Long-term)**	**Deposits**
Fitch Ratings	AA-	B-	B
Moody's	Aa3	b3	B1
DBRS Morningstar	--[(3)]	B	B (high)

(1) *Conditional Pass-through Covered Bond Programme.*
(2) *Fitch's Issuer Default Rating (IDR), Moody's Baseline Credit Assessment (BCA) and DBRS's Intrinsic Assessment (IA).*
(3) *Banco Montepio requested DBRS Morningstar to cease assigning ratings to the Covered Bonds, as disclosed by the rating agency in a press release dated 29 April 2022.*

Milestones of 1Q2022

- **Anniversary of Banco Montepio - 178 years doing more for the community**

  The history, origin and mutualist roots inspire Banco Montepio to continue contributing to a better, more sustainable, more caring, more just, more inclusive and freer world, putting actions, words and ideas at the service of the community.

  Banco Montepio marked the anniversary with a communication initiative - Banco Montepio TALKS - which brought together voices from the Institution, the Portuguese government and civil society to reflect on concrete ideas and initiatives for the promotion of Gender Equality, Education and Decent Work, and Economic Growth - three UN Sustainable Development Goals (SDGs) to which the Institution wants to actively contribute.

- **Superbrands 2022**

  Banco Montepio received the Superbrands seal for the 13th time and is once again recognised as a Brand of Excellence in Portugal. Superbrands® is an independent international organisation dedicated to identifying and promoting Brands of Excellence in 89 countries and according to the organisation "the selection criteria are similar across countries, the aim of the programme being to identify Brands that, in each market, are performing above and beyond their competitors in their field".

  The organisation further describes that "Superbrands are quality products or services that offer a clear and differentiating benefit, that deliver on their promises, generate notoriety, assume a defined personality and scale of values, remaining true to their principles".

- **Healthy Workplaces Award' 22**

Banco Montepio was recognised as a Healthy Workplace 2022. The Healthy Workplaces Award'22 encourages and disseminates the best guidelines and practices in the areas of occupational safety, health and well-being in organisations and is awarded by the Portuguese Psychologists' Association.

This award encourages the development of actions for change in the Portuguese business world, through the widespread use of good practices, which is the main objective of these awards.

- **Banco Montepio joins Caritas National Week (*Semana Nacional da Cáritas*)**

Banco Montepio joined National Caritas Week, an initiative promoted by Caritas Portuguesa under the slogan "Love that Transforms" ("*O Amor que Transforma*"), with the aim of raising funds to strengthen the response capacity of Caritas in a particularly challenging context, aggravated by the conflict in Ukraine.

With the aim of supporting people in situations of social and economic vulnerability, Banco Montepio supported this initiative through a donation and made a firm appeal for the solidarity of all to support this initiative through contributions to the National Public Appeal, in the streets or online, through Banco Montepio's IBAN.

- **Social Sustainability**

Banco Montepio, whose DNA is based on ESG - Environmental, Social and Governance - guidelines, has had the ability to transform itself to respond to the evolution of society. As the Bank of the Social and Solidarity Economy in Portugal, Banco Montepio continued projects, but also started and achieved new initiatives during the first quarter of 2022.

Within the scope of social support and the programmes of the Social Security Institute (*Instituto de Segurança Social (ISS), I.P.*), Banco Montepio continues to support Social and Solidarity Economy Institutions to help them go further, through co-financing beyond

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profit: sustainable financing that contributes to the sustainability and evolution of the Institutions.

Within the scope of social sustainability, the following initiatives should be highlighted in addition to the above mentioned:

- **Junior Achievement Portugal (JAP):** In 2022, Banco Montepio maintained its association with JAP, which is allowing Banco Montepio employees to participate in JAP's programme "The Company", and at the end of the year they will also be able to participate in the 2nd Edition of the JAP Social Innovation Camp by Banco Montepio;
- **Banco Montepio Acredita Portugal:** Banco Montepio Acredita Portugal is the largest entrepreneurship competition in Portugal and a non-profit initiative that aims to reward the best projects and contribute to the development of entrepreneurial ideas by all Portuguese. Registration for the 12th edition of the competition began on 30 March and will run until 8 June 2022. Banco Montepio is supporting the competition for the 6th consecutive time.

- **Environmental Sustainability**

  In the context of environmental sustainability, Banco Montepio points out that by the end of 2022, Montepio Group aims to have a fleet mostly composed of 100% electric or plug-in hybrid passenger cars. It is estimated that only 8% of the vehicles are combustion engine, a residual number considering the scope of this project. Montepio Group is thus the first Portuguese financial group to implement a totally green fleet. This energy transition is being monitored and evaluated by ADENE, which has already distinguished the project with the Green Fleet Award in the Fleet Magazine Awards.

  In what regards the offer for its customers, Banco Montepio is maintaining its mortgage credit campaign with benefits for homes with energy certificate A or A+ and support for the RRP for the purchase of 100% electric vehicles, aimed at entities in the Social and Solidarity Economy.

An initiative that covers all three factors - ESG - also stands out, and of which Banco Montepio is part under its Sustainability and Social Responsibility Strategy:

- **ESG Week 2022:** Banco Montepio is host and main sponsor of ESG WEEK and of the ISO Plenary Meeting (PLENARY MEETING ISO/TC 322) on Sustainable Finance, two initiatives that will take place simultaneously in the week between 16 and 20 May, in hybrid format (face-to-face and remote) in Atmosfera M and in the Bank's head office. The week-long event features 16 conferences and brings together government representatives, business leaders, national and international experts, academia and civil society organisations, to debate the major current issues in Portugal.

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KEY INDICATORS

	Mar-21	Dec-21	Mar-22	Change YoY
ACTIVITY AND RESULTS (€ million)				
Total assets	19,951	19,713	19,647	(1.5%)
Gross Loans to customers	12,480	12,189	12,316	(1.3%)
Customers' deposits	12,540	12,787	12,842	2.4%
Net income	(15.9)	6.6	11.4	>100%
SOLVENCY (a)				
Common Equity Tier 1 ratio	11.3%	12.7%	12.7%	1.4 p.p.
Tier 1 ratio	11.3%	12.7%	12.7%	1.4 p.p.
Total Capital ratio	13.4%	15.1%	15.0%	1.6 p.p.
Leverage ratio	5.3%	5.5%	5.6%	0.3 p.p.
Risk weighted assets (€ million)	9,600	8,800	8,755	(8.8%)
LIQUIDITY RATIOS				
Loans to customers (net) / Customers' deposits (b)	93.0%	91.2%	91.9%	(1.1 p.p.)
LCR	230.0%	264.1%	265.7%	35.7 p.p.
NSFR	111.2%	125.3%	123.8%	12.6 p.p.
ASSET QUALITY				
Cost of credit risk	1.0%	0.4%	0.1%	(0.9 p.p.)
Non-performing exposures (NPE) (d) / Gross Loans to customers	10.7%	8.0%	7.8%	(2.9 p.p.)
NPE (d) coverage by credit risk Impairments	61.0%	53.5%	53.9%	(7.1 p.p.)
NPE (d) coverage by credit risk Impairments and associated collaterals and financial guarantees	93.8%	96.0%	95.9%	2.1 p.p.
PROFITABILITY AND EFFICIENCY				
Total operating income / Average total assets (b)	1.9%	2.0%	0.5%	(1.4 p.p.)
Net income before income tax / Average total assets (b)	(0.4%)	0.2%	0.2%	0.6 p.p.
Net income before income tax / Average total equity (b)	(5.2%)	2.4%	2.4%	7.6 p.p.
Cost-to-income (Operating costs / Total operating income) (b)	76.0%	69.7%	63.7%	(12.3 p.p.)
Cost-to-Income, excluding specific impacts (e)	72.9%	69.0%	68.9%	(4.0 p.p.)
Staff costs / Total operating income (b)	48.2%	43.3%	39.1%	(9.1 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)				
Employees				
Banco Montepio Group	3,706	3,478	3,462	(244)
Banco Montepio	3,318	3,121	3,113	(205)
Branches				
Domestic network - Banco Montepio	291	254	254	(37)
International Network (f)	20	20	20	0
Representation Offices - Banco Montepio	5	5	5	0

(a) Pursuant to CRD IV / CRR (phasing-in). The ratios include the net income of the period.

(b) Pursuant to Banco de Portugal Instruction No. 16/2004, as amended.

(c) Total on-balance sheet customers' resources = Customers' deposits and debt securities issued as disclosed in the Financial Statements.

(d) EBA definition.

(e) Excludes results from financial operations and other operating results (net gains arising from the sale of other financial assets and other operating income) and non recurring operating costs driven by the operational adjustment plan.

(f) Includes corporate centres.

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CONSOLIDATED INCOME STATEMENT

(million euro)	Mar-21	Mar-22	Change (€Mn)	Change %
Interest and similar income	73.2	71.7	(1.5)	(2.0%)
Interest and similar expense	15.3	14.6	(0.7)	(4.6%)
NET INTEREST INCOME	**57.9**	**57.1**	**(0.8)**	**(1.4%)**
Dividends from equity instruments	0.2	0.0	(0.2)	(100.0%)
Net fee and commission income	27.0	30.7	3.7	13.7%
Results from financial operations	(2.7)	12.9	15.6	>100%
Other results	2.4	(5.6)	(8.0)	<-100%
OPERATING INCOME	**84.7**	**95.1**	**10.4**	**12.3%**
Staff Costs	40.8	37.2	(3.6)	(8.8%)
General and administrative expenses	14.7	14.8	0.1	0.7%
Depreciation and amortization	8.9	8.6	(0.3)	(3.4%)
OPERATING COSTS	**64.4**	**60.6**	**(3.8)**	**(6.0%)**
Loan impairments	31.0	2.6	(28.4)	(91.6%)
Other financial assets impairments	2.1	1.2	(0.9)	(42.9%)
Other assets impairments	8.5	2.9	(5.6)	(65.9%)
Provisions net of reversals and annulments	(4.4)	(5.5)	(1.1)	(25.0%)
Share of profit of associates under the equity method	0.0	(0.1)	(0.1)	-
EARNINGS BEFORE TAX AND NON-CONTROLLING INTERESTS	**(16.9)**	**33.1**	**50.0**	**>100%**
Tax	(1.6)	21.4	23.0	>100%
Non-controlling interests	0.2	0.3	0.1	50.0%
Profit/(loss) from discontinuing operations	(0.4)	(0.0)	0.4	100.0%
NET INCOME	**(15.9)**	**11.4**	**27.3**	**>100%**

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CONSOLIDATED BALANCE SHEET

(million euro)	Mar-21	Dec-21	Mar-22	Change YoY (€M)	Change YoY (%)
Cash and deposits at central banks	2,750	2,968	2,451	(299)	(10.9%)
Loans and advances to credit institutions repayable on demand	40	67	50	10	25.0%
Other loans and advances to credit institutions	364	229	186	(178)	(48.9%)
Loans and advances to customers	11,666	11,668	11,796	130	1.1%
Financial assets held for trading	37	8	55	18	48.6%
Financial assets at fair value through profit or loss (FVPL)	314	203	196	(118)	(37.6%)
Financial assets at fair value through other comprehensive income (FVOCI)	354	123	123	(231)	(65.3%)
Hedging derivatives	11	5	5	(6)	(54.5%)
Other financial assets at amortised cost	2,880	3,004	3,438	558	19.4%
Investments in associates	5	4	4	(1)	(20.0%)
Non-current assets held for sale	6	39	0	(6)	(100.0%)
Non-current assets held for sale - Discontinued operations	1	0	0	(1)	(100.0%)
Investment properties	121	103	98	(23)	(19.0%)
Property and equipment	243	232	238	(5)	(2.1%)
Intangible assets	34	40	40	6	17.6%
Current tax assets	3	7	7	4	>100%
Deferred tax assets	494	460	443	(51)	(10.3%)
Other Assets	628	553	517	(111)	(17.7%)
TOTAL NET ASSETS	**19,951**	**19,713**	**19,647**	**(304)**	**(1.5%)**
Deposits from central banks	2,881	2,902	2,900	19	0.7%
Deposits from other financial institutions	834	555	381	(453)	(54.3%)
Deposits from customers	12,540	12,787	12,842	302	2.4%
Debt securities issued	1,285	1,617	1,515	230	17.9%
Financial liabilities held for trading	13	7	8	(5)	(38.5%)
Non-current liabilities held for sale – Discontinued operations	109	0	0	(109)	(100.0%)
Provisions	34	34	30	(4)	(11.8%)
Current tax liabilities	3	2	7	4	>100%
Other subordinated debt	222	217	222	0	0.0%
Other liabilities	725	227	351	(374)	(51.6%)
TOTAL LIABILITIES	**18,646**	**18,350**	**18,256**	**(390)**	**(2.1%)**
Share Capital	2,420	2,420	2,420	0	0.0%
Other reserves and retained earnings	(1,109)	(1,076)	(1,057)	52	4.7%
Consolidated net profit/ (loss) for the period attributable to the shareholders	(16)	7	11	27	168.8%
Total equity attributable to the shareholders	1,295	1,350	1,374	79	6.1%
Non-controlling interests	10	13	17	7	70.0%
TOTAL EQUITY	**1,305**	**1,363**	**1,391**	**86**	**6.6%**
TOTAL LIABILITIES AND EQUITY	**19,951**	**19,713**	**19,647**	**(304)**	**(1.5%)**

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Disclaimer
The financial information contained in this document was prepared in accordance with International Financial Reporting Standards ("IFRS") for Banco Montepio Group within the scope of the preparation of consolidated financial statements, in accordance with Regulation (EC) 1606/2002.

GLOSSARY

CET1 - Common Equity Tier 1.

Cost of Credit Risk - Indicator that measures the cost recognized in the period and recorded as credit impairment in the income statement to cover the risk of default in the loans and advances to customer's portfolio. It results from dividing the Credit Impairment (annualized) by the average balance of Loans to Customers (gross).

Cost-to-income ratio - Ratio of operating efficiency measured through the portion of operating income that is absorbed by operating costs, given by dividing operating costs by operating income.

CRD IV / CRR - Legislation applicable in Basel III, namely Directive 2013/36/EU and Regulation 575/2013 of the European Parliament and of the Council.

Debt issued - Sum of balance sheet items 'Debt securities issued' and 'Other subordinated liabilities'.

EBA - European Banking Authority, European Banking Authority.

Fully implemented -Totally implemented, in English. It refers to the full implementation of the prudential rules set out in the legislation in force in the European Union, which was produced based on the standards defined by the Basel Committee on Banking Supervision in the agreements known as Basel II and Basel III.

LCR - Liquidity Coverage Ratio.

Net commissions - Corresponds to the item in the income statement "Income from services and commissions".

Net operating income - Corresponds to the sum of the income statement items "Net interest income", "Income from equity instruments", "Income from services and commissions", "Income from financial operations" and "Other operating income" and "Income from the sale of other assets".

NPE - Non-Performing Exposures, Non-performing exposures according to the EBA definition.

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

NSFR - Net Stable Funding Ratio

Operating costs - Sum of the Income Statement headings "Staff costs", "General administrative costs" and "Depreciation and amortisation".

Other results - Corresponds to the sum of the Income Statement headings "Other operating results" and "Results from the sale of other assets".

Phasing-in - Transitional period, in English. It refers to the phased implementation of prudential rules in accordance with the legislation in force in the European Union.

Results from financial operations - Sum of the headings in the income statement "Income from assets and liabilities measured at fair value through profit or loss", "Income from financial assets at fair value through other comprehensive income" and "Income from foreign exchange revaluation".

RWA - Risk-Weighted Assets.

Securities portfolio - Sum of the balance sheet headings "Financial assets held for trading", "Financial assets at fair value through other comprehensive income", "Other financial assets at amortised cost", and "Financial assets not held for trading mandatorily at fair value through profit or loss".

TLTRO - Targeted Longer Term Refinancing Operations.

Write-offs – loans written off from balance sheet (when the Group has no reasonable expectations of recovering them).

YoY - Year-on-year.